



# First lessons from the Ukrainian crisis

by Nicu Popescu

A decade ago the EU launched the European Neighbourhood Policy (ENP) in an attempt to surround itself with a ‘ring of friends’. As the *Economist* put it recently, however, it now seems surrounded by a ‘ring of fire’.

As the EU begins to reassess and adjust its policies towards its neighbours, it is necessary to examine what went wrong, and equally important to avoid false diagnoses, in particular about what sparked the conflict in Ukraine.

## What the crisis was *not* about

It was long thought that Russia was hostile to NATO but *not* the EU. This has proven to be false: the current crisis in Ukraine is a result of Russian opposition to the European Union, not just the transatlantic military alliance. Moscow perceives any steps towards economic integration with the EU as a threat to its broader geopolitical goals, and is bent on proving that European integration will damage post-Soviet states, irrespective of whether they wish to join NATO or not. Moldova is a neutral state which never pursued NATO membership, yet it faced constant Russian pressure. Under President Yanukovich, Ukraine abandoned its NATO accession plans: yet it continued to be a target of Russian coercion efforts in the trade and energy spheres.

This crisis is also *not* about trade. The EU’s Association Agreements with Ukraine, Moldova

and Georgia are entirely compatible with the existing Commonwealth of Independent States (CIS) free trade area, which governs trade relations between Russia and other post-Soviet states. Article 18 §1 of the 2011 CIS charter explicitly states that ‘the current treaty does not preclude participating states from taking part in customs unions, free trade or cross-border trade arrangements that correspond to WTO rules’. Serbia has (and Israel will have) free trade areas with both the EU and Russia. What is legally and economically possible for Serbia is therefore also possible for Ukraine.

The EU Association Agreements do *not* impose an either-or choice on Ukraine or Moldova with regard to trade. The preference of both countries was to maintain good trade relations with the EU *and* Russia, and the Association Agreements were never an obstacle to achieving that aim. The Association Agreement with Ukraine is also unlikely to have a significant impact on Russian trade. In 2013, 67% of Russian exports to Ukraine and 75% of Russian exports to Moldova were energy resources – gas, oil, coal and nuclear materials. The sale of these products would not be affected in any way by the Association Agreements. The remaining, non-energy exports to Ukraine account for only 2% of Russia’s total exports – hardly an amount that can legitimately explain Moscow’s belligerent actions.

Nor was the crisis sparked by the fact that the EU did not talk to or effectively engage with Moscow. Everything the EU offered to its neighbours – from

free trade to visa-free regimes – was also offered to Russia, in some cases even before the others.

And the crisis is *not* just about Ukraine. There is no doubt that the country is in a dismal state and has been grossly mismanaged, but it is not the first country in recent European history to be confronted with such a situation. Albania in 1997 or Macedonia in 2001 also gazed into the abyss – but pulled back thanks to external support. Similarly, Ukraine's governance problems were not necessarily bound to trigger a civil war: external forces pushed it in that direction – as did the loss of territorial integrity.

The crisis in the eastern neighbourhood is therefore not just about Ukraine's implosion, or Russia's legitimate security or trade concerns, or the alleged flaws in the design of the Eastern Partnership (EaP). Instead, the crisis was sparked principally by Russia's drive to expand its Customs (then Eurasian) Union, and Ukraine's unwillingness to fully embrace the project.

### Adapting EU policy: security

The EU's approach towards crafting policies for both Ukraine and Russia will depend on how and when the current crisis ends, or starts to ebb away. However, some initial lessons can already be drawn.

The EaP lacked a security dimension from the outset. The closest it got to handling security matters in the neighbourhood took the form of cautious EU attempts to mediate conflict settlement in Moldova and Georgia, a border assistance mission in Ukraine and Moldova (since 2005), and the deployment of a monitoring mission in Georgia after 2008. When it came to promoting institutional restructuring, the EU again only modestly nudged states in the direction of border management reforms.

Some of the EU's policies were also based on assumptions which, in retrospect, have proved over-optimistic. Take border management reform: the EU encouraged its eastern neighbours to drop Soviet-style border defence and adopt EU-style border management instead. That meant shifting away from military border guards tasked with territorial defence, towards border police tasked with law enforcement duties.

During the current crisis, however, Ukraine has discovered that its eastern border actually needed Soviet-style border guards, not (just) border

police with the right to detain smugglers and armed with sniffer dogs trained in accordance with EU rules. While Ukrainians understand that EU-style border police may be appropriate on the country's western borders, they are also now aware that military elements of border defence on their eastern frontier may well be required for some time to come.

The single biggest lesson from the crisis in Ukraine is that EU policy *vis-à-vis* its neighbours (and not just to the east) needs a stronger security component. Before the EU can help transform them into 'well-governed countries', it has to make sure there are proper state structures to deal with in the first place. Alongside helping these states improve phytosanitary or energy standards, the Union needs to help them survive and consolidate. A state begins to function properly once effective law enforcement, intelligence and defence sectors are in place.

### Adapting EU policy: trade

The EU, Russia and Ukraine have launched a trilateral dialogue aimed at minimising the potentially negative effects of the Deep and Comprehensive Free Trade Area (DCFTA) for Moscow. Yet Russia is not the only player whose trade interests might be affected: the creation of the Eurasian Economic Union might have a negative impact on the EU, Moldova and Ukraine as well.

It may therefore be logical to turn the current trilateral discussion into a more multilateral dialogue through which the EU, the Eurasian Economic Union, and the states in between (notably Ukraine, Moldova and Georgia) can engage in efforts to first minimise, and then perhaps overcome the trade barriers being erected across the Eurasian landmass.

None of this amounts to a strategic review of the EaP – let alone the ENP. But these two elements related to security and trade are key to moving forward at a time where the EU faces anything but peace in its eastern neighbourhood.

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