

KÖRBER POLICY GAME

Berlin, May 3–4, 2013

CRISIS MANAGEMENT IN EASTERN EUROPE

KÖRBER FOUNDATION
INTERNATIONAL AFFAIRS

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Summary of the Results

- The geopolitical competition for zones of influence in eastern Europe was less pronounced than has generally been assumed. Neither Germany, Poland, Russia, nor the US were prepared to risk a great deal in order to secure the loyalty and support of Ukraine. The Russian team was in favor of Ukraine's accession to the Eurasian Customs Union, but it did not think that this necessarily had to be in competition with the EU. The goal was in fact a pan-European confederation that included both the Eurasian Customs Union and the EU.
- The participants were of the opinion that Germany, Poland and the US did not possess Russia's ability to exert influence on Viktor Yanukovich. In contrast to accession to the Eurasian Customs Union, signing the Association Agreement presupposes compliance with EU standards. Apart from this, Russia's ability to juggle with the price of natural gas means that it can wield a great deal of influence against the backdrop of the difficult economic situation in Ukraine.
- None of the teams believed that the division of Ukraine was in its national interest. However, in the case of an impending secession of western Ukraine the US and Poland were more willing than Russia and Germany to consider the interests of the separatists and to integrate them into political deliberations. If there were to be a crisis in Ukraine caused by accession to the Eurasian Union, a moratorium on all the ongoing integration processes might defuse the situation.

Introduction

Ever since the 2009 presidential elections Ukraine has veered between establishing close links with the European Union (EU) and moving towards a rapprochement with Russia, though without coming down in favor of either of the two options. On the one hand there is the Association Agreement with the EU, and on the other the Eurasian Customs Union, which in 2015 is going to be upgraded and turned into the Eurasian Economic Union (EAEU). It continues to be a moot point whether or not membership of the Eurasian Customs Union makes it impossible to sign the Associa-

tion Agreement. The agreement is supposed to be signed at the EU summit on the Eastern Partnership in Vilnius in November 2013, but at the moment it is not clear whether this will happen.

The Körber Policy Game "Crisis Management in Eastern Europe" was held against this backdrop in Berlin from May 3 to 4, 2013.

The discussion was based on a hypothetical three-stage scenario. In this the Ukrainian government, which is faced with a faltering economy, feels compelled to join the EAEU. The decision leads to mass protests and to a decla-

ration of independence by the ten oblasts to the west of Kyiv, which now call themselves “West Ukraine.”

The participants in the Körber Policy Game were four national teams (Germany, Poland, Russia and the US), each of which included between four and six high-ranking politicians, government representatives and experts from the respective countries. In internal team sessions they discussed the interests of their countries and devised tactical and strategic recommendations to take action that were subsequently discussed with the other participants in the Körber Policy Game.

Results

The German team insisted on compliance with the prescribed standards in the run-up to the Vilnius summit. This had to happen before the EU could sign the Association Agreement. The aim was not to bind Ukraine to the EU come what may. The US lent its support to this

“THE EU WILL SIGN THE ASSOCIATION AGREEMENT ONLY IF UKRAINE IS IN COMPLIANCE WITH EU STANDARDS.”

attitude, though Poland called for a more pragmatic approach. In order to stop the country from joining the EAU, Germany, like Poland, was prepared to grant

Ukraine loans at short notice. However, there were certain conditions attached, e.g. an assurance that there would be free presidential elections at the beginning of 2015. Here the German team was in a dilemma, since loans granted at short notice could strengthen Yanukovich’s support in the electorate, and might thus make a contribution to his re-election.

In the light of the escalation described in the scenario, which culminates in the declaration of independence by West Ukraine (and many of the participants considered this to be realistic), someone suggested that the EU ought to draw certain conclusions from this and should attempt to sign the Association Agreement at the Vilnius summit in order to exclude the possibility of such a sequence of events.

Germany, Poland and the US, in contrast to the Russian team, believed that there was not much they could do to exert their influence on Viktor Yanukovich. They did not believe that the prospect of signing the Association Agreement with the EU would persuade Ukraine to implement sweeping reforms. On the other hand, there were no strings attached to Russia’s invitation to join the Eurasian Customs Union, and indeed it met Yanukovich halfway, even if he was not actually interested in promoting integration with Russia.

The Russian team did not consider the EU summit in Vilnius to be especially significant. However, it thought that the presidential elections in 2015 were going to be very important. Viktor Yanukovich’s chances of being re-elected depended to a large extent on the economic situation in Ukraine. Since the signing of the Association Agreement interfered with the negotiations with Russia on the price of natural gas, Yanukovich would try to defer it to the time after the elections. The parlous economic situation was driving Ukraine into the arms of the Eurasian Customs Union. As a result of its own crisis the EU did not have a lot to offer.

“THE PRESIDENTIAL ELECTION IN 2015 IS OF DECISIVE IMPORTANCE, NOT THE VILNIUS SUMMIT.”

The Russian team was in favor of Ukraine's accession to the Eurasian Customs Union, but in contrast to the other countries it did not believe that this would lead inexorably to competition with the EU. The goal ought to be a pan-European confederation consisting of the Eurasian Customs Union and EU, since this would create a common economic area on the lines of a "Greater Europe" from which everyone would benefit.

"WE NEED A PAN-EUROPEAN ECONOMIC AREA."

It was a regrettable fact that there was no serious debate about such a confederation in Europe.

Russia and Poland believed that the signing of the Association Agreement was a milestone on Ukraine's path to full EU membership. The Polish team called on the EU to initiate accession negotiations with Moldova in order to raise the incentives for Ukraine to implement reforms and to comply with EU standards.

None of the participants believed that a division of Ukraine was in its national interest. A split would have unpredictable consequences for the region and would create a precedent for other countries. "West Ukraine" could not

"A DIVISION OF UKRAINE IS IN THE INTERESTS OF NEITHER RUSSIA, NOR GERMANY, NOR POLAND, NOR THE US."

survive on its own as a state. At the end of the day it was more important as far as Russia and Poland were concerned to preserve the territorial integrity

and the stability of Ukraine than to clinch or to prevent its membership of the EAU. The US team was also against a division of Ukraine, though it would have been prepared to accept it after a referendum. On the other hand, it would not be acceptable – and the Polish team

was also of this opinion – if Ukraine joined the EAU simply on the basis of a government or parliamentary decision which had not been confirmed in a referendum.

The US and Poland teams displayed a much greater willingness than Germany and Russia to examine the interests and motives of a separatist movement in West Ukraine. Russia was totally opposed to a dialogue with the separatists in West Ukraine, and supported the position adopted by Viktor Yanukovich.

The Russian team suggested that in the event of a declaration of independence by West Ukraine Russia and the EU should impose a moratorium on all integration activities of any kind ("zero-option policy"), since this would defuse the crisis.

In such a situation Ukraine was quite obviously not in a position to embark on integration. This proposal received broad support. As a

"IF UKRAINE SPLITS UP, A MORATORIUM SHOULD BE IMPOSED ON ALL ONGOING INTEGRATION PROCESSES."

reaction to the crisis the US suggested that it should coordinate its crisis planning with the EU and that they should issue a joint declaration. Russia insisted that it should be included from the very beginning.

All in all the geopolitical competition between east and west for influence in Ukraine was less than has generally been assumed. None of the participants was prepared to risk a great deal in order to secure the loyalty and support of Ukraine. They all rejected the idea of military intervention. The Russian team also ruled out the possibility of a demonstration of military power by the Black Sea Fleet stationed in Crimea. However, if the situation in Crimea

escalated, it would be difficult to exercise restraint in military terms.

Neither the German team nor the Polish team assigned a central significance to the EU when it came to the question of crisis management. They did not envisage a role for the High Representative for the Common Foreign and Security Policy (CFSP). Poland merely called for the deployment of Frontex in order to prevent a large inflow of refugees from Ukraine. Germany and the US suggested that the OSCE would be a good mediator. Russia insisted that

the mediation process should be assigned to an external neutral country, and not to Russia, the US or an EU member state. None of the teams believed that NATO could be a central actor. Nevertheless it would have to think about the crisis, if only because Ukraine is contiguous with the territory of the alliance and a member of the “Partnership for Peace.” Only the US considered the possibility of a UN role. Germany rejected this idea by pointing out that the EU had a crisis management capability that could be deployed in its European neighborhood.

KÖRBER POLICY GAME

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