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UKRAINE – THE EUROPEAN UNION

KEY THEME ANALYSIS:

New Russian Gas Gambit, or Who Was “Tripped Up” by Russia

The winter has always encouraged military and geopolitical victories of Russia. Today the theater of active actions for such geopolitical victories became a gas sector. It is not accidentally that Russia launches its “gas wars” in winter. The present winter-2012 is not an exception.

Whom is a modern Russian geopolitical game with gas weapon directed to? This new gas debut of Russia reminds the gambit. It is known that the main task in such a game is to get substantial financial positional advantage as a victim in the acute and complicated positional struggle. Who serves as a victim and as a king in this game? Sacrificing the confidence of the European consumers to “Gazprom” Russia has once again tried to persuade the EU that Ukraine is an unreliable transit country, that’s why there is a need to build another bypass “South Stream” around it. In a cold winter such a gambit once again reminded the Europeans of the critical dependence of their energy security on the Russian policy. This gambit attack on Europeans should make them more compliant in relations with the Kremlin.

As for Ukraine, during all time of its independence it has failed to ensure its energy security. Russia is using this trying to control Ukraine. Gas conflicts between Ukraine and Russia are a series of economic conflicts between the Russian “Gazprom” and Ukrainian “Naftogaz”. The key word in this definition is “economic”, which, de facto, does not match the reality faced by Ukraine. Among the most important attributes of the gas conflicts are political pressure and information war. For Ukraine the year 2012 began with a new “gas war” with Russia, and the Europeans again had a strong sense of déjà vu of 2009. Then Europe strongly believed that Ukraine was the main culprit of its problems. This year one can observe the similar situation.

A latent phase of new gas conflicts took place in December 2011 – at the beginning of January 2012 when Ukrainian-Russian negotiations on the revision of contracts between “Gazprom” and “Naftogaz” reached a deadlock. In January “Gazprom” was unsatisfied with the fact that Ukraine is planning to buy too little gas, referring to the illegality of such actions and their incompatibility with the existing contracts. But after the severe frosts there were the first declarations of lack of gas supply to Italy, Austria, Slovakia and Poland, and after that the stage of conflict escalation began. Russia accused Ukraine of “stealing” the gas, and “Gazprom” increased gas supplies to Western Europe on the contrary. And this step was very successful. The authority of Ukraine on the European arena was finally undermined.

Although “Gazprom” acknowledged that in fact it reduced gas supplies by itself, the EU got added evidence that both Ukraine and Russia are instable and unpredictable, and reiterated the need to diversify gas supplies. It is more likely that the EU will take up these programmes with new and doubled forces, however at present there isn’t a choice. It is difficult to predict how this situation affects the Association Agreement between Ukraine and the EU.

According to the official Kyiv, the solution of the current situation consists in the realization of the idea of trilateral consortium (the EU – Russia – Ukraine). But now it is clear that Russia will try in any way to remove the EU from talks because it does not want this process to be open and transparent. Assuming that the EU is actively involved into the gas negotiations, it will lead to new problems in other areas of bilateral relations between Ukraine and Russia. The RF applies pressure and force to Ukraine.

In case of defeat in the gas sphere, Russia will find a new method of coercion. One of the most striking examples can be a “cheese war” which is a political, but not an economic revenge upon gas problems and reluctance of Ukraine to join the Customs Union. In its turn, the European Union despite the projects of forming its own energy infrastructure can not currently

distance from the settlement of the conflict between Ukraine and Russia. The EU having made conclusions in 2009 built special storage gas tanks but it is not enough to ensure normal life.

In order to overcome the dependence of Kyiv from Moscow it is necessary to implement a series of difficult but effective actions, such as diversification of energy supplies; search for alternative sources of energy; introducing of energy-efficient technologies and closed production cycles; depoliticization, unshadowing of Russian capital; eradication of poverty corruption at all authoritative levels; unshadowing of the Ukrainian economy.

However, Kyiv starts the process of privatization of energy companies, and it is not difficult to guess who can obtain them. Ukraine makes concessions to Russia, thereby gradually “sells” its national interests and sovereignty.

Ukraine must define a specific, clear and strict strategy of cooperation with Russia, but it should try not to satisfy with short-term preferences of the Northern neighbour. One should realize that Russia never wants to “let off” such a controlled area as Ukraine.

In general, all the gas conflicts between Ukraine and Russia prove an incredible dependence of Kyiv from Moscow, the lack of clear strategy, the weakness and dire need for energy reforms.

UKRAINE – NATO

KEY THEME ANALYSIS: On Results of the 12th International NATO Week **“NATO: joint responses to common security challenges”**

Having declared its non-block status in 2010, Ukraine has shifted the focus of its relations with NATO to the tactical level, i. e., to the specific practical measures. So, ***this year the 12th International NATO Week which theme was “NATO: joint responses to common security challenges” was held from 6 to 10 February in Kyiv.***

Of course, the event of such a level proves the sophistication of cooperation between NATO and Ukraine which takes more practical orientation. This year for the first time, in addition to representatives of the Rome NATO Defence College, the representatives of the NATO School in Oberammergau also took place in the events attended and shared the practical experience of the preparation and conduction of military operations in the various missions of the Alliance with the Ukrainian officers. Accordingly, during the discussion the participants took into account not only the threats facing the world in recent years, but also those appeared just a few days ago. These are, for example, the hacker attacks on government sites in Ukraine, the USA, Germany and France; attacks on commercial ships in the Atlantic Ocean and in the Danube River; conflicts in Syria and Egypt; terrorist attacks in Iraq and Afghanistan. Ukrainian servicemen even heard about the need to join the struggle with these challenges but their detailed discussion will be held during the next NATO Summit in Chicago in May.

According to Commandant of the NATO Defence College, one of the leaders of headquarters of the group of troops “North” Lieutenant General Arne Bard Dalhaug, such conflicts destroy the balance of international security simultaneously in several parts of the world, so all should resolve them together: these are the actions of several thousands of people who are physically divided with thousands of miles but work together. Because of the fact that the Ukrainian officers have the experience in peacekeeping and military operations in different regions of the planet, they know what the “collective security” means in practice, as well as how to organize joint actions of servicemen from various countries to prevent or localize the conflict.

Of course, such an approach cannot but flatter Ukrainian servicemen, but the attention doesn't focus on any mutual commitments or guarantees: the main purpose of NATO is to join the

Ukrainian Armed Forces and available defence capabilities to its missions and operations, on so called “philanthropic basis” of cooperation.

On the other hand, the course of Kyiv of a non-block status does not allow using the advantages of cooperation with the Alliance in full, so even the theoretical training of Ukrainian servicemen within the framework of the NATO Week took place on tightly themes. So during the International Week one heard the idea that the Alliance is well aware of what Ukraine does not want as a non-block state, but cannot quite understand which positive part of a non-block security doctrine exists.

Anyway, in order to accumulate personal knowledge and increase the level of professional skills due to learning the NATO experience the International Week had great importance for students of the National Defence University of Ukraine where, by the way, the event was held. These lectures and workshops with NATO experts contribute to increasing the military skills of the Ukrainian Army, police and intelligence services.

But unfortunately, even if the Ukrainian servicemen are not just the spectators at the events taking place in the world but they actively participate in these processes, our state cannot expect something in return except the exclusive information on joint missions with NATO. ***Strategically we will remain aside due to our non-block status fixed in the Law “On Foundations of Domestic and Foreign Policy”. So this is our own choice.***

FOREIGN POLICY OF UKRAINE

KEY THEME ANALYSIS: Security Priorities of Ukraine at the 48th Munich Conference

The Munich Conference has already become the place where the countries compare their views on regional, global and their own national security. Which priorities and trends in the sphere of international security were identified by the members of this year’s Conference? The main trend is *the deterioration of security in the Euro-Atlantic region*. The main feature of this state, as the participants defined, became ***the increase in the deficit of trust*** among key players in the region which include the USA, NATO, the EU and Russia, and inside the security associations. Another feature of the deterioration of security situation appeared to be ***an unavailability of the countries and security sector to overcome new challenges of the XXI century***.

The third feature of the security situation appeared at the Munich Conference is ***a diverse understanding of threats to national and international security*** by its participants. **The Western countries** being protected with the NATO umbrella are more concerned about non-traditional, soft threats which are becoming a serious challenge to their existence and development. **The cyber attacks** which constitute a real danger of the information space of those countries are among these threats. It is not just about the crime in cyberspace or industrial espionage, but also about the destruction of systems of countries’ national security. Therefore, there is an on the need to regulate the Internet space and to develop the software systems that would meet the highest standards of safety of the critical infrastructures. In this respect the NATO experts propose to include the cyber security issues and protection of critical technologies to the content of Article 5 of the Washington Treaty, as an integral part of the collective defence. However, the implementation of such cyberspace control systems faces the freedom, security, interests and rights of the citizens. Nowadays finding the right balance of security and freedom is a real problem needs to be resolved.

The United States are primarily concerned about ***Iran’s nuclear programme and the problem of nuclear proliferation***. In this respect, the White House succeeded to reach the EU

support to impose economic sanctions on Iran. The solidarity of Europe and America on this issue indicates the exhaustion of diplomatic tools during its decision. But economic sanctions may also become ineffective. The Western politicians hope that sanctions will help to overthrow the existing regime in Iran and change its foreign policy. But sanctions have a poor reputation during the overthrowing of regimes or changing their courses. The sanctions did not prevent such countries as Pakistan, India or North Korea to get nuclear weapons.

The most effective force to be taken into consideration by all the countries and regimes has been and remains a military power. But in the case of Iran it is not an option for the US and Europeans. The consequences of its usage could be devastating for the entire region. And taking into account the positions of the Chinese part and Russia the military intervention will never get a mandate from the UN Security Council. "Now sanctions are our only option. We must do something", one American official said at the Conference.

Among all security problems **the Europeans** were mostly interested in economic security. Today the biggest risk to national security for many European countries may arise in connection with the fate of the euro. ***The failure of the European currency*** can greatly destabilize the situation in Europe threatening the institutional and economic order of the European community. So in Europe the collapse of the euro area can fragment the European Union, which existence may also be threatened. It could have dire consequences both for world trade and health of the financial system. In addition, the financial crisis can cause deep and lasting political, economic and social crises that could ultimately lead to the real crisis of the liberal, market democracy. The consequences of this financial and economic crisis deprive the EU of the possibility to build its own security and defence component.

The crisis also hit the NATO's military capabilities. Its defensive potential decreases as the Alliance Member States reduce their military budgets trying to overcome the financial crisis. As a result, both NATO and the EU concern about *rapid change in military balance of power in favour of such Asian powers as China*. In particular, its possibilities of power projection are constantly growing in the Asian-Pacific, Central Asian and African regions. As a result, the role of the West in maintaining the international order constantly decreases.

Russia also puts forward its own security priorities. The first place among them is taken with ***the removal of prospects of deployment of the elements of the AMD and overcoming the power imbalances in relations with NATO to restore its own sphere of influence in Europe***. That is why the Minister for Foreign Affairs of Russia Sergey Lavrov proposed to include to the agenda of the Munich Conference an old initiative of Dmitrii Medvedev as for the need to sign the Treaty on European Security.

The most painful priority of the national security of **Ukraine** became its ***energy security***. Addressing the Conference, Viktor Yanukovich outlined the main components of the problem. In particular, he focused on applying the principles of military and political security in the energy sector. First of all, this requires the systematic and consolidated approach based on agreed principles and instruments of cooperation, including the contractual and legal ones. ***Firstly***, it is the commitment of the states *not to strengthen their security at the expense of others*, recorded in the Istanbul Charter for European Security of 1999. This key principle could be applied to solve energy problems. In practice it means that ***the economic feasibility and environmental compliance, rather than political interests of separate states***, should be determining while implementing the energy projects.

From this perspective Ukraine proposes to assess the rationality of new energy transportation projects, including the so-called "alternative" routes which often require enormous financial, time and human costs and create significant threats to the environment. It is clear that the search for balance in this area is challenging, but it is necessary to find the mutually acceptable compromise in any case. The Ukrainian example strikingly evidence the need to consolidate joint efforts to develop clear, transparent and fair rules in the energy sector to achieve the balance of interests: for Ukraine as a major transit country, for Russia as a supplier and for the interests of the EU as a consumer.

The creation of single, clear rules, effective legal framework for international cooperation is the key to success. In particular, Ukraine supports the practical implementation of initiatives as for the creation of multilateral mechanisms for early warning of energy crises.

These issues have been already discussed in various formats, including the OSCE. But the differences in the state positions and, first of all, the lack of proper political will did not allow to reach concrete agreements on this issue. ***If the international community listens to the Ukrainian initiatives this time is a rhetorical question because at the Munich Conference every party spoke about its own sorrow.***

