



Defence Committee

Oral evidence: [Towards the next Defence and Security Review: Part Two:NATO](#) HC 358

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Members present: Rory Stewart (Chair); Mr Julian Brazier; Mr James Gray; Mr Dai Havard; Mrs Madeleine Moon; Sir Bob Russell; Ms Gisela Stuart; Derek Twigg; John Woodcock

Questions 154-212

Witnesses: **Keir Giles**, Chatham House, and **Edward Lucas**, The Economist gave evidence.

Q154 Chair: Welcome to both our witnesses, and thank you for coming. The Committee is working on an inquiry, “Towards the Next Defence and Security Review: Part Two”, and the specific issue that we are looking at today is how recent actions in Ukraine may affect NATO planning and the way that we think about NATO’s responsibilities in the run-up to the summit that will be held in Wales. We are lucky to have Keir Giles and Edward Lucas with us today, and I want to begin the session with a question to both of you, which is essentially: what is President Putin’s political vision for Russia and what kind of threat would that vision pose, either for the West or for Russia’s neighbours? Perhaps we could start with Keir.]

Keir Giles: We have heard a lot in recent months about comparisons between Russia now and Germany in 1937 and 1938. I think many of those are overdone and that there are many false comparisons, but one thing that is in common is the burning sense of injustice from having lost a war 20 years ago and the desire to put that right. What goes with that is a massive programme of militarisation and exploring new ways of exerting influence, all of which we are seeing in Crimea and eastern Ukraine at the moment.

The overriding aim is to reverse what is seen as a mistake of history. For most of its history, Russia has been a world power. For the last traumatic 20 years, it has been nothing like that and that is what it wants to put right. There is a range of different instruments, mechanisms and methods by which President Putin has been working towards that for longer than most people realise, and this is just the most direct and swift method of regaining lost territory. Not only Ukraine but other western former Soviet republics are seen as territory that Russia has lost but which is rightfully theirs—if not necessarily part of Russian territory then at least with a *droit du seigneur* over them.

When the Baltic states joined NATO in 2004, Russia made just as much fuss, noise and bluster but it was a very different country at that point. There simply were not the

mechanisms at Russia's disposal to do as much about it as when there is the perceived potential loss of Ukraine to the West now. The difference is that Russia has now developed the tools and redeveloped some of the tools that the old Soviet Union had for exercising its power over its neighbours.

Edward Lucas: I should say that I agree with Keir on many things, so if I say something different it is not that I disagree; it is because I agree and am trying to complement it. I would add that I think Putin's chief vision for Russia is Putin in charge of Russia. Maintaining the stability and unity of the regime is his No. 1 political priority. He saw what happened to Russia in the 1990s when the Yeltsin—it is perhaps unfair to call it a regime—leadership was weak and that was, in his view, bad for Russia. It had disastrous results for the Yeltsinites who only narrowly escaped impeachment at the end. No. 1 is staying in power and No. 2 is using, among other things, external means to consolidate the regime's grip. That means whipping up a sense of xenophobia and a sense that Russia is a besieged fortress, that the West is out to get Russia and has cheated Russia, and that Russia has suffered multiple injustices. That helps him to do several things. It energises his base and also helps to discredit the opposition because at least a chunk of the opposition is quite pro-western; it has often studied the West and so on.

Putin's vision is also of a Russia that has soft power. He likes the idea that Russia can influence things abroad and he does not like the idea that the West has great sway and clout in Russia. We did during the 1990s, when Russia was explicitly trying to copy things and do things our way. He does not like that; he would like to exercise influence abroad. He will then use hard power when he must. I do not think he actually likes exercising hard power because he is, in a way, quite risk averse. Hard power can go wrong, but he is perfectly prepared to do it, chiefly when he sees that we are not.

Q155 Mr Gray: What you are saying is quite different, if you don't mind my saying so. Keir, you were broadly speaking about Putin looking outwards and seeking power and territory. Edward, you were repeating the General Sir John Hackett third world war thesis that it was all going wrong in the USSR and that they look outwards to try to preserve their grip over the homeland. That was perhaps rather a subtle difference, but it is important because, if the latter does not work—if Putin's grip on power collapses—he is a much more dangerous creature. If all he was saying was, "I want a bit of land," we could contain him. But if he is collapsing at home, does that not make him liable to explode, whether it be the Baltics or Ukraine or anywhere else?

Keir Giles: Yes. They may have sounded different. Let me try to put forward something which would tie them together. There is a genuinely held belief at several layers of Russian political, military society that the West is coming to get them. Because they are just as prone to misinterpret our intentions as we are to misinterpret theirs—we mirror-image our own perception of the world on to them—they assume that if we are taking territory from Russia, we will eventually come to Moscow. The narrative that Edward was talking about just reinforces the underlying belief that Russia is a rich country and a target for the West to come and effect regime change there as it has elsewhere around the world.

What is different now, after Libya and after Russia felt deceived over abstaining over the UN resolution over Libya—Syria was the first point at which Russian foreign policy

felt sufficiently strong to challenge the West and it did so successfully. They now present themselves as having controlled and contained the United States, and prevented military intervention. They therefore say, “We are the protector of stability and the status quo,” and that they are preventing destabilisation, chaos and all the negative consequences of uncontrolled regime change they point to in Libya and Iraq. It has to be said, they have a point. When it comes very much closer to home, what adds into this underlying drive to reconstitute the Soviet Union in a different form is also a sensation of direct threat. If Ukraine is destabilised by outside influences, as they see it, that has an immediate effect on Russia.

Edward Lucas: To add to that, often things in Russia—maybe in life generally—have multiple causes and it is not really an either/or, it’s a both/and. The idea of prosperous, secure neighbours, which we would think would nice for Russia, the Putin regime sees as an existential threat. If you have a Ukraine that is law-governed, prosperous, democratic, with economic and political pluralism, that would raise all sorts of questions about the much less agreeable arrangements inside Russia. In Ukraine you don’t know who is going to win the elections; in Russia you always do. The feeling of paranoia in Russia is partly authentic, but it is also partly manufactured. The regime whips up absurd threats that there is going to be invasion from the West, that we are to bomb them the way we did Kosovo and Serbia. This is done quite deliberately to try to stoke the political pressure cooker.

Q156 Ms Gisela Stuart: Edward Lucas, I think you made the observation that Putin is in charge of Russia. Could you both shed a little bit of light on just who makes decisions in Russia other than Putin? To what extent do Ivanov, Lavrov, generals—who else is around the table?

Edward Lucas: The circle seems to have got a lot narrower. This is the big black box question, to which I don’t think anybody really knows the answer. Decision making is quite unpredictable, but it seems as though, since the Ukraine crisis, he has been working with a very small group of ex-KGB and military intelligence advisers who are, to some extent, not part of the main power structure. The Foreign Ministry, for example, seems to be caught quite by surprise by some things that are happening.

Keir Giles: Absolutely right. The organisational chart is entirely misleading. For the last five or six years there has been a slow concentration of power in the Security Council of the Russian Federation, which shares its staff with the presidential Administration. That is the decision-making support structure for the president, but even that seems to have been bypassed in this operation, which appears to have been in a very close circle of advisers, not even including the general staff, who were just told to press the go button.

Q157 Chair: To follow up on this, what is your sense of the real motivation behind the current campaign against Ukraine? What kind of outcome is Russia trying to get? What is it trying to get out of what it is doing in Crimea?

Edward Lucas: The main aim is to prevent Ukraine from being a success story and they have done that very well.

Keir Giles: Again, there is no single answer. There are a lot of objectives that Russia will realise by doing this in Ukraine. If we think back to the Georgia war in 2008, a lot of it seemed nonsensical and counter-productive from our point of view, but it did resolve a

lot of doctrinal security challenges according to the Russian definitions. Here, similarly, whereas up until five or so years ago, NATO was seen as a potential threat, but the EU as a potential trading partner, now, as Edward alluded to a moment ago, the EU is also a threat because it challenges the Russian way of doing business. The closer countries are to the EU the more likely they are to have open instead of collusive markets, strong institutions, and politicians who are resistant to the kind of pressure that Russia would like to exert on them. An association agreement for Ukraine is seen as much a loss of territory as NATO accession would be.

Q158 Chair: So in blunt and simplistic terms, we have got a lot of things to worry about around the world, a lot of different scenarios and a lot of different threats. How much of a threat do you think Russia really is to the West? How worried should we be about Putin? How many resources and how much time should we devote to thinking about this as a threat?

Edward Lucas: I think we should be very worried indeed. I have written a couple of books on this subject, which were dismissed as scaremongering at the time, but now look less like scaremongering. Clearly, we have lots of security threats, but this is a revisionist power on our doorstep that is trying to tear up the rules-based European security order, which we have taken for granted for decades and which is the foundation of the way that countries of Europe deal with each other. The regime is fuelled by anti-westernism and if there isn't enough of it, it manufactures it. That has an effect and they are not just making life difficult and sometimes miserable, or even fatal, for Russians at home who disagree with them, they are also actively trying to get inside our system and subvert it. We see this very clearly in the countries of eastern Europe, but also, to some extent, in the countries of western Europe. Things that we took for granted, such as the adherence of countries in western Europe to the EU's commendable energy market liberalisation is now being undermined directly because of Russian influence in, for example, countries of south-eastern Europe. I think it is also NATO's credibility—the absolute bulwark of this country's security—which is at issue in the Baltic states, because certainly Mr Putin appears to think that we are not willing to defend the Baltic states and that he has a chance there of destroying NATO's credibility. That is an extremely dangerous misapprehension for him to be under.

Keir Giles: I agree absolutely, very worrying indeed. The problem is that Russia learned from Georgia and had it confirmed in Crimea that by actions that we would consider unacceptable in Europe they can achieve long-term strategic gains at very short-term reputational and economic costs. It is a problem for the Baltic states in particular—incidentally, Edward is not the only doomsayer whose predictions have been dismissed. Think for how long the Baltic states have been told that they are the troublemakers in NATO for pointing out the Russia problem. Now it appears they are absolutely correct.

The problem there is that the kind of reassurance that NATO appears to be providing at the moment is tied up with article 5 which deters 20th century threats. We are now dealing with an entirely different way of warfare from Russia. Armed attack as a criterion would unite NATO, but if article 5 were tested at the moment, using the kind of scenario we have in eastern Ukraine, it would probably divide NATO and render it entirely uncredible.

Q159 Mrs Moon: I want to go back to look at your comment about undermining the western way of thinking and doing things. With regard to energy, Anders Fogh Rasmussen said at Chatham House last week that he believed that it was part of Russia's policy to encourage the anti-fracking beliefs in Europe. Would you agree with that?

Edward Lucas: Entirely, and I think it is interesting that anyone who said that two years ago would have been regarded as a conspiracy theorist and raving lunatic. Now we have the Secretary-General of NATO saying it. I have seen some very good evidence of open-source material based on very close analysis of the way the Russian ecological and energy groups on the internet have been set up, where, if you are very careful at joining the dots, you can actually see that these groups—which have received a hearing in Brussels and are treated as reputable groups—when you really trace back to their origins it goes back to Russian military intelligence.

Q160 Mrs Moon: Would it only be anti-fracking? What else would you say they were involved in?

Edward Lucas: I would say there is a certain amount of Russian interest in the whole Snowden affair and creating a sense of paranoia in western Europe generally about America, creating paranoia among the public about the activities of their Governments and weakening the West's moral high ground when it comes to the way the internet is run. Damaging the West's image generally all fits very much with Russian objectives. Certainly there are some fingerprints of Russian involvement; we cannot be more conclusive than that, but I would not be surprised—

Keir Giles: It simply had not occurred to me that there would ever be any doubt that Russia was supporting the anti-fracking movement, but the problem is universal. This is information warfare, in its Russian definition, in the broadest possible form. After a slow start with getting to grips with the potential of the internet, they have now embraced it and are pouring resources into influencing or preventing debate about the issues which concern Russia. The scale, intensity and volume of the online onslaught against media outlets across Europe is something that we have been entirely unprepared for and it is exceptionally effective. You find Russian narratives popping up in the most unexpected places, simply because they have grasped the power of the internet and are now pouring resources into it.

Q161 John Woodcock: What do you think might cause Russia to try to annex eastern Ukraine, as it did Crimea?

Keir Giles: I think it is entirely unnecessary for Russia to annex eastern Ukraine. They are already achieving all of the objectives that they need without actually moving main force troops in. The presence of troops on the border has been used as a dimmer switch for ramping up or decreasing pressure on Ukraine, as the occasion demands. For example, ahead of the possible signing of an accession agreement, last weekend we had the pressure ramped up. When the OSCE road map comes out, which satisfies Russia's demands for how Ukraine should be run, all of a sudden Putin says, "No, we are calming things down, we are pulling troops back." So the fact that the troops are there is important, but they are not necessary for Russia to achieve its objectives. It is doing that by many, many different tools, without the actual main force troops.

Edward Lucas: I agree with that. By seizing Crimea and getting away with it, and getting the West to accept that as a *fait accompli*, they have shown that the Budapest memorandum, in which we, France, America and Russia all promised that Ukraine would not be subject to external coercion if it gave up its nuclear weapons, was not worth anything. They have shown that you can tear up the rules and that Europe basically wants business as usual. They may continue to push for what they would call humanitarian corridors, which would tear a further piece out of Ukraine's territorial integrity, but they have basically got what they wanted in Ukraine. Even with the best possible outcome, it will be many years before Ukraine gets over its combined economic, financial, political, constitutional and geopolitical security crises, which are just overwhelmingly difficult. That means that there is no chance of anyone in Russia saying, "Hey, why can't we have a free press, free elections and a judicial system and so on, like they have in Ukraine?" It just won't look that attractive.

Q162 John Woodcock: What are the implications of all this in Ukraine for the West?

Edward Lucas: We should be very worried because we have allowed Russia to score a lot of runs while we weren't looking, to use a cricketing analogy. While we were on first base, they have shown us up and damaged our credibility. We said this must not happen and it did happen. It is particularly worrying for countries that are now on the front-line states. East European countries worry what the EU's or NATO's word is worth and whether the Americans are really there for them any more. It has emboldened inside Russia and had a very good effect, making Putin think that worked, sending his popularity up to 80%.

I think it is extremely ominous. I agree with Keir that these 1939 analogies are a bit dangerous. I sometimes think it is more like 1914 and one of the earlier Balkan wars. I guess many people round the table would have difficulty remembering the difference between the first, second and third Balkan wars, but if you look at the history, they were laying the ground for the conflagration that came next.

Keir Giles: I just emphasise that this is confirming for Russia that these tactics are extremely effective and will embolden them to try them elsewhere in future. There are plenty of other potential trigger points around Russia's western periphery that could spark some action like that, not necessarily only in the Baltic states.

Q163 Mrs Moon: What can and should the West be doing in an attempt to restore international order?

Edward Lucas: The first thing is to shore up the front-line states. We need to have major NATO permanent presence in the Baltic states. We need to have a standing defence plan and treat this as a real military threat, which means having the pre-positioned forces and munitions and everything else we need there so that Putin does not think there is any chance of this working.

We need to put a lot of effort into persuading the Americans—the Americans in America, not the Americans in Europe—that this matters. The American representatives in Europe have been quite good about using American forces for rotation in the Baltic states. We in Britain should have a company rotating into the Baltic states all the time. When the Cardiff summit comes up, we should be—

Mrs Moon: The Newport summit.

Edward Lucas: Sorry, the Newport summit—it was originally announced as Cardiff. When the Newport summit comes up we need to have a new strategic concept which should get into some of the things that Keir was talking about, of non-military threats, the so-called little green men and all the things that I believe you came across during your Committee's trip to Latvia with the excellent Janis Berzins, with whom I agree completely.

Keir Giles: Before I move on to one thing that we can facilitate all of that with, there is one thing we certainly must not do: we must not repeat what happened in 2009 after the Georgia war, which was to pretend that after a certain amount of time that business with Russia is possible and that was just an aberration. It is not; it is part of a very pronounced trend that goes back to 2004, 2005 and the beginning of increased oil revenues and increased confidence for Russia, once they could start throwing their money around and spending more on their military. The pattern is extremely clear and a reset of the kind that followed the Georgia war would be a big mistake. There is an element to the Russian security calculus that says any pain is likely to be temporary, any sanctions are likely to be fleeting and sooner or later the West will assume that Russia is a country that it can do business with normally. I think that has to be challenged.

What I would strongly recommend in terms of underpinning everything that Edward was just talking about is restoring some of the analytical capability that existed until very recently in the UK and elsewhere, which studies Russia and is actually quite good at predicting what the next move is going to be. That capability is out there, it has just been mostly disbanded from the MOD and the FCO.

Edward Lucas: Keir is too modest to say that he was part of that capability.

Keir Giles: If Mr Holloway were here, he might recall that the previous time I was talking to this Committee about what Russia was going to do next with its military, I was on MOD time.

Q164 Sir Bob Russell: Mr Lucas, did I hear you say that there should be permanent NATO bases in Estonia and Latvia?

Edward Lucas: Yes. In a way, every Estonian, Latvian and Lithuanian NATO installation is a NATO installation because they are members of NATO but I think we should beef it up. The Baltic states are a thin, flat strip of territory without much strategic depth, so defending them militarily is quite difficult and reinforcing them in a hurry in a crisis could be very difficult. Therefore, by pre-positioning military personnel and materiel there, we make our defence look more credible. It is astonishing to me that there are 60,000 American soldiers, sailors and airmen in the Netherlands and about 60 in the whole of eastern Europe. This seems to be dating from the days when we worried about—

Q165 Sir Bob Russell: Have Estonia and Latvia made such a request?

Edward Lucas: Absolutely.

Sir Bob Russell: They have, have they?

Edward Lucas: Yes. They are clear about it and they are very pleased with what has happened. We have doubled the air policing—there used to be just one NATO air policing squadron based in Lithuania; there are now two—and there is a rolling programme of exercises, but we should do a lot more.

Keir Giles: All of these would be entirely symbolic but that is all that is necessary. Now, Russia will not wish to tangle with NATO troops because, although their military capability has evolved beyond all recognition since 2008—since they started addressing the deficiencies in their military performance that they discovered during that war, particularly in information warfare—they still have a long way to go before they would wish to be involved in any form of direct conflict with the West.

Q166 Mrs Moon: You started talking a little bit about the understanding in the UK, but is there the will and the understanding across the whole of western power—across NATO—that would actually consider taking action? Is that will there?

Edward Lucas: As Keir said, it is not and the Kremlin knows it is not. They see that they have been very successful at playing divide and rule in the EU and in NATO. You have NATO countries that not only don't spend 2% but flatly say they are not going to spend or even increase their spending at all. You have a NATO state—Slovakia—where the Prime Minister likens the presence of NATO troops in Slovakia as being like the Warsaw Pact invasion of Czechoslovakia in 1968. You have countries in the EU that are energetically trying to destroy the EU's united front on energy policy. This is the result of many years of systematic efforts by the Russians to acquire and exercise influence.

I gave evidence to this Committee in 2009 after the Georgian war and I asserted then that Russia was engaged in trying to build influence in order to restrict our ability to do anything to deter or dissuade Russia in future. I was told by a Committee member that this was very strong meat and asked whether I was sure of what I was saying. I think people would not think that was so controversial now.

Keir Giles: Absolutely. In NATO and the EU, Russia can be confident that it can play off individual nations' interests against any communal action. Let me draw a quick parallel: why is it that Norway is able to resolve border issues and energy sharing issues with Russia in a way that no other country can? It is because it is not a member of the EU. Why is it that Finland can have such close co-operation in security matters with Russia? Because it is not a member of NATO. As soon as they are within the blocs, they become an entirely different target for Russian action and are dealt with in an entirely different way. I do not think that the EU in particular has any credibility as a unified actor in Russia.

Mrs Moon: I wanted to look at what forces were working against us, but I think that has been dealt with. I am happy to move on.

Q167 Mr Havard: You are quite right: our report of 2009 is a jolly good read. People should dig it out and have a look at it.

On the question of the NATO-Russia Act, you seemed to be suggesting that that has been torn up—it is already gone and should be concluded. What is your take on that? The basis of the discussion about whether you have permanent bases—or, as someone said to

me, they are not permanent; they are just long term—is complicated by this question of the Act, as I understand it.

Keir Giles: It is certainly complicated by the Russian understanding of the Act—by their interpretation of what substantial combat forces mean, and by their threat narrative of NATO “moving infrastructure towards Russia’s borders”. However, I think this is one of the points where the Russian narrative needs to be explicitly countered. For example, their insistence that there was a commitment by NATO in 1990 that there would be no enlargement eastwards is simply not true, and that needs to be said loud and clear. We are not very good at saying it directly enough when the narrative comes from the Russian state, the Russian media, or President Putin himself, and it is a complete fiction.

It was the US State Department that first came out with “10 Lies about Crimea”. I think it took them about a month after the information warfare had started. The BBC got around to it only about 10 days ago. Finally, after much internal soul-searching, it said, “Well, it has been noted that some of the statements that came out from Russia turn out not to be entirely true.” We need to be much more ready to directly challenge with facts what the Russian narrative is.

Edward Lucas: NATO made a very big effort to treat Russia as a friend, and I think it went on for too long. After NATO expanded in 2004, NATO explicitly did not create contingency plans for the new members, because that would involve accepting that Russia was a conceivable threat. That gave the impression to the Russians that these new members were NATO-lite, or low alcohol NATO—whatever you want to call it. This was a very bad impression to give, and we are still trying to cope with that. I think Russia has abused the privileges and status it got in the NATO-Russia Council, not least in having a mission at NATO which is full of Russian spies—we know that because some of them have been chucked out. To continue with this delusion that it is possible to treat Russia as a friend is, I’m afraid, not just wrong, but dangerous because it encourages the Russians to continue to think that they can play these games.

Q168 Mr Havard: Do you think the NATO summit should say, “Okay, that’s finished. We’re going to have forces in Poland. We are not going to withdraw in the way we were from Germany. We are going to put permanent bases in.”? Is this something for the summit?

Edward Lucas: The summit should say that NATO’s core job is the territorial defence of its neighbours, and we will do whatever is necessary to do that against any threats that are extant. I remind you of the Russian military exercise Zapad 2009, which rehearsed the invasion, isolation and occupation of the Baltic states, including the use of nuclear weapons against Warsaw. There was a similar, very large exercise in 2013, which demonstrated a greatly improved level of Russian capability. This is a real threat. As a defence alliance, if we cannot defend our members, we might as well pack up and go home.

Keir Giles: That covers the conventional angle, but, for reassurance of the front-line states, there is a great deal more than conventional warfare at stake. There are other problems against which they need to be protected, none of which will satisfy the criterion of armed attack to unite NATO. There has to be a refocusing. The front-line states need to be protected, because it is no longer 20th century threats.

Q169 Mr Havard: I just wanted to be clear: this narrative collapses around this business of the Act. If that is the territory on which the discussion is taking place within NATO and its states, what is your view on that?

Edward Lucas: We should continue to co-operate with Russia where we can. There are plenty of politically neutral, not military-military, relationships that we continue to co-operate on and will do in future, but I think this idea of a big narrative where we said that we have a historic peace and friendship agreement with Russia has been destroyed by Russia's own behaviour.

Q170 Mr Gray: I find myself a little puzzled. If, as you said a moment ago, you are clear that the likelihood of a conventional strike against either the Baltic states or Poland is remote for now, what is the purpose of having conventional forces available in the Baltic states or Poland to repel it? I feel uneasy about using troops for symbolic reasons, but if it is not just symbolic, then what you are talking about is the possibility of conventional warfare between NATO and Russia.

Edward Lucas: I am not sure about the use of the word “symbolic” here. I think that, in a way, all conventional defence is symbolic if you have conflict between nuclear powers. The Baltic states can probably defend themselves for 24 hours, and after that they need reinforcement. We need to make that reinforcement look so credible that even Mr Putin in his most reckless mood, or possibly whoever comes after him, who may be even less pleasant, does not think that this is a quick way of destroying NATO's credibility. There is a danger that you might have a—

Q171 Mr Gray: Sorry, that is precisely what I am trying to get at. At the moment, if there were to be a Russian strike through the Baltic states, actually, absolutely nothing at all would happen. We'd say, “Isn't that unfortunate?” and we would confiscate some of the funds of the Russian oligarchs in London. It would be like Crimea. If we had an American or British division sitting in Latvia, there would be a certainty of conventional warfare between the two. Which of those two do you think is better?

Edward Lucas: I think it's much better to have substantial forces in the Baltic states so this doesn't happen. If you had, for example, a mini-Crimea somewhere in the Baltic states—whether a corridor across Lithuania being demanded and created, or something happening in the ethnically Russian bits of Latvia and Estonia—that would be the end of NATO. We would have failed. That would be the end, and we would live in a bleak world. I want to make sure that that does not happen.

We had a British brigade, an American brigade and a French brigade in West Berlin during the cold war. You may remember that West Berlin was far less defensible than the Baltic states are.

Q172 Mr Gray: That only works if they do not do anything. If we are there and they don't do anything, it's fine. If we are there, and they do do something, we have a problem.

Keir Giles: I thought the key point of what Edward was saying was, “so this doesn't happen.” I am fairly relaxed about the assessment that, were there the symbolic forces that we are talking about in the Baltic states, there would not be an incursion of the kind described because Russia does not wish to risk a conventional war. They are still

extremely conscious of their conventional inferiority, particularly in aerospace precision-guided munitions. They do not want to risk an all-out war with anybody.

Q173 Mr Gray: We went very straightforwardly into a cold war scenario. Let me slightly change the scenario. If we are not talking about tanks rolling across the Latvian border, but about two platoons of little green men setting up a camp in a wood, or an unmarked tank getting lost somewhere—that was all it did in eastern Ukraine—or if we are talking about cyber or information warfare, why would having a presence in Poland help? Those wouldn't be article 5 acts.

Keir Giles: Simply because while we do need to address the new threats, neglecting the old ones would just be an invitation.

Edward Lucas: I agree with that. I question the use of the word “symbolic”. I think the key thing is that we need enough military in the Baltic states to guarantee our ability to reinforce it. The big weakness we have at the moment is the idea that a very quick attack could create facts on the ground that made it impossible for us to do anything, and we need to prevent that from happening.

Q174 Mr Gray: One final thing. Is there political will to send the kinds of troops you describe to the Baltics, creating at least the possibility of meeting? Zapad was 100 miles away across the border. The British people would be sending British troops into a direct confrontational, potential warfare situation with the Russians. Do you think there is political support in the UK for that?

Edward Lucas: If you aren't prepared to put British troops into the core task of NATO, I don't know what we have an Army for.

Q175 John Woodcock: Given your stark assessment of the inability to align interests with Russia, do you have to accept that that will come at the expense, to some extent, of being able to co-operate on combating militant jihadism?

Edward Lucas: It is up to the Russians, really.

Keir Giles: It is. Edward mentioned the scope for limited co-operation between NATO and Russia on areas of mutual interest. Even where the mutual interest—the shared interest—has been very clear, it has been exceptionally difficult to get any meaningful co-operation happening. Even on terrorism, for example, the only way NATO headquarters have been able to work with the Russian general staff and others is by avoiding a definition of the term, because it means such very, very different things to the two militaries. As long as they don't say what they are actually talking about, they can pretend that there is co-operation. It is a similar picture with cyber and with some of the other—

Q176 John Woodcock: They don't say what they are talking about and it's a pretence. I'm sorry, but can you unpack that a little?

Keir Giles: If you look at what happens in SHAPE, in the partnership offices where the representations of all the partner nations are directly interacting with NATO, what is actually happening on the Russian side and has been for a long time is extremely limited. There was an almost total shutdown after Georgia; that was soon revived, but on each of

the headline items that have been put forward for co-operation, very little has been happening in real life. There is talk about it—for example, on the cyber side—but the actual individual achievements are microscopic compared with what would appear to be the scope for mutual interests and protection against mutual threats.

Q177 Mr Brazier: Two of us have been on an SI Committee, which is why we were late. Sorry.

John has asked half my question, but let me just step back from it a little and play devil's advocate. Putin asked the EU some time ago for or hinted that he would like a trade arrangement of some sort. If I remember rightly, he talked about one that stretched from Spain to Vladivostok or used some such phrase. The EU has been steadily building economic relations right up to the Russian border, but I don't think we even dignified his initiative with a response in the EU. Looked at from the Russian standpoint, we are an awful lot larger than the old NATO bloc was, and the prospect of an EU agreement with Ukraine including Crimea—their second largest naval base—could appear distinctly unwelcome to the Russians. My concern in all this is that although I absolutely buy everything you have been saying about sticking up for NATO members and being seen very clearly to underline articles 4 and 5, are we in danger of completely losing sight of any possibility of co-operation on the very serious threat to the south that we share?

Edward Lucas: Let me break that down into different parts. The EU has never said to Ukraine, and nor would it ever say, that it wanted it to cut its trading relations with Russia. We have a rules-based trading system, chiefly involving the WTO but also the EU. It is in our interest for Ukraine to be prosperous. We want Ukraine to have very healthy trade relations with Russia. What Russia was trying to do was to make it into an either/or choice: “Either you join our phoney version of the European Union”—the Eurasian Customs Union, soon to be the Eurasian Union—“or you join the EU arrangement, but you can't have both.” It was the Russians who made it into a binary choice, for reasons we were giving earlier. I think they don't like the idea of Ukraine being a success story.

To me, it's a bit like if you have a house occupied by someone who is extremely unhappy if his neighbours are prosperous, because it makes him look bad. Then he gets very annoyed if his neighbours put up burglar alarms because they are scared of him and says, “Don't put that burglar alarm up. It makes me feel nervous.” The right way to deal with that is not to say, “Okay, we'll let our houses fall down and not put up burglar alarms, because it makes you feel like that.” We have to go ahead and do what's in our interest, and it's in our interest to make Ukraine prosperous. It will be much more difficult now, thanks to the Russians.

There is room for co-operation. I think the Russians are quite hard-headed about it, and we do co-operate on things such as the northern supply route—getting stuff in and out of Afghanistan. It is in their interest that Afghanistan doesn't fall to the Taliban. They have co-operated, but we have to be very careful of this Russian approach of linking things—where they say “Okay, you want that, we want this, so you do a bit less of that and we'll do a bit more of this.” There are some things that I think are not amenable to linkage, and European security is one of them.

Q178 Mr Brazier: Forgive me, but this is my first question. I should know the answer to this, but I don't and I expect you do. Has the EU at any point offered Russia anything worthwhile in the trade line when they ask for a trading relationship?

Edward Lucas: Constantly. Going back to the 1990s, the EU has been trying to help Russia again and again. The trouble is that we operate on a rules-based system where small countries' interests matter. What Russians love is saying, "We're a big country. Let's talk to you as a big country and find out something and everyone else will have to fall in with it." That is why Russian security proposals for a common European security system did not work, because they wanted to do it as a bargain between big countries, and we can't do that. We tried that at Yalta and it didn't work very well. We are not going to do it again.

Keir Giles: I have nothing to add. I am glad that Edward mentioned the European security treaty because I am not familiar with the Putin proposal you mentioned, but it sounds very like the Russian proposals for a European security treaty, which we would not wish to touch for that reason, plus the fact that it imposes security on Russian terms. The trade agreement might impose trade on Russian terms, which is very different from how we understand nations to co-exist.

Q179 Ms Stuart: Before I ask you about General Gerasimov and the new generation warfare, with all this talk about co-operation, could you briefly say something about Russia and the Shanghai Cooperation Organisation?

Edward Lucas: Yes. This has the aim of combating separatism, extremism and terrorism. In a narrow sense it works quite well. It is a good way of persecuting the Uighurs of western China, and in security and intelligence co-operation, it has worked quite well, at least in the terms in which it was conceived. I don't think in the long run we are going to see a solid Russian-Chinese alliance, because the Chinese basically despise the Russians. As Andrei Piontkovsky said, any alliance between Russia and China would be an alliance between a rabbit and a boa constrictor, with the Russians playing the role of the rabbit.

Keir Giles: The Shanghai Cooperation Organisation does demonstrate that on certain limited issues Russia is capable of co-operating with those parts of the world that share its view of how the world should be run—but that is not us.

Q180 Ms Stuart: Let us turn to General Gerasimov, particularly that whole concept of the new generation warfare. To what extent do you think it could apply to the Baltic states?

Keir Giles: I think it is fairly clear. I think it is striking how clearly Gerasimov laid out the programme, if you like, for how exactly they see new generation warfare working. In each of the tools, the stages, the mechanisms that he describes, you can see concrete examples of how it could be applied not just, again, against the Baltic states, but against anywhere else that provides a trigger for Russian intervention by creating the perception in Moscow that Russian interests are threatened. I think it is a manual for the new Russian way of war, and as such we should study it very closely, because it tells us very clearly what we could have countered in the early stages in Ukraine.

Edward Lucas: I reread it again this morning before I came here. Anything that fits neatly on a PowerPoint slide deserves to be regarded with a certain amount of caution. My quarrel with it is that it is a little bit too neat—it has a nice sort of sequence of events and arrows flowing in orderly directions—whereas I think the Russian approach is quite opportunistic and they will take whatever works. If they need to get somewhere and they can do it by compromising a politician, they do it that way. If they can do it with propaganda, they will do it that way. If they can do it with diplomatic bluff, they do it that way. If they can use intelligence special operations, they will do it that way. Economic sanctions? That's fine. Military? If necessary, we can do that. The way I would see it is as a series of tools ranging from the small and information, economics and political-based, through to the much bigger military ones, but we should be cautious about assuming that they will do it in the order that the author, Gerasimov, says; they could quite easily do things in a different order. The really important point is that most of this is stuff that NATO doesn't know how to deal with.

We made three big mistakes when the cold war ended. We thought that money, energy and information were all basically harmless. We thought: Russia is capitalist, that's great; trade and investment have no political effect. In energy, they are a reliable supplier and it doesn't matter if we are dependent on them. We won the cold war with our propaganda being better than theirs and we have a free press and what could they possibly ever do to attack us information-wise? We have woken up on energy and we are waking up on money. I think we have not yet woken up to the information warfare vulnerabilities.

Keir Giles: Gerasimov's summary is just the tip of the iceberg. There is a great deal more open-source writing about what Russia thinks it can do in a new form of warfare now, building on the lessons of the Georgia war and what could be done better, but also incorporating new capabilities and capitalising on the West's weakness. The material is out there; it is there to be studied. By and large, most things that happen are predicted somewhere or other before because they are up for discussion in open sources in Russia.

Q181 Ms Stuart: If Gerasimov's principle may be applied in a different sequence, and if you are right, Edward, and NATO is not prepared to deal with that, what would we need to do to be prepared for it?

Edward Lucas: We need to look at—this would be part of the new NATO strategic concept. The first thing they did with Ukraine was to give the Ukrainian economy a tremendous kicking with sanctions. That is what makes people very fearful: if they think they will lose their jobs, then they start prioritising predictability over other things. One thing we should be on the alert for, for example, would be Russian attempts to destabilise the Baltic states' economies. Are we ready to come in, protect trade and investment there and counter that? That is not really a NATO task, but the first thing to do if you were weakening the Baltic states would be to attack one of them with trade sanctions, blocking the east-west transit flows or things like that, knocking a few percentage points off GDP, sending unemployment up and putting them in a recession.

On energy security, we are doing quite well in building resilience into the European gas grid, but there is still no gas interconnector to the Baltic states from the rest of Europe. They are dependent on Russian gas. Again, we can accelerate and push that sort of thing forward. I agree that it is difficult. These things are not traditionally part of NATO's remit

Keir Giles: Attempts to destabilise the Baltic economies again; this in itself is not an unusual factor, but combined with other indicators and warnings that Russia was preparing something, if we look closely at the theory of it and apply that to what we are observing in Russian interaction with its neighbours, it should be fairly straightforward. We need people looking at it, taking close interest and reconstituting the institutional memory that used to exist of how Russia works and how that can be applied to understand what its future moves are.

Edward Lucas: It is worth noting that the Latvians are setting up a centre of excellence in strategic communications as their main contribution to NATO. That is something Britain should very strongly support.

Chair: I am afraid we are short of time, so could I ask for relatively short answers to questions? We may have to follow up with written questions.

Q182 Sir Bob Russell: Mr Giles, do the UK Government have a deep enough understanding of President Putin and today's Russia?

Keir Giles: No.

Q183 Sir Bob Russell: Right. If you had a blank sheet of paper and had to give a briefing to the Prime Minister, what would you put on it?

Keir Giles: I referred a little while ago to the specialist analytical institute that specialised in predicting exactly what Russia was going to do and was actually fairly good at it. For example, it warned of the armed conflict in Georgia and predicted the Putin-Medvedev presidency swaps both times. That was shut down in 2010. Defence intelligence had two individuals studying Russian military policy. Their augmentees amounted to three; that was scaled back to one a couple of weeks ago. The Ukraine desk officer post was chopped two years ago, so when they wanted to have someone covering Ukraine specifically, they brought in the south Caucasus desk person in the hope that nothing would kick off in the south Caucasus at the same time. I suspect that if you asked that same question at the MOD, you would get a very different answer, but those are the desk level realities.

The frittering away of the capability of understanding Russia started in 1990 and has continued unchecked ever since, despite the fact that you might have thought, after Russia invaded one of its neighbours six years ago, someone might have started paying attention.

Q184 Sir Bob Russell: That is all now on the record and will be noted. A supplementary question to that: do we have enough qualified academics and Russian speakers in the defence intelligence service?

Keir Giles: To the best of my knowledge, no.

Edward Lucas: It has been a bit of a career killer for people. Being interested in Russia and being hawkish about Russia, which is what you want in this, has been a bit of a career killer in government. You get promoted by promoting ties with Russia, not by worrying about Russia.

Sir Bob Russell: That's an opinion.

Edward Lucas: I can suggest some evidence for that.

Q185 Sir Bob Russell: Are there enough Russian speakers at the Foreign and Commonwealth Office?

Edward Lucas: No.

Sir Bob Russell: I didn't see your lips move.

Keir Giles: No, there are not.

Q186 Sir Bob Russell: Mr Lucas, you indicated that there is a large number of American military personnel in Holland, I think —

Edward Lucas: The Netherlands, yes.

Q187 Sir Bob Russell: To pursue that further, if we look at British military personnel in Germany, should the UK be reconsidering its withdrawal of its forces from Germany?

Edward Lucas: It's quite hard to see what they are doing there, and I can think of other places where they would be much better deployed. The new member states of NATO are cheap places to operate because costs are low, and there is a lot of space there because they are relatively lightly populated. That, to me, suggests they would be good places. Rather than expensive, crowded western Europe, why not put them in cheap, thinly-populated eastern Europe?

Q188 Sir Bob Russell: Are you suggesting permanent basing of British forces in Latvia and Estonia, or are you talking about Estonia, Latvia and possibly Lithuania being used as training areas, as we currently use Poland, in particular?

Edward Lucas: Both, whether permanently or persistently. Obviously, if Russia becomes friendly, things will change, but the key thing now is to look at it from a military point of view. What do we need to do to make that defence, particularly the reinforcement capability, credible? When we've decided that, we have to do it.

Q189 Sir Bob Russell: We are out of time, so I will just ask this last question. Would you accept that Russia might see what happened in Ukraine as regime change—the forced removal of a democratically elected President?

Edward Lucas: I think that is a preposterous way to describe it, but those are the terms they use all the time.

Q190 Sir Bob Russell: Well, I understood that he was elected, and that he is no longer the elected President. What phrase would you use to describe his removal?

Edward Lucas: I would say he ran away.

Q191 Mr Havard: I am collapsing a lot of stuff together, but on the question of capacity—not just military capacity, but the capacity to understand and respond to language—we visited Estonia and Latvia, and the mix of the population is very interesting. They were saying to us all the time, "But they are speaking to our people in the Russian

language.” Presumably you would agree that we need to reinvest in a number of things, not the least of which are language services that speak to the people in those countries in languages they understand. We talked about information warfare, influence operations and all that sort of stuff in our report in 2009. Some of us said that you shouldn’t disinvest in that sort of stuff, but you have disinvested in it. Presumably that is the big programme, is it?

Keir Giles: It is a part of the problem. It is not possible to understand what Russia is thinking without understanding Russian. There are a number of reasons, but I will put it very simply. Some of the concepts simply do not frame themselves well in English. A lot of the sources are inaccessible if you do not speak Russian because there is such a vast gulf between the Russian media environment and what makes it into English. Language capability—not only for Russia but for any other part of the world that is a problem—is absolutely crucial. You cannot do without it.

Q192 Mr Havard: Radio Free Europe, the World Service or what?

Edward Lucas: We have scaled back our language services. You are right that they have been cut back and that it is a shame. It is very easy to cut these capabilities; it is much harder to regrow them. We are starting from a position of almost zero, both in offence and defence. We need both to shore up our own information space against these Russian attacks and find some way of turning the tables on them and getting our message across inside Russia, where people just believe the Putin narrative.

Q193 Mr Havard: This stuff is almost as important as military capability. It is, in effect, a force multiplier, is it?

Keir Giles: It certainly is. There is one other point, which you almost alluded to. There is a rule of thumb that the closer a country is to Russia, the more resources and clever people they throw at understanding Russia. We have a lot to learn from Russia’s neighbours, and we always have had. We can use their help in building up our capability.

Q194 Chair: The thing that seemed most striking in your presentation was your comments about the Ministry of Defence and the defence intelligence service. Setting aside the responsibility the Foreign Office has for understanding Russia, could you run us through one more time why you think the MOD specifically needs this capacity, what that capacity is and how you would suggest that capacity was rebuilt within the Ministry of Defence?

Keir Giles: Why the capacity is necessary: in September of last year we wrote a paper describing the progress of the Russian military transformation to date, since 2008, describing what they had achieved and we concluded the paragraph saying that Russia’s neighbours need to pay very close attention to what they are now capable of and how they may be used. Russia’s intentions have not changed, but their capabilities have and those need to be studied. The next intervention will not be the same as in Crimea or Ukraine, but it may use some of the same tools and we need to understand them.

How to reconstitute that? I touched on that a moment ago. We can use assistance from our friends who are closer to Russia. There is still a capability, which is now diffuse and outside the MOD and FCO, for understanding Russia that can still be brought back in.

Edward Lucas: I'm not a specialist in the internal workings of the MOD, but I would say that the Poles, Estonians, Latvians and Lithuanians have been systematically right on Russia for 25 years. They have been systematically ignored and patronised by our foreign policy establishment and our politicians who have told them that they are paranoid, that they are not properly informed, that they don't have perspective and so on. They have been proved absolutely right in almost every respect and I think the first thing that we should do is go to them quite humbly and say, "What do we do now?" take their advice, and then do it.

Q195 Mrs Moon: A very quick question, is there a risk to the British economy from the massive investment from Russian oligarchs?

Edward Lucas: Absolutely. It is a self-inflicted wound that our biggest company—formerly known as BP, now known as Britneft—has jumped into bed with the main Russian oil company, Rosneft, in a way that creates terrible strategic vulnerability for the British economy and anyone in this country who has a pension. It is very easy for Rosneft to put BP under pressure with its major investments there, and if that happened, BP might have to cut or even miss a dividend and that would be felt the length and breadth of this country. That is not clever plotting by the Russians; that is something we did to ourselves with our green naivety.

Chair: Thank you both very much for your concision, your wisdom and experience and, having had you before the Committee in the past, we hope we may have the privilege of having you in the future.

Mrs Moon: Let's hope we don't need you.

Examination of Witnesses

Witnesses: **Major General Neretnieks**, (retired), **Robin Niblett**, Chatham House, and **Igor Sutyagin**, RUSI, gave evidence.

Chair: Welcome back to the session. The Committee will now hear from Major General Neretnieks, Robin Niblett and Igor Sutyagin. The session will be opened by my colleague, Madeleine Moon.

Q196 Mrs Moon: A nice easy opener and starter for 10: why was NATO unable to predict and so slow to react to events in Ukraine?

Igor Sutyagin: One of the main reasons for lack of prediction was that the Kremlin failed to predict these events, because the original plan, as far as—

Chair: Dr Sutyagin, could you speak up a little bit?

Igor Sutyagin: Yes, I will try.

If you read these small signs, you will see that it seems the original plan was quite different. The original plan was to prevent Ukraine from drifting westward. To do that—

that was the idea of that federalisation—it was necessary to establish some sort of entity controlled by Russia, within Ukraine, which would have its say on Ukrainian foreign policy. Ukraine is a united country, but one unique entity, the autonomous republic of Crimea, was the single entity that was not absolutely united with Ukraine and it had a 58% ethnic Russian population. So the general plan, as far as I can read that, was to establish a semi-puppet state in Crimea, influence that, and, via Crimea, influence Kiev's decisions. That was the original idea.

It was mentioned in the previous session that Russia's policy is very much opportunistic. When people in the Kremlin have seen the opportunity for lots of gains: to save \$5 billion a year—the discount for basing the Russian Black Sea fleet in Sevastopol—to solve the territorial problem with Ukraine about the Kerch strait, which was not settled for 23 years, and to solve the problem and question of domestic support in Russia for Vladimir Putin, it was considered that there were lots of gains and nothing to lose. Just temporary losses, like in 2008; then the West will swallow Crimea as it swallowed South Ossetia. So it was the perfect move.

They have moved with that plan, forgetting about the original idea to stop Ukraine from drifting westward. That is why they had to launch another operation, instead of the Crimean operation, in the east of Ukraine, under the very same slogan of federalisation: the establishment of something which would stay within Ukraine, but still influence Ukrainian policy. That is why it was impossible to predict this move—the annexation of Crimea—because it was not the original plan. No one in the Kremlin predicted that.

Robin Niblett: I would just add another angle from my perspective, which is that I do not think Governments in the West—collectively, NATO—thought that Ukraine would pan out the way Ukraine panned out. I think, first of all, the expectation was that somehow a deal would be done with President Yanukovich around the Vilnius summit last year that would allow some type of progress to take place on the economic association agreement with Ukraine.

With that having been turned down, I think people thought the protest would go so far but eventually, with the deal done—I cannot remember which weekend it was—involving European Foreign Ministers as well as Sergei Lavrov and the Ukrainian Government, the thinking was that some diplomatic solution would be discovered within Ukraine, and they did not expect the protestors to still keep protesting and the killings to take place and then for Yanukovich to flee.

The first point is that I just do not think we read Ukraine right, never mind whether Russia read the situation right. I do not think we read the way Ukraine would pan out correctly. Secondly, we have had a mental map for at least 10 years of Russia as an evolving strategic partner. I say “we” but I would say parts of Europe. It is certainly in the lexicon of NATO; it is in the founding charter and the NATO-Russia Council. But to go from that to thinking of Russia as ultimately an opponent was a very difficult shift.

The third part was tactical and maybe gets to the point that Igor made just now. I don't think we expected Vladimir Putin to annex Crimea within two days of their own declaration of independence. That really was—certainly to me, though maybe not to Igor and others—a surprise. I can hazard guesses as to why they did it. That redrew the options

for diplomatic reaction very quickly. From then on, a line had been crossed, at least in terms of rule of law, that it was very difficult to come back on.

Q197 Mrs Moon: Is there an essential problem with NATO and its capacity to react? If Russia can do something in a matter of two or three days but NATO needs 28 days to react, what is the essential problem? How do we build on our capacity to react faster and to keep abreast of events?

Major General Neretnieks: It is a bit problematic for me to answer that, Sweden not being a NATO member. But as an outside observer, I would say that NATO is not what it was when it comes to decision making, fast reactions and capabilities. That of course makes it difficult to react on such a surprising situation that evolved here. No one expected it. If you don't have good processes for handling such situations, it will take time.

Igor Sutyagin: I will add a slightly different dimension. I think there is a cultural and an existential problem for NATO now. I would like to quote the author of two German war plans, Field Marshal von Schlieffen, on exactly this sort of situation:

"He who does not fear to use violence will win and his victory is all the more assured if his opponent avoids violence."

That is one of the fundamental reasons why NATO in this situation is fundamentally much less effective than Russia, because Russia is willing, not so much to exercise violence, but to bluff with violence, and NATO is certainly not prepared for that.

Robin Niblett: I would come at it from a slightly different angle. NATO took time to act, but NATO wasn't attacked. Here we are judging NATO as having failed, but a member of NATO was not attacked. We all know that to make decisions among an alliance of 28 countries is going to be complicated and slower. There is a lot more capacity for rapid action within the Russian system, just its system of government and so on, never mind Iraq and Afghanistan.

The simple point I want to make is if Russia had attacked Lithuania or Poland, let's see how quick the reaction would have been. Even over Libya, the time to make a decision in the end was relatively quick and that was an out-of-area action. My simple point is that NATO was not attacked.

I would like to define the problem a little differently. The fact of the matter is that there are 28 countries with different geographic viewpoints. There are a lot of reasons why it is going to make us slow, but when you are not being attacked and a member of the alliance is not being attacked, it is going to make it even more complicated.

Q198 Mrs Moon: Would you agree that reaction times should be one of the critical things that is looked at at the Newport summit?

Robin Niblett: Absolutely. There are so many ways in which NATO could improve its preparedness, but the most important thing it will need to do is think through a common perspective of what the security risk is. What we are going to come out of this crisis with post hoc is a very different perception of European security being at risk, which we did not enter it with. That will probably make decision making a little quicker.

Igor Sutyagin: I fully agree but would like to add one minor detail. I slightly disagree with one thing. NATO was not formally attacked but NATO's interests have been attacked. The problem is that what has happened in Ukrainian Crimea is that effectively, without diplomacy, if you behave in a crazy way you get what you want and you get out with impunity. The problem is that there are so many people around the globe who would love to follow this pattern established by Vladimir Putin, which creates a major threat to the interests of NATO members—maybe not NATO as an organisation. I like to use this example in the institute: the fact is that the Malvinas lay much closer to Argentina than the Falklands to the UK, and there are some forces in Argentina that would love to grab the Malvinas back for Argentina. The point is that this crisis goes far beyond Russian-Ukrainian relations, and even the problem of European security is a problem of the world order. Dealing with the crisis is not about punishing Vladimir Putin for improper behaviour; the restoration or preservation of the world order is the issue for NATO. That is why I would say that NATO interests have been damaged.

Robin Niblett: A quick comeback: I do not think that Vladimir Putin has got off with impunity. We can come back to this later, but I think that there are plenty of examples to give that show that Russia is paying a big price.

Q199 Mr Havard: Let us just deal with the question of capability. The argument could be that because we have been dealing with expeditionary warfare, terrorism and all this sort of stuff, we have not configured ourselves to have conventional deterrence and the ability to do conventional deterrence. Is it a matter for the NATO summit to rededicate itself to that sort of approach? What sort of comments have you got about that? The US attitude to this is actually quite interesting. It is quite determined—over a long period of time, it would appear—to do something. What do you see coming out of the NATO summit discussions about enhancing the capability for conventional deterrence and this business about—if not permanent basing, persistent basing and changing the lay-down?

Major General Neretnieks: I would like to quote a Russian general, after Georgia 2008, who said something like: we used conventional, old-time tactics. It turned out to be asymmetric warfare, because others were not prepared for it. I think you really have a point that we have been concentrating so much on fighting insurgencies and so on that we have very much lost our own capability to fight conventional war. What is worse, we have also, let us say, “fooled” our allies—the Baltic states and others—to train for such contingencies instead of for territorial defence or conventional warfare.

Q200 Chair: General, on that, I know that you have looked at the Zapad 2013 exercise. Could you give us a brief insight into what you concluded from looking at that exercise?

Major General Neretnieks: Yes. I think that Zapad 2013 and other similar exercises—Vostok and others—that the Russians have conducted show that the Russians have regained their capability to mount large conventional military operations. They are, I would say, some years ahead of us if we started to train for the same thing today. They have regained a capability that they had lost and we have nearly lost, but now, when you look at Zapad 2013, that is a large-scale conventional military operation.

Robin Niblett: A couple of quick points on this. If we look forward to the NATO summit, as you asked, on one hand it strikes me that there is a strong, growing consensus

on the need to improve NATO's capacities for collective defence. I was involved in chairing an experts group for NATO that reported on 10 June. Our paper and the papers prepared by other groups that were convened by the NATO Secretary-General all made that point. It was interesting to see the amount of consensus, if not across Governments, at least across thinkers from different parts of Europe, which took a relatively similar position on this about the need for pre-positioning equipment, proper exercises, snap exercises, command and control improvements—one could go on. There is a long list, and you will find them everywhere. As the NATO Secretary-General has described, I think there will be a sort of NATO readiness action plan of some sort—I would imagine that will be put forward—that will recognise the fact that the kind of enlargement that was undertaken in the past decade ended up being politically credible but perhaps not militarily credible. Now it will need to be made militarily credible as well. That will be an important improvement.

I will simply say that I do not necessarily think that expeditionary forces are a distraction because many of the capabilities you need for expeditionary forces are going to be relevant for the kind of deployments that may need to be made from one part of Europe to another. The kinds of interoperability that were developed through Afghanistan on operations are likely to be useful if they can be sustained. I do not think it was a waste but it was obviously a different focus geographically.

One more point: the danger is—I am not an expert on Russia but my sense is that they are very good at feinting and making you put a lot of effort in one place and you go somewhere else. Most of what Russia has been successful with so far in the context of Ukraine, and even other parts of eastern Europe, has not been conventional military action. It is described by—maybe Keir Giles talked about this earlier—this non-linear form of aggression, let's call it, that does not necessarily rely on the kinds of tools that are easily deterred or defeated by the tools of conventional defence. This is going to have to bring us into a whole other area of resilience and strength that is well beyond what might be under a NATO heading.

Q201 Mr Havard: But backed up by 150,000 conventional forces at the back. Do you know what I mean?

Robin Niblett: Absolutely and that is part of the mix.

Q202 Mr Havard: But does this speak to a new NATO strategic concept process?

Robin Niblett: The NATO strategic concept is three main parts of collective defence. Crisis management and co-operative security of 2010 remain valid. It is whether we are capable of delivering them that will be the difference. I think the NATO strategic concept was developed at a time of relative strategic security so it was theoretical. Now we are having to make those capabilities real because we are no longer living in world of theoretical threats.

Q203 Mr Havard: What do you reckon, General?

Major General Neretnieks: I don't want to be misunderstood. There is nothing wrong with expeditionary capabilities. Different countries need different capabilities. If we speak about the Baltic states or Poland, I would say their priority should be some kind of

territorial defence, but when it comes to Britain—that is a totally different thing. Your task—if I may say so—is to help others by going there; that is expeditionary capabilities.

Igor Sutyagin: I fully agree with Robin. The fact is that it is not exactly about conventional deterrents. What is happening in Ukraine now is asymmetric warfare. If you looked at the troops deployed around Ukraine, there was an abnormally high amount of spetsnaz units. They represented up to 8% of deployed troops, which is less than 1% of armed forces. It is eight times more representation than usual.

What is going on in the east of Ukraine now is classic spetsnaz tactics because they have special reconnaissance units. They have special reconnaissance tasks and special operational tasks and second among these operations is to establish insurgents—lead them, use them as cover and as a base for their own activity. That is exactly what is going on in the east of Ukraine. That is why I think that it is necessary, maybe—I agree with Keir Giles—to re-establish some knowledge of Russia and to understand those tactics.

Interestingly, we discussed the article of General Gerasimov on his presentation this year, just a month ago, but he published nearly the same thesis in February 2013 describing that. As a matter of fact, the scenario that we have now in Ukraine was tested in Zapad 2013, on those exercises, from the other side because they suppressed insurgents. However, the insurgents, against whom they ran those operations, were also trained in something, and that is exactly what they are doing in the east of Ukraine now. That is why I think it is necessary to re-establish this knowledge of Russia—to carefully read the small signs, to understand what they mean and to project that into the future. It was possible to have a warning more than a year ago. That possibility was missed. That is why I think that in addition to conventional deterrence it is probably necessary to have an eye on this deterrence or maybe on countering this asymmetric warfare; countering spetsnaz operations. That is why maybe Estonians are quite right in putting an emphasis on spetsnaz units.

Q204 Mr Havard: Can I ask then, out of all that, planning at the moment in NATO is about generic plans, not planning for these things. Do you think there is a need to establish a different planning process within NATO to respond to all of this?

Robin Niblett: I feel I am not well enough informed on NATO planning to give an accurate reply on that. I would simply say that the need for contingency planning of the sort that reflects the kind of intentions that Russia has demonstrated and even to project them out to things that we would like to think as being unthinkable—I do not know all the details of the Zapad exercise, but didn't they end up with a tactical nuclear strike of some sort? I think we have to be able to play hardball on our exercises as well, to demonstrate that kind of thinking, and not to be treating military exercises as a way to try and demonstrate forms of appeasement, I suppose.

Igor Sutyagin: If I may add very briefly, the very last time that the United States had a plan of war against Canada was in 1946, so they had this contingency plan when it was absolutely clear it was not necessary. The military still planned it, so probably that is the military approach.

Major General Neretnieks: Your question has a bearing on what Mrs Moon asked earlier, why did NATO react so slowly? If we leave Ukraine to one side, because that was

not a NATO problem, but it would be a NATO problem in the Baltics or Poland. If you do not have well-thought-through contingency plans then you will be a very slow starter and it will also be a quite chaotic operation if you have not prepared it well.

Q205 Derek Twigg: Can I put it a different way? If you were sitting in Putin's position in Russia, what do you think he and the Russians have learnt from what has happened over the past few months in Ukraine? What are the lessons they will they take from that and how do you think that will influence their future actions?

Igor Sutyagin: First, I would say that it was probably considered nearly a complete success. It worked as planned. Statements about the necessity to restart business as usual are already here. The Russian press is full of information about foreign offices of EU proposing not to undertake any sanctions. So it seems they do believe that it is good tactics, which means that they might and probably will try those tactics once again, if there is another opportunity. That is why I think it is very important to send proper messages. The current messages are wrong.

Q206 Derek Twigg: One part of my question relates to what you have just said, but what have they learnt from our response, or lack of response? What have they learnt from that? What does that mean for the future?

Robin Niblett: My view is somewhat different. I take where Igor started from and I assume where some of the previous set of evidence went, which was this idea of having to react opportunistically, even around plans that had been developed and they had in their drawer that they could use. However, it was not a situation that they foresaw—the Maidan and Yanukovych having to flee—so they have had to react from that point. The lesson learned—the reality—is that it looks like Ukraine will sign an association agreement by the end of this week, which was what this whole thing was about. The Eurasian Union will not contain Ukraine—that is a massive strategic failure for President Putin's vision of Russia's place within its geographic sphere of influence. The South Stream main pipeline that would have let them gradually remove perhaps complete reliance on Ukraine as a transit route through to western Europe for its gas supplies has been stopped, will be investigated and will perhaps get back on but perhaps will not get back on the track, so I think that is a serious diminution of one of their main forms of leverage. In the end, NATO is going to be far more united at the end of this process, and probably a little bit more—I'm not going to overplay it; I think there will be all sorts of political and budgetary limitations—prepared, robust and united in its position within the new members of the alliance than it was before this conflict.

I think the lesson is, yes, you can disrupt a country on your border, sure—Lugansk, the Donbass region and Donetsk remain contested areas—but is that a definition of strategic success? Not to me. This is Russia's border. If Russia remains with an ambiguous situation on a border that is not able to be an outcome that it thought it could be, to me that is a strategic failure. This is Russia's border, not Britain's, Italy's or even Germany's border. I think their outcome is going to be quite negative. So I think the lesson learned is that Russia is going to have to balance its West-leaning foreign policy with one towards Asia.

Q207 Derek Twigg: That's the Russian view?

Robin Niblett: I think the Russian conclusion is that a partnership with Europe, just as I think west Europeans have mostly concluded that a partnership with Russia, on a strategic level, is not going to be possible. I think they realise that they are going to have their hedge their economic bets far more robustly. I don't think they will do it particularly well, because they haven't got that much leverage going to the East. You say, "Gosh. Special operations forces and it all works." Well it worked here, a village there, but in the big scheme of stuff, I don't see it working.

Major General Neretnieks: I think that the Russians will see this, when they look at the concrete things—Crimea and such—as reasonably successful. But the two big lessons are that, one, the world does not react. It speaks a lot, but the hard reactions are lacking, especially from the EU, I would say. The big question mark that remains is what will NATO do in the future. But also NATO is a bit divided.

Q208 Derek Twigg: What does Russia think NATO is going to do?

Major General Neretnieks: I think their conclusion will be that, "Oh, we got away with it." Their appetite might grow—"we got away with it". But one thing that we shouldn't forget: the Russian present regime has become extremely popular on this adventure. From a domestic point of view, popularity, staying in power or whatever, this has been a huge success.

Q209 John Woodcock: The discussion has moved on a little bit, but can I just take you briefly back, Dr Niblett, to what you said earlier in summing up the expansion of NATO being politically useful but without the military capacity to underpin it?

Can I challenge you on what seems to be quite an optimistic statement, to say that, actually, now that this was a good thing, and now that we can fill the military capacity? I know that you talked a little bit about transferring forces, but is it actually not the case that we are looking at defending ourselves on more than one front? We had relied on Russia being relatively easy to manage. At a time when all the NATO countries are cutting defence budgets, or at least under great stress, how can we satisfactorily meet the commitments without taking it in a way which would leave us far too vulnerable in another area?

Robin Niblett: My first point would be to say that we had relied on Russia being a partner, but in my personal view, Russia was never going to be the kind of partner that we thought it was going to be. So the reason I take a relatively optimistic line—I think maybe the three of us would agree on this point—is that I think we now see the world a little more clearly than we did before. That, to me, is a good thing.

On whether NATO will be united in its position, clearly there are big debates in Germany and in other parts of western Europe about the extent to which we need to get back to business as usual. I think it is interesting that Germany has held a reasonably tough line so far. I think Angela Merkel has turned out to be tougher than expected on this topic. I think even the SPD find it difficult to go back to the kind of position they had in the past. Even popular opinion in Germany has shifted a little bit in the last three to five months. Clearly, we have woken up to a reality that our east is not as benign an environment as we in Europe thought it was. But to me it never was. So this is a good thing that we know it wasn't.

Frankly, I am more concerned about penetration of Russian-type business practices into central, eastern and even western Europe, than in some ways I am about the 150,000 troops. I think we will start to see this as part of a mixed and very intelligent, to a certain point, Russian strategy. But the Russian strategy, which is to bring some of its preferably opaque business practices and ultimately political practices into parts of central and eastern Europe, is going to be that much more difficult to sustain in the coming years now that the cat is out of the bag. Yes, they took Crimea and I think Crimea has been a strategic gain. I don't think we can deny that, including, I suppose, how the law of the sea will perhaps see this.

Russia is going to end up with a series of contested areas around its border that are perhaps ambiguous in international law, where investment might be complex where you will have smuggling, semi-corrupt organised crime units, and not the kind of neighbourhood I would like to live with personally. But if that is the system that the Russian Government believes is going to be good for its future strategic position, good on it. I think that we in the West—maybe optimism is too strong a term, but I hope that we in the West, and you as elected leaders, have more to play with now to make the case to the public that we in Europe still live in a dangerous world. We live in a dangerous world in our neighbourhood to the east. We clearly live in a dangerous world in our neighbourhood to the south. I personally think we have interests that are involved in the space of security, even further to the east towards Asia. It is my job and that of my colleagues here to raise the nature of those dangers. Hopefully, there is something to justify it for you to be able to take as elected politicians to play with. Getting the money is going to be difficult. It is all about choices. But I think the choices are clearer now than they were six months ago.

John Woodcock: But does this require a step up in defence spending or a realignment of defence spending priorities?

Robin Niblett: I will stick by the phrase that we made in our report for NATO which was that however good smart defence pooling, sharing specialisation might be—and they are important parts of what European countries need to do, given that there are different needs and different capabilities—ultimately under 2% you start to not have sufficient critical mass to deal with the range of threats which I see around European nations. Within that 2% —2% is a very blunt number—one would hope that you would have targets perhaps towards particular countries, as General Nereitnieks said. But you would focus a certain amount on equipment, on R&D and capability, not simply on keeping up conscript forces or whatever it is that are not contributing to real defence. But I see, hopefully, an arresting of an understanding that it is business as usual with your defence budget and your 0.9% or 1.2% and that in the next five, six, seven years to 2020, or maybe a year or two after it, we might get back to 2% across the board.

Q210 Mr Brazier: If NATO needs a new strategy based on real deterrence don't we need a UK security strategy, including new capabilities to deal with spetsnaz, whether we are talking about being able to assist the Baltic states or concerned about what is happening to our own North Sea oil potentially or other possibly easily picked off targets of choice? There is a curious historical moment: 100 years ago we had a great power that also had remnants of a very strong economy in its German-speaking areas but was nevertheless a political basket case and manifestly coming apart with a military power next to it that was hyperactive, quite powerful, but convinced it was surrounded by other people who wanted to do it down. There

is a curious parallel. It is quite a dangerous position you are painting and this whole Committee is enthusiastic about defence spending but what do you suggest our priority should be? If we got a bit of extra defence spending, where should it be focused?

Chair: Can I use my privilege to say a couple of things? One is that I am afraid there is a vote coming and a number of colleagues coming in. Secondly, I am going to slightly bossily direct this to Dr Sutyagin and General Neretnieks, because Dr Niblett has spoken quite a lot recently.

Igor Sutyagin: Actually, I would prefer to stay away from answering this question. I am still a Russian citizen and probably not in a position to advise the United Kingdom on how to spend its defence budget.

Chair: Very good.

Major General Neretnieks: I completely agree, we have to do something about spetsnaz and similar activities, but it should not be done at the expense of something else, because we are lagging behind also in conventional warfare, and we are lagging behind when it comes to cyber-warfare and when it comes to handling media threats or what you could call “influence”. We cannot do it on one piece of the toolbox. We have to have the whole toolbox.

To my mind, sorry, but there are no other options today than to increase defence spending. It is not because of my background. Most countries have reached a level where the masses are under-critical. We cannot have good exercises any more; training is not good; and we are lagging behind when it comes to procuring new equipment. 2%? Okay, it's some kind of goal, but I am afraid that even that will be too little.

Q211 Ms Stuart: I want to look more closely at the new NATO structures and your views on them, particularly whether you think abolishing the Northern Command was slightly premature.

Major General Neretnieks: Perhaps it was a good decision, once upon a time, to abolish all these regional commands, but in the world we see today I think it would be very clever to re-establish some of them: Northern Command, perhaps also Southern Command, or something like that. As we said earlier, that is a prerequisite to make good contingency plans. One headquarters in Brunssum cannot make contingency plans for the whole world. What is more, a very important thing is that commanders and staff officers learn to know their counterparts in those areas where they are supposed to operate. That means that you have to partition Europe into operational slices with a command response for each slice: northern Europe, central Europe, southern Europe, or something like that.

Robin Niblett: One very quick comment on that. Something we picked up during the course of our study is that one of the problems you have right now is that the NATO staff in the command structures have been reduced, partly under the expectation that national military forces would supplement those command capabilities, and as I understand it, they have not fully done so. You may want to create more commands, but will people deploy the necessary high-ranked officers to be able to staff those commands? I share the General's viewpoint. I would simply note that at the moment we have not been investing even in the command structures we have got.

Igor Sutyagin: I am not sure about the re-establishment of mini commands, but the fact is that the Russian Ministry of Defence is going to establish an Arctic Command due to the increasing importance of the Arctic. It seems to me that it might be difficult for NATO Command sitting in just one place to react to actions and events in both north Africa and the Mediterranean, and, at the same time, the Arctic. Northern Command might be a reasonable decision as, first, a response to new challenges and new horizons, and, secondly, it might send a very interesting and important—and a bit dangerous—message to Russia. Re-establishing this command in this extremely sensitive area for Russia, where more than half its sea-based deterrent is concentrated, will be a very sensitive push in that area, forcing Russia to think more in defensive terms than in offensive terms.

We discussed the lessons learned. Russian politicians—Putin himself is a tactician so that is why, from his standpoint, it was victory. It is not exactly the Russian standpoint that strategically it has lost. He does not think in strategic terms. That is why he might see this danger as the net result of his actions. That might lead to him reacting in a more defensive way than using these as an invitation to use his spetsnaz. That is why it is dangerous, because the establishment of Northern Command will merely and inevitably lead to some level of confrontation with Russia; maybe not direct, maybe not cold war-style, but some increased confrontation with Russia because it is very sensitive. It will be a very important message for Russia and might be a big deterrent.

Q212 Ms Stuart: When the new Secretary-General was announced, there was an argument that the battle over whether NATO should look to the eastern Mediterranean or the north had been won in favour of the north. Is NATO capable of, Janus-like, looking at the north and the eastern Mediterranean with equal importance, or do we just not have the resources for that?

Igor Sutyagin: It is not that clear whether it is possible. The point is that we must not overestimate what is written in the Russian media, for instance, about the Russian armament programme. We must not overestimate Russian armed forces' capabilities because, for instance, according to the current Russian operational plan, it will be one Russian brigade defending against one American division. That is three times smaller; it cannot defend; it cannot attack. While they have regained some capabilities, they are still limited to regional action. That is the question: whether Russia will be able to present large forces in the Arctic and whether those forces will be so incomparably larger than NATO forces. That question requires deep understanding.

Major General Neretnieks: I do not know if NATO has the capability to look in two directions at the same time, but where do we have NATO members in northern Europe, NATO members that might be under threat? That is especially the Baltic states. Eastern Ukraine is interesting—it is an awful place, really, in many respects—but NATO's main task must be to look after the interests of its members. Therefore, if NATO has to make priorities, to my mind it has to be northern Europe, especially the Baltic states, because they are extremely hard to defend, if it is even possible to do so. If you have to choose, choose the north.

Robin Niblett: The Norwegians have invested as well, quite actively, in the north. They have a base up there, which I am sure they would be interested in being seen as playing a more active role, especially with their own interests in the Arctic. This business

of whether NATO can be Janus-faced—can you have framework nations? Can you have groups of nations that are able to cluster sets of interest in a particular direction? That would be a key question for me, whether it be to the north or the south.

Chair: Very sadly, I think we have reached the bell. I think colleagues have moved through their questions, so let me just say we are very grateful for your time. Thank you very much indeed.