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BETWEEN RUSSIA'S GEOPOLITICS AND THE SOFT POWER OF THE WEST

Since the end of the Cold War, Russia's foreign policy has been based on the attempts to restore its geopolitical mightiness. That is, first of all, diminishing the power of the West, US in particular, while moving from a unipolar international system to a multipolar one.

During the era of President Vladimir Putin, Russia has adopted three foreign policy concepts. If the concepts in 2000 and 2008 entrenched the abovementioned goals, the document framed in 2013 already talked about the era of a "new world order", which is getting closer to Russia's perception of international relations.

What we have seen in Russia's foreign policy for the past three years is the implementation of aspirations to become one of only few "major powers" in the world with a "veto" right concerning the European security architecture and even global international issues.

Therefore, in the fourth issue of Prism.UA we are pleased to present the analysis by *Sergiy Gerasymchuk from Strategic and Security Studies Group*. The author provides an overview of the general approaches of the stakeholders in the Russia-Ukraine conflict and broader – regional and even global – conclusions concerning Russia's aspirations. The author argues that "the crisis in Ukraine" is only a small part of the geo-

political puzzle that Russia is playing in global affairs.

Even though the West has reacted to the revisionist policy as united as never before (the so-called 3rd level of sanctions implemented by the EU is an unprecedented case), next month will be decisive. More and more forces in the West argue for the need of coming back to business as usual, because the ceasefire is being upheld and the sanction policy is damaging for European economy.

In the second article, *Nadiia Koval of the National Institute for Strategic Studies* argues that the EU is over-economising the sanction policy ignoring its security impact. In her opinion, sanctions are the "lowest common denominator" and "the only action that can be agreed by all EU members without the risk of overt warfare against Russia". Economic cooperation with Russia is unavoidable however the author concludes that the West needs to develop a new paradigm for the mutual cooperation.

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CONTENTS

1
**BETWEEN RUSSIA'S
GEOPOLITICS AND THE SOFT
POWER OF THE WEST**

1
**WAR IN UKRAINE: GLOBAL,
REGIONAL, AND LOCAL
GEOPOLITICAL CONTEXT**

4
**RE-SECURITISATION OF EU
SANCTIONS DISCOURSE**

WAR IN UKRAINE: GLOBAL, REGIONAL, AND LOCAL GEOPOLITICAL CONTEXT

Sergiy Gerasymchuk

The crisis in Ukraine, the annexation of the Ukrainian Crimea by the Russian Federation, and supporting separatists in Eastern Ukraine as part of the operation towards creation of a Pro-Russian separatist entity "Novorossiia" has large-

ly demonstrated the imperfection of the current international system and the unwillingness of the international community to bend to the rules of the game that the key players in Moscow try to impose.

A weakness of this logic is that the EU refuses to admit that “the crisis in Ukraine” is not “an internal conflict”, and not “a military conflict between two countries” outside the EU, but is a continental hybrid war unleashed by Moscow, in which the EU is also a party rather than an arbitrator.

Without delving into details of the conflict that the world has heard enough already, I would like to focus on some features of the behaviour of the key players and the possible consequences of such behaviour at the local (Ukrainian), regional and global levels.

US – the policy of “strategic patience”

First of all, a certain distancing of the US from what is happening in Ukraine must be noted. On the one hand, the US and the EU are united over the Ukraine crisis. They urge Russia to return to the mainstream reasonable political dialogue and support the policy of sanctions. On the other hand, the Obama administration is extremely careful in making any further significant steps towards supporting Ukraine. The reason is the lack of trust in the current Ukrainian authorities, which promote reform and fight corruption without sufficient efficiency. If the White House fully relies on such authorities, it risks stumbling into an awkward situation. Besides, Europe had for a long time and strongly demanded that the US would not interfere in continental affairs, and Washington took advantage of giving Brussels an opportunity to prove itself.

EU – “the arbitrator” as a party to the conflict

As for the EU, in the eyes of Germany, it tries to apply peacemaking efforts according to the classical scheme by using preventive diplomacy and political efforts to secure a ceasefire accompanied by a subsequent political agreement between the parties to the conflict, considered to be Ukraine and Russia by the EU. However, this has been achieved to a certain extent by sacrificing the interests of Ukraine, because Crimea has been excluded from the negotiation process and the question of Ukraine’s NATO membership is unlikely to appear on the agenda in the next decade, and at the same time, by Germany counting on the reciprocity of Russia. Berlin demands a permanent ceasefire, the start of negotiations by embracing the interests of all parties, and a political solution to the conflict.

The weakness behind this logic is that the EU refuses to admit that “the crisis in Ukraine” is not “an internal conflict”, and not “a military conflict between two countries” outside the EU, but a continental hybrid war unleashed by Moscow, in which the EU is also a party rather than an arbitrator. Therefore, the European methods used to solve the crisis are ineffective.

The German side gradually begins to understand that by its nature it is a long conflict and already brings reputational losses for Berlin; however, this understanding is communicated via mixed messages to the countries of Central Europe, the transatlantic partners, and the German domestic audience rather than by a coordinated position.

There are also certain complications related to the fact that although Germany and France have consistently demonstrated their commitment to the existing format of negotiations, calls for changes in the format are increasingly heard in the West. One of such initiatives was announced by Andrzej Duda, President of Poland, who suggested to engage Poland and other countries neighbouring with Ukraine and Russia in the negotiation process and also advocated strengthening the European component in the negotiation process, where the key positions would be held by representatives of the European External Action Service rather than by the leaders of France and Germany. So far, this initiative has received support neither from the European “heavyweights”, nor from the Ukrainian side, but it may be reviewed if the talks in the Minsk format fail and the truce between Russia and Ukraine ceases.

Significant issues of internal integrity, which reduce the effectiveness of the EU in the foreign policy dimension, are also important to the EU. On the one hand, Europe has a lot of internal problems with Hungary, Greece, and Cyprus. Furthermore, Italy and France prefer negotiations with Moscow and expect sanctions against Russia to be lifted. On the other hand, “the new EU countries” – Poland, Romania, and the Baltic States – express their concern about Moscow’s initiatives and require proactive behaviour from Brussels and Berlin. The crisis with refugees and migrants from Middle East exacerbates an already difficult situation.

Russia – a “zero-sum game”

Meanwhile, the Russian Federation has prepared very seriously for “the crisis in Ukraine”. It considers the conflict in Ukraine as part of Putin’s complex geopolitical, geo-economic, and power game, in which the status of Russia as a superpower is at stake. Therefore, the Kremlin does not accept negotiations that are limited to Ukraine only. Moscow wants to talk to global players and at a global level. The strategic goal of the Kremlin is to restore in full the concept of a balance (parity) of forces in Europe.

Reflecting along the lines of a big power, Russia sees the EU’s readiness to compromise as weakness and a signal for further expansion. Despite a certain effect of the sanctions, the Russian electorate still believe in their leaders, which emboldens them even further.

Victory in Ukraine is a top priority for Putin. It should, however, be clarified what the Kremlin sees as a victory. Moscow needs destabilisation across the whole of Ukraine and the Donetsk region is considered to be only the starting position.

On the one hand, Putin bargains with major play-

The main design of the Russian Federation is that the internal processes in Ukraine will prove the West that Ukraine is a failed state and may take only a purely nominal part in further negotiations, while the future of Ukraine may well be decided among Paris, Berlin, and Moscow.

The West should take into account that “the crisis in Ukraine” is only a small part of the geopolitical puzzle played by Russia.

ers over his role in the fight against global terrorism and the Islamic State, and the role of Russia in the Middle East; on the other hand, he expects that the administration in Kiev will make an error that would justify “sacrificing Ukraine for cooperation on global issues”. Russia also insists on the Minsk format expressing its disappointment with Ukraine and its approach to the reintegration of “the breakaway regions”. Moscow is trying to include the separatists in the negotiation process *de jure* directly. The Kremlin is also unsatisfied with the amendments to the Constitution of Ukraine, since they do not envisage a direct influence of the so-called “Donetsk elites” on the domestic and foreign policy of Ukraine. The main design of the Russian Federation is that the internal processes in Ukraine will prove to the West that Ukraine is a failed state, as a result, Ukraine may take only a purely nominal part in further negotiations, while its future will be decided by Paris, Berlin, and Moscow.

So, Russia is trying to resume control over Ukraine, however, this deepens the rift between EU countries. At the site of any weakness on the European side, Moscow is strengthening its expansion steps.

The Kremlin will try to continue to corrupt and to compromise the government of Ukraine. Attempts to destabilise the situation in the east and south of Ukraine will also persist. In particular, Moscow is interested in the political processes of Odessa Oblast. In addition to the regional context (Odessa Oblast shares borders with Moldova and the Moscow-backed Transnistria), Russia is extremely interested in proving that Mikheil Saakashvili, the current governor of Odessa Oblast, is nothing more than a loser. Besides, Odessa remains important for Russia both from the point of view of its economic role in the region as the key sea port and from the point of view of the Russian nationalist mythology bolstered by the events of 3 May 2014 in Odessa Trade Unions House. It is sufficient to remember that since April 2014 Odessa has witnessed more than 40 attacks against military units, offices, banks, administrative offices, and offices of volunteer organisations. Although Putin’s plan of “the corridor to the Crimea” is not on the agenda of the day, stability can hardly be expected in Odessa in the medium term.

Regional dynamics

The insufficient intervention of the EU in the settlement of “the Ukrainian crisis” has also led Russia to intensify its activities in Moldova. In fact, the pro-European alliance in the Moldovan government is weak and corrupt. This has often resulted in political crises, severely slowed down reform in the country, and significantly compromised the idea of the European integration in Moldova. Consequently, current authorities of

Moldova have attracted the criticism of both *Civic Platform Dignity and Truth* and the pro-Russian political forces: the Red Block, the party of Renato Usaty, and the Party of Socialists led by Igor Dodon. While the members of the Platform seem to be to a certain degree pro-European idealists, the pro-Moscow forces are obviously exploiting the situation for destabilisation. These forces are also making efforts to establish closer ties with Moscow and secure the Kremlin’s financial and organisational support, which they can count on given that the Kremlin is interested in stirring up the situation not only in Ukraine but also in the whole region.

The situation in Transnistria is also unstable. The region is expected to hold “parliamentary elections” at the end of November and “presidential elections” next year. The influence of the current leader of Transnistria, Yevgeny Shevchuk, who relies on the security ministries of Transnistria, is however strong. Minimising contraband flows through Ukraine significantly weakened “the economy” of the breakaway region and, therefore, the population of the region may behave unpredictably. The easiest way for Tiraspol under such conditions is to mobilise the electorate by playing the card of external threats, so demonstrative escalation at the border with Ukraine is a possibility, which would destabilise already troubled Odessa Oblast.

The EU tends to think of the recent developments in Montenegro as something new in the course of Moscow’s European intrigue. There is actually nothing new about it: Moscow has been leading the same policy with respect to Georgia, Moldova, and Ukraine. Moscow has been using a proactive strategy. If the pro-European democratic government is insufficiently firm, Montenegro will see anti-Western, anti-NATO, and pro-Russian forces coming to power and these forces will be immediately corrupted by Moscow.

Syria: ideology and practical interest

Flaunting itself at the regional level, Russia has also opted for a broader geopolitical scale evidenced by its involvement in the operations in Syria. On the one hand, Russia has demonstrated its willingness to play far beyond its borders. On the other hand, on a practical level, it is trying to minimise losses from sanctions and the fall in global oil prices.

In addition to the demonstration of the Russian revolutionary expansionism and the possibility, at least symbolically, to continue its presence in the club of “great powers”, operations in Syria allow Russia to sustain its military base in Syria and to support Russian oil companies in the region. Moreover, these operations strengthen Russian influence on alternative (other than those from

Russia) transit routes for gas and oil supply to Europe, in particular, the Iran-Iraq-Syria pipeline with a possible extension to Lebanon and the Qatar-Turkey pipeline. Indeed, any escalation in the Persian Gulf region does not contribute to a further decline in oil prices.

The West should also pay attention to the growing number of terrorist attacks worldwide, which have no specific direct “sources” or “stakeholders”. But the possibility cannot be *ruled out* that some of them are well disguised as accidents and technological disasters. The surge in the number of these attacks and disasters, their geographical coverage, and their timing and frequency appear very awkward to an outside observer. It seems that a covert terrorist war is in full swing in the world and, taking into account that the Kremlin would benefit from global instability and that a hybrid war involves terrorist components, it is also risky to underestimate the role of Moscow

in such incidents. Underestimation of Russia has already led to consequences disastrous for Ukraine.

In summary, the West should bear in mind that “the crisis in Ukraine” is only a small part of the geopolitical puzzle played by Russia. There is a high probability that Moscow will continue to destabilise the situation in Ukraine and the region. However, the ultimate goal is certainly not Ukraine. Moscow has much more at stake and, even in the case of its success in Ukraine, Moldova, and the region as a whole, the Kremlin will not stop. This seems to be clear to the countries of the Eastern flank of NATO, which will meet in Bucharest on 4 November to discuss the new international situation. It is important that other countries in the West also come to understand this and manage to uphold their unity, otherwise, Moscow will win another victory in its continental hybrid warfare.

RE-SECURITISATION OF EU SANCTIONS DISCOURSE

Nadiia Koval

The successive imposition of three sets of sanctions in March–July 2014 was the response of the European Union, US and some other countries to Russian military involvement in Crimea and the Donbass. Taken as a complex of measures, sanctions were aimed at coercing Moscow into complying with international law or at least deterring it from complicating the situation in and around Ukraine any further. The following article focuses only on EU sanctions.

The first set of sanctions on 17 March 2014, which involved the freezing of assets and travel bans on selected individuals and associated entities that were responsible for actions against Ukraine’s territorial integrity, was shortly completed by a second package of restrictions and later a total ban on the import of goods originating in Crimea/Sevastopol into the EU. However, it was the third and most comprehensive set of EU sanctions adopted on 31 July 2014 that were considered to be the most influential and also the most debatable. This third set of sanctions placed a limit on the export of military and double-use products to the oil industry, technology transfers, and access of Russian companies to international financial markets.

It took a great deal of time and effort to launch these sectoral sanctions that were designed in a manner not to be excessively harmful to any given EU state or critical area of cooperation. For instance, unlike the US, the EU has never sanctioned *Gazprom* due to dependency on

gas supplies. The lists of sanctioned individuals and companies were updated several times, but in essence, the nature of the sanctions have remained unchanged for over a year now.

On 22 June 2015, the European Council extended EU sanctions to the end of January 2016. As December, the month of the next EU decision on the future of sanctions, is fast approaching, more and more voices can be heard advocating for at least a partial lifting of sanctions. In October 2015, the European Commission President Jean-Claude Juncker voiced the need for practical relationship with Russia, which, although not being “sexy”, had to be the case and should not let this be something decided by Washington. German Vice-Chancellor Sigmar Gabriel flew to Moscow to meet Vladimir Putin and advocated for a partial lifting of sanctions (though this was his private conviction); while MEP Gabriellus Landsbergis warned about a bunch of unnamed EU countries eager to lift sanctions at the meeting in December. This naturally poses the question of whether the “Russian” sanctions achieved their aim and whether it is a feasible to lift them at this critical juncture?

Despite the fact that theoretical approaches on sanctions are inconsistent, they remain quite a common instrument of the EU foreign policy. The union that has limited diplomatic capacities still can agree on economic issues and demonstrate common position. As Henry Vogt observed, “The use of sanctions, or restrictive

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There is no Russian threat that could harm only the East European members, neither succumbing to Russia's demands in Ukraine will help resolve the Syrian and migration problem.

measures, is an integral element of the European Union's Common Foreign and Security Policy, with clear guidelines set by the Council of the EU in 2005". However, an extensive use of sanctions itself reflects a broader assumption that intensive economic cooperation brings mutual benefits, promotes understanding between partners, and thus ensures international security. Hence, every country against which sanctions have been applied would allegedly try to have them lifted in order to re-enter the beneficial partnership as soon as possible.

Inspired by the successful French-German reconciliation through economic cooperation and the favourable climate of globalisation, the post-Cold War EU embarked on a mission to make peace with Russia through increasing economic cooperation. This was a deliberate strategy of transformation through commerce (*Wandel durch Handel*), promoted by reunited Germany as a way towards an amiable and democratic Russia – a policy, which openly states the political and security aims of mutual cooperation. As a result, before the introduction of sanctions, Russia became the EU's third largest commercial partner and the EU the most important trade partner and foreign investor in Russia. Mutual energy dependence was established: out of EUR 206 billion worth of imported goods and services from Russia, EUR 160 billion was oil and gas.

However, has the strategic aim of involvement worked? Apparently not. The high revenues from trade with Europe were not invested in the economy, but in the military modernisation of Russia, which made it more assertive on the world stage. Putin's Russia signalled its desire to change European and world order, starting with regaining some zones of influence in its "near abroad". Suffice to remember Putin's Munich speech in 2007, his demands for non-deployment of missile defence and military bases in Eastern Europe, the unpunished attack on Georgia, or the instigation of a couple of gas and trade wars. It would therefore be unfair to say that all these developments went unnoticed and came as a surprise. Still in a decade long debate within the expert community and individual EU countries echoing the discussions of the Cold War epoch on how to deal with the USSR, proponents of continuing "creeping integration" have prevailed over those who demanded "soft containment".

When the aggression towards Crimea and the Donbass happened, the desired win-win situation of institutional restraint and beneficial economic ties, which would have brought peace and democracy to the continent, turned into a mutually harmful interdependence. While the EU still depended on Russian mineral resources

and trade revenues to overcome the economic crisis, Moscow depended on European financing and political compliancy to be able to achieve its strategic goals. While most of the previously introduced EU sanctions went generally smoothly, herein this instance they collided with the strategy of economic involvement of Russia and promptly backfired, opening the vulnerabilities and limitations of the EU strategic response. The hybrid warfare launched by Russia is countered by hybrid economic weapons, which still support the ideology of involvement and cooperation.

But the trouble with assessing the sanctions and their impact on direct hostilities belies the fact that although they are both a powerful signal of discontent and leverage for long-term pressure to change the object's behaviour, they are almost useless in dealing with an immediate response to the crisis. For instance, the most direct involvement of Russia in the conflict, i.e. attack by regular troops crossing the border in August 2014 and January–February 2015, took place in the aftermath of the sanctions, actually despite them. Moreover, the solutions were purely diplomatic agreements (known as Minsk 1 and Minsk 2) demanding concessions from Ukraine. Sanctions are the lowest common denominator – the only action of that can be agreed by all EU members without the risk of overt warfare against Russia. When sanctions are useless as instruments of direct reaction and military action is rejected outright, the only hope is negotiation to minimise the damage. The long term and strategic issue of the sanctions is further amplified where sanctions are applied to ideology-driven authoritarian regimes, like Putin's, where the leader who hopes to reach strategic aims despite some economic losses can mitigate discontent by redistributing the rent to the suffering oligarchs and can rule the population by coercion and propaganda.

As strategy wins over economy in the Russian case, the situation is quite the opposite in the EU, which is reflected in the issue of over-economisation of the sanctions and ignoring their security impact. The counting of economic losses and the insistence on returning to the previous form of dialogue means that individual states still rarely perceive danger in Russian neo-imperial behaviour and remain eager to return to business as usual at the slightest sign of de-escalation, notwithstanding that this would further strengthen Russian military and strategic capacity. In this interpretation the "Ukraine crisis" still stands out as an exception and deviation from what is normal, which is handily supplemented with the Russian narrative of the internal origin of the conflict.

With this in view, the issue of re-securitisation of the sanctions is an ambitious and urgent task.

A new paradigm of economic cooperation needs to be invented – one that does not endanger the upholding of international law before re-embarking on the projects of free trade from Lisbon to Vladivostok.

Taking into the account the long-term aim of the sanctions, there is an immediate need to separate their tactical and strategic aims. Part of its success lies in promoting the idea of indivisibility of safety. There is no Russian threat that could harm only the East European members, neither succumbing to Russia's demands in Ukraine will help resolve the Syrian and migration problem. Thus de-escalation can be neither the aim nor the criterion for lifting the sanctions, because very much like in the case of the objective to subdue Ukraine and to renew the zones of influence and importance on the world stage, fighting can be resumed at any stage and at any place. Russia still maintains troops in Ukraine and is currently constructing a permanent military base across the border (while Poland is prevented from building a NATO base so as not to provoke Russia), and, contrary to European security objectives, it is continuing to strike in Syria in support of Bashar al-Assad. To ease sanctions would be highly detrimental not only to security and stability in the Eastern neighbourhood but also to the fundamental principles upon which the European security order is built.

While the minimum tactical aims of a sanctions regime include the full and unconditional fulfilment of the Minsk treaties, including the full control of Ukraine's sovereign borders, achievement of these would be the only precondition for partly lifting the sanctions to supplement the diplomatic efforts on the ground. This demands developing a clear vision and a common Euro-

pean Minsk interpretation as well as envisaging additional measures to be agreed in advance in case the Minsk process fails, to the extent of exclusion of Russia from the SWIFT interbank system. In the meantime, other sets of sanctions, namely Crimea-related sanctions, need a closer examination. Asset freezes and travel bans should be reviewed in response to human rights violations in Crimea as well as export and economical restrictions in dealing with this territory should be vigorously implemented.

The strategic aim of the sanctions is to ensure that Russia does not start a new offensive the very next day after the sanctions are lifted. In more general terms, the aim is to change Russia's intentions to establish its own zone of influence coercively and against the will of other countries and to make it accept international rules. This does not imply framing Russia as the eternal enemy and cutting off all cooperation. But it is very unlikely that a return to the old, non-reviewed paradigm of involvement through cooperation will work. What is needed instead, is to calculate the level of future economic interdependence to diminish strategic vulnerability, which implies regulated diversification of markets, suppliers and clients, starting from the key gas sector and developing Energy Union. A new paradigm of economic cooperation needs to be invented – one that does not endanger the upholding of international law before re-embarking on the projects of free trade from Lisbon to Vladivostok.

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**Foreign policy expert
network "Ukrainian Prism"**

The foreign policy expert network "Ukrainian prism" was launched in 2012 with an aim to participate in decision-making process and shaping of foreign policy agenda in Ukraine. The network unites more than 15 like minded people in Ukraine with strong expertise in political science, economics, diplomacy and international relations. Members of this initiative represent independent think-tanks and prominent Ukrainian academic institutions from Kiev, Odessa, Kharkiv, and Chernihiv. Since foundation the experts have issued about 30 policy papers with recommendations concerning relations with neighbouring countries, strategic partner states, and international organizations to respective Ukrainian ministries. In 2014 the Network implemented initiative "Ukrainian informational front" focused on awareness-rising campaign within foreign media about Russian aggressive action in Ukraine.

The Eastern Europe Studies Centre (EESC) is a non-governmental, non-profit organization established in 2006. General aim is 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 organizes 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 organizations cooperating with Belarus, Ukraine, Moldova, and Georgia. EESC specializes in the EU Eastern neighborhood policy.

The content of the articles is the sole responsibility of the authors and do not necessarily reflect the views or policies of the supporters and coordinators. This publication has been produced with financial support from Development Cooperation Programme by the Ministry of Foreign Affairs of Lithuania.