

# **After Vilnius**

# by Nicu Popescu

The run-up to the Eastern Partnership (EaP) Summit in Vilnius has been one of the most dramatic episodes in the recent diplomatic history of the EU. The events that followed have been even more extraordinary, with hundreds of thousands of Ukrainians taking to the streets in protest against the non-signature of the Association Agreement with the EU.

The three key EaP countries – Ukraine, Moldova and Georgia – are all suffering to differing degrees from a form of pre-electoral fever. It is in this climate that the EU is faced with the challenge of how to proceed with Ukraine whilst keeping Moldova and Georgia on the EaP track.

## Ukraine: choosing not to choose

The halting of the Association process just a week before the Vilnius Summit has largely been presented as something of a geopolitical catastrophe, with Ukraine having chosen Russia over the EU. This is, however, not the case. In fact, Kiev chose not to choose at all and tried hard to maintain the status quo in Ukraine's foreign and domestic policies. Yet in his bid to buy time, President Viktor Yanukovich inadvertently precipitated the biggest crisis of his presidency to date.

With the protests in Kiev still ongoing, it is hard to make predictions at this point in time. However, some early conclusions can nevertheless be drawn. For one, Yanukovich has emerged weakened from the pre-Vilnius saga, somehow managing to galvanise the (hitherto largely dormant) opposition into action. Earlier this summer, the opposition was demoralised, and the population was still reeling from its disappointment with the leaders of the Orange Revolution. However, the opposition is now more united and has developed a newfound sense of purpose. In addition, pro-EU protests make it much less likely that Russia would be able to persuade or force Yanukovich to join the Russian-led Customs Union.

Less visible, but equally important, are the growing fissures within Yanukovich's own camp. Some of his MPs have defected and prominent figures such as Petro Poroshenko, an oligarch-cum-businessman who was a minister one year ago, have taken to the streets alongside the protestors. And all three of Ukraine's former presidents – Kravchuk, Kuchma and Yushchenko – released an unprecedented joint statement in support of the Association Agreement with the EU.

Many Ukrainian oligarchs have long resented the aggressive manner in which Yanukovich consolidated power, rewarding close family and friends with government positions and redistributing rents and financial resources, often at the expense of those oligarchs who had long supported him. Instead of acting as a broker between various elite groups — in a manner similar to Vladimir Putin — he quickly became an aggressive player in his own right in the battle to divide the spoils of the already shrinking

Ukrainian economy. Yanukovich's son (Oleksandr) entered the Forbes rich list Ukraine in 2011 with assets worth of \$100 million and is estimated to have amassed some \$510 million to date. The value of his bank increased twelve-fold in 2012 and a number of his friends now hold key posts in government.

Yet the risk now exists that the beleaguered government will cause the situation to deteriorate further, and, like a wounded animal fighting for survival, take drastic steps such as clamping down on protestors or requesting even more Russian support, thereby further limiting Ukraine's (foreign) policy options.

The crisis in Kiev is presenting the EU, too, with a number of difficult policy choices. How should the EU (re)act in a long electoral campaign where action may be taken against the opposition and the rule-book governing free and fair elections is tossed aside? Should the EU undermine Yanukovich through overt criticism, adopting a tough stance that risks pushing him closer to Moscow? Or should it exercise restraint in the hope that, if re-elected for what would be his last term, Yanukovich would be more positively disposed towards signing the Association Agreement and less fearful of Russia and his political rivals? With no easy answer in sight, these questions are likely to remain on the EU's agenda for the next year and a half.

### Moldova and Georgia: will they make it?

In the cases of Armenia and Ukraine, Russia set out to persuade the respective governments not to sign an EU Association Agreement and, if possible, convince them to join its Customs Union.

In its relations with Moldova, however, Moscow's strategy is not to attempt to change the mind of the government but to assist domestic actors in changing the government altogether. This will undoubtedly become more intense over the next year and may include efforts by the communist opposition in Chisinau to cause disruption in the form of protests (with support from the Russian media) and further diplomatic and economic pressure on the government.

The current coalition government in Moldova has a thin majority in parliament and has proven highly prone to internal bickering. The most probable scenario is that the government holds itself together until the next autumn, signs and ratifies the Association Agreement, and then goes into (re)election mode. Accordingly, whatever the result of the election, the subsequent government would already be locked into a legally binding deal with the EU.

The worst-case scenario is one where the coalition collapses – although this is unlikely, if not entirely unthinkable.

In Georgia the pitfalls are mainly of a domestic nature. The country only recently emerged from an electoral year characterised by the transfer of power from Mikheil Saakashvili to the 'Georgian Dream' coalition. Local elections will be held in May 2014, and they may well turn into a test of the quality of Georgia's commitment to pluralism as the competition between the United National Movement and the Georgian Dream may well become quite nasty – potentially having a negative effect on EU-Georgia relations in the process.

#### Negotiating the rapids

Keeping the EaP boat afloat will require considerable navigational skills. Despite internal tensions in Ukraine, Yanukovich will continue to look for options that increase his wiggle room *vis-à-vis* Russia. In the cases of Ukraine, Moldova and Georgia, the EU might consider acting as if the Association Agreements were already in force, by unilaterally and selectively introducing some of the most attractive trade incentives from the agreement even before its signature.

It would indeed be ironic if Moldova or Georgia, which initialled the Association Agreements in Vilnius, were eventually prevented from signing and ratifying the documents as a result of the long time it takes for the EU to prepare and translate a finalised agreement. With this in mind, accelerating the preparations for signing is important – as will be delivering on the promise of visa-free travel for those countries that fulfil the conditions.

Talking to Russia is unavoidable, but diplomatic interactions should not be guided by the naïve presumption that 'Russia does not understand what the Eastern Partnership is' and that a more detailed explanation will help. It will not help much. That said, it is in the EU's interest to break the current cycle of 'geo-politicking'. The Union would not accept a complete renegotiation of the Association Agreement with Kiev, nor a Russian veto over the EaP. But it could renew the drive to create a common economic space with Russia (even if that came to include Kazakhstan and Belarus) as a way to dispel the current negative dynamic and steer relations in a more positive direction. Only then will Brussels and Moscow be able to discuss the possibility of a more integrated continent, instead of bickering over Kiev.

Nicu Popescu is a Senior Analyst at the EUISS