



EUROPEAN POLICY BRIEF



GLOBAL RE-ORDERING: EVOLUTION THROUGH EUROPEAN NETWORKS

The EU's poor performing in the Ukrainian crisis

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INTRODUCTION

This brief assesses the EU's response to the turmoil in Eastern Ukraine triggered by Brussels' decision to offer the country an Association Agreement and the ensuing refusal to subscribe to it by former President Viktor Yanukovich. The EU's reaction to the unexpected wave of protests – which ultimately led to a regime change – is to be evaluated in the light of the EU's overall strategy towards the Eastern European neighbourhood. More generally, the EU's performance in the Ukrainian Crisis calls for a reflection on its transformative power, on its 'visionary' capacity and finally on Russia's capacity to wield power.

This analysis is not to discuss the hybrid nature of the EU, a mix of intergovernmentalism and supranationalism, and the limits intrinsic to its foreign policy, which mainly rest in the constant need to combine 28 different strategic cultures, national interests, action plans and positions. Nevertheless, what is argued is that the EU's poor record in Ukraine cannot simply be ascribed to its unique nature, but instead derives from its incapacity to act as what a vast body of literature has defined a "civilian power".

In this synthetic and not exhaustive analysis of the ongoing crisis, aspects are selected that show the most critical points in the EU's response to the crisis in Ukraine thus far.

First of all, the Eastern Partnership (EaP), a political project intended to provide a venue for discussions on trade, economic strategies, travel agreements, and other issues concerning the EU and its eastern neighbours (Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine), has been wrongly presented as a 'civilization project', or a progressive pacific diffusion of values, rules and legislation produced by the EU reproducing many of the characteristics of the traditional enlargement process. This project also corresponds with clear geopolitical interests with regional and global implications, however, that prevent it from being regarded as a "neutral engagement" by the other stakeholders, in particular Russia.

The EaP was originally boosted by a joint Polish-Swedish proposal in June 2008 as a reinforcement of the Eastern dimension of the European Neighbours Policy (ENP), the sequel to the grand 2004 enlargement, designed to bolster relations with the nearest countries of Eastern Europe, the southern shore of the Mediterranean and southern Caucasus. The other promoter of the scheme, Sweden, is one of the EU members with the least tolerance to Russia's hybrid brand of democracy. Although the European Commission affirmed that the EaP is to develop in parallel with the strategic partnership with Moscow, the orientations of those promoting it made Russia

suspicious that the EaP was a less-than-neutral stabilization policy. Russian political elite considered the EaP as an attempt by Brussels to develop its own sphere of influence in the Post-Soviet space.

Although the EU has a politically legitimate ambition to project its power toward its Eastern neighbourhood, which is propelled by the idea of spreading democracy and Europeanizing the closest outsiders, it also needs to seriously consider the reactions and consequences of the other stakeholders in the region, especially Russia. The influence over the Post-Soviet space is one of the top priorities of Russia's foreign policy, and the Kremlin has an ample spectrum of means, including soft and hard power, to strengthen its leverage in the region.

To a certain extent, the consequences of the EU's policies towards its eastern neighbours could have been predicted, despite the sudden twist in Russia's attitude, as both actors have sought to secure their influence in the area by advancing the institutionalization of their intraregional relations, though based on different sets of fundamental values. The EU's plan to reinforce its influence in the Eastern Neighbourhood was also bound to collide with the counter-project sponsored by Moscow.

Although independent and formally fully sovereign, the countries sandwiched between the EU and Russia enjoy a limited freedom – which might be addressed as a “negative liberty” – that make their condition extremely delicate. No matter how politically unfair in Brussels' eyes, Russia's interests cannot be overlooked while pursuing an institutionalization project in the post-Soviet space. Russia's power capabilities and its willingness to make use of them cannot be underestimated, as demonstrated by the Crimea affair. The chaotic situation in Ukraine obliges the EU to revise its overall strategy for the region and separate policy patterns from politics. Moreover, the EU needs to reconsider its transformative power and its principles of conditionality, which have proved extremely ineffective when faced with the burst of frozen conflicts, even though the prevention and resolution of situations like this being among the targets of the EaP.

In a sense, the European Commission's untimely offer to deal with conflicts through a better integration of the Eastern neighbours into the Common Foreign and Security Policy confirmed the European Union's inadequateness in responding to the crisis, which in turn couples with its limited foresight capacity.

In September 2013, the EU received its first negative signal when Armenia announced its decision to join the Customs Union with Russia, Belarus and Kazakhstan, instead of deepening its partnership with Brussels. The relations between the EU and Belarus stayed cold while Azerbaijan proved quite resilient to the rewards offered by Brussels within the EaP, committing only to a Partnership on Modernization. Eventually, three out of the six candidate partners of the EAP declined the EU regional offer, but none of these presages triggered a deep reflection on the next steps to take.

With hindsight, these signals only make the question of whether offering the Association Agreement to Ukraine in November, 2013, during the EaP Summit in Vilnius, was the right move at the right time. Although politically legitimate, the EU's offer has been regarded by many as politically unreasonable in light of Russia's potential reaction and the fact that Ukraine was clearly divided, politically frail and unstable.

Acknowledging this hindsight does not add to the justification of Russia's annexation of Crimea or the backing of separatists in Eastern Ukraine, but it certainly recalls EU's leadership and the inevitable costs of a choice, which were political, not merely technical. Did the EU expect such turmoil in Ukraine? Did the EU have a plan to face a military reaction by Russia? It is quite likely that the EU did not expect the Ukrainian refusal and the consequent events. Until late 2013, Brussels had considered Ukraine as an exemplary result of the EU's transformative power, one that the other EaP states would emulate and ideally spread the EU's standards throughout the eastern EU rim and making it stable, predictable and more similar to the EU's full-membership area.

History, however, was to disprove this rosy prediction. Once the crisis erupted in Ukraine with violent protests in Maidan Square, the EU was entrapped in a path dependency approach. Once more, the EU proved only reactive and not proactive, and unable to decouple politically legitimate decisions – in this case consistent with the EaP’s goals – from the consequences these very choices might produce. The largest signal of this merely reactive attitude was Brussels’s return to its initial offer of an Association Agreement with Ukraine as soon as the former Ukrainian President Viktor Yanukovich was removed from power.

The post-Maidan EU policy was ultimately the result of a ‘technocratic’ pathway that had already been established by institutions acting in a “vacuum of politics”. The governments of the EU’s member states remained either unresponsive or divided on the common strategy to be adopted. The EU’s reaction derived from inertia rather than an accurate analysis of the situation. The EU’s bureaucracy overtook politics, failing to come up with a strategy for Ukraine, which still does not seem to be clearly defined.

The final evidence of this gloomy diagnosis can be found in the process that led to the eventual signature of the Association Agreement. This happened in two different phases, the first being the political provisions of the treaty, which were signed on March 21st, 2014 after the ousting of the then incumbent President Yanukovych. The part of the Association Agreement dedicated to trade integration was put on hold, awaiting the results of the May 25th Ukrainian presidential elections. It was only on June 27th, 2014, when the pro-EU President Petro Poroshenko took office, that the EU and Ukraine signed the economic part of the Ukraine–European Union Association Agreement, together with Moldova and Georgia.

On the other hand, having finally achieved the signature of the agreement does not necessarily secure its smooth implementation. Quite significantly, according to recent polls, the public opinion’s support for the EU is plummeting in all three countries that subscribed the Association Agreement. Moreover, the Association Agreement can prove to be very demanding in a country still unsteady and marred by a deep economic crisis, and where the central government is not yet able to control

the whole country. Again the question of whether or not this was it a timely and wise choice to subscribe such a controversial and challenging agreement must be asked.

The EU's poor performance regarding the Ukrainian crisis can be partially attributed to a period of transition the EU has been going through with the impending renovation of the apical posts, including the High Representative for Foreign and Security Policy, the President of the Commission, and the President of the European Council, which are the main actors, together with the member states, for the Union's foreign policy-making process. Tensions with Russia affected the debate over the appointments to the EU's top jobs, with Poland and the Baltic Republics balking at naming Italian Foreign Minister Federica Mogherini as EU foreign policy chief based on her allegedly overly benevolent attitude towards Russia. Furthermore, in May, the European Parliament elections took place. The very low turnout (barely two-fifths of European citizens casted a ballot) and the fact that almost a third of the voters backed anti-European or populist parties did not help the EU gain a more effective role in the international and regional arena.

Unpromising signs also came from the EU's decision, prompted by pressure from the USA, of applying punitive sanctions against Russia. After months of divisions, the US and Europe agreed on a package of sanctions targeting state-owned banks and forbidding the export of technologies needed by Russia's oil and defence industries. The restrictions on technology exports to the oil sector left the gas industry largely untouched, a clear concession to the EU's dependence on Russian gas. In addition, the EU barred future defence deals, with virtually no effect on Russia's current economic conditions. Consequently, France's 1.2 billion euro sale of Mistral class warship, agreed upon before the sanctions, will not be affected.

Paradoxically, instead of strengthening the EU's position, sanctions like these may end up weakening it in terms of credibility. Sanctions might make it very difficult to reengage Russia, which is the only way to find a solution to the messy situation in the post-Soviet space. These sanctions will have serious consequences on EU economies, since many member states have consistent trade relations with Russia and depend on its energy supplies.

While there are a number of factors that have contributed to the EU's mediocre performance, it is Putin's apparent confident stance that has made the EU appear especially off-the-mark, at least as far as assertiveness and responsiveness are concerned. This was exacerbated with a decree signed on August 6th, 2014 by the Russian President "On the use of specific economic measures", which mandated an effective embargo for a one-year period on imports of agricultural products whose country of origin had either "adopted the decision on introduction of economic sanctions in respect of Russian legal and (or) physical entities, or joined same".

- In the long term the EU needs to elaborate a consistent strategy to manage the troubled areas of Eastern Europe by reviewing the EaP that has to be reshaped on the basis of the field experience. In the short term, the EU must have a plan to deal with the crisis in Ukraine and to stop the use of violence. The Italian Presidency should call for a specially meeting of the European Council dedicated to Ukraine.
- The Policy of sanctions against Russia is proving counterproductive in economic and political terms. When Russia has been isolated, it has caused frustration and antagonism. Russian public opinion (even those critical of Putin's conduct) tends to be compact on the Foreign Policy trajectories, best defined by "rally around the flag" syndrome. These sanctions will ultimately strengthen Putin's power and to lessen the EU's attractiveness,
- In an unstable and pernicious International System, Russia is an unavoidable partner with relevant leverage, especially in other volatile regions such as the Middle East and the Caucasus. If the relations with the EU are to further deteriorate, Russia might even consistently follow the Asian vector, reinforcing and strengthening its partnership with China.

- The best policy to sort out the Post-Soviet space’s instability is for the EU to reopen a dialogue with Moscow. It is not worth continuing to pursue two antagonist strategies. Brussels should reengage Russia. It is very risky to leave Russia ‘alone’, not simply for geopolitical reasons but also for domestic reasons. A worsening of the economic situation could bring internal instability.

RESEARCH PARAMETERS

This Policy Brief draws on a research programme carried out at Scuola Superiore di studi universitari e di perfezionamento Sant’Anna in Pisa, aiming at assessing in a diachronic and inductive perspective the Eastern Partnership. It also draws on a long lasting project on the EU and its neighbours conducted at ISPI in cooperation with an international network of researchers. The project has been monitoring the EaP since its launch looking at its effects (political, economic, social) in the six partners countries and at the counter-strategy developed by Russia, in particular the Custom Union. The research relies on both quantitative and qualitative data, on mainstream literature and on field work.

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FURTHER READING

All working papers, policy briefing papers and other publications are available on our website: www.greenfp7.eu/papers