

INTERNATIONAL WEEKLY

№ 12

01.07.2015 – 14.07.2015



Foreign
Policy
Research
Institute

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STIFTUNG
FÜR DIE FREIHEIT



UKRAINE – THE EUROPEAN UNION



KEY THEME ANALYSIS

BEING CONCERNED WITH GREECE, THE EU FAVOURS RUSSIAN SCENARIO FOR UKRAINE

In July 2015 the European Union representatives continued to exert political pressure on Ukraine, strongly recommending to implement actually unilaterally all the provision of the Minsk agreements without waiting for Russia and its proxies to adhere to their part of agreements. This situation is in fact acknowledged in an interview to "The Weekly Mirror" by the former Deputy Head of the Presidential Administration of Ukraine and now the Ukrainian ambassador to the U.S. **Valeriy Chaly: "Now the problem is that our partners insist we should fulfil all the agreements immediately. But we have a clear understanding that without withdrawal of military equipment, closing the border through which all this equipment is supplied and the release of hostages any elections can hardly be imagined. And when the situation comes to a deadlock, European partners start, so to say, pushing Ukraine to more active implementation of the Minsk agreements. Regardless Russia fails to fulfil its provisions".**¹

It is absolutely clear for Kyiv that without withdrawal of Russian forces it is impossible to hold fair elections in the occupied areas of Donbas. And that providing special status for these territories in the constitution would actually legalize the occupation regime and conserve the problem for many years.

So, the maximum that Kyiv could afford was to adopt constitutional amendments on decentralization, having noted in the Final and Transitional provisions that "Special mode of local government in some regions of Donetsk and Luhansk regions is defined by a separate law"² (as stipulated by the paragraph 11 of the "Package of measures for the Implementation of the Minsk agreements"). **On 1 July 2015 President Poroshenko submitted to the Verkhovna Rada the respective draft law "On Amendments to the Constitution of Ukraine (concerning power decentralization),"** previously positively estimated by the Venice Commission.

However, the Kremlin and the separatists expressed their dissatisfaction with insufficient, in their opinion, legal securing of Donbas special status. Soon their position was supported by representatives of Europe. On 9 July, in his interview to DW, **Secretary General of the Council of Europe Thorbjørn Jagland advised Ukraine to include in the Constitution "the provision on granting the special status for Donbas"** in order "to fully implement the Minsk agreements".³ On

¹ <http://gazeta.dt.ua/internal/valeriy-chaliy-ukrayina-yaka-viddala-1240-yadernih-boyegolovok-povinna-mati-pravo-otrimati-hocha-b-tisyachu-javelin-.html>

² http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=55812

³ <http://www.dw.com/uk/ягланд-особливий-статус-донбасу-слід-закріпити-законодавчо/a-18571328>

10 July, in a telephone conversation with Petro Poroshenko, ***Angela Merkel and Francois Hollande recommended Petro Poroshenko to “launch constitutional reforms aimed at implementing a decentralization of Ukraine in line with the Minsk Package of Measures with a special emphasis reflecting a special order of self-governance in certain districts of Donbas in the Constitutions Draft.”***⁴

It is noteworthy that requirements to Kyiv to unilaterally implement the Minsk Agreements (in their Kremlin's vision) are put forward **against the background of total disregard of the same agreements by Russia and the separatists**. The latter failed not only to stop shelling the Ukrainian positions, but they appointed the dates for the next illegal elections at the occupied territories: on 18 October 2015 for the so-called "DPR", and on 1 November for the so-called "LPR". Unfortunately, regarding the Berlin and Paris positions, one cannot exclude the perspective of possible de jure or at least de facto recognition by Europe of these pseudo-elections. This would mean the fulfilment of the main Kremlin demand that is the recognition of the Moscow-backed separatist regimes as "legitimate" representatives of Donbas and coercion of Kyiv to direct talks with them.

Possible legalization of separatist regimes through the pseudo-elections could put Kyiv before another problem that is the need to finance the occupied territories. This would greatly aggravate the already poor economic situation in Ukraine, and what is more important – ***Kyiv would not be able to control the targeted spending of the funding.*** No one would guarantee that billions from the state budget would be directed to social payments, and not to finance the Moscow-backed armed groups. And it is Ukraine that will be burdened with financing, since **the EU is concerned above all not with pro-European Ukraine, but with pro-Russian Greece.**

Despite **Greece's** lack of reforms, referendum blackmail and demonstrative flirt with Russia, the EU expresses readiness to discuss granting new loans to Athens at about €86 billion,⁵ that is in tens times more than pro-European and reforms-oriented Ukraine receives. The Greek crisis distracts the EU from the Russian aggression, which is actually much greater existential threat to Europe. New enormous spending for the unreformed Greek economy could reduce the already insufficient assistance to Ukraine.

It should be noted that **not everybody in the EU support demanding from Kyiv the unilateral implementation of the Minsk agreements.** On 3 July 2015, during a speech in the Verkhovna Rada of Ukraine, ***President of the European Parliament Martin Schulz highlighted the failure of Russia to fulfil the Minsk agreements.*** He stated that Moscow should not expect sanctions lifting until full-scale implementation of the Minsk agreements and respect for the territorial integrity and sovereignty of Ukraine, "including Crimea."⁶

During his ***visit to Lviv on 2 July 2015 Polish President Bronislaw Komorowski*** expressed full support for Ukraine. In a few weeks the post of President of Poland will be transferred to the winner of the last elections Andrzej Duda, but Kyiv may be sure the Warsaw support will not weaken. It will likely to intensify. ***Foreign relations adviser to Andrzej Duda Krzysztof Schersky stated that Warsaw would support Kyiv's right to join NATO and the EU, despite Moscow's resistance.***⁷ A tough stance in support for Ukraine was expressed by ***Bulgarian President Rosen Plevneliev, who visited Kyiv on 7 July.*** He stated that Bulgaria "would never recognize" the annexation of Crimea by Russia as well as the illegal elections held by separatists in Donbas. Bulgarian President promised to support

⁴ <http://www.president.gov.ua/news/prezident-proviv-telefonnu-rozmovu-z-prezidentom-franciyi-ta-35636>

⁵ <http://www.bbc.com/news/world-europe-33491776>

⁶ <http://www.eurointegration.com.ua/articles/2015/07/3/7035527>

⁷ <http://www.dw.com/uk/радник-дуди-польща-має-провести-референдум-перед-приєднанням-до-єврозони/a-18566110>

sanctions against Russia and to support the European perspective of Ukraine.⁸

Kyiv enters a difficult time, when Berlin and Paris being concerned with Greek problems demonstrate growing willingness to sacrifice Ukrainian interests, to quickly get rid of responsibility for the Russia-Ukraine conflict. An urgent need becomes apparent to expand the Normandy format with participants, who realize the importance of preserving the sovereignty and territorial integrity of Ukraine for the fate of the whole of Europe.



⁸ <http://www.eurointegration.com.ua/news/2015/07/7/7035654>

UKRAINE – NATO



KEY THEME ANALYSIS

NATO'S CAPABILITY TO WITHSTAND RUSSIAN AGGRESSION IS RESTRAINED BY WASHINGTON'S UNCERTAINTY

In the first half of July 2015 the United States demonstrated striking controversial views between military elite and the White House administration on the issue whether Russia is a threat. The military, directly responsible for the U.S. security and defence, clearly named Russia a threat, while the Obama administration officials continue to ignore reality and move by inertia along a disastrous course of unilateral "reset" in relations with Moscow.

On 1 July 2015, **a new U.S. National Military Strategy** was published at the website of the U.S. Defence Department. The document states that the U.S. military must be ready to counter "revisionist states" such as Russia that are challenging international norms. In the preface to this strategic document **chairman of the Joint Chiefs of Staff, Army Gen. Martin Dempsey** named the revisionist Russia among the major challenges, along with the "extremist organizations such as the Islamic State of Iraq and the Levant."⁹

A week later, on 8 July, **the U.S. Air Force secretary Deborah James** openly told the reporters: "I do consider Russia to be the biggest threat," having added that the U.S. must boost its military presence throughout Europe even if its allies reduce defence budgets.¹⁰

Gen. Joseph Dunford during a Senate hearing on his nomination as a chairman of the U.S. Joint Chiefs of Staff, on 9 July, said: "**Russia presents the greatest threat to our national security,**" having noted that "it would be reasonable to provide weapons to the Ukraine."¹¹

There are such authoritative generals known for their tough stance on Russia as NATO Supreme Allied Commander Europe **Philip Breedlove** and the U.S. Army Europe's Commander **Ben Hodges**. These generals as well as the Pentagon chief **Ashton Carter**, have repeatedly spoken in favour of providing arms assistance to Ukraine. Vice President **Joseph Biden** openly supports providing Ukraine with lethal weapons, adding that his position has not yet gained an advantage.¹²

However, such clear position of the authoritative U.S. military and Vice President encounters incomprehension of President Barack Obama and Secretary of State John Kerry. **On 9 July the White House spokesman Josh Earnest said that the**

⁹ <http://www.defense.gov/news/newsarticle.aspx?id=129191>

¹⁰ <http://www.theguardian.com/world/2015/jul/09/russia-is-biggest-threat-to-american-national-security-says-us-air-force-chief>

¹¹ <http://www.stripes.com/news/dunford-russia-is-greatest-threat-to-us-security-1.357056>

¹² <http://ukrainian.voanews.com/content/article/2839838.html>

words of Gen. Joseph Dunford about Russian threat "reflected the general's own assessment", but were not necessarily a stance or the "consensus analysis of the president's national security team."¹³ The next day John Kerry distanced from the words of Gen. Dunford. The State Department spokesman Mark Toner said that the **Secretary of State John Kerry "doesn't agree with the assessment that Russia is an existential threat to the United States."**¹⁴

By publicly negating the U.S. senior military's strategic assessments Barack Obama and John Kerry send wrong messages to the Kremlin, which can take advantage of the Washington's lack of unity to build up aggressive actions. White House's fear to call things by their proper names as well as public questioning the correctness of Generals' assessments of threats to national security give Putin's regime a ground to believe in the U.S. unwillingness to resist Russian expansion.

Another proof of the absurd (especially under current conditions) pacifist policy of the White House is the decision to cut 40 thousands of the U.S. Army regular troops. Thus, by the end of 2018 from the current 490 thousands soldiers of the U.S. Army only 450 thousands will remain.¹⁵ That would be the lowest indicator for the last 70 years. And it is done in circumstances when politicians and experts warn about the oncoming threat of the World War III!

Let's recall that Barack Obama inherited from George Bush the country, which was criticized from outside, but it was the undisputed world leader. It firmly held under control the situation in Europe and the Middle East. Now Eastern Europe suffers from war, unleashed by Russia, and the Middle East sinks in chaos, caused by premature withdrawal of the U.S. troops from Iraq.

Lack of the White House strategic thinking is indicated by **the U.S. losing competition with Russia for the Arctic**, regarding the fact that the U.S. has only two icebreakers against Russian 27.¹⁶ The U.S. Coast Guard Commandant Paul Zukunft has not still succeeded with his attempts to draw attention to this problem, although experts predict the escalation of the great powers' confrontation in the Arctic over the sea routes and access to energy resources.

Against the backdrop of such Washington's policy the position of once ardent supporter for Ukraine's integration into the Euro-Atlantic security space **Zbigniew Brzezinski** does not seem surprising. **Now he promotes a "Finlandisation" scenario for Ukraine that means to allow bringing closer to the EU, but "Russia should be assured credibly that Ukraine will not become a member of NATO."**¹⁷ The absurdity of such scenario is proved by the fact that Russia started aggression against Ukraine – initially in the form of economic warfare and blackmail – exactly when Kyiv was moving through the "Finlandisation". That time Kyiv wanted more close relations the EU, but did not seek NATO membership. **At the beginning of Russian invasion a non-aligned status was provided in Ukraine's legislation. Hence, the assumption that "Finlandisation" scenario could solve the problem is a result of fundamentally wrong assessment of Putin's motives and goals.**

A more sober assessment was given by Senator **John McCain, who acknowledged that NATO refusal from closer integration with Ukraine in 2008 was "a mistake."**¹⁸ The Senator expressed hope that the mistake "can still be corrected." However, so far the U.S. is actively advocating the idea of Montenegro, not

¹³ <https://www.youtube.com/watch?v=x75pkWzak1U>

¹⁴ <http://www.reuters.com/article/2015/07/10/us-usa-defense-dunford-state-idUSKCN0PK27120150710>

¹⁵ <http://www.armytimes.com/story/military/pentagon/2015/07/09/army-outlines-40000-cuts/29923339>

¹⁶ <http://www.washingtontimes.com/news/2015/jul/8/us-cedes-arctic-russia-were-not-even-same-league-s>

¹⁷ <http://www.spiegel.de/international/world/interview-with-zbigniew-brzezinski-on-russia-and-ukraine-a-1041795.html>

¹⁸ <http://www.pravda.com.ua/news/2015/06/20/7071894>

Ukraine, NATO membership. It became clear from NATO Secretary General Jens Stoltenberg's speech made during a July visit of Montenegro government delegation to NATO Headquarters.¹⁹ Washington's eagerness to prevent strengthening of Russia's positions in the Balkans is justified. But one should also understand that **Russia's aggressive expansion can be ultimately stopped only if Ukraine and Georgia join NATO.**



¹⁹ http://www.nato.int/cps/en/natohq/news_121647.htm?selectedLocale=en

FOREIGN POLICY OF UKRAINE



KEY THEME ANALYSIS

RUSSIA RECKONS ON SHAPING THE ANTI-WESTERN COALITION

In July 2015 Russia began to lose support even in the OSCE, which previously had been considered loyal to Moscow. **On 7 July, in Helsinki the OSCE Parliamentary Assembly's General Committee on Democracy, Human Rights and Humanitarian Questions adopted the resolution on "Abducted and Illegally Detained Ukrainian Citizens in the Russian Federation,"** in which strongly condemned "the abduction of Ukrainian citizens from the territory of Ukraine, including Member of Parliament Nadiya Savchenko, filmmaker Oleg Sentsov and others, their illegal transfer across the Ukrainian – Russian state border and further detention in the Russian Federation."²⁰

On 8 July the OSCE Parliamentary Assembly adopted the resolution on "The Continuation of Clear, Gross and Uncorrected Violations of OSCE Commitments and International Norms by the Russian Federation." The resolution recalled Russia's violations of the UN Charter, the Helsinki Final Act of 1975, the Alma-Ata Declaration of 1991, the Budapest Memorandum of 1994, and the Treaty on Friendship, Cooperation and Partnership between Russia and Ukraine of 1997. The OSCE PA condemned "the Russian Federation's unilateral and unjustified assault on Ukraine's sovereignty and territorial integrity", and stated that **"the actions by the Russian Federation in the Autonomous Republic of Crimea and the city of Sevastopol, as well as in certain areas of the Donetsk and Luhansk regions of Ukraine, constitute acts of military aggression against Ukraine."** The OSCE PA called on Russia "to reverse its unlawful annexation" of Crimea and "to stop the supply and flow of heavy weaponry, ammunition, units of the Russian Armed Forces and mercenaries across the Russian border into eastern Ukraine." **In the resolution Russia was called "the Occupying Power in the Autonomous Republic of Crimea and the city of Sevastopol."**²¹

It is noteworthy that Russian delegation did not participate in the 24th Annual Session of the OSCE Parliamentary Assembly. Moscow cancelled the visit of its

²⁰ <https://www.oscepa.org/publications/all-documents/annual-sessions/2015-helsinki/supplementary-items/2895-06-abducted-and-illegally-detained-ukrainian-citizens-in-the-russian-federation-eng/file>

²¹ <https://www.oscepa.org/publications/all-documents/annual-sessions/2015-helsinki/supplementary-items/2939-15-the-continuation-of-clear-gross-and-uncorrected-violations-of-osce-commitments-and-international-norms-by-the-russian-federation-eng/file>

delegation to Helsinki under the pretext of ban to State Duma Chairman Sergey Naryshkin from entry to Finland. When appointing Sergey Naryshkin a head of delegation Moscow was well aware of his name being in sanction list, so the Kremlin deliberately disrupted the visit of Russian delegation to Helsinki to avoid listening to sharp criticism from the OSCE colleagues.

It seems that Russia has little interest to constructive relations with the West. Moscow's course towards formation of the anti-Western coalition was already obvious during the military parade in Moscow on 9 May 2015.²² This course was reaffirmed **on 8-10 July 2015, during the Ufa summits of the BRICS (Russia, China, India, Brazil and South Africa) and the SCO (Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan). The Kremlin makes no secret of its desire to posture the BRICS and the SCO as an alternative to the Western economic and military-political institution: "World's geopolitical landscape will no longer be the same. The balance of power may change in the near future due to the results of the Ufa BRICS and SCO summits."** – reported Russian "Zvezda" ("Star") TV channel.²³

At the summits it was decided to create the **BRICS Development Bank** with initial capital at \$100 billion (which is not really too much if compared to €220 billion provided by the EU just for small Greece). The BRICS Strategy of Economic Partnership till 2020 was adopted. **India and Pakistan became members to Shanghai organization; Belarus received an observer status; and Armenia, Azerbaijan, Cambodia and Nepal received the SCO dialogue partner statuses.** That's all the key achievements.

Special attention should be paid to the **BRICS Summit Ufa Declaration, in which the member countries agreed:**

- **"to further enhance the collective role of our countries in international affairs"** (challenge to the Western hegemony);
- **"to resolutely reject the continued attempts to misrepresent the results of World War II"** (Russian propaganda cliché about the alleged "fascists" in Ukraine and the Baltic States);
- **"condemn unilateral military interventions ..."** (cynical statement at the background of Russian unilateral military intervention against Ukraine) **"... and economic sanctions"** (traditional argument of Russian diplomacy when demanding to lift Western sanctions against it);
- **"express support for the steps of the Russian Federation aimed at promoting a political settlement in Syria"** (let us recall that it was Russia who blocked the UN Security Council decisions to stop bloodshed in Syria);
- **"reiterate deep concern about the situation in Ukraine" and "emphasize that there is no military solution to the conflict and that the only way to reconciliation is through inclusive political dialogue"** (an attempt to present the conflict as an internal one sharply contrasts with the OSCE PA clear recognition of the fact of Russian aggression against Ukraine; and the calls for an inclusive political dialogue is nothing more than Moscow's demand to Kyiv to start direct talks with the Russia-backed separatists).²⁴

It should also be noted that at the summit in Ufa, Russian Foreign Minister **Sergei Lavrov said that the Crimean issue was "closed," and Russia's partners from the BRICS and the SCO "did not dispute the referendum results, which became the basis for the return of Crimea to Russia."**²⁵

²² <http://fpri.kiev.ua/?p=19810&lang=en>

²³ http://tvzvezda.ru/news/vstrane_i_mire/content/201507102040-h0x6.htm

²⁴ http://www.brics.mid.ru/bdomp/brics.nsf/Ufa_Declaration_eng.pdf

²⁵ <http://news.rambler.ru/politics/30724238>

Actually, none of the summit participants refuted Lavrov's statement.

The BRICS and the SCO summits brought together leaders of the countries that support Russia's anti-Western rhetoric and are ready to sign the declaration containing a set of Russian propaganda cliches. **Actually it is about the ongoing shaping of the anti-Western Axis, and the West should not underestimate the potential threat.** Recession in Russia and possible drop in economic growth in China (against its stock market crisis) may result in further escalation of the anti-Western rhetoric by the authoritarian governments in Moscow and Beijing aiming at shifting own responsibility for the economic failures to Western "enemies" and thus defend themselves from people's revolts.

More than ever the democratic countries need a consolidated international policy in order to prevent the creation of aggressive revanchist axis, the political orientation of which is determined by Moscow. A clear assessment should be given to the actions of those countries, which support the Russian aggression against Ukraine. And modality of reaction should be elaborated towards the third parties, which undermine the economic sanctions against the aggressor countries, such as Russia.

