

Event Report

BÖLL LUNCH DEBATE

The Russian-Ukrainian Conflict and the European Union¹

The parliamentary elections in Ukraine eight months after then-president Viktor Yanukovich fled Kiev, were a success for pro-Western politicians like President Petro Poroshenko and Arseniy Yatsenyuk. This could be a chance for Ukraine to achieve political and economic stability and a new chance for the European Union to decide what sort of relationship it wants to have with Ukraine on long term. However, the new Ukrainian government faces a huge challenge. Ukraine's economy is shrinking, in urgent need of reform and has to deal with a serious energy problem. Moreover, even though the new government will clearly search for closer ties with the EU, the question how to deal with Russia is looming large. Poroshenko has pointed out that there is no military solution to the current conflict and believes that he can negotiate a peace deal with Putin. He has promised not to compromise on Ukraine's territorial integrity, but no settlement will be possible without far-reaching autonomy for parts of the Donbass. On the other hand, there are no real signs from Russia that might indicate a willingness to compromise. President Putin insists on his point of view that Russia is not a conflicting party in the armed conflicts in the Donbass, which he considers a solely inner Ukrainian affair. Most parts of the Minsk agreement are not implemented by Russia. Russia refuses to even discuss the status of the Crimea peninsula. The Russian leadership condemns the Western sanctions and accuses the West in not only having initiated the conflict, but to add fuel to the fire. In order to placate Russia, Ukraine partially postponed the implementation of the EU-Ukraine trade agreement. In the meantime, the EU has created a special task force to help Ukraine's new government and has decided to maintain the sanctions on Russia it had installed because of the annexation of Crimea and Russia's role in fuelling the conflict in eastern Ukraine. But, are the Western sanctions against Russia working, how long should they remain in force and are there any other means to influence Russia's politics? What else is it the EU can do to strengthen Ukraine? Is a long-term EU membership for Ukraine feasible and how would Russia react to that? Finally, what exactly is the driving force behind Putin's policy towards Ukraine and how can EU-Russian relations evolve under such hostile circumstances?

The current conflict in eastern Europe reminds us of the late 1980s when Europeans experienced a time where history was being shaped and developed every single day. The difference is that the late 1980s stand for a time of hope, of crumbling walls whereas at the moment, we seem to witness the opposite development. When debating the Russia-Ukraine conflict, it is essential to differentiate among three aspects which, though interrelated, should be looked into separately: the relation between the EU and Russia, Russian-Ukrainian relations and EU-Ukraine relations.

¹ The event took place on 19 November 2014. Guest speakers were Oleh Rybachuk, former Deputy Prime Minister of Ukraine on European Integration; Sergey Utkin, head of the Department of Strategic Assessment, Centre for Situation Analysis at the Russian Academy of Sciences and Amanda Paul, Policy Analyst and Senior Programme Executive at the European Policy Centre. The event was moderated by the director of the Heinrich-Böll-Stiftung European Union, Bastian Hermisson. The opinions expressed do not necessarily represent the opinions of the Heinrich-Böll-Stiftung.

Putin's vision of the world

Russia's policy towards Ukraine is regrettable. It is obvious that different policy decisions from the Russian side could have avoided much of the turmoil which happened in Europe during the last months. Unfortunately, we cannot go back to the situation before the conflict and even if the Russian policies were different from now onwards, this would not help to solve all the problems which have been created through the Russian actions towards Ukraine. Too many people have died already; too much damage has been caused. There are various theories about the motivations behind the Russian actions concern Ukraine. One is that the conflict was necessary for the Russian government in order to remain in power and strengthen the regime. Even though this argument is hard to deny or confirm, fact is that Russia could have stayed neutral regarding the developments around Maidan and easily found common ground with Yatsenyuk's government, none of which would have threatened the survival of Putin's regime. What motivated Putin to choose for the attack are his convictions which he revealed in his **speech on Crimea** and at the meeting at the **Valdai** club in Sochi. Putin sees the world through geopolitical glasses and thinks defending Russia's spheres of interest is a natural thing to do as he feels that they are threatened by the West. This is the way the Russian administration thinks; the way this generation has been educated. The West will have a hard time to make them think otherwise and change their way of acting. During his Valdai speech, Putin also laid out a new doctrine of Russian foreign policy: Russia is not acting on anyone's permission; it does exactly what it wants and so far nobody on the world stage has been able to stop it; Russia still has so called allies and friends. According to Putin the old security system has worn out and no longer exists and he wants a new one built, one which suits Russia's interests.

Another motivation behind this attack on Ukraine is the realisation that Russia's resources are very limited, especially oil and gas, which makes the defence of the sphere of influence regarding Ukraine becomes even more pressing to the Russian government. Russia will not try to achieve all goals geopolitical thinking might inspire: its limitations cannot be ignored even in the middle of an ideological battle with the West. However, geopolitical thinking triumphs over economic considerations when the red lines drawn by the Kremlin are felt to be crossed by the West. And Ukraine, in the Kremlin's geopolitical thinking matters in terms of spheres of interest and will do so for the foreseeable future.

Ukraine and NATO

Recently Putin's spokesman Dmitry Peskov said that Russia wants to be assured that Ukraine will not join NATO and keeps its non-aligned status. As Ukraine is a sovereign state, it is free to decide this for itself and Russia has no right to interfere. However, this is an item which could and should be discussed if it contributed to de-escalate the situation and end a situation in which people keep dying in the east of Ukraine, even though to accept an unaligned status will be difficult to accept for many Ukrainian politicians and people in west Ukraine. On the other hand it has to be said that once the NATO issue is off the table, Ukraine will be left in a very vulnerable position even more than before the conflict when the NATO issue wasn't even on the table. Ukrainians weren't really interested in joining NATO. It is thanks to Putin that they are increasingly now.

Crimea, Donbass and the Black Sea region

As for *Crimea*, this is not a debatable topic for the Kremlin and most representatives of the Russian political elite; it is considered a part of the Russian Federation and falls under Russian law. At this stage the only option seems to agree to disagree on this and hope for a different generation of Russian policymakers who will look at this differently. Regarding *Donbass*, a region where people are actually dying because of the conflict, it is crucial that the **Minsk**

agreement will be implemented and not sacrificed in spite of the fact that it has already been violated. If it can be used to stop people dying it would be a major achievement.

We should also take a look at the Black Sea region which is very fragmented and full of security challenges. There the situation has deteriorated since the events in Ukraine. What recently happened in Nagorno-Karabakh and in Abkhazia with the new agreement between the latter and Russia on further integration is clearly linked to the events in Ukraine.

Russia-EU relations

As for *Russia-EU* relations, we can forget about the bright and shiny initiatives which came up in the years of Medvedev's presidency, like the (never implemented) ***Meseberg initiative*** for a joint EU-Russia Political and Security committee in 2011 which was supposed to coax Russia into a constructive approach to Transnistrian conflict settlement. In fact, we may not really expect any significant progress on common spaces between EU and Russia. Russia and the EU will enter a phase of Cold Peace, a relatively peaceful co-existence which would allow Ukraine to develop relations with the EU and maintain business relations with Russia at the same time. What has happened has been detrimental for Russia-Ukraine relations, but a common language needs to be found in order to at least freeze the conflict which is too costly for both sides.

Sanctions

When looking into the effect of Western sanctions one has to distinguish between two different phenomena. In the restaurants and shops in Moscow the effect of the sanctions is not (yet) visible, but when you look at the GDP growth which used to be 7.9% when Putin came to power and at the current trends in oil prices, it is obvious that the sanctions are working. The problem of Crimea is already felt severely by Russian economy. There is no way that Russia can take on the burden of Donetsk and Luhansk as well. Russia now seems to think that it is the occupied country which has to be paid for its occupation. If Ukraine refuses to do so, it is possible that Russia will make the threats of an escalation of the war reality.

Ukraine as Russia's instrument against the European Union

The EU has to understand that the battle is actually a battle over the EU. Ukraine is just an instrument in Putin's vision of Eurasia in which the EU is a source of irritation. That is the reason why Putin supports all anti-European forces, e.g. Le Pen, UKIP, anti-globalists financially using his oligarch money. During the OPEC meeting in Vienna in November Putin made it very clear that his future relations with the EU will depend on the willingness of the EU to accept his terms and his understanding of the world, something he had already outlined at the Valdai conference. His attack on Ukraine is merely a test to what extent the world will tolerate his understanding of a global war. Fortunately, the G-20 summit has demonstrated that Putin's attempts to split the West and to split Europe did not succeed. Putin has been told that he has to accept international laws and return to the rule of law or consider himself an outcast.

The European Union and its eastern policy

Putin may look at the world through geo-political glasses, but the EU seems to look through very dark tinted sunglasses; in other words EU policy makers do not make the impression as if they have too much vision of what is going on. In the conclusions of the recent **Foreign Affairs Council** the ministers declare: "Alarmed by the recent heavy shelling and by reports about convoys moving in the separatist held areas with substantial amounts of heavy weapons, tanks and troops without insignia from across the Russian border, it urges all parties to fully implement the Minsk Protocol and Memorandum swiftly and without further delay. It once again underlines the Russian Federation's responsibility in this context. The Council calls in particular for a halt to

the continuous violations of the ceasefire, a withdrawal of all illegal and foreign forces, mercenaries and military equipment, as well as for securing the Ukrainian-Russian border with permanent monitoring by the OSCE.”

This reflects that the EU is very clear about recognising that Russia is on the ground in Ukraine despite the fact that Putin still claims as he did at the G20 that there are no Russians in Ukraine, so apparently we have virtual troops, tanks, a virtual army and a virtual war and probably in the near future a virtual military base in the east of Ukraine.

There is a huge gap between what the EU promised to do and what it delivers and from the recent Council conclusions we can see that the only thing that happened is that some separatists were added to the list of personal sanctions. This is a weak approach from the EU side and a reflection that the EU splits on the issue of Russia and Ukraine and the sanctions. Many states don't have any more appetite for sanctions. In fact, the EU broke down into three groups: those that don't want sanctions, those that would support personal sanctions (which we got) and those that state that would push for more sectoral sanctions (which we did not get). Unfortunately we have sanction fatigue in the EU and it is worrying that the current sanctions are being placed only for a couple of months. Sanctions can definitely hurt Russia, Putin is bruised but definitely not broken; he is still standing strong

Of course it is difficult for 28 EU member states to find a solution but this is really crucial issue for the security of the region in the future and there should have been more of an effort to find a consensus on the tougher line of sanction. The process is also far too slow, if the EU had acted more quickly to developments on Crimea, if we responded more toughly there with sanctions, things could have been different. On 17 November **Human Rights Watch** published **a report on Crimea** which underlines the serious situation that exists in this part of Ukraine now that Russian and local authorities severely curtailed human rights protection in Crimea since Russian occupation in February which is a worrying development.

Conclusions

There is a lot of unpredictability about what can happen between Russia and Ukraine or Russia and the EU. Russia seems to follow a two-pronged strategy/approach

- Undermine Ukraine's leadership, create instability and economic crisis, causing the country to head towards a failed state position
- Split unity of the EU by filling out spaces and gaps that are appearing between Member States. Russia likes filling vacuums and it uses them to expand.

The possibility of Russia creating a land corridor from Donetsk to Crimea has been much discussed, though the likeliness of this taking place is low due to the fact that such a big military intervention would be a huge threat for Russian interests and its military, because this part of Ukraine does not have the sort of support that Russia had in upper parts of the area it already occupied. Putin will probably continue to use the cards that he has had for a long time to undermine Ukraine and create a situation or solution that will put the rest of the country in a state of dependency on Russia or in instability.

The EU needed to react much more quickly to developments in the Ukraine and especially Crimea, which could have made a big difference. Now it has to reload itself and redefine its strategy towards Ukraine. There has to be cooperation between EU and Ukraine in order to prevent similar developments elsewhere, e.g. in Moldova where Russia supports certain groups during the elections. It is necessary to have a multiple-pronged approach with an open

diplomatic channel to Russia. Russia is part of the problem but also part of the solution. The Minsk process seems to be torpedoed by the fact that Russia has supported the elections in Donetsk and Luhansk, legal elections, which is a clear violation of the agreement and was purposely done. We should maybe consider moving back to the Geneva process which was there before Minsk but we need to keep Russia engaged.

It is crucial that the EU continues its economic, political and humanitarian support for Ukraine. Speaking about money, the EU needs to invest in helping Ukraine, which is an understandable concern for the Member States after the long economic crisis. They do not want to lose the slow growth they achieved, but what would be the alternative? Without EU support Ukraine will collapse and the impact of the bankruptcy would be felt far beyond its borders. In comparison with other countries, Ukraine did not get remotely as much financial help as, e.g. Syria or Egypt. The financial help must be targeted directly on reforming the country so that corruption can be avoided.

The EU needs to make very clear that if there is no compliance with this long list which was made longer by the European Council meeting in December the EU will move to sectoral economic sanctions and the EU has to show 100% unity and solidarity on that issue and not backtrack and allow spaces between Member States to open.

The EU needs to continue to give full economic political support, humanitarian assistance and work with Ukraine in as many areas as possible. As MEP Elmar Brok recently said, the new strategy (towards dealing with Russia) can only become a reality once the EU has reached energy independence from Russia or is more independent in its energy strategy. Being independent from the Russian energy market would be the biggest game changer for Ukraine and would have the biggest influence on Russia which is why the EU should quickly make a move when it comes to this topic. What was achieved on energy is good and it is very important that the EU and Ukraine align themselves on as many different issues as possible so that the EU is almost acting as a guarantor.

Finally, the EU has to improve its information campaign. The information has been a key tool in Russia's tool box, in Russia as well as in Ukraine. Many Russians aren't very happy about the killing of Ukrainians and Putin has tried to cover this up which is appalling and something which has to be reflected in a stronger information campaign from EU side. The EU will also need a strong and clear set of messages because at the end of the day words change minds.