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ENEMY AT THE GATES?

How the EU should cope with Russia in its Eastern
Neighbourhood

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Enemy at the Gates?

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“Europe is, without a doubt, in its most serious crisis since the fall of the Berlin Wall,” said German foreign minister Frank-Walter Steinmeier. The European Union needs to respond to the military threat of its ‘strategic partner’ Russia in Eastern and Southern Ukraine and the annexation of Crimea. After the toppling of president Viktor Yanukovich, Moscow seems to be terrified beyond Western expectations to lose the historical components of its former empire, with Ukraine as most important puzzle piece. A ‘spiral of escalation’ unleashed: The Kremlin amplified existing reservations of Russian speakers in Ukraine against Kyiv and presents itself as their protector. The European Union seems stunned to find itself at the culmination point of two integration projects colliding: The European Neighbourhood Policy (ENP), established to create a stable external environment by socializing third countries pitted against the re-integration of the post-Soviet space under the umbrella of Moscow, omitting the “greatest catastrophe of the 20th century” in the words of Russian president Vladimir Putin – the dissolution of the USSR. At this critical juncture, Brussels and its 28 member states need to move beyond their agreed sanction policy to stop the territorial hunger of Moscow and initiate multi-lateral negotiations, while at the same time displaying a deeper understanding of Russian sensitivities. Such two-track strategy is difficult to balance, but will prove inevitable to keep peace in the Eastern neighbourhood.

The largest obstacle to a constructive dialogue between Brussels and Moscow is their two different patterns of thought. Post-Soviet Russia still believes in the imperative of security politics, interpreted in the simple 19th century logic of zero-sum games; a thinking dominated by notions of zones of influence and strategic advantages. This realist mindset is fueled by nostalgia for the lost empire, perceived international injustices after 1991, and a vague feeling of impotence. As many

Germans after 1945, a majority of Russians did not get over the loss of integral parts of their ‘old glory’ yet. Now Russians even face the potential breakaway of the cradle of their culture in Kyiv. It took Germany 25 years after its aggression and the horrors of World War II to accept its borders as final in the so-called ‘Ostverträge’. As a child of these horrors – established against national adventures and close-mindedness – the ‘civilian power’ EU believes in interdependence. Guided by this liberal spirit of economics, European politicians cannot grasp, why president Putin consciously endangers the integration of Russia into the global markets and scares away foreign investments. This clash of reason let German Chancellor Angela Merkel to claim that Putin lives “in another world”.¹ Does he? Geopolitical considerations actually never disappeared in EU external relations – the ENP itself is a geostrategic project.

Putin actually won, what was achievable at a justifiable price. Moscow regained control of the Black Sea fleet and potential instruments to block any Ukrainian government to address serious economic and political reforms. Influencing Kyiv is important, since without Ukraine his dream of a Eurasian Economic Union remains premature. The existing customs union with Belarus and Kazakhstan is intended to turn by 2015 into a unified post-Soviet space: a free trade zone with common external tariff and free movement of capital, goods, people and services. Putin has to be careful though not to discourage the leaders in Minsk and Astana or prospective member states as Armenia and Kyrgyzstan with his aggressive politics. Besides, by bolstering a defiant national pride Putin achieves legitimacy and maintains his firm power grip which is becoming increasingly

1 Peter Baker, Pressure Rising as Obama Works to Rein In Russia, NY Times, March 2, 2014.
http://www.nytimes.com/2014/03/03/world/europe/pressure-rising-as-obama-works-to-rein-in-russia.html?_r=0

threatened after the December 2011 protests and his re-election in spring 2012. The Union needs to be aware of the internal exchange value of his economically costly foreign policy build upon relational identity building: ‘us’ against ‘them’. Putin does not fear a political confrontation with the EU since Moscow believes it to be too divided and having too little interest in Ukraine. Therefore, the Kremlin expects only minor political sanctions from Brussels, and firmly believes that in not-too-distant future the member states will pragmatically resume economic co-operation.

The Ukrainian crisis is the culmination of a foreseeable development in the two decades following the collapse of the Soviet Union. All legitimate dismay about the boldness of Putin’s move aside; Brussels is reaping the fruits of a lacking Russian strategy. Until now the Union failed to tackle the realities of a post-imperial landscape in its Eastern neighbourhood. EU papers after 2002 recognized that “Russia and the enlarged European Union form part of each other’s neighbourhood,”² thus acknowledging the equivalence of both – and more importantly the danger of a potential geopolitical rivalry. This area with its patchwork of various minorities was torn apart by the invention of the nation state. The dissolution of the Soviet empire left islands of Russian speaking minorities scattered in that landscape. These conflicts between newly independent – usually Western backed – host nations and Russian minorities evolved into conflicts in the Baltic states in the 1990s, a civil war in Moldova 1992, and an international war with Georgia in August 2008. The ‘frozen conflicts’ of Transnistria, Abkhazia, South Ossetia resemble festering wounds, always capable of infecting the political stability of the continent.

Latest by 2007, storms were ahead in EU-Russia relations: the partnership and cooperation agreement was not prolonged and the anti-ballistic missile system was introduced against strong resistance of the Kremlin. In June 2008 Russian president Dmitry Medvedev called for a new European security architecture, which the EU

states were not willing to concede. Two months later the war in Georgia heralded the farewell of Russia from any substantial cooperation with the Union, despite negotiations on a modernization partnership. The Ukrainian crisis is the breaking point of the unresolved antagonism between ‘the West’ and Russia.

Recommendations

As “the EU’s credibility as a global player will depend to a great extent on its capacity to act decisively in its neighbourhood”³ the Union has to prove it can rise up to the challenge. The Union’s record so far is not as bleak as some analysts claim: the February 21 agreement leading to the ouster of president Yanukovich and his corrupt regime indicated the strength of the ‘Weimar triangle’ constellation, representing France, Germany and Poland as backbone of Europe. The crisis management revealed an unexpected unity, when the EU member states on their March 6 emergency summit demanded de-escalation from Russia by announcing sanctions, which as first step lead to a halt of the partnership agreement and visa-free talks with Russia; since March 17 including as second step, visa bans and asset freezes against 21 individuals. If Moscow continues to destabilize Eastern and Southern Ukraine various economic restrictions are intended to follow. The rift between conciliatory Western Europeans (Germany and France) and resolute Central Europeans (Poland and Baltic Republics) is far less pronounced as in case of August 2008, when the EU failed to either send a strong signal of disaffirmation or finding a sustainable agreement with Moscow. Nevertheless the ‘non-strategy’ of 2008 revealed the power of the ‘the West’, since no post-Soviet state ever recognized Abkhazia or South Ossetia.

Now, Crimea is de facto lost. But to avoid any further aggression and react on the massive violation of any code of conduct by Putin, the European Union has to show clearly that there are norms and principles more important than profits and energy considerations; in line with above mentioned two-track strategy of balancing

2 European Commission, European Neighbourhood Policy. Strategy Paper, COM(2004) 373 final, Brussels, 12.05.2004, p. 4.

3 European Commission, Delivering on a New Neighbourhood Policy, JOIN(2012) 14 final, Brussels, 15.05.2012, p. 21.

containment and anticipating Russian prevailing security perceptions. First, strong signals of support for the Ukrainian interim government; second, the EU needs to adopt strong sanctions against Russia to pressure for an international contact group and guarantee the territorial integrity of Ukraine; thirdly, entering a honest discussion about the future of those states caught in between the EU and Russia.

In the EU's support for Ukraine the first tranche of the 11 billion Euro package as discussed now should be paid quickly. Without neglecting the importance of normative programming, the 'hard conditions' of revaluating the Ukrainian currency and stopping to subsidize the gas prices for private households should be reconsidered in favor of longer term anti-corruption measures. The Ukrainian exports can be assisted by forestalling parts of the intended association agreement, foremost by eliminating all import taxes on agricultural and industrial products. The signing of the agreement, including a Deep and Comprehensive Free Trade Area, should be left to the new government elected on May 25, hopefully representing all sections of Ukrainian society. As stated in the Council conclusion, "the Agreement does not constitute the final goal in EU-Ukraine cooperation."⁴ To realize the normative intentions of the ENP, the Union needs to be aware that reforms "demand the involvement of wider society, longer-term engagement, and high implementation costs"⁵.

The current sanction regime against Moscow needs to be expanded. Sanctions should aim at immediate negotiations between Kyiv and Moscow within an international contact group, a ceasefire of all forces on Crimea and deter Russia from any further military involvement in other parts of Ukraine. And as painful as they might be for the EU, the symbolic value of strong sanctions matters more than their actual impact. Brussels

should adopt a more generalized travel ban, which would severely hit the Russian elites with their apartments in London and vacations along the Mediterranean – intended to further weaken the bond between Putin and the Russian 'middle class', which suffers most from the current paralysis of Russia's economic development. Furthermore an import ban of Russian oil and gas should be sincerely considered. Calculations of energy experts show that Moscow would lose around 100 million Dollar per day and the EU could survive at least 150 days, since the stocks of gas and oil after the mild winter are high, and a number of states (among them Germany) already diversified their energy imports to a degree that those states which rely heavily on Russian exports could be supported. And last but not least liquid gas from Qatar, and eventually the US, could compensate for potential shortages.⁶

On the second track, while pressing for an international contact group, European politicians should avoid a language of confrontation and fait accompli politics, highlight the right of self-determination of the Eastern Partnership (EaP) states and defuse prevalent fears of encirclement in Russia. To lure the Russians to the negotiation table, the following issues should be openly addressed: 1) Crimea: the existence of a Russian speaking majority with their genuine will to join the Russian Federation should be acknowledged by setting up a new referendum under international supervision. The marine base Sevastopol should be in any case subject to a lease agreement between Kyiv and Moscow; 2) Federalization of the Ukrainian political system: The tensions between a Ukrainian national Western part and an Eastern part culturally linked to the former USSR is not a propaganda lie of Moscow. Without honest reconciliation, the Ukrainian question will not be solvable. This requires openness from the new government after May 25 towards granting extensive autonomy to the Southern and Eastern parts of the country, under the presence of an OSCE mission.

4 Council of the European Union, Council conclusions on Ukraine, Foreign Affairs Council meeting, Brussels, 03.03.2014.

5 Stefan Meister, After Vilnius: Why the EU needs to rethink its Eastern Partnership, European Council on Foreign Relations (ECFR), Berlin, 20.12.2013.
http://ecfr.eu/content/entry/commentary_after_vilnius_why_the_eu_needs_to_rethink_234

6 Cp. Richard Friebe, Das Gas geht uns so schnell nicht aus, Frankfurter Sonntagszeitung, Nr. 10, 09.03.2014, S. 61.

To open direct negotiations between the EU, Ukraine and Russia with the help of this stick-and-carrot approach is of paramount importance. Within negotiations all involved actors are likely to sober up and reach a compromise which serves their interests best. After a settlement of the Ukrainian crisis this triologue should continue and be joined by the other EaP countries to initiate a new conference on security and cooperation in Europe. In this forum the ambiguous future of those states, where “Wider Europe” and the Russian “Near Abroad” overlap – thus Belarus, Moldova, Ukraine and the three states of the Southern Caucasus (Armenia, Azerbaijan, Georgia) – needs to be resolved. As a result Moscow would be integrated in a holistic strategy for the Eastern neighbourhood. The 2007 German idea of an ‘ENP Plus’ could serve as starting ground for resilient new institutions. As Germany in the treaties of 1970 finally accepted the loss of its former Eastern territories, Moscow’s worries need to be embedded in a binding agreement; to guarantee the free choice of the societies of the EaP as well as security concerns of Russia. Until then, Russia remains Europe’s main security problem.