

# Eastern Europe Studies Centre

## EU AND RUSSIA RELATIONS AFTER CRIMEA: RED LINES FOR "BUSINESS AS USUAL"

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### **Executive summary**

Annexation of the Crimea and destabilisation in Eastern Ukraine not only undermined the established principles of territorial inviolability and self-determination of sovereign states, but also forced a rethinking of the security situation in Europe. Moscow wants the West to recognise the post-Soviet space as the Russian sphere of influence and to provide Russia with an informal "veto" right, with the result that Russia would become one of the "arbiters" in the European security architecture. Furthermore, Russia seeks to repeat the scenario of 2008: while Russia's military intervention in Georgia was widely condemned, interdependence in energy, economy and politics soon reverted the status of Russian relationship with the EU and other countries to "business as usual". Russia can expect this due to the divergent positions of EU members with respect to the future relationship model with Russia: while Central and Eastern Europe speak about the necessity for a "containment" policy, the major EU countries take the "engagement" approach. Returning to "business as usual", which would allow a return to a stable European security system, is possible only by observing the delineated "red lines" in relations with Russia, so the paper provides recommendations that can offer guidance to a postcrisis scenario.

## Russia's attempts to redraw the European security architecture

The events in Ukraine provided an opportunity not only to talk about the strict breach of international norms established after the Cold War, but also about the risks to the European security system. The occupation and annexation

of the Crimea and Russia's actions to destabilise the situation in Eastern Ukraine mark a shift in the European geopolitical structure. In this context, diverging positions in the West were revealed not only in respect of how to respond to the processes, but also on what effect they will have in the post-crisis constellation of the European security system.

Russia gradually seeks to transform the post-Soviet space into an "arc of instability"- an arc of frozen conflicts and instability running from its latest target (Ukraine) all through to the north and south and posing a constant threat to the stability and security of Europe. In the field where two different value, cultural and political spaces clash and where the West takes too passive a role, Russia is seeking to impose its own "rules of the game" and therefore to re-construct the security arrangements established since the Cold War.

Today's European security architecture relies on three pillars: (1) NATO as a collective military defence platform, which at the same time retains the role of the US in Europe, (2) European Union as a structure, which ensures political and economic stability, and (3) the Organisation for Security and Cooperation in Europe (OSCE), which must perform the role of a political and security forum. However, in principle this structure has led to confrontation with Russia, which after the fall of the Soviet Union feels left out of European matters,

<sup>&</sup>lt;sup>1</sup> Francisco de Borja Lasheras, "European insecurity after Crimea", European Council on Foreign Relations, April 11, 2014. <a href="http://www.ecfr.eu/content/entry/commentary\_european\_insecurity\_after\_crimea246?utm\_source=feedburner&utm\_medium=feed&utm\_campaign=Feed%253A+ECFR\_c9+(The+European+Council+on+Foreign+Relations%253A+Russia+and+the+Eastern+Neighborhood)>

although its role in the political and economic life of Europe remains particularly prominent.

Russia has sent more than one signal demonstrating its ambition to change the existing order: the most prominent examples have been the 2008 invasion of Georgia and the current conflict over Ukraine. Moscow cannot accept the current international system in which the size and power of a state is not the decisive factor in world politics. The Kremlin perceives the current European security system as an instrument for the dissemination of Western ideas and liberal democracy<sup>2</sup>. Therefore, the main objective of Moscow is to have the West recognise the post-Soviet space as the sphere of Russian influence and to provide Russia with an informal "veto" right in resolving domestic, and particularly foreign policy issues, of the countries of the region. Russia aims to become one of the "arbiters" of the European security system.

In other words, Russia is seeking to strengthen its status as the "great power", which would not only allow it to opt out of unacceptable international obligations, but would also allow it to have exclusive status in forming new international norms. Looking at the rhetoric of the Kremlin and its policies conducted in the immediate neighbourhood, it is easy to observe Russia's increased ambitions in recent years for the reestablishment of the "Great Russia". Moscow's revisionist policies are therefore becoming a serious challenge to European politics and security, and this has not been fully comprehended in the West.

The modern Russian foreign policy tool is an imitation of the self-determination right of the nations or territorial referenda, which have been planned in the "belt" across the southeastern regions of Ukraine, from Odessa to Donbas. Russia acted in accordance with concepts that the West did not even conceive of. All this shows that the West is wrong when it tries to understand the actions of Russia along the lines of Western concepts, because Moscow plays by its own rules, which it seeks to entrench as an equivalent alternative to Western norms.

It can be argued that the position of the European Union and its members has contributed to this scenario of events in Ukraine. Eastern Partnership countries, in particular Ukraine, have been granted expectations of European integration,

<sup>2</sup> Jan Techau, "Why European Security Works Better Without Russia", *Carnegie Europe*, April 29, 2014. <a href="http://carnegieeurope.eu/strategiceurope/?fa=55461">http://carnegieeurope.eu/strategiceurope/?fa=55461</a>

which ran counter to Russian interests. Once Russia started to oppose the signing of the possible Association and Free Trade Agreement and it became clear that EU-Russia relations in the post-Soviet geopolitical space were becoming a "zero-sum" game, the major EU countries took a moderate position, which enabled Russia to embark on the language of force<sup>3</sup>. The passive, eclectic and delayed EU response to the events in Ukraine and Russian aggression allows to predict that as long as EU Member States fail to agree on a prescription for the relationship with Russia, or at least on the "red lines", Moscow will seek to expand its sphere of influence by instigating conflict flashpoints in the "arc of instability".

Annexation of the Crimea and destabilisation in the Eastern Ukraine not only undermined the established principles of territorial inviolability and self-determination of sovereign states, but also forced to rethink the security situation in Central and Eastern European countries. In the context of developments in Ukraine, Russia has demonstrated that it may not necessarily use its military power in the conventional way (today it is likely to just use it as a tool of pressure) and to destabilise the neighbouring countries with the aid of a huge propaganda information campaign through the "rebels", who are not directly linked to it and Russia's interference under the guise of "the necessity to defend the rights of its fellow-citizens". The Crimean case has shown that by using rapid military operations and bold diplomacy Russia can present the West with a fait accompli (accomplished fact), while the slow response of the West in principle also allows Russia to gradually recover its desired right of pressure in its alleged sphere of interests4.

## After Ukraine: Is the EU moving towards business as usual in relations with Russia?

The motives behind Russia's military intervention in Ukraine reveal Russia's perception that "Ukraine is too strong to be absorbed by Russia, yet it is not sufficiently independent to freely choose its geopolitical orientation". Therefore, Russia does not question Ukraine's formal independence and

<sup>&</sup>lt;sup>3</sup> Ulrich Speck, "Has the EU Failed Ukraine?", *Carnegie Europe*, February 21, 2014. <a href="http://carnegieeurope.eu/strategiceurope/?fa=54600">http://carnegieeurope.eu/strategiceurope/?fa=54600</a>

<sup>&</sup>lt;sup>4</sup> Edward Lucas and A. Wess Mitchell, "Central European Security After Crimea: The Case for Strengthening NATO's Eastern Defenses", CEPA Report No. 35, March 25, 2014, 1.<a href="http://cepa.org/sites/default/files/The%20">http://cepa.org/sites/default/files/The%20</a> Case%20for%20Strengthening%20NATOs%20Eastern%20Defenses-%20 (2).pdf>

quasi-statehood, but the latter can always be undermined if the traditional power balance in the region starts to change to Russia's detriment. This is how Russia viewed the Maidan revolution and its possible strategic consequences - signing of Ukrainian - EU Association Agreement and implementation of Deep and Comprehensive Free Trade Agreement. In such scenario Ukraine would become a part of customs union with the EU, whereas Russia would lose leverage over Kiev's relations with alternative integration space - of Eurasian Union. This would disturb the geopolitical balance in the region.

According to the Russian logic, Ukraine and other Eastern Partnership countries should accept the status of buffer zone. At the same time Russia seeks to acquire an informal veto right over further EU and NATO enlargement to the East. A neutral status of Ukraine, which is advocated by Russia, would make Kremlin considerably more powerful to use Ukrainian domestic policy tools in order to favourably affect the *status quo* in this country. It would mean, that EU's influence would be reduced.

In order to keep Ukraine in the Post-Soviet sphere of influence Russia only needs to maintain the existing non transparent political and economic rules; meanwhile in order to expand its European regulation, the EU seeks to change these rules fundamentally. The status of the buffer state would certainly be the factor causing a stalemate; yet the possibility of reforms is already limited, as Russian intervention in Ukraine and subsequent chaos strengthened current Ukrainian oligarchic political and economic structure. Hence the choice at the presidential elections was between an independent oligarch, who could stabilise the situation in the state, and political turmoil.

Meanwhile, the Kremlin's geopolitical interest is to normalise its relations with Western countries; it is essential in order to ensure that the benefits of military intervention in Ukraine outweigh the costs. Russia seeks to repeat the scenario of 2008: while Russia's military intervention in Georgia was widely condemned, interdependence in energy, economy and politics soon reverted the status of Russian relationship with the EU and other countries to "business as usual"; Even though Russia did not fulfil its obligations to withdraw its troops from occupied territories in Georgia and blocked further international attempts to settle the conflict, the EU resumed talks with Russia on a partnership agreement later in 2008.

Russia seeks to repeat the scenario, which is based on

four steps: (1) use of force ignoring any international condemnation; (2) fulfilling its strategic goals (e.g. preventing Ukrainian integration towards Western organizations); (3) de-escalation according to the Russian scenario and (4) returning to "business as usual" by emphasizing the need to avoid any further mutual damage (economic and etc). NATO Secretary General Anders Fogh Rasmussen dismissed moving to the fourth step of such scenario by declaring that current situation "is based on confrontation and not co-operation, and poses a real threat to the rules that we all agreed to respect"; therefore "we can no longer do business as usual with Russia" as, according to him, it is "a decisive moment and a very dangerous one - not just for us in Europe but across the whole Euro-Atlantic region"<sup>5</sup>.

Yet the reaction of EU is less clear; some countries, such as the Baltics and Poland, emphasize the need to keep pressure on Russia and effectively discourage any further attempts to destabilize the region now or in the future; the tools which could be used include further economic sanctions, political isolation of Russia and reduced dependence on Russian gas and economy; the view is to some extent shared also by the President of United States Barrack Obama, who sought to use its recent trip to Europe and G-7 format as a demonstration of Western unity against Russia's reluctance to ease tensions. However, Italy, Spain, Greece and Greek Cyprus, which all are more or less sensitive to Russia's economic developments and seek to restore growth after financial crisis, are against any further punishments; Germany and France, while having their own interests in sectors such as energy or military, are acting as mediators.

It is important to emphasise that the rapid return to "business as usual" means not only normalisation of economic relations, lifting of sanctions, and renewal of the political dialogue, but also recognition of Russia as a veto holder in the security architecture of Europe. In other words, Western countries seem to approve Russia's sphere of influence in Eastern Europe as they seem to be neither able nor willing to effectively prevent the use of force and ensure effective response to any conflict escalation. The practical manifestation of Russia's status is delayed expansion of the transatlantic institutions into the post-Soviet space without Kremlin's approval, as it contradicts Russia's interests and may cause a response.

<sup>&</sup>lt;sup>5</sup> "A strong NATO in a changed world". Speech by NATO Secretary General Anders Fogh Rasmussen at the "Brussels Forum", March 21, 2014 <a href="http://www.nato.int/cps/fr/natolive/opinions\_108215.htm">http://www.nato.int/cps/fr/natolive/opinions\_108215.htm</a>

The issue of Russia as a veto holder with the respect to the NATO enlargement is not new. Back in early 2000, Ronald Asmus, former diplomat and political analyst in United States, noted the risk of accepting Russia's influence when it strongly objected NATO's enlargement to the Baltics. As the enlargement was successful, Russia used the NATO-Russia Council, which was established in 2002 in order to compensate Russia, as a tool to influence transatlantic institutions from the inside. Therefore, the main goal of Russia was to stop NATO's expansion into the post-Soviet space. Currently the scope of Western integration is even broader, as growing number of Eastern European countries, such as Georgia and Moldova, are on the brick of signing agreements with EU. Hence the latest tendencies modified Russia's strategy: while previously the approach towards the EU, seen less as a threat comparing to NATO, was rather ambiguous, today European integration is understood as a competitor for influence; EU becomes a direct threat, as it seeks to spread rules and regulations which may act as a transforming factor for the "Russian" rules of the game entrenched in the post-Soviet space.

## EU relations with Russia: "Containment" vs. "Engagement" policy

EU-Russia relations are determined by mutual interdependence. EU has two strong levers based on mutual interdependence with respect to Russia: the EU's domestic market, in which Russia is interested in participating, and the EU as the main customer of energy resources supplied by Russia. However, these levers are not working. As a result, Tuomas Forsberg and Antti Seppo have described the EU's relationship with Russia over the past decade as power without influence<sup>6</sup>.

One of the reasons for this situation is different competing visions for the EU's relations with Russia. EU Member States have different perceptions of Russia, its interests, and geopolitical logic, therefore they suggest different foreign policy models with respect to this state. For example, the majority of Central and Eastern European countries view Russia through the prism of "realpolitik" where Russia is seen as a revisionist state of the European security system seeking to carve up a favourable balance of power. Deterrence is the only way to slow its revisionist ambitions. Therefore, such an approach offers the EU to implement the "containment"

policy towards Russia. The concept of the containment model was coined in the United States during the Cold War. Since the containment strategy was born in the context of the bipolar international system, it has not been examined, in the theory of international relations, how this concept works in a multipolar system, particularly where actors are weaker states that cannot independently secure their safety<sup>7</sup>. The essence of the containment strategy is to stop and limit the growing influence of another state.

Meanwhile, some Western European countries (Germany, France) are constantly looking for a "coexistence" policy with Russia. This model of relations with Russia could be described as the "engagement" strategy, which is a relatively new concept in international relations. Its aim is to ensure that the growing power of one state would not jeopardise the security of another state and the entire region rather than to stop the influence of that state. This aim is achieved through the process of socialisation. Active cooperation between states provides opportunities to influence the direction of the development of the state.8 The countries advocating this approach to Russia suggest "binding" Russia institutionally: through development of the EU-Russia energy dialogue, signing and implementation of the new EU-Russia partnership agreement, and recognition of Russia's natural geopolitical interests in the post-Soviet space. In other words, "containment" and "engagement" are two opposite models of foreign policy. They are based on different concepts of the "other" and prescribe two opposing operation strategies.

Both these approaches offer different EU policies towards Russia in resolving the post-conflict situation in Ukraine and building further relation prospects with Russia:

The advocates of the "containment" policy model argue that relations between the EU and the Eurasian Union are not only those of competition between two different trading blocs, but of a rivalry between different values, political and economic systems. Those post-Soviet countries, which happened to be located between these two integration spaces, must be offered the prospect of EU membership, because otherwise Russia will see this as a geopolitical vacuum, which it will eventually try to fill. So in the case of Ukraine, the advocates of

<sup>&</sup>lt;sup>6</sup> Tuomas Forsberg and Antti Seppo, "Power without Influence? The EU and Trade Disputes with Russia", *EUROPE-ASIA STUDIES Vol. 61*, *No. 10*, December 2009, 1805–1823. <a href="http://www.jhubc.it/ecpr-riga/virtualpaper-room/054.pdf">http://www.jhubc.it/ecpr-riga/virtualpaper-room/054.pdf</a>

<sup>&</sup>lt;sup>7</sup> Amitav Acharya, "Containment, Engagement, or Counter Dominance? Malaysia's Response to the Rise of Chinese Power", York University, 1997, 14-15. <a href="http://www.amitavacharya.com/sites/default/files/Containment,%20Engagement,%20or%20Counter-Dominance.pdf">http://www.amitavacharya.com/sites/default/files/Containment,%20Engagement,%20or%20Counter-Dominance.pdf</a>

<sup>&</sup>lt;sup>8</sup> *Ibid*, 15.

the "containment" policy suggest not only signing an enhanced free trade agreement with Kiev, but also giving this country the EU membership perspective. Only this option in the EU's relations with EaP countries can create conditions for de-oligrachisation of these countries and dissemination of European standards there,, therefore restricting the space of Russian rules of the game. In other words, the proponents of the policy of Russia's containment suggest that the EaP policy, which so far has provided only the prospect of integration to partner countries without formal EU membership (visa-free regime and integration into the EU domestic market), must not become the final stop. The Association has become a process of integration, which means that the EaP partner countries that are moving along the path of reforms and implement the package of EU requirements and rules, must have a clear membership perspective. Another important question is under what conditions Russia, in its relations with the West, will be able to return to "business as usual"? According to the advocates of the containment policy, the EU should draw very clear red lines regarding the lifting of sanctions. Any talk about it can be resumed only after Russia's withdrawal to preconflict positions. Thus, de-escalation of the situation in Ukraine and de-occupation of the Crimea should be those main red lines. According to the representatives of this view, only compelling deterrent measures will prevent Russian military provocations in the European security system in the future.

The advocates of the "engagement" policy model look for a "coexistence" policy with Russia. The search is inevitably related to the recognition of Russian interests in the post-Soviet space. Therefore, the proponents of this policy treat the EaP policy not as an EU instrument to compete with the Russian-led Eurasian Union, but as an opportunity to achieve a win-win situation in the region. In practical politics, arguments that the implementation of EU regulatory standards may cause shock therapy to commercial and infrastructural relations with third countries could mean the engagement of Russia in practical implementation of the DCFTA. Russia has repeatedly suggested the idea of tripartite (Russia, the EU and Ukraine) negotiations regarding Kiev's aspiration to sign the Association and free trade agreements. At the EU-Russia summit in January 2014 it was agreed to hold consultations on the possible economic consequences of EaP free trade agreements with the EU for Russia. And all of this was taking place at the beginning of 2014 in the context of a supposedly stricter EU tone due to pressure from the Kremlin and the declarations of EU leaders that no third party has any right to decide on the fate of agreements between the EU and its partners. The advocates of the engagement policy are likely to discuss another proposal from Putin - the idea of the economic space "from Lisbon to Vladivostok". At the start of the Customs Union of Russia, Belarus and Kazakhstan, Putin stressed that "membership in the Eurasian Union will enable its members to integrate into Europe faster and from a much stronger position".9 This could be related to Putin's earlier vision publicly expressed a decade ago regarding "the common economic space from Lisbon to Vladivostok". According to the Russian president, the Eurasian Economic Union is an opportunity for post-Soviet countries to strengthen their negotiating power in building a common economic space with the EU. It is argued that, having strengthened the post-Soviet space integration, the countries of the region will have more leverage to build the free trade space "from Lisbon to Vladivostok" jointly with the EU on terms favourable to them.

Nevertheless, in order to "appease" Russia, the proponents of the engagement policy may propose to form a free-trade area with the Eurasian Economic Union. Such policy could have negative consequences for the EaP policy, one of whose pillars is the opportunity to participate in the EU domestic market. If such a free trade agreement takes effect, it may lead to the situation whereby access to the EU domestic market will be achieved more easily through Moscow than through direct negotiations with the EU. Such a situation could undermine the functioning of the EaP policy, as Moscow would gain the opportunity to control the relations of post-Soviet countries with the EU.

## Getting back to "business as usual": recommendations for the West

When assessing Russian aggression against Ukraine, it must be admitted that it was at least partly provoked by the West, specifically the "appeasement" policy applied after the 2008 war in Georgia. Before the so-called referendum in Crimea, both Russian politicians and analysts almost with one voice claimed that "the West will make a lot of noise and then calm down". Moreover, specifically the example of the war in Georgia in 2008 was the main argument for such predictions.

<sup>&</sup>lt;sup>9</sup> Hannes Adomeit, "Putin's "Eurasian Union": Russia's integration project and policies on Post-Soviet space", CIES *Neighborhood Policy Paper, No. 4,* 2012, 4. http://www.academia.edu/2485281/Putins\_Eurasian\_Union\_Russias\_Integration\_Project\_and\_Policies\_on\_Post-Soviet\_Space>

After the war in Georgia, there was a lot of talk in the West that the "business as usual" policy with Russia was impossible, even new specific strategies were discussed, but ultimately everything ended in the EU Partnership for Modernisation initiative proposed to the Kremlin and Obama's "reset" policy towards Russia. It is therefore most important today that the West first of all do what it declares, because only then will it be possible to expect that Russia, before planning any future aggression, would at least try to estimate the likely cost. The return to the "business as usual" relationship is possible only by observing the "red lines" in relations with Russia. How can this be achieved? The recommendations can be divided into several groups:

De-escalation of the conflict in Eastern Ukraine. Russia must end its support of pro-Russian terrorist groups operating in Ukraine. The actions of these paramilitary units and "self-declared" separatist leaders of some regions must be recognised as criminal; restoration of stability must be associated with the elimination of these criminal activities and ensuring the effectiveness of international legal mechanisms with respect to those suspects who flee from Ukraine. The international community must demand Russia to renounce statements about the legitimacy of the breach of the territorial integrity of Ukraine in the defence of the interests of the groups which are not recognised as repressed or discriminated by the international community.

Policy of non-recognition of the annexation of the Crimea

and support for Ukraine's territorial integrity. Only political non-recognition of the annexation of the Crimea will make any impression on Russia. Therefore, the West must support its non-recognition policy by applying the principle that any activity in the annexed Crimea is illegal - to impose sanctions on all, both western and Russian companies that develop businesses in the Crimea or cooperate with companies doing so. The West could also support Ukraine's efforts (if any) in the international courts to bring action against Russia for any loss in the value of assets due to the annexation of the Crimea. All Crimean representatives without exception should be subject to visa sanctions and freezing of bank accounts abroad. The same sanctions should be applied to the Russian-appointed governor of the Crimea and his entire administration. Meanwhile, visas for residents of Crimea wishing to travel to countries in the West should be issued on condition that they are issued through Kiev and under Ukrainian passports, and not through Moscow and under Russian passports. It is very important to show by real actions that it will be much easier to go to the EU "via Kiev than via

Moscow".

By imposing sanctions on foreign entities operating in the Crimea, the EU and the US could offer an action plan for Russia's retreat from the Crimea, i.e. a return to the pre-conflict situation. In stage one, the Crimea could be offered exclusive international legal status (international protectorate) and political decentralisation of this region according to the model of Bosnia and Herzegovina, which, like the Crimea, is basically made up of three ethnic and religious groups (in this case - Russians, Ukrainians and Tatars). Each of these groups should have a territorial, political and cultural autonomy within the Crimea. The final resolution stage of the conflict would be reinstitution of Ukrainian territorial integrity.

Support for Ukraine's reforms and strengthening of the country. An obvious example of the price of Russian aggression and possible prevention against similar adventures in the future may be the principle of "the price of aggression - the final turning of Ukraine towards the Western community". However, the implementation of this principle would require the West to focus on a version of the Marshall Plan for Ukraine. This plan should include not only much greater financial resources than are currently provided by the International Monetary Fund and have been agreed with the EU. This would require a clear political reform, economic recovery and modernisation programme according to an action plan for possible EU membership, which would be harmonised with the Ukrainian government, implemented by specially established structures and strictly supervised.

The success of such a plan would become a very important assumption for solving the problem of the return of the Crimea (and/or Donbas) to Ukraine. If Ukraine's economic and social progress becomes noticeable, it will become a magnet, i.e. the public of the occupied areas will push the local elite for re-integration in Ukraine. Furthermore, Western countries must ensure in a variety of ways and formats that a legitimate Ukrainian government will not be under pressure to change the structure of the state under the scenario imposed by Russia. Denouncement of Russia's "veto right" in selecting the opportunities by post-Soviet countries. In Ukraine's case, this would be granting or re-affirmation of the prospect of EU and NATO membership. Although at present only 39 per cent of the Ukrainian population support integration into NATO, this number has doubled over the past few years<sup>10</sup>, therefore imposing conditions for the necessary reforms and compensating this with specific action plans

<sup>&</sup>lt;sup>10</sup> Interfax, "Question of Ukraine's membership of NATO may split country – Poroshenko", April 2, 2014. <a href="http://en.interfax.com.ua/news/general/198839.html">http://en.interfax.com.ua/news/general/198839.html</a>

must support expectations. In other words, the theoretical possibility announced at the 2008 Bucharest summit must be confirmed that Ukraine can also become a member of NATO - this is highlighted by the President of Ukraine Petro Poroshenko, who emphasises that decisions on integration are adopted not only in Kiev. Meanwhile, the prospect of EU membership should be closely associated with the political reform, economic recovery and modernisation programme mentioned above.

Any specific steps towards the membership of Ukraine in NATO in the near future could increase the differences between the east and west of the country, so they should be avoided. However, after the annexation of the Crimea, Russia must not be given the veto right on Ukraine's future. Otherwise, if Russia manages to gain an informal veto right regarding NATO, it will attribute this achievement to its aggression and will become more aggressive. Furthermore, the theoretical prospect of NATO membership for Ukraine could be the price that Russia must pay for the breach of the Budapest Memorandum on Ukraine. The clear signal that Russia is not granted the veto right must be linked to an action plan (or a similar plan) for NATO membership (or its analogue) for Georgia in the nearest future.

Meanwhile, the EU Eastern Partnership programme should be transformed from the association to the integration process with the aim of seeking that the "leading" countries of the region consistently progress towards the EU membership. The EU should declare that this programme is intended for smooth integration of the countries that aspire to EU membership and on this basis it should be reviewed without delay. The states under the programmes, which do not aspire to EU membership, should be offered sectoral integration by emphasising really possible reforms in different policy sectors of those countries. It is important to ensure that no third party is included in the implementation process of various intermediate stages of integration with the EU (e.g. Association and Free Trade Agreement). This is primarily a matter of bilateral relations between the EU and the Eastern partners.

#### Strengthening of military security in the region.

Public recognition that Russia's aggression shattered the European security architecture and threatened NATO allies must be supported by the West with specific actions. It is important not to give in to blackmail from Russia. The West must observe the NATO-Russia Founding Act, although by its actions Moscow made the provisions of this act invalid.

If there were at least a symbolic establishment of permanent NATO bases in those Eastern and Central European states that are most concerned with their security, this would serve both to calm these states and be a sign to Russia that NATO is ready to respond to its aggressive actions. On the other hand, these actions must be based on strengthening real collective security in the region, review of the defence plans under the changed circumstances, and the necessary military deployment to counter new threats. All of this must be linked to strengthening their own national defence by the states concerned with their security through proper financing of defence.

There must be a comprehensive analysis of the military methods used in Ukraine and new NATO defence plans for Eastern Europe must be developed to cover a broader range of threats.

Suspension of military cooperation with Russia (arms sales and personnel training). After Russian aggression in Ukraine it became obvious that any military cooperation with this country is equivalent to strengthening its forces that can potentially pose a threat to NATO (this is shown by a general consensus on the need to strengthen at least the defence of Poland and the Baltic States) and therefore is completely unacceptable. Therefore, even if in the future NATO resumes political dialogue with Russia, all partners must agree not to engage in any military cooperation programmes with Russia without the approval of all NATO member states.

#### Strengthening of energy independence from Russia.

European energy dependence on gas from Russia is one of the trump cards of the Putin regime. Therefore, it is important that both the US and Europe take all the necessary actions that they need to overcome this dependence. The US decision to withdraw the ban that was in place for decades on the exports of oil would affect global oil prices and at the same time Russia's revenues which allow this country to increase its military and economic power, the nationalist policy of self-isolation and aggressiveness without any liberal reforms. It must be remembered that 50 per cent of Russia's total budget comes from oil and gas exports.

US shale gas exports to Europe would become a major source of the EU's energy independence. It is particularly important for the EU and the US to progress towards the Transatlantic Trade and Investment Partnership Agreement, which would open the way not only for closer trade ties, but also for US gas exports to the EU. Under the current US legal regulation US gas can be exported without a special government permit

only to countries that have concluded free trade agreements with the US. In parallel, the EU should start on the project of a common EU energy policy and Energy Agency, which would jointly buy gas for the EU, an idea proposed by Polish Prime Minister Donald Tusk. On the other hand, it is important that already existing or planned energy projects with Russia would be implemented according to EU rules and no exceptions would be made to Russia as this only reinforces dependence on Russian gas (OPAL, South Stream cases).

In addition, it is important to set up a trilateral (Ukraine, EU and Russia) management of Ukraine's gas transit system, which has been talked about for many years now. Of course, this again should be in line with EU rules and regulations. Moreover, the requirement that cooperation with Russia would take place according to the EU law and standards should apply to all areas.

If these actions are implemented, the threats arising to Europe would not only be greatly reduced, but it would be possible to expect a positive influence on the processes in Russia. Therefore, the return to "business as usual" policy with Moscow on this basis would become less dangerous to the West, would diminish the passions and divisions and be constructive. Otherwise, the threat of further aggression from Russia and dangerous divisions between Western countries with different approaches towards Russia would increase.

#### **About the EESC:**

The Eastern Europe Studies Centre (EESC) was established in 2006 as a non-governmental, non-profit organisation aiming to build civil society and promote democracy in Eastern Europe by monitoring and researching political, economic, and social developments in the region, and by developing qualitative analyses of them. EESC organises conferences, seminars, and round-table discussions regarding issues relevant to civil society and democracy; it trains people in areas relevant to its mission; and it also offers consultations and recommendations to individuals and organisations cooperating with Belarus, Ukraine, Moldova, and Georgia. EESC specialises in the EU Eastern Partnership policy.

The Centre's experts carry out commissioned and independent researches that are concerned with political, economic, social and cultural development in the region of Eastern Europe. EESC analytical activities are orientated to contribute the Lithuanian and EU policymaking towards the Eastern Partnership and to enhance the effectiveness of that policy by recommendations and proposals to the policy makers. In addition, EESC is working to stimulate academic interest for Eastern Europe by writing articles for Lithuanian and Western academic press, and by taking part in academic discussions.

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