Key Actors in the EU’s Eastern Neighbourhood

Competing perspectives on geostrategic tensions

Kristi Raik & Sinikukka Saari (eds.)
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The conflict over Ukraine has not only been a shock for Ukraine and Europe, but also a catalyst for broader geostrategic tensions that challenge the current international order. This report has grown out of our interest in mapping the bigger picture around the conflict-prone common neighbourhood of the EU and Russia by drawing together the perspectives of major actors that have a significant role to play in the region. The analytical framework of the report benefitted greatly from the workshop held in Helsinki in January 2016, where the authors of individual chapters had a lively exchange on the topic together with a number of researchers from FIIA. We are grateful to David Cadier, Jyrki Kallio, Arkady Moshes, Marco Siddi, Teija Tiilikainen, Mikael Wigell, Antto Vihma and other colleagues at FIIA for their valuable input and support throughout the process. Our warm thanks also go to Mathilda Salo for her excellent research assistance. Finally, we would like to thank all the authors for contributing their deep knowledge and insights into the complex issues at hand and for making this an inspiring learning process for us, and hopefully for the readers.

Editors
Kristi Raik & Sinikukka Saari
Table of contents

ACKNOWLEDGMENTS 7

1 INTRODUCTION: MAPPING THE GEOSTRATEGIC CONTEXT OF THE EU’S EASTERN NEIGHBOURHOOD 13
Kristi Raik & Sinikukka Saari

2 RUSSIA’S NEIGHBOURHOOD POLICY: CONFLICTUAL CONTEXTS AND FACTORS OF CHANGE 37
Andrey Makarychev

3 GEOPOLITICS, VALUES AND THE IDEATIONAL BATTLE OVER THE EU’S EASTERN NEIGHBOURHOOD 53
Kristi Raik

4 LEADING FROM BEHIND? THE OBAMA ADMINISTRATION’S FAILED EUROPEAN POLICY 71
Stephen Blank

5 CHINA: TACTICAL GAINS, BUT STRATEGIC CONCERNS OVER THE UKRAINE CRISIS 91
Tamás Matura & Máté Mátyás

6 TURKEY’S GRAND STRATEGY IN THE EU’S EASTERN NEIGHBOURHOOD: COUNTERPOISING RUSSIA AND THE WEST 105
Toni Alaranta

7 UKRAINE’S NEW STRATEGIC DETERMINATION 121
Oleksandr Sushko

8 BELARUS: DEEPENING DEPENDENCE ON RUSSIA LEAVES LITTLE ROOM FOR THE EU’S GEOSTRATEGIC ENGAGEMENT 135
András Rácz & Arkady Moshes

9 THE OSCE AND THE CONFLICTS IN THE EU’S EASTERN NEIGHBOURHOOD: HOW TO DEAL WITH THE REGIONAL GEOPOLITICAL UNCERTAINTIES? 153
Sinikukka Saari

10 CONCLUSIONS 167
Kristi Raik & Sinikukka Saari

ABOUT THE AUTHORS 175

PREVIOUSLY PUBLISHED IN THE SERIES 178
1. Introduction: Mapping the geostrategic context of the EU’s Eastern neighbourhood

Kristi Raik & Sinikukka Saari

UKRAINE AS A WATERSHED

Starting in late 2013, the Ukraine crisis exposed the clash of the EU’s and Russia’s goals in their shared neighbourhood. Russia’s aggression against Ukraine highlighted the limitations of the EU’s liberal, confrontation-averse and often technocratic approach, and forced the Union to address the unintended geopolitical implications of its Eastern Partnership policy covering Ukraine, Belarus, Moldova, Armenia, Azerbaijan and Georgia. The fate of Ukraine and other countries in the region is vital for both the EU and Russia, as it is closely connected to questions over the future shape and rules of the European security order.

Furthermore, developments in the region also matter to a varying degree for other major international players such as the US and China, and for other regional stakeholders, particularly Turkey. Indeed, one can argue that the approaches of major international and regional actors to the region represent a reflection and projection of their views on the international order and their own place in it. While the EU has sought to defend the liberal norms-based order based on the integrative logic of positive interdependence, Russia seems to be pursuing a multipolar international system involving recognition of the primacy of great power interests at the expense of smaller states and their sovereignty.

The developments, particularly Russia’s action in and around Ukraine, surprised the EU. Although the Russian rhetoric against the European order had been harsh for years, many European leaders had assumed that it was mainly directed towards the domestic Russian
audience, and that in foreign policy practice Russia would remain pragmatic to a significant degree. Due to the country’s economic interests and assumed desire to modernize its economy, Russia was expected to follow the cooperative action logic in foreign and trade relations. While for Europeans it has been difficult to admit that Russia’s action logic differs fundamentally from Europe’s own, the same applies to Russia: it insists that beneath the surface of liberal rhetoric, the EU is ultimately pursuing a geopolitical agenda as well.

This FIIA report aims to shed light on these different action logics and the geostrategic tensions in the EU’s Eastern neighbourhood which reflect broader dynamics in the international system. To this end, the report explores and compares the interests and goals of major states and organizations in the region and assesses the interaction between the different players. It allows us to compare the EU’s strategy and modes of influence in the region to the approaches of other actors, especially Russia. It also considers the implications of the geopolitical context for some of the countries in the region, notably Ukraine and Belarus, with the aim of providing an original, comprehensive analysis of the international, regional and local levels. Such a comprehensive analysis of the broader geostrategic context of the contested region between the EU and Russia highlights the need for the EU to develop a broader understanding of the factors at play in the regional dynamics, as opposed to the overly EU-centric policies applied by the Union to its neighbourhood thus far.

To this end, we have invited a group of experts to offer insights from different angles. The chapters look at the neighbourhood from the perspective of major actors (the US, the EU, Russia, and China), from the perspective of the states in the region (Ukraine and Belarus) as well as from the mitigating perspective (the OSCE). Although the editors have provided the context and some central concepts for consideration, the chapter authors have worked rather independently; the purpose of the report is not for the authors to agree on all the issues at play in the region but, rather, that we present and discuss a diversity of views and arguments on the topic. The approaches also vary due to the fact that some authors write from a physical and perhaps also emotional distance, while others look at the developments from very close at hand, identifying themselves with the state that they analyze. We have intentionally embraced this plurality as it gives the reader a glimpse into how the geopolitical dynamics are actually viewed and felt from different perspectives.
When the Cold War ended at the beginning of the 1990s, it was widely believed that the Western model of liberal democracy had become dominant, introducing a new era of global governance based on cooperation, interdependence and common values. In Europe, the liberal commitment to norms-based cooperation was enmeshed with postmodern, post-Westphalian ideas about European integration as a project that challenges the traditional notions of sovereignty, borders and space. The European Union was a unique peace project built on a supranational, value-based community where ideas, people, goods and capital were to flow unobstructed. The European model and values were believed to spread peacefully and almost organically to a wider area. The era of imperialism and power politics was declared to be over.

Although there were occasional Russian outbursts of criticism against the normative hegemony of the EU, Russia was believed to have chosen the European developmental path and to be gradually adopting its norms and values.¹ And formally progress along these lines did happen: Russia signed international agreements and declarations on European values, joined the Council of Europe and cooperated with NATO. However, during the first decade of the millennium, this idealism gradually eroded and Russia’s resistance to the Western norms increased. By the mid-2000s, Russia was regarded as a ‘semi-authoritarian’ state where authoritarian features were strengthening under the cover of superficially democratic structures through the art of ‘virtual politics’.² According to President Putin, the European states and the West in general did not seek to help Russia by donating and lending money, but on the contrary, wanted to humiliate the country. The Russian leadership despises the EU as a slow-moving, weak, and internally divided international actor. Yet what is even more dangerous than disregard of the EU and the European model is the fact that Russia has adopted a cynical, instrumental approach to international law and norms.

The Russo-Georgian war of 2008 was treated by the West as a one-off case that was soon followed by efforts to reinvigorate the partnership. In retrospect, it has been argued that the soft response was interpreted by the Russian side as a signal that the West was de facto accepting Russia’s dominant role in the post-Soviet space. However, the Ukraine crisis showed that this was not the case. Russia’s aggression against Ukraine became a watershed moment for Europe, in many ways marking an end to the post-Cold War period. A new era was ushered in by the annexation of Crimea – the first time for decades that borders in Europe were changed by use of force – but its nature (and its name) has yet to take shape. What seems clear is that instead of a wider European order including Russia as one of the participants, Russia acts and wishes to see itself as a great power and a unique civilization in its own right, distinct from Europe; a pole in a multipolar international order.

What is far less clear is the future nature of the relationship between Russia and Europe/the West. Russia seems to be aiming at exclusive spheres of interest in a revised, bipolar European order where the sovereignty of the post-Soviet states would be deferred to Moscow’s vision of regional stability. This raises the question of how to manage the European space and security when the action logics of the major players seem incompatible.

Some analysts contend that geopolitical rivalry is replacing the paradigm of liberal interdependence and norms-based cooperation, seen by some as a naïve post-Cold War vision. The pacifying impact of economic integration, exemplified by the EU itself, has not extended beyond the EU’s borders. The EU’s efforts to foster interdependence and practical cooperation with Russia as a means of promoting security, stability and perhaps even the incremental democratization of Russia have failed to produce the desired results. In fact, this shouldn’t have been so surprising in light of the rich academic work on the conditions under which interdependence does or does not produce the desired political effects. The nature of the interdependence between the EU and Russia has always been asymmetric and thus more prone to conflict than cooperation. The nature and implications of interdependence vary – it can be complex, benign and supported by shared values

and norms, or it can be a source of vulnerability that is interlinked with power politics and geopolitical tensions. The connection between interdependence and (in)security has recently become a subject of critical debate among European foreign policy analysts. Interdependence is now understood as more problematic, but it has also reached an unprecedentedly high level, which distinguishes today’s world from historical relations between major powers.

Hence, liberal interdependence is no longer the only game in town, but we suggest that it is simplistic and misleading to claim that geopolitics has taken over. The picture is more nuanced than that. It is important to analyze the different tactics and logics played out in the region between Russia and the EU. The clashes between different actors are not just scenes of a zero-sum battle over the region, but part of a deeper contest over the rules of the game. Hegemonic control over the contested region – the space between the EU and Russia – is not a priority as such for all the actors involved, and is not seen as a zero-sum equation by everyone. The conflict over Ukraine is not just geopolitical but, rather, should be understood as a paradigmatic conflict.

At the same time, we need to look at the Ukraine crisis as a symptom of ongoing systemic change in the international order. The global balance of power is shifting away from the West, raising concerns about the future of a norms-based liberal world order. The rising non-Western powers are generally seen as at least a potential threat to the existing norms and structures. The relevance of multilateral actors and multilateralism, cherished by the EU, is under strain. Democratic values, which have a core place in the Western-led liberal order, have not lost their appeal across the globe, but are being challenged by rising autocratic states that provide alternative models of development. The Western model is also being challenged from the ‘inside’, as evidenced by the deep economic problems and the rise of a populist nationalist agenda in many European countries. The systemic change in the global order, with shifts in the balance of power, increases the risk of instability and conflict. The European security order is being shattered by violations of its core norms by Russia – but from the Western perspective this is highlighting the value of these norms and of the West’s commitment to them.

Key global dynamics – the decline of the US hegemony and the rise of China – are not directly present in the Ukraine conflict, but are an important part of the broader geostrategic context. Some analysts are alarmist about the weakness of the US in countering the geopolitical threats that are about to destroy the existing world order. Others highlight the stability and universal appeal of the existing order, seeing the decades-long investment of the US in order-building as a successful long-term response to geopolitical challenges. In recent years, Russia has been partnering with China and Turkey, while seeking to position itself as a major power on a par with the US. In different analyses, China has been seen as a challenge against which Europe should cooperate with Russia, or as a (potential) partner in managing the threat posed by Russia.

KEY CONCEPTS: GEOPOLITICS AND GEOSTRATEGY

The Ukraine crisis has provoked many analysts to claim the ‘rise’ or ‘return’ of geopolitics in international relations, especially in Western-Russian relations. At the same time, it is often not clear what is meant by geopolitics in the current policy discussions. The classical geopolitical approach focuses on geographical, physical conditions of statecraft. After the end of the Cold War, the academic debate on geopolitics shifted to Constructivist interpretations that questioned the earlier assumptions about territoriality and borders and took a strong interest in identities and discourses. In policy debates, however, a more classical understanding of geopolitics as a study of the impact of geographical factors on international relations prevailed.

The classical approach has been heavily criticized by realist scholars of international relations. However, it is notable that one

10 See e.g. Stefan Auer: ‘Carl Schmitt in the Kremlin: the Ukraine crisis and the return of geopolitics’, International Affairs, vol. 9, no 5 (September 2015); Mead, op. cit.
popular interpretation of the concept of geopolitics is to merge it with a realist understanding of international politics. For instance, in the Western debate on Russia, ‘geopolitics’ commonly refers to state-centred Realism flavoured with competition over spheres of influence between major powers. In this line of thought, geographical factors, notably control over certain territories, routes and resources, are seen as an ever-important concern for states. As states seek to maximize their military, economic and political power, competition between them over spheres of influence is inevitable, and conflicts over territories are hard to avoid. Furthermore, antagonism and zero-sum competition between major powers are seen as inherent characteristics of international relations. Yet conflict is not inevitably always present: when the major powers find an equilibrium, a power balance, fighting may cease – until a revisionist power appears on the scene and disrupts the equilibrium again. Great powers are the actors that determine the nature of international politics, whereas the role of smaller states is essentially to align with a stronger actor. Importantly, states can also use international institutions as instruments of power politics.

This report is not an attempt to apply or develop a specific theory of geopolitics. On the contrary, it is based on an understanding that a geopolitical approach is insufficient for making sense of the international context of the contested region between Russia and the EU. It also tries to avoid an overly generic notion of geopolitics, which often occurs in current foreign policy debates, whereby any policy directed at a certain region is called ‘geopolitics’, and any actor pursuing such a policy is labelled a ‘geopolitical actor’.

In order for us to be able to address the contested relevance and meaning of geopolitics in the EU’s Eastern neighbourhood, we make a conceptual distinction between geopolitics and geostrategy. Whilst being aware of the similar plurality of interpretations of geostrategy, we follow the conceptual understanding of Grygiel, who claims that ‘geostrategy is an interpretation and a response to geopolitics and is not determined by it’. Geopolitics can be defined as an understanding that structural, physical, and geographical factors, such as location and resources, condition or even determine foreign policy. By contrast, geostrategy is understood here as a concept that focuses on agency,

notably the ways in which states come to terms with geopolitics as a set of opportunities and constraints. This report is interested in the actions and inactions of the relevant players, as they are making sense of and adjusting to the geopolitical environment. Geopolitics is thus not understood in a deterministic manner or as an explanatory factor, but as a set of conditions with a contested meaning and varied policy implications. Although state actors need to have an understanding of the geostrategic environment in which they are acting, they are not determined to play power political or geopolitical games. States can define the logic of action that they follow.

The geostrategic toolbox can include a variety of instruments ranging from soft power and diplomatic bargaining to political and economic pressure – and the use of force. However, in the conception of international relations as a zero-sum geopolitical game, the key tool is military force. For many, the return of geopolitics is precisely about that: the return of a military threat and the use of force. Indeed, the change in the European security agenda is remarkable: the post–Cold War era was characterized by a re-orientation of national defence concepts from territorial defence to physically distant crisis management tasks. In the security agenda with Russia, there was a shift of focus from military to non-military threats, and from confrontational to cooperative ways of addressing the perceived threats. Since 2014, the focus of national security policies has shifted back towards traditional territorial defence. The EU’s security agenda is also being redefined with a new emphasis on finding ways to contribute to defending the EU’s territory and citizens.

Although traditional geopolitical discussion is state-centric, the hybrid tactics of ‘soft coercion and hard diplomacy’ have grown in importance during the last ten years – partly in response to the so-called colour revolutions in the post–Soviet space. In Russia’s view, the Rose Revolution in Georgia and the Orange Revolution in Ukraine – and more recently Euromaidan – have been carefully orchestrated Western ‘proxy coups’ under the cover of democracy promotion. This led to the refinement of Russia’s own hybrid tactics: sponsoring parties – particularly the pro-Russian ones – establishing and assisting NGOs

and institutions such as pro-Russian youth groups, minority and separatist organizations and think tanks abroad, setting up media ventures and orchestrating media campaigns abroad with Russian and local media actors. In many post-Soviet countries, Russian-speaking minorities are used as ‘hooks’ for influencing developments in the neighbourhood. Furthermore, these hybrid instruments are often bundled with coercive use of Russia’s economic and energy leverage, such as gas cuts and boycotts of various goods and food products.

The purported rise of geopolitics is particularly challenging for the EU, which is not a state, not a major power (but, applying the realist logic, has been characterized as a small or medium power), is not capable of projecting military force, and explicitly rejects confrontational logic in its external relations. Moreover, the EU’s international role is undermined by a lack of political unity, strategic thinking, and common strategic culture. The EU’s approach to its external relations, including relations with neighbouring countries, has been technocratic and focused on economic instruments. Instability in the neighbourhood has provoked calls for the EU to become a more strategic and/or geopolitical actor.

The relevance and effectiveness of the EU’s economic power in the tense geopolitical environment is a crucial question for the EU’s actorness and has significant regional implications. Economic power, together with a commitment to norms-based order and to diplomacy as a way to solve conflicts, has been at the core of Europe’s approach to the Ukraine crisis. Economic instruments, such as sanctions, are part of the geostrategic toolbox, and the EU can potentially be considered

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17 For instance, in 2006 Russia supported the establishment of the Inter-Parliamentary Assembly of Separatist Authorities as well as the separatist youth movement Breakthrough (Proryv), which is operational in Crimea, Transnistria and South Ossetia and Abkhazia. Another example of Russian involvement in the region is its active support for the establishment of pro-Russian research centres and organizations that engage mainly in information production and distribution regionally.


a ‘geoeconomic actor’ with a geostrategy focused on economic power. Geoeconomics can be distinguished from geopolitics, not just because of its emphasis on different kinds of tools, but due to differences in the logic of power. A strategy focused on economic power is arguably less confrontational, less visible and less threatening in the eyes of its targets than a strategy prioritizing military force.22

One of the key questions emerging from the geostrategic landscape around Eastern Europe is whether military force, coupled with hybrid forms of pressure, ultimately dominates other forms of power. Is Russia’s preoccupation with hard and soft forms of coercion, at the cost of economic interests and soft power, a viable strategy in the longer term? Military action can bring quick territorial gains but the long-term price tag is a significant one: the status of the occupied territory remains internationally contested, causing countermeasures such as sanctions. Perhaps most significantly, it is likely to lead to long-term distrust and reconsideration of the long-term strategies of other states vis-à-vis the aggressor.

WHO ARE THE MAIN POLITICAL AND ECONOMIC ACTORS IN THE REGION?

This report covers all the major states and organizations that have a significant role to play in regional security and political and economic developments in the common neighbourhood of the EU and Russia. The region has become divided in accordance with the main foreign policy priorities of the six common neighbours. During the past decade, Ukraine, Moldova and, most strongly, Georgia have mostly prioritized EU orientation in their foreign policy, while trying to manage their relationship with Russia, which has remained in many ways crucial for their development.23 At the other end of the spectrum, Belarus has been most closely integrated with Russia, whereas its relations with the EU have been close to frozen most of the time during the past two decades. Armenia has had a strong dependence on Russia in the area of security and energy, which eventually determined its accession to

23 See the chapter by Sushko on the attempts by Ukraine, up to 2014, to combine the declared EU orientation with a de facto balancing in order to gain benefits from both the West and Russia. Several other post-Soviet states have tried to pursue a similar balancing act.
the EEU, although the country has also tried to develop economic and political ties to the EU. Finally, Azerbaijan has been the least interested in either direction of integration, relying on its energy resources to secure its independence of action.\textsuperscript{24}

Russia remains the key actor for regional (in)security and claims a privileged position in the region, drawing on the Soviet and imperial legacy and historical boundaries. Since the collapse of the Soviet Union, it has been the only major power prepared to use military force in order to advance its goals in the region. In the early 1990s, its hands were tied by its own weakness, but lately Moscow has been both willing and able to use force when it has felt that Russia’s interests have been at stake in the region.

Russia also has significant cultural and media dominance in many states in the region, energy resources on which many states are dependent, a significant number of strategic investments in the countries in question,\textsuperscript{25} and is the biggest source of remittances for all these states. Russia is also ready to use all of these aspects coercively when it considers it necessary.\textsuperscript{26} However, one can observe a negative trend in most states in the neighbourhood. The more Russia uses these various leverages against its neighbours, the weaker the leverages gradually become. For instance, Russia embargoed Georgian agricultural products (including wine and mineral water, the main exports) in 2006 for seven years, until the end of 2013. In practice, this meant that the Georgian producers had to actively seek alternative markets to replace the traditional ones in Russia.\textsuperscript{27} Russia has attempted to reverse this regional trend through the semi-integrationist project of the Eurasian Economic Union, albeit without truly letting go of the coercive hegemonic emphasis and to no significant avail.\textsuperscript{28}

\textsuperscript{24} The ability of Azerbaijan to maintain this position and avoid an increasing role by Russia has become increasingly fragile.

\textsuperscript{25} It is sometimes challenging to obtain exact figures on this. For instance, in Ukraine the FDI originating from Russia was a relatively modest 6 per cent in 2014. However, that year Ukraine received 30 per cent of its FDI from Cyprus. These investments are likely to have been re-routed from Russia (and from other post-Soviet states, including Ukraine itself).

\textsuperscript{26} See e.g. on the case of Moldova: Vadim Romashov, The nexus of linkage and leverage in Russia’s policy toward the Near Abroad: the case of Moldova, Cross-Border University and University of Tampere, 2014, http://tampub.uta.fi/handle/10024/96395.


At the same time, however, the EU’s role and profile has been steadily growing in the region. The EU has become the most important trade partner of the EaP countries, with the exception of Belarus. The link between political orientation and trade has grown stronger over the past decade: the relative importance of the EU as a trade partner has increased considerably in the cases of Ukraine, Georgia and Moldova – that is, the three countries that have prioritized the European orientation.

For instance, Russia’s share in Moldova’s exports halved within a decade, from 36% in 2004 to 18% in 2014, and in the case of Georgia it decreased from 16 to 9%.29 Armenia has experienced an opposite development: Russia’s share in its overall trade doubled from 2004 to 2014 (and yet the EU maintained its position as the leading trade partner). In the case of Ukraine, the importance of Russia as a trade partner remained relatively stable and roughly on a par with the EU up to 2013. However, the events of 2014, quite unsurprisingly, caused a dramatic drop in Russia’s share in Ukraine’s external trade.30

These trends point to potential growth in the importance of economic factors, which may play out in favour of the EU being an economic giant. Geoeconomics is often taken to mean the use of economic resources to advance geo- and/or power political goals; for instance, by purchasing strategic assets such as power plants or electricity distribution networks from another country in order to utilize this asset through political pressure on the other state, or take advantage of this in the event of a conflict, and thus expand one’s own sphere of influence. However, it is also possible to take a different ‘gestrategic’ view on economic power: it can provide structural opportunities and constraints, which may be utilized in either a benign or coercive manner.

As highlighted in this report, it is important to look beyond the EU and Russia and consider the impact of other major, even if relatively less relevant, players in the region. The US traditionally has an indispensable role in maintaining European security, and has been a significant player particularly vis-à-vis Ukraine and Georgia, the two most Western-oriented countries in the region, which are both pursuing NATO membership. China, being the most important rising power in the global system, has become the dominant economic player in Central Asia and has considerably increased its economic role in Eastern Europe

29 At the same time, Georgia’s exports to Russia grew in absolute terms, but due to a strong growth in total exports, the relative importance of Russia declined.
30 This recent development is not yet visible in the figures presented in the Introduction, but it is covered in the chapter by Sushko.
as well (e.g. it has become the third-largest trade partner of Ukraine). The political implications of China’s increased economic clout are ambiguous thus far, but definitely a development to be kept on the radar in the region (see trade data below).

Turkey has significant historical ties to South Caucasus and, until recently, played a balancing role between the EU and Russia in the EaP region, but the implications of the recent Turkey–Russia conflict for the Ukraine crisis, and regional security more broadly, bring into the picture one more destabilizing factor to be monitored. Furthermore, when it comes to regional security, it is important not just to look at states as major players, but to analyze the role of international organizations, most notably the OSCE as the most significant international forum and actor in managing the protracted conflicts.

This report does not look beyond the above-mentioned key players, but it is worth mentioning Iran as an actor with a notable and potentially increasing role in South Caucasus (and Central Asia), provided that the nuclear deal concluded in 2015 is implemented and allows for continued opening up of the country.31

Figure 1: Geostategic environment of the EU’s Eastern neighbourhood.

INTRODUCTION

Belarus Foreign Import

Ukraine Foreign Export

Ukraine Foreign Import

Belarus Foreign Import

Ukraine Foreign Export

Ukraine Foreign Import

INTRODUCTION
KEY ACTORS IN THE EU’S EASTERN NEIGHBOURHOOD

Armenia Foreign Export

- EU: 2004 - 35.8%, 2014 - 29.3%
  - Russia: 2004 - 10.4%, 2014 - 20.4%
  - China: 2004 - 3%, 2014 - 11.5%
  - United States: 2004 - 9.7%, 2014 - 5.8%
  - Iran: 2004 - 4.2%, 2014 - 5.6%
  - Iraq: 2004 - 5.4%, 2014 - 0%
  - Others: 2004 - 36.9%, 2014 - 22%

Armenia Foreign Import

- Russia: 2004 - 12.8%, 2014 - 25.7%
  - EU: 2004 - 35.5%, 2014 - 24.2%
  - China: 2004 - 10%, 2014 - 1%
  - Turkey: 2004 - 2.8%, 2014 - 5.6%
  - Iran: 2004 - 5.6%, 2014 - 5%
  - United States: 2004 - 7.4%, 2014 - 2.7%
  - Others: 2004 - 34.9%, 2014 - 26.8%
KEY ACTORS IN THE EU’S EASTERN NEIGHBOURHOOD
The report addresses the following questions:

- The views of each actor on the Ukraine crisis and its longer-term international implications. What positions were taken during the Ukraine crisis and how did it change the foreign policy goals of each actor vis-à-vis the region? How is the Ukraine crisis seen to affect the international system and great power relations?
- Specific interests, policies, instruments and goals of each actor in the EU’s Eastern neighbourhood. How do these relate to the interests and activities of other major actors in the region?
- What are the implications of the changing geostrategic context for the countries in the region? How are they responding to changes in the approaches of, and balance between, major regional powers? What is their long-term strategy to achieve their foreign policy goals?

The second chapter Andrey Makarychev takes a look at Russia’s neighbourhood policy. It engages critically with the plurality of competing ideas and contradictory concepts in the Russian policy towards the states in the western post-Soviet neighbourhood. Although the mainstream approach is the one that highlights power politics and great power privileges over smaller states, there are also attempts at integrationist platforms such as the Eurasian Economic Union. The performance is altogether unconvincing and invites mistrust towards the motivation of even benign-looking enterprises. The chapter ends with a recommendation to the states in the neighbourhood to pursue their own needs and visions and seek a healthy distance from Russia’s power projection.

In the third chapter, Kristi Raik argues that, from the EU’s perspective, it is not geopolitics that is at the heart of the conflict over Ukraine, but European norms and the norms-based order. She analyzes the EU–Russia confrontation over the common neighbourhood at three levels: the political, economic and security order. The EU is not seeking exclusive control over the region, but neither can it accept Russia imposing its exclusive control. Raik criticizes the EU for its
lack of strategy and neglect of security issues in its neighbourhood policy. The EU can no longer deny the relevance of harder forms of power for its role in the region, but it should not give up its main goals, namely norms-based cooperation with, and democratic development in, neighbouring countries.

The fourth chapter by Stephen Blank makes the case for a strong and active US policy towards Europe. It criticizes the disengagement of the Obama administration from Europe as a dramatic mistake. According to Blank, starting with Ukraine, Europe at large may start to disintegrate if both political and economic instability spreads, and Russia attempts to take advantage of the situation. Blank calls for renewed invigoration of the EU’s Eastern Partnership together with transatlantic engagement, so as to counter Russia’s imperial ambitions. The long-term goal has to be Europe whole and free, including change in Russia so that it becomes a force for democracy, security and prosperity.

The fifth chapter by Tamás Matura and Máté Mátyás explores the Ukraine crisis from the perspective of China. It argues that, although the tensions between Russia and the West have provided China with some tactical-level benefits, the longer-term strategic implications of the conflict over Ukraine are worrying and not necessarily beneficial for the rising Asian power. China’s seemingly quiet acceptance of Russia’s behaviour in Ukraine has been interpreted as support by Moscow, but China has maintained its room for manoeuvre, trying to accommodate the interests of both Russia and the EU.

In chapter six, Toni Alaranta looks at the complex counterpoising of the EU and Russia by Turkey, which has played a considerable role in the EU’s Eastern neighbourhood. Apart from the grand strategy of counterpoising the major powers, Turkey has pursued active engagement with many of the EaP states. Turkey is an important economic partner and a geopolitical ally for Georgia, Ukraine and Azerbaijan. This two-level game is complicated, however, by Turkey’s own actorness: its domestic autocratic unscrupulousness is increasingly reflecting on its foreign policy behaviour.

The seventh chapter by Oleksander Sushko makes a compelling argument that through the extremely painful and hard experiences of Russia’s illegal annexation of Crimea and the ongoing war in Donbas, Ukraine has now irreversibly overcome the 23-year-long ‘balancing act’ between Russia and Europe and come together as a nation. Sushko underlines the crucial importance of domestic reforms for Ukraine’s ability to reach its strategic goal of a secure position in Europe. It is evident that the author of the chapter is not merely describing
developments from a distance but has lived through this process himself, which makes this contribution all the more valuable.

Chapter eight by András Rácz and Arkady Moshes analyzes Belarus as the case among the EaP countries which is by far the most dependent on Russia. Ever since 1994, the relationship between Russia and Belarus has steadily developed towards the increased, multi-faceted dependence of the latter, which has become deeply institutionalized in the areas of defence, security, economy, energy and trade, and backed up by considerable soft power. The deepening dependency on Russia leaves little room for the EU’s attempts to support Belarus’s independence and room for manoeuvre. Furthermore, the fundamental incompatibility between the liberal values of the EU and the illiberal political system of Belarus remains a major obstacle to closer EU–Belarus relations.

The nineth chapter by Sinikukka Saari is an exploration of the geopolitical uncertainties in the form of protracted post–Soviet conflicts, focusing on the role of the OSCE. It claims that the OSCE should be taken as a platform to be deployed by its participating states with significant political standing and power. For too long the conflict resolution processes in the post–Soviet space were left without active political prioritization from the West. Consequently, Russia was able to cement the disputed separatist territorial arrangements under the guise of engaging in OSCE–mitigated conflict resolution processes. Saari argues that the EU/European states should learn the lesson and not allow the same to happen in the case of Ukraine.

Finally, the report draws EU–oriented conclusions based on the chapters. The concluding chapter highlights the need for a serious rethinking of the EU’s policies towards the Eastern neighbourhood. On the one hand, the EU needs to acknowledge the geopolitical tensions prevalent in the region and to carefully consider the possible geopolitical implication of its policies. On the other hand, it should not accept Russia’s geopolitical view of the region but stand firm on its denial of spheres of influence of any sort. Striking a balance between understanding the geopolitically charged context and staying true to one’s own principles and action logic is far from easy. The reduced US focus in the region underscores the need for the EU and the European states to develop a stronger external actorness in security issues. This again poses a major challenge for Europe, but a failure to rise to the challenge would be detrimental for the Eastern neighbourhood and for the EU states alike.
2. Russia’s neighbourhood policy: Conflictual contexts and factors of change

Andrey Makarychev

This chapter analyzes Russia’s relations with countries covered by the EU’s Eastern Partnership (EaP) against the background of a wider framework of Russian neighbourhood policy and foreign policy. What lies behind Russia’s emotional appeals for equality and respect is a number of largely realist concepts of multipolarity, spheres of influence, great power management, and balance of power, all of which are based on the centrality of the sovereignty of great powers as the organizing principle of international relations. In addition, these concepts are complemented by regular references to the desirability of a procedural/technical approximation between the EU and the Russia-patronized Eurasian Economic Union (EEU), boiling down to the reiteration of the decade-long idea of a Europe extending from Lisbon to Vladivostok, and reducing Europe to a relatively small part of the Eurasian geopolitical imaginary.

This analysis starts with a brief critical engagement with the conceptual underpinnings of Russian foreign policy, to be followed by their projection on Russia’s neighbourhood policy. It aims to ascertain whether the drastic changes in Russia’s foreign policy behaviour since 2014 – from the annexation of Crimea to a fully-fledged crisis in Russia’s relations with major Western institutions (the EU, NATO, G8) – were conducive to attaining the strategic goals of the Kremlin in the neighbourhood and, more broadly, in the international arena.

The chapter is divided into four parts. The first part sketches the key elements of Russia’s foreign policy in general and the EU–Russia relationship in particular. The second section singles out the main points in Russia’s policy towards its post-Soviet neighbours. The third part identifies a group of factors that influence this policy,
and discusses their impact, while the fourth section turns to those scarce opportunities that might be explored for the sake of avoiding further confrontation.

RUSSIA’S FOREIGN POLICY LANDMARKS
AND EU-RUSSIA FRICCTIONS

When Yevgeny Primakov was at the head of Russian diplomacy in the mid-1990s, the driving force behind Russian foreign policy was an idea of multipolarity that became a structural justification for legitimizing its sphere of influence as a precondition for a world-class status and a role as one of the major poles on the international scene. Yet, in recent years the concept of multipolarity has been placed in a more critical context of debate. Many in the Russian expert community have effectively recognized that multipolarity leads to a more conflictual world, both ideologically (with ‘liberal Europe’ against ‘conservative Russia’ as a key divide) and militarily, which in practice explains Russia’s resorting to coercive force against the EU-projected normative order.¹ The multipolarity lens also implies dealing with countries in their common neighbourhood predominantly through the prism of Russia’s highly complicated relations with other big players, including the EU. In this context, Russia’s policy of punitive reactions to what it considers unfriendly moves by other major players – the EU, NATO and Turkey – leaves Moscow with a rather limited range of options towards its neighbours. Many in the Kremlin seem to understand the financial and political risks related to incorporating territories seceded from neighbouring states into Russia, which works as a constraining factor for Russia’s policy. Besides, Russia’s (still hypothetical) consent to fully integrate South Ossetia – that is legally considered a part of Georgia by the international community – would obliterate all of Russia’s soft power efforts (to be understood as the power of attraction, as opposed to that of coercion) undertaken in the region since 2008.²

Against this backdrop, Russian foreign policy discourse has started to shift towards a greater emphasis on the idea of a common European-cum-Eurasian economic space, rather than on multipolarity as such.

Ideas of ‘Greater Europe’ as an alleged territory of freedom of movement and common rules have again gained popularity among mainstream Russian experts.³ For the sake of retaining Europe as a nodal point for Russian foreign policy, some of them are ready to presume that the Ukraine crisis was intentionally masterminded (allegedly by Washington) to detach Russia from Europe.⁴ Some signals were sent from authoritative institutions such as the Russian International Affairs Council (RIAC) that Moscow ‘is interested in preserving the stability and the effective functioning of the EU, as well as in the moderately positive economic development of its member countries. Any kind of destabilization of the EU will mean increased economic, political and even military-political risks, particularly in Central Europe, and could also lead to the United States bolstering its influence in Europe. The most advantageous situation for Russia would be for the influence of the major players in the EU to grow, along with their ability to contribute to maintaining the stability and governability of countries at the periphery’.⁵

In this framework, the Kremlin is trying to deal with major European actors committed to a pragmatic, if not a ‘business-as-usual’ approach, as exemplified by President Putin’s meeting in April 2016 with the German corporate elite in Moscow.⁶ In May 2016, Putin reiterated Russia’s commitment to the eventual building of a zone of economic and humanitarian cooperation from the Atlantic to the Pacific.⁷ The Council on Foreign and Security Policy (SVOP), a think tank close to the Kremlin, proposed an even broader (albeit very vaguely articulated) blueprint for a ‘Greater Eurasia from Lisbon to Singapore’⁸ – a model that envisages only a limited role for Europe as an associate of Eurasian institutions, as understood in Moscow.

Russia’s renewed emphasis on re-engaging with the EU for the sake of larger integrationist projects is harmonious with some of the scenarios envisioned by European experts. This is the case, in particular, for the model of ‘tentative compatibility’ proposed by the Clingendael Institute, which is consonant with the approaches of many Russian policy experts. In a recent study, the Friedrich Ebert Foundation charted a future for EU–Russia relations in categories of cooperation in a ‘shared European home’ which, unlike a ‘common home’, does not presuppose value-based convergence. However, from the EU’s perspective, such scenarios are conditional upon moving towards a settlement of the Ukraine crisis in accordance with international law and European security norms.

Evidently, the idea of spheres of influence is problematic in many of these contexts. Russia’s verbal commitment to the common EU–Russian–Eurasian future is in direct contradiction to Russia’s neighbourhood policy, which often boils down to preventing post-Soviet countries from associating too closely with the EU. Georgia appears to be a good example of this: shortly after it ‘ratified the AA/DCFTA, Russia introduced the Treaty on Alliance and Strategic Partnership with Abkhazia [...] These treaties are Russia’s response to Georgia moving towards the EU. They are a message to other former Soviet states about the price of integrating with the West’. In this reading, Russia claims its exceptionality by reserving a role for itself of key communicator with the West when it comes to any integrationist project affecting the post-Soviet macro-region.

12 See also the chapter by Raik in this report.
This section briefly discusses what Russia’s neighbourhood policy looks like in terms of the policy models and visions that Russia adheres to.

**Foreign policy models.** For Russia, the ‘near abroad’ is the terrain for spheres of influence, an indispensable condition for Russia’s status as a great power in a multipolar world. Russia sees its neighbourhood as its geopolitical resource, which might be helpful for great power management (a great power concert). Russia’s ideal would be a ‘Europe from Lisbon to Vladivostok’, where major actors would negotiate among themselves and decide on major issues, yet (in contrast to the EU’s neighbourhood policy) with no binding normative agenda, on which Russia is extremely weak and which it sees as hostile towards its interests. From Russia’s perspective, the biggest threat is the loss of its central role in the neighbourhood area.

**Vision of the neighbourhood.** Russia’s view of the neighbouring area is predominantly dichotomous, differentiating between the EU-controlled Europe and the post-Soviet space. Moscow sees the in-between positioning of new EU associated partners (Ukraine, Moldova and Georgia) as a challenge to Russia’s strategy of integrating the post-Soviet republics under a Russian-dominated EEU. Moreover, Moscow perceives EU-type regionalism as a threat to both Moscow and the entire Westphalian system of national sovereignties. Region-building of this sort is not part of the Kremlin’s neighbourhood policy; in its stead Russia offers a top-down model of Eurasianism as a neo-imperial, rather than regionalistic, form of association.

**Developmental models.** Russia mostly supports illiberal and conservative attitudes in the neighbouring countries, and is not interested in bolstering transformative changes. In particular, Russia’s perspectives of influence in Ukraine depend on its relations with the ‘old guards’ of the inert and corrupt parts of the political class. Countries with strong conservative traditions might see Russia as a source of illiberal

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14 See the chapter by Raik in this report.
15 See the chapter by Sushko in this report.
practices, as evidenced, for example, by the debate in Georgia on the ‘blasphemy law’ that might defend ‘religious feelings’ and, in effect, criminalize criticism of the Church.

*Foreign policy tools.* Russia’s toolkit includes hard power, energy diplomacy, and counter-normative power – namely, Putin’s conservative project, which is projected outwards in a form of religious diplomacy and a hybrid version of soft power that includes propaganda mixed with geocultural elements. The cornerstones of Russia’s counter-normative project are a) the Russian world, an imagined community of allegedly and potentially kindred ethnic compatriots, b) civilizational constructs such as Eurasianism, and c) religious discourse exemplified by the concept of ‘holy Russia’ bound together by spiritual links of politicized Orthodoxy. All three are relatively insensitive to the legally extant borders between state (national) jurisdictions. The very design of their optics allows for transcending, if not disregarding, some of these borders. Within the framework of the Russian world, it is much easier to relativize borders between the Russian Federation and Russian-speaking communities living in the neighbouring countries. Through the prism of Eurasianism, it is feasible to include Kazakhstan or Armenia in the civilizationally construed domain of Russian interests. The lens of religious traditionalism and conservatism makes it possible to perceive Georgia not as a full-fledged independent nation, but rather as an extension/projection of Russia-patronized Orthodox ideology.

Each of these three counter-normative elements of Russian neighbourhood policy is grounded in the impossibility to contain a national revival within Russia’s borders; which explains why the most consistent version of Russian patriotism and nationalism is imperial in the sense of permeating, penetrating and challenging existing borders. This makes any detachment of Russia from its neighbours incredibly hard to bear for Moscow. It also explains why Russia so staunchly refuses to feel guilty about annexing Crimea and interfering in eastern Ukraine – the borders that are constitutive of Ukraine and the whole of Europe are much less real (if existent at all) for Russia’s mainstream, exemplified not only by the Kremlin, but also by the proverbial ‘Putin’s majority’. This only allows expansion; yet, needless to say, Russia’s own borders are as important to it as to any other actor, especially if challenged.

In Russia, the very concept of the nation-state faces existential challenges from alternative conceptualizations of Russian identity.
based on imperial underpinnings. As articulated through different discourses of Eurasianism and/or the ‘Russian world(s)’, Russia’s identity narratives contain the idea of the ‘incompleteness’ of the country and its incongruence with ‘genuine Russia’. Russia is not at all sympathetic towards the EU’s policy of doing away with national sovereignties for the sake of a trans-national and cross-border dispersion of power; on the contrary, in many important respects Russia sticks to traditionalist, conservative policies, including in its immediate neighbourhood. The concept of the Russian world implies that the Russian nation-building project cannot be confined to Russian domestic polity only; due to the Russian-speaking community widely dispersed all across the post-Soviet space, Russian nationalism inevitably spills over Russian borders and becomes trans-national. This explains the high level of Russia’s insensitivity to what constitutes the sacrosanct core of European political order – the inviolability of post-Cold War borders. Paradoxically, Russia is a proponent of a return to a nation-state system as a foundation of the whole structure of international relations, but Russia itself is far from being a nation-state, with imperial temptations outweighing the idea of national integrity.

**FACTORS OF CHANGE**

There are six major factors that influence Russia’s neighbourhood policy. With all due consideration of their varying importance and long-term relevance, as well the likelihood of new destabilizing factors emerging, each one will be briefly discussed from the viewpoint of its possible impact on Russia’s neighbourhood policy.

The **first** set of factors reflects the complex dynamics within the EU and includes the divisive effects of the Eurozone crisis, including debates on Grexit; the refugee crisis that challenges the future of the Schengen area; the mature Euroscepticism in several member states including the UK, France, the Netherlands, Hungary, and Poland, a tendency that includes the rise of far-right parties all across Europe; and the de-facto crisis of the EU’s Eastern policies.

These developments might be seen as beneficial for Russia since they question the integrity of the EU and weaken its ability to speak with a single voice on its eastern policy. Yet by supporting far-right and radical left parties in Europe, Russia is essentially helping to rock the EU edifice, which, bearing historical analogies in mind, does not
necessarily guarantee a higher level of security for Russia itself.\textsuperscript{17} As a reaction to Russia’s policies, some of its Western neighbours had already undertaken measures to protect their interests in the hard security domain, including the common military units of Poland, Lithuania and Ukraine, and enhanced military cooperation among the Visegrad Group countries and Ukraine,\textsuperscript{18} as well as between Ukraine, Romania and Bulgaria. This creates a new, more complex structure of security relations in Europe’s east and means greater, not less, securitization in close proximity to Russia’s borders.

The\textsuperscript{second} factor to be taken into account is the development within Ukraine that is characterized by a crisis of governance and the growing disappointment of a significant part of the population with the ruling regime.\textsuperscript{19} As in the first case, these domestic developments are largely seen as advantageous to Russia’s ambitions: they legitimize the key Russian argument of portraying Ukraine as an almost non-state with zero chances in Europe, and open up new prospects for manipulation and propaganda. The negative outcome of the Dutch referendum on April 6, 2016, in which voters firmly rejected closer EU links to Ukraine, only worked in Moscow’s favour in this respect.

Yet, as mentioned earlier, it is obvious that Russia perceives the economic and administrative problems in Ukraine not so much in the context of bilateral relations with this ‘fraternal’ neighbour, but largely as part of its acerbic polemics with the EU, whose Eastern Partnership policy Moscow sees as a failure. ‘In fact, it led to the collapse of two major Eastern European states – Ukraine and Moldova. They were on the verge of civil war. If the EU wants to apply this experience in Central Asia, it means another crisis is looming.’\textsuperscript{20} But Russia itself lacks a positive agenda to be pursued politically and economically towards countries that face tough challenges in their transformation process.

The\textsuperscript{third} factor to consider is Russia’s Syria campaign which, in Moscow’s eyes, was supposed not only to divert attention away


from Russia’s Ukraine operation towards a new, much more distant battlefield, but also to convince the West (both NATO and the EU) of the indispensability of forming a security alliance – even an informal one – with Russia against radical Islamism, thereby breaking Russia’s current political isolation. The question of whether Russia achieved anything in this regard remains a matter of interpretation.

From a German perspective, ‘Russia was helpful in [defusing] tensions with Iran, and has been helpful to the West over Syria. Only Ukraine remains a sticking point’.21 Yet there is a chorus of voices who deem that Moscow failed to convert its investments in fighting a common threat in Syria into a basis for legitimizing Russia’s policy in Ukraine, thereby failing to gain acceptance from the West of Russia’s great power status. This opinion is backed by a widely shared assessment of the Russian campaign in Syria as deceptive, brutal and ultimately having little to do with striking ISIS. The conclusion that many analysts drew from Syria is that Putin’s regime is becoming less cooperative and needs to be deterred in other areas where Russia’s interests might intersect with those of the West.22

Hence, Moscow is eager to take advantage of its operation in Syria for playing a key role in the international war on terror, and in duly convincing the West to accept Russia in this capacity. Yet, thus far, Russia hasn’t been able convert the benefits of its Syria campaign into policy capital to be used in bargaining with the EU and NATO in the common neighbourhood. In particular, reactions from Russia’s military allies to the operation in Syria show that a unified position is lacking within the Collective Security Treaty Organization.

The fourth factor is Russia’s conflict with Turkey, which is detrimental to Russia’s neighbourhood policy for several reasons. First, it created a new zone of tensions with a NATO member state and an influential actor in what Russia considers to be its ‘near abroad’. On this account, Russia might face an additional lobbyist for Georgia and Ukraine in NATO.23 Second, Russia lost Turkey as a constructive interlocutor through the role it played after the 2008 war between

Russia and Georgia. Moreover, Russia’s conflict with Turkey gave rise to a new discourse on the possible interest of the latter in strengthening its security relations with countries (like Ukraine, but also Poland and the Baltic states)\(^\text{24}\) that feel threatened by Russia.\(^\text{25}\)

The **fifth** factor is the sharpening of the armed conflict in Nagorno Karabakh in April 2016. Russia’s major advantage, almost consensually recognized by most international observers, is its mediation role and brokering resources that it applied in the absence of a clear EU policy.\(^\text{26}\) Yet the conflict poses a strong political challenge to Moscow’s stand in the whole South Caucasus, which is basically due to Russia’s traditional policy of supplying military armaments to both Armenia and Azerbaijan. Yerevan’s disillusionment with this dubious approach ‘leaves it with the imperative for a wholesale revision of its foreign policy. The flare-up has also spurred a debate among the Armenian public: sacrificing democracy for security has resulted in less, not more security’.\(^\text{27}\)

The conflict in Nagorno Karabakh actually raised the price of Armenia’s loyalty to Russia. According to the information leaked from the Russian Embassy in Yerevan, ‘the work here became more complicated... If earlier, Russia could do its job on the basis of confidence, now it won’t work. In four days [of hostilities with Azerbaijan in April 2016] the Armenians have lost their children and young countrymen’,\(^\text{28}\) and are much more demanding towards Russia. Indeed, the April 2016 resumption of hostilities ‘provoked an unprecedented outburst of scepticism towards Eurasian integration in Armenia and reciprocal scepticism towards Armenia in Belarus and Kazakhstan. The failure of the Minsk process could equalize Russia with all other parties and, conversely, increase the roles of Turkey and Iran... The loss of Nagorno Karabakh may draw a thick line in the Russian–Armenian alliance,'

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25 See the chapter by Alaranta in this report.


27 Shirinyan, Anahit. 2016. Four-day battle over Nagorno Karabakh can be a prelude to a new war. Chatham House, April 22, https://www.chathamhouse.org/expert/comment/four-day-battle-over-nagorny-karabakh-may-be- prelude-new-war.

especially taking into account that, for Azerbaijan, friendship with Russia in this case won’t be that indispensable’.  

Therefore, Russia’s policy towards Azerbaijan is also on trial. There are voices in Moscow claiming that ‘Azerbaijan, undoubtedly, shouldn’t become a second Georgia for us. We should avoid losing it; moreover, Azerbaijan is much stronger than Georgia, and it has behind it Turkey, whose strengthening role in the whole Caucasus, up to Dagestan, isn’t the best option’.  

Again, we see that the security environment in this particular segment of Russia’s sphere of interests is becoming increasingly complex and less easy to deal with. 

The sixth factor is the toughening power regime within Russia, with regular repression against opposition, decreasing media freedom, centralization of government and eradication of political pluralism. This devolution of Putin’s regime, which independent Russian analysts overtly compare with the well-known Soviet models, might be disadvantageous for the prospects of Russia’s normative leadership in the post-Soviet world. In the meantime, it is precisely this growing autarchy that decreases the sensitivity to the application of military force within society and makes it more compliant with the securitized vision of the neighbourhood. One may agree that, as a result of authoritarian rule, ‘Russia is neither more secure, prosperous nor respected abroad than before; if anything, the Kremlin’s domestic support has consolidated, but if the annexation of Crimea was the most rational way of achieving that, we face a far bigger problem with Russia than if we suggest that the decision was based on miscalculation’.  

WINDOWS OF OPPORTUNITY

On a general note, Russia perceives itself as being intentionally marginalized by a malign West, yet challenging this reality has proved to be costly and ultimately unsustainable, as the annexation of Crimea has clearly shown. Hence, Moscow is trying to hammer out its own

30 Markedonov 2016.
policy tools to smooth out the troubles Russia is facing in its relations with the West.

In spite of the generally negative background of Russia–EU interactions in the common neighbourhood, there is a glimmer of hope for a more cooperative relationship. Russia is showing some signs of readiness to tone down its militant posture in the Ukraine conflict. For example, Putin does not exclude the deployment of peacekeepers under the aegis of the OSCE in the frontline zone – an option that was discussed in autumn 2014 by a US–Russia group of experts meeting in Finland. Russia might also be willing to seek a consensus with the West (the EU and NATO) on a future status of Ukraine comparable to that of Switzerland’s or Austria’s neutrality. The West, however, largely views this idea with suspicion and rejects the possibility of a great power deal on Ukraine’s status.

As mentioned above, Russia’s compliance might be grounded in the due understanding of the heavy financial burden of sustaining the ailing economies of break-away territories. This is particularly the case in Transnistria: nowadays, Moscow is reluctant to keep financing this secessionist part of Moldova and is even reproaching its leaders for inefficiency. This conveys a lucid message to Donbas as well, strengthened by Russia’s verbal commitment to reintegrate this region into Ukraine. The postponement from 2016 to 2017 of a referendum in South Ossetia on joining Russia is also a sign of Russia’s search for wider room for manoeuvre and reluctance to hasten decisions that might be detrimental to its relations with Georgia and – unavoidably – the EU.

The exchange in May 2016 of Nadezhda Savchenko, a Ukrainian pilot sentenced in Russia, for two Russian military officers jailed in Ukraine for their participation in military operations in Donbas, further complicated Moscow’s stand on Ukraine and exposed its vulnerability. Observers have noted a strong contrast between the highly emotional return of Savchenko to Kyiv, including her immediate audience with President Poroshenko, and the almost silenced return of the two

Russians to Moscow. The two drastically dissimilar contexts of the prisoners’ swap clearly illustrate Russia’s role as a foreign encroacher and Ukraine’s role as a victim of intrusion, which Russia de facto acknowledged. The absence of celebratory and triumphalist notes in Russia’s narrative of the swap attests to the diminishing appeal of belligerent approaches in the Kremlin’s toolkit.

Russia seems to be slowly learning the lessons of its policy towards Ukraine, and appears to be gradually understanding the costly price it is paying for Crimea and Donbas. As a way out of the current stalemate, the Kremlin is resorting to a rather traditional tool of playing down the importance of political issues in its relations with the EU, and prioritizing its depoliticized (financial, economic, administrative and managerial) aspects. Nevertheless, the refocusing on non-political integrationist projects with the EU and common neighbours does not go as far as relinquishing Moscow’s cherished doctrine of vital zones of interest and spheres of influence. As this analysis has shown, Russia’s neighbourhood policy is very much grounded in capitalizing on the domestic weakness of the EU, as well as on the vulnerabilities of EaP countries.

In the absence of even a relative consensus on political issues, supposedly depoliticized projects such as developing relations between the EU and EEU can only be temporary arrangements. However, in a practical sense, at some point the EU might indeed engage with some kind of technical and, perhaps initially, semi-official contacts with the EEU. The rationale for that could lie in the fact that the EEU, with all duly understood Russia-centrism, includes a group of other post-Soviet countries that are both dependent on Russia and eager to have a freer hand in their outside communications and interactions. Some have their own opinions, which might contravene Russia’s policies – for example, Kazakhstan and Belarus are much more inclined to cooperate with Azerbaijan than incorporate Armenia in common institutions. The EU’s contacts with the EEU would not imply any solidarity with Russia or support for its policy towards Ukraine; what these contacts might indicate is that the EU regards Russia as just one Eurasian country among a group of its equally important eastern neighbours.

This strategy might make sense, especially bearing in mind that the cultural and political distance between most of the post-Soviet borderlands and Russia won’t diminish in the foreseeable future. Even countries amenable towards the EEU either prefer to limit this project to a purely economic inter-governmental coordination mechanism (Kazakhstan and Belarus), or are forced to accept Russia’s sphere of
influence because of security vulnerabilities (Armenia). A significant divergence exists between nation-building projects in neighbouring countries and in Russia, for whom strong national identities are conceptual challengers to its major foreign policy platforms, including the civilizational concept of Eurasianism, the Russian world doctrine, and neo-Soviet revisionism. In all of the neighbouring countries, there are multiple local discourses of ‘othering’ Russia as an external actor that needs to be kept at a certain distance and even counter-balanced. It is in the best interests of the EU to help members of the EEU as well as signatories of the Association Agreements to safeguard this distance according to their own needs and visions. This strategy would be beneficial for maintaining political pluralism in the post-Soviet space and keeping alive alternatives to Russia’s domination.
In 2004, the EU launched the European Neighbourhood Policy (ENP) with the aim of extending its norms and values to neighbouring countries. Building closer economic ties was to function as one of the main tools of the policy. The Eastern Partnership (EaP), launched in 2009 as a sub-policy of the ENP, paid more attention to the specific conditions of the Eastern neighbours, but did not change the core tenets of the EU’s approach. This approach, inspired by the origins of European integration and by the Eastern enlargement – but lacking some of the enlargement’s key elements – was envisaged as a way to spread democracy, peace and prosperity beyond the EU’s borders. So far, the EU has obviously failed to reach these goals in its neighbourhood.

Russia rejected the EU’s original offer to participate as one of the partners in the ENP. This was an indication that Russia saw itself as a major power distinct from the EU, and sought to advance its own regional integration projects in the post-Soviet space. By the time that the EaP was launched, the EU’s and Russia’s goals in the common neighbourhood were increasingly on a collision course. However, it looked like both sides were pretending to ignore the perspective of the other. The EU kept repeating that the EaP was not directed against anyone, but this was quite simply not the way Russia saw the situation.

The growing tensions exploded in Ukraine in 2014, which led many analysts to claim the ‘rise’ or ‘return’ of geopolitics in international

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relations, especially in Western-Russian relations. However, this chapter argues that from the EU’s perspective it is not geopolitics that is at the heart of the conflict. What are at stake are European norms and order at three levels: first, the norms and values of political order; second, economic order, in other words the norms regulating economic activity; and third, European security order and, more broadly, the norms of international security. Since the conflict is not essentially about territory, but about norms and values, it is more difficult to solve.

The EU’s strategy towards the EaP region – to the extent that it has one – cannot be characterized as geopolitical in a realist sense. The EU does not accept the very idea of spheres of influence and does not aim at exclusive control over the region. However, as long as the contrast between the political and economic systems of the EU and Russia remains as stark as it is today, it is practically impossible for the countries in-between to integrate simultaneously in both directions. The region is divided into countries that have chosen the EU orientation (Ukraine, Georgia and Moldova), countries that are included in the Russian-led integration projects (Belarus and Armenia), and finally Azerbaijan, which is trying to pursue its own path based on its energy resources. The need to choose an orientation towards either the EU or Russia has made it difficult for the EaP countries to develop relations in the other direction.

This chapter analyzes the EU’s policies towards the Eastern neighbourhood, focusing on the clash between the EU’s and Russia’s goals and modes of action along the three above-mentioned dimensions: political, economic and security order. It highlights the need to re-assess the connection between the EU’s normative goals and regional security dynamics. It is argued below that the EU’s long-term role in the Eastern neighbourhood still primarily hinges on norms and values, above all the ability and willingness of the neighbours to strengthen democracy and the rule of law. However, the EU can no longer deny the relevance of harder forms of power – such as military and economic, both the EU’s and that of other actors – for its ability to achieve normative goals.
When the ENP was launched in 2004, the wave of democratization in Eastern Europe was largely expected to continue. The EU accession of ten new member states in May 2004 attested to, and was a continuation of, the historic success of European integration in spreading peace and democracy on the continent. The ENP was framed as the EU’s ‘offer to share the benefits of enlargement with a broad arc of neighbouring regions’. Just like enlargement, the ENP aimed at the extension of EU values and norms to neighbours through conditionality. Many experts rightly criticized the EU for the mismatch between the ambitious goal of transforming the neighbouring countries, while offering them limited financial support and no prospect of membership.

Aspirations towards democracy in the neighbouring countries were manifested in the wave of mass protests and colour revolutions starting from Serbia in 2000. During the 2000s, mass demonstrations against those in power occurred in every Eastern neighbour country (and in most of the Southern neighbours during the Arab Spring). They led to a change of power in Georgia in 2003, Ukraine in early 2005, and Moldova in 2009. In other cases – Belarus, Armenia and Azerbaijan – there was a crackdown on the protests. In the whole neighbourhood, the protests were outcries for freedom and justice, and against corrupt, dishonest elites misusing their power. The Bolotnaya demonstrations in Moscow in 2011 and Euromaidan in Kiev from late 2013 to early 2014 can be seen as a continuation to the same chain of events. In the closest Eastern neighbours – Ukraine, Moldova and Belarus – the protesters were strongly EU-oriented, seeing the EU as a model for their country and expecting Europe’s support. And in each case, the activists were disappointed at the hesitation and low level of support that they actually received from the EU. Not only was the EU surprised by the events, it was also reluctant to get involved and generally acted in a stability-seeking manner during the upheavals. With two exceptions – most clearly the case of Serbia in 2000, where the West actively supported the ousting of president Milosevic, and to a lesser extent  

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3 In 2007–2013, the EU allocated a total of 12 billion EUR to sixteen neighbouring countries. In comparison, Poland received almost 1 billion EUR of pre-accession assistance in just one year, 2003.
Belarus, where president Lukashenko was sanctioned and isolated for years – the EU did not promote regime change.4

The wave of democratic protests coupled with the European aspirations of the protesters became a major source of tension between the EU and Russia. The Kremlin’s paranoia in seeing the revolutions as a Western plot directed against Russia ruled out the possibility of a truly bottom-up demand for change, and left no room for a shared interpretation of such events. At the same time, the political system in Russia gradually became more authoritarian during the 2000s.5

The gap between the political systems of the EU and Russia widened little by little, until it became clearly evident during Putin’s third presidency starting from 2012. The political dynamics in the Eastern neighbourhood showed that the EU had a notable power of attraction in the region, although it never offered or promised much to the neighbours. At the same time, Russia provided an alternative model of development and source of support that was attractive for the more authoritarian post-Soviet states, most notably Belarus.6

The EU welcomed the new European-oriented governments in Ukraine in 2005, and Moldova in 2009, and stepped up its support for these countries. However, the ENP, which was launched just before the Orange Revolution in Ukraine, was a very disappointing offer for the Ukrainians, who wanted to pursue full membership of the Union. It was in this context that the EU developed the concept of a Deep and Comprehensive Free Trade Area as an innovative response to Ukraine’s relentless demands for a membership perspective. The DCFTA became part of a new type of Association Agreement which aimed at ‘political association and economic integration’ and required the partner countries to take over large parts of the EU acquis. Negotiations with Ukraine started in 2007, more than two years after the Orange Revolution.

6 See the chapter by Rácz and Moshes in this report.
When the Eastern Partnership was launched in 2009 (as a region-specific policy under the umbrella of the ENP), it was again a disappointment to Kiev. The EaP offered nothing new to Ukraine, which already had the most advanced relationship with the EU in comparison to the other neighbours. The popular claims made since 2014 about the EaP being partly to blame for the Ukraine crisis tend to ignore or misrepresent the longer-term evolvement of EU-Ukraine relations. The EU’s relationship to Ukraine was gradually strengthened from 2005 onwards, and all the way up to Yanukovych’s fatal ‘U-turn’ in November 2013, Ukraine was the demandeur, asking for more than the EU was ready to offer.

However, the EaP did bring notable changes to the EU’s approach to the Eastern neighbourhood, which contributed to tensions vis-à-vis Russia. Although not explicitly defined in such terms, the EaP was the EU’s response to an increasingly aggressive Russian policy in the common neighbourhood, especially the war in Georgia in 2008. The EU was now ready to put more emphasis on its goal to develop closer ties to the whole region. This goal was in conflict with Russia’s renewed emphasis on strengthening Moscow-led regional integration, aimed at establishing the Eurasian Union. Russia’s actions unnerved the neighbours and increased their urge to strengthen relations with the EU, not least as a way to counterbalance Russia’s efforts to regain a dominant role in the region. This created another mismatch in the EU’s relations with the Eastern neighbours, namely between the EU’s emphasis on domestic reforms and the neighbours’ tendency to prioritize security considerations.

The new type of Association Agreement, initially designed for Ukraine, became the most important instrument of the EaP. It is comparable to several earlier contractual models in the EU’s external relations, notably: the Europe Agreements with the Eastern candidate countries signed in the 1990s, the Stabilization and Association Agreements (sAA) with the Western Balkan countries, and the European Economic Area agreements with Iceland, Lichtenstein and Norway signed in 1992. All these agreements are premised on shared values and foresee legislative harmonization and economic integration.

7 Wolczuk, K., ‘Perceptions of, and Attitudes towards, the Eastern Partnership amongst the Partner Countries’ Political Elites’, Eastern Partnership Review No. 5, December 2011.
The key difference between the EaP countries and all the other cases mentioned above is that the EaP countries were the only ones never offered the possibility of becoming full EU members. Thus, through the EaP, the EU continued applying a similar approach to its neighbours as it had been applying since the early 1990s, but without being ready to continue enlargement. Leaving aside the broader geostrategic context, the main sources of tension inherent in the EaP stemmed from the asymmetry of the EU’s offer: the EU was willing to extend its norms, but not the institutions and decision-making powers that set the norms.

The EU started negotiations on an Association Agreement (AA) with Moldova in January 2010, followed by Armenia, Azerbaijan and Georgia in July of the same year. Only Belarus was excluded because of the authoritarian nature of its regime. Yet the inclusion of Azerbaijan showed that commitment to democratic reforms was no longer a condition for the launch of negotiations. Hence, democratic conditionality linked to the new agreements was somewhat diluted. The EU tried to use negotiations on AAs as a tool to create closer ties, gain influence over the domestic agendas of the partner countries, and push for reforms. However, the EU’s ability to use the negotiations as an instrument to promote reforms was limited.

The EU-Ukraine negotiations were concluded in December 2011, but signature of the agreement was suspended due to the worsening democracy and human rights situation under the rule of President Yanukovych. During the second half of 2013, the EU made an effort to push Ukraine to improve the situation so as to be able to sign the agreement. The Ukrainian parliament adopted several laws aimed at strengthening democracy and the rule of law, but there was no notable change in practice, such as releasing Yulia Tymoshenko, Yanukovych’s key rival, from prison.

When the EaP Summit of December 2013 approached, geopolitical tensions gained the upper hand. Russia was putting pressure on Ukraine to step back from the EU deal. At the same time, the EU was increasingly ready to drop all the conditions pertaining to the signature of the agreement. Those forces in the EU who were actively pushing


for the conclusion of the Ukraine agreement – including commissioner Stefan Füle, Poland and Sweden as the initiators of the EaP, and Lithuania as the country holding the presidency of the EU Council during the second half of 2013 – saw the Vilnius Summit as a crucial moment for tying Ukraine to Europe and preventing its slide into Russia’s sphere of influence. They considered that it was in Ukraine’s and the EU’s interests to counter the aggressive efforts by Russia to impose its agenda on the post-Soviet neighbours. Importantly, Ukraine never wanted to join the Russian-led Customs Union and had prioritized EU orientation in its foreign policy for many years. Some practitioners argued that a strategic choice to support Yanukovych in the short term was necessary for the EU’s ability to promote its normative goals in the longer term. Some thought the EU was too strictly value-oriented in applying political conditionality and perhaps should have been more forthcoming in financial terms.10

The developments in the EU-Ukraine relationship during 2013 raised serious doubts about the importance of values in the EaP. The EU was drawn into a struggle with Russia over the common neighbourhood. Faced with Russia’s ‘soft coercion’,11 the EU’s value-based agenda struggled to remain relevant. Had the EU signed the Association Agreement with an increasingly authoritarian Ukraine, this would have looked like prioritizing geopolitics over values. The counter-argument is that it would have sustained the EU’s presence in the country, readily equipped with instruments that could have been quickly mobilized if and when domestic conditions turned more favourable for political reforms. Withdrawal from the Ukraine agreement by the EU might have destroyed any hopes of European-oriented reforms in the country for quite some time. It is also possible that the EU’s withdrawal would have caused public outrage similar to what actually happened as a result of the withdrawal announced by Yanukovych in November 2013. The Ukrainian people had their own views, which mattered.12

The importance of domestic political dynamics and bottom-up demands tends to be forgotten or downplayed when the crisis is framed as a geopolitical conflict between the West and Russia. A geopolitical reading (regardless of who is held accountable for its emergence)

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10 Interviews with EU diplomats, Brussels and Moscow, December 2013.
12 See the chapter by Sushko in this report.
disregards the aspirations and choices of the countries ‘in-between’. Russia’s neighbours in the post-Soviet space, irrespective of their primary foreign policy orientation, are keen to develop closer ties with the EU. Out of the post-Communist countries, some have joined the EU, others (in the Western Balkans) are in the enlargement process, still others have reached EaP Association Agreements, and the rest have more limited ties to the EU. The importance of domestic developments, notably political systems and values, for the relationship of each country with the EU is a factor that is omitted in a realist geopolitical approach.

On the other hand, the success of Eastern enlargement created an unrealistic understanding about the EU’s ‘transformative power’. Democratization studies generally highlight the primary importance of domestic factors for democratization processes. Euromaidan happened primarily because Ukrainians were fed up with their corrupt and ineffective leadership and became outraged at its violent response to protests. The demand for a more honest and just political system was homegrown, while the EU provided a model and support (however limited) to help the country move in that direction.

SIMILAR, BUT DIFFERENT PROJECTS OF ECONOMIC INTEGRATION

The DCFTAs placed economic integration at the core of the EU’s approach to the Eastern neighbourhood. The EU-centric nature of this approach contradicted Russia’s vision of Eurasian integration. The Eurasian Economic Union is also, in principle, built on economic integration, using the EU as a model. The two parallel economic integration projects pursued by the EU and Russia also created new tensions at the level of economic order.

The steps taken by the EU and Russia with a view to economic integration of their common neighbours are not symmetric. The EU has only offered DCFTAs to the EaP countries, which are compatible with other free trade agreements. Hence, the DCFTAs are compatible with the CIS FTA (signed by most members of the CIS in 2011). By contrast, Russia has put pressure on the EaP countries to join the Eurasian Economic Union, which, as a customs union, is not compatible with having a bilateral DCFTA with the EU. Like members of the EU, members

of the EEU cannot independently conclude free trade agreements, but become part of the common trade policies of the Union. In other words, the EU has not aimed at exclusive control over the external trade policies of EaP countries, but the Russian side has.

Amid the dramatic escalation of EU–Russia tensions, the EU signed the Association Agreements, including DCFTA, with Ukraine, Moldova and Georgia in June 2014. Armenia had also negotiated an Association Agreement during 2011–2013, but had to withdraw under Russia’s political and economic pressure, which utilized Armenia’s security dependence on Russia. Talks with Azerbaijan have stalled, since the country has shown little interest in the kind of Association Agreement that the EU has been offering, and it cannot start talks on a DCFTA as long as it is not a member of the WTO.

Russia has repeatedly claimed that the DCFTAs violate its economic interests, but has failed to substantiate such claims in a credible manner. Moscow’s concerns were addressed at trilateral talks conducted between the EU, Russia and Ukraine during July 2014–December 2015. The EU had refused until then to involve Russia in talks about the EU’s agreements with Ukraine and other Eastern neighbours. This was a principled stance based above all on acknowledging the sovereignty of neighbours and the ‘right of each partner freely to choose the level of ambition and the goals to which it aspires in its relations with the European Union’, as confirmed by the latest EaP Summit in 2015.14

The trilateral talks on the EU–Ukraine DCFTA confirmed that Moscow’s objections were (geo)politically motivated. Neither the EaP countries nor the EU were able to consider Russia a reliable and bona fide partner in this process. The trade–related concerns that Russia raised in the talks were partly unconnected to the DCFTA, and could have been addressed in part by practical cooperation. Following more than 20 rounds of talks, the European Commission concluded that Russia was not aiming at ‘obtaining practical solutions’.15 When the EU–Ukraine DCFTA finally entered into force in January 2016, following the failed trilateral talks, Moscow responded by suspending Ukraine’s participation in the CIS FTA and imposing trade sanctions.

The DCFTAs are in line with WTO rules and are not aimed at imposing constraints on the trade relations of the partner countries


in any other direction, including Russia. However, in practice, the trade relations of the EaP countries reflect their political orientation. The trade of Georgia, Ukraine and Moldova with Russia has strongly decreased, resulting from war in the case of Georgia and Ukraine, as well as sanctions and restrictions imposed by the Russian side. The EU is the most important trade partner for all EaP countries except for Belarus.16

The two economic integration projects could, in theory, be made compatible if the political preconditions and the will to do so existed on both sides. The EU has continued to pay lip service to the idea of a common economic space ‘from Lisbon to Vladivostok’, but the economic rationale of such a vision has been overshadowed by Russia’s violations of international norms, and the loss of trust.17 Establishing a formal relationship with the EEU has divided opinions inside the EU.18 It has been put forward by some leaders in the EU (such as European Commission President Jean-Claude Juncker and German foreign minister Frank-Walter Steinmeier) as a way to help resolve the crisis over Ukraine.19 At the same time, however, the possibility of making such a move as long as Russia continues its military activity in Donbas (while denying it) has been excluded. A concession in this regard might be interpreted by the Russian side as de facto acceptance of Russia’s dominance and coercive methods in the post-Soviet space. Moreover, a possible formalization of the EU-EEU relationship would still leave the fate of Ukraine, and other common neighbours that do not want to join the EEU, hanging in the balance. Ukraine’s reluctance to join the EEU, and Russia’s conflicting goal to make Ukraine part of its integration project, was one of the main factors leading to the crisis and is unlikely to disappear.

In practice, the differences between the two projects, the EU and EEU, are currently so huge that they can hardly be integrated into one entity ‘from Lisbon to Vladivostok’. The EEU differs from the EU above all due to the strong dominance of Russia and lack of the rule of law.

16 See the introduction of this report.
17 See also the chapter by Makarychev in this report.
Russia has been using trade, most notably energy trade, as a means of keeping the post-Soviet states in an asymmetric relationship of dependence characterized by unpredictability and the weakness of the existing norms and agreements. This stands in contrast to the norms-based relationship pursued by the EU. The countries in-between cannot avoid choosing between the EU and Russia as alternative and incompatible models for their development: in essence, democracy and the rule of law versus authoritarianism and the rule of the strong.

**THE EU’S FAILURES: LACK OF STRATEGY, NEGLECT OF SECURITY, AND DENIAL OF POWER**

The ENP and the EaP have always suffered from the lack of a strategic perspective. The EU has developed its relations with neighbouring countries both in the east and the south in an EU-centric, inward-looking manner. The ENP has been driven more by internal competition among the member states and EU institutions, rather than external realities and the needs of the partner countries.

Economic integration could be an important part of a strategy for those neighbours that are interested in closer ties, but it is not sufficient in its own right. In the Eastern neighbourhood, the question of offering a membership perspective to Ukraine and other interested countries has always divided the member states and is practically off the table. The internal crises of the EU (the Eurozone crisis, Brexit, and rise of populism) have made the Union unfit for taking on new commitments with regard to enlargement. There have also been few encouraging developments in the neighbouring countries that would make the latter better qualified for a membership perspective, let alone actual membership. The EaP Association Agreements are not a satisfactory solution in the longer term due to the asymmetry of the relationship described above.

Neglect of security dynamics has been another major weakness in the EU’s approach to the region. The EU underlines that the success of domestic political and economic reforms is essential for the sovereignty and security of Ukraine and other EaP countries. While emphasizing the democratization and economic integration of the Eastern neighbours, the EU has been reluctant to directly address security issues.

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The ENP is based on the idea that the EU can indirectly enhance security in the neighbourhood through supporting domestic reforms and closer ties with the neighbours. This reflects the strong role of the liberal ideas of democratic peace and economic interdependence in European foreign policy. As for democratic peace, it is commonplace in Western post–Cold War security doctrines, including the European Security Strategy of 2003, to tie security to the promotion of democracy and human rights across the globe. Economic interdependence has an even more special role in Europe: European integration was built on the idea that closer economic ties bring peace, security and welfare. The aim of the ENP to enhance security through economic integration draws on the ‘founding myth’ of the EU and the historic experience dating back to the establishment of the ECSC and EEC in the 1950s. In accordance with the theory of liberal interdependence, economic integration made power politics and military force redundant among EU member states.

Post–Cold War relations with Russia were built on the same ideas. The EU tried to reject the geopolitical logic of confrontation and draw Russia into the paradigm of positive interdependence and norms-based cooperation. Yet it only seemed to fuel Moscow’s resistance to what the latter perceived as the West imposing its norms.

A third failure, denial of power, has to do with an overly idealistic understanding of the EU as a ‘force for good’ and a different kind of international actor, characterized as a ‘civilian’, ‘normative’ or ‘ethical’ power. These concepts were popular in both scholarly and policy discussions on EU foreign policy in the 2000s and are reflected in the ENP. The EU has often downplayed the harder aspects of its power and disregarded the strategic context and implications of its own actions. Yet the spread of EU norms and values is not divorced from its strategic interests (both economic and security-related), and an assumption that the two could exist separately can indeed be called ‘nonsensical’. The latest ENP review marks a significant change of EU rhetoric in this regard, as it defines the promotion of values such as democracy and the rule of law as one of the EU’s interests. This is a major shift from the earlier rhetoric presenting the EU as a value-oriented actor that


seeks to prioritize values over interests.\textsuperscript{23} The EU’s normative goals to promote democracy and the rule of law are inextricably tied to its economic power through conditionality policies. It is also hard to distinguish between economic and political factors in explaining the EU’s appeal in the eyes of the people of neighbouring countries.

The EU has not been able to prevent the gradual deterioration of the security situation in the EaP region, which has remained fragile during the whole post–Cold War period. On the contrary, the EU’s increased political and economic involvement provoked Russia to strengthen not only its political and economic regional integration projects, but also its military involvement. The wars in Georgia and Ukraine exposed a fundamental difference between the EU’s and Russia’s approaches to the common neighbourhood: Russia is ready to use military force in order to pursue its goals in the region, whereas the EU – and more broadly the West – is not.

The regional security situation has been undermined by Russia’s continued military presence and manipulation of separatist conflicts in Moldova, Georgia, and between Armenia and Azerbaijan – a list to which Ukraine was added in 2014. The EU has not been willing or able to get more closely involved in the settlement of these conflicts. Russia has maintained its key role in the conflicts and is using them as an instrument to influence the post–Soviet states.\textsuperscript{24}

The EU’s technocratic approach to the protracted conflicts has brought some tentative success in the case of Transnistria, where a special arrangement on the application of the DCFTA has been agreed.\textsuperscript{25} Russia’s acceptance of this arrangement might be read as a positive signal that pragmatic solutions to trade issues in the region are possible. Yet there are currently no preconditions for a similar approach to work in the other conflict regions.

At the root of all the above-described tensions is the fact that the EU and Russia harbour different understandings of the European security order. Russia’s goal to strengthen its own sphere of influence and revise the European security architecture accordingly was reflected in the


\textsuperscript{24} See the chapter by Saari in this report.

Russia probably interpreted the quick normalization of its relations with the EU and the US after the Georgia conflict as an acknowledgement of its privileged role in the post–Soviet space. However, the EU continues to reject the very idea of spheres of influence, and thus the logic of realist geopolitics. The Ukraine crisis has served to crystallize EU and Western criticism: Russia has pursued its ambitions in the post–Soviet space by illegitimate means, violating the international norms that it has committed itself to, using coercive measures including military force and denying the target countries’ right to self-determination.

The EU’s response to the annexation of Crimea and war in eastern Ukraine relies heavily on its economic power. For the first time ever, the EU is applying strong economic sanctions against a major power and important economic partner. The sanctions are aimed at changing Russia’s behaviour towards Ukraine. They have not stopped Russia’s illegitimate presence in Donbas and participation in the war, but they have arguably put a brake on further aggression. The sanctions have been coupled with diplomatic activity, most notably the Minsk agreements, which are unlikely to be implemented but which helped to calm down the situation, at least temporarily. A third key element of the EU’s response is increased attention to strengthening the ‘resilience’ of the EaP countries through institution-building, notably in areas such as security sector reform and border protection. Taken together, these measures lose out in the short term when confronted with significant use of military force. In the longer term, however, Russia’s heavy reliance on military power is likely to become unsustainable.

**Conclusion**

Today, 12 years after the launch of the ENP, it is discouraging that none of the Eastern neighbours have made considerable progress with political and economic reforms. The reasons for this are manifold. The commitment of domestic elites to the reform agenda is weak. The tense regional environment and fragile security situation do not create favourable conditions for reforms. The EU has offered meagre support

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27 The concept of ‘Novorossiya’, propagated in 2014, suggested further territorial ambitions.
and no European perspective. And yet, goals such as better functioning institutions, an independent judiciary and reduced corruption are still what these countries need to pursue and what their populations expect. The EU cannot give up promoting these goals.

In 2013, Ukraine confronted the EU with a classic dilemma between values and geopolitical security considerations. Questions about what led to the EU–Russia confrontation over their common neighbourhood, and how to deal with it, remain divisive inside the EU. The EU has been criticized for doing both too much and too little. Both criticisms can be at least partly explained by the tendency to view the conflict through a geopolitical lens. Those sympathizing with the Russian perspective have blamed the EU for provoking Russia by getting too engaged in the latter’s traditional sphere of influence. Others, conversely, have criticized the EU and, more broadly, the West for having done too little in order to prevent Ukraine from falling under Russia’s control. On the threshold of the crisis in late 2013, the EaP was pushed to prioritize geopolitical considerations, although the EU was not prepared to deal with the consequences of such a move.

The dramatic events of late 2013 illustrate how the liberal normative agenda struggles to remain relevant when faced with a major power aggressively pursuing zero-sum geopolitics. If the EU stepped back from the region, or had not become involved in the first place, that would be prudent, cynical geopolitical realism. It would mean acknowledging Russia’s sphere of influence, in violation of the core norms of the European security order and the EU’s self-declared aspirations to promote democracy and the rule of law. Yet, as highlighted above, the EU’s self-defined goals and policies in the Eastern neighbourhood are not of a geopolitical nature, if geopolitics is understood as a zero-sum battle over who controls the region. The EU did not aim at exclusive control, but at the same time it could not accept that exclusive control by Russia would be imposed against the will of the countries in question. The EU’s inability and unwillingness to address the security problems and geostrategic tensions in the region have undermined the normative agenda. The EU has to learn to become more strategic in the sense of giving more consideration to security dynamics and the approaches of other major actors towards the region.

From a scholarly perspective, geopolitical realism does not provide a conceptual framework for analyzing some of the key aspects of the EU’s role in the Eastern neighbourhood. From a policy-oriented

29 See the chapter by Blank in this report.
perspective, the logic of realist geopolitics is something that the EU should continue to reject, since accepting it would imply that the EU has lost the ideational battle between liberal and realist approaches to the European order. For the time being, strategic confrontation with Russia, including (but not exclusively) over the countries in-between, seems unavoidable. The disagreement with Russia is principled and paradigmatic: as the EU tries to stick to the idea of norms-based order, Russia is defending its perceived security interests against the spread of the Western-dominated order. The EU cannot solve the crisis by abandoning its core ideas about the benefits of norms-based cooperation with, and democratic development in, the neighbouring countries.
4. Leading from behind?
The Obama Administration’s failed European policy

Stephen Blank

Neither the EU nor Europe is coping well with the many well-known and interactive crises confronting them. These interactive crises – economic stagnation, an overwhelming migration crisis, Russian aggression in Ukraine, Russia’s accompanying efforts to subvert the European status quo, and the mounting threats to democratic governance across Europe – are well publicized. But few observers and commentators have attempted to analyze what role, if any, the equally visible signs of American disengagement from European security management contribute to Europe’s crises. Even analysts who do not accept the argument of American disengagement from European and Eurasian security must admit that there is a pervasive atmosphere accusing the Obama Administration of disengaging.¹ Nevertheless, many European analysts and diplomats privately agree with this assessment and feel that the Obama Administration lacks an adequate understanding of, and strategy for, the challenges confronting Europe.²

This chapter contends that this disengagement, whatever its merits and causes, is not only real but also has undeniably deleterious consequences for European security. The most telling example of this disengagement is the conspicuous absence of the US from the so-called Normandy format that is trying to formulate a negotiated end to the fighting in Ukraine, or the subsequent Minsk process that has produced two agreements that nobody has respected. The second Minsk agreement is a suicide pact for the independent Ukrainian

state that Russia has intended to destroy all along through constant pressure and the threat, if not actuality, of sustained violence against it. Indeed, Washington is apparently continuing to force Kyiv to live up to that accord despite Russia’s constant violations thereof, takeover of the Donbass economy, mounting reinforcements for the so-called separatists, and ever-increasing incidents of violence along the front lines. And there certainly won’t be any effort to regain Crimea for Ukraine. If this analysis is correct, then – despite the terrible cost – Moscow’s aggression will have prevailed. Meanwhile, the US is clearly intensifying its cooperation with Russia in Syria, indicating not just disengagement but also an absence of any clear thinking about strategic goals and US interests or European security.

This disengagement is not a recent development but has grown throughout the two terms of the Obama Administration. Nor is it confined to Ukraine or Europe. For example, one study of US policy towards Azerbaijan observed that the policy had ‘run out of steam’ since 2010. The EU has conspicuously failed to step into the breach left by this American disengagement. Consequently its initiatives, the European Neighbourhood Policy and the Eastern Partnership, have visibly failed to advance democratization, or promote conflict resolution. The Russian expansion into Latin America in recent years is another example of Moscow exploiting the retreat of the US and its disengagement from the area.

Meanwhile, other analysts cite Washington’s disengagement or detachment as one of the prime causes of the European crisis. According to Andrew Wilson, the root cause of the Ukraine crisis is Russia’s ambition to expand its influence within the Soviet periphery.

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even to the Baltic states, which have joined NATO and the EU, coupled with ‘American inattention’. Indeed, before Russia invaded Ukraine there was discernible ‘Ukraine fatigue’ in the West and in the US due to the failure of Ukrainian governments since 1991 to make progress on reform or security. Some authors believe that the Eastern Partnership has become one of the most contentious issues between the EU and Russia. As one account put it:

“Kiev’s dependence on Moscow is becoming more pronounced. ‘Ukraine fatigue’ has become a term of art in Western circles, connoting disillusion with the results of an extensive and costly commitment to democratic transformation. Ukraine’s re-orientation, which may or may not be affected by changing electoral fortunes in the future, has weakened the substance of a Western policy of integration.”

This inattention was not confined to hard security issues. Indicative of US policy, on November 13, 2012 Assistant Secretary of State Phillip Gordon told a US and Balkan audience that the US would not support one or another pipeline in Europe or Eurasia over the other. In other words, Washington would not block Russia’s South Stream pipeline despite its negative political implications for Ukraine or the Balkans. Thus the road for Russia on energy policy was unobstructed, leaving Ukraine on its own. Likewise, the US took a back seat to the EU in terms of conflict resolution and democratization in the Balkans after 2000.

Washington also stood aside from the EU’s Eastern Partnership other than occasional rhetorical support for it. As the Vilnius Summit of the Eastern Partnership and the issue of Ukraine signing an Association Agreement (including a Deep and Comprehensive

12 The author was in the audience on this occasion. See also Janusz Bugajski, “Russian Offensive in the Balkans,” Sarajevo, Al Jazeera Balkans Online, in Bosnian, Croatian, Serbian, November 24, 2012, FBIS SOV, November 25, 2012.
Free Trade Agreement (DCFTA) with the EU approached its climax in November 2013, Assistant Secretary of State Victoria Nuland testified to Congress that the Administration supported the sovereign right of all the states in the Eastern Partnership to determine their own future and that we welcomed their closer ties with the EU. She also stated that the US had stepped up its economic and political assistance to the countries involved so they could make the tough decisions at Vilnius to also move to a DCFTA with the EU and contend with any domestic or foreign (i.e. Russian) opposition to their choice. Nuland also extolled the extensive diplomatic coordination between the US and the EU.\footnote{Testimony of Victoria Nuland, Assistant Secretary of State for European and Eurasian Affairs Before the Subcommittee of the Senate Foreign Relations Committee, http://www.state.gov/p/eur/rls/rm/2013/nov/217576.htm., November 14, 2013.} She left no doubt that the Obama Administration fully understood the stakes involved in fostering a closer relationship between the EU and the six countries of the former Soviet Union: Belarus, Ukraine, Moldova, Armenia, Azerbaijan, and Georgia. Nuland concluded by stating that:

\textit{The Eastern Partnership is, ultimately, about far more than a closer relationship between the EU and several countries in Eastern Europe and the Caucasus. It is also a step toward the longstanding vision of a more integrated economic space, stretching from Lisbon to Donetsk animated by market-oriented reforms, growing prosperity, and deepening democracy. To this end the EU and the United States are negotiating the Transatlantic Trade and Investment Partnership (TTIP) – which promises to support growth, investment, and jobs on both sides of the Atlantic as well as establish a high-standard rules-based global trading regime. That broader vision of Europe’s integrated economic space is becoming real and attractive and could ultimately encompass not only Europe but also the entire transatlantic space. We and the EU believe that investing in the Eastern Partnership is in everyone’s long-term interest.}\footnote{Ibid.}

Yet, as of the start of 2016, the Transatlantic Trade and Investment Protocol (TTIP) has gone nowhere and probably could not pass Congress. Moscow has annexed Crimea, taken over the Donbass, and
crippled Ukraine’s economy and government while continuing to loot Ukraine’s assets. Russia also unilaterally blocked Armenia’s efforts to sign a DCFTA and forced it into Russia’s alternative economic bloc, the Eurasian Economic Union. All three South Caucasian states are regressing in democratization, Moldova’s government is essentially paralyzed, and Belarus’ situation has hardly improved. Moreover, neither the EU nor the United States has any idea how to get the Russians out of Ukraine’s territory or how to deal strategically with Moscow. The Eastern Partnership is moribund at best.

While the scope or magnitude of European crises cannot be attributed exclusively to any one actor or cause, undoubtedly the absence of any American leadership or strategic direction for European security plays a major role here. Moreover, the Administration evidently rejects the idea that constant alliance management by the strongest partner in the Transatlantic Alliance is its responsibility or a vital US interest.

Unfortunately, this dangerous state of affairs is the logical outcome of the Administration’s policies since Obama’s 2008 campaign for the presidency. Ambassador Steven Pifer has written that in 2008 the campaign team formulated a strategy paper for engaging Russia that ‘included the kinds of trade-offs the U.S. might offer in order to improve the relationship and secure Russian cooperation on other questions’. Upon assuming power in 2009, the Administration began implementing this policy and it evidently included as a byproduct the redesign of missile defence that caused so much controversy in Europe in 2009. Although Pifer supports maintaining a robust US presence, both military and non-military, in Eastern Europe, it is telling that the tradeoffs were to negotiate the two things Moscow wanted: US assistance with Afghanistan and, even more importantly, a strategic arms treaty in return for what Obama wanted, namely progress on Iran as well as a strategic arms treaty. Nowhere does Russia’s effort to rebuild its empire in the former Soviet space figure in his discussion.

17 Ibid.
18 Ibid., pp. 92–95.
Despite Nuland’s testimony to Congress, the Administration has, in fact, consistently evaded the responsibility of strategic leadership that is incumbent upon it in Europe and has repeatedly failed to grasp the nature of the Russian challenge to European and Eurasian security. Ultimately, Nuland, who undoubtedly knows better, was doing what any Administration’s spokesperson does at such sessions, namely making the Administration’s record sound better than it is. The consequences of this failure are immense and were known in advance:

While European leaders are not considering offering Eastern Partners a membership option; make no mistake that ultimately the process underway at Vilnius is about integration. If the United States sits on the sidelines, this next wave of European integration and ultimately enlargement will fail. It could fail because Europe remains divided on its objectives, the Russians have chosen to challenge this process, and the most significant obstacles to integration of Europe’s East remain security issues that are beyond the purview of the Eastern Partnership.¹⁹

Much of today’s disarray in Europe could have been avoided if the EU and the US had grasped what must be done to advance a liberalizing and democratizing agenda further into Eastern Europe. By the same token, the current situation reflects the lost opportunities and destructive political tendencies that are given new life when the US, not to mention the EU, fails to confront its responsibilities and interests.

WASHINGTON’S RETRENCHMENT AND NEGLECT OF EUROPE

The relative inattention of the US to Europe stems from the lack of any truly strategic policy and vision for Russia or systematic concern as to the consequences of the US disengagement from key strategic areas. As The Economist reported, ‘Barack Obama has blithely regarded Russia as an awkward regional power, prone to post-imperial spasms

but essentially declining’. In an earlier study of the strategic triangle with Russia, China and the U.S., I found that the Administration seemed determined to ignore considerations of power politics that animate Sino-Russian calculations of the strategic triangle among those three states. While the concept of the triangle, whereby the power that is most advantageously situated is the one with the closest ties with the other two, remains the fundamental calculation from which other Chinese assessments spring, the Obama Administration rejected this perspective. Indeed, key officials still profess disappointment and even some surprise that Russia rejects Washington’s liberal integrationist view of world politics, a stunning display of its tone deafness towards, and dismissal of, Russia.22

For example, Washington has done nothing to exploit Russian concerns about China’s growing nuclear and military power and talk of leaving the INF treaty by publicly urging China to join future strategic arms negotiations, even though Russia makes China’s participation a condition of its participation in such talks.23 Evidently, Washington prefers dealing separately with each state rather than reckoning with their possible truly strategic partnership, which is growing. Their posture both accounts for and grows out of both parties’ shared resentment of Washington, which each feels because Washington supposedly does not take them seriously enough. If this assessment is correct, then Moscow and Beijing embrace the strategic logic of the triangle but Washington does not. Moreover, it would also suggest that the Administration rejects the idea of zero-sum politics even if Beijing

21 According to Gilbert Rozman, the continuation of the concept of the triangle has underscored every Chinese calculation of great power relations since the 1970s, Gilbert Rozman, Chinese Strategic Thought Toward Asia, New York and London; Palgrave Macmillan, 2010, p. 53.
and Moscow do not.\textsuperscript{24} In 2009 Deputy Assistant Secretary of Defense Celeste Wallander, now the National Security Council’s Director for Russia, stated that:

\begin{quote}
We see our basic approach to Russia is that we see lots of areas where our interests overlap and where it’s possible to find cooperation and coordination. We don’t accept a zero-sum frame, but this is a frame that everyone keeps trying to force on the United States, that American perspectives on Eurasia, on Europe, on arms control must be zero sum. We don’t think they’re zero sum. [...] And the same set of rules and norms by which Russia exists in the international community and commands our respect, as it does, apply to Russia’s neighbors. And that’s really the basic principle, that the United States expects Russia to abide by the same rules of the game that Russia expects the rest of the international community to approach Russia with.\textsuperscript{25}
\end{quote}

Under the circumstances, it is not surprising that the South Caucasus and Central Asia believed Washington was disengaging from them and tacitly accepting Russian hegemony – apparently Moscow did, too. Dmitri Trenin of the Moscow branch of the Carnegie Endowment for International Peace wrote in 2010 that:

\begin{quote}
The opinion that has predominated in our country to this day that the ‘reset’ is above all Washington’s apology for the mistakes of the earlier Bush Administration and their rectification certainly does not correspond to the idea of the current team in the White House. For example, in our country the concept of the ‘reset’ is understood as almost the willingness in current conditions to accept the Russian
\end{quote}


78
point of view of the situation in the Near Abroad, which essentially is wishful thinking.26

Unfortunately, the absence of any US policy towards Ukraine, Central Asia and the Caucasus during this period seemed to confirm Trenin’s insight concerning Moscow’s views.

While the Administration clearly wanted the Eastern Partnership to succeed and subscribed to its values, it did little or nothing to engage the countries from Belarus to Armenia which were in it, or the larger East European region. Furthermore, it certainly communicated to Moscow and to the other post-Soviet capitals its unwillingness to contend with Russia for influence in the former Soviet space. Indeed, Kyiv picked up on this disengagement due to the reset as well. Thus a diplomatic cable to Washington from the embassy in Kyiv in 2009 openly stated, ‘Changing US policy toward Moscow has led to speculation that the US has softened its support of Ukraine as the price of improving US–Russia relations’.27 Overall, this is a policy that can only be characterized as retrenchment whatever fancy label others may put on it. Moreover, retrenchment intrinsically signifies weakness and retreat. As Robert Gilpin wrote:

Retrenchment by its very nature is an indication of relative weakness and declining power, and thus retrenchment can have a deteriorating effect on allies and rivals. Sensing the decline of their protector, allies try to obtain the best deal they can from the rising master of the system. Rivals are stimulated to ‘close in’, and frequently they can precipitate a conflict in the process. Thus World War I began as a conflict between Russia and Austria over the disposition of the remnants of the retreating Ottoman Empire.28

This retrenchment is not merely military, although that is certainly occurring. Nor is it confined to Europe. Numerous accounts of US

policy in the Middle East have pointed to the retrenchment of US policy, power, and presence there that has left allies in doubt as to whether US commitments to their security will be honoured. Consequently, vital US security interests are coming under increased attack. Although the following observations were made about Latin America, as Russia tries to replace the receding US presence with its own presence, it could just as easily apply to Europe or any other key area:

Russia’s rise underscores the significant loss of Washington’s ability to shape events in a region closest to home and in which the United States has fostered diplomatic ties since its inception. This decline, due to waning policy attention amidst multiple global crises and severe budget constraints, is leaving a diminishing group of friends in the hemisphere. Since 2010, US. engagement efforts, both military and diplomatic, have been scaled back dramatically with overall aid decreasing both civilian and security assistance. And regional initiatives have been among the hardest hit by the ongoing budget austerity, which has left a vacuum that is being filled by extra-regional actors and a growing group of political leaders who hope for a multipolar world where the United States is no longer the dominant power. 29

The shameful flight from the Budapest Agreement of 1994 regarding Ukrainian security can hardly have inspired confidence in Europe or elsewhere concerning the viability of American assurances, let alone guarantees. Moreover, Moscow and Beijing have each repeatedly invoked a declining US and have clearly calculated in Syria, Ukraine, and the South China Sea that they do not have to worry unduly about Washington.

The perceived retrenchment of American power has other, less visible, but equally deleterious consequences in Europe. The absence of any robust US response, and failure to even advance the TTIP, demonstrates a striking loss of vision and optimism. Moreover, in the economic, Greek and immigration crises that are tearing Europe apart and accelerating the perception of its decline, Washington has not even bothered to lead from behind. Instead, it has mostly been silent. In Greece’s case, the prolonged crisis undermined the

29 Farah and Reyes, p. 112.
so-called ‘convergence narrative’ that membership in the EU and NATO heralded the promise of modernization and prosperity, as well as overall security for countries sheltering under those institutions’ umbrella. The Greek crisis and continuing massive corruption throughout the Balkans undermines the credibility of the EU narrative that democratization would be the cause and outcome of integration into the EU and NATO. That crisis also triggered a visible public and elite enlargement fatigue, highlighted endless divisions in the EU and NATO among the members, undid many of the accomplishments since 1990, and raised doubts about the loyalty of Greece and other states to these organizations.30

This retrenchment has been accompanied, quite deliberately, by the increasingly visible outsourcing of much of Washington’s European policy to Germany, Western and Central Europe’s strongest economic and political actor. Despite Chancellor Angela Merkel’s strong position on Ukraine and sanctions, this is a strategically dangerous policy. It places burdens on Germany that it cannot ultimately tolerate, while also placing dangerous temptations before it. Washington’s retreat has given Germany the opportunity not just to lead but also to act unilaterally towards Russia in ways that weaken or even subvert EU policies and programmes. Moreover, these unilateral actions often portrayed as merely being business deals have failed to accomplish their objectives. Those German business and government interests that have regularly portrayed their deals with Russia as being merely commercial ventures that nonetheless will ultimately Westernize or modernize Russia have been proven to be quite wrong.31 More purely commercial motives that play an enormous, if not critical role in German foreign policy are at work here as well. They are not merely the lure of the Russian market, but also have a more sinister side, as one of the most visible results of German business ties to Russia is an upsurge in corruption scandals involving major German businesses like Deutsche Bank.32 The Nord Stream II gas pipeline from Russia to Germany is the most outstanding example of this corruption of

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German policy that benefits only Russia and contradicts EU policies and interests, and unilaterally undermines the EU.\textsuperscript{33}

This outsourcing of leadership to Berlin gives rise to the temptation of either the famous German seesaw politics (Schaukelpolitik) of alternating between East and West as a bridge rather than as an ally, or of espousing a continental version of Europe centred on Paris, Berlin and Moscow at the expense of all the states between Germany and Russia.\textsuperscript{34} But that kind of Europe essentially destroys any hope of the EU ever achieving its goals since Russia possesses much more leverage here than its would–be partners, and it deems the unification or integration of Europe, especially as democratic states, as its greatest geopolitical threat, and empire as its raison d’être.\textsuperscript{35}

\textbf{THE NECESSITY OF US LEADERSHIP}

Although these aforementioned centrifugal tendencies do not, or at least have not yet assumed military forms, they clearly point to the long-dreaded renationalization of European security agendas and fragment Europe’s ability to play a coherent role in world affairs. War is now quite conceivable in Europe. Even if it assumes the form of what NATO calls hybrid war, it occurs with the potential of violent armed combat on the scene.\textsuperscript{36}

Despite the achievements of the Wales summit in 2014, NATO cannot overcome Russian conventional advantages in either the Baltic or Black Sea theatres without incurring enormous losses, and its militaries have all but disarmed over the course of the last generation.\textsuperscript{37} Indeed, even if Washington and its allies reach the 2% of GDP goals, their military spending is still insufficient and all too often inefficient.


\textsuperscript{34} Sten Rynning, “The False Promise of Continental Concert: Russia, the West, and the Necessary Balancer of Power,” International Affairs, xci, No. 3, 2015, pp. 539–552.

\textsuperscript{35} Ibid.


\textsuperscript{37} Conversations with US Commanders, Germany, July, 2015.
Moreover, by almost any account, US forces are overstretched and European economies and governments are unready and unwilling to spend the sums necessary to deter Russia. This fecklessness risks even greater disasters (not excluding the possibility of violent upheavals in and around the Russian Federation, which is clearly caught in a major economic crisis).

Undoubtedly, this situation requires a fundamental strategic reappraisal and initiative to revitalize both the Transatlantic Alliance and European economies, while also demonstrating the inherent vitality and superiority of a liberal, democratic, rules-based order. It is probably too much to hope for from an Administration in its last year – and especially one that has little understanding of either Russia or of European strategic realities, let alone the will to do anything about the situation. Furthermore, the current election campaign has only served to demonstrate an abysmal ignorance and unconcern about foreign affairs that presages still more pessimistic prognoses for the future. But the recommendations and analysis laid out below are offered in the hope that its successor, as well as European governments, will grasp the necessity of effecting a radical improvement in Europe’s condition, to meet not just the Russian challenge but the overarching challenge of validating liberal democracy in action and preventing the erosion of peace in Europe and Eurasia.

The strategy presented here aims to restore Western cohesion under a revitalized Atlanticism that meets today’s needs and responds to the linked challenges of Russia, Ukraine, immigration, the Middle East, and European economic-political stagnation.

First, it is urgent that lethal defensive weapons and military trainers be sent to Ukraine immediately and in greater numbers. The Administration must also insist upon increased defence spending to provide for an upgraded conventional deterrent in Europe. This means increased army, navy, and air forces and the requisite infrastructures. We should also demand this of our allies and therefore terminate the travesty of sequestration. Along with this increase in capabilities, there must be a new and large investment in intelligence and expertise on Russia and the post-Soviet space, which is sorely lacking in both quantity and quality in the US and in Europe.

Second, the West as a whole must undertake a programme not of immediate loans but of outright long-term assistance to Ukraine on a scale sufficient to ensure its long-term stability, growth, democratization, and integration into the West. This entails the return of Russian conquests, the withdrawal of all Russian forces back to
the Russian Federation, and a domestic programme that involves the de-concentration of power in Ukraine but also provides strong internal and external guarantees of its and Russia’s security.

Third, there must also be a commensurate reform and, if necessary, expansion of US information activities in all Russian-speaking areas of the former Soviet Union, and much more public and constant pressure on Moscow’s human rights violations to deprive Moscow of an uncontested field of information warfare at home and in the West by exposing Russian policies and operations, for instance Russian financing of anti-EU and extremist parties in Europe; Russian information operations and espionage; and the corruption of many European economic-political institutions and processes with Russian money. As Russia’s threats to Ukraine and other states are not merely military but also exploit failed governance throughout Eastern and Central Europe, this kind of multi-dimensional programme must meet those threats.

Simultaneously, and in order to attack the problems of immigration, poor governance, and economic-political stagnation that lie at the root of the EU’s long-term malaise, the Administration must also undertake concurrent economic-political programmes. It must energize the effort to obtain Congressional assent to the Transatlantic Trade and Investment Protocol (TTIP), inject much-needed dynamism into European economies, and provide the legislative basis for accelerated gas and oil exports to Europe to deprive Russia of its key economic-political weapon abroad. This means launching a concurrent large-scale economic development and investment programme throughout Europe together with the EU to galvanize European economies and stimulate demand that the new immigrants can meet. Immigration today, as it was after 1945, is critical to any revival of growth in the EU’s economies. Since it cannot and should not be stopped, it must be welcomed and exploited to benefit immigrants and their hosts today and well into the future. Renewed dynamism will also erode the basis for the rising anti-liberal tide in Europe and deprive Russia of support from European extremist parties. The energy provisions alone will stimulate new investment in energy infrastructure, but that is only one part of the picture. These initiatives, accompanied by renewed emphasis on democratic and non-corrupt governance, will also go a long way towards eliminating sources of discontent throughout Europe and also help assimilate immigrants, thereby overcoming or reducing the sources of anti-immigrant parties’ appeal.
Governments can work out the details but these programmes must be on a scale comparable to the Marshall Plan, NATO, and the European Coal and Steel Community. And as Marshall told his team, we must avoid trivia while thinking big. It is therefore critically important that the Administration seize the day to articulate the strategic urgency and desirability of undertaking this programme on behalf of US interests, values, and international security. This also means challenging and cooperating with those Republicans who have advocated this programme, in part or in its entirety, to make it a truly bipartisan programme. Few, if any, of these ideas are new, but perhaps the total package is new in scope and ambition. Nevertheless, it is in no way the mumbo-jumbo that has come out of Washington, and reflects a tough-minded and sober appreciation of the threats and challenges to Western interests and solidarity, as well as a bold, future-oriented and optimistic vision.

This programme of action also naturally presupposes reforming the US political process, the greater enlightenment of its elites as to what is at stake in Europe and Eurasia, and the revitalization of American economic power, the foundation of its power abroad. But, like the Marshall Plan, this programme also entails serious action by European governments to revitalize their economies, accept immigration in ways that integrate dynamic new elements into their societies, and generate a new economic dynamism. European integration must move forward, even if on a readjusted basis, for the alternative is fragmentation, the renationalization of security agendas (even in a non-military sense) and an invitation to Russia to continue destabilizing the overall integration process. Moreover, the Eastern Partnership, under conditions of renewed economic-political dynamism, must also be recast.

It is equally clear that only by offering eventual membership is it possible for an external actor like the EU to induce a country to undertake the necessary reforms. Only by such conditionality can it build the external pressure and internal support for reform in these countries. Experience has repeatedly reconfirmed this point. And there is no time to lose. The present economic crisis generated by low oil prices and stagnating growth could trigger upheavals in some of the former Soviet states; Azerbaijan is already seriously stressed.

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and protests are rising in Russia.\textsuperscript{39} If the EU, buttressed by stronger American support can provide a newly dynamic paradigm, it can begin the admittedly very long-term process of reformulating the Eastern Partnership to show current partners that membership does await them if they, with Western help, undertake the necessary ‘heavy lifting’.

The EU’s powers of attraction, though diminished, have hardly dissolved altogether as several Western Balkan countries are (slowly) proceeding towards accession, and Ukraine, Georgia and Moldova are seeking membership.\textsuperscript{40} That membership ought to be put on the table provided they and other subsequent applicants seek it. Despite the Partnership’s poor record to date, renewed invigoration under strengthened transatlantic engagement would probably justify or trigger its development to the point where it could offer membership all the way to the Caspian Sea given the strategic necessity of strengthening the independence of the post-Soviet states.\textsuperscript{41} For we have learned, at an expensive human and material cost, that leaving these states in Europe’s anteroom encourages the domestic deformation of their polities and economies, and creates a standing invitation to Moscow to attack them to prevent their entry into Europe. Russia’s imperial aspiration represents the greatest threat to European security, if not the international order. Merely to preserve the status quo is to disregard the lessons of the last few years and assume that we are still in the 1989–2014 period, and hence do not need to think seriously about European security.

To bring about a Europe whole and free, the US and Europe must work harder and more closely together on behalf of European integration. Indeed, only when Russia accepts that it cannot restore an empire will it recover its true European vocation. Today, Moscow regards integration as the greatest of all geopolitical threats to the


mafia state that European analysts have long since agreed that Russia has become. Constricting Russia’s opportunities to wage war, either by force or in ‘hybrid’ fashion, by democratically enlarging Europe over the long run is the only way for Russia to become a force for democracy, security, and prosperity. As the current record suggests, tertium non datur. There is no third way.
China: Tactical gains, but strategic concerns over the Ukraine crisis

Tamás Matura & Máté Mátyás

The crisis over Ukraine per se is obviously not a crucial foreign policy issue for Beijing. Eastern Europe is far away from the People’s Republic of China (PRC) in both geographic and political terms, while its significance for economic and business relations is also relatively low. Still, the global political consequences and the potential precedent-setting power of the events in Eastern Ukraine and Crimea are of concern to China. As the Chinese saying goes, a ‘crisis’ signifies both a threat and an opportunity at the same time, and indeed, the game between Russia and the West over Ukraine may pose both opportunities and threats for China as well. Some Western observers argue that Beijing may be the real winner in the crisis, as it exerts bargaining power and leverage over Russia, the EU and the US at the same time. Chinese analysts are less optimistic, however. Despite the obvious short-term, tactical-level benefits, many of them harbour longer-term, strategic-level concerns about the fallout from the crisis as far EU–China and US–China relations are concerned. Thus, the question remains as to whether China is the winner in the Ukraine crisis or not.

THE UKRAINE CRISIS AND ITS LONG-TERM IMPACT ON THE INTERNATIONAL SYSTEM FROM THE CHINESE PERSPECTIVE

In order to understand China’s behaviour in connection with the Ukraine crisis, one needs to take Beijing’s strategic thinking into consideration – and assess the place of the EU’s Eastern neighbourhood in it. This leads us to the problem of Chinese strategic
planning\(^1\) and its outcome, China’s grand strategy and, ultimately, the role of the EU’s Eastern neighbourhood. Depending on how it is defined, one might question whether such a strategy exists at all. But for the purpose of this study, we accept that – loosely defined – there is a Chinese grand strategy,\(^2\) at least as a collection of major trends in the foreign policy thinking of the political leadership of the People’s Republic of China.

On the one hand, there has been a great number of examples of top Chinese officials using the concept of ‘core interests’ as guiding principles for Chinese politics – not only externally, but internally as well. Although not entirely exact and somewhat opaque (just as foreign policy decision-making processes are in general\(^3\)), based on former state councillor for external affairs Dai Bingguo’s statements,\(^4\) as well as the official 2011 Peaceful Development White Paper,\(^5\) one can assume that there is a coherent, structured, and hierarchical set of policy goals informing Chinese political decisions. These are:

\begin{enumerate}
  \item \textit{China’s political system and social stability;}
  \item \textit{ensuring sustainable economic and social development;}
  \item \textit{state sovereignty, national security, territorial integrity and national reunification.}\(^6\)
\end{enumerate}

\begin{enumerate}
\end{enumerate}
Putting aside important ‘technical’ questions such as the South and East China Sea islands’ place in this hierarchy,\(^7\) it is very logical that the Ukraine crisis (and the whole EU Eastern neighbourhood region) possibly only fits into the second category of ‘ensuring a sustainable economic environment for the development of China’ – making it a secondary issue for the Chinese leadership. However, if one acknowledges the narrative of the Ukraine crisis as a corollary of ‘yet another colour revolution’ in the post-Soviet region – a view predominant in Moscow, and not entirely rejected by Beijing\(^8\) – then the conflict can also be seen as belonging to the first category. As Moscow’s reading of the political crisis in Ukraine, ‘Euromaidan’ and the ensuing events almost always includes internal meddling by Western powers, chiefly the United States and the European Union, if this understanding of the situation is accepted by Chinese politicians, the Ukraine crisis may well resemble first-category issues. Nevertheless, seeing the Ukraine crisis as a direct threat to the social, political and economic system of the People’s Republic of China is obviously far-fetched, but as a matter of principle beyond the traditional notion of the Chinese foreign policy of non-interference, it also means that for China, the stakes are primarily of a ‘philosophical’ nature rather than material, ranking second only to state security.

On the other hand, if we focus on the crisis strictly as an economic and security issue, a number of problems arise, pointing to the limited significance of Ukraine or the EU’s Eastern neighbourhood (Belarus, Ukraine, Moldova, Georgia, Armenia and Azerbaijan) for China. As Liu Zuokui shows in his analysis,\(^9\) even Ukraine, the largest of the Eastern Partnership states, seriously underperforms in its economic relations towards China. A ‘poor investment environment, inadequate legal

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6 Norton, S. 2015, China’s Grand Strategy, accessed 21 August 2016, http://sydney.edu.au/china_studies_centre/images/content/ccpublications/policy_paper_series/2015/chinas-grand-strategy.pdf, p. 6. See also Swaine, M.D. 2011, ‘China’s Assertive Behavior—Part One: On “Core Interests”’, China Leadership Monitor, vol 34, pp. 1–25. Page 4 also cites governmental sources and statements by state officials (see footnote 13 in the said work), but creates a different order ultimately (with category (2) and (3) trading places). This not only shows the evolution, but also the limits of the concept of grand strategy. The authors chose Norton’s work as a point of reference because it is more up-to-date.


protections, corruption, political instability and complicated social situation\textsuperscript{10} heavily constrain the further development of bilateral relations, even though Ukraine has a vast market potential. What is certain is that the Chinese creators of the 16+1 cooperation between Beijing and its Central and Eastern European partners were wise enough to exclude Ukraine from their initiative in 2012. Relations between the region and China would be much more complicated otherwise.\textsuperscript{11}

Trade is obviously one of the most important links between China and Ukraine, and the PRC indeed plays a significant role in both the exports and imports of Ukraine, with 6% and close to 10% respectively in 2015.\textsuperscript{12} China is one of the most important import sources, second only to Russia in 2010, or third after the EU and Russia, if EU countries are counted as one entity. Ukraine also exports a huge amount of iron ore and agricultural products to China. When it comes to investment relations, the picture is pretty much blurred. Those who deal with Chinese FDI flows and positions always have to face the problem of mixed or contradicting data sources, and Ukraine is no exception. According to the Ministry of Foreign Affairs of Ukraine, Chinese FDI in the country amounted to USD 22.6 million by 2015.\textsuperscript{13} Meanwhile, other sources put their estimate as high as USD 6.93 billion. What is even more remarkable is that the bulk of this may have been based on contracts signed in mid-2011 by China National Machinery Industry Corp (USD 4.9 billion) and Sinohydro (USD 1.4 billion).\textsuperscript{14} Out of this amount, at least USD 1.5 billion would have been invested in Crimea,\textsuperscript{15} while negotiations on the USD 10 billion development plan for a deep-water port south of the city of Yevpatoria on Crimea’s western coast were interrupted, although talks resumed in mid-2014.

Military cooperation in the form of arms sales from Ukraine to China has also played an important role in the bilateral relations between Kyiv and Beijing. China has purchased a wide selection of armaments and

\textsuperscript{10} ibid.
\textsuperscript{11} Marcin Kaczmarski, China on Central-Eastern Europe: ‘16+1’ as seen from Beijing, OSW Commentary, April 14, 2015.
\textsuperscript{12} The authors’ own calculations based on the datasource of UNCTAD Stat. See also the trade data in the introduction of this report.
military vehicles from Ukraine, including its first aircraft carrier, the Liaoning, formerly known as the Varyag. China has also ordered four giant Zubr-class hovercrafts from Ukraine, two of which are to be built in Crimea. Ukraine had been able to deliver only the first by the time of the Russian takeover of the peninsula, but Moscow clearly pleased Beijing by allowing delivery of the second hovercraft in March 2014.

The continuing war in the east of the country, sluggish reforms and the current diplomatic hostility between the West and Russia are doing nothing to help turn trade and investment potentials into fruitful bilateral relations. Moreover, even if considerable Chinese interests existed in the EU’s Eastern neighbourhood, strategic realities would limit their protection on the ground. According to Scobell and Nathan, the world through the eyes of Chinese security policy can be described as a structure consisting of four concentric hierarchical circles, ranging from core interest issues right at the heart of China to global issues in faraway places – as viewed from Beijing. Even though there are minor flaws in this arrangement, such as overlapping issues and actors (e.g. climate change or the Taiwan issue, which includes the United States as well), one can clearly see the logic behind it. Therefore, accepting this observation means that one has to accept that – also in terms of security – Ukraine, and the region at large, rank really low on the Chinese foreign policy agenda, in the outermost circle of the Chinese strategy. Following the logic of core interests, it is business that China seeks in Europe – and if the Eastern region cannot provide it, Eastern Partnership countries will be automatically relegated to the position of junior partners and mere interconnectors along the ‘New Silk Road’ and ‘One Belt One Road’.

One can distinguish between three different and divergent schools of thought in the Chinese discussion about the crisis in Ukraine. According to most observers, the first group is absolutely pro-Russian, supporting and sometimes even admiring President Putin and his actions, while condemning the ‘West’. This group of analysts concurs with the Russian understanding of the ‘betrayal’ by and ‘lies’ of NATO (or the US, or the EU) and sees the West as an aggressor. As Zhao Mingwen of the Chinese Institute of International Studies states: ‘Pushing Ukraine to “break away from Russia and align with Europe”

was the fixed strategy of the West after the Cold War, and they did a lot of preparations for this. A second group of Chinese observers takes the opposite view, seeing Russia as an aggressor, and violator of international law and the principle of non-interference. In their view, President Putin is pursuing imperialism and trying to rebuild the Soviet Union. The third, neutral group maintains a balance between pro-Russian and pro-Western approaches, seeing both external and internal reasons behind the crisis. This approach puts the emphasis on the inherent flaws in the political system in Ukraine as one of the roots of the crisis. As Feng Yujun, researcher at the Chinese Institute of International Studies writes: ‘Ukrainian parties are too underdeveloped to represent the interests of different classes. Political parties are instead controlled by interest groups, and such political anomie inevitably contributes to social disorder’.

According to the hawkish, mostly pro-Russian Chinese observers, the crisis in Ukraine is evidence of the declining power of the West, and the dawn of a new international power balance. Moscow’s strong and powerful reaction to the potential loss of Ukraine surprised the US and the EU, while their response was weak and vague. Based on this understanding of the situation, Beijing might have come to two important conclusions. First, the re-emergence of Russia as a major power will divert Washington’s attention away from the Asia-Pacific and China itself. Second, Beijing may be encouraged to increase its assertiveness in its own neighbourhood, in the hope of a weak American response. One might argue that the construction of Chinese military bases in the South China Sea is a consequence of this kind of thinking.

Meanwhile, others argue that Russia’s actions could pose a threat to China’s core interests in the long run. Indeed, consistent adherence to the principles of non-intervention, state sovereignty and territorial integrity has always been a cornerstone of Beijing’s foreign policy. The example set by Russia in Crimea and Eastern Ukraine may have serious consequences when it comes to China’s own domestic problems. Beijing cannot support the idea of referendums on secessions or of interventions in the shadow of Uyghur or Taiwanese separatist movements. The very

fact that the President of Ukraine was overthrown along with his regime by a public movement and violence in the main square of the capital city evokes some of the worst memories for the Communist Party of China.  

At the geopolitical level, China has to face long-term challenges due to the crisis in Ukraine. The lesser concern is a potentially similar Russian intervention in Central Asia. Aging leaders of Kazakhstan and the four other Central Asian countries will leave the political arena sooner or later, and based on the success in Crimea, a potential power struggle in the region may invite another round of intervention by Moscow, which would be against China’s interests. Following the recent death of President Islam Karimov, it is certainly worth paying attention to signs of Russian and Chinese involvement in the domestic politics of Uzbekistan.

The greater, global challenge for China is how to navigate between Russia and the West, and how to avoid any situation where a clear choice has to be made. The EU and the US are by far China’s largest and most important trade and investment partners, while Russia plays a minor role in the Chinese economy. One could argue that Western sanctions against Moscow helped Beijing to gain the upper hand during the negotiations over the pipeline connecting Eastern Siberia with Northern China, and that its huge demand for energy can only be satisfied by Russia. Ironically, however, the current low level of global energy prices seems to be discouraging both sides from pressing ahead with constructing the pipelines.

Meanwhile, Beijing has gained some real advantages as well. Due to its sanctions against Russia, the EU had to find new markets for its own products, and hence China’s value has increased significantly. EU-China trade is constantly on the rise, also thanks to the structural changes in the Chinese economy. When it comes to agricultural and food products, European supply meets voracious demand in China. Even minor countries like Hungary have managed to gain permission from the authorities in Beijing to divert food exports from the Russian to the Chinese market.

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It is often claimed that China supports Russia in the Ukraine crisis – an opinion not only shared by ordinary people, but by some experts, too. In his article, Dmitry V. Kuznetsov makes the point that China, at the beginning of the crisis in Ukraine, occupied neutral ground, but as the conflict escalated, the country moved closer to the Russian side of the argument. The authors’ investigation into this topic cannot confirm Kuznetsov’s finding as we believe it stems from a rather unnuanced view of how Chinese foreign policy is formed. We found that the Chinese position in relation to the Ukraine crisis had not changed significantly, and that its main aim is to bolster China’s long-term strategic goals.

When determining a state’s official standpoint in connection with an issue, a serious methodological question emerges: what are the exact sources from which one can ascertain the official position? We chose a clear and simple, albeit rather constrained approach. Following the logic of international law, the United Nations Security Council can be regarded as the most important body in international politics. Thus, views expressed at its meetings, and official statements made on its floor must faithfully represent the ultimate opinion of a well-coordinated foreign policy apparatus. In the case of China, although foreign policy actors (or stakeholders) are numerous and growing in number, the unity of the state and its foreign actions are unquestionable. Furthermore, as a permanent member of the UN Security Council, China has ample opportunities to make its voice heard. Therefore we analysed comments made by China’s representatives at UN Security Council meetings relating to the Ukraine crisis (from late 2013 to August 2016).

We found that in this time frame, there were 25 UN Security Council meetings in total on the situation in Ukraine (17 in 2014, 7 in 2015 and only 1 in 2016). It is conspicuous how little the Chinese diplomats contributed to these meetings in quantitative terms – especially compared to other permanent members. There were even

several cases where Chinese representatives did not speak at all. Their statements, however, do not reveal great changes: they basically repeat the classic elements of the toolbox of Chinese diplomacy and foreign policy thinking, emphasizing the principle of non-intervention, state sovereignty, and territorial integrity, calling for restraint and recommending a political solution to the conflict. What may strike one, however, is that China from its very first statement sees the conflict as being not only complicated, but effectively caused by historical factors. In the world of modern international law, not to mention after the Permanent Court of Arbitration’s ruling on the South China Sea sovereignty dispute, this is rather peculiar. It may hint that China is strategically committed to making historical claims a widely accepted factor in international disputes. This might not only be the case because of several ongoing conflicts in which China is involved, but also because the People’s Republic of China has one of the longest histories of statehood ‘representing’ a continuously existing civilization – if not the longest. Hence, finding legitimate historical claims against the country is particularly difficult. Meanwhile China – if granted the opportunity to shape and set the rules in international politics – could use history as a strategic asset in its ongoing and future conflicts. The crisis in Ukraine might seem to pose a fairly good opportunity to further this comparative theoretical advantage as a diplomatic tool in China’s foreign policy.

However, analyzing the comments and statements made by China’s UN representatives on the meeting floor is just one way of assessing official, refined and well-formulated foreign policy. Relevant political institutions, decision-making bodies and high-ranking officials also count as such. We chose UN Security Council statements for the sake of simplicity and accessibility, as well as for their well-documented nature. But finding and selecting the appropriate verbal material for analysis is just one side of the coin. Although statements matter in politics, it is the effective outcome of actions that ultimately defines foreign policy. In order to provide the other side of the argument, this chapter also takes China’s strategic environment and actions into account.

This is one of the serious points of departure in our thinking compared to Kuznetsov’s. He states that ‘the desire shared by both China and Russia to respond strongly to attempts by the United States and other
Western countries to force their attitudes on other countries, ’definite economic interests’, as well as ‘geopolitical underpinnings’ are the main incentives for China’s behaviour in relation to the Ukraine crisis. However, we share Alexander Grabuev’s observation that ‘Russia and China are not entering into an anti-Western alliance. Beijing does not want to confront the West over issues it sees as a low priority, such as Ukraine’. Moreover, the authors do not agree with Kuznetsov’s choice of sources; besides citing authoritative Chinese institutions such as the Ministry of Foreign Affairs, he also uses newspapers and other media outlets not only from China, but also from Ukraine and Russia as equally meaningful sources. While it makes sense to suppose that in a country without free press, articles of most sorts conform with the country’s official standpoint, this is not entirely the case in the People’s Republic of China. Thus, jumping to far-reaching conclusions based on this is rather problematic in our view.

CONCLUSIONS

China’s stakes in the situation in Ukraine per se are relatively low compared to those of the EU or Russia, while the failure to navigate between the West and Russia might come at a high price for Beijing. As Liu Zuokui of the Chinese Academy of Social Sciences articulates in his piece on the Ukraine conflict: ‘China does not want to play the role of diplomatic intermediary in Ukraine. On the contrary, Beijing is ready to accommodate both the interests of Russia and the EU’.

28 ibid.
29 ibid.
During the Russian intervention in Georgia, Beijing followed a very similar strategy back in 2008. Due to its own principles, the PRC could not fully support the Russian side, and hence Beijing decided to abstain at the UN Security Council vote both on Georgia in 2009, and on Ukraine in 2014 and 2015. Moscow is seemingly satisfied with this kind of restricted support from Beijing, while China maintains its own political room for manoeuvre.

When it comes to the often-posed question ‘Is China the real winner in the conflict in Ukraine?’, the answer is unclear. Beijing has indeed gained some tactical leverage and made some good deals. However, at the strategic level, the potential impact of a more assertive Russia on the current international order and norms is of concern to China. Beijing would like to avoid a situation where the fallout from the new Russian-Western antagonism degrades its own relations with the EU and the US or Russia. While China has benefited economically from the increased trade with Europe and Russia, the conflict may have a long-term destructive effect on the Russian economy, and will not help Europe’s growth either. Both markets are important partners for China, and hence Beijing is deeply interested in the economic wellbeing of Eurasia as a whole.
During its so-called ‘new foreign policy’ era – initially inaugurated at the end of the 1990s but acquiring a strongly ideological dimension after 2011 – Turkey has vigorously sought a more active and multi-dimensional vision of itself in the world. In terms of Russia and the EU’s Eastern neighbourhood, this has predominantly concentrated on building strategic cooperation with Russia while at the same time rhetorically advancing Turkey’s EU membership and attempting to secure economic and security interests by engaging with countries such as Georgia and Azerbaijan. After Turkey downed a Russian fighter jet in Syria in November 2015, the rapid deterioration of Russo-Turkish relations has brought sudden immediacy to these relations. As this chapter demonstrates, for Turkey, the EU’s Eastern neighbourhood is a geopolitical arena where it implements a counterpoising strategy that gives equal importance to both Russia and the West, on the one hand, and where it aims to consolidate the independence of post-Soviet states vis-à-vis Russia, on the other. The most recent attempts to normalize ties with Russia, after Turkey’s ties with the West again gained a poisonous curve after the failed coup attempt in Turkey on 15 August, clearly demonstrates this strategy of counterpoise.

This chapter will start with an overview of the theoretical and conceptual bases of Turkey’s foreign policy during the AKP era (2002 onwards), including an evaluation of the mutually constitutive relationship between domestic and foreign policy agendas. After this, the chapter proceeds to provide a synthesis of Turkey’s position towards the EU’s Eastern neighbourhood in the context of its grand strategy as this has evolved from the 1990s to the present. This is followed by an analysis of Turkey’s relations with four individual
countries, namely Ukraine, Georgia, Azerbaijan and Armenia. Finally, the chapter concludes with a discussion on how Turkey relates to other major actors in the given geographical area, such as the EU, Russia, USA, and China – that is, to what extent Turkey’s actions consolidate, challenge or directly oppose other main actors’ aspirations in the region.

THE FOUNDATIONS OF TURKEY’S FOREIGN POLICY UNDER THE AKP

In many respects, the characteristic aspect of Turkey under the Justice and Development Party (Adalet ve Kalkınma Partisi, AKP) has been the radical reformulation of Turkey’s national identity. In the domestic sphere, the AKP has embarked on a thorough rewriting of the republican history, asserting that the westernization project inherent in the Kemalist state ideology has been a historical mistake. It has thus tried to restore Turkey’s national and state identity as essentially Islamic/Sunni Muslim. At the same time, the emerging AKP state elite have continued the search for Turkey’s new role in the post-Cold War world, inaugurated by the previous governments during the 1990s. What we see, then, is a clear break with the past, on the one hand, and, on the other, a continuing tendency to vigorously seek a more active and multi-dimensional vision of Turkey in the world.

The conceptual foundations of the AKP’s foreign policy are presented in Ahmet Davutoğlu’s often-cited book Stratejik Derinlik (Strategic Depth), originally published in 2001, in which the author presents a deeply essentialist geopolitical/geocultural vision of international relations and Turkey’s (major) role in it. In many accounts, the AKP’s political articulation has been interpreted as downplaying well-established Turkish nationalist positions, emphasizing instead more unifying elements, such as a common Ottoman history as a tool to resolve Turkey’s Kurdish question at home and increase regional engagement.


2 Fuat Keyman and Sebnem Gumuscu highlight this continuity with the following words: ‘The debate about proactive foreign policy dates back to the 1990s and the then foreign affairs minister, the late Ismail Cem, and even to the 1980s, when Turkey’s exposure to globalization began with the Motherland Party government and its leader Turgut Özal’. F. Keyman, and S. Gumuscu, Democracy, Identity, and Foreign Policy in Turkey: Hegemony Through Transformation, Palgrave Macmillan, New York, 2014, p. 73.
through trade and cooperation in foreign relations. However, digging beneath the surface, it is quite obvious that Davutoğlu’s thinking is deeply nationalist and even has expansionist elements in its call for the restoration of Turkey as the central state in its wider neighbourhood.

In his book *Stratejik Derinlik*, Davutoğlu argued that during the republican era, the attempt to integrate Turkey into Europe alienated the country from its natural geocultural and civilizational position, thus creating a distorted national and state identity. Davutoğlu’s argumentation is indeed deeply essentialist and even perennialist in explicitly claiming that unless the state is based on the common national value system produced during the historical process of national formation, the state becomes a crude enforcing power without any legitimacy. Davutoğlu’s basic unit of analysis seems to be an unproblematized ‘nation’ (millet), whereas ‘civilization’ (medeniyet) is understood as a concept through which various nations are listed in a hierarchical order. Thus, according to Davutoğlu, nations can be roughly divided into those that ‘define the historical currents’, on the one hand, and those that are themselves ‘defined by the external historical events and processes’, on the other. By now, these views have become widely internalized by the Turkish Islamist power elite.

As Saraçoğlu convincingly argues, Davutoğlu’s argumentation leads him to assert that countries that have acquired their political independence only relatively recently, for example during the last 50 years or so, and that do not have an imperial history reaching back many centuries, are inevitably conceived as being on a lower level compared to Turkey. In this context, one can underscore how the concept of merkez ülke (centre state), repeatedly used by the AKP leadership, is very much part and parcel of a classical geopolitical discourse that connotes greatness and hegemony. As further observed by Saraçoğlu, when defined by the concept of merkez ülke, Turkey no longer figures as a more or less ‘passive’ bridge between civilizations, but is instead seen as a country that perpetuates the power potentiality of Muslim nations, becoming a leading country of the Islamic civilization.

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5 Ibid, p. 60.
As already noted above, during the AKP era, Turkey’s foreign policy has been a combination of continuing long-term adjustment and re-positioning to the post-Cold War world, and a radical departure in order to implement an ideologically motivated foreign policy as an extension to the domestic Islamic-Conservative state transformation project. Nowhere is this duality more explicit than in Turkey’s position towards the post-Soviet states which, from the EU’s perspective, came to be framed as the EU’s Eastern neighbourhood.

In many respects, the 1990s were an overture to what has taken place in Turkey during the AKP era. The break-up of the Soviet Union seemed to open up a whole new geography into which Turkey could expand and gain both economic advantage and political leverage. The Turkic world, the newly independent Central Asian states (Turkmenistan, Uzbekistan, and Kyrgyzstan) and Azerbaijan, all with linguistic and even cultural affinities with Turkey, were for a while perceived as the long-lost kinsmen through which Turkey could become a regional super-power. However, the misplaced big-brother mentality towards the new states and confrontation with Russia dashed these grandiose designs. Nevertheless, during Turgut Özal’s presidency (1989–1993) the traditional Kemalist strategic culture underscoring the status quo, neutrality and ‘avoidance of adventures’ was crucially challenged. As is the case today, the attempt to implement a more ambitious foreign policy went hand in hand with a profound attempt to transform Turkey itself. No less than his critics, Turgut Özal was fully aware of the direct relationship between Turkey’s foreign policy and its domestic order. In Mufti’s words:

Whereas his critics drew from this the need to abstain from foreign policy ‘adventures’ the better to preserve that order, however, Özal reached the opposite conclusion: innovation in foreign policy was needed in order to bring about change in an irremediably defunct domestic regime. Not only ‘Peace at home, Peace in the World’ but the Six Arrows themselves were Özal’s true target. 7

7 M. Mufti, Daring and Caution in Turkish Strategic Culture: Republic at Sea, Palgrave Macmillan, New York, 2009, p. 76.
Thus, at the same time as Özal wanted to get rid of the bureaucratic westernizing state–elite, he manifested the new foreign policy approach that saw Turkey as ‘naturally’ predisposed to assuming a greater role in the region. From the 1990s to the AKP era, there is a clear tendency to increasingly engage with the post–Soviet states, above all in Central Asia but also regarding countries such as Ukraine, Georgia, and most of all Azerbaijan. On the other hand, as it became increasingly clear in the 2000s that Russia was seeking to re-establish its hegemony in the post–Soviet space, Turkey’s foreign policy became adjusted to the idea of a ‘triangle of counterpoise’.

In short, on the one hand this has meant that it was important to find a way to engage politically and economically with countries such as Ukraine, Georgia and Azerbaijan without threatening cooperation with Russia. On the other hand, Turkey deemed it important to have a good relationship with both the EU and Russia, a strategy of counterpoising that continued even after the Ukraine crisis and the enormous strain on the Russia–West relationship that resulted from it.

A grand strategy can be defined as the level at which systemic and unit–level factors converge. From this perspective, the study of Turkey’s grand strategy under the AKP is about analyzing how the current Turkish regime mobilizes elements of its power in pursuit of more or less well–defined goals in global politics. On the other hand, when geostrategy is defined as an ‘interpretation and a response’ to geopolitics (the notion that geographical factors, such as location and resources, condition or even determine foreign policy), it becomes clear that geostrategic thinking is part and parcel of a state’s grand strategy. From the perspective of an individual state actor – in our case Turkey – the ‘in between’ geopolitical area (that is, the EU’s Eastern neighbourhood) is approached through the main ideas and concepts animating the AKP government. What are the main building blocks of the AKP’s understanding of Turkey and the world around it? As explained above, the current Turkish leadership is reproducing a geopolitical/geocultural view of the world based on religion, making a clear distinction between the ‘West’ (Batı) and the ‘Islamic world’ (Islam ülkeler). This is of course, first and foremost, a division based on an alleged religious–civilizational distinction, but it also implies a clear

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vision based on geography in asserting that these distinct entities have their concrete material expressions in different geographical locations. Russia, on the other hand, is in this categorization perceived as a civilizational actor distinct both from the West and the Islamic world.

From the AKP’s perspective, then, the EU’s Eastern neighbourhood or the post-Soviet space belongs to neither of these main units and thus offers a geopolitical arena where Turkey implements a policy of counterpoising Russia and the West, on the one hand, and the independent post-Soviet states in relation to Russia, on the other. As this geographical area is not for the most part included in the AKP’s conception of the ‘Islamic world’ – although it definitely includes communities that do belong to this category, such as Crimean Tatars and Azerbaijan – the AKP’s foreign policy towards the region has not been radically transformed in comparison to Turkey’s position during the 1990s. Thus, whereas the Middle East has at least since 2011 become a stage for the AKP’s ideological pan-Islamist geocultural ambitions – in many senses being the foreign policy extension of the domestic Islamic-Conservative state transformation project – Turkey’s policies regarding the Black Sea region and the Caucasus have retained many of the long-term characteristics well established in the republican strategic culture, as this was adjusted to the Post-Cold War situation. This has meant a cautious position towards Russia, a formal alliance with the Euro-Atlantic bloc, an attempt to find markets and investment opportunities and, most of all, securing energy imports at stable and affordable prices.

TURKEY’S RELATIONS WITH INDIVIDUAL EASTERN NEIGHBOURHOOD COUNTRIES SINCE THE 1990S: UKRAINE, GEORGIA, AZERBAIJAN AND ARMENIA

a) Ukraine

Whereas the ‘strategic depth’ doctrine animating Turkish foreign policy during the last ten years ended up promoting strongly ideologically driven pro-Muslim Brotherhood policy in the Middle East, in the EU’s Eastern neighbourhood the more practical trade-oriented approach of the 1990s has largely prevailed. If one excludes the Nagorno-Karabakh conflict and Armenia-Azerbaijan tension, Turkey has tried to maintain its neutral position in the Caucasus, as well as regarding Ukraine’s delicate position between the EU and Russia. Formal relations between Turkey and Ukraine were established in
February 1992, and since then Turkey has defined Ukraine as one of the ‘pilot countries’ with which to maintain and develop peaceful, mutually beneficial relations based on trade and political dialogue. In 2004, the countries signed a Joint Action Plan for enhanced cooperation, aiming to increase cooperation regarding strengthening peace, security and stability in the Black Sea region, a joint fight against terrorism and organized crime, strengthening the economic dimension of bilateral relations, improvement of the transit potential of countries, European and Euro-Atlantic integration, science and technology, and developing humanitarian affairs, the environment, as well as maritime issues.10

Turkey’s main priority in its approach towards Ukraine during the first decade of the new millennium was to support Ukraine’s Western orientation and its further integration into Euro-Atlantic institutions. Turkey also acknowledged Ukraine’s potentiality to contribute to regional stability as the countries agreed on Ukraine’s participation in Operation Black Sea Harmony, a multinational initiative launched by Turkey, which also included Russia and which aimed to deter possible risks and threats in the maritime area, under which the Turkish Navy conducted periodic surveillance and reconnaissance operations across the whole of the Black Sea. Due to current Russo-Turkish and Russo-Ukrainian tension, this Black Sea-focused cooperation is naturally changing in character.

Overall, Turkey perceives Ukraine as an important economic partner that shares a common interest for peace and stability in the Black Sea region. However, the rather loose idea of common interests in promoting peace and regional stability has recently transformed into a common Russian threat as a result of the annexation of Crimea, on the one hand, and the complete deterioration of Russo-Turkish relations due to the downing of the Russian fighter jet by Turkey in Syria. One can argue that even though Turkey formally condemned the annexation of Crimea by Russia and emphasized the need to safeguard the territorial integrity of Ukraine as a sovereign state, Turkey resolutely refused to jeopardize its strong economic relations and political cooperation with Russia. Only after Russia emerged as the stumbling block to Turkey’s grand strategic plans in Syria, which are based on ousting Assad from power, has the door been opened for a more common stance against Russian aggression. At the time

of writing, Ukraine at least was seriously advancing ideas of Turkey-Ukraine military cooperation against Russia.  

However, from the Turkish side, establishing military cooperation with Ukraine in order to confront Russia without explicit NATO commitments would be a radical departure from the two decades-long, carefully designed strategy to maintain equilibrium between the West, Russia and post-Soviet states in the Black Sea and Caucasus regions.

b) Georgia

As with Ukraine, Turkey’s relationship with Georgia is built on the long-term strategy to develop economic and trade relations and further Georgia’s emergence as a stable country with an ability to conduct independent foreign policy in the delicate ‘in between’ region that is, concurrently, the EU’s Eastern neighbourhood and Russia’s ‘sphere of influence’. During the AKP era, Turkey’s relations with Georgia have flourished on the political, economic, and geostrategic fronts. The AKP regime is a curious mix of anti-Western Islamic conservatism and neoliberal global capitalism depending on trade liberalization and economy-based regional integration schemes. This has resulted in Turkey advocating increasing the cooperation and business-friendly environment in the Caucasus. A visa-free travel agreement between Turkey and Georgia has been in effect since 2005, whereas a free-trade regime was signed in 2007.

However, Turkey’s increasingly cooperative, trade-based relationship with Georgia has emerged hand in hand with a similar rapprochement with Russia. It is thus important to note that during the Russo-Georgian war in 2008, Turkey adopted a cautious position within which, for example, it refused, by citing the Montreux Convention, to let US naval hospital ships en route to Georgia through the Bosphorus.¹² In other words, in the Russo-Georgian confrontation, Turkey tried to maintain a neutral and passive stance similar to how it subsequently acted in terms of the Ukraine crisis generated by Russia’s aggressive approach in 2014.

In addition to increasing trade relations and regional cooperation designed to support post-Soviet states and thereby enhance Turkey’s

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regional role without antagonizing Russia, Turkey’s relations with Georgia are influenced by the approximately 6–7 million descendants of those mostly Muslim refugees who emigrated to the Ottoman Empire during the nineteenth century in order to escape Russification. One could thus argue that there is a certain ‘Caucasian factor’ present in Turkey that has an effect on political leaders. Nevertheless, after Georgia acquired its independence, Turkey–Georgia relations have been characterized by a mutual desire to downplay differences and develop ever-increasing cooperation. Whereas Georgia saw Turkey as a much-needed NATO member and a neighbouring country that could be used to reduce dependence on Russia, Turkey perceives Georgia as an important link to Central Asia and a useful buffer against Russia. Overall, Georgia, just like Ukraine, is seen by the Turkish leadership as a pragmatic ally and a partner to cooperate with in various regional security and economic arrangements. Further, Turkey uses its relationship with countries like Ukraine and Georgia as a tool to enhance its strategic importance in the eyes of the EU and the USA.

c) Azerbaijan

Turkey and Azerbaijan are often seen to have a special relationship, exemplified by President Heydar Aliyev’s famous ‘one nation, two states’ speech in 1995. Indeed, soon after Azerbaijan’s independence, Turkish businessmen were exceptionally well placed to take advantage of Azerbaijan’s opening to the global economy. Further, in the fields of culture and social encounter, Turkey obviously became the most important external actor in the emergence of modern, post-Soviet Azerbaijan. Beyond this, at the level of high politics, the close relationship was based on Turkey’s role as the most important international supporter in Azerbaijan’s war against Armenia over the fate of Nagorno-Karabakh.

The collapse of the Soviet Union and the emergence of independent Turkic states in the Caucasus and central Asia generated pan-Turkish euphoria at the beginning of the 1990s. If anywhere, this emotional bond applies to Azerbaijan because the Azeri language is, in fact, a variant of the same Western Turkic language that is spoken in Turkey. Nevertheless, even regarding Azerbaijan, Turkey’s long-term strategic culture, aimed at balancing Russia, post-Soviet states and Western

powers, strictly limited over-ambitious designs or one-sided alliances. Furthermore, within the traditional secular state–elite, Turkey’s foreign policy has always prioritized the West and in this vision Azerbaijan represented a mentally constructed ‘east’ that could be used but which was nevertheless of secondary importance. All in all, from the 1990s to the AKP era, Azerbaijan has remained a close neighbour, for which both the political elite and average citizens have an affinity, especially when contrasted with the extremely strained relationship with Armenia, another geographical neighbour. The special relationship acquired a new level of formality in 2011 when the two countries signed the Agreement on Strategic Partnership and Mutual Support. This is a military pact where both Azerbaijan and Turkey pledge to support each other ‘using all possibilities’ in the event of a military attack or ‘aggression’ against either of the countries, in effect for 10 years.\(^\text{15}\)

There is no doubt that the Turkey–Azerbaijan military pact, similar to the talks recently held between Turkey and Ukraine on increased military cooperation, has recently gained crucial importance due to the Russo–Turkish crisis in Syria. The increasingly strained relationship between Turkey and Russia puts a wide array of countries from the Caucasus to Central Asia in a difficult position, but the risks of escalation are nowhere more urgent than on the Armenian–Azerbaijan border. In this situation Turkey’s AKP leadership seems to find itself in a contradictory position as it simultaneously tries to find ways to normalize affairs with Russia, on the one hand, and prepares to confront Russia by harbouring military cooperation with the anti-Russia block, on the other.

All this is taking place amid what is considered a ‘subordinated’ geopolitical issue: the Islamic–Conservative AKP regime perceives the Middle East as Turkey’s geopolitical and geocultural priority, attempting to bring the Muslim Brotherhood forces to power, from Syria to Tunisia. Although the formal military pact with Azerbaijan might suggest otherwise, the priority attached to this attempt to back conservative, ideologically similar Sunni forces in the Middle East has meant that the relationship with Azerbaijan has lacked a strong commitment from the Turkish side. One could argue that the given deal was signed by Turkey with an assumption that Turkey’s good

relationship with Russia would continue in the years to come, and that no major conflict was about to re-emerge in the Caucasus.

d) Armenia

Of all the post-Soviet states, Armenia is, for obvious historical reasons, the most problematic country for Turkey. The bilateral relationship is steeped in mutual suspicion and allegations based on a strongly conflictual interpretation of the events in Ottoman Armenia in 1915. For Armenian nationalists, the forced relocation and massacres of Ottoman Armenians represent the first modern-era genocide, whereas Turkey vehemently denies this. All Turkish governments to this day have asserted that the deaths must be understood within the turbulent context of World War I. In this view the killings were not systematically orchestrated and they occurred amid other massacres committed against many Ottoman Muslims.

During its ‘new foreign policy’ era, the AKP government has tried to move beyond the status quo built on animosity, especially by introducing a set of protocols in 2009. These protocols offered a basis for further negotiations aimed at re-establishing formal diplomatic relations, opening the international border, and setting up a joint history commission to address the issue of the Armenian massacres. However, at least regarding the official level, very little has resulted from these initial openings and recently, during the centennial of the 1915 events, Turkey’s AKP leadership took an uncompromising position completely in line with the long-established tradition. On the other hand, one can argue that the international pressure and constant lobbying by the American Armenian community in order for the USA and other major states to formally define the massacres as genocide only hinders Turkish society from openly discussing the issue.

As if the ‘history wars’ regarding the 1915 events were not enough, the Turkish-Armenian relationship is severely strained due to the Armenia-Azerbaijan conflict over the Nagorno-Karabakh issue. In this dispute, Turkey is Azerbaijan’s main international supporter, whereas


Armenia counts on Russia. Now that Russo-Turkish relations have come to an irreparable point because of the Syria conflict, the whole alliance and military cooperation architecture in the Caucasus is heating up, as the Russia-Armenia axis seems to be confronted by Ukraine-Georgia-Azerbaijan-Turkey cooperation. This sort of escalation is, however, profoundly problematic for Turkey – Turkey’s approach to the Black Sea and Caucasus is based on creating a delicate political equilibrium between various actors in order to secure Turkish economic interest in the region. Unlike in the Middle East, Turkey does not espouse neo-imperial dreams in the EU’s Eastern neighbourhood.

CONCLUSION

Turkey’s policy regarding countries like Ukraine, Georgia and Azerbaijan is based on the attempt to generate regional cooperation and economic free-trade areas, coupled with increased effort to deter Russia. This last characteristic has obviously gained unprecedented importance and immediacy since Turkey downed a Russian fighter jet allegedly violating its air space on the Syrian-Turkish border. There are grounds for arguing that Russo-Turkish relations will remain somewhat strained as long as the cause of direct confrontation – the Syrian war – remains unresolved. At least momentarily, this also generated a new attempt to consolidate an anti-Russian block between Ukraine, Georgia, Turkey and Azerbaijan. At least in theory, this makes Turkey a potential partner for the EU and the USA in the EU’s Eastern neighbourhood, especially regarding their attempts to get Russia to accept international norms and Ukraine’s territorial sovereignty. It is also serving to further Ukraine’s and Georgia’s attempts to increase security cooperation with Turkey in the face of the common Russian threat.

However, under President Erdoğan’s rule, Turkey is, in many respects, an unpredictable ally. It is certain by now that it cannot function as a democratic anchor for any of the countries in the region. The AKP regime must be seen as an authoritarian state similar to Russia and China, with which it also competes for markets and political leverage in the wide geographical area stretching from the Black Sea to the borders of China.

After the EU’s eastern enlargement, the line of countries from Belarus to Azerbaijan seems to have become a stage for competing visions of regional order and conceptions of security and identity. Whereas Russia has by now directly come to oppose the Western orientation of Ukraine
by annexing Crimea and has tied Belarus and Armenia to its sphere of influence, Turkey under the Islamic-Conservative AKP regime has tried to maintain its well-established, rather cautious stance in the region. In stark contrast to its ideologically-driven, adventurous policy in the Middle East – where it ended up financing international jihad in order to fulfil its ambitions – Turkey’s actions in the Eastern neighbourhood are much more easily commensurable with the EU’s long-term goals. However, the long-cherished assumption according to which the AKP regime represented a democratic model in its neighbourhood is completely crushed – as a matter of fact this assumption has been nothing but wishful thinking for several years now.

In its current composition, Turkey under the AKP is an authoritarian state with an unpredictable foreign policy. Further, with the successive AKP governments’ abandonment of seeking a political solution to Turkey’s decades-long Kurdish question, the prospect of a long-term civil war in Turkey is by now highly likely. In these circumstances, nothing much in terms of cooperation with the EU should be expected, not even in the EU’s Eastern neighbourhood, where Turkey’s and the EU’s interest have much in common in theory. The strongly anti-western rhetoric after the failed coup attempt, as well as the clear desire to rebuild ties with Russia, underscore Turkey’s extremely problematic role as an ally to the West.
7. Ukraine’s new strategic determination

Oleksandr Sushko

BACKGROUND: UKRAINE’S POST-COLD WAR ‘BALANCING ACT’

The period from February to April, 2014 essentially changed the political landscape both in and around Ukraine. The annexation of Crimea (February 26–March 17, 2014) by the Russian Federation followed by the beginning of its ‘hybrid’ intervention into Donbas (parts of the Donetsk and Lugansk regions in the East of Ukraine) concluded the first period of the history of independent Ukraine. This first period was peaceful and relatively secure (unlike in most of the other CIS states), but also full of illusions and collective naivety.

These first 23 years – effectively from 1991 until 2014 – were characterized by Ukraine’s aspirations to build up mature statehood, formally based on the concept of European integration but in practice dominated by attempts to balance between Russia and the West. The concept of ‘bridging Russia and the EU’ – which has never been declared as an official policy – was an informal practical guideline and powerful justification for the country’s policy of ‘pretending to make a choice’.

During that period, even the most consistently pro-Western leadership of Ukraine during Viktor Yushchenko’s presidency (2005–2010) never demonstrated sustainable political determination aimed at adoption of the necessary European norms and rules. Ukraine remained an unreformed post-Soviet hybrid regime – according to the Freedom

House classification\(^2\) – which never passed a threshold of irreversibility when it came to the building of democratic institutions, the rule of law, and accountable and transparent governance. The country was, and remains, one of the most corrupt states in Europe. Almost all of the governments of Ukraine tried to use the country’s geostrategic position to obtain benefits from both sides: the West (the EU and the United States) and Russia, while trying to avoid painful decisions.

In fact, this 23-year ‘balancing act’ was comfortable for many in and outside of Ukraine. Firstly, the Russian authorities were ready to accept Ukraine’s ‘verbal integration’ into the EU, which would never be completed, while maintaining their leverage over Ukraine via a military presence in Crimea, essential energy dependence, and a large segment of society, mostly concentrated in the East and South of the country, whose mentality and identity were tied to Russia (prior to 2014, about 35–40% of the Ukrainian population thought that Russia-led unions, such as the Eurasian Economic Union, were a more desirable integration objective for Ukraine than the EU).\(^3\)

Secondly, the ambivalent position of Ukraine was convenient for the political elites in Europe: they were critical of Ukraine for violations of democratic standards, poor governance and lack of the rule of law, but at the same time these features were also legitimate reasons for not offering Ukraine the prospect of membership of the EU, or granting it the Membership Action Plan for NATO accession. The EU limited its assistance to Ukraine to a lesser extent than the assistance given to South Mediterranean states, not to mention candidates and potential candidates for EU membership.

Thirdly, the balancing act played into the hands of the Ukrainian political class, being formally uniform (with the exception of the Communist Party) over European integration strategy, but at the same time used to manipulating the East-West ‘balance’, benefiting for a long time from various economic privileges which Russia offered in exchange for ‘not making the ultimate choice’ towards Europe. Discounted natural gas prices were one of the key elements of that leverage for many years. A lack of reforms was essential to ensure the backward standpoint of Ukraine vis-à-vis its Western neighbours, which were successfully integrated into the EU and NATO.


\(^3\) See the chapter in this report by Andrey Makarychev on Russia’s foreign policy tools in the neighbourhood.
President Yanukovych (2010–2014), with his cynical manoeuvres over the EU–Ukraine Association Agreement, was supposed to become a champion of such a policy. He failed dramatically, however, as he was not able to understand in due time that the opportunity for this approach was no longer available, and the trade-off ‘as usual’ politicking did not work.

The Impact of the Revolution of Dignity

Yanukovych used the far-reaching (in terms of adoption of the EU acquis) EU–Ukraine Association Agreement, initialled in 2012, as a bargaining chip with Russia, without being serious about implementing it. He managed to raise the stakes to a very high level, with the result that President Putin, being unnerved by Ukraine’s projected final departure from Russia’s sphere of ‘privileged interests’, promised him a loan of USD 15bn (with a nominal 5% interest rate) in exchange for Ukraine not signing the Agreement. Formally, the Putin–Yanukovych deal only foresaw postponing signing the EU Agreement, with no other conditions. Then Yanukovych announced the deal with Putin as having been made ‘in defence of the interests of the Ukrainian economy’, and formally refused to sign the Association Agreement at the Eastern Partnership Summit in Vilnius in November 2013. To both Yanukovych and Putin’s surprise, such a brutal trade-off over the strategically and symbolically vital document turned out to be unacceptable to the active part of Ukrainian society.

This is when the drama of the Revolution of Dignity, also known as Euromaidan, began to unfold. The West was involved, morally rather than in practical terms, on the side of the pro-European Ukrainians. Yanukovych’s violent crackdown on the protests led to the erosion of his domestic position. He was eventually forced to flee and sought asylum in Russia. However, Putin eventually decided to use the momentum to break up the entire long game, which had started back in 1991. That particular post–Cold War game, in which

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Ukraine's independent statehood was one of the key elements, had been uncomfortable for him from the very beginning of his political career. So he used what he saw as the first relevant pretext to change Russia’s position in Ukraine, which he considered ‘unfair’.

But Ukraine, for its part, has also changed. After February 2014, the ‘old Ukraine’ with all of its uncertainties and unwillingness to make a choice was left behind. As a result of Russia’s military intervention, Ukraine lost two essential pieces of territory through the annexation of Crimea and the ‘hybrid’ occupation of part of Donbas. Ukraine paid an enormous price with almost 10 thousand lives lost (as of May 2016), but at the same time, it gained more clarity about its strategic direction and identity, even though the hypothetical option that Ukraine would continue to play the East–West balancing game has vanished.

Putin’s refusal to acknowledge the Ukrainians’ right to self-determination forced the re-emerging nation to defend itself (both its territory and identity) by all available means. With a more consolidated identity and strategic clarity, Ukrainians also gained a new opportunity to modernize their inefficient system of governance in line with European standards.

Putin, in turn, gained de facto the Crimean Peninsula and established control over part of Ukrainian Donbas, but destroyed the system of rule-based security that had existed since 1991, and lost his credibility as a reliable partner and sincere international leader. Due to Western sanctions, Russia lost many formerly available international opportunities and slid into economic decline, but regained its self-determined understanding of dignity as an ability not to be restricted by externally ‘imposed’ rules, and by having ‘a free hand’ with regard to its neighbours and beyond.

The story of this confrontation has not yet been concluded, and will most likely affect the security and international relations in Europe and the wider world, as well as the internal situation in Ukraine for many years to come.

**WHAT IS THE UKRAINE CRISIS ABOUT?**

Post-Cold War Ukraine is a case of an incomplete search for national independence, where the formal recognition of international borders achieved 25 years ago created a widely accepted illusion of relative harmony and stability, which unexpectedly appeared to be untrue.
Under the newly emerged circumstances, Ukraine has finally departed from the Russian/post–Soviet bloc and consolidated its political will to become part of the West, but at the same time, has not yet developed sufficient capacity to reach its desired destination. Corruption and poor governance are still inherent problems that will prevent Ukraine from reaching its goal in the near future.

Since early 2014, Ukraine has become a key element of Europe’s major international puzzle, which has been generated due to the evident lack of political sincerity on the part of Russia when it comes to the acceptance of the international order that emerged after the collapse of the Soviet Union in 1991. Russia has proved to be a revisionist power, a state of affairs that will not change in the foreseeable future.

The Ukraine crisis has demonstrated that in today’s Europe there is no fully respected and certain system of international rules, where nations and individuals could feel safe and secure. Eastern Europe has entered a historic phase where the nations and various communities in the region are forced to revise their usual means of self-identification and protection of their basic values. The period of confrontation, fuelled by growing Russian revisionism, will most likely last a long time, probably decades.

**UKRAINE’S IDENTITY SHIFT**

The events of 2014–2015 brought about substantial changes in Ukraine, which will shape its future as a nation, including its international behaviour. Ukraine has never been so consolidated in its ambition to become an EU member. Support for NATO membership has also reached the highest level ever (45% in favour, with 32% against). At the same time, due to the situation in Europe, the prospects of full-fledged membership of both the EU and NATO are fading for Ukraine.5

Previously, a large segment of the population (30–40%) belonged to the mixed-identity group, where post-Soviet/Russian (notably attached to the concept of the ‘Russian world’) and national (Ukrainian) identities co-existed without undue conflict between them. An individual could embrace both identities at the same time due not only to the historical legacy, but also to the density of actual interconnections between the two states and societies. This is not the case anymore: an obvious incompatibility between the two identities

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5 On the EU’s perspective, see the chapter by Kristi Raik in this report.
has emerged, and each individual has to make a choice – either to be Ukrainian or ‘post-Soviet’/wider Russian. Most of the formerly ‘in-between’ individuals made a choice in favour of a Ukrainian identity.

In practical terms, this leaves no opportunities in the future for external actors to utilize the ‘legacy of the past’ of Russia-Ukraine unity and pursue a policy based on classifying Ukraine and Russia together.

Before 2010, Ukrainian society was for many years divided into two groups of roughly equal size (35–45% each) – one supporting the Western (European) path of integration, and the other in favour of the Russia-CIS Customs Union rapprochement. During 2010–2013, the percentage of supporters of the European path increased to 48–55%, but the ‘pro-Russian’ segment remained quite significant at 30–35%.

The situation has changed dramatically since the annexation of Crimea and start of the war in Donbas: Currently, according to different polls, only 13–17% of the Ukrainian population support closer relations or integration with Russia (with this figure remaining stable for almost two years). Hence, Ukraine is no longer a ‘divided country’ in terms of its integration vector and foreign policy orientation, and there will most likely be no substantial alternative to the Western gravitation for the majority of people for many years to come.

In practical terms, this means that, for Ukraine’s part, there will be no way to reconsider its European path of integration and, in particular, its commitments provided in the EU-Ukraine Association Agreement. This new situation considerably narrows down the corridor of opportunity for Ukrainian political elites and increases the leverage of the West, as Ukraine will not have any sustainable alternative to the EU and USA as major strategic partners in the foreseeable future.

At the same time, if not used properly, such a ‘monopolistic leverage’ by the West may generate a kind of ‘West fatigue’ in Ukraine and fuel isolationist and Eurosceptic attitudes, especially if the EU is not able to provide tangible carrots to encourage Ukrainian society. The hesitation of some member states (primarily France and Belgium) to provide visa liberalization for Ukraine after the European Commission released its proposal to abolish visa requirements for Ukrainians on April 20, 2016, accompanied by the negative position of the Dutch voters on the Association Agreement in the referendum on April 6, sent a negative signal to Ukraine, which may become more powerful

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if the **EU** and its member-state governments do not find a way to neutralize it. Currently, the test cases are, first, the final decision by the **EU** Council on visa liberalization for Ukraine to be made by the end of 2016 and, second, the necessity for the **EU** to find a way to accomplish the ratification of the Association Agreement as soon as possible, not allowing the ‘Dutch case’ to derail the entire process.

**RESHAPING UKRAINE’S ECONOMIC TIES**

Political and identity changes in Ukraine are naturally accompanied by a shift in its major economic ties. In this respect, Russia has lost its vital importance for Ukraine as a market. Within the period from 2013 to the beginning of 2016, Russia’s share in Ukraine’s export of goods decreased from about 30% to 11.8% (first quarter 2016). As Russia unilaterally eliminated its free trade regime with Ukraine and imposed an embargo on Ukrainian food products on 1 January 2016, further loss of bilateral trade and other economic ties is inevitable.

Ukraine has already demonstrated an essential decrease in its energy dependence on Russia, especially when it comes to natural gas: in 2015 only 6bn out of a total of 16bn cubic metres of imported natural gas were purchased from Russia, while the rest came from the **EU**. For the first time since independence, Ukraine purchased no Russian gas during the winter season of 2015–16, as reverse flows from the **EU** market were provided in sufficient quantities.

In parallel with the decline of Russia as a trade partner, the **EU**’s share in Ukraine’s trade has grown considerably. In 2015, Ukraine’s trade in goods and services with the **EU**, according to Ukrainian statistics, accounted for 37% of total external trade, which is the highest share ever recorded (compared with an average of 25% in 2010–2012). In the first three months of 2016, the share of Ukraine’s trade with the **EU** reached an unprecedented 40%. At the same time, Ukraine’s external economic ties have become more diversified, notably due to an increase in trade with China and Turkey.

Thus, despite the very difficult conditions in the country in 2014–2015, Ukrainian producers intensified trade with the **EU**,

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7 Note that there is minor variation between the trade data used in the Introduction of the report (source: www.trademap.org) and some of the Ukrainian statistics referred to in this chapter. Both sources highlight the same overall trends.

8 See data in the Introduction of this report.
while the government prepared for further economic integration by changing relevant laws and building the institutions necessary for the implementation of the DCFTA. Over the longer term, as the government implements, and producers effectively utilize, the regulatory measures provided by the Association Agreement, the positive economic impact of the DCFTA is expected to become more distinct.

The current economic trends pose both challenges and opportunities, essentially increasing the role of the European market for Ukraine, but also stimulating Kyiv to think and act globally, and look for new trade and investment opportunities worldwide.

**UKRAINIAN REFORMS CONTROVERSY**

Obviously, the best way of responding to the challenges which Ukraine faced after February 2014 was to use the emerging opportunities to transform the system of governance so that it would no longer be possible to penetrate it functionally. Due to the crisis, Ukraine obtained a new opportunity to reach the crucial threshold of reforms and to build sufficient strategic certainty, allowing the country to attain a secure/solid position in Europe and the world.

The political record of Ukraine after the Maidan protests and change of power in February 2014 has been rather ambiguous. Presidential (May 2014), parliamentary (October 2014) and municipal (October 2015) elections brought some new blood into the Ukrainian political class, albeit not overturning the ‘old system’ completely, which proved capable of defending its vital interests. The oligarchs lost at least part of their power but their influence is still considerable.

The first post-Maidan democratic coalition collapsed in February 2016 due to a critical lack of trust between its major stakeholders. The political crisis, which overshadowed Ukraine’s political developments from mid-February to mid-April 2016, was resolved on April 14 by the formal establishment of a new parliamentary coalition, and the appointment of the new Cabinet of Ministers chaired by PM Volodymyr Groysman (former speaker of the Rada, the Ukrainian parliament).

The long crisis slowed down the reform trajectory due to the lack of parliamentary support and shortage of political will within the Cabinet of Arseniy Yatsenyuk (whose resignation had been expected since February). As a result, the speed of adoption and implementation of new reforms in the first three months of 2016 was slower than during 2015.
Due to the uncertain reform deliverables and evident deterioration in living standards (the national currency, the Hryvna, has been devalued three times since the beginning of 2014), public confidence in the major political institutions remains at a low level: according to the Democratic Initiatives Foundation poll released on May 24, 2016, the President of Ukraine is trusted by 22.5% of the population, the Parliament by 14.3%, and the Cabinet of Ministers by 16.1%.

At the same time, even the unfavourable political circumstances have not halted the progress of the reforms in many policy areas where the new legal framework was previously adopted (see below). The inertia that characterized the processes launched in 2015 was replaced by a reinvigorated drive towards reform in the first three months of 2016.

Currently, the new government is expected to give an essential push to the new wave of transformations. On May 19, Groysman’s Cabinet presented its operational plan, which addressed the range of reform priorities for 2016. The plan was welcomed for the most part by independent experts and international donors.

As of May 2016, the overall record of Ukrainian reforms is mixed. There has been significant progress in the following areas, however:

- Energy independence from Russia has essentially been strengthened, insomuch as Ukraine completely avoided purchasing Gazprom’s natural gas during the 2015–16 winter season. Gradual implementation of the EU’s 3rd Energy Package continued: plans for splitting the national energy giant, Naftogas, have been presented. The new Cabinet has unified natural gas prices to a single market price for both retail and industrial users.
- Ukraine has accomplished the package of reforms required by the European Union for the introduction of visa-free travel, in particular by countering corruption and discrimination, and improving the protection of internally displaced persons (IDPs), and migration management. The European Commission released a legislative proposal to grant visa-free travel for Ukrainian citizens on April 20, 2016.
- Police reform has reached its crucial threshold, as the new patrol police have been launched in all large and most of the medium-size cities, a new community
At the same time, the following policy areas are still evidently suffering from a lack of real progress: the reform of the judiciary and the prosecutor’s office, healthcare and education reforms. The constitutional process, which includes the ‘special regime for Donbas’, is also stagnating as there is a lack of political will in the Parliament to vote for it without securing a stable ceasefire, the withdrawal of arms, and the cessation of regular military engagement by Russia in the conflict zone.

Public administration reform, including civil service reform, will become a crucial hurdle for the Ukrainian government to overcome in 2016. Compared to the period before 2014, the scope of ongoing policy changes in Ukraine is significant. According to former Deputy Prime Minister of Slovakia Ivan Miklos, who is currently working as
an advisor to the Ukrainian government, ‘more reforms have been implemented in Ukraine in the two years after Maidan than in the 20 years prior to it’.

However, the threshold of irreversibility has not yet been crossed. The successes of the above-mentioned reforms are widely perceived as ‘islands of changes’ in the ocean of resisting the ‘old system’. The next few years will be crucial in progressing from the visible but fragmented changes towards coherent, sustainable transformation in accordance with the ambitions embraced by the ‘new Ukraine’ born at Maidan.

Conclusions

Ukraine’s success will depend on its ability to harness and consolidate the internal and external resources and driving forces (which are rather limited) to defend its strategic choice and build sufficient governance capacities to deal with the existential challenges it faces.

The EU can still provide essential resources to help Ukraine succeed. These include, first of all, development aid and various forms of technical assistance needed to assist Ukraine to implement the wide range of reforms provided by the EU-Ukraine Association Agreement. However, the EU’s available instruments are not limited to this kind of support. The Union has various options and a wide spectrum of tools at its disposal to utilize its normative power in Ukraine. The major prerequisite for this is in place: Ukrainian civil society shares the principal policy priorities which the EU is promoting in Ukraine. Unlike in some other countries (such as Greece or Turkey), where the EU also builds its policy on conditionality principles, while being opposed by a large sector of the population, the active parts of Ukrainian society are energetic allies of the EU, encouraging sometimes even stronger conditionality when it comes to countering corruption, promoting transparency, accountability of governance and the rule of law, cleaning up the judiciary and the law enforcement system, and so forth. This creates plenty of scope for policy incentives and the efficient impact of the EU, due to the actual and potential synergy of internal and external pressure on the government.

The EU’s primary task is to adhere firmly to the existing commitments towards Ukraine such as granting visa-free travel (as proposed by the European Commission) and ensuring final ratification of the EU-Ukraine Association Agreement. Failure to deliver on the
EU’s earlier commitments may be effectively used to generate a strong wave of destructive Euroscepticism on the Eastern flank of Europe.

The conflict in the Eastern parts of Ukraine (Donbas) will most likely affect the overall situation for many years to come. It would be unrealistic to expect that the Minsk agreements with their contradictory commitments will lead to a sustainable peaceful solution soon. Russia has built a full-fledged protectorate in the de facto occupied zone, and it is willing to incorporate this kind of protectorate into the political system of Ukraine, which will not be an appropriate solution for the country. So the EU should be prepared to be involved for the long haul in Donbas, and not create the illusion that a quick deal is on the cards.

Crimea presents an even more protracted case which, with zero chances of being resolved in a mutually acceptable manner, will prevent Ukraine and Russia from restoring any kind of friendly relations in the foreseeable future. The West should be principled and consistent, and not allow Russia to expect its illegitimate annexation policy to be tolerated under any conditions.

Regardless of whether Ukraine is granted the formal perspective of EU membership, the Ukrainian case will, to a large extent, determine the future capacity of the EU and its major member states to maintain the role of the principal normative power in Europe and beyond.
This chapter analyzes the position of Belarus in the changed geostrategic environment dominated by the crisis over Ukraine and tensions between the EU and Russia, and takes a critical look at the EU’s potential for acting as a geopolitical actor vis-à-vis Belarus. Since the beginning of the crisis in Ukraine in 2014, there has been increasing discussion about possible changes in the foreign and security policy orientation of Belarus, particularly in light of the mediating efforts of Minsk as a host and facilitator of the ceasefire negotiations on the conflict in the east of Ukraine. In this context it matters that despite the pressure from Moscow, Minsk did not de jure recognize Russia’s annexation of Crimea and did not join the counter-sanctions that Russia imposed on the EU. Moreover, Belarusian President Alexander Lukashenko¹ openly contradicted Russian leader Vladimir Putin and rejected the idea of establishing a permanent Russian airbase on Belarusian territory.

The EU duly noted these changes in Belarus’s policy line and rewarded Minsk – primarily by suspending in October 2015 its earlier introduced sanctions on the Belarusian regime. The sanctions were wholly lifted in February 2016. This happened despite the apparent lack of progress in addressing the immediate causes of the sanctions, namely despite the continuing absence of political liberalization inside Belarus. In fact, all the reasons why the sanctions were introduced remain in place, including the violations of human rights and fundamental political freedoms, elections that do not meet democratic

¹ The Belarusian names mentioned in the study are transliterated into English from their Russian-spelling equivalents.
standards, non-compliance with ILO standards on the rights of trade unions, and restricted media freedom.

It seems clear, therefore, that the EU’s primary motivations in lifting the sanctions were geopolitical. In other words, the EU decision was based on hopes that the evolving geopolitical positioning of Belarus, that is, its reluctance to fully bandwagon Russia on Ukraine, might lead to Minsk gradually distancing itself from Moscow in a more comprehensive manner.

Arguably, there is indeed room for analysis that maps out the possibilities as well as the limits of the EU’s engagement with Belarus. But here one has to first and foremost look at structural determinants that influence the relations between the EU and Belarus. The first of these determinants is the legacy of the past two decades of EU-Belarus relations, which until very recently have been frozen at a very low level. The second is the integration relationship between Minsk and Moscow and Belarus’s strategic alliance with Russia. This chapter will consider both of these aspects in turn.

A third determinant is that, so far, Belarus has not been successful in finding any non-EU alternatives that it could use for counter-balancing its dependence on Russia. Although relations with China are developing, Beijing is focusing on promoting its own business and industrial interests, providing only bound credit lines and loans (mostly for construction projects), but no macro-economic assistance. Meanwhile, Belarus-US relations are still at a very low level. Only minor progress is visible: Deputy Assistant Secretary of Defense Michael Carpenter visited Belarus in late March 2016, and the staff of the US embassy are slowly increasing in number, following the near-frozen period that followed the expulsion of US ambassador Karen Stewart in 2008. However, before the November presidential elections, it is highly unlikely that the US would either lift the sanctions against Belarus, or would send a new ambassador to Minsk, not to mention render meaningful macroeconomic assistance. In such circumstances, the US will, for quite some time, not be in a position to constitute any viable alternative for Minsk.
Despite the changes observed since the beginning of the crisis in Ukraine, the structural inertia of the past in bilateral EU-Belarus relations will be very difficult to reverse.

Perhaps the most important element limiting EU-Belarus relations is the very nature of the political system of Belarus. This super-presidential system, often – even if mistakenly – referred to as ‘the last dictatorship of Europe’, has turned out to be highly resistant to any changes in the past two decades. The system relies on the constitution, which was amended in 1996 in order to legalize the transformation of Belarus into a highly centralized presidential regime.

Since 1994, there has not been a single presidential, parliamentary or local election in Belarus, the results of which would have been recognized as democratic by any Western organization or institution. The presidential election held in October 2015 was no exception. Although open repression was less apparent than in 2006 or 2010, when opposition protests were brutally quashed, the fourth consecutive re-election of Lukashenko still failed to meet the standards of the OSCE.2

Committing violence against the opposition and dissenters, a common method used by many authoritarian regimes, has long been an integral part of the domestic political toolbox in Belarus. Although the so-called ‘disappearances’ of opposition politicians, believed to be politically motivated assassinations, stopped after 2010 – when Oleg Bebenin, an opposition activist and editor of the opposition news website Charter 97 died in unclear circumstances – various punitive and administrative measures against the political opposition are still in active use.3

The fact that repression has been less severe in the last few years is not a result of any re-thinking or structural changes in the machinery. There is simply less need to rely on violence so heavily, as previous repression (along with secret service penetration) significantly weakened the opposition’s will and ability to arrange mass protests.

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3 According to the civil society organization “Freedom to Political Prisoners”, in August 2016 it was believed that at least 13 citizens were being held in prison on political charges. ‘V Belorusi unoy aktualna problema politzaklyuchonnikh’, Belarusskiy Partizan, 6 August 2016, accessed 14 August 2016, https://www.belaruspartisan.org/politic/351323/.
Meanwhile, the legal background that permits authorities to use any restrictive measures deemed necessary has remained unchanged. This also applies in the case of political prisoners. The regime released the then remaining prisoners without rehabilitating them in August 2016, but in the absence of changes in the law and its application, these and others can be imprisoned again on political charges at any moment.

It is worth recalling that the Belarusian state security structures, the Ministry of Interior and the KGB in particular, are highly unlikely to embrace even a hypothetical signal ‘to liberalize’, especially if it is paired with the idea of closer cooperation with the West in general. These organizations have cultivated certain Soviet mental patterns and traditions, anti-Western attitudes among them. This is particularly so because in the last decade one of their main tasks was to keep Western-supported opposition groups under control. Close cooperation with Russian security services pushes Belarusian siloviki in the same direction.

An additional factor preventing closer relations with the West is the overall political attitude of the Belarusian society, which is currently highly EU-sceptic. The rapprochement with the EU does not enjoy strong public support. According to a March 2016 survey by the Independent Institute of Socio-Economic and Political Research (IISEPS), if Belarusians were to have a referendum on joining the EU, only 23.4 per cent would be in favour, while 53.9 per cent would cast their ballots against joining. In fact, this 23.4 per cent constitutes the second lowest rating ever, superior only to the 19.8 per cent result of December 2015. A noticeable decline in pro-EU sentiments since the start of the crisis in Ukraine can possibly be explained by the inability of the West to guarantee the territorial integrity of its close partners, the influence of the Russian media on ordinary Belarusians, but also by the frustration of the opposition-minded Belarusians with Brussels’ choice to prioritize geopolitics over values in its approach to Belarus and the lifting of sanctions.

LACK OF INSTITUTIONAL FRAMEWORKS

The political relations between the EU and Belarus have been the most limited among the six EaP countries ever since the EU suspended the ratification of the Partnership and Cooperation Agreement with Minsk.
in 1997. This has been due in part to serious human rights violations that took place after Lukashenko came to power, but also due to the underdeveloped institutional framework of cooperation. No EU Neighbourhood Policy Action Plan has been prepared for Belarus, and even though the country was included in the Eastern Partnership, it only participates in the multilateral format of the initiative. Consequently, the EU cannot rely on issue-specific action plans, let alone an Association Agreement, to foster its transformative agenda in Belarus because none of these frameworks are in place. Consequently, a much stronger role is played by unilateral, predominantly restrictive measures compared to other EaP countries.

Another serious hurdle for increasing cooperation is that EU–Belarus relations have been limited to non-institutionalized talks and contacts between Brussels and President Lukashenko personally. On the one hand, this insulates EU–Belarus relations rather well against potential positive feedback from technocratic interaction at the lower levels as, ultimately, it is the leader who takes decisions and enforces them through a top-down approach. On the other hand, the diplomatic process between the EU and Belarus resembles the Belarus–Russia relationship because Lukashenko also plays a key role there, despite the developed institutional cooperation between Minsk and Moscow. The centrality of Lukashenko vis-à-vis both of Belarus’s main foreign policy partners gives him additional room for manoeuvring and playing the EU and Russia against each other, not to mention the enormous diplomatic experience he has acquired, especially when compared with the regularly changing representatives of Brussels.

The parliamentary track is non-existent. The EU does not recognize the Belarusian parliament as a legitimate representative of the will of the Belarusian people. This dates back to 1995–1996 when, through a series of steps which included organizing a referendum and the modification of the constitution mentioned above, Lukashenko actually replaced the previous Belarusian parliament with a new, Soviet-style organization completely loyal to him, and also strengthened his own presidential parliamentary powers. Since then, the principle of separation of powers has been ignored almost completely. As a collateral effect, Belarus could not be part of the Parliamentary Assembly of the Eastern Partnership either.
It is hard to imagine that the legacy of a decade of restrictive measures taken by the EU towards Belarus could be overcome within a short period of time, the recent lifting of sanctions notwithstanding.

The first EU sanctions were introduced against four Belarusian officials in September 2004,\(^6\) in response to the fraudulent presidential elections held in 2001 and the disappearance of four well-known figures in 1999–2000.\(^7\) The next round of sanctions, including visa bans and asset freezes against Alexander Lukashenko and 35 other top Belarusian figures, were introduced in May 2007 as a reaction to the crackdown on opposition protests in December 2006.\(^8\) In mid-2007, the EU suspended Belarus’s access to the Generalized System of Preferences (gsp),\(^9\) thereby in practice imposing trade restrictions on Minsk. The reason for this was that Belarus had repeatedly failed to comply with the recommendations of the International Labour Organization (ILO) on trade unions. Regardless of the sanctions, Minsk kept on repressing the trade unions, most probably motivated by the will to prevent any organized activity that might possibly challenge the regime. After a short-lived warming of relations between Minsk and Brussels on the eve of the 2010 presidential elections, sanctions were seriously tightened in January 2011, right after the breakdown of the post-election protests. The EU extended the list of restrictive measures, including visa bans and asset freezes,\(^10\) affecting 117 persons in all, including Lukashenko himself. In June 2011 additional sanctions were introduced against four other individuals and three business

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7 Ibid.
companies, including the national arms trader Beltechexport,\(^{11}\) along with an embargo on arms sales to Belarus.

In view of such a legacy, the lifting of the EU sanctions in February 2016 was a major concession. Whatever the real motivation behind the decision, Brussels will have to expect and demand from Minsk at least some sustained movement in the direction of internal political liberalization, otherwise the EU’s credibility as a value-based foreign policy actor will be in jeopardy. Minsk’s failure to meet these expectations and go beyond cosmetic steps (such as bringing one or two representatives of the opposition into parliament) would lead to mounting criticism of the EU by the Western human-rights community and partly by institutions like the European Parliament. Sooner rather than later this would trigger renewed and redoubled emphasis on political conditionality in some shape or form. In turn, the uncertainty would deter potential investors as many would be leery of a new round of sanctions should circumstances change, as was the case before.

RUSSIA–BELARUS RELATIONS: TOO CLOSE A FRIENDSHIP

In contrast to the highly unstable EU–Belarus relations, the ties between Belarus and the Russian Federation have been developing steadily since 1994 at least. Actually, one could argue that many of these ties were not at all severed after the dissolution of the Soviet Union, and grew even further in the decades that followed. Currently, these close and multifaceted connections seriously limit Belarus’s room for manoeuvre in foreign and security policy.

When it comes to institutional integration, Belarus is not only a member of the Commonwealth of Independent States, but also of the Russia–led Eurasian Economic Union as well as the Collective Security Treaty Organization. In addition, the two countries have their separate and unique integration project, the so-called Union State, which at an early stage even aspired to reach the supranational level. Although this did not materialize in the end, the Union State still constitutes

DEFENCE RELATIONS

In terms of security and defence, Belarus is closely allied with the Russian Federation. According to the new Military Doctrine of Belarus, the Russian Federation is Minsk’s primary partner in guaranteeing the military defence of the country, through CSTO and Union State structures as well as through bilateral agreements. The document explicitly states that the use of Belarusian armed forces in defending the territory of Belarus is defined by the agreements signed with the Russian Federation and conducted in the framework of the regional group of forces of Belarus and Russia. Furthermore, the two countries share most of their threat assessments in general, as well as the view that NATO enlargement poses a security concern in particular, as was confirmed, for instance, during a meeting between Sergei Lavrov and Vladimir Makey in May 2016. Hence, it is misleading when certain Western analysts speak about the ‘de facto’ neutrality of Belarus.

Belarus hosts two Russian military facilities, and Russia has long been striving to open a permanent military airbase on Belarusian territory as well. Although the airbase issue seems to be off the agenda at present, it is unlikely that Russia would give up its intention to

12 Sometimes the Union State integration framework produces unexpected international effects. For example, a Russian–Finnish agreement, negotiated in March 2016 and sealing two Northern border crossings for third–country nationals in order to stop the flow of illegal migrants from Russia into Finland, made an exception for Belarusian citizens. Taken at face value, this implies that the Russian–Belarusian Union is better than the EU when it comes to guaranteeing equal rights for all of its citizens regardless of nationality.
14 Ibid, Article 20.
15 Ibid, Article 43.
bring its forces closer to the NATO border between Belarus and Poland, Lithuania and Latvia, particularly in the light of the Alliance’s plans to strengthen its military presence in the Baltic Sea region. Belarusian and Russian armed forces regularly conduct joint military exercises, the most recent and major of which was *Union Shield 2015*, held in August 2015. In addition, Belarus’s defence industry is highly dependent on that of Russia.19

Based on the scenarios of several Russian military exercises, such as Centre-2015, Russia has been preparing for countering possible ‘colour revolutions’ with military force if necessary.20 Taking into account the fact that Belarus is Moscow’s closest and most important military ally, it is highly unlikely that Russia would refrain from using its military to prevent any unwanted political instability in Belarus. The reason for this is that if an armed conflict with NATO occurs, it will be of vital importance for Russia to secure its Kaliningrad oblast exclave by quickly establishing a land connection with the region. Russia may try to close the so-called Suwalki Gap, namely by occupying parts of Lithuania and/or Poland (approximately 65 kilometres in length), for which the territory of Belarus may be used. Belarusian and Russian armed forces have already held a series of joint exercises that involved Russian units from Kaliningrad,21 among others, which indicates that in Russian military planning, Belarus – or at least the country’s territory – undoubtedly has a key role to play in the event of a conflict.

Prominent Western analysts, including the former Supreme Allied Commander in Europe, General Wesley Clark, consider a Russian attack from Belarus as a wholly feasible scenario.22 According to a November 2015 interview conducted with Commander of the US Army in Europe, General Ben Hodges, NATO views this option as a

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real and serious threat,\textsuperscript{23} which implies that according to the Alliance’s calculations, Russian troops should be able to move through Belarus unopposed at least.

Since Russian–Belarusian defence integration will be preserved in the foreseeable future, there is very little, if anything, that the West, including the EU, can do to challenge the current status quo.

**INTERTWINED SECURITY SERVICES**

Relations with Russia are probably even closer when it comes to the security services. The State Security Committee (\textit{KGB – Komitet gosudarstvennoy bezopasnosti}) of Belarus has been cooperating closely with its Russian counterparts ever since Belarus became independent. The first international cooperation agreements between independent Belarus’s \textit{KGB} and Russia’s Federal Security Service (\textit{FSB}) and Foreign Intelligence Service (\textit{SVR – Sluzha vneshney razvedki}) were signed in May and October 1992, respectively.\textsuperscript{24} A multilateral C\textit{IS} framework, the Council of the Heads of the C\textit{IS} Security Services (\textit{SORB – Sovet rukovoditeley organov bezopasnosti i spetzyalnykh sluzhb gosudarstv}), set up in 1996, constitutes another channel of Belarus–Russia cooperation.

Although little public information is available on the exact nature and depth of the cooperation between the security services of Russia and Belarus, there is anecdotal evidence that the relationship is very close. For instance, the annual report by Lithuania’s State Security Department (2014) stated that Belarusian intelligence and security services work in close cooperation with their Russian counterparts against Lithuania.\textsuperscript{25} Further, in 2014 a Belarusian diplomat was requested to leave Poland after being accused of engaging in espionage for Russia.\textsuperscript{26}


Interestingly, these close links between the KGB and its Russian counterparts are believed to be among the main reasons why Lukashenko has gradually strengthened the Presidential Security Service, which is supposed to be loyal only to the president himself. Since October 2014, the organization has been led by Viktor Shinkevich, a long-term collaborator of Lukashenko.27

Another trend that may indicate the president’s efforts to limit the influence of the KGB is that an increasing number of recent appointees to top security positions in the country have a background in the military rather than in the security services or the Ministry of Interior. For example, the current Minister of Defence, Lieutenant General Andrei Ravkov, appointed in November 2014, is a career soldier who spent nearly all of his professional life in the army and had no connection to KGB structures. In contrast, his predecessor, Yuri Zhadobin, in office between 2009 and 2014, was briefly head of the KGB in 2007 and 2008, prior to which he had also served as the Deputy Minister of Interior. Another example could be Colonel General Leonid Maltsev, a two-time Minister of Defence of Belarus, who is currently heading the State Border Committee. The Secretary of the National Security Council (NSC), Major General Stanislav Zas, appointed in November 201528 (and acting secretary already from July), had a professional military career before joining the NSC in 2008. Zas is known as a theorist on asymmetric conflicts,29 and such conflicts are considered to be a serious threat to the security of Belarus, according to the new military doctrine. Moreover, he is reportedly a supporter of independent Belarus, the development of the Belarusian language and culture, as well as the Belarusian army’s greater independence from Russia.

However, despite these recent trends revealing Lukashenko’s concerns about the influence that Moscow’s secret services may have gained inside Belarus, there is absolutely no certainty that the reliance on the military might guarantee the president the necessary freedom of manoeuvre.

29 ‘Most loyal officer was appointed as State Secretary of Belarusian Security Council, Belarus in Focus, 10 November 2015, accessed 7 June 2016, http://belarusinfocus.info/p/7125.'
Belarus is also highly dependent on Russia in macro-economic terms. First and foremost, the above-mentioned institutional frameworks of Belarus–Russia relations also affect the economy and trade, due to Minsk’s membership of the Eurasian Economic Union (EEU) as well as the Union State. Although the EEU is far from being a fully functional integration body, the Customs Union implies that external trade-related decisions are dealt with on a supranational level and administered by the Eurasian Commission, even though in practice some rules can be circumvented and new decisions can be vetoed by the member states.

Second, Russian energy subsidies to Belarus account for up to approximately 15% of the country’s GDP,\(^3\) in addition to various Russian loans and credit regularly provided to prevent the macro-economic destabilization of Belarus. Minsk has been trying to obtain a major 3 billion USD loan from the International Monetary Fund (IMF) in order to decrease its dependence on Russia. However, the IMF reportedly tied the loan to major economic reforms, which the government decided not to undertake in order not to lose its popularity,\(^3\) and as of August 2016 the negotiations had reached no agreement.

Admittedly, the lifting of the EU sanctions in February 2016 opened up a possibility for Belarus to receive loans both from the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD). It remains to be seen, however, how successful Belarus is going to be in obtaining external funding from these two organizations and thus in decreasing its financial dependence on Moscow.

The third element of dependence is the gradual Russian takeover of many Belarusian state-owned companies of strategic importance. Although Minsk is resisting these efforts, the trend is still rather clear. The process as a whole was very well demonstrated by the case of the gas transit company Beltransgaz (described in detail below), but one could also mention the increasingly strong Russian positions in the Belarusian petrochemical sector (full ownership of Lukoil–Belarus

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and more than 40% of shares in the Mozhyr oil refinery\textsuperscript{32}, and in the telecommunications sector. (Russian MTS has already taken over 49% of the MTS Belarus company, while 51% of the shares are still held by the Minsk government\textsuperscript{33}) The government’s financial problems are likely to keep pushing Belarus towards privatizing more state assets,\textsuperscript{34} while most investors are likely to come from Russia.

There is little reason to expect that any of these processes could be reversed, or even counter-balanced by the EU. In order to maintain the social stability and legitimacy of the regime, securing continuous economic and financial support is a must. As Western lenders demand painful reforms (and China, as mentioned above, is reluctant to provide assistance, seeking rather quick and tangible economic benefits for its own lenders and producers), Russia remains the only realistic alternative. In exchange for the subsidies, Minsk has to make new concessions to Moscow, both political and business-related.

Dependence on Russia is nearly absolute in the field of energy. In 2014 coal played a very minor role in Belarus’s energy consumption. The country still has no nuclear power plants, while the share of hydropower and renewables is minuscule.\textsuperscript{35} The country’s energy mix is thus dominated by oil and gas, practically all of which is imported from Russia (all of the gas\textsuperscript{36} and 98.7% of the oil\textsuperscript{37}).

Belarus took hardly any steps to decrease its energy dependence on its Eastern neighbour in the two first decades after the dissolution of the USSR. The change started in 2008–2010 when a set of laws were adopted aimed at significantly decreasing the energy dependence on Russia by 2020,\textsuperscript{38} focusing particularly on decreasing the share of gas.

\textsuperscript{32} Alachnovič, op. cit, p. 18.
\textsuperscript{36} Ibid, p. 28.
In late 2015 a new energy security concept was prepared, according to which the dependence on Russia should be decreased to 70% by 2035. In particular, the new plan stipulates a decrease in the share of gas in the production of electricity and heat from the current 90% to 50%.

The plan to build a nuclear power plant is an integral part of this Belarusian strategy. Hence, in June 2009 Atomstroyexport, a subsidiary of Rosatom, was contracted to build Belarus’s first ever nuclear power plant (NPP) in Ostrovets. The project is financed with a Russian state loan of 10 billion USD that constitutes 90 per cent of the envisaged building costs. When completed, the nuclear power plant will, on the one hand, unquestionably decrease the share of natural gas in electricity and heat generation. On the other hand, it will only add to Belarus’s already serious, strategic energy dependence on Russia in terms of financing, nuclear fuel supplies, and probably operation as well.

Minsk had strategic energy-related leverage over Russia in just one respect: ownership of the Belarusian sections of the Northern Lights and Yamal gas pipelines leading to Western Europe. However, by 2013 Gazprom had gradually taken control of the company (formerly named Beltransgaz, but renamed Gazprom Transgaz Belarus), operating these pipelines basically in exchange for gas price cuts and Russian state loans. With this transaction, Moscow deprived Minsk of its most effective energy security bargaining chip.

All in all, Belarus is strategically dependent on Russia both in macro-economic terms and also in energy security. In order to decrease the economic dependence, serious in-depth reforms would be necessary. As these would probably include a certain political transformation as well, it is unlikely to happen any time soon; thus dependency on Russia will prevail and Minsk’s freedom of manoeuvre will remain limited.

Yet another fundamental vulnerability stems from Russia’s strong soft power influence over the Belarusian population. Besides the well-known historical, cultural and language-related connections, the close political-economic relations between the two countries since the dissolution of the Soviet Union are a result of the fact that the Belarusian population is traditionally receptive to Russian media. Russian radio stations are the third most popular ones for the Belarusian population, after Belarusian state radio and various private FM channels. On the other hand, the popularity of Western radio channels (the BBC, Radio Liberty, European Radio for Belarus, etc.) is marginal: there is none to which more than 4 per cent of the population would listen.

Since the beginning of the Ukraine conflict, Russian state media and various NGOs have been conducting an intensive campaign to influence the policies of Belarus, and particularly steps by the government to strengthen the national identity of the country, as well as the efforts to foster better relations with the West.

These actions obviously affect the population’s political attitudes, including the perception of the EU. Based on the IISEPS survey, 75 per cent of the population believe that the conflict in Ukraine is a civil war.

It should be added, however, that Russian soft power influence on the political attitudes of the Belarusian population has its limits. To the question of whether Belarus should join the Russian sanctions against Turkey, introduced after Turkey shot down a Russian bomber in November 2015, only 16.3 per cent answered positively. Nearly 23 per cent suggested that while Belarus should condemn Turkey, it should not introduce sanctions, while the majority of respondents, 53.8 per cent, preferred Belarus to stay out of the conflict altogether, and not to support either side. To the question of who will help Belarus extricate itself from its general economic crisis, only 26.1 per cent named Russia, while 36.5 per cent said that Belarusians need to rely on themselves, because no one will help. The deployment of a Russian airbase to

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Belarus was firmly opposed by 42.9 per cent of respondents, while only 22 per cent were in favour.\textsuperscript{44}

All of the above indicate that a considerable percentage of the population still prefers to maintain a certain distance from Russia. This scepticism towards Moscow, however, does not translate into pro-EU or pro-Western feelings. Instead, continuous manoeuvring between East and West seems to be the preferred choice for many Belarusians. This means that President Lukashenko’s traditional balancing act continues to enjoy public support.

\textbf{CONCLUSIONS}

Among all Eastern Partnership countries, Belarus is by far the most dependent on Russia. This dependency is not only about quantity but also quality: it is widespread, multi-faceted, multi-layered and deeply institutionalized in defence, security, economy, energy and trade. Without constant Russian economic subsidies, including cheap energy resources and privileged access to the Russian market, the current political system in Belarus would be hard to sustain. Besides, Russia possesses considerable soft power leverage over Belarus.

The EU is hardly in a position to effectively counter any of these dependencies. It has no appetite to substitute the benefits Belarus is receiving from Russia, whereas the fundamental incompatibility between the liberal values the EU is based upon and the illiberal political system of the current Belarus will inevitably surface, creating conflicts, hampering geopolitically-driven cooperation and pushing Minsk back into Moscow’s embrace.

At this point, the geostrategic possibilities of the European Union vis-à-vis Belarus are very limited. The realistically achievable maximum is to assist the traditional balancing between East and West that Minsk has been conducting and thus to contribute to Belarus’s efforts to increase its freedom of manoeuvre. However, Brussels needs to be clear-sighted: for Belarus, the EU is only instrumental in the struggle for breathing space and not a partner of choice. As long as this remains the case, any situational rapprochement between Belarus and the EU will be up in the air.

9. The OSCE and the conflicts in the EU’s Eastern neighbourhood: How to deal with the regional geopolitical uncertainties?

Sinikukka Saari

This chapter focuses on the OSCE’s role as a mitigator of the geopolitical uncertainties that are very much present in the EU’s Eastern neighbourhood today. As Richard Gowan has argued, ‘The OSCE tends to be an afterthought until one of the half-resolved problems left over from the 1990s, like the status of the Crimea, explodes again and makes it relevant’.1

It has become a truism to state that the Organization for Security and Co-operation in Europe (OSCE) was on the verge of oblivion by the time the Ukrainian crisis broke out in 2014, and that the crisis revived the organization.2 The reasons for the revival have been claimed to be its inclusive, dialogue-driven nature and its ability to address and reduce tensions arising from the violation of the common commitments.3 Although the organization has a clear set of normative guiding principles – most importantly the Helsinki Principles of 1975 – their full implementation has never been a strict criterion for participation. The principles are considered to be ‘politically binding’ and violations by participating states are reported and discussed in the OSCE, but all states are included in the work regardless of their performance.

This chapter argues, however, that although the OSCE is unique and useful in many respects, it is merely a platform to be deployed

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3 Ibid.
by the participating states with significant political standing and power. In other words, the OSCE as an organization has no ability to address or reduce tensions, but it can be a useful and deployable platform for the participating states to do so. This is particularly true in conflict resolution, which is the focus of this chapter. In fact, it can be dangerous to think that the OSCE has independent actorness in conflict resolution: for instance, if conflict resolution processes in the post-Soviet space are left without active political backing and prioritization from the European states or the United States, the peace negotiation processes tend to stall and the *de facto* territorial arrangements gradually become irreversible, a *fait accompli*. Russia is a major actor and factor in the progress or failure of the post-Soviet conflict resolution processes. Unfortunately, it has rarely played a positive role in ending the conflicts. This makes it all the more important for the European states to raise their game when in conflict resolution, particularly in Ukraine.

This chapter sets out to study the roles different actors play in the conflict dynamics and in OSCE conflict resolution efforts, highlights the current challenges related to the OSCE’s work and, finally, points towards what should be done in order to escape the wave-like inevitability of recurring conflicts and violence in the post-Soviet space, as indicated by Richard Gowan at the beginning of this article.

**THE OSCE AND THE POST-SOViet CONFLICTS PRIOR TO 2014**

The conflicts in the post-Soviet space reflect the geopolitical uncertainties left behind by the collapse of the Soviet Union, which is often seen from Russia’s perspective as one of the biggest geopolitical tragedies of the 20th century, and from the perspective of the newly independent states as the long-awaited return of their national sovereignty and independence.

All of the conflicts (prior to the Ukrainian war) first erupted violently during and in the immediate aftermath of the spiralling endgame of the USSR: Nagorno-Karabakh in 1990, South Ossetia in 1991, and Abkhazia and Transnistria in 1992. At the time, Russia was seriously weakened, fragmented and lacking the resources to deal with these conflicts.

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4 This phrase was authoritatively aired by Putin at the State of the Nation speech in the Duma on 25 April 2005. The speech is available in English at: [http://en.kremlin.ru/events/president/transcripts/22931](http://en.kremlin.ru/events/president/transcripts/22931).
In many ways, it was also hesitant politically, and effectively still searching for consensus on its policy towards the Newly Independent States. Although the Russian armed groups (both volunteers and army units) were involved in the fighting in many of these conflicts, they were not necessarily always doing so on Moscow’s orders.5

Nevertheless, Moscow was instrumental in bringing about a ceasefire in all of these conflicts and in establishing peace negotiation formats often involving the OSCE.6 The active fighting in Transnistria ceased in July 1992 with the Russian-brokered Moscow Declaration and the establishment of the Joint Control Commission (JCC) and the joint peacekeeping operation (which has effectively turned into a permanently established Russian military presence in Transnistria). The fighting in South Ossetia ended when the Sochi Agreement (again brokered by Russia) and the Joint Control Commission and peacekeeping with Russian, Ossetian and Georgian forces was established in 1992 (with similar results to those in Transnistria). In Abkhazia, the fighting finally ended in 1994 with the Moscow Agreement and CIS peacekeeping forces (in reality, these peacekeepers were all Russian). Moscow also brokered a ceasefire in the Nagorno-Karabakh war in 1994.

The peace mediation and monitoring formats of the conflicts often involved the OSCE (or the UN in the case of Abkhazia). The OSCE Mission to Georgia monitored the situation in South Ossetia and actively participated in the JCC’s meetings. The OSCE Mission also supported UN-led efforts to find a solution to the Abkhaz conflict. The OSCE Mission in Moldova monitored and mediated the conflict in Transnistria, while in the case of the Nagorno-Karabakh conflict the OSCE’s Minsk Group has been attempting to find a solution to the conflict since 1992.

By 1995, it was evident that Russia saw the former Soviet Union as its ‘near abroad’, where it aspired to exert significant influence and to be the primary – and if possible, the only – security actor. This was not necessarily all that clear in Europe in the 1990s. The region was perceived as distant by western European states. They had very little knowledge and practical experience of working with the newly independent states. Furthermore, since the Russia-EU agenda was formulated in co-operative, integrationist terms, the European states

5 In the case of Transnistria, the involvement of the Russian army was more official.
6 Officially called the Conference for Security and Cooperation in Europe (CSCE) until 1 January 1995.
The OSCE and the Conflicts in the EU’s Eastern Neighbourhood

were generally rather positive about Russia taking the lead in conflict resolution and peace-keeping in a region it clearly knew best.

The EU’s involvement in the region gradually intensified, basically in pace with the Union’s Eastern enlargement, and its foreign and security policy capabilities grew in the 2000s. It gradually emerged as the biggest foreign donor in funding reconstruction, democracy and institution-building programmes in the region. While engaging more actively in the region, the EU as an institution also gradually learned more about the post-Soviet space and its specific challenges. However, the EU dubbed its financial aid to the region ‘technical assistance’ and this, indeed, was how it chose to see it. The Union still hesitated to fully embrace its political actoriness; it gave Moscow the benefit of the doubt and avoided significant involvement in the conflict resolution processes.

Moscow’s involvement in the conflicts increased significantly with the Putin presidency, starting in January 2000. For instance, Russia started handing out Russian passports in the separatist regions of South Ossetia, Abkhazia and Transnistria, thereby changing the dynamic of the conflicts dramatically. Beneath the surface of ‘frozen’ conflicts, the Russian military and intelligence presence, as well as political involvement, grew significantly in Moldovan and Georgian separatist areas.7

The OSCE dutifully reported the changes in conflict dynamics and, for instance, issued warnings about rising violence and tensions in Georgia prior to 2008, but since neither the EU, any of the EU states nor the US were ready to respond to these changes with an active conflict prevention policy, there was relatively little the OSCE could do. Furthermore, Russia pulled out of the mandate for the OSCE Border Monitoring Operation in Georgia in 2005, which in practice meant that a significant number of international ‘boots on the ground’ that often pacify local tensions were taken out of the country. Georgia requested the EU to replace the OSCE operation with 150 monitors; the EU responded with an EUSR Border Support Team of six experts.8

The OSCE expressed its concern over the developments and, from

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2004 onwards, repeatedly urged the conflicting parties to restart negotiations in earnest, with negligible impact.\footnote{Silvia Stöber: The Failure of the OSCE Mission to Georgia – What Remains? In OSCE Yearbook, IFSh (Berlin), 2010. Available at: https://ifsh.de/file-core/documents/yearbook/english/10/St%C2%B4ber-en.pdf.}

Hence, the OSCE could not prevent the August 2008 Russo-Georgian war over South Ossetia and Abkhazia. The war was a game changer when it came to the EU’s involvement in conflict resolution in the post-Soviet space. France, holding the EU presidency at the time, negotiated a ceasefire and the EU set up an EU Monitoring Mission to Georgia with 200 monitors. The war demonstrated in practice how engagement via technical assistance and reconstruction work without significant input into political conflict resolution is simply not enough; almost all of the infrastructure the EU funded in South Ossetia was destroyed, and the EU ended up sending many more monitors than it had refused to send in 2005.

The war was also an eye-opener for European states when it came to Russia’s role and involvement in the conflicts. Contrary to what the EU believed it had negotiated with Russia, Moscow recognized the independence of both of these separatist entities, established permanent military bases there and took care of the ‘border’ control of the separatist regions (vis-à-vis the Tbilisi-administered territory, TAT). The EU’s role in the region changed as it took on the responsibility of monitoring the situation in Georgia. This responsible position consolidated when Russia withdrew the mandate of the OSCE Mission in Georgia at the end of 2008.

The OSCE continues to be actively involved alongside the EU in the peace negotiations in Georgia (the Geneva International Discussions), which nonetheless stalled after the immediate post-conflict stabilization phase. South Ossetia is almost completely sealed off from TAT and is currently planning to hold a referendum to join the Russian Federation. Abkhazia, while still trying to maintain some leeway with Moscow, is becoming increasingly dependent on Russia economically, security-wise and politically year after year. Paradoxically perhaps, after Russia recognized the independence of these separatist areas, even the restricted de facto independence the areas previously enjoyed has started to fade.

When it comes to the Nagorno-Karabakh conflict, the results have been even more modest. The OSCE’s Minsk Group was created in 1992, and in 1994 a co-chairmanship with Russia, France and the US
was introduced in order to improve the conflict mediation between Armenia and Azerbaijan. With the OSCE mediation framework having stalled a long time ago, the tension between the parties to the conflict appears to be on the rise again (since 2013 records show a death toll of more than 50 soldiers each year).\textsuperscript{10}

The Transnistrian conflict has often been claimed to be the most ‘solvable’ of the protracted conflicts in the post-Soviet space. There are many reasons for this: firstly, because there has not been significant violence since the active phase of the war; secondly, because there are a lot of people-to-people contacts and daily interaction between people living in Moldova proper and those on the Transnistrian side; thirdly, because the European states and the EU have more interest in and economic leverage over the conflicting parties; and fourthly, due to Transnistria’s geographical location – as there is no border with Russia, the area is more dependent on Ukraine and the rest of Moldova. The EU has had a presence at the Ukrainian-Moldovan border in the Transnistrian segment since 2005, which reflects the Union’s attempt to combine economic transparency and confidence-building agendas.

The European states utilized the OSCE and relaunched the Transnistrian peace negotiations in earnest during the Lithuanian chairmanship in 2011. However, this process came to a standstill after the Ukrainian conflict broke out in 2014. Some significant progress has been achieved over the years – for instance in trade and customs issues – yet a breakthrough has eluded negotiators time and time again. The EU seems to have believed that via engagement with Moldova within the EaP, institution-building and assistance it could gradually but decisively influence the conflict dynamic and advance its resolution. This argument ignores the crucial aspect that protracted conflicts also tend to maintain corruption and non-democratic practices in the so-called parent states by securitizing political processes and the transfer of power. This dynamic is very much present in Moldova, Armenia and Azerbaijan – and was also in evidence to an extent in Georgia during the Saakashvili years.\textsuperscript{11}

In summary: despite some effort and increasing involvement in the region prior to the Ukrainian conflict, no Western state nor the EU appeared to be ready to confront, or even to seriously exert pressure on


\textsuperscript{11} However, this dynamic proved not to be the decisive one in the end as power changed hands in a peaceful and democratic manner in 2012.
Russia over these conflicts, and hence the OSCE effectively could not make significant advances on the mediation front. Even if the Western actors had a more realistic understanding of the conflicts and the role Russia plays in them than they had prior to 2008, none of them were ready in practice to give political priority to conflict resolution, and to put the necessary political resources into the effort.

**THE OSCE AND THE CONFLICT IN UKRAINE**

By the time the Ukrainian conflict had broken out in 2014, Russia’s view of the EU as an actor had changed from a harmless and somewhat toothless organization to a more serious threat to Russia’s predominance in the post-Soviet space: in Moscow, the EU’s Eastern Partnership had been branded as an anti-Russian geopolitical endeavour, while open European support for the Maidan protests was taken as evidence of the EU’s geopolitical motivations in the region. Due in part at least to Moscow’s suspicions, initial European attempts at mediating the Ukrainian conflict proved unsuccessful.12

The OSCE, on the other hand, was increasingly seen by Moscow as a useful tool that could be adjusted ‘to modern geopolitical realities’13 – in other words, to secure Russia’s interests in the post-Soviet space. The OSCE’s decision-making based on consensus and its inclusive list of participating states ensured that Russia could manage the process throughout without significant risks of losing control.

This, of course, did not promise much, but the OSCE was skillful at using its limited room for manoeuvre for credible action in Ukraine. The organization had an active and capable chair in the form of Switzerland at the time the conflict emerged, which promoted the idea of using the OSCE as a venue for peace negotiations and consulted skillfully with Russia, Ukraine and other European states.

Under the Swiss chairmanship, an OSCE Special Monitoring Mission (SMM) was formed in March 2014 and the organization started deploying observers immediately after the decision was made. The OSCE also proved to be useful in several other respects amid the conflict. The Office for Democratic Institutions and Human Rights of the OSCE

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12 In February 2014, the foreign ministers of Germany, France and Poland negotiated a deal with Ukrainian President Viktor Yanukovych for peaceful transition, but events took over, the whole regime collapsed and Yanukovych fled to Moscow.

observed the Ukrainian presidential elections in May 2014 and the parliamentary elections in October of the same year and – although they gained very limited access to some of the regions in the east due to security concerns – the ODIHR’s input was valuable and increased confidence in the elections.

In June 2014, the Swiss Chairperson-in-Office established a Trilateral Contact Group, involving Russia, Ukraine and the OSCE. Experienced Swiss diplomat Heidi Tagliavini was appointed as OSCE Envoy. The group established dialogue with the representatives of the separatist leaders from Donbas. All this took place against the challenging backdrop of intensifying conflict in Eastern Ukraine.

Russia’s duplicitous strategy has been demonstrated repeatedly in Ukraine. One of the major hurdles to achieving a solution to the conflict was that the Russian-Ukrainian border in Donbas remained largely unobserved and Russia delivered both military equipment and fighters to the separatists. Publicly, Moscow insisted that it had nothing to do with the conflict and that this was purely a civil war in Ukraine. In July 2014, a smaller additional OSCE mission was established at the crossing points of Gudkovo and Donetsk. However, Moscow denied access to other non-Ukrainian-controlled crossing points, and hence the border mission has had little practical significance.

In practice, the Contact Group’s work was backed and supported by the leaders of the Normandy Four – namely Germany, France, Russia and Ukraine. All of the coordinated efforts of the Contact Group, Normandy format and the final negotiations in Minsk led to the signing of the so-called Minsk protocol – a ceasefire and political settlement agreement – in September 2014. The agreement was also signed separately by the de facto separatist leaders.14

The agreement called for an immediate ceasefire, strengthened self-governance for the separatist areas, the release of all hostages and detained fighters, an amnesty for the separatists, handing over control of the border to the Ukrainian government, and the holding of local elections in the separatist areas. Despite the agreement, the fighting continued and the SMM monitors took significant risks while monitoring the ill-functioning ceasefire. 15

14 Representative of the so-called Donetsk People’s Republic, Alexander Zakharchenko, and so-called Lugansk People’s Republic representative, Igor Plotnitsky.

The commitment was renewed and further detailed in an additional Implementation Package (Minsk II) that was again agreed by the Normandy Four and facilitated by the OSCE in February 2015. The fighting did not cease immediately, but by autumn the conflict had become low-intensity with some casualties but with stable frontlines. This is what the situation looks like at the time of writing. The losses have been significant; the total number of casualties in the fighting in Eastern Ukraine is currently approaching 10,000.

The protocol and the implementation package have numerous flaws, which made many commentators doubt the prospects for its implementation from the beginning: for instance, the package envisaged that local elections were to be held before handing over control of the border to Kiev. As the fighting is continuing, the security of citizens participating in elections and that of international observers cannot be guaranteed, and hence the elections have been postponed time and time again. Practically all issues are still pending: the constitutional reform, the elections, the border, even the pull-out of heavy weapons. Most disturbingly, Russia continues providing the separatists with leadership, funding, heavy weapons, as well as fighters – just enough to maintain the conflict.

Most experts nevertheless agree that the OSCE has proved to be a major factor for stability in Ukraine, and that it has managed to defuse many hostile and potentially violent incidents with its presence and the facilitation of dialogue locally. The SMM has observed the ceasefire and the withdrawal of troops amid risky circumstances, and the organization has set up specific and more practice-oriented working groups dealing with the political, economic, security, and humanitarian aspects of the Minsk agreement. It has also served the wider international community through its objective reporting – a great deal of which is made public in the form of weekly reports and special reporting. This is unique in international conflict monitoring, and is indeed the first time in OSCE conflict management history that such reports have been publicly available. The EU’s CSDP missions, for instance, have never done this. This is a valuable innovation, particularly in this type of hybrid conflict where information is actively manipulated by the conflicting parties.


17 Lehne, op.cit.
It seems that despite the formal peace plan, the process is stagnating. This has nothing to do with the ability of the OSCE as an organization, but rather with the lack of political will, particularly on the Russian side. As Steven Pifer, former US Ambassador to Ukraine has noted, Russia is likely to regard the low intensity conflict in Donbas as a useful tool that it can use to ensure that much-needed reforms in Ukraine and the Association Agreement implementation fail.\(^{18}\)

Only a major push from the European states could prevent the well-known pattern from materializing in Ukraine: behind the low-intensity conflict, Russian troops would become a more permanent feature in Donbas and the separatist ‘governments’ would establish state-like structures with Russian funding and (unofficial, but real) leadership; passports would be issued and the Russian rouble would become the \textit{de facto} currency (in fact, many of these activities are already taking place in Donbas).

As in Transnistria, this scenario would leave the options for a final settlement open; it could be used as a bargaining chip in some future arrangement, the conflict could be intensified when Ukraine is at its weakest or, alternatively, the threat of an intensifying conflict could be used to put pressure on Kiev at different junctures. The fact that Donbas was not part of Russia would strengthen Russia’s leverage over Ukraine and over the separatist regions themselves. Russia would have no obligation to rebuild Donbas or to offer its inhabitants a better future. It could also exert pressure on the separatist leadership, which would be completely dependent on Russia’s goodwill and favour.

A protracted conflict would be likely to reflect negatively on the reform process in Ukraine. Even today, an often-heard argument in Kiev is that the EU criteria should be eased for Ukraine, as it is fighting a war. Conflict resolution and reforms are very often linked to one another; in a conflict context, democracy and transparency are very often taken over by the process of securitization. Even from this good governance perspective, conflict resolution should be a high priority.

There are some encouraging signs that key European leaders may have finally understood that conflict resolution in the post-Soviet space should be a high political priority for overall regional stability and prosperity. These positive signs are most apparent in the Ukrainian and Moldovan cases.

For instance, in June 2016 the OSCE-led 5+2 negotiation format (Ukraine, the OSCE and Russia as mediators, and Chisinau and Tiraspol as parties) for the settlement of the conflict in Transnistria was re-launched after a two-year break. This was mainly thanks to the efforts of Germany, which is currently holding the OSCE’s chairmanship. The meeting took place in Berlin and produced limited but tangible results, and is to be followed by a confidence-building conference in Bavaria.

Germany has recently demonstrated serious leadership skills in dealing with Ukraine and Russia as well. In both the Ukraine and Moldovan cases, Germany has utilized the OSCE platform effectively and brought in other participating states to support the effort. Russia needs a counterbalance in the negotiations, and in practice this means backing from major European states. Even if everything ultimately depends on the conflicting parties and their commitment to the process, a shift in attitude very rarely happens by itself, and calls for a sustained effort by mediators and thorough negotiations by the parties.

In Ukraine and Moldova, economic issues are at the forefront of the EU’s efforts: the DCFTA with Moldova and Ukraine, and sanctions against Russia. The EU states have also shown unity and consistency in the sanctions policy towards Russia, which is unprecedented. This economic leverage (as discussed in the earlier chapter on the EU) needs to be combined with a nuanced understanding of the conflict dynamics and political conflict resolution processes. Essentially, the European states need to acknowledge that this process is primarily about politics – and frequently even about power politics – and not try to hide behind eurocratic, technical jargon. The European states need a comprehensive approach that skillfully utilizes all of its leverage and the unique platform of the OSCE.

As we have seen in all of the post-Soviet cases of conflict, the OSCE can be a useful platform for the management of conflicts and negotiation processes, but it is vital to actively counterbalance Russia’s efforts to use these processes as a cover under which it can cement these conflicts. Protracted conflicts not only hinder democratic
development and reforms in the separatist areas, but often in the so-called parent states as well. Protracted conflicts reflect negatively on the whole region and turn it into an inherently unstable and geopolitically contested area with the potential to unravel at every critical juncture, such as a change of leadership. It is safe to say that this is not the kind of neighbourhood that the EU and its member states want to witness and live in close proximity to. In order to escape the wave-like inevitably of recurring conflicts, the Western states need to balance Russia more actively in the region and within the OSCE.

Strangely enough, this is reminiscent of the early days of the CSCE: back in the day, bargaining between the socialist and capitalist states over normative guiding principles, human rights, arms control issues and the use of force took place in the CSCE meetings – concurrently with the effort to cooperate and ease tensions. Even though balancing and bargaining seem to be prevailing at this moment in time, one can only hope that this will not be a permanent state of affairs. One of the advantages of the OSCE as a platform is that it is capable of adjusting to the changing realities. If the states are more cooperative and like-minded politically, it can be used to promote more cooperative and comprehensive security for the wider region. When tensions run high, it can be used as a platform for bargaining and dialogue.

Although for a brief moment in the 1990s it seemed that an era of cooperative security was already emerging, the emphasis is currently more on the dialogue and bargaining side. The post-Soviet conflicts are the litmus test for Russian-Western relations: until Russian policies change in Ukraine and elsewhere in the region, no lasting settlement – no ‘grand bargain’ – on European security order can be envisaged.
10. Conclusions

Kristi Raik & Sinikukka Saari

The significance of the EU’s Eastern neighbourhood extends far beyond the region itself and its immediate neighbours. This report underscores deep concerns about the future of the security order in Europe and does so from various viewpoints. The conflict over Ukraine is not the root cause of current tensions; rather, it should be seen as a catalyst for broader geostrategic tensions affecting the whole of Europe and beyond.

In recent years, the region covered by the EU’s Eastern Partnership policy (EaP) has increasingly become politically fragmented and unstable, but it is currently overshadowed by multiple other crises and shocks ranging from the war in Syria to the Brexit referendum in the UK. The instability in the region has both external and internal sources which strengthen and deepen one another. July 2016 saw a serious political crisis in Armenia, fuelled by public anger at deeply corrupt leaders (reminiscent of other crises in the post-Soviet space in previous years, including Ukraine) and involving two deaths and the resumption of fighting in Donbas, both of which drew little international attention due to a simultaneous failed coup in Turkey, terror attacks in Europe and a toxic presidential campaign in the US.

With no quick solutions in sight, the annexation of Crimea and ongoing war in eastern Ukraine continue to test the international community’s resolve to defend the security order built on the UN Charter, including the commitment of states to refrain ‘from the threat or use of force against the territorial integrity or political independence of any state’. Temptations to accommodate Russia’s coercive tactics and claims to a sphere of influence in Eastern Europe are being aired not just among those of Russia’s partners, that share the goal of
building a multipolar world order based on spheres of influence of great powers, but even in the US presidential campaign, where the benefits of the existing liberal order are no longer taken for granted by a considerable proportion of the electorate. Trends of fragmentation and disintegration in Europe put a further strain on the sustainability of the liberal, norms-based order and the coherence of its protection.

This report exposes the fact that the key actors have different and, to some extent, incompatible perspectives on the region. The states and other actors in the region interpret and address the geopolitical conditions through the prism of their self-defined interests and subjective understandings of the dynamics and issues at stake. The conflict over Ukraine has exposed and sharpened the incompatibility of the goals and means of certain actors – the EU and Russia, the US and Russia – and at least as importantly – Ukraine and Russia. China and Belarus, on the other hand, have attempted to remain actively present in the region but politically neutral vis-à-vis the confrontation between Russia and other key actors.

The lack of a shared understanding about the goals and instruments of different players has contributed to a growing mistrust and to a conflict-prone geostrategic environment. While the clash between Russian and Western approaches to the region is often labelled as a geopolitical conflict, it is argued in this report that the deeper, more pertinent issue at stake is not control over territories but the future structure and guiding principles and norms of international and European order.

One of the broader conclusions to be drawn is that political, economic and security dynamics in the region are closely and increasingly interconnected. In recent years, political orientation towards liberal democracy or authoritarianism, foreign and security policy orientation and the economic ties and operating logic in the post-Soviet space have become intertwined in a new manner, reflecting the tensions and competition between the models and structures offered by Russia and the West. This challenges the understanding, still popular among European foreign policymakers, that economic relations follow a different, more cooperative and market-based logic distinct from the more conflict-prone area of security. In the new environment, economic relations are increasingly seen as a tool in the comprehensive geostrategic toolbox.

It has become increasingly difficult for the countries covered by the EaP to develop good economic and political relations in both directions – which would, in an ideal world, be in the best interests
of these countries and was also one of the original stated goals of the EU’s European Neighbourhood Policy in the east.¹ As described in the chapter by Andrey Makarychev, the confrontation between the liberal European order and Russia’s authoritarian model has increased, while Russian foreign and economic policy towards the neighbourhood has become more dichotomous and revisionist. Consequently, the goal of developing mutually beneficial relations in both directions, east and west, has become practically out of reach for the neighbours.

One of the EU’s apparent failures in the Eastern neighbourhood during the past decade was that, while wishing to promote political reforms and economic integration and simultaneously avoid confrontation with Russia, it ignored (or chose to ignore) the broader geostrategic context and implications of such policies. While doing so, it left its Eastern partners in an extremely vulnerable position and unprepared for Russia’s coercive action. This is not to say that the EU would be in any way responsible for Russia’s aggression, but only to highlight that the EU should have been better prepared for coercive action and pressure from Russia. The EU might have made some tactical blunders but it has not done anything that would justify Russia’s aggression in Ukraine. It has not contravened international norms nor used coercive means to influence the orientation of its neighbours.

In fact, as highlighted in the chapter by Kristi Raik, the EU has responded, and always offered less than what was requested, to the calls coming from the neighbours themselves. Unlike the Eurasian Economic Union, which is a customs union, the Deep and Comprehensive Free Trade Agreements of the EU with Ukraine, Moldova and Georgia do not create obstacles for these countries to continue free trade with Russia or any other country. The EaP has never aimed at excluding Russia from the region: rather, the aim has been to increase stability and positive-sum games in the neighbourhood, including Russia.

Indeed, as the chapters in the report demonstrate, the only actor in the region aiming for an exclusive position is Russia. Furthermore, Russia is the only actor that is ready to use coercive, even military, means to secure its sphere of influence in the neighbourhood, and to dismiss the calls for respect for the sovereignty and independence of those states – which does not prevent Russia from simultaneously airing visions of a ‘Greater Eurasia from Lisbon to Singapore’.

as discussed in the chapter by Andrey Makarychev. Through the policy of combining security issues with promoting strategic dependencies by the active use of ‘carrots’ and ‘sticks’, Moscow has tied Belarus, the separatist regions of Abkhazia and South-Ossetia and Transnistria and, to an extent, Armenia to a deep dependence on Russia that is heavily limiting their independence of action. The gradual loss of state sovereignty is well described in the chapter on Belarus by András Rácz and Arkady Moshes.

By various means, Russia has also made it extremely difficult for the other EaP states to strengthen their statehood and pursue their chosen political orientation. However, in the longer run, this policy might backfire on Russia and in some cases its counter-productivity is already apparent: the harsh action and aggression of Russia has profoundly altered the cost–benefit calculations and identity politics of Ukraine and Georgia, where the strongly pro-Russian voices have been pushed to the relative margins in the public sphere. This is one of the key arguments made in the chapter on Ukraine by Oleksandr Sushko.

Russia’s position and success in achieving its geopolitical aims in the region depends on the other key actors and their policies: the US and the EU in particular, but also China and Turkey. Stephen Blank makes the case in his chapter that Europe still needs the US’s active involvement in the continent, and that its withdrawal would be a geopolitical mistake that would strengthen Russia’s position. Kristi Raik notes that the EU’s liberal normative agenda in its Eastern neighbourhood struggles to remain relevant when faced with a major power aggressively pursuing zero-sum geopolitics, and shares the concern about the Union’s resolve and unity.

Tamás Matura and Máté Mátys highlight the fact that China is concerned about the potential impact of the Ukraine crisis on the international order. At the same time, they note that China is trying to avoid a situation where the Ukraine crisis would have a negative impact on its relations either with the EU and the US or with Russia. The chapter by Toni Alaranta argues that Turkey’s actions in the region have also been rather cautious and largely commensurable with the EU’s goals; yet the recent rise of authoritarianism and anti-Westernism in Turkey makes its foreign policy increasingly unpredictable and tilts the country towards rebuilding ties with Russia.

Russia’s role in different conflicts in the region is one of the crucial issues at stake. Clearer stances and firmer action by the US and the EU are needed; for years, the West has given Russia the benefit of the doubt in these conflicts but the new openly revisionist policies by Russia have
made this increasingly difficult. There is a new understanding that the issues at stake are essentially political and that the OSCE needs firm political backing by the Western states, as Sinikukka Saari argues in her chapter.

**How can the EU become a more strategic actor in its Eastern Neighbourhood?**

The conflict over Ukraine has forced the EU and its member states to re-think their approach to the Eastern neighbourhood. Some of the core premises of the EU’s approach have not changed since the launch of the European Neighbourhood Policy (ENP) in 2004. The EU is still developing a closer relationship with the willing partners. It has reaffirmed the need to respect the right of each partner country to choose its foreign policy orientation and domestic model of development. It continues to support domestic political and economic reforms in countries willing to undertake such reforms.

However, for many years, the EU failed to adjust this policy to the special characteristics of the region and thus left the partner states in a vulnerable position. Only recently has the EU added to the Eastern neighbourhood policy an active component aimed at strengthening the resilience of neighbouring states and societies so as to make them better able to defend themselves and pursue their chosen path in a sustainable manner.2

A large part of the re-thinking has to do with the geostrategic tensions that the EU did not fully acknowledge until the Ukraine crisis erupted in 2014. The ENP and Eastern Partnership have been heavily EU-centric, offering the neighbours an extension of the EU model – but only partially, and disregarding the constraints posed by the broader geostrategic environment, including the increasing hostility of Russia and the decreasing engagement of the US in Eastern Europe.

The EU needs to do better in this region in the future. It is essential that the EU policy is based on a comprehensive analysis of the

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geostrategic environment and constant assessment of the shared goals and disagreements between the EU and other actors in the region. The EU has to acknowledge that its understanding of the region is not shared by all the other players, and make it clear that it is ready to consistently defend its core positions, even if it faces resistance. Avoiding politicization of the EU’s engagement in this region is simply not possible if Russia is hostile towards the EU’s actions and regional goals.

This is not to say that the EU should accept Russia’s premises. The EU should continue communicating that it is not seeking an exclusive position nor control in its Eastern neighbourhood, is not interested in a zero-sum game and does not accept spheres of influence in any form. Unfortunately, there is no escaping the fact that this position inevitably puts the EU in conflict with Russia’s position. Russia has to be taken as it is: a geopolitical actor that seeks to establish strategic dependencies and limit the sovereignty and independence of its neighbours.

However, the EU should try to alleviate the regional dividing lines where it can and attempt to engage with actors such as Belarus and Armenia in areas where they are ready and willing to cooperate. The limits of such engagement are highlighted in the chapter on Belarus; yet not engaging with these states would only benefit Russia and its geopolitical games. The EU is already moving away from the ‘one size fits all’ model and attempting to offer integration to the willing partners and cooperation based on mutual interests to other states in the neighbourhood. This has to be coupled with a realistic approach towards Russia: admitting that Russia acts from a distinct geopolitical position and does not share the liberal positive-sum approach to the neighbourhood.

From the perspective of Ukraine, Georgia and Moldova, the traditional EU policy of approximation and integration is more needed than ever. The success or failure of domestic reforms is crucial for the fate of Ukraine and other EaP countries, and for regional security. Despite the tensions, the EU should stick to its commitments to these states.

However, while support for reforms is an indirect contribution to security, the EU can no longer avoid addressing security problems in the region directly as well. This poses a challenge to the EU’s still rather weak international actorness. Against this backdrop, the EU’s sanctions and diplomacy (as led by Germany) during the Ukraine crisis have been a stronger response than expected, but doubts remain over the unity,
strategic patience and consistency of the EU. When it comes to regional security, a close partnership with the US remains indispensable.

There are no easy remedies for the geopolitical tensions in the region and conflict over Ukraine. It should be noted that even Russia’s partners, such as Belarus and China, have refused to support Russia’s breach of core UN and OSCE security norms. The ongoing conflicts are a tool for Russia to promote its interests, maintaining instability in the region. The EU has no option but to continue efforts to resolve the conflicts. It should sustain the OSCE as a key shared framework for European security and resist efforts by Russia to subjugate it to the Kremlin’s geopolitical interests.

Establishing a formal relationship between the EU and EEU should remain out of the question as long as Russia continues to wage war in Ukraine. In the meantime, economic and technical engagement should be cautiously pursued only if it is aimed at maintaining (geo) political plurality in the region. Importantly, such engagement cannot serve as a way to fix deeper disagreements with Russia over political and security issues.

The EU’s inaction or retreat from the region are not among the active policy options, but they are a potential default outcome if at some point a common policy falls apart. This scenario could be seen as a geopolitical victory for Russia as it would prove the primacy of force over norms, unravel the European security order and improve Russia’s relative power in Europe. Keeping in mind this alternative, the EU should not lose sight of what is at stake if it fails.
About the authors

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**Stephen Blank** is Senior Fellow at the American Foreign Policy Council in Washington. From 1989 to 2013 he was a Professor of Russian National Security Studies at the Strategic Studies Institute of the US Army War College in Pennsylvania. Dr Blank has been Professor of National Security Affairs at the Strategic Studies Institute since 1989. He has published over 1,000 articles and monographs on Soviet/Russian, US, Asian, and European military and foreign policies, testified frequently before Congress, and consulted for the CIA, major think tanks and foundations on these issues. Dr Blank’s MA and PhD are in Russian History from the University of Chicago.

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Tamás Matura (Dr. jur.) is the founder of the Central and Eastern European Center for Asian Studies. He has been working on China for a decade. He started his career as a research fellow of the Hungarian Institute of International Affairs. Recently, he has served as an adviser on China to the Minister of National Economy, as an editor of the China Strategy of Hungary, and as an author of the BRICS Strategy of Hungary. Right now he is a permanent Assistant Professor at the Corvinus University of Budapest and a founding member of the European Think Tank Network on China.

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Key Actors in the EU’s Eastern Neighbourhood

*Competing perspectives on geostrategic tensions*

Kristi Raik & Sinikukka Saari (eds.)

The Ukraine crisis exposed the collision between the EU’s and Russia’s goals in their shared neighbourhood and highlighted the limitations of the EU’s liberal, confrontation-averse and often technocratic approach. It also forced the Union to address the unintended geopolitical implications of its Eastern Partnership policy covering Ukraine, Belarus, Moldova, Armenia, Azerbaijan and Georgia. The fate of these countries is closely connected to questions over the future shape and rules of the European security order.

This FIIA report sheds light on the geostrategic tensions and different action logics at play in the EU’s Eastern neighbourhood. The report explores and compares the interests and policies of major states and organizations in the region (the EU, Russia, the US, Turkey, China and the OSCE) and assesses the interaction between the different actors. It also considers the implications of the geopolitical context for some of the countries in the region, notably Ukraine and Belarus, with the aim of providing an original, comprehensive analysis of the international, regional and local levels.

Such a comprehensive analysis of the broader geostrategic context of the contested region between the EU and Russia highlights the need for the EU to develop a broader understanding of the factors at play in the region. The EU foreign policy should not shy away from confrontation at any price. The report highlights the need for a more comprehensive, confident and proactive EU foreign policy in the Eastern neighbourhood.