

# EUROPE'S DETERMINATION

*Carl Bildt*

**I**S THERE a new Russian aggressive threat against Europe? Or have we so mishandled our relations with Russia as to cause the changes in Moscow's behavior that we have clearly witnessed during the last few years? Did we do enough, some wonder, to accommodate the fears and interests of Russia?

These and similar questions certainly form the core of a debate that is both legitimate and necessary. In my opinion, however, the mistake we might have made was to let the crisis of the war between Russia and Georgia in 2008 pass too quickly.

The origin of that conflict is complex, but at the end of the day Russia clearly demonstrated that its threshold for using military force against its neighbors was lower than most had thought; it also started to elaborate a doctrine of a right to intervene militarily in other countries if it considered that the interests of Russian citizens were not sufficiently protected. And these were, of course, trends that resulted in the two aggressions against Ukraine in 2014: the invasion and annexation of Crimea, followed by the destabilization and aggression in Eastern Ukraine.

**I**believe that by going back to business-as-usual too soon after the war in 2008, to which was certainly added the "reset" initiated by the incoming Obama Administration, we might inadvertently have sent the signal that we are ready to tolerate Russian behavior along these lines. This was—it should be remembered—a period when we were seeking to deepen our engagement with Russia.

We had initiated the Eastern Partnership with six Eastern European and Southern Caucasus countries in 2008, but in late 2009 we also started to elaborate a "partnership for modernization" with Russia. If one were simply to read what the latter document said, one would immediately discover that its approach was hardly less ambitious than the former. This was the period of President Dmitry Medvedev, and modernization was very much a buzzword in Moscow. A key part of that drive for modernization was closer cooperation—and even integration—with the West in general, and the EU in particular.

**B**ut then things started to change. Prior to his 2012 reelection as President of the Russian Federation, Vladimir

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Putin had started to elaborate his concept of a Eurasian Union. It soon became apparent that this was his grand design for the region in the coming years.

Negotiations with the EU on a so-called New Agreement de facto came to a halt when Moscow suddenly announced a customs union that ran contrary to our concept of free trade between Lisbon and Vladivostok, which up until then had been the far aim of these talks. When the EU tried to press for progress on trade integration, it was met with a response indicating that such negotiations were not a present priority for Russia. In the meantime, Ukraine had, in 2011, concluded its negotiations with the EU on an Association Agreement, and what came to be called "deep and comprehensive free trade."

**T**wo things should be noted here. The first is that at no time in that period did Russia bring up any objections or concerns over the EU's outreach to Ukraine during the summits held twice a year between the EU and Russia. The second is that this agreement was, of course, perfectly compatible with the existing free trade agreement between Russia and Ukraine. It in no way negatively affected the interests of Russia.

You can make the comparison with Mexico being both part of the North American Free Trade Agreement (NAFTA) and having its own free trade agreement with the EU. No one has ever said that the latter agreement hurts the interests of the United States. On the contrary—a more prosperous Mexico is in the economic, as well as security, interest of the United States. And

the same, over time, naturally goes for the effects of a free trade agreement between the EU and Ukraine.

But from the period beginning in the summer of 2013, the Kremlin initiated a brutal trade, economic, and political offensive aimed at preventing Ukraine from concluding its agreement with the EU. It soon became very clear that the ultimate aim was to have Ukraine enter into the Kremlin-centric Eurasian Union that was then beginning to take shape. The rest, as they say, is history.

The Kremlin escalated its economic pressures, initiated a political campaign against the course that Ukraine had decided upon, and then resorted first to military aggression to take Crimea, and then to destabilization and renewed military aggression in Eastern Ukraine. The aim, then, was clearly not only to incorporate Crimea into Russia, but also to establish a Novorossiya statelet along the entire Black Sea coast up to and including Odessa, with the rest of Ukraine being reduced to some sort of Greater Galicia.

Indeed, one can see clear hints of this intention in a triumphant speech by President Putin on March 18<sup>th</sup>, 2014. But this policy failed. Ukraine—weak as it was—conducted democratic presidential elections, and mobilized resistance. By August 2014, the entire Russian endeavor was close to collapse; regular Russian battalion battle groups had to be ordered

into Ukraine to save the separatist adventure from complete collapse.

Since then, something like a fragile stalemate has been established, codified in the Minsk Protocol, in its two incarnations. The sanctions imposed against Russia after the occupation of Crimea, and following the shooting down of MH17, are, in comparison with other such regimes, relatively mild. But with the combination of the structural problems that the abandonment of the reform road was starting to expose, coupled with the decline in world oil prices, there is little doubt the Russian economy has entered into a more difficult period.

**Y**egor Gaidar was one of the most brilliant minds produced by Russia in modern times. In his majestic *Russia: A Long View* (2008), written a year before he tragically died, he wrote about the problems lying ahead:

It is not hard to be popular and have political support when you have ten years of growth of real income at 10 percent a year. When the real income, influenced by vacillation in world markets, stops growing, unemployment increases, and the situation in the depressed regions grows volatile, the regime has alternative strategies. The first is to increase repression against the opposition. That is the tempting but suicidal strategy.

Such were his prescient words of warning.

**T**he structural weaknesses of the Russian economy are indeed very real. During the next 15 years or so, its labor

force will decline annually by one million people. Life expectancy for men is still at levels more associated with Africa than with Europe. And Russia's share of international patents is 0.2 percent, which I understand is roughly the same as Alabama's.

But, for all the problems this entails, it would be unwise to expect these in themselves to force the Kremlin to change the policy course it has embarked upon. And even if there is a weaker Russia, this might not help much if there is an even weaker Ukraine. Power is a relative concept.

Key sanctions are likely to be kept in place as long as the conditions that caused us to decide upon them have not changed. This is a matter of credibility—and a precaution in view of what might happen in the years to come. The mistake of 2008 must not be repeated.

However, it is even more important that we do whatever we can to strengthen Ukraine. It will be the willingness and the ability of the nation of Ukraine that will ultimately decide the outcome.

**T**he actions of President Putin have changed Ukraine for generations to come. It is sometimes said that Finland really came together after the civil war with which its independence in 1917 was associated, in the trenches of the Karelian isthmus, when Stalin attacked it in 1939. And the same might well be said in the future about Ukraine as a result of the aggressions

of Russia in 2014. Invading countries is not a good way to make friends.

Ukraine needs our support and help to succeed. It faces a daunting agenda of structural reforms in order to make its economy competitive. In many ways, it is the most mismanaged of the post-Soviet economies in Europe. A quarter century ago its GDP per capita was roughly on the same level as Poland, but today Poland's is nearly four times higher. Their policy differences have produced vast differences in outcome.

Ukraine will go through a valley of tears as its own reforms are implemented. With strong political leadership and support from friendly countries, there is no reason to believe that they will not succeed. The full implementation of the Agreement with the EU on deep and comprehensive free trade is, thus, of critical importance.

Independent studies suggest that the simple implementation of the Agreement would bring benefits of an additional six percent of GDP over the medium term, and 12 percent in terms of increased welfare for the Ukrainian people. And much more can be expected if Ukraine genuinely implements the reforms foreseen by the Agreement, as these would improve the business climate and help attract foreign investments and technology transfers.

But in creating space for economic reforms and political talks, it is also im-

portant to help Ukraine in blocking Russia's military option. Whether this is done through more direct assistance with training and supplying weapons to their defense forces, or whether the deployment of some sort of international peacekeeping or monitoring force along the so-called "touch line" is a better option, must be discussed carefully. But to do neither is to risk sending the signal that the military option is a relatively easy one for the Kremlin to exercise. And that will, of course, undercut our efforts to seek a political solution.

If we look at the situation as it might develop over the next few years, we can see two broad alternatives. The first is that there is a stabilization and strengthening of Ukraine, facilitated also by deep economic reforms, and that the conflict in its easternmost parts, which is currently frozen, is gradually and over time given a political solution. The holding of regional and local elections—according to the standards of the OSCE and probably with significant international participation—could pave the way for some sort of interim special status for Eastern Ukraine if that is what is desired. The question of Crimea will remain on the table, and can probably only be addressed over a longer term perspective. This first scenario should facilitate more open relations between Russia and the West and should also, in my opinion, inspire reforms and changes in Russia itself.

The second possibility is that Ukraine fails and perhaps fractures and descends

into a zone of continuous confrontation and conflict for years to come. This would be profoundly dangerous. Not only do I fear that it would drive a further militarization of the politics of Russia, but also that the likely war mood of its regime could then drive Moscow into adventures in other areas, perhaps leading to direct confrontation, or even war, with NATO. Thus, it is imperative that we invest as heavily as we can in the first option. Its success or failure will decide not only the immediate fate of Ukraine, but also the fate of peace in Europe for years to come.

**I**t is likewise important for stability that the EU upholds its commitments to other parts of Europe. The May 2015 Eastern Partnership summit in Riga confirmed that it will now give Ukraine, Moldova, and Georgia concrete help in implementing their respective, rather ambitious, Agreements with the European Union.

The question of membership of the EU for Kyiv, Chisinau, and Tbilisi is clearly not on the table now. One should be honest in saying that the road ahead is a long one. But despite the hesitancy of a number of EU states towards any further enlargement, it is clear that Article 49 of the EU Treaty has an open door for every nation of Europe—there are no exceptions. And the beacon guiding reforms and transformations that this represents—however distant—must not be shut down.

**A**s we chart the road ahead, it is of course necessary to have as clear a picture as possible of where Russia might be heading. This is far from easy. President Putin has made Russia an unpredictable country. This is a danger in itself. That we are dealing with a revisionist Russia is by now accepted by almost everyone. It no longer accepts the principles of the post-Cold War order in Europe.

But we are also dealing with a reactionary Russia. In the same way as its revisionism seeks inspiration from its history, we see a Russia reverting to a modern version of the reactionary guardian role of Tsar Alexander I, who sought to fight the forces of modernization and popular will in the decades following the end of the Napoleonic wars.

**T**oday's Russia sees itself as a bulwark against Western societies that it describes as too secular, too tolerant, and too open to other cultures and ideas. We see it trying to paint a picture of a muscular East versus a decadent West—"we have the guns, you have the gays" and trying to play on nationalism across Europe. It is, without a doubt, both revisionist and reactionary—a critical question is whether it is also reckless. Perhaps, but probably not. I see instead a regime in the Kremlin that seeks to divide, that looks for weakness, and that certainly can be ruthless in exploiting opportunities.

The days and weeks after the collapse of the Yanukovych regime in Ukraine were clearly an opportunity, and that was

exploited ruthlessly by Moscow. That there was a certain disarray and confusion in the West is also part of that picture. But if we manage to preserve the unity of the West—the unity of the European Union and the unity across the Atlantic—and if the elected leaders of Ukraine manage to preserve the fundamental unity of their country, such destabilizing opportunities should simply not be there.

**T**wo important caveats should be added to this. First, there is a risk that the Kremlin will miscalculate. It has already done so a number of times during this crisis. It might well happen again. And then it might be far more dangerous. Second, we must understand that this is an issue that will play out over a number of years. A new U.S. President will be elected in 2016. There will be key European elections in France and Germany in 2017. President Putin might well have himself reelected in 2018 for a new period stretching to 2024—when there might well be yet another U.S. President in the White House.

**O**n the Ukraine issue, it will not be enough just to exercise strategic patience. What will be required is strategic determination over a prolonged period of time. This is the key to the security of Ukraine and the stability of Europe. But it is also the key to the eventual emergence of a Russia that can be a true partner for modernization, cooperation, and integration, from Lisbon to Vladivostok. Few things are more important. ●