

Chapter 1

Introduction

Editor's Introduction

Strategic Survey 2022 charts a geopolitical fault line marked by two decisions. The first was the West's withdrawal from Afghanistan in August 2021. This ended a 20-year military intervention that was the first act of the now-forgotten 'war on terror'. The second was Russia's invasion of Ukraine six months later. This began the biggest war in Europe since 1945.

These twin events will shape world politics for years. They have already thrown up surprises. Few expected that the Afghan government forces would collapse so completely, or that Ukrainians would stay and fight so hard and so well. Few expected, after the calamitous evacuation from Kabul, that a new war would restore Western unity and purpose, or lay bare Russia's weaknesses across every domain of power, so quickly.

They offer lessons too. On the hubris of power, which drove the West to try to remake a very different state and society, and which led Russia to try to dictate the identity – and deny the very legitimacy – of another people. And on the significance of choices that might have been different. President Vladimir Putin's invasion of Ukraine despite a visibly unhappy, if compliant, elite unleashed forces that could end his regime. President Volodymyr Zelenskyy's refusal to leave Kyiv in the first days of the war, against the advice of his aides and Western governments,

instilled in state, army and country the will to resist. By preventing a Russian victory, and thus a fundamental change to the European security order, this single decision changed the course of history.

More surprises and lessons will follow as the war and its consequences ripple out into the future. These are not only geopolitical, but also geo-economic. The war has disrupted global commodities markets and fuelled inflation. More fundamentally, it is driving rapid innovation in the theory and practice of economic statecraft. Potent new instruments of coercion and constraint, such as an oil-price cap, are being honed and used against Russia, a systemically important oil exporter. Governments around the world are watching closely. And as states harness global markets for security ends, the private sector must reckon with – and better understand – a dawning era of political risk.

Beyond the war, wider forces are also shifting the landscape of world politics. Strategic rivalry between China and the West is deepening. AUKUS, an agreement between major democracies on three continents to develop and share military technology and research, is the most ambitious response so far to growing Chinese power. Islamic extremism continues to spread in Africa, especially in the Sahel and in Mozambique. An encouraging de-escalatory trend of Middle Eastern conflicts – with Israel–Iran relations the major exception – has set in. Conversely, a spate of violent episodes in Central Asian states point to rising instability.

There are growing signs, too, that the course of world politics, and especially of major rivalries, will be decided as much by the balance of domestic resilience as by the balance of power. Russia's late and reluctant decision to order a not-so-partial mobilisation is testing support for the war and loyalty to the regime that launched it. China's uncertain growth, against the background of a rigid zero-COVID policy, may test domestic stability. America's politics and society appear as polarised as they were during Donald Trump's presidency – and the revelations of the House of Representatives' Select Committee to Investigate the January 6th Attack on the United States Capitol show just how serious was the threat to democracy during his last days in office.

War is redefining Western security, may change Russia profoundly, and is influencing perceptions and calculations globally. Shifts in power are exposing unexpected strengths and weaknesses that will shape the international order. The rules and practices of political economy are being rewritten as globalisation – more market, less state – gives way to its opposite, economic statecraft. When the history of this era is written, the fault line of 2021–22 may run as deeply through it as that of 1989–91.

November 2022

Chapter 3

Strategic Prospects

The geopolitical earthquake that resulted from Russia's invasion of Ukraine on 24 February 2022 will send further tremors and reinforce fault lines in global politics. At the close of 2021, the United States and most European countries were committed to the Indo-Pacific as the strategic theatre to which attention must shift. Asia's strategic primacy was a settled strategic consensus. Russian President Vladimir Putin's imperial adventure, however, pulled the West back into defending the security of its original area of strategic focus. The European security order is 'a core interest' of the West. Its fracture would make any more external security commitments unviable. Its successful defence would lend credibility to any Indo-Pacific tilt. A variety of residual security commitments made in the Middle East would also be shown to be more reliable if success were achieved. Nevertheless, the perceptions of the conflict remained diverse in these other regions, with the Russian narrative that its invasion was provoked getting much more purchase than the facts warranted. Reputationally, then, the strategic challenge for the West became dual: defeat Russia to both restore the European security order and regain the trust of the rest of the world in Western strategic objectives and ethics.

The early course of the conflict was conducted by the West with considerable military reserve. Concerns about providing so-called offensive weapons to Ukraine and fears of escalation blunted the strength of the

initial response. Over time, as the extreme brutality of the Russian attacks was exposed and the extraordinary national will of the Ukrainians to repel the invaders became evident, many of these worries abated. With the delivery of NATO-standard equipment, Ukraine was able to mount counter-offensives. But a persistent fear of direct conflict with Russia prevented the US from delivering long-range artillery, first-class tanks and other equipment that may have more decisively shifted the balance of power at an earlier stage. A creeping escalation of military support, justified by persistent Ukrainian successes on the ground, became the preferred option.

The instinct was to treat Putin's Russia the way predecessors had treated Leonid Brezhnev's Soviet Union – do everything to avoid a direct conflict that could lead to the horrors of a strategic nuclear confrontation. That goal was wise overall but may have cut off reasonable military options that would have brought a faster end to the conflict on terms that were consistent with the maintenance of the European security order. One Cold War memory was judiciously recalled – avoid a direct US–Russia war and keep NATO out of conflict. Another Cold War memory was unstrategically forgotten – devise flexible responses and ensure escalation dominance. Escalation became a 'four-letter word' in Western geopolitical parlance. But defence is not escalation, and counter-offensives are necessary for victory. Thermostatically controlling the exact levels of military assistance given to Ukraine against an outdated Cold War gauge set to 'warm' but avoiding 'hot' gave the Ukrainians just enough to defend and persist, but not quite enough to repel and win.

Initially, US policy tried to distinguish between offensive and defensive weapons, and then sought to provide artillery that did not have the range to target inside Russian territory. Russia had attacked the largest country in Europe and ripped up the European security order, and yet an arms-control policy and end-use restrictions were imposed on the defending state. It was not just Ukraine that urged the delivery of 'more, faster' – soon the Northern European and Baltic states became the strongest advocates of a robust response. After all, it had been President Niinistö of Finland already on 1 January 2022 who had provided elements of this

evolving strategic ‘thought leadership’ in his New Year speech. Then, he counselled that ‘whenever avoidance of war has been the primary objective of a group of powers, the international system has been at the mercy of its most ruthless member’. By 24 February, this sorry prediction came true. A country that had long had a strategy of self-reliance in defence and a prudential foreign-policy approach towards Russia realised that its long-standing strategic posture was no longer tenable. Within weeks of the invasion, support for NATO membership had risen from around 20% to over 80% of the Finnish population.

A genuine fear of Russia’s intentions and the complete loss of a minimal level of strategic trust made the argument in favour of NATO membership overwhelming. Careful to march in lockstep as much as possible with fellow European Union member state and neighbour Sweden, the two had their membership applications accepted. The fact that two Nordic states so quickly changed their long-standing foreign policies to seek NATO protection was an eloquent rebuttal to Russia’s claim that NATO’s 2008 ‘Open Door’ policy was the ‘legitimate security concern’ for which an invasion of Ukraine was the appropriate palliative cure. No material effort had been made since 2008 to advance the interest of Ukraine or Georgia to join NATO, despite Russia’s occupation of Crimea and its military engagement in eastern Ukraine supporting separatists in 2014.

The Baltic states, with an unhappy history of Soviet occupation, and now with long NATO borders with Russia, also became strong advocates for robust Western military support to Ukraine. Lithuania had special concerns, given its additional Russian border with the exclave Kaliningrad. The leadership in Vilnius had to show formal respect for Russian sovereignty by ensuring that EU sanctions operated properly against it, while being prepared for the military hardware that Russia might position within Kaliningrad. Latvia, like other states, spoke frankly about its disappointment at the level of support offered to Ukraine, especially by Germany, and strongly criticised the early assumptions held by some in Western Europe that a negotiated end to the conflict was desirable, or that a face-saving gesture should be offered to Putin. Prime Minister Kaja Kallas of Estonia quickly gained wide prominence for her

crisp interventions calling for a clear-eyed and firm response to Russia. These front-line states, along with Poland and the Czech Republic, persistently argued that, based on their prior experience of Russia, their warnings of Russian strategic intent and appeals for a determined defence of Ukraine deserved special attention.

In many respects, they won their case. The June 2022 Madrid NATO Summit not only accepted Finland's and Sweden's applications but also agreed a new Strategic Concept that gave greater prominence to the defence of NATO front-line states. These states contributed proportionately high percentages of their GDP per capita to Ukraine's defence, and other European states began pledging to spend more money too. The influence of these states became stronger in both the EU and NATO councils. This was not just because they were speaking out more; or because two of them applied to join NATO; or because the Czech Republic took the presidency of the EU Council; or because Poland was taking so many refugees, was a key transit point for weapons, including their own, to Kyiv, and offered to be part of the US 'nuclear sharing' arrangements. It was because all these states were powerfully making the case that they were the new 'front-line states'.

Thus, an important impact of Russia's war on Ukraine was that the geopolitical centre of gravity in Europe moved to the east and the north. These present and future NATO members were all soberly making the case for the defence of Ukraine as a matter of both high principle and urgent security. While some Western European states were emphasising diplomacy over deterrence or withholding arms to avoid escalation, these new front-line states were arguing for robust military support to Ukraine and emphasising that defence was not escalation. Even with an enlarged EU, France and Germany can still argue that their cooperation is key to fuelling EU progress. But in an enlarged NATO, and with Russia having attacked Ukraine, it is the countries of the north and east which rightly have a key 'swing vote' on how NATO analyses risks to European security and decides on the principal instruments of defence and deterrence. In security terms, it may soon be the case that Western European leaders explaining the rationale for European defence structures will need to

speak of 'Nordic centrality' just as they diplomatically defer to 'ASEAN centrality' when considering the regional security architecture of Asia.

The US, along with key Western allies such as France, Germany, the United Kingdom and others, possesses the preponderance of military and economic power on the continent. Without the military support offered by the US, and the economic sanctions organised especially by the EU with the US, Ukraine's war effort would not have been able to last. Slowly, the awareness grew that the balance of power between Russia and the West had radically changed. The fact that by the seventh month of the war, Ukraine was able to mount very substantial counter-offensives even though Russia had sent much of its best troops and materiel to the war, while the West had desisted from sending its best tanks, aircraft or longest-range artillery to Ukraine, was a testament to this. The US, and many NATO states, appeared to 'remember' Russia as an unapproachable behemoth. Yet it had become, as those in the north and the east had perceived, a weakened but violently neo-fascist state. And with this anachronistic memory in mind, it took too long for the US and NATO states to consider that the best way to end the war was to shift more radically the balance of power in Ukraine's favour.

One can only imagine what might have been the result in the early 1980s if the US had thought that, when the Soviet Union deployed RSD-10 *Pioneer* (RS-SS-20 *Saber*) intermediate-range ballistic missiles against Europe, it would have been 'escalatory' to place MGM-31 *Pershing* medium-range ballistic missiles and ground-launched cruise missiles (the BGM-109G) in Europe in response. Then, political-military training kicked in properly: balances of power that are changed need to be reset if stability is to be maintained. The administration of US President Joe Biden even referred in October 2022 to the risk of nuclear war as being greater than it had been since the Cuban Missile Crisis of 1962. Here was a case of a well-advanced war in Ukraine, where the competitors were not strictly Washington and Moscow but rather Moscow and a third large independent state that was prevailing on the battlefield, and conventional means were sufficient to support it. There was plenty of time for the right signalling. Yet commentators regularly spoke of the

risk of World War Three if there were a strong conventional response to Russia's invasion, as if the US and the wider West could not shape that risk by their own clear deterrence strategies and statements.

Thus, Putin's nuclear threats were more effective than they might have been because there was at best a random application of deterrence messaging. Every weapons transfer was analysed through an ill-defined and smoky prism of 'escalation'. Arms-control measures were taken, with artillery transferred to Ukraine that could not strike attacking positions located in Russian territory. The presumption that there was only one rung on an escalation ladder was nearly universal. The idea that one could regularly adjust one's response – flexible response – to maintain escalation dominance was lost. A reluctance to reinforce success by Ukraine in combatting Russian brute force persisted even as the Ukrainians recovered territory burned to a crisp by the enemy. The levels of strategic illiteracy were at times shocking. At one point, some in Germany argued that it could not give more arms to Ukraine because it needed them to deter Putin, who only understood force. Yet it might have been wiser to assist more robustly the country fighting Russia so Germany did not have to and, if Putin only understood force, to give Ukraine what it needed. The hesitation to provide modern tanks for fear of some form of escalation later appeared even more ironic when Ukrainian forces captured intact some of the best Russian mechanised equipment and tanks, which they then used against the enemy.

Diplomatic efforts to end the war early understandably collapsed when it became evident that Putin's diplomacy was fraudulent in both form and substance. Since his aim was to deny Ukraine its status as an independent country, territorial concessions could play no useful part in a negotiation. A 'two-state solution' was far too little for Putin, and intolerably too much for Kyiv. And as the war carried on, the sense deepened that Ukraine not only could but must win. When asked at the inaugural October 2022 European Political Community (EPC) meeting in Prague to suggest a way out of the conflict, Finnish Prime Minister Sanna Marin's crisp reply was that 'the way out of the conflict is for Russia to leave Ukraine'. She did not say the West needed to moderate its support for

Ukraine for fear of Russian escalation. And by this time, few in Europe still thought that it was a diplomatic duty of the West to provide Putin with an off-ramp. The exit door was clearly marked. Eventually, in the autumn of 2022, the US sent a clear message to Putin that any nuclear use would have catastrophic consequences for Russia. It might have had more deterrent value if the US had specifically said that any nuclear use would mean that all the United States' conventional power would be put at the disposal of Ukraine to eject Russia from Ukraine's internationally recognised territory.

By this time, it was clear that Ukraine's war aims comprised, at a minimum, the recovery of all occupied territory, including Crimea. They could possibly extend to seeking full reparations from Russia and ensuring that Russian leaders are taken to international courts for war crimes. None of these aims could be contested as a matter of law or *realpolitik*. Once Ukraine had sacrificed so much to be able to mount counter-offensives, it was evident that they would wish to claim the independence and sovereignty that had been stolen from them. And it was difficult for Westerners to invite Ukraine to think of war aims that did not include regaining its own territory. For Kyiv, having suffered a rough stalemate from 2014–22, once the initiative was back in Ukraine's hands, even at a huge cost, the nation demanded more.

For Putin, it may have been both humiliating and unacceptable to be beaten on the battlefield by Ukraine alone. What pretensions of great-power status could then be retained? It would evidently be less embarrassing, and more explainable, if Western powers were seen to be key co-authors of a Ukrainian victory. Despite all the worries about escalation, Western states supporting Ukraine as *de facto* co-belligerents against him would give Putin the opportunity to blame the West for his retreat. As a military fact it should be self-evident that radically changing the balance of power in Ukraine's favour would bring a faster victory to Kyiv, while as a political fact, dictators can save face more easily if they can blame the outside world for a failure. Russian state TV began broadcasting regularly that many of the losses suffered by their troops were at the hands of the US, the UK or the 'collective West'.

Without this assistance, the propagandists argued, the mission would have been accomplished. When the so-called ‘partial mobilisation’ was announced in September, the difficulty of getting 300,000 people to the front was attributed mainly to incompetence and overzealousness, especially by local officials. In fact, massive corruption also played a major role in weakening the system. As a consequence, maintenance was poor, and the capacity to supply key support to new personnel was eroded by malfeasance.

A domestic reckoning was in the offing. The Kremlin clearly preferred to have some of the security forces criticised for not anticipating the capacities of Ukrainian resistance or the strength of Ukrainian national will. The military and general officers could be blamed for corruption and incompetence. The president could clearly protect himself for some time from general criticism. The central questions became for how long he could insulate himself from elite frustration and how completely he could trust his commanders to follow his orders, especially if they became escalatory in a way that would shock them. On this, the future of Russia and the European security order would rest. The probability of a Ukrainian victory over Russia appeared much more likely than either a Russian win or a prolonged stalemate.

For many countries in Asia and the Middle East the war raised questions about their alignments and hedging strategies. It is natural that countries engage in strategic hedging. There are few truly cast-iron guarantees in security. Some independence and autonomy of action are preferred by most states. Strategic self-determination may mean that interests do not always align with the same security partner. It is better to have many friends than only a few. Multi-alignment has its attractions. But strategic hedging, rather like its financial equivalent, requires active portfolio management. Russia’s strategic currency was now in free fall. By the second half of 2022, it was perhaps not prudent to be too ‘long Russia’, to use the financial-markets term. Indeed, being ‘overweight Russia’, including for those countries that have traditionally had Russia as a major arms supplier, may prove costly in the medium term and perhaps rather sooner. Rebalancing will eventually be necessary, and

countries in both Asia and the Middle East, perhaps too long in thrall to Russia's reputation as a great power, were slow to adjust themselves to the prospect of a Russian fall from the first rank of geopolitical status.

China will clearly have been irritated by Putin's failure to produce a quick win. Beijing will also have warned against the use of a nuclear device, as lowering the threshold of nuclear use would be very much against China's interests. Beijing was hardly a vocal supporter of the war. It appeared cautiously more on the military sidelines and in public a diplomatic abstainer, especially at the United Nations. It would benefit from buying discounted Russian energy, but it was not pressing ahead in taking ostentatious commercial advantage. In time, the probability is that Russia will continue to be an opponent of the West, but will be a weak and cracked pole in the multipolar world of Chinese strategic hopes. India's Prime Minister Narendra Modi brought himself to say to Putin that 'this was not a time for war', but India's multi-alignment pose still revealed a non-alignment attitude. For India, diversification would come most quickly perhaps in the military sphere, in which the realisation would dawn that Russia would not be a trusted source of reliable weaponry.

Leaders in the Gulf were unwilling to bend the decision-making of the Organization of the Petroleum Exporting Countries (OPEC) to America's will. Its October 2022 decision to lower production to preserve prices at around US\$90 per barrel was probably less 'pro-Russian' and more inspired by a sense that they wished to maintain production levels just short of capacity and were reluctant to please the US 'on demand'. High prices, however, will also create economic pain for the global south proportionately more than for the West. Some Gulf states were encouraging their business leaders to buy distressed assets in Russia, in particular companies and factories from which Western firms were withdrawing.

By 2023, it is likely that more profound decisions will need to be made about geopolitical alignments. Few will likely see an advantage in close association with a depleted Russia. As the domestic crisis in Russia continues to unfold, and the anxiety over the war grows as 'partial mobilisation' turns into something fuller, Putin will have to think more about the stability of the home front. In the regions, the upset at mobilisation

was palatable. Russia itself has an internal imperial quality. How to maintain national cohesion will become the Kremlin's priority in 2023 as decisions are made on how to explain the war's process and ultimate end.

What this war has additionally shown is that the Euro-Atlantic and wider Indo-Pacific strategic theatres are co-dependent. The largest importer of Ukrainian wheat is Egypt; the second largest is Indonesia. The impact of this war in Europe was felt internationally. For North Americans and Europeans who pledge their commitments to the Indo-Pacific region, success in Europe would also be vital to success in Asia. It is not simply a question of time commitment, but one of credibility. Put bluntly, how can one speak about helping to support a free and open Indo-Pacific, if it is not possible to ensure a free and open Black Sea? Had the West been able to find a way to reopen the Black Sea fully, sending vessels in for the protection of ships delivering grain and fertiliser to the global south, it would have lessened the food-security impact of the war on the rest of the world. That action would also have exposed the truth that Putin's war was not just a regional issue but also one with global implications. In the regional and wider interest, freedom of navigation in the Black Sea should rise as a priority in the European security agenda, at least as much as the question of energy independence from Russia.

The great strategic issues for 2023 will revolve around the best way to deal with falling, rising and rebel powers. Putin's Russia has evolved into a terrorist state, bombing civilians with casual, evil regularity. A revanchist Russia now threatening nuclear use must necessarily be opposed by European states with their North American allies if the Western security order is in any way to hold. A weakened, fragmented and possibly defeated Russia would pose a different sort of challenge. That possible outcome should not deter the West from winning the war in Ukraine, and European states will need to assess and be alert to the ancillary threats it would pose.

And, as Japanese Prime Minister Kishida Fumio said in June 2022 at the IISS Shangri-La Dialogue, 'Ukraine today may be East Asia tomorrow'. In Asia, there is alarm at the worsening relations between the US and China. Some blame China for 'overplaying its hand' and being too

assertive; others blame the US for not appreciating China's core interests and finding too many other issues on which to confront China, including in the economic domain. The small Pacific Island states feel themselves caught up in a new US–China competition. Following the conclusion of the Chinese Communist Party's Fifth Party Congress, and as China finds its way out of its 'dynamic zero-COVID' policy, it will be desirable to see some moderation of the Chinese external stance and some lessening of US–China tension, but the path to this is not evident. None of this is helped by North Korea's regular testing of its missile capabilities. Its political noise may be muffled by the attention spent on the Russia–Ukraine war, but its strategic effect is still felt powerfully by the United States' East Asian allies.

In the Middle East, Iran's theocratic leadership was under attack from women seeking their independence and freedom. The regime was still assertive regionally through its influence operations and was resisting entreaties to curtail its nuclear programme within a modest extension of the Joint Comprehensive Plan of Action (JCPOA). Again, here the challenges were of different kinds: how to contain Iran's regional ambitions, and how to deal with an Iran that may also be subject to huge internal dissent, the suppression of which would have other consequences. In 2023, it will be necessary for the US, Europe and the Gulf Arab states to find a common policy on Iran. But the experience of the last two decades, when approaches were rarely synchronised, does not inspire optimism.

In this moment of intensified geopolitical competition and uncertainty, adding a further political-ideological battle into the mix is unlikely to result in strategic advantage. The US, the UK and others have defined the current struggle as one between democracies and autocracies. There is truth to this in many respects. Yet it would be a mistake to mount a new bipolar competition between so-called autocratic and democratic states. The West is not in the best position to launch a fresh global democratic mission. Democracy, in any case, is not a product that can be exported – the 'non-tariff' barriers are high. The Western example remains successful, and one that many in other countries will wish to follow, but in their own way and by their own means. The West still needs to work

closely with states whose mode of government is not perhaps to its liking. Alienating them by putting them into an opposing camp will make needed cooperation more difficult. As the IISS has argued in these pages before, 'good governance without democracy is safer strategically than is democracy without good governance'. The political-military responsibilities to sustain global stability are huge. That 'pol-mil' professional competence must be carefully deployed in 2023.