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The new European security architecture



The Yalta system of international relations emerged as a result of the signing of agreements by the heads of the member states of the anti-Hitler coalition at the conferences in Yalta and Potsdam in 1945. In 1975, amid the nuclear confrontation between the Soviet Union and the United States, it was significantly mended and strengthened on the basis of the signing of the Final Act in Helsinki. In contrast to its predecessors, the effect of the Yalta-Helsinki agreements was not suspended by a new war. These documents ceased to be the framework of the global bipolar security architecture gradually, as the world has undergone a radical change since the fall of the Berlin Wall on November 9, 1989.

In the late 1980s and the early 1990s, one of the two opposing blocs collapsed, and eventually, the leader of the Comecon and the Warsaw Pact ceased to exist. During the course of two and a half years, the international community recognized: first, the separation of Estonia, Latvia and Lithuania from

the Soviet Union, then the dissolution of Czechoslovakia, the collapse of the Soviet Union and the breakup of Yugoslavia into separate states. These events caused a tremendous impact on the fundamentals of European security, including the Helsinki principles of inviolability of national frontiers and respect for the territorial integrity of states, as well as non-interference in their internal affairs. In addition to the collapse of some political systems in Europe, there was a parallel integration process — for instance, the reunification of Germany in 1990 and increased integration trends in the EU. Thus, as regards the inviolability of national borders, the Yalta system ceased to be effective in 1990-1992. At that time, the inter-bloc confrontation also fell into oblivion.

The final chord, which signaled the final degradation of the Yalta-Helsinki agreements, was the unilateral declaration of independence of Kosovo on February 17, 2008, and its recognition by the Western states, as well as the Russia-Georgia war in

August 2008, which took place shortly after. According to its results, the Russian Federation established diplomatic relations with Abkhazia and South Ossetia and later concluded military and customs unions with them. In both cases, the legitimacy of territorial secessions of sovereign states was fortified by the right of nations to self-determination, enshrined in Article 1 of the UN Charter (1945). Russia's annexation of the Ukrainian Crimea in March-April 2014 was carried out according to this same scenario. The right of nations to self-determination, enshrined in the UN Charter, contradicts the principle of the inviolability of borders in Europe, which was established by the Helsinki Final Act of 1975. Playing on this internal contradiction, Russia is conducting today an adventurous foreign policy by creating zones of "frozen conflicts" along the perimeter of its borders.

Due to the gradual degradation of the Yalta system, the responsibility for global security at the beginning of the 21st century de facto moved to the US (hard power), EU (soft power) and China (aspiring soft power). In search of new guarantees and collective security systems, some of the former Eastern bloc countries joined the EU and NATO, and the rest tried to develop in a "special way", as Belarus and the then multi-vectored Ukraine. The security of both have not experienced the challenges, while the Kremlin considered the events of 1991 as the Russian national liberation revolution, which resulted in the collapse of communism and the creation of a new Russian state. However, in the mid-2000s, the situation changed, and the collapse of the Soviet Union began to be seen as a sign of its defeat in the Cold War and the "greatest geopolitical catastrophe of the twentieth century".

At the same time, before such a shift in Russian foreign policy, there was a short "honeymoon" between the Kremlin and the West, when, after the September 11 attacks, Russia was seen as a real ally, not a potential enemy by the US and EU. The first serious dialogue within the NATO as regards the possible integration of Russia was initiated at the end of 2011 – one and a half years after the first statement by Vladimir Putin on the country's possible accession to NATO. In 2002, this discussion led to the formation of the NATO-Russia Council. At that time, this Council seemed to be an intermediate step towards future membership. On the one hand, it reflected an ambivalent attitude of Western elites to Russia, and

from the other hand, left NATO's door open to Russia. In 2005, the Russian President stated that "he would be happy" if Russia was invited to join the EU, however, he was not going to ask for it because he was been brought up in the spirit of "do not ask and do not regret for anything". The Moscow's desire to join NATO and the EU "under special rights" was not supported in Western capitals, which were afraid of granting Russia the right to veto decisions within their alliances.

Russia's obvious desire to revise the existing world order has emerged under the influence of the following factors: (a) exclusively favorable conditions in the global oil and gas markets, which caused an export oil and gas boom in Russia in 2000-2014 (it roused Kremlin's foreign policy ambitions); (b) a feeling of deep resentment, which gripped the population and the elite of Russia after its failure to join the EU and NATO "under special conditions" and evading the procedures and rules of these unions; (c) the enlargement of the EU and NATO in Eastern Europe in 1995-2009, as the encroachment on the RF's borders by these institutions was seen by Moscow as a direct military threat. Russia's hostility towards the West and its disagreement with the established world balance of powers has been demonstrated at the Munich Security Conference in 2007. It was a turning point for the European system of international relations. The famous Putin's "Munich speech" was a prologue to two further wars — the Russian-Georgian of 2008 and the Russian-Ukrainian of 2014-2015.

It appears that the Kremlin is intending to move modern Russia back into a 1970's Cold War environment in order to establish a new agreement between itself and the rest of the world, as one of the core themes of its international agenda, in a manner similar to the Helsinki Accords. According to this scheme, a group of neighboring countries around Russia will remain in the sphere of the Kremlin's undeniable political and military control and the idea of global security will return to a doctrine of nuclear deterrence and areas of vital interest. The disruption of US-Russian nuclear disarmament talks in the summer of 2014 only confirms this trend. In his new book "World Order", which was published last year, Henry Kissinger also wrote about the scenario of the forthcoming division of Europe and the whole world into separate spheres of influence as a distinct possibility and the outcome of the present

absence of a new global security strategic vision in the US and the EU ruling circles.

In 2013, Russia initiated the “Helsinki +40” informal consultation process within the framework of the OSCE Parliamentary Assembly. It seems that in this way, Moscow applied for the restoration of the comfortable Yalta system, which fixed Russia’s position as a superpower and reserved Russian sphere of interests from the Baltic Sea through Central Asia to the Bering Strait. The “Helsinki +40” will be submitted at the 24th annual session of the OSCE Parliamentary Assembly in July 2015. To cooperate on the development of the final report, experts from the Russian International Affairs Council, the Stockholm International Peace Research Institute (SIPRI) and the German Marshall Fund of the United States (GMF) were involved.

The described transformations were fully revealed at the Munich Security Conference, which took place on February 6-8, 2015. On the one hand, this proved that Western leaders have already started to realize that the Ukraine-Russia crisis has a global dimension and its solution requires a restructuring of the European collective security system.

In particular, German Chancellor Angela Merkel said: *“We want to build security in Europe together with Russia and not against it. This means the European and transatlantic security as well; this also applies to address the common challenges that arise internationally, from proliferation of the weapons of mass destruction to fighting against international terrorism.”*

German Foreign Minister Frank Walter Steinmeier was even more straightforward and stated: *“We must think about the future, about what it will be in conditions where the atmosphere of trust [in relations with Russia] is gone. I recall that the idea of building the European security architecture together with Russia has been proposed particularly by Moscow. And now I call on Russia to assure us that it is ready to contribute to the construction of such security architecture”.*

Ironically, Russia itself shares a similar desire, but obviously with a completely different meaning.

During September-December 2014, Russian Foreign Minister Sergey Lavrov and representatives of the Russian Foreign Ministry reiterated that Russia is ready to reform *“real indivisible security and equal cooperation”* with European countries against the backdrop of the current crisis. They also stressed Moscow’s desire to restore confidence within the framework of the aforementioned and already initiated “Helsinki + 40” negotiations.

Thus, it took the Europeans eight years to understand the dangers of the “Munich speech” 2007 delivered by Putin who feels insulted by the West. The main messages of the Russian leader’s “Munich speech” are: (a) criticism of the unipolar world economic and political system led by the United States; (b) criticism of NATO’s eastward expansion; (c) advocacy for the RF right to pursue independent foreign policy based on its national interests.

On the other hand, it is apparent that reaching an agreement between the West and Russia would be extremely difficult, especially in light of the framework of the “Helsinki + 40”. The same is evidenced by the speech of Sergey Lavrov at the latest Munich Security Conference, in which he entirely recreated Putin’s 2007 rhetoric and claims to the West. Although Lavrov’s speech caused periodic bursts of laughter from the audience in the conference hall, it indicated an extremely dangerous phenomenon: today Western capitals and Moscow speak totally different languages and have dramatically different — sometimes incompatible — visions of the world.

Nonetheless, there is no choice but to negotiate on a new European security architecture. The alternative to arrangements is the war that is already taking place on Ukrainian territory complete with huge material and human losses. Strategic uncertainty and resentment in the relationship between the West and Russia must come to an end — either parties agree, or the confrontation lasts for years and Moscow is defeated only in the medium or long term perspective. The problem is that in the latter case, the price of this global confrontation will be paid first and foremost by Ukraine.

Possibilities of involving international peacekeepers to settle the Russian-Ukrainian conflict



Due to the military escalation in Ukraine's east and certain limitations for exerting political and diplomatic pressure by international community on Russian aggressors, some experts have expressed an idea concerning potential deployment of the UN or OSCE peacekeeping troops to settle the conflict. In particular, such a statement was recently delivered by Aleksey Pushkov, Head of the Foreign Affairs Committee at the Russian State Duma. The idea has also been positively perceived by representatives of "Opposition Bloc" at the Ukrainian Verkhovna Rada.

Taking into account the past experience of peacekeepers involvement in conflict zones, expediency of using international forces to establish and keep peace in Ukraine appears precarious due to a number of reasons.

1. For the first time Ukraine may become a destination, but not a participant of peacekeeping troops as was the case before. Since 1992, over 37,000 Ukrainian military men participated in peacekeeping operations throughout the world, and this fig-

ure does not include policemen. At the moment Ukrainians still participate in three peacekeeping operations to meet Ukraine's international obligations. Nevertheless, since last year many experts appealed for returning these specialists home and using them to counter the Russian aggression.

2. According to the UN Charter, peacekeeping forces are deployed to prevent or eliminate threat to peace and security through joint enforcement actions (military demonstration, blockade, etc.) when political and economic measures appear or have proven to be insufficient. As of now, however, the list of diplomatic (meetings of foreign ministers, summits of negotiating countries' leaders) and economic (sanctions against the aggressor state) steps to solve the Russian-Ukrainian conflict has not yet been exhausted.

3. There is no track record of international peacekeepers being involved on the Ukrainian territory. The status of such troops is unclear from the legal viewpoint. In case their expediency is justified, it will require creating a legislative framework and

defining their aims and nature of their activities (nowadays, there are different types of operations: peacemaking, peacebuilding, peace enforcement). Sending international troops to Ukraine may create a risky precedent, when some actors might be interested in using them not only in Donbas but in other regions of the country as well. With this end in view, artificial escalation of the situation may be even instigated, for instance, in southern regions of the country. Negative attitude of society towards such decisions may also be expected as there have been no international troops in Ukraine for over 70 years, except for the Russian Black Sea Fleet in the Crimea (but until recently Russia had been perceived as a friendly country) and a number of international military exercises.

4. The decisions as to establishment, composition, use and financing of the UN peacekeepers are to be taken by the UN Security Council, whereas strategic management is effected by the Military Staff Committee. Obviously, as a permanent member of the UN Security Council, Russia will insist on participation of its troops in the mission. Moreover, through Denis Pushylin, DPR representative, Moscow suggested that only representatives of Russia and Belarus be included in the future peacekeeping mission. It is clearly unacceptable for Ukraine and the West which have irrefutable evidence of Russian regular troops participating in hostilities together with Donbas separatists. Deployment of new Russian troops as a part of international mission to Ukraine may only increase pressure on the country and accelerate its military defeat, taking into consideration that Russian soldiers outnumber Ukrainian ones, they are better trained, have extensive military experience and modern weapons which are now, by the way, being tested in Donbas.

5. One should also recall 2008 events in Georgia when presence of Russian peacekeepers provoked Georgians to choose military solution of the conflict

in South Ossetia, which resulted in Georgia suffering military defeat and losing part of its territory. Rwanda is another example of a failed attempt to use peacekeepers in interethnic conflict, as even presence of international troops could not prevent deaths of over 1 million people on both sides. Similar cases took place in other regions of the world, though positive effect of peacekeepers on some international and internal conflicts should not be neglected.

Under the current military and political circumstances, involvement of international peacekeepers in Ukraine could lead to negative rather than positive results. Therefore, the best option is to settle the Russian-Ukrainian conflict through political and diplomatic means. If the situation aggravates and the need for international mission arises in Ukraine, the most desirable option is to involve the EU peacekeepers. Their operations may take place under "Seville Arrangements for Consultation and Co-operation between the EU and Ukraine in EU-led Crisis Management Operations and Exercises" signed in 2002. Obtaining the UN or OSCE mandate for using the EU troops is not necessary. European military forces may hold back conflicting parties on Ukraine's territory (along the delimitation line between the Ukrainian troops and separatists), whereas the OSCE peacekeepers may be deployed along the Ukrainian-Russian border. Other feasible options will be considered in case a mutual decision to use the EU peacekeepers is taken.

However, taking into account the lack of political will on the part of the EU with regard to sending their own peacekeeping mission in Donbas, the use OSCE peacekeeping forces both on the Ukrainian-Russian border and in potential buffer zone along the separation line looks like the most probable option. The latter is still debated, as the document signed in Minsk on February 12, 2015 contains no provisions on involvement of peacekeepers in the buffer zone or adjacent areas.

«Homework» for Ukraine's economy: financial aid from the international community



A difficult economic situation in Ukraine, aggravated by the annexation of Crimea and the armed conflict in Ukraine's east, is prompting decisive actions from the Ukrainian authorities together with the international community in order to improve the situation. According to the World Bank, last year, Ukraine's GDP fell by 8.2%, whereas the economic recession outlook for 2015 has worsened from -1% to -2.3%. Annual inflation rates may reach up to 25%. At the beginning of February, there was a sharp decline in the national currency, while 2015 annual repayment obligations (sovereign and quasi-sovereign debts) are expected to reach around USD 11 billion, with a significant portion of payments due in April.

Under the current circumstances, the biggest source of financial aid to Ukraine can be expected from the IMF. An IMF mission has been working in Ukraine since January 8, 2015. During the course of negotiations, it was agreed to replace the IMF

Stand-By Arrangement with an Extended Fund Facility Arrangement, EFF, as well as increase the amount of funding. However, the IMF laid down rather strict conditions for its extended cooperation with Ukraine. In addition to a radical simplification of the tax system, the IMF and Western countries demand a flexible FX system, inflation targeting and a significant reduction in the budget deficit. Another important demand by the IMF is a political and military stabilization in eastern Ukraine (last year, according to the optimistic scenario, the hostilities were expected to end by autumn, which did not happen). The IMF also demands that the retirement age for men be raised from 60 to 65 beginning in 2016, gas prices for households and housing and communal services be increased as well as the budget sphere and the number of civil servants be reduced by 3% and 20%, respectively.

Despite certain progress on the part of the Ukrainian government, the IMF's positive de-

cision will be contingent not upon agreed economic indicators but rather on the political will of Western partners who are willing to help the embattled Ukraine. The Extended Funding Facility will become a signal for Western partners to enable them to make realistic decisions regarding further investment in the Ukrainian economy. In case a compromise is reached, during the next four years, Ukraine may expect to receive the IMF funding worth USD 40 billion, broken down into almost equal single payments. The funding will be used to replenish foreign currency reserves and cover the budget deficit. The time frame for servicing the debt will be 10 years.

In addition to the funding provided by international financial organizations, Ukraine is planning to hold a donors' conference in April (or, as it is called now, "the conference on reforms and restoration"). In addition to short-term loans, this will also allow for the reception of an additional long-term loan worth USD 15 billion from private American, European and Japanese investors within the follow-

ing months. In return for aid, the West will demand a widening of the tax base, the introduction of a transparent sale of state-owned assets and the closure of offshore schemes.

For Ukraine, the foremost task remains to maintain trust-based relationships with creditors, as until present, the main problems with new tranches have arisen in connection with the non-fulfilment or improper fulfilment by Ukraine of its international financial obligations. At the same time, Ukrainian top officials have repeatedly pointed out that the current armed conflict cannot be used as a justification for the absence or suspension of actual reforms in the country. The determined fight against corruption, the lifting of artificial administrative restrictions imposed on entrepreneurs, deregulation, decentralization in the formation of the state budget, energy conservation, de-oligarchization in Ukraine's economy and the ensuring of the rule of law are just some of the reforms that need to be implemented urgently to make Western partners' financial assistance effective.

The aim of the publication is to provide analysis of Ukraine's foreign policy in the context of global processes in the region and the world, as well as an overview of major world events that may have an impact on the further development of Ukraine and the region. Special attention is paid to the European integration of Ukraine, in particular implementation of Ukraine–EU Association Agreement.

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