



Do Grand Bargains Work?

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THE ISSUE

Grand bargains prove usually to be neither grand nor bargains. But they are tempting. Faced with difficult geopolitical conundrums, politicians' egos all too often trump prudence. Surely the way to break the logjam is through decisive (even "visionary") leadership? The bureaucrats can deal with the details.

Do Grand Bargains Work?

History suggests that the grandeur soon fades. In September 1938, British Prime Minister Neville Chamberlain thought he had struck a great deal with Adolf Hitler. Nazi Germany would get the Sudetenland, salving the wounds of the Versailles Treaty (which was also a grand bargain of sorts). Peace had been rescued from the jaws of war.

But the Munich agreement postponed the cataclysm only by a year. And when Hitler did attack Poland, Czechoslovakia—which would have been a crucial ally—was already dismembered.

That deal lives in infamy. So do the Yalta and Potsdam agreements, in which Britain and the United States carved up postwar Europe with Stalin's Soviet Union. The grandeur was less then, but the lesson is the same: don't strike bargains that involve other people's countries. Far from sating Stalin's ambitions, Yalta and Potsdam fired them up. Only after the Berlin Airlift did the Western powers realize that they were dealing not with an uncomfortable ally, but with an expansionist empire.



Winston Churchill, Franklin D. Roosevelt and Joseph Stalin at the Yalta Conference at Livadia Palace, 1945. Credit: The Granger Collection, New York.

The gritty realities of the Cold War prompted a much more useful guide to geopolitics. Détente and the resulting arms control agreements were based not on illusion, but on a shrewd if belated appreciation of the danger of nuclear war. The 1971 Four Power Agreement over Berlin signed by the United States, Britain, France and the Soviet Union was a model of its kind. It was not a treaty, and thus needed no ratification. Its wording was purposefully vague, leaving the city's status undefined. Rather, the benefits were practical: the resumption of human contacts across the Berlin Wall, improved air-traffic control, easier road and rail transit, the easing of tensions.

The culmination of this cautious, step-by-step approach was the Helsinki Accords of 1975. Again, this was not a treaty. The United States resisted Soviet attempts for a speedy and dramatic denouement. The agreement did recognize the stability of existing international frontiers in Europe—meaning that Germany could no longer claim its lost territories in the East. That assuaged some Soviet paranoia. In return, the West won a great prize: the Soviet Union accepted that human rights were universal.

At the time, Helsinki did not seem like a game-changer. In retrospect, it unleashed a force that would destabilize and topple the Soviet empire, culminating in the spectacular series of summits between Ronald Reagan and Mikhail Gorbachev that ended the Cold War.

But these were not “grand bargains.” They reflected acuity on the Western side in appreciating the change in—and weakness of—the Soviet negotiating position. They were also based on steadily growing trust between the negotiating parties, coupled with a pragmatic approach, encapsulated in Reagan's famous phrase about arms control: “trust but verify.”

The specter of a grand bargain loomed over the “Two-Plus-Four” talks that ended the division of Germany.¹ Unwisely, some Western negotiators came close to pledging that NATO would rule out any eastwards expansion if the Soviet leadership accepted West Germany's annexation of the remains of the “German Democratic Republic.”

That promise should never have been floated, let alone made. The countries of Eastern Europe—notably Poland, for at the time the Baltic states had yet to regain their independence—were not consulted. The “two” in the talks were East and West Germany; the “four” were the main victorious wartime powers. Nobody else was asked or invited.

In any event, the offer was not made formally; the Soviet Union had other issues on its mind, not least the financial price it would extract from West Germany for withdrawing its occupation forces from the east. But the whiff of deals lingered. Next up were the Baltic states. In the early 1990s, Russia's leadership floated the idea that the withdrawal of its occupation troops should be tied to language and citizenship privileges for the civilian occupants—the Russian-speaking migrants who had moved (illegally under international law) into Estonia, Latvia and Lithuania while those countries were under Soviet rule.

4 DO GRAND BARGAINS WORK?

Thankfully, that deal was never put formally on the table, and the West instead pressured Boris Yeltsin's Kremlin to withdraw his troops (which happened by September 1994). The status of the non-citizen population in Estonia and Latvia was handled with advice— mostly sensible—from international human rights bodies.

Less successful was the West's attempt to strike grand bargains with the Yeltsin Kremlin over economic reform. This included the International Monetary Fund bending its rules beyond the breaking point to overlook incompetence and corruption in the Russian government, and continue to provide bailouts totaling \$22.6 billion.²

That approach failed on many counts. The Russian economy collapsed in the summer of 1998, with a humiliating default and devaluation. Accepting brusque instructions from outsiders increased the sense of humiliation felt by many Russian decision-makers. And the West was seen to abandon the moral high ground it had occupied during the latter period of the Cold War: it preferred shabby deals and stability to upholding principles such as the rule of law.

Perhaps the most notorious bargain was the “reset” of March 2009, in which the United States tried to take advantage of a perceived opening in Russian politics, as Vladimir Putin stood down from the presidency in favor of the younger and purportedly more liberal Dmitri Medvedev.



U.S. President Barack Obama and President of Russia Dmitry Medvedev hold a news conference following their talks at the Kremlin in July, 2009. Credit: Vitaly Belousov/ITAR-TASS.

Cliches and exaggeration abound over this episode, so it may be useful to examine it in some detail. It started with a diplomatic gimmick—a large button labeled with what the State Department believed was the Russian word for “reset” (though it was mistranslated—the word used actually meant “overload”). In July, Russia agreed that American military shipments could pass through its territory en route to Afghanistan. In September, the United States abruptly and embarrassingly cancelled two planned missile-defense installations in the Czech Republic and Poland. The decision was announced, hurriedly and inauspiciously, on 17 September—the anniversary of the Soviet invasion of Poland in 1939.

The best case for the “reset” was that it was a defensible gamble. Perhaps Medvedev was for real. If not, treating him as if he were a genuine reformer might encourage him to become one. Unblocking relations from the deep freeze that had descended after the Georgia war in 2008 was necessary. And although the Czechs and Poles were understandably aggrieved by the cancellation of the missile-defense bases—over which Atlanticists in both countries had sacrificed much political capital—the Obama administration was committed to a bigger and better missile-defense program in the future. It had also made important commitments on other fronts to European security, pushing a reluctant NATO to start making contingency plans to reinforce the vulnerable frontline states in the event of a crisis. That was something the previous administration, of George W. Bush, had firmly refused to do.



Russia’s Foreign Minister Sergei Lavrov (R) passes on the reset button he received from U.S. Secretary of State Hillary Clinton during a March, 2009 bilateral meeting in Geneva. Credit: Fabrice Coffrin/Reuters.

The real cost of the reset was different, though. It gave U.S. allies the uneasy feeling that they were merely pawns in a bigger game: that Washington was conducting diplomacy over their heads, and without their consent—*o nas, a bez nas* [about us, but without us] in the plaintive catchphrase of the Czechs after Munich. Confidence in American competence and judgment was already strained by the cost and difficulty of the U.S.-led missions in Afghanistan and Iraq. The “reset” compounded those doubts.

The lessons of this inevitably schematic overview are clear. The best way to deal with the Kremlin is to be firm and cautious. Small steps that work are a lot better than big ones that don't. There is room for big gestures, so long as they are not irrevocable and do not come at the expense of other countries.

Against that background, how should a putative Grand Bargain between a Trump administration and the Putin Kremlin be judged? At its heart would be better counter-terrorism cooperation against Islamic State. Few would quarrel with that—but such cooperation should be in both countries' interest already. Why must it be part of a big diplomatic package? Moreover, what Russia regards as terrorism is not necessarily the same as the Western definition. Russia would like to extradite peaceful Chechen émigré leaders. And Russia has shown itself remarkably unwilling to help Western security services dealing with Russian-based terrorism—as the Boston Marathon bombing showed all too tragically.

Then there is Syria. Here Russia has the upper hand, having comprehensively trounced the Western-backed opposition. Perhaps Russia could help more in dealing with Islamic State. But again, nothing prevents such cooperation already. It just so happens that Russia mostly prefers to support the Assad regime against the opposition. Perhaps a Trump administration will find a marvelous new diplomatic approach in Syria, which draws the thread of success from the tangle of Turkish, Kurdish, Sunni Arab, Shia Arab, Iranian and other interests. But it is not obvious that a joint diplomatic approach with Russia is the missing ingredient.

Moving away from the Middle East, the other aspects of a Grand Bargain look still more troubling. A veto on further NATO expansion would be a devastating blow for Finland, Georgia, Montenegro, Sweden and Ukraine. And for what? Only tiny Montenegro is a real prospect (the Senate was due to ratify its accession this month). True, Russia does not like NATO expansion. But it is not a realistic prospect for Georgia and Ukraine. And it would be hugely in America's interest if Finland and Sweden—two strong, wealthy countries with excellent bilateral transatlantic security ties—were to join the alliance. A freeze on NATO expansion would be a mixture of symbolic and concrete concessions to the Kremlin. The quid pro quo—cooperation on terrorism, as well as on Syria—will probably amount to nothing.

Another potential element is the lifting of sanctions on Russia over Ukraine, and a renewed push on the authorities in Kiev to implement their side of the flawed Minsk agreement. Here the dangers are far greater than the gains. The likeliest outcome would be the fall of the pro-Western leadership in Kiev, and its replacement by an aggressive and resentful nationalist grouping: harder for the United States to deal with, and an easy target for more Russian mischief.

The grandest of bargains would involve demilitarization on Europe's frontline. Russia would pull missiles or other forces out of Kaliningrad, and NATO would freeze its plans to create tripwire forces in Estonia, Latvia and Lithuania. Luckily, this is—for now—so unlikely as to be unrealistic. Such a plan would arouse a political furor across half of Europe, and on Capitol Hill as well.

Yet even the conjecture is damaging. Grand Bargains are, in short, antithetical to the real basis of American power: dependability and cooperation with allies. Problems abound, and the previous administration's cool, detached approach to geopolitics offers plenty of scope for a more vigorous approach to dealing with them. But the overwhelming lesson of the past is that it is not showy deals, but firm, patient negotiation—backed by excellent intelligence and military might—that brings the biggest and most lasting results.

Endnotes

1. See http://www.cvce.eu/content/publication/2003/3/12/9bfc5f5-8e0d-46ee-9f7f-8e9a7c945fa7/publishable_en.pdf
2. The IMF's \$22.6 Billion Failure in Russia, *The Heritage Foundation*, August, 1998.



Cover photos:

Top - Neville Chamberlain returns from signing the Munich Agreement 1938. Credit: Universal Images Group.

Bottom - Moscow, Russia. Credit: Seamas Culligan/ZUMA Wire.

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