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Lessons to Learn: The Effect of the Ukraine Crisis on European and Euro-Atlantic Security

If one item dominates the 2014 European security agenda, it is the Ukraine crisis. Though it has varied in intensity, there is still no end in sight to the process that started in late 2013. Policy analysts and scholars of international relations have all focused their attention on this situation. However, both face problems. Policy analysts are unable to draw long-term conclusions from current events as they are blinded by their daily, if not hourly, flow. Scholars of international relations superimpose, for the sake of consistency, theoretical frameworks that explain certain developments and processes, disregarding those that do not fit their paradigms. Then, in order to retain their explanatory power, they make concessions to other schools of thought that in turn reduce the consistency of their theories. In attempting to contribute to these exchanges and analyse what is of lasting relevance, I have to accept the constraints of my research. Yet while my analysis must rest on a certain world view, I seek to avoid being taken hostage by one school of thinking on international relations or another.

The task is difficult and closest to that of an investigative historian seeking not to analyse the past but to make projections of the future. What is the relationship between regional (European or Euro-Atlantic) developments and global ones? What bearing will the current crisis have on European security in a few years time? Will it reshape our thinking about various aspects of international security? Will we conclude that this was a turning point of history – the end of the post-Cold War era? Or will it appear as merely a little hiccup, after which we will return to “business as usual”? Will it result in a reshuffle of the roles of European and Euro-Atlantic institutions? Will it contribute to a rearrangement that unleashes unpredictable processes for the two countries directly affected, Russia and Ukraine? Last but not least, is what we may learn from the crisis fundamentally new?

The Roots of the Ukraine Crisis

When analysing the Ukraine crisis, it is necessary to start with some facts and a short history of Ukraine. Ukraine is a large country with an official area of more than 600 thousand square kilometres and a fast declining population of currently between 42.5 and 44.5 million people, depending upon whether the population of Crimea is counted. Ukraine was in the south-west of the Soviet Union and now lies between three other former Soviet republics (Belarus, Moldova, and Russia) and four members of the European Union and NATO

(Hungary, Poland, Romania, and Slovakia). Those seven states are Ukraine's land neighbours. Consequently, if we are ready to accept that the two groups of states are organized along different principles, Ukraine lies between two worlds. Ukraine, or, more accurately, a large part of current Ukraine, spent 337 years as part of the Russian empire and then the Soviet Union. In fact, the borders of the Ukrainian Soviet Socialist Republic (SSR) only became identical with those of independent Ukraine (as of 1 January 2014) in 1954, when Crimea became part of the Ukrainian SSR. Yet however much one might be tempted to conclude that there is a shared Ukrainian identity on the basis of this shared history, it is clear that people in different parts of the country think differently and are exposed to different media influences. Nor will the current high-intensity operation in the south-east of the country contribute to greater unity.¹ A division between Kyiv and Moscow is also gradually emerging within the Orthodox Church.

Ukraine's economic and political performance since independence has not been particularly convincing. When independence was declared in August 1991, and confirmed in the referendum of 1 December 1991 with more than 92 per cent of the vote, Kyiv had only rudimentary experience in managing state affairs. In this regard it was in a similar situation to most other former Soviet republics, except for the Russian Federation, which had inherited the Soviet state apparatus. Hence, in the early years, Ukraine could attribute many of its problems to insufficient experience. However, the management of the state has never been more than partially successful. Ukraine went through various ups and downs. Phases of high hopes were followed by disillusionment, only to be followed by high hopes once again. Rein Muellerson has summed up the challenges Ukraine has faced: "Ukraine was on the edge of becoming a failed state even before it finally exploded [...]"²

However, a few things have remained constant. (1) Ukraine's population has been in constant decline. Since independence, it has fallen from 52 million to 44.5 million (42.5 million excluding Crimea). There is no change in sight to this trend. The humanitarian crisis in south-east Ukraine is likely to contribute to further population decline due to the resettlement of many to the Russian Federation even if Donetsk and Luhansk oblasts do not secede. (2) Ukraine's total GDP is 337.4 billion US dollars while Russia's is 2,553 billion, making them the 42nd and 7th largest economies in the world, respectively, as of 2013.³ (3) Ukraine does not generate high per capita GDP.

1 The contrary view can only be supported if one already assumes the separation of the Donbas from Ukraine. See: Gerhard Simon, *Die Ukraine. Ein gespaltenes Land? [Ukraine: A Divided Country?]* In: *Blinde Flecken im Diskurs über den Ukraine-Konflikt [Blind Spots in the Discourse on the Ukraine Crisis]*, in: *S+F, Vierteljahresschrift für Sicherheit und Frieden* 3/2014.

2 Rein Muellerson, *Two Worlds – Two Kinds of International Law? Geopolitics Dressed in the Language of Law and Morals*, in: *Russia in Global Affairs* 2/2014, at: <http://eng.globalaffairs.ru/print/number/Two-Worlds--Two-Kinds-of-International-Law-16704>.

3 Cf. Central Intelligence Agency, *The World Factbook*, at: <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2001rank.html>.

In 2013, GDP was 7,400 US dollars per head (while in neighbouring Russia it was 18,100).⁴ (4) Ukraine is a corrupt state. In 2013, it ranked joint 144th (of 175) on Transparency International's corruption perception index (while Russia, which is also highly corrupt, was ranked joint 127th).⁵ (5) The political establishment is closely linked with oligarchic structures, whose interests also massively shape political decisions. Whether there is a general tendency towards deterioration as has been suggested ("all-pervading corruption [...] has constantly increased from President to President, from administration to administration")⁶ or this is an exaggeration is open to question. What we can conclude for certain is that the situation has definitely not got better, and Ukraine's governments have betrayed the hopes of its people twice in the first decade of the 21st century: once just after the Orange revolution and then again during the final years of the presidency of Viktor Yanukovich.

Ukraine's foreign relations reflect the poor performance of Ukraine as a state. It is frequently heard in Kyiv that the country mattered to the world as long as it had not given up its nuclear weapons, which it did in December 1994.⁷ This is a gross exaggeration. It would be better to conclude that during the initial years of independence, Ukraine mattered *in part* because of its nuclear weapons, whereas thereafter it has mattered less, because its performance as a state has been wanting. Ukraine has been a weak and failing state during most of its sovereign existence. This does not mean that one should condone its disintegration or show understanding towards its greedy large neighbour, which has sought to control Kyiv's political destiny without taking responsibility for its problems. It does mean, however, that it is impossible to understand the processes of 2014 without a realistic and critical view of Ukraine's recent history. The picture is far from reassuring – neither when one looks back, nor for the foreseeable future. Ukraine is a burden on the international community because it is unable to manage its own affairs. Although this may be most clearly visible in terms of disagreements in the Ukrainian political establishment, the foundations are directly linked to the fact that, in Ukraine, political power has meant economic influence and personal enrichment (whether legal or not) – a trap from which there is no obvious escape. It is clear that the new Ukrainian government elected on 26 October 2014 remains dedicated to this matter, and it has made it part of its le-

4 Cf. Central Intelligence Agency, *The World Factbook*, at: <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2004rank.html>. Both are based on data from 2013.

5 Cf. Transparency International, *Corruption Perception Index 2013*, at: <http://www.transparency.org/cpi2013/results>. In 2014, the difference in ranking between the two states was less, with Russia at joint 136th and Ukraine at joint 144th. Cf. Transparency International, *Corruption Perception Index 2014*, at: <http://www.transparency.org/cpi2014/results>.

6 Muellerson, cited above (Note 2).

7 See e.g. Michael Crowley, Don't Worry, Ukraine Won't Go Nuclear, in: *Time Magazine*, 12 March 2014, at: <http://time.com/21934/ukraine-crimea-russia-nuclear-weapons>. The article cites Ukrainian politicians who express their regret over Ukraine's 1994 decision to give up its status as a nuclear weapon state.

gislative programme. However, since some members of the new Verkhovna Rada who are essential for political stability and the functioning of the legislature are known to have been involved in corruption, the declared determination of the Ukrainian leadership is unlikely to deal with corruption at the highest levels. Corruption is therefore likely to concentrate at the higher echelons of power, as happened in Georgia a decade or so ago. However, one should not underestimate the importance for the population that something is seen to be done.

The weakness of the Ukrainian state caught between two political systems has presented a challenge. This partly stems from the country's geographical position and partly from its geostrategic importance. As mentioned, Ukraine is a large state. It has the second largest population and the third largest territory in the former Soviet area. In addition, Ukraine is at the western edge of the former Soviet space that connects and separates Russia from the West. Ukraine is important as both a bridge and a divide. As Zbigniew Brzezinski concluded in 1997: "Without Ukraine, Russia ceases to be a Eurasian empire. [...] However, if Moscow regains control over Ukraine, with its 52 million people and major resources as well as its access to the Black Sea, Russia automatically again regains the wherewithal to become a powerful imperial state [...]"⁸ Irrespective of whether one agrees with Brzezinski's point, it is important to note that Ukraine is of special importance for the Russian Federation. Russia's influence over Ukraine has been crucial to its sense of leadership in the former Soviet area. Whenever Russia has felt that Ukraine is not under Moscow's control, it has acted upon the matter. This was the case when Moscow directly interfered with the Ukrainian presidential elections in 2004, and also in 2014, when President Yanukovich, who had been ready to tilt towards Moscow again in the autumn of 2013, fell from power. These were the two cases when Russia's reaction was most visible, but there were many other instances in which Moscow acted more subtly.

Before moving on to analyse the consequences of the crisis for international relations, I would like to submit two initial theses: (1) If Ukraine were not such a weak state and did not have such problems of governance, it would not be such an easy target for rivalry between Russia and the West. This has not only characterized Ukraine in the recent past, but will remain true in the future. With its internal socio-economic and political weakness, incomplete rule of law, and massive requirement for external funds, Ukraine will remain a volatile player in the international system. It is extremely doubtful whether Ukraine could break out of this situation under the current conditions. (2) Despite its internal divisions, Ukraine is not an example of a clash of civilizations but rather of a *clash of orientations*. Such unsettled areas are prone to rivalry between major actors within the international system. Kyiv's relative importance and "doubly peripheral" position will con-

8 Zbigniew Brzezinski, *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives*, New York 1997, p. 46.

tribute to the importance of every kind of haggling around Ukraine's future course and political alignment.

One must not underestimate the role of Russia in this conflict either. Russia's fundamental problem is one very well known to sociologists: It is status hierarchical. Moscow has had severe difficulties in adapting to a lesser status in the international system since the end of the Soviet Union. This is understandable, as adaptation is always difficult. However, the Russian Federation has been trying to re-establish its standing in the international community by relying on means that may not be accepted or appreciated by the world at large. The military build-up is an example of the former; the reliance on energy resources as a means of political influence, of the latter. There are reasons for both. The former is partly to compensate for the decade during which Russia's armed forces were the prime losers of transformation. The latter is a result of a shortage of other means of influence.⁹ As in the case of all great powers, the status of the Russian Federation should ideally be based on a complex set of sources of power, including economic innovation, modernity, and a way of life that inspires imitation. However, Russia apparently does not have the patience and sophistication to understand this. It can only be hoped that Moscow will not fall into the trap of increasing its military strength further beyond the needs of defence, and thus becoming bankrupt in the same way as the Soviet Union.

A New Cold War?

Up to May or June of 2014, experts still widely held the view that the deterioration of relations between the Russian Federation and the West did not resemble the Cold War. If the Cold War is defined as the opposition between two mutually exclusive and antagonistic models in socio-political, economic, and ideological terms, there is no reason to contemplate its reappearance. However, if we start out from a more permissive definition of the Cold War or the "Cold War structure", then it may be argued that there are similarities. A Russian specialist has already referred to this by stating: "We have entered a new cold war. However, this one will be more unpredictable than the previ-

9 I would like to emphasize that I think the Russian Federation is fully entitled to sell gas to suppliers that are ready to pay according to an agreement, and that if a partner has a record of not paying their arrears, it is understandable if prepayment is required. Ukraine and its advisors have drawn the same conclusion, and Kyiv made the first prepayment on 6 December 2014. Ukraine prepaid 378.22 million US dollars for one billion cubic metres of gas. See *Russia's Gazprom receives prepayment from Ukraine for gas supplies*, Reuters, 6 December 2014, at: <http://www.reuters.com/article/2014/12/06/us-ukraine-crisis-gas-idUSKCN0JK07D20141206>.

ous bipolar one. The matter is not about Ukraine. Ukraine has only been a symptom. I do not have trust in managed chaos.”¹⁰

Officials are more cautious. Speaking to the UN General Assembly, German Foreign Minister Frank-Walter Steinmeier only spoke of “old ghosts and [...] new demons”,¹¹ but his message was clear: The threat of “old ghosts” is very much present in our time. A similar though less coded message was delivered by NATO Secretary General Jens Stoltenberg who said: “NATO does not seek confrontation with Russia [...] nobody wants a new Cold War”.¹²

However, experts in Russian affairs remain divided. Although there has been a consensus that there is no Cold War in the sense of the one that existed between 1948 and 1989 or 1991, a different kind of Cold War could well be possible. Mark Kramer emphasizes three major differences: the absence of an alternative ideology, the incomparably weaker military might of the Russian Federation vis-à-vis that of the Soviet Union, and the nature of Russian society: Whereas the Soviet Union was a closed society, the Russian Federation is not. Strobe Talbott is of the view that this “Cold War” centres around “Great Russian chauvinism”. Now, as during the Cold War, Russia exercises “tough oversight” over its (then the Soviet Union’s) neighbours, though Fedor Lukyanov has identified important differences, namely in the fact that this oversight is not based on deterrence and is not global in ambition. Nevertheless, he concludes that, in bilateral relations between the Russian Federation and the West, a new Cold War is there.¹³

The two systems are different, first and foremost, in terms of their political systems. One is liberal, the other is not. One places the individual and his or her rights at the centre of policy-making, the other does not. One has the rule of law, the other on the whole does not. When illiberal regimes do have certain elements of the rule of law, they are either there to pay lip service to the expectations of the world at large or in order to position themselves in the world economy (by attracting foreign investment and providing conditions for international trade). And even though the liberal state is also compelled to interfere in the life of the individual – partly in order to provide for the state’s own security and survival and partly to provide for the services

10 Vladimir Orlov, *Kak sobesednik na PIRy* [In conversation about the PIR Center] in: *Indeks Bezopasnosti*, No. 110, Autumn 2014, p. 172, at: <http://www.pircenter.org/media/content/files/12/14115643880.pdf> (author’s translation).

11 Federal Foreign Office, *Speech by Foreign Minister Frank-Walter Steinmeier at the 69th session of the United Nations General Assembly*, 27 September 2014, at: http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Reden/2014/140927_69_General_Assembly_UN.html.

12 North Atlantic Treaty Organization, *NATO: a unique Alliance with a clear course. Speech by NATO Secretary General Jens Stoltenberg at the German Marshall Fund, Brussels*, 28 October 2014, at: http://www.nato.int/cps/en/natohq/opinions_114179.htm.

13 Cf. Chevo khochet Putin? Eksperty iz Rossii, SShA i Evropy otvechayut na voprosy The New Times [What Does Putin Want? Experts from Russia, the USA and Europe Answer Questions from The New Times], in: *The New Times*, 10 November 2014, at: <http://www.newtimes.ru/articles/detail/89422>.

the population expects – the foundations of such interference are very different. The conception of the state's role in illiberal/authoritarian/dictatorial systems is increasingly an *etatism* that allows those regimes to control the society and thus prolong their power. However, what it boils down is not only a set of principles but also good governance, including relatively low (or at least declining) levels of corruption. Declarations of democracy cannot compensate for massive shortcomings in governance. Hence for many, including Ukrainians, democracy demonstrates its superiority in daily life.

However, there is one major difference between the current situation and the Cold War rivalry, at least for the time being. The alternative system exists, but its ideology is not seeking to expand, or not yet. This may well be due to a realistic assessment of international power relations and the inferior “appeal” of such regimes. This may result in an inferiority complex and hence aggressive international behaviour. The liberal model, though not victorious, is certainly predominant, though some have argued that the liberal order is not suitable for the tasks states face in our era. Hence, even if it is not propagated, the “illiberal” model¹⁴ (with its many variations) presents itself as an option. China in particular (but also a few other states, such as Turkey and Vietnam) appears to provide a viable alternative: It offers the combination of high economic growth and authoritarian politics.¹⁵ It is undeniable that this has some appeal among rulers that would like to perpetuate their hold on power. Russia may well belong to this group. However, its economic growth, unlike China's, is based on low-value-added production and exports.

In sum: Even if it is not a comprehensive alternative and tends not to actively seek to expand its influence, there is an emerging alternative organization of society that may find it difficult to coexist with a different system in the long run. Hence, it is not the absence of the alternative model but its non-expansionistic nature that gives us the impression that the current co-existence will not result in a Cold War-like relationship. It may instead result in a peaceful enduring rivalry.

Another difference to the Cold War is that military power and the use of force are not central to the current confrontational relationship. This may be due to various factors, including the obvious superiority of one party in the contest, a desire to avoid the nuclear brinkmanship that brought mankind to the edge of annihilation at least once during the Cold War, the fact that other fields provide more accommodating means for the rivalry to play out, and, last but not least, the fact that states tend to rely on their comparative advan-

14 The term “illiberal”, borrowed from Fareed Zakaria and widely used in the political science literature these days, is euphemistic. In fact it is used to refer to a variety of authoritarian political systems. See Fareed Zakaria, *The Future of Freedom: Illiberal Democracy at Home and Abroad*, New York 2007 (revised edition).

15 I would warn against expanding this to states that benefit from the richness of their natural resources. Those states benefit from windfall profits partly because the value of natural resources and fuels tends to rise. Due to what is known as the “resource curse”, this may actually interfere with modernization and economic diversification.

tage. Although the Russian Federation is implementing an ambitious military modernization programme, Moscow is well aware that armed forces are not the key in this conflict with other power centres of the world. However, Moscow has been sharpening its comparative edge with respect to other states of the former Soviet Union, including Ukraine.

There is one additional reason why the Cold War parallel may be tempting to draw. Many leading politicians of our time were raised during the Cold War. The Cold War is a common point of reference, and it may be tempting to use Cold War parallels. This is even more tempting when there are certain similarities. Hence, the two factors taken together, the fact that the Cold War is not too distant in history and that actors increasingly use it as a reference point for the interpretation of their actions, may result in a perception of a “Cold War-ish” situation.¹⁶

Where views differ fundamentally between Russian and Western assessments of the current conflict is over the *reasons* for the current situation. As the Russians like to say: “*Kto vinovat?*” – “Who is to blame?” Russia sees a world where some (above all the US-led West and NATO) constantly violate the interests of others. The Russian President expressed this in his address to the Valdai Club: “A unilateral diktat and imposing one’s own models [...] instead of settling conflicts [...] leads to their escalation, instead of sovereign and stable states we see the growing spread of chaos.”¹⁷ Russia’s foreign minister, Sergey Lavrov, echoed this view, calling attention to the fact that the “policy of ultimatums and philosophy of supremacy and domination do not meet the requirements of the 21st century and run counter to the objective process of development for a polycentric and democratic world order”.¹⁸ Russia also questions the sound judgement of the West. The title of a further speech by Lavrov makes this clear: “It is time for our western partners to concede they have no monopoly on truth”.¹⁹ For the Russian Federation, therefore, Ukraine is a battlefield but not the rivalry proper. The true rivalry concerns the orientation of countries in various parts of the world, but particularly states in Russia’s vicinity, including states that were part of the Soviet Union. Russia finds further loss of influence unacceptable and is doing

16 It is not surprising that an influential Russian commentator has already referred to the Cold War parallel, while many Western analysts emphasize major differences between now and the Cold War era. See Aleksandr Prokhanov, *Zdravstvui, kholodnaya voina!* [Hello, Cold War!], in: *Zavtra*, 7 August 2014, at: <http://www.zavtra.ru/content/view/zdravstvuj-holodnaya-vojna>.

17 *Vladimir Putin Meets with Members of the Valdai Discussion Club. Transcript of the Final Plenary Session*, 25 October 2014, at: http://valdaiclub.com/valdai_club/73300/print_edition.

18 The Ministry of Foreign Affairs of the Russian Federation, *Address by Russian Foreign Minister Sergey Lavrov to the 69th session of the UN General Assembly*, New York, 27 September 2014, at: http://www.mid.ru/brp_4.nsf/0/CDEA7854FF002B5A44257D62004F7236.

19 Sergey Lavrov, *It Is Time for Our Western Partners to Concede that They Have no Monopoly on Truth*, Speech at the First Forum of Young Diplomats, Moscow, 25 April 2014, in: *International Affairs*, 4/2014, at: www.eastviewpress.com/Files/IA_FROM THE FOREIGN MINISTER_No. 4 2014.pdf.

its utmost to stop it. Moscow is – possibly rightly – afraid that further loss of influence could, in the long term, threaten Russia's status in the international system. Tough rhetoric followed by, if necessary, tough actions may help Russia to compensate for its weaknesses in global processes.

The Role of Europe in International Security

During the Cold War, Europe was the centre of global conflict and hence was an importer of security. On the Western side, security was imported from the US, whereas in the East, it depends upon whether we consider the Soviet Union to have been a European state or not. With the end of the Cold War era, Russia soon became a security exporter, contributing first to stabilization of its neighbourhood and, not much later, to areas further afield. This occurred in parallel with the sudden decline of Europe's need for military might to provide for its own security. While there have been armed conflicts, including civil (and then international) wars in the former Yugoslavia and in the Caucasus, the security perception of the overwhelming majority of the population in Europe has improved compared to the Cold War. The size of defence forces shrank, military acquisitions were postponed, and, according to some, a large part of Europe went on strategic holiday. There were a few exceptions, first of all in those states that have traditionally played a role in military power projection, such as France and the UK; then in those few that used the period of absence of threat to carry out modernization, including the Netherlands and recently also Russia; and finally in those states that had residual external threat perceptions, such as some of the Baltic states and Poland.

While a number of armed conflicts demonstrated that military security had not become fully irrelevant in Europe, relatively little happened as a consequence. Not even the Georgia-Russia war served as a wake-up call to most countries in Europe. European states could refer to the fact that Georgia started the hostilities on the 7th of August, and Russian assertiveness was confined to the former Soviet area anyway. NATO certainly contributed to a perception of security that offered the feeling of a free ride to many European states. Moreover, the consecutive financial, banking, and economic crises, which have spilled over into a social crisis in Europe, did not make increased defence spending a realistic option. Ukraine has provided the necessary adrenalin and resulted in a general recognition of the renewed relevance of military security: Though military security is neither exclusive nor ultimate, it is a factor that cannot be ignored.

Will Europe now act in the field of military security, and what will it do? There has been pressure from two directions: (1) A number of states have felt exposed by the challenge to Ukraine's territorial integrity and are, understandably, afraid that Ukraine may only be the first step in a series of Russian

territorial claims. These fears were confirmed by statements made by populist Russian politicians such as Vladimir Zhirinovskiy, and by leaked reports from bilateral talks (between Petro Poroshenko and Putin and between Poroshenko and EU Commission President José Manuel Barroso). (2) The US also seized the opportunity to reassure the most concerned states, while reminding NATO member states of their reluctance to allocate adequate resources for defence and calling for them to increase their commitment.

What will happen next is unclear. The Baltic states and Poland could benefit from strong symbolic coupling of their defence with that of the United States. Such reassurances would carry the message that NATO and all its members are sincere about their commitments, including Article 5 of the Washington Treaty. Even though it would be difficult to imagine Russia so badly miscalculating power relations as to directly challenge a NATO member, such a reminder may well be necessary to various audiences. It is important that: (1) The Russian political and military leadership is reminded of the geographical limits of its action radius. (2) The US political establishment and population is reminded that America has a commitment to its European allies. This is of particular importance after 15 years during which military security has been taken for granted in Europe, and in view of allegations about US retrenchment during the second administration of President Barack Obama. (3) Other NATO member states and their populations, including countries that feel directly threatened by Russia, would be reassured. It may be far-fetched to conclude that the US reassurance policy of spring 2014 and Washington's request that European NATO capitals either increase their defence commitment or live up to existing commitments are directly linked. However, it would have been very difficult for any member state to deny that allied solidarity requires increased defence spending and procurement. Defence economists may conclude that the call for NATO members to spend at least two per cent of their GDP on defence is ineffective, as it will not necessarily contribute to the improvement of defence capabilities. However, the symbolic importance of the increased defence commitment may well be important to all the audiences listed above.

What will follow is relatively easy to predict, particularly if we start out from two alternative scenarios. (1) If Russia retains its revisionist attitude or some other credible threat emerges on the horizon, declaratory NATO solidarity will last, and the cohesion of the Alliance may not suffer after the significant reduction of foreign troops in Afghanistan. There will be a "new glue" holding NATO together that goes beyond words. It may also mean that the member states will only selectively lag behind on the commitments they undertook at the Wales summit in September 2014. (2) If, however, the Ukraine crisis remains a one-off episode in European security, several member states will find one pretext or another to lag behind their commitments, and the age-old burden-sharing debate will be renewed once again.

It is essential that NATO is retained as a major forum for political exchanges. There are several reasons for this. Here, I would like to emphasize just one, which relates to the Ukraine crisis. The crisis has demonstrated that some NATO member states stretch free-riding to the limit. It is sufficient to mention those countries that wanted to weaken the resolve of the West when reacting to Russia's backing of separatists in eastern Ukraine. This may be more of an issue for the European Union. However, since four of those states are also NATO members, it may be important to take advantage of the different composition and the presence of the US at Alliance forums to deal with this issue. The US is one of the few international actors that can put pressure upon states such as the Czech Republic, Hungary, Italy, and Slovakia.

Irrespective of which scenario prevails, it can be taken for granted that the relevance of military security will increase in Europe, and forums associated with it will gain in importance. The Ukraine crisis made it clear that the relevance of the European Union in military matters remains virtual at best and non-existent at worst. Time and again, the EU has relied on its strengths, ranging from sanctions to endlessly seeking (and occasionally achieving) compromise at the negotiating table.

The US and Western Europe concurred that undermining the territorial integrity of a state was unacceptable. However, there were differences in the interpretation of Russia's actions and in reactions to them. The West had every reason to be careful. For the last 25 years, it has advocated the right to self-determination and the emergence of new states on that basis, attributing less importance to respect for territorial integrity and the inviolability of borders. Thus, it created an imbalance between basic principles of international law. The decalogue of the Helsinki Final Act, the foundation and the single most important document of the OSCE, was applied inconsistently. Indeed, the West was able to present good arguments for this approach (oppressive regimes, ethnic cleansing, massive violation of human rights, etc.). If we take a "value-neutral" look at the matter, it is clear that interventions occurred in the name of the right to self-determination. Now, the West needs to understand that it has embarked upon a dangerous path. It would have been better to argue for a measured approach that would balance the principle of self-determination with the prohibition on the use of force against the territorial integrity and the political independence of a state. Maybe this lesson will be learned now. The Russian Federation will certainly not miss an opportunity to remind the West of what Foreign Minister Lavrov has already expressed in the following terms: The West is: "rejecting the democratic principle of the sovereign equality of states enshrined in the UN Charter and tries to decide for everyone what is good or bad. Washington has openly declared its right to the unilateral use of force anywhere to uphold its own interests. Military interference has become common, even despite the dismal outcome of the use

of power that the US has carried out in recent years.”²⁰ Though one may argue over whether it was the use of force that brought poor results or the subsequent post-conflict peace-, nation-, and state-building efforts that failed, there is certainly an element of truth to the claim that sovereign equality and the prohibition of the threat and use of force have not flourished during the last 15 years, but have actually weakened significantly.

When Russia took action, integrated Crimea into its territory, and legitimized this in a referendum, some felt very strongly that this was both illegal and politically unacceptable. The US consistently argued against this step: “The illegal ‘referendum’ held on Sunday in Crimea violated the Constitution and the sovereignty of Ukraine, and will not be recognized. Crimea is Ukraine. Only one participating State pretends that it is anything other than Ukraine”, said the US ambassador to the OSCE Permanent Council.²¹ Others remained silent, or at least less vocal. Some may even have taken the view that this was acceptable. The majority of the population of Crimea (58 per cent) is ethnically Russian; a referendum was held, and while it might not have been fair, it created facts on the ground. If one argues that the transfer of control of Crimea was legitimate on the basis of geostrategic needs, it is also clear why the Russian Federation wanted to gain full sovereign control over Crimea. With the regime change in Kyiv, Moscow could no longer be sure that its lease on the Sevastopol naval base (extended in the 2010 “Kharkiv Pact” between presidents Yanukovich and Medvedev to 2042 and possibly beyond) would be respected. Russia pursued a different track than in the aftermath of the Georgia-Russia war, when it had recognized the independent statehood of the pseudo-states of South Ossetia and Abkhazia. In the more recent case, Russia absorbed Crimea and Sevastopol into the Russian Federation. This clearly indicates that Russia was aware that it could not gain international support for state recognition, and also that Crimea is a very different case from Abkhazia and South Ossetia in historical terms, as it belonged to the Russian Soviet Federative Socialist Republic only 60 years ago and has a Russian ethnic majority.

There is a lesson to learn from the way the Crimea issue was handled by the West. Clearly, attempts to placate (not to mention appease) the Russian Federation were unsuccessful. However, it is understandable that the West did not want to react disproportionately to this challenge, which could be interpreted in various ways. It is uncertain whether such a relatively soft reaction contributed to Russia’s increasing “appetite” and hence to the deterioration of the conflict.

20 *Address by Russian Foreign Minister Sergey Lavrov*, cited above (Note 18).

21 United States Mission to the Organization for Security and Co-operation in Europe, *Interpretative statement under paragraph IV.1(A)6 of the Rules of Procedure of the Organization for Security and Co-operation in Europe* as delivered by Ambassador Daniel B. Baer to the Permanent Council, Vienna, 21 March 2014, at: http://osce.usmission.gov/mar_21_14_monmission.html.

If the annexation of Crimea is seen merely as a move from revisionism to revanchism,²² there is no way to understand it. Grasping Russia's motivations also requires empathy with a state that has lost every square kilometre it gained over the last three centuries. Gaining or regaining territory can be appealing, particularly in those parts of the world that live in the modern paradigm, in Robert Cooper's terms,²³ under which sovereignty matters, territory means control, and borders separate. The Russian Federation lives under this paradigm, and this has been exacerbated by a recent history of humiliation, as the French commentator Dominique Moisi put it.²⁴ Putin turned back the clock and helped many Russians to regain their pride. This is the source of his soaring popularity, which has reached levels that leaders of established democracies can only dream of. Yet there is a price tag to this popularity. In the short term, it is a very significant drop in the approval of Vladimir Putin and the Russian Federation internationally.²⁵ In the longer run, as sanctions hurt Russian citizens in every stratum of the population, President Putin's popularity may become more volatile. Many in the former Soviet area share the view that this is the ultimate purpose of Western sanctions: To destabilize the Russian leadership and foster a change of regime or system. Whether this is a well-founded concern, part of an effort to generate solidarity in Russian society, or a symptom of a wounded psyche is open to question. It can be taken for granted that the coalescence of internal and external factors that fuelled the so-called colour revolutions of the last decade still reverberates (artificially maintained in part by Russian propaganda). Portraying Russia as a victim may help the Russian leadership to generate popular support domestically.

Some have stated that they believe the Russian leadership will be satisfied with the annexation of Crimea and will not pursue further adventures. However, the population of some parts of eastern Ukraine also wish to re-define their status inside Ukraine or even join the Russian Federation. The former would require devolution of power, or even the transformation of Ukraine into a federation. Those who live in the post-modern paradigm and believe that devolution is not such a big deal do not take into account the following: (1) There is not a single federation in Eastern Europe with real devolution of power and significant financial autonomy of its composite en-

22 As early as 2009, not long after the five-day war of August 2008, Sergey Karaganov warned that "Russia may turn from a revisionist state changing the disadvantageous rules of the game imposed on it in the 1990s into a revanchist state." Sergey Karaganov, *The Magic Numbers of 2009*, in: *Russia in Global Affairs* 2/2009, at: http://eng.globalaffairs.ru/number/n_13036.

23 Cf. Robert Cooper, *The Breaking of Nations – Order and Chaos in the Twenty-first Century*, London 2004.

24 Cf. Dominique Moisi, *The Geopolitics of Emotion: How Cultures of Fear, Humiliation and Hope Are Reshaping the World*, New York 2010.

25 Cf. Pew Research Global Attitudes Project, *Russia's Global Image Negative amid Crisis in Ukraine. Americans' and Europeans' Views Sour Dramatically*, 9 July 2014, at: <http://www.pewglobal.org/2014/07/09/russias-global-image-negative-amid-crisis-in-ukraine>.

ties. The multinational “federations” of East-Central and Eastern Europe have all disintegrated. Russia, which continues to be a federation, has recentralized power and hollowed out the power of the federal entities, while strengthening regions. This process is part and parcel of “virtual democracy”.²⁶ (2) In Eastern Europe, there is little trust in promises and constitutional regulations. In light of bitter experience, the population knows that such promises and rules hold only as long as political power relations do not change and give way to new arrangements. (3) Devolution deprives the central authorities of power and resources. In a state as deeply corrupt as Ukraine, such a process would deprive the central authorities of the sweetest fruit of political power: the possibility of private enrichment. Taking these factors together, it is clear why Ukraine was strongly opposed to devolution. The issue of devolution (even if short of autonomy) was a contentious aspect of the April meeting of the Russian and Ukrainian foreign ministers (in the company of the US Secretary of State and the EU High Representative for Foreign Affairs and Security Policy) and the matter was only resolved in September 2014, when the Minsk Protocol of the Trilateral Contact Group agreed to “implement decentralization of power”. However, it is apparent that the issue remains contentious, as the Ukrainian authorities would not like to see this implemented – even less on the basis of such an ambiguous formulation.

It is important to understand that Ukraine’s offer of limited autonomy to the people of Donetsk and Luhansk was both very weak and poorly communicated. Kyiv was hesitant to accept the need to devolve power, grant these areas a special status, and respect Russian as an official language alongside Ukrainian. Furthermore, the “offers” made to those regions were very poorly communicated internationally. Hence, many people worldwide only saw the casualties in eastern Ukraine (the Donets Basin or “Donbas”) and not the attempts to resolve the conflict by political means. Ukraine’s armed forces have also performed poorly. Their problems with equipment and basic training have been highly visible. This has demonstrated that Ukraine’s recent attempts at defence reform were foiled by corruption and ineffective management. Furthermore, Ukraine gave the impression that it did not care how many casualties it suffered or how much property and infrastructure were destroyed. That is why I would be tempted to call Ukraine’s war in the Donbas a “Zhukovian” campaign. Memorably, Marshal Zhukov cared extremely little about casualties during the Red Army’s advance from Khalkhin Gol to Berlin. While success on the battlefield can sometimes legitimize high casualty figures, including civilians, and the destruction of infrastructure and property, this was not the case in Ukraine’s Donbas campaign. It is unlikely that Kyiv’s intention was to demolish Donetsk and Luhansk if Ukraine hoped to maintain sovereign control over those territories.

26 Cf. Andrew Wilson, *Virtual Politics: Faking Democracy in the Post-Soviet World*, New Haven 2005.

Kyiv's decision to stop subsidizing the secessionist Donetsk and Luhansk oblasts and to sever its relations with them²⁷ may be emotionally burdensome for many Ukrainians. However, it is creating a situation in which the Russian Federation will have to take more responsibility for the region. Ukraine has thus pushed Donetsk and Luhansk into Russia's arms. This is the first time that Ukraine has created a trap for Russia and not the other way around. Moscow is forced to choose between extending Russian sovereignty to Donetsk and Luhansk oblasts or merely providing support and assistance. If Russia chooses the former, it will gain the territory but will face a difficult task in avoiding criticisms of imperialism. If it chooses the latter path, Russia will have to take responsibility for costs ranging from the current account deficit to supporting economic recovery. However, it is unclear whether Ukraine has a long-term strategy of "disposing of" Donetsk and Luhansk with the burden they represent, or if it only wants to punish the two areas for the vote in November 2014 that brought separatists to power. If Kyiv has such a long-term strategy, it will have to cease its military operations and accept that the territories are, in fact, lost.

Sanctions: A Message Short of Direct Military Confrontation

Western reactions to developments in Ukraine have revealed differences between the US and the EU. These are easy to understand. The US applies a different policy mix and is more likely to rely on coercion than the EU. Sanctions play a privileged role in US policy and are applied routinely. Although the EU has also applied sanctions in many cases, it always gives the impression that it would prefer not to have to. Behind this, there is a fundamental difference: The EU is a trading bloc, and more than 40 per cent of its total GDP comes from external trade. By contrast, foreign trade only accounts for 15.7 per cent of US GDP.²⁸ Furthermore, Russia is a major trading partner for Europe, not only as a source for the import of hydrocarbons and a market for high-value Western European products, but also as a major investment market, though this varies from state to state. Russia is thus considerably more important as a trading partner for the EU than it is for US.

27 Cf. Ukraine scraps human rights treaty for rebel areas, cuts services, freezes banks, 16 November 2014, in: *RT.com*, at: <http://rt.com/news/205919-ukraine-bockade-rebel-areas>. More accurately, the President and the government of Ukraine decided to cease providing social payments in the Donetsk and Luhansk areas (areas not under the control of the government in Kyiv) to those who do not register in an area under the control of the government of Ukraine by 31 December 2014. See Office of the United Nations High Commissioner for Human Rights, *Report on the human rights situation in Ukraine*, 15 December 2014, para. 34, p. 8, at: http://www.ohchr.org/Documents/Countries/UA/OHCHR_eighth_report_on_Ukraine.pdf.

28 Cf. Eurostat, *EU 28 exports and imports as a percentage of GDP by year (2013)*, at: http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/File:EU_28_imports_and_exports_as_a_percentage_of_GDP_by_year.png.

The EU and its member states have introduced sanctions gradually, which has made it possible for the Russian Federation either to adopt measures to de-escalate the conflict or to reciprocate. The EU's sanctions consisted of a combination of: (1) measures against members of the Russian political leadership and economic establishment, including travel bans and freezing bank assets (later also applied to Donetsk- and Luhansk-based separatists); (2) trade restrictions; (3) investment bans accompanied by constraints on technology transfers. The measures were not supported by every member state, reflecting their national interests. The UK and Luxembourg had problems with banking sanctions; France with trade, including the export of military items, and, in particular, with the suspension of delivery of two Mistral helicopter carriers. Germany, home to more than 6,000 companies that do business in Russia, had problems with sanctions on trade and investments. Last but not least, a few states were generally sceptical about whether sanctions would serve any purpose at all. Most prominently, the Hungarian prime minister said that "Russian sanctions shot in our own leg".²⁹ Prime Minister Viktor Orbán was of course warned by his partners of the danger of weakening EU solidarity, which gave him one more opportunity to pick a fight with the EU. It is apparent that a number of EU states have problems supporting sanctions against Russia. Interestingly, these are not the states that have been the prime losers of the sanctions policy. Hungary, in addition to its rhetorical opposition, even cut off its "reverse" gas supply to Ukraine and tried to set demands for solidarity with the EU sanctions regime. The Czech Republic had a different problem. President Miloš Zeman has a certain "predisposition" to be supportive of the position of the Russian Federation. Although the total damage caused to EU trade was estimated at approximately at five to six billion euros by mid-November 2014, certain economic segments and states have been particularly exposed.

In turn, the Russian Federation introduced sanctions of its own. Russian retaliatory measures, such as the banning of agricultural imports, hit some EU member states, including Poland and Lithuania, severely. However, most states, rather than trying to undermine the sanctions regime, tried their best to benefit from the EU fund created to compensate for the loss. Russia's sanctions were fairly limited, which is understandable in view of the asymmetrical economic power of the two sides, as well as Moscow's dependence on Western markets, investment, and technology. Their introduction was accompanied by declarations for domestic consumption that the country can withstand the sanctions, and that they would actually help domestic production and innovation. Such propaganda notwithstanding, it has become clear very quickly that the Russian economy will face difficulties in the long run. The first warning signals came from the Russian banking sector and from large enterprises that could not manage their finances without access to for-

29 Orbán: Russian Sanctions "Shot in Our Own Leg", 18 August 2014, in: *Hungary today*, at: <http://hungarytoday.hu/cikk/orban-russian-sanctions-shot-leg>.

eign resources. They turned to the government to help them out. The state did not really have much of a choice, and started to provide financial assistance from reserves and the state pension fund. The government has also contemplated increasing income taxes, which are currently very low (13 per cent). The Russian Federation was careful to avoid applying sanctions that would have really hurt, such as closing Russian airspace to foreign airlines or stopping the export of hydrocarbons. Moscow had no desire to enter a sanctions arms race, or to provide arguments to those in the West who wanted to introduce further sanctions against Russia. Russian companies reacted to the sanctions by trying to draw the maximum benefit from the situation. One Russian oil company asked the government to help it out with more than 40 billion US dollars, while it turned out that it had more than 25 billion dollars on its books. The prices of certain foodstuffs soared in a number of regions. In response, the Russian government considered introducing (temporary) price controls for certain socially important products. However, as of November 2014, none has yet been introduced.

Damage to the Russian economy has been accumulating for a host of reasons. The fact that Russian companies and banks have been facing difficulties in refinancing loans has reduced the creditworthiness of the Russian Federation and put the rouble under pressure. The loss of value of the Russian currency has been steady. This has resulted, on the one hand, in increasing inflation, making imports more expensive. On the other hand, however, a weak rouble could help Russian exports in the long run. The massive drop in the price of crude oil, which may be heralding a lasting period of relatively low oil (and hence gas) prices, will reduce the profitability of some large Russian enterprises, thus shrinking the tax base. Irrespective of President Putin's reassuring statement that "the nation has enough resilience to weather the storm. Due to the dollar's rise, oil was traded higher than the Russian 2014 budget expected in the first half of the year, so the current low price won't force a correction",³⁰ the situation may be critical in the long run, as oil production costs are far higher in Russia than in a country like Saudi Arabia. At his annual press conference in December 2014, the Russian President reiterated that higher oil prices would return due to the growth of the world economy, and hence that Russia hoped to "bridge over" a difficult period that may last for a few years.³¹

30 At the press conference he held in Brisbane upon the completion of the G20 summit meeting on 16 November 2014, President Putin minimized the effect of declining oil prices. However, the Russian government is ever more frequently contemplating options by means of which funds could be liberated and resources collected to sustain the standard of living of Russian citizens. In an indirect recognition of this, President Putin pointed out at the same press conference that: "We will see what happens next year. If this continues, we'll correct our spending, but it won't affect our social obligations." Putin: Economic Blockade of E. Ukraine 'a big mistake', in: *RT.com*, at: <http://rt.com/news/205931-g20-putin-press-conference>.

31 See President of Russia, *News conference of Vladimir Putin*, 18 December 2014, at: <http://eng.kremlin.ru/news/23406#sel=18:36,18:83>.

Some find the EU sanctions insufficient and view their gradual introduction as a mistake. However, it was precisely the gradual introduction that has given the Russian Federation an opportunity to understand that the longer term consequences may well be difficult to bear. No access to capital, no new investment and hence limited access to critical technologies is a dangerous mix for Russia. The damage may go well beyond limiting access to Western consumer goods or subjecting a growing list of individuals to travel bans.

The situation has very clearly demonstrated that Western Europe and the Russian Federation are deeply interdependent in economic terms, and that Europe, even taking into account the hydrocarbon sector, does not unilaterally depend upon Russia. Russia badly needs the income from its trade surplus with Europe. The sanctions have also increased Russia's interest in growing its trade with partners that did not join the sanctions, while also seeking investment from such countries, above all China. In sum, both sides have fallen into a kind of trap. Although they may be able to afford the short-term losses, in the long run, they may induce processes that further contribute to the re-arrangement of relations in the world economy. The Russian Federation, irrespective of the "smokescreen" (strategic partnership, best friends) it uses to cover the reality of Chinese-Russian relations, is not interested in further increasing its dependence on Chinese investment or trade. Lasting EU, US, and Japanese sanctions may precisely induce such dependence in the medium to long term. The investment deal signed on the "*Sila Sibiri*" ("Power of Siberia") gas pipeline followed by a further deal signed in November 2014 to supply China with 30 billion cubic meters of gas in the next 30 years (complemented by the sale of part of Rosneft's share of Vankorneft to the state-owned China National Petroleum Corporation)³² may bring relief to the Russian economy, but creates a lasting dependence. The entire situation illustrates that in economic terms the world has become polycentric.

Russia had high hopes that the EU sanctions would be lifted soon and regularly referred to an expectation that the EU would discuss them at the end of September 2014. Moscow pretends that the sanctions were introduced as a result of the conflict in eastern Ukraine and Russia's involvement in it – i.e. that they have nothing to do with Crimea, which is never mentioned. This is certainly smart diplomacy on Russia's part, enabling Moscow to act both resolutely and in a conciliatory manner by opening the door to the lifting of sanctions as if they had been imposed without just cause. Bearing in mind how complex and "thoughtful" EU decision-making is, it would certainly take some time to lift sanctions, particularly if Russia takes the line of Sergey Karaganov, according to whom "Western delusions triggered this conflict and Russians will not yield".³³ It is noticeable however, that the Russian Fed-

32 Cf. Andy Tully, Russia, China sign new huge gas deal, in: *Oilprice.com*, 10 November 2014, at: <http://oilprice.com/Latest-Energy-News/World-News/Russia-China-Sign-New-Huge-Gas-Deal.html>.

33 Sergey Karaganov, Western delusions triggered conflict and Russians will not yield, in: *Financial Times*, 15 September 2014, at: <http://karaganov.ru/en/publications/349>.

eration's proactive policy and long-term economic engagement with some EU member states has not been unsuccessful at dividing the EU. This is at least a partial success for Russia and a lesson for the EU. The EU has, however, been able to maintain the sanctions regime, gradually extending and expanding it as the situation has not improved on the ground.

It remains uncertain whether the top leadership of the Russian Federation understands the workings of the EU (and its co-operation with other power centres, above all the US) and the complexity of the long-term economic consequences of the sanctions. At least one analyst has doubts.³⁴ Only the faces seen on Russian television at meetings of various government bodies indicate that there are other politicians who are well aware of the economic troubles on the way.

The Reappearance of the OSCE

The two most important European and Euro-Atlantic institutions, NATO and the EU, did largely what was expected of them. Yet there was one organization, the Organization for Security and Co-operation in Europe (OSCE), that gained greatly in importance due to the Ukraine crisis. What were the reasons for this organization's rapid rise to prominence? There are several factors, four of which matter most: (1) The OSCE has every (widely recognized) state of Europe and North America among its participating States. They are all there as equals. (2) The OSCE's comprehensive security concept is particularly suitable for addressing conflicts that have complex spillover effects. In addition to the politico-military aspects at its centre, the Ukraine crisis soon led to a complex humanitarian emergency, complete with asylum seekers and internally displaced persons, not to mention internal democratic processes, such as elections and their monitoring. (3) The OSCE, which had crossed the frontier of internal jurisdiction earlier than other international institutions, was well placed to address these issues. (4) The participating States were willing to rely on the OSCE as a complementary channel of diplomacy and conflict management.

Other factors, less important than these four, included the fact that the country holding the OSCE's Chairmanship in 2014, neutral Switzerland, had credibility with every participating State, including the parties to the conflict. Switzerland also possessed a highly professional team and eventually found diplomats with understanding of the region.

34 Cf. Veronika Eschbacher, Putin denkt überhaupt nicht über Wirtschaft nach: Der russische Ökonom Wladislaw Inozemtsev über die Wirtschaftspolitik Russlands [Putin hasn't considered the economy at all: The Russian Economist Vladislav Inozemtsev on Russia's Economic Policy], in: *Wiener Zeitung*, 14 November 2014, at: http://www.wienerzeitung.at/nachrichten/europa/europastaaten/706177_Putin-denkt-ueberhaupt-nicht-ueber-Wirtschaft-nach.html.

There were four areas where the OSCE made a difference: (1) maintaining diplomatic communication in Vienna; (2) facilitating exchanges between the parties to the conflict, including “non-state actors” as the representatives of the self-declared independent republics became known; (3) providing for election observation in two cases (though not in another two); (4) establishing and extending the Special Monitoring Mission.

The diplomatic exchanges in Vienna took place at working level, but complemented higher-level direct exchanges between leaders. This was essential, as personal and telephone exchanges between top leaders were infrequent. This was partly due to the exhaustion of some leaders, who had done their best to keep channels of communication open in the hope that it would help reason to prevail. However, when it was noticed that high-level communication at the levels of heads of states or government and foreign ministers was being abused to claim international recognition of certain dubious Russian actions, high-level communication became sparse, and some leaders may have felt personally betrayed. I think it is clear that the German government’s view has evolved significantly, and Germany has moved from being a leader of the reconciliation-with-Russia camp to a country that was ready to take a more hard-line view by September 2014. This was probably due to a feeling of betrayal by Russian leaders at both head-of-government and foreign-minister level. The Russian leadership tried to instrumentalize Germany, partly by demonstrating that it continued to have international legitimacy and partly in order to gain time while also being economical with the truth in confidential exchanges. Although Germany continued to engage with the Russian Federation and act to promote reconciliation, the Russian Federation certainly lost the trust of a major supporter.

The OSCE’s observation and encouragement of talks between the Russian Federation, Ukraine, and the separatist forces in eastern Ukraine was essential to achieving a breakthrough. The fact that Ukraine was the previous chair and hosted the OSCE Ministerial Council meeting during the earliest days of the crisis focused the minds of many participating States. The fact that the arrangements agreed in Minsk in September have gradually fallen apart demonstrates that Europe is increasingly facing a protracted conflict – one more in addition to Transnistria, Nagorno-Karabakh, and the terminated, though unresolved conflicts around Abkhazia and South Ossetia. However, there is one major difference: In this case, the Russian Federation is a direct party to the conflict. Even though there are the separatist forces on the ground, they are heavily dependent upon Russian economic, humanitarian, political, and military support.

Conclusions

The conflict that has raged in and around Ukraine since late 2013 will have lasting repercussions on international security, and European security in particular.

- Europe will face a lasting non-Cold-War type redivision between an enlarged West and a shrinking East. Elements of confrontation and co-operation will coexist.
- European security thinking will regain its multi-factoral character, and military security its importance. The nearly three decades of declining importance attributed to military security since the mid-1980s has come to an end.
- In accordance with the above, NATO will regain its relevance in European security and gain a new wherewithal following the “completion” of the operation in Afghanistan. Most European states will have to find better excuses for their declining defence commitments than heretofore.
- The dissatisfaction of the United States with its European partners will remain, as far as their policies regarding joining enforcement measures and giving them priority in the policy mix are concerned.
- The European Union will remain disunited in its reaction to the actions of the Russian Federation. Germany’s role as the state that stands between those that would like to give up on sanctions and those that would follow a hard-line position as long as their own economy is not affected directly will become more pronounced. Germany’s position in the EU will be key due to the scale of its investment and trade relations with Moscow.
- The Russian Federation will continue to legitimize its actions in support of the introduction of a revamped “Brezhnev doctrine”, limiting the sovereign choice of former Soviet republics generally and undermining the territorial integrity of Ukraine specifically. Moscow will justify this partly by reference to supposed Western (primarily US) conspiracies and by (im)moral equivalence with the West’s military action in Serbia/Kosovo in 1999, in 2003 in Iraq, and the misuse of the UN Security Council’s approval of enforcement action in Libya.
- Russia no longer has a problem only with the aspiration for NATO membership among former Soviet republics, but also with their Western orientation more broadly, including any aspirations for EU membership. This denies the sovereign choice of other states in the post-Soviet space more than ever.
- The Russian Federation will increase its efforts to integrate the former Soviet republics into Moscow’s orbit, be it in the Collective Security Treaty Organisation (CSTO), the Customs Union, or the coming Eurasian Economic Union. However, these efforts will remain only partly

successful, as Russia's support for states that join those organizations remains volatile. Some of Russia's actions in relation to Ukraine and some of Moscow's ill-advised pronouncements will inspire fear more than friendship in many post-Soviet states.

- The large majority of the Russian population will identify with Russia's alienation from the West. This will give the political leadership of the Russian Federation an opportunity to limit individual freedoms and further curtail democracy.
- The Russian Federation will increase efforts to modernize its defence sector and will allocate further resources to domestic law enforcement. This may complicate Russia's economic development. It is uncertain whether it will result in the further weakening of Russia's economic competitiveness and in what time frame.
- The Russian Federation has lost most its investment in soft power. Russia's standing in the world will suffer in a lasting way. Moscow's attempt to regain status in the world will remain largely unsuccessful due to the inadequate mix of sources of power and influence the country has been relying upon.
- Some states beyond Europe may draw lessons from the Ukraine crisis for their nuclear policy and find reassurance in seeking nuclear weapon capacity. Both the "military immunity" that the Russian Federation has due to its possession of the world's largest nuclear arsenal, and the perceived weakening of Ukraine as a result of Kyiv's relinquishment of nuclear weapons may have highly unfortunate side effects.
- The course of events has demonstrated that the Russian Federation is heavily interdependent with European economies, and the longer term potential consequences of the application of sanctions is likely to make Russia think twice. Official communications from the Russian leadership have been disconnected from reality as far as the impact and longer term effect of sanctions are concerned.
- Ukraine will remain heavily dependent upon foreign money. It is questionable whether international financial institutions, the EU, and its member states will be willing to subsidize the transformation of Ukraine in the long term.
- Ukraine's bid for integration in the West via EU membership is likely to be in vain unless the EU makes a strategic choice and ignores every other factor of Ukraine's compatibility with EU membership requirements. The postponement of the entry into force of the Deep and Comprehensive Free Trade Agreement (DCFTA) between the EU and Ukraine to late 2015 indicates how burdensome Kyiv may become for the EU and how doubtful the West is concerning Ukraine's economic viability.

- The goodwill and the determination of Ukraine's new leaders may remain insufficient to bring about the necessary rapid socio-political and economic transformation of the country.
- Ukraine will effectively lose a part of the Donbas, which will relieve it of the burden of funding the economic recovery of Donetsk and Luhansk oblasts.
- Ukraine will be more ethnically or nationally homogeneous following the territorial losses. It is an open question whether this will result in stronger national unity than in the last 23 years of recent independent Ukrainian statehood.