

## THE UKRAINE CRISIS AND THE EU

Shaista Shaheen Zafar

Ukraine which has been a dangerous flashpoint in recent months is situated in East-Central Europe. On its west it is bounded by Hungary, Slovakia, Poland, Moldova and Romania, on the north by Belarus, on the northeast and east by Russia and on the south by the Black Sea and the Sea of Azov.<sup>1</sup>

To understand the situation in Ukraine today, one has to know its history.

Briefly, Ukraine was a part of the East Slavic state, Kievan Rus which was set up in the 10<sup>th</sup> century AD. In the 13<sup>th</sup> century following invasion by the Mongols, Ukraine became a vassal of the “yellow horde”. During the second half of the 14<sup>th</sup> century Lithuania liberated the Ukraine from the Mongols and placed it under Lithuanian rule. However, rivalry between Muscovy and Lithuania over Ukrainian territory accelerated and in response Lithuania and Poland formed a Commonwealth in the sixteenth century.<sup>2</sup> In 1667 by the Treaty of Andrusovo between Poland and Russia, Ukraine was divided into two parts. As a result of Poland’s decline by the end of the 18<sup>th</sup> century Russia took it over, except for its western territory which was acquired by Austria.<sup>3</sup>

After the February Revolution in 1917, the Russian Empire collapsed, and the Ukrainian nationalists formed a Central Rada (Council) in Kiev. In June it proclaimed a Ukrainian republic within the Russian federation, but after the Bolshevik Revolution in October 1917, the Rada declared the country’s independence in 1918. Soon a military struggle started between the pro-Bolshevik forces and the forces of the Ukrainian National Republic. Although the Soviet forces captured a considerable part of Ukraine in 1918, in the same year the Soviet Union was forced to cede Ukraine to Germany under the terms of the Treaty of Brest-Litovsk. After the defeat of Germany in the First World War, Bolshevik forces invaded Ukraine and by December 1920 they were in control of the whole of Ukraine. In 1922, the Ukrainian

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<sup>1</sup> *The Europa World Year Book*, Vol.2 (2004), 4292.

<sup>2</sup> *Collier’s Encyclopedia* Vol. 22 (Macmillan, 1986), 575.

<sup>3</sup> Bohdan Nahaylo, *The Ukrainian Resurgence* (London: C.Hurst & Co. Ltd., 1999), 1-6.

Soviet Socialist Republic was created as a constituent Republic of the Soviet Union.<sup>4</sup> However, under the terms of Treaty of Riga between Poland and the Soviet Union in 1921, Ukraine's western territories were awarded to Poland, Czechoslovakia and Romania. After Poland was dismembered in 1939 as a result of the understanding between Nazi Germany and the Soviet Union much of the western part of the Ukraine came under Soviet control. After the end of the Second World War the Soviet Union also wrested the rest of western Ukraine from Czechoslovakia and Romania and annexed it to the Ukraine SSR. In 1945, Ukraine as a nominally independent state became a member of the United Nations alongside the USSR. This gave the Soviet Union an extra vote in the UN forum. The Soviet Union transferred Crimea to Ukraine in 1954.<sup>5</sup> When the Soviet Union was dissolved in December 1991, its successor the Russian Federation retained the port of Sevastopol for its Black Sea Fleet so that the Russian navy could reach the Mediterranean Sea and beyond.<sup>6</sup> Sevastopol was strategically very important for the Russian Federation.

Earlier, a movement for the independence of Ukraine from the Soviet Union called "Rukh" began in 1988. With Rukh a new political situation arose in the Republic: it was for the first time since the imposition of Soviet rule, that the Communist party's monopoly on power was challenged.<sup>7</sup> After an abortive coup in Moscow against Gorbachev staged by conservative Communist leaders, the Ukrainian parliament adopted the Act of Declaration of Independence of Ukraine on August 24, 1991. Ukraine became an independent state, after a referendum on December 1, 1991.<sup>8</sup>

The current Ukrainian crisis broke out in November 2013, when President Viktor Yanukovich refused to sign the association agreement with the EU. It has not only threatened the country's stability, sovereignty and integrity, but also worsened the open rivalry between the European Union and Moscow over those countries which share common borders with them. Competition in the region between the two sides emerged because

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<sup>4</sup> *Collier's Encyclopedia*, 576.

<sup>5</sup> *The Europa World Year Book*, 4292.

<sup>6</sup> *Keesing's Record of World Events* (February 2014), 53188.

<sup>7</sup> Orest Subtelny, *Ukraine: A History*, 4th Edition (London: University of Toronto Press, 2009), available at <http://books.google.com.pk>.

<sup>8</sup> [http://en.wikipedia.org/wiki/Declaration\\_of\\_Independence\\_of\\_Ukraine](http://en.wikipedia.org/wiki/Declaration_of_Independence_of_Ukraine).

of the Assimilation Policy, the Eastern Partnership and the Eurasian Customs Union.<sup>9</sup>

With the eastern enlargement of the European Union in 2004, Ukraine became a direct neighbour of the European Union besides being a neighbour of the Russian Federation. This led to the development of a political rift between the "pro-Russian" eastern Ukraine, and the "pro-European" western Ukraine. The division resulted in political turmoil, and there was the outbreak of the "Orange Revolution" in 2004; this movement was a reaction to the fraudulent presidential elections that declared pro-Russian Viktor Yanukovych, who at that time was Prime Minister, as the victor. However, the Supreme Court issued a judgment declaring the election null and void and ordering a new election, which was held in December 2004. The result of this election was that Viktor Yushchenko, who was pro-West, was declared victorious and became president in January 2005. After his inauguration, Yushchenko paid his first visit to Moscow as a conciliatory gesture towards Russia, but his government did not show much enthusiasm for the scheme that his predecessor, Kuchma, had signed in 2003 for the creation of a 'single economic space' with Russia, Belarus and Kazakhstan. Yushchenko, on the contrary, showed interest in economic integration with the EU.<sup>10</sup> However, this development led to the outbreak of the "Euromaidan" uprising and the Crimean crisis.<sup>11</sup> Yanukovych, who became president after winning the 2010 election faced strong protests against his government's decision not to sign an association agreement with the European Union, owing to pressure from Moscow.<sup>12</sup>

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<sup>9</sup> Laure Delcour and Hrant Kostanyan, "Towards a Fragmented Neighbourhood: Policies of the EU and Russia and their Consequences for the Area that Lies in Between", No. 17 (17 October 2014), visit <file:///C:/Documents%20and%20Settings/Administrator/My%20Documents/Downloads/CEPS%20Essay%20No%2017%20Fragmented%20Neighbourhood%20-%20H%20Kostanyan%20L%20Delcour.pdf>.

<sup>10</sup> [http://www.cer.org.uk/sites/default/files/publications/attachments/pdf/2011/policy\\_brief\\_ukraine\\_feb2005-852.pdf](http://www.cer.org.uk/sites/default/files/publications/attachments/pdf/2011/policy_brief_ukraine_feb2005-852.pdf).

<sup>11</sup> [http://en.wikipedia.org/wiki/History\\_of\\_Ukraine](http://en.wikipedia.org/wiki/History_of_Ukraine).

<sup>12</sup> <http://www.bbc.com/news/world-europe-25210230>. The domestic economic situation of Ukraine had become very bad, in part owing to Moscow's restrictive trade measures. Some EU Member States had committed to contribute to an International Monetary Fund (IMF) loan of \$15 billion, conditional upon reforms. Russia too offered Ukraine a \$15 billion loan, but without specific conditions. It also hinted about the lifting of trade restrictions and gas discount. See "The EU and Russia: Before and Beyond the Crisis in Ukraine" House of Lords, EU Committee, 6th Report of Session 2014–15, available from <http://www.publications.parliament.uk/pa/ld201415/ldselect/lducom/115/115.pdf>.

These protests led to the ouster of the government of President Viktor Yanukovich in February 2014, and he decided to flee to Russia. From then onwards Ukraine has been in turmoil. The Russian Federation, in order to protect its military interests in Crimea, began to support pro-Russian separatist forces and the excuse it offered was that it was protecting the human rights of Russians and other minorities in the area.<sup>13</sup> In March 2014 Russia annexed Crimea after a referendum that endorsed its reunification with Russia.<sup>14</sup> In the same month, demonstrations for autonomy by pro-Russians began in eastern Ukraine. Ukraine's interim government that was established in February 2014 authorized the governor of eastern Ukraine in April to take measures to restore Kiev's authority in the face of the threat of Russian military intervention.<sup>15</sup> Under the patronage of Moscow, pro-Russian separatists in eastern Ukraine held elections in early November 2014, which Kiev and the important western powers refused to recognize.<sup>16</sup> On March 15, 2014 a US-sponsored resolution, rejecting the result of Crimea's referendum, could not be passed in the UN Security Council owing to the Russian veto. The proposed resolution had reaffirmed Ukraine's "sovereignty, independence, unity and territorial integrity".<sup>17</sup> On this occasion, the People's Republic of China had abstained from the vote. Beijing is highly sensitive about issues of territorial integrity, because it faces insurgencies in its regions of Tibet and Xinjiang.<sup>18</sup> Canada, Germany, Lithuania, Ukraine and Costa Rica, then co-sponsored a UN General Assembly resolution on March 27, 2014, placing emphasis on Ukraine's territorial integrity and seeking a peaceful resolution of the conflict through direct political negotiations. It also asked all UN member states to avoid actions that could threaten the national unity and territorial integrity of Ukraine. Though this General Assembly resolution was passed, it is not legally binding on member states.<sup>19</sup>

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<sup>13</sup> *Keesing's Record of World Events* (February 2014), 53187-88.

<sup>14</sup> *Ibid* (March 2014), 53242.

<sup>15</sup> "In Ukraine's East, Governor Struggles to Quell Pro-Russia Uprising", available at <http://online.wsj.com/articles/SB10001424052702304893404579528122431619440>.

<sup>16</sup> Roland Oliphant, "Alexander Zakharchenko named prime minister of eastern Ukraine after election", available online <http://www.telegraph.co.uk/news/worldnews/europe/ukraine/11204982/Alexander-Zakharchenko-named-prime-minister-of-eastern-Ukraine-after-election.html>.

<sup>17</sup> "Ukraine Crisis: Russia Isolated in UN Crimea Vote", available from <http://www.bbc.com/news/world-europe-26595776>.

<sup>18</sup> *Ibid*.

<sup>19</sup> "UN General Assembly Adopts Resolution Affirming Ukraine's Territorial Integrity", visit at [http://news.inhuanet.com/english/world/2014-03/28/c\\_126325576.htm](http://news.inhuanet.com/english/world/2014-03/28/c_126325576.htm).

### **The European Union's policy**

Geographical proximity of Ukraine to the EU and Russia, the latter's role in Ukraine, the Maidan protesters' attraction to EU values and the Union's attitude during the events that preceded the crisis, all contributed to the aggravation of the Ukrainian crisis. The EU's response to the vociferous anti-government protests that began when Ukrainian president Viktor Yanukovich rejected the proffered Association Agreement with the EU at the Vilnius summit in November 2014, was rather weak. EU support for the Maidan protestors was restricted to rhetorical condemnation of Yanukovich's actions. Here it is important to understand the varied interests and inclinations of the major EU member states in the region. France is traditionally interested in strengthening its international position through a balance of power in the continent, and does not hesitate to use its partnership with Russia to undermine American hegemony. The strategic culture of post-Second World War Germany that has developed over the decades strongly favours close economic relations with Russia. With its Nazi past, which it would like to erase, it prefers dialogue not confrontation. The United Kingdom and Poland are inclined to perceive Russia as a potential adversary,<sup>20</sup> and disturbed over the Russian role in Ukraine, decided to boycott all events to be held as part of the UK-Russia and Poland-Russia "Year of Culture" to strengthen ties between the countries.<sup>21</sup>

The EU imposed sanctions on Russia when the latter annexed Crimea and supported the separatist bid in east Ukraine. Russia's annexation of Crimea clearly demonstrated that the crisis in Ukraine was not just a domestic matter but that Russia was directly involved and was protecting its interests in the country.<sup>22</sup>

The EU's policies on Ukraine had some ambiguities, for on the one hand it supported the demonstrators of Maidan and on the other also made efforts to negotiate between Yanukovich and the protesters through the

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<sup>20</sup> <http://ecpr.eu/Filestore/PaperProposal/48346673-2aa6-4313-9eb1-1e05bb00d5ec.pdf>.

<sup>21</sup> "Ministers Boycott U.K.-Russia Year of Culture over Ukraine Crisis", available at <http://www.themoscowtimes.com/news/article/ministers-boycott-u-k-russia-year-of-culture-over-ukraine-crisis/504170.html>.

<sup>22</sup> Visit <http://ecpr.eu/Filestore/PaperProposal/48346673-2aa6-4313-9eb11e05bb00d5ec.pdf>.

so-called Weimar Triangle,\* comprising the French, German and Polish foreign ministers. This weakened the Union's image.<sup>23</sup>

In another measure to express its disapproval of Russia's annexation of Crimea and its intervention in eastern Ukraine, the EU along with the US imposed sanctions on Russian individuals and businesses. Such sanctions were further toughened after a Malaysia Airlines plane was destroyed over eastern Ukraine on July 17, 2014. Some key sectors of the Russian economy which are closely connected with the ruling elite have also been targeted by the EU and the US. Russian state owned banks are now not granted long-term loans. Exports of dual-use military equipment to Russia and future EU-Russia arms deals are disallowed. While Russian state owned energy company Gazprom, the biggest gas producer in the world and the biggest supplier of gas to Europe was not affected, the EU and the US have now imposed a ban on exports of some oil industry technology and services to Russia. The EU-US sanctions have also targeted many senior officials in eastern Ukraine and Crimea who have been supportive of the pro-Russian separatist revolt. These include organizations and individuals close to Russian President Vladimir Putin.<sup>24</sup> Moscow has retaliated by imposing embargoes on European food, dairy products and energy exports to exert political pressure<sup>25</sup> on member states of the EU from Eastern and Central Europe and states that are dependent on Russian gas.<sup>26</sup>

The Council of Europe's parliamentary assembly that formulated the European Convention on Human Rights suspended Russia's voting rights<sup>27</sup> in April 2014. As a result, the Russian delegation was unable to vote for judges in the European Court of Human Rights or for the Secretary General of the Council of Europe. They were also not allowed to send their election

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<sup>23</sup> Ibid.

\*It was established in 1991 to enhance cooperation between France, Germany and Poland.

<sup>24</sup> "Ukraine crisis: Russia and Sanctions", available from <http://www.bbc.com/news/world-europe-26672800>.

<sup>25</sup> Judy Dempsey, "Europe and the Future of German Ostpolitik" (November 2014), available at <http://carnegieeurope.eu/strategieurope/?fa=57211>.

<sup>26</sup> "The EU's Wavering Over Russia", (October 2013), visit at <http://carnegieeurope.eu/2014/10/13/eu-s-wavering-over-russia>.

<sup>27</sup> "Council of Europe Assembly Suspends Russia's Voting Rights", see <http://www.euractiv.com/sections/europes-east/council-europe-assembly-suspends-russias-voting-rights-301506>.

observers to other countries.<sup>28</sup> In response, the Russians withdrew their office holders in the Council of Europe, such as committee chairs.

To defuse the crisis in eastern Ukraine, Russian, Ukrainian, American and European foreign ministers held a meeting in April 2014 in Geneva and signed an agreement on measures to de-escalate tensions and restore security for all citizens of the country.<sup>29</sup> On this occasion they issued a joint statement which rejected all types of extremism, racism and religious intolerance including anti-Semitism.<sup>30</sup> However, this joint statement did not contribute much to bring peace and stability in the conflict-ridden area.

A mission of the Organization for Security and Cooperation in Europe (OSCE) was sent to Ukraine on July 24, 2014, for monitoring and verifying the Minsk cease-fire agreement that was signed by both parties in September 2014. A three-month mandate was given to the mission and the monitors were deployed at the Russian checkpoints Donetsk and Gukovo.<sup>31</sup> In October, the permanent Council of the OSCE extended the mission's mandate until November 2014. It was further extended in December 2014, until March 23, 2015.<sup>32</sup>

As the crisis drew more international attention, the EU's role began to decline. It was now NATO, the United States and major individual European Union member states, in particular Germany and France which took the lead.<sup>33</sup> Germany appears to have adopted a dual-track policy under which it favours sanctions against Russia while it also does not want to isolate it and therefore calls for continuing the dialogue with it. Germany, we can say is

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<sup>28</sup> "A Clear Signal to Russia from the Council of Europe", <http://www.dw.de/a-clear-signal-to-russia-from-the-council-of-europe/a-17559581>.

<sup>29</sup> *Keesings's Record of World Events* (April 2014), 53302.

<sup>30</sup> US Department of State, Geneva Statement on Ukraine 17 April 2014. The full text available from [http://www.washingtonpost.com/world/joint-geneva-statement-on-ukraine-from-april-17-the-full-text/2014/04/17/89bd0ac2-c654-11e3-9f37-7ce307c56815\\_story.html](http://www.washingtonpost.com/world/joint-geneva-statement-on-ukraine-from-april-17-the-full-text/2014/04/17/89bd0ac2-c654-11e3-9f37-7ce307c56815_story.html).

<sup>31</sup> "Russia not to Expand OSCE Mission Presence on Russian-Ukrainian Border Ambassador", see <http://en.itar-tass.com/world/760099>.

<sup>32</sup> Organization for Security and Cooperation in Europe, Permanent Council, Decision No. 1155, Extension of the Deployment of OSCE Observers to Two Russian Checkpoints on the Russian-Ukrainian Border, 18 December 2014, available at <http://www.osce.org/pc/132641?download=true>.

<sup>33</sup> Visit at <http://ecpr.eu/Filestore/PaperProposal/48346673-2aa6-4313-9eb1-1e05bb00d5ec.pdf>.

realistic, for it knows that the military option for resolving the crisis is out of the question.<sup>34</sup>

The EU's credibility was undermined when in September 2014, at a meeting between the EU Trade Commissioner, Ukraine's Foreign Minister and Russia's Minister of Economic Development, held to stop further destabilization of Ukraine and to ensure the latter's accessibility to the CIS market under the Ukraine-Russia bilateral preferential regime,<sup>35</sup> it was agreed that the Deep and Comprehensive Free Trade Agreement (DCFTA) between the EU and Ukraine that was supposed to be implemented in November would be put off until December 2015.<sup>36</sup> Russia was worried about the impact of the agreement on its market.<sup>37</sup>

As opined by an observer the EU thus retreated from its firmly held position that Russia had no right to intervene in EU-Ukraine relations. He added that it would encourage Russia to step-up military, economic and diplomatic pressure on Ukraine, which would adversely impact upon the country's reform process.<sup>38</sup> The EU move was perceived as a political concession to safeguard the cease-fire. It appeared that Russia had been given a veto over the Ukrainian issue. In response to the position adopted by the EU, Ukraine's Deputy Foreign Minister, Danylo Lubkivsky resigned from his post. He declared that the postponement gave a wrong message to all – to the aggressor, to Ukraine's allies and the Ukrainian people.<sup>39</sup>

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<sup>34</sup> "The EU and Russia: Before and Beyond the Crisis in Ukraine".

<sup>35</sup> <http://www.osw.waw.pl/en/publikacje/analyses/2014-09-17/russia-blocking-a-free-trade-area-between-eu-and-ukraine>.

<sup>36</sup> Judy Dempsey, "The West Is Not Prepared for the Long Haul Over Ukraine", (September 2014), see <http://carnegieeurope.eu/strategieurope/?fa=56617>.

<sup>37</sup> "Russia Wins Concessions by Getting Ukraine, EU to Delay Start of Free-Trade Pact until 2016", available at <http://www.kyivpost.com/content/kyiv-post-plus/russia-wins-concessions-by-getting-ukraine-eu-to-delay-start-of-free-trade-pact-until-2016-364509.html>.

<sup>38</sup> Ulrich Speck, "Postponing the Trade Agreement With Ukraine: Bad Move, EU", (September 2014), at <http://carnegieeurope.eu/publications/?fa=56795>.

<sup>39</sup> Ibid.



In the European Union too, there was criticism of the move. Elmar Brok, the head of the European Parliament's foreign affairs committee, pointed out "nobody knows whether this will make Putin change his mind, or whether he will continue with his imperial politics".<sup>40</sup>

It is noteworthy that the EU member states were divided into three groups throughout the crisis. The UK, along with Poland, Lithuania, Latvia and Estonia pushed for tighter sanctions. Hungary, Slovakia, Greece, the Czech Republic and Cyprus were not happy about EU sanctions against Russia, for they were apprehensive of the potential economic impact. Countries such as Belgium, Ireland, Denmark and Austria avoided any vigorous response.<sup>41</sup>

Sanctions with a limited scope could not bring about a secure truce. The Minsk ceasefire agreement of September was thus violated by both sides.

The Ukraine crisis escalated when President Petro Poroshenko's pro-West party won the election in October 2014. In a retaliatory move, Russia manipulated the elections in eastern Ukraine. The EU and the US rejected the election result and declared that these were illegal and illegitimate, but the EU's 28 member states at a Council meeting held on November 17 in Brussels, differed on imposing any further sanctions on Russia. The foreign ministers finally decided at this meeting to impose more travel bans on the pro-Russia separatists who were blamed for several violations of the ceasefire. Their assets in the EU were also frozen.<sup>42</sup>

Two days after this meeting, German Foreign Minister, Frank-Walter Steinmeier visited Ukraine and Moscow to discuss the possibility of renewing dialogue between the warring parties in Ukraine, to suggest ways to settle the conflict in Ukraine and to propose a high-level meeting of the EU and the Eurasian Economic Union (EEU).<sup>43</sup> However, these German

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<sup>40</sup> Ibid.

<sup>41</sup> James G. Neuger and Volodymyr Verbyany, "EU Skips Wider Russia Sanctions While Targeting Rebels", available at <http://www.businessweek.com/news/2014-11-17/eu-skips-wider-russia-sanctions-while-targeting-rebels>.

<sup>42</sup> <http://www.businessweek.com/news/2014-11-17/eu-skips-wider-russia-sanctions-while-targeting-rebels>

<sup>43</sup> Visit at <http://larouchepac.com/20141119/german-russian-foreign-ministers-confer-ukraine>.

efforts failed to produce any positive outcome for the resolution of this conflict.<sup>44</sup>

Some scholars hold the West responsible for destabilizing the region. The EU's policy of expansion towards the East and NATO's eastward enlargement,<sup>\*</sup> avowedly for the stability and security of post-Cold War Europe, provoked the Russian Federation, which considered the inclusion of its neighbours in the Western bloc as a great threat to its strategic interests. Here it is important to recall that the first phase of NATO enlargement took place in 1999 that ushered the Czech Republic, Hungary and Poland into the alliance. The second phase of enlargement took place in 2004, in which Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia became members of the trans-Atlantic alliance. In 2008, at a summit in Bucharest, NATO announced its intention to expand further to include Ukraine and Georgia. These are amongst the countries that Russia considers as its "outer boundaries", crucial for its own security. Despite Russia's attack on Georgia in August 2008 to intimidate Ukraine and Georgia so that they would abandon the idea of joining NATO, the Alliance kept on advancing to the Russian backyard and in 2009 it drew in Croatia and Albania.<sup>45</sup>

The European Union too has been moving eastward to promote "Western values" particularly democracy and the international human rights regime in the post-Soviet states. It presented the Eastern Partnership initiative in 2009. Sweden and Poland were in the forefront of the proposal for an Eastern Partnership, supported by Britain, Hungary and the three Baltic states – Lithuania, Latvia and Estonia. The plan offers six republics of the former USSR limited association rather than full membership of the EU. Unlike previous agreements that the EU had offered to Southern and Eastern European states such as Spain and Poland, the partnership offered

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<sup>44</sup> "German sees no Optimisim on Ukraine after Talks in Moscow, Kiev", available at <http://in.reuters.com/article/2014/11/18/ukraine-crisis-steinmeier-idINL6NOT81KF20141118>.

<sup>\*</sup> After the end of the cold war the Warsaw Pact had been disbanded but NATO remained intact and with the passage of time it expanded eastward , despite Washington's promise that it would not expand eastward if Russia refrained from opposing the unification of Germany. "The EU and Russia: before and beyond the crisis in Ukraine", House of Lords European Union Committee 6th Report of Session 2014–15.

<sup>45</sup> John J.Mearsheimer, "Why the Ukaine Crisis is the West's Fault: The Liberal Delusions that Provoked Putin", *Foreign Affairs* 93,no. 5 (Septembe/October 2014): 77-79.

the former Soviet republics limited association, under the framework of the Deep and Comprehensive Free Trade Agreement. It gives easier access to these countries to the EU market. Under its terms, Ukraine and two other former Soviet republics, Belarus and Moldova could later become EU members if they succeed in adopting several reforms in their economic and political system. The other three members of the Eastern Partnership – Azerbaijan, Armenia and Georgia – are situated in the Trans-Caucasus region, which is outside Europe, they therefore have little chance of ever acquiring EU membership.<sup>46</sup>

The Eastern Partnership's underlying aim is to build gas pipelines bypassing Moscow and to ensure the security of the transportation of gas to the EU's partner countries. Russia therefore was alarmed by this proposal and considered it as a direct threat to its economic interests.<sup>47</sup>

EU member countries are divided over the partnership agreement. While Poland supports it, the western EU member states such as Germany, France, Belgium and the Netherlands have not shown much enthusiasm for the initiative. Italy and Spain were not interested, for their attention was focused on domestic financial issues and problems related to immigration along their southern borders.<sup>48</sup>

It is not a secret that the US has given funds to pro-West individuals and organizations to encourage countries to join the Western alliance. In December 2013 Victoria Nuland, the US Assistant Secretary of State for European and Eurasian affairs, estimated that since 1991, the US government had invested more than \$ 5 billion in Ukraine. The National Endowment for Democracy (NED) was in the forefront for developing the civil society in Ukraine. In 2010, when pro-Russia Yanukovich won the presidential election, the NED decided to step up its efforts to support the opposition and consolidate the country's democratic institutions. This was

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<sup>46</sup> Taras Kuzio, "Ukraine at Crossroads after Rejecting EU Pact", November 29, 2013, <http://america.aljazeera.com/opinions/2013/11/ukraine-at-crossroadsafterrejectingeu-pact.html>.

<sup>47</sup> Jeanne Park, "The European Union's Eastern Partnership", visit at <http://www.cfr.org/europe/european-unions-eastern-partnership/p32577T>.

<sup>48</sup> Taras Kuzio, "Ukraine at Crossroads after Rejecting EU Pact".

seen by Russia as not only against its interests but also as stark intervention in the internal affairs of a state.<sup>49</sup>

The European Union's rather reluctant role in the Ukraine crisis, which is largely owing to its general inconsistency and lack of will in Common Foreign and Security Policy matters, has affected its policies towards these former Soviet Republics. Armenia, Azerbaijan, Belarus, Georgia and Moldova are direct affectees of the crisis and are worried about their future. There are serious fears about Russian plans and actions. These countries face three main threats, these are: i) "frozen conflicts" and separatist movements; ii) corruption and underdeveloped political cultures; and iii) economic/energy dependence on Russia.<sup>50</sup>

Moldova, a small Eastern European country of 3.5 million, without access to the sea, like Ukraine, has been facing immense pressure from the Russian Federation because of its pro-European policy. Russia imposed embargoes on this economically weak country's agricultural products after it signed association agreements including the Deep and Comprehensive Free Trade Agreement (DCFTA) with the EU in June 2014.<sup>51</sup> In a move to bully Moldova, Moscow also amended its migration law so that it can now expel Moldovan immigrant workers from Russia. Moldova's economy is heavily dependent on trade with Russia and the remittances sent by its immigrant workers.<sup>52</sup>

In the elections in Moldova in November 2014, the pro-European parties managed to bag around 44 percent of the vote while the pro-Russia groups got about 40 percent. A difficult situation arose for the parties in forming a national government.<sup>53</sup> There is a real danger that if Moldova continues to

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<sup>49</sup> Ibid,79.

<sup>50</sup> The Eastern Partnership: Challenges and Opportunities for European Integration, *Eastern Partnership Reports*, 2, no. 1 (August 2014). Available from <http://icds.ee/fileadmin/failid/Anna%20Bulakh%20and%20Alex%20Verschoor-Kirss%20-%20EaP%20Report%20August%202014.pdf>

<sup>51</sup> Jonathan Katz, "Moldova at a Crossroad", available at <http://blog.usaid.gov/2014/11/moldova-at-a-crossroad/>.

<sup>52</sup> Markus Salzmann, "European Union's Confrontation with Russia Raises Tensions in Moldova", at <http://www.wsws.org/en/articles/2014/08/02/mold-a02.html>.

<sup>53</sup> "Pro-European Parties Narrowly Win Moldova Polls", available at <http://www.i24news.tv/en/news/international/europe/52992-141201-pro-european-parties-narrowly-win-moldova-polls>.

show its leaning towards Europe, Russia may incite trouble in Gagauzia a "national-territorial autonomous unit" of Moldova which in a recent referendum, voted massively against close EU-Moldova relations, and the breakaway territory of Transnistria where the Russian army is stationed, as a strategic lever.<sup>54</sup>

Similarly, there are unresolved or potential conflicts like the one between Armenia and Azerbaijan over Nagorno-Karabakh and the Georgia-Russia dispute over Abkhazia and South Ossetia. Russia has been using these conflicts as its main instruments for the arm-twisting of these South Caucasus countries. Further, Russia is the biggest trade partner of Armenia and its firms are in control of around 80 percent of Armenia's energy resources. So nearly total dependence on Russia forced the Armenian government to desist from signing an Association Agreement with the EU,<sup>55</sup> and it joined the Eurasian Economic Union (EEU) in January 2015.<sup>56</sup> Georgia, that signed an Association Agreement with the EU in June 2014, is not dependent on Russia for energy so it faces less of a threat in the economic realm but it could certainly be affected at the political and security level owing to the threat of Russian incorporation of Abkhazia\* and South Ossetia.<sup>57</sup> The recent declarations from the secessionist region of South Ossetia about holding a referendum on joining Russia, indicated that Russia is planning to take over this region. Azerbaijan and Armenia's clashes in July 2014 over Nagorno-Karabakh have exacerbated tensions in the South Caucasus. Azerbaijan too has thought it safe to adopt an ambiguous position vis-à-vis the EU. It did not sign an Association

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<sup>54</sup> Tony Rinna, "Moldova, the EU and the Gagauzia Issue", visit <http://neweasterneurope.eu/interviews/1097-moldova-the-eu-and-the-gagauzia-issue>.

<sup>55</sup> The South Caucasus countries and their security dimension, in Neighbourhood Policy Paper (March 2013) at <http://www.khas.edu.tr/cms/abaum/dosyalar/files/NeighbourhoodPolicyPaper%2811%29%281%29.pdf>.

<sup>56</sup> "Armenia Joins Eurasian Economic Union", *The Moscow Times*, 2 January 2015.

\* Russian President Putin and Abkhazia's President Raul Khadzhimba signed a strategic partnership agreement in November 2014 to strengthen Russia's military and economy ties with Abkhazia. See [www.rferl.org/content/russia-abkhazia-nato-european-union-united-states-/26708819.html](http://www.rferl.org/content/russia-abkhazia-nato-european-union-united-states-/26708819.html).

<sup>57</sup> Margarita Antidze and Alexander Tanas, "Defying Russian Warnings, Moldova and Georgia Head for EU Pact", visit at <http://www.reuters.com/article/2014/06/10/us-moldova-georgia-idUSKBN0EL1BP20140610>.

Agreement at the Vilnius summit in November<sup>58</sup> and is cooperating with both sides.

### **Conclusion**

The EU is an association of 28 sovereign states that have given certain rights/powers in matters relating to trade, economy, currency and some other areas to the Union, but have not given up their sovereignty in sensitive ones such as defence and foreign policy, particularly where they are convinced that their national interests are at stake. Thus, the Ukraine crisis highlighted that the EU could not deal with the matter as an association of states. Some member states such as Britain, Poland and the Baltic states favour stringent sanctions against Russia, but the latter's former satellite states, Hungary, Slovakia, and the Czech Republic and the Mediterranean countries Greece and Cyprus are against EU sanctions because of the potential economic fall-out. Belgium, Ireland, Denmark and Austria have adopted the middle path. Thus after Crimea acceded to Russia and the latter incited the insurgency in the eastern part of Ukraine, the EU did not impose new sanctions against it in its Foreign Affairs Council meeting held in November 2014. This was largely owing to Germany's pressure, for it was not in favour of isolating Russia. Germany is realistic in this regard, for it understands that Russia would take pressure only to a certain extent and that the military option could not be exercised against it. The American plan to supply arms to the Ukrainian government has been rejected by EU member states, which prefer a diplomatic solution of the crisis.

The EU itself lacks military muscle, though individually some of its member states are strong military powers. The global financial crisis that broke out in 2008 and the resultant austerity drive by the European countries to counter it, further weakened the possibility of the exercise of the military option by the EU member states. There has been a decline in defence budgets of member states and therefore it is not realistic to expect an enhancement of European military capabilities in the near future. The EU therefore has no option but to depend on its soft power tools in the Ukraine crisis. But this policy has failed in the face of the hard power tools that Russia has applied in Crimea.

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<sup>58</sup> Seba Aghayeva, "Azerbaijan explains reasons for not signing association agreement with EU" <http://en.trend.az/azerbaijan/politics/2333379.html>.

Competition between the two rival economic integration projects: the Eastern Partnership and the Eurasian Customs Union has not only heightened the open rivalry between the EU and the US on the one hand and Russia on the other hand to draw the states lying on the periphery of Russia into their respective spheres of influence, this rivalry, in fact hostility, has jeopardized Ukraine's stability, sovereignty and integrity.

Russia retains strong influence over its former constituent republics through its investments, visa-free and unrestricted mobility of people and access to the Russian market. On the other hand, the goals of the European Union's Eastern Partnership Initiative i.e. democratization, market reform, and protection and promotion of human rights are tough tests for the partner countries.

The failure of the European Union's efforts to bring Ukraine into its sphere of influence has apparently discouraged other countries of the region to opt for the European system and to lean on the EU, and at the same time it has exposed the EU's inadequacy as a tenable and strong bloc able to confront the Russian Federation and provide protection to its vulnerable partners.