

The Ukrainian Crisis: Lessons for EU's Foreign and Defence Policy

INTRODUCTION

BY ELISA LIRONI
Policy and Advocacy
Officer at the Union of
European Federalists
(UEF)

When the Ukrainian crisis started in 2013, with the EuroMaidan protestors flooding the whole country from east to west, the EU was baffled and uncertain on how to react. After more than one year from its beginning, the crisis has led the EU to take concrete actions and rethink its relations with Ukraine and Russia, but it has also revealed the limits of EU's foreign and security policy.

In the past year, the EU has strengthened its relations with Ukraine, condemned Russia's behaviour in the annexation of Crimea, involvement in Eastern Ukraine and military provocations to the Baltic and Nordic countries. However, it has been unable to push Russia to withdraw its troops from eastern Ukraine and to completely respect the ceasefire, nor to negotiate a stable long-term solution for the country and the region. In order to be a credible player in foreign affairs the EU must consider restructuring its CFSP and CSDP to overcome the intergovernmental method and push for a common

strategy when dealing with European security, defence and external action.

In addition, the EU has taken measures to support the Ukrainian government in implementing economic and political reforms. Although many steps have been made, the EU's support still falls short of what is required in terms of financial assistance and helping Ukraine in its fight against corruption, on decentralisation and on reform of the justice and security sectors.

The lack of a rapid European response to the Ukrainian crisis has also shown how the EU must rethink the Eastern Partnership, as a concrete instrument to foster solid relations with its eastern neighbours, and analyse how to re-engage with Russia in a cooperative way. ■

WHERE DO WE STAND?

The crisis in Ukraine began in November 2013 when Ukraine's former President Viktor Yanukovich decided to walk away from an EU Association Agreement in favour of stronger ties with Russia. The Association Agreement was meant to set up a framework for EU-Ukraine bilateral relations, providing a deep political association and economic integration with mutual free market access. Mr Yanukovich's refusal to sign the deal with the EU immediately led thousands of protestors onto the streets of Kiev, forming the EuroMaidan movement which called for the president to reconsider his political choices. However, once the population saw the repression of the police and the use of violence against journalists, the Association Agreement became secondary and the demonstrations started focusing on the resignation of the Ukrainian president. In February 2014, the peaceful demonstrations turned into a bloodbath with almost a hundred victims in 48 hours in Kiev alone. This was merely the beginning of numerous tragedies which have brought to a change in the geopolitical situation and an intensifying of tensions between Russia and the EU.

Over one year after the events that ousted President Yanukovich and led to the current Ukrainian crisis, the situation is far from being resolved for a number of different reasons:

THE ANNEXATION OF CRIMEA BY THE RUSSIAN FEDERATION REMAINS A FACT

In the beginning of March 2014, when Russian troops had already started occupying Crimea, tensions increased when a Crimean referendum on joining the Russian Federation was supposedly backed by 97% of voters.¹ Although the EU and the US declared the vote illegal and to have taken place

in undemocratic conditions, Putin signed the bill to absorb Crimea into the Russian Federation. Since the annexation, the peninsula has suffered cuts in electricity because of the energy crisis in Ukraine. Air and sea links to Crimea have been

badly affected, which has led to difficulty, for example, in delivering food. Furthermore, there are deep concerns about Russia building military capabilities in Crimea making it into a platform for power projection in the area.² Most importantly, Russia has effectively annexed Crimea, breaching the national sovereignty of Ukraine and international law. Meanwhile, EU Member States seem to have acquiesced in the situation.

EASTERN UKRAINE IS STILL UNSTABLE

After the annexation of Crimea, pro-Russian insurgents, occupying areas in and around the east Ukrainian cities Donetsk and Luhansk (part of the Donbass region), also started calling for a referendum on independence. The results of their secession referenda in May 2014 were not recognised by EU Member States, the US, Ukraine and Russia.³ Ukraine remains torn between the west and the east since then, with rebels in the Donbass region supported by regular Russian forces. Since the beginning of the crisis, this situation has been causing the rising number of uncounted deaths of civilians, activists and soldiers involved in the area, including 298 people in the Malaysia Airlines tragedy in July 2014.⁴

DIFFICULTIES IN THE CEASEFIRE PERSIST

A first ceasefire agreed between Ukraine and pro-Russian rebels in September 2014 in Minsk was violated four days after it was signed. The violations of the truce were found in different parts of eastern Ukraine mainly in the surroundings of the Donetsk airport. The fierce battle for ground in the region intensified until a new ceasefire was proposed in February 2015⁵ in the hope that this time peace could be achieved. Although the fighting largely stopped after the official ceasefire, it continued in Debaltseve⁶ until pro-Russian troops took the city. Uncertainties remain with regard to the withdrawal of troops and artillery and the ceasefire remains fragile.

THE EU IS UNCERTAIN ON HOW TO SUPPORT UKRAINE AND RE-ENGAGE WITH RUSSIA

Although the Association Agreement was signed in June 2014, which is the first important step in EU-Ukraine relations, the EU's support for Ukraine has been rather slow. Regarding the

post-Soviet space, until today European leaders have been divided into two categories: those who see the eastern countries as being within Moscow's sphere of influence and those who consider them having a possible Euro-Atlantic future.⁷ EU Member States must go beyond nationalistic thinking and start learning to speak with a single European voice. It is of

high importance to provide the EU's foreign policy with a stronger and more consistent leadership. Moreover, the EU needs to create a new solid neighbourhood strategy and find a cooperative way to reengage with Russia. ■

THE EU'S REACTIONS SO FAR

Since the beginning of the protests, the Ukrainians have experienced problems on many fronts: mass violence against protestors, the annexation of Crimea, the continuous struggle against the pro-Russians in the Donetsk and Luhansk oblasts, political issues leading to a regime change and a deep on-going economic crisis. The European Union must keep a strong position on all of these matters, which have tragically affected its eastern neighbour, by starting with the firm condemnation of certain actions taken by the Russian Federation.

The EU must keep insisting that:

1. The violation of Ukraine's territorial integrity and the annexation of Crimea and Sevastopol by the Russian Federation is unacceptable. The referendum held on the 16th of March 2014 was organised by a self-proclaimed head of Crimea, Sergey Aksenov,

and contradicted the Constitution of Ukraine, which asserts that border changes can only be agreed through national referenda. The referendum was organised in three weeks without being supported by the Ukrainian government and was held in a context controlled by armed Russian militants.

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The annexation of Crimea was not legal and did not comply with international law.

2. The withdrawal of Russian forces and illegal equipment from Ukrainian territory and the respect of the ceasefire by all parties are mandatory. The Minsk Protocol signed in September 2014, which called for immediate ceasefire, failed to stop the fighting in Donbass. In February 2015, a new Minsk agreement was reached through talks between Russian President Putin, Ukrainian President Poroshenko, German Chancellor Merkel and French President Hollande. Once

more, there was a call for an immediate and full bilateral ceasefire, which is still struggling to be entirely implemented.

3. Any Russian attempt to create a frozen conflict on Ukrainian territory should be condemned by the EU. Despite what people may believe, language should not automatically be regarded as a factor of division between the Ukrainians and the pro-Russians. The EuroMaidan protestors were not only Ukrainian speakers as some of the most radical ones were actually Russian speakers from the east. This should debunk the myth that the Russian speaking population of Ukraine is unequivocally pro-Russian. Moreover, the values of the Maidan were not only concentrated in the Ukrainian capital, Kiev, as the protests took place in the whole country, including in the southern and eastern part of Ukraine.⁸ The EU could consider federalism a part of the solution for the enhancement and stabilisation process of the Ukrainian state, as it would allow to peacefully manage conflicts and guarantee the protection of minorities. ■

THE EU'S ECONOMIC AND POLITICAL SUPPORT TO UKRAINE

The results of the Ukrainian elections on 26 October, with the victory of three parties with a comparably democratic, liberal and pro-European profile, are an important step in Ukraine's aspirations to consolidate its democratic development and improve its economic growth.

In the last decades, Ukraine's main source of income was generated through the trading of gas between low state-controlled prices and market prices. However, energy arbitrage has also been one of the worst sources of corruption for Ukraine. Hence, in the current situation, the main reform from the new Ukrainian government could consist of raising energy prices to the international market level and eliminating fuel subsidies. At the same time, various reforms should be made in order to solve the country's public debt problem since the current budget deficit is unsustainable and expanding rapidly. This would mean simplifying the current tax system, decentralising public finances to regions and local authorities and introducing competitive public procurement to open public tenders for both Ukrainians and foreign companies.⁹

Ukraine will not manage to apply ambitious reforms on its own. This is why the EU has an important role in supporting the economic and political reforms needed for Ukraine's stabilisation process.

First, the EU should provide the necessary financial assistance in the order of a 'Marshall Plan' for Ukraine, to rebuild stability and peace.¹⁰ The EU and European governments should help

the Ukrainians build a modern country based on a functioning market economy. Ukraine's economy has been under pressure since the start of the crisis with Russia threatening to impose sanctions and cuts to gas supplies. Because of the geopolitical situation, there is a certain reluctance to invest in the Ukrainian economy, meaning that the country has been suffering serious capital outflows and a drain on reserves. Although the EU has internal economic troubles of its own to deal with, investing in Ukraine's future is of uttermost importance not only for European security but also for European fundamental values, as the Ukrainians fought and are fighting for them.

The EU's financial assistance must focus on the reconstruction of Ukrainian infrastructures and support the reforming of the country's energy sector by also dismantling oligarchs' networks. The adoption of the EU-Ukraine Association Agreement on 27 June 2014 is to be considered the first important step forward in this direction and should be encouraged with a full and rapid implementation of the agreement, as well as a prompt ratification by all EU Member States. With this agreement, the EU officially commits itself to supporting Ukraine in its transformation into a modern democracy by giving it political support and establishing an economic and financial cooperation which will ultimately lead to Deep and Comprehensive Free Trade Area (DCFTA), on 1 January 2016.¹¹

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Furthermore, additional economic support will come from the International Monetary Fund (IMF) in a new four-year economic reform programme to help Ukraine's economic stabilisation, restore growth and increase living standards for the Ukrainian people. The programme is supported by an Extended Fund Facility of €15.5 billion and will be complemented by other bilateral and multilateral funding. Although it is ambitious, EU officials have declared themselves optimistic because the Ukrainians have demonstrated their commitment to reform by maintaining strong fiscal discipline, adopting a flexible exchange rate regime and fighting corruption and money laundering.¹²

Second, the EU should also focus on giving political support to Ukraine's reforms and stabilisation process, especially on the fight against corruption, on decentralisation and on reform of the justice and security sectors. Ukraine should not only be a recipient of aid, but mostly a place where investment is possible and considered an opportunity.¹³ If the new government is committed to tackling corruption, then it must take into consideration building new institutions from scratch, reforming public administration with ministers who are both accountable and responsible and building a strong civil sector where civil servants are paid a decent wage in order to exclude bribes.

As for the Ukrainian people's safety, the launch of the EU Advisory Mission for Civilian Security Sector Reform Ukraine (EUAM Ukraine) in July 2014, a civilian

mission under the EU's Common Security and Defence Policy, has been highly welcomed and will support the Ukrainian authorities in civilian security sector reform and help strengthen the rule of law.

It is of fundamental importance that the EU strongly supports Ukrainian civil society. When the EuroMaidan protestors

left the streets, they did not stop being engaged. According to several interviews, civic and neighbourhood organisations continued their work by being more institutionalised through a stronger and more coordinated civil society sector. These professionalised networks and civil assemblies which have been set up, allow Ukrainians to contribute to the reform process of their country.

The EU should encourage them to promote exchanges and people mobility between Ukraine and the EU Member States, acknowledging the fact that it will be Ukraine's younger generation of pro-democracy activists who will play a fundamental role in bringing change to their current conditions.¹⁴ ■

THE NEXT STEPS FOR THE EU?

RESTRUCTURING THE EU'S CFSP AND CSDP

The Ukrainian crisis and Russia's provocations to EU Member States have clearly shown the lack of rapid European response and the EU's inability to counter external threats. In response to the annexation of Crimea and the crisis in eastern Ukraine, the EU and the US have imposed a series of sanctions on Russia, mainly by targeting key sectors of the Russian economy, which are closely linked to the ruling elite.¹⁵ Although the sanctions are sending a strong signal to Mr Putin and his allies, it remains doubtful to what extent they can be considered an effective method of solving the Ukrainian crisis. Until now, the Russian President has overlooked both the sanctions and the diplomatic efforts of the EU, which has led to an escalation of the conflict in south-eastern Ukraine. Tensions have arisen all over Europe due to the actions of Russia: Russian bombers have been intercepted flying over the English Channel, Russian submarines were spotted training in the North Sea and Russian weapons are continuously found in the hands of separatists. Furthermore, policy makers of the

Baltic States have stressed their concerns about the situation, especially because the Kremlin could one day target their large ethnic Russian communities.

It is high-time EU leaders realise that NATO cannot be the only security provider in Europe. If the main goal should be to make European citizens safe, only the enhancement of the Common Foreign and Security Policy (CFSP) will enable the EU to act as a security provider and to restore trust in the EU and among Member States.

The EU must overcome the current intergovernmental method in the Common Security and Defence policy (CSDP). The situation today is causing efficiency losses and a lack of potential economies of scale, mainly because of the way national military structures are duplicated and due to

the lack of interoperability of capabilities in certain aspects. If the EU aspires to have influence on the global level, Member States should go beyond national interests by empowering EU institutions in assuming a leading role and adopting a comprehensive approach to ensure the coherent use of all tools in the fields of diplomacy, enlargement, defence (with the possibility of creating one European single army), development, humanitarian assistance, trade and all the other sectors linked to EU foreign policy. In this regard, it is important to complete the Economic and Monetary Union (EMU) with a fiscal, an economic and, especially, a political union, which would be the solid basis for the creation of the first embryo of a true supranational, single European Foreign and Security Policy. ■

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TOWARDS A SOLID EASTERN PARTNERSHIP

The EU should acknowledge that its involvement in the Ukrainian conflict is also due to the weakness of the Eastern Partnership (EaP). The EaP is a multilateral forum built in the framework of the European Neighbourhood Policy (ENP), which was created in 2004 with the aim of supporting the deep structural transformation of EU partner countries by promoting international law, fundamental values (including democratic reforms and rule of law), market economy, sustainable development and good governance. More precisely, the ENP can allow partner countries to have better access to the EU's internal market through the Deep and Comprehensive Free Trade Area (DCFTA) and although accession to the EU is not promised, it can be considered a step towards EU membership.

The EaP, launched in 2009 between the EU, EU Member States and the eastern European partner countries, was created to give the ENP a more specific regional approach. It was a Polish initiative, as Poland was concerned about the dangers in its neighbourhood and saw this framework as a way to stabilise Ukraine and other countries in the region. However, some EU Member States did not seem to prioritize relations with eastern European countries to the ones with Russia and strong members, like Germany or France, did not fully back the Eastern

Partnership since the beginning.¹⁷ At the same time, Russia's attitude towards the initiative was also very hostile and Mr Putin reacted by asking post-Soviet countries to join the Eurasian customs union project instead.

The difficulties in the EaP were caused by a lack of political leadership over the project. The EU's actual ambition to modify the situation in the post-Soviet space was very low and while Mr Putin had a clear idea of what he wanted, the EU Member States have

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remained divided on opinions regarding both their relations with Russia and their willingness for eastern European countries' integration with the EU. The EU needs to rebuild the framework of the EaP by strengthening its instruments and enhancing its credibility by overcoming the image of a simply techno-bureaucratic scheme without any political project behind it. This means an EaP fully supported by the EU and its Member States, with a stronger leadership of the EU and a deeper engagement with other international actors. The High Representative of the Union for Foreign Affairs & Security Policy/Vice-President of the European Commission must continue exploring on how to reframe this fundamental EU tool and to make it a viable economic and political project for the countries in the Eastern Partnership.

THE EU'S RE-ENGAGEMENT WITH RUSSIA

Although the EU should give priority to a new Eastern policy that puts Eastern Europe first, there is a need for the EU to re-engage with Russia in order to end this period of instability. It is time to rethink the security architecture of the European continent and finally agree on a common EU strategy towards Russia based on international law and institutions. In the past decades, the EU and its Member States have had a cooperative relationship with Russia through many bilateral and multilateral agreements to help the country transform from an autocracy to a democracy with a market economy, for example by supporting its membership of the G8 and its entry to the World Trade Organisation. As much as the EU has put Russia at the centre of its activities, this approach appeared to have failed since President Putin seems to have led the country today to be more internally autocratic and externally aggressive than ever.

Increased re-engagement with Russia could help the transition of the country to move from the current political situation, with its strong sense of nationalism, to more consolidated democracy. Mr Putin's hostility and fears may be based on the fact that not only former Soviet countries like Ukraine but also the Russian people will one day realise that liberal democracy with market economy can be an alternative to autocratic regimes. Hence, as much as economic sanctions may be a way of pushing back Mr Putin's regime, the EU should also focus on avoiding a confrontation with the Russian people, for example by engaging more with Russian civil society to promote exchange programmes or visa facilitations. ■

CONCLUSIONS

The EU should support Ukrainian leaders in assuring the necessary changes to foster democracy, the rule of law and economic growth. In order to do so, the EU must continue condemning Russia's behaviour when it breaks international law, as in the case of the annexation of Crimea. It is important to insist on the full withdrawal of Russian forces and illegal equipment from Ukrainian territory, urging for the respect of the ceasefire by all actors involved. At the same time, the EU should stop relying only on NATO and start restructuring its foreign and security policy by overcoming the intergovernmental method in this field, assuring that the Union

achieves a common strategy to tackle security and defence issues and putting on track the development of European defence capabilities.

The EU can help the Ukrainian government implement economic and political reforms in two ways. First, the EU can provide financial assistance, through the Association Agreement and the IMF, to assure that Ukraine reaches economic growth and is more attractive on the European and global level. Second, the EU will constantly need to support Ukraine politically, especially in tackling corruption and reforming the justice and security sectors.

While the Eastern Partnership was a platform created to help the EU build more solid relations with its eastern neighbours, until now it has been a weak tool lacking strong political leadership from EU Member States. The project has been seen as a techno-bureaucratic scheme with its European politicians prioritising bilateral relations with external countries, including Russia. It is high time the EU rethinks its strategy in foreign policy and realises that it will not manage to be a credible global player if it does not learn to speak with one single voice. ■

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About ELISA LIRONI



Elisa Lironi is a Policy and Advocacy Officer at the Union of European Federalists (UEF). She focuses on EU foreign and defence policies.

Previously she worked at the European Institute for Asian Studies (EIAS).

ABOUT THE UEF

The Union of European Federalists (UEF) is a pan-European, non-governmental political organisation dedicated to the promotion of European political unity. Throughout the past 70 years it has been a leading voice in the promotion of European unity and an early campaigner for key milestones in the development of the European Communities and the European Union.

CONTACT

UEF European Secretariat

Square de Meeus 25
B - 1000 Brussels
Tel: +32 (0)2 508 30 30
Email: contact@federalists.eu