

RUSSIAN RESPONSE TO EUROPEAN UNION'S EASTWARD EXPANSION, 1993-2015.

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DECLARATION

I declare that the thesis titled “Russian Response to European Union’s Eastward Expansion, 1993-2015” submitted by me for the award of the degree of Doctor of Philosophy of Jawaharlal Nehru University is my own work. The thesis has not been submitted for any other degree of this University or any other university.

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ABSTRACT

This study is an informative read for those who may be interested in the geopolitical dynamics of relations between Russia and the European Union (EU). The expansion of European Union to include new states of eastern Europe, some of which were part of the erstwhile Soviet Union is resented by Russian politico-strategic leadership. The continued attempts by the EU to influence more states in the post-Soviet space is seen as a security threat, especially after the expansion of NATO up to Russian borders. Therefore, Russia is trying to negate any attempts by the EU to increase its clout in the region. The analysis of Russian attempts to counter Europe's influence is the crux of this thesis.

EU's existence, after its creation in 1993 via Maastricht treaty, has been one of continuous evolution. The EU, which was initially an economic union, is gradually transforming itself into a political entity. This continuous process sees the EU take up more and more political responsibility from its member states. Evidence of this process is also seen in its enlargement policy. While the first enlargement, which incorporated Sweden, Finland and Austria, was largely economic in nature, the 2004 enlargement, which was the largest, was primarily motivated by political considerations.

The aim to ensure western alignment of newly independent states after the dissolution of the Soviet Union pre-empted the development of mature political systems in these states. In fact, helping these states develop a mature democratic political system was one of the aims of the enlargement. However, some of these states joined the EU with their own historical baggage which made them vehemently opposed to Russia. Their inclusion led to import of their own problems with Moscow in the EU-Russia relations.

After evidencing these negative developments, Russian approach to the EU gradually changed. It also opposed any further eastern enlargement of the EU. It proactively took steps to discourage the other east-European states through political engagement and sometimes economic coercion. Russia also built its own geo-economic model in the form of the Eurasian Economic Union (EAEU) to provide an alternative to the divided east-European states.

The competing pull of Russia and the EU was most evident in Ukraine during the 2014 crisis. The decision of the Yanukovich government not to go ahead with the Association Agreement with the EU, evidently under pressure from Russia, led to the maidan crisis, change in regime and eventually civil war in the country. Similar problems have also existed in Moldova although in its case this happened much earlier and with lesser intensity.

Russia has also tried to convince the EU, and divide it if possible, to ensure that Brussels sees the dangers of continuing to expand in eastern Europe. In this attempt, Russia has built good influence inside Germany if not with it. As the largest economy and most populous state, Germany wields considerable influence in the EU. Moscow has largely succeeded in building a constituency within Germany which is favourable disposed towards Russia. This has helped to some extent in ending the EU's relentless push eastward, if only temporarily.

Increasing resistance by Russia to EU expansion in eastern Europe has led to further deterioration of ties between the two. The annexation of Crimea by Russia and subsequent EU sanctions on the country reminds one of the cold-war. Although, Russia is much weakened, the dividing lines in eastern Europe seem to be resurfacing. Ethnic tensions due to Russia-EU competition are also continuously increasing and hardening in the region.

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY AREA

Since the 2nd world war, in which almost all of Europe and Russia was involved, there has been a general desire to achieve lasting peace in the European geography. While the continent did remain peaceful after the brutal war, it was largely due to the balance of power between two powerful military alliances rather than a benevolent understanding among the various stakeholders of the region. It was a tense and uncomfortable peace. After the end of the cold war, the continent geared up to reap the real peace dividends as the ideological divide between the capitalist and communist states evaporated.

Unfortunately, this was to be short lived as the conflict in erstwhile Yugoslavia showed how difficult it was to keep interested parties from using military means to achieve their objectives. The intervention against the largely Slavic state by NATO also made other countries insecure regarding NATO's future aims and means. Considering the fact that NATO continued to expand into Eastern Europe, it was only a matter of time before a nervous Russia, the largest Slavic state, started to take steps to safeguard its security.

So, where does the European Union and its expansion stand in this geopolitical context? European Union came into existence after the constituent states signed the Maastricht treaty in 1993. Having said that, the momentum for a union was generated long time ago when France, Germany and another four countries agreed to cooperate and formed the European Steel and Coal Community in 1951. The desire was to create convergent interests of the two states in lasting peace. More states joined along the path though lasting peace remained one of the desired end goals of the European Union.

After 1993, European Union continued to expand. It did so in 2004 and again in 2007. The 2004 expansion was the largest and was also encouraged by the US. It was also the largest enlargement of the EU and it drew the European Union geographically closer to Russia. In fact, the 2004 enlargement got the EU sharing common borders with the Russian Federation. The 2007 enlargement saw the incorporation of Romania and Bulgaria into the EU. These enlargements were undertaken despite the economic disparities between the western and eastern halves of the continent. Some states are still adjusting to comply with

the new EU laws. The European Union itself was sceptical about incorporating states into the Union which had different economic development levels compared to western states. Therefore, it is nearly impossible to deny that there was also a political component into the incorporation of new eastern European states into the EU.

As nation-states with different foreign policy towards Russia joined the EU, the Union also imported their influences in its own foreign policy. The hostility of states like Poland and Lithuania towards Russia began to reflect into and affect the relationship between Russia and the European Union. For example, Poland vetoed the 2006 Russia EU "Strategic Partnership Treaty" talks over the issue of Russia banning Polish meat exports.

The Russian Federation on its part had seen the European Union as a benevolent cooperative economic force which could uplift the economic profile of the region as well as work for the mutual benefit of both Russia and Europe. The politico-military baggage of NATO was not shared by the EU and Russia could deal with the Europeans without harming its own geo-strategic interests.

Over the course of time though, the Russian perception has changed. A large part in this change has been due to the eastern enlargement of the European Union. As mentioned earlier, the incorporation of states hostile to Russia affected the EU's foreign policy and overnight Russia's problems with these states became Russia's problems with the EU. The lack of geo-political dimension to the relationship between Russia and the EU disappeared as the Baltic States and Poland often took positions opposing Russia.

Russia on its part was forced to retaliate to these situations causing a chain reaction involving the EU on one side and the Russian Federation on the other. The perception of the EU in Russia began to change, also because the states joining the EU also later joined NATO or the other way round. Russian elite saw this as a betrayal by Europeans. The EU began to be seen more and more as a scout for NATO and an ally of it in endangering the security of Russia.

The recent Ukraine crisis and Russia's intervention should be seen in this backdrop. The Russian attempt at creating its own Customs Union (Eurasian Economic Union) would

have been incomplete without Ukraine. As such it was willing to provide Ukraine with a massive \$15 billion aid to encourage the same. Yanukovich himself wanted a western leaning foreign policy, but his attempts to secure loan from IMF were rebuffed and so he postponed signing the EU association agreement after securing loan from Russia. Three European foreign ministers signed a deal between Yanukovich and the opposition Maidan leaders to end the impasse after protests started in Kiev. Despite this, Yanukovich was deposed violently and the EU recognized the new dispensation. This again was seen as a betrayal in Russia.

Russia therefore sought to move first and secure Crimea, which has been of vital strategic interest to it since long, annexing the territory. Violent protests also broke out in the largely ethnic Russian territory of eastern Ukraine as the new dispensation passed laws detrimental to their interests. Full blown military conflict started as the central authority in Kiev tried to suppress the protesters who had captured power in the eastern region. President of the Russian Federation, Vladimir Putin is also on record stating that Russia will not let the separatists in Donbas (eastern region) fail (Business Standard 2014). The impasse continues as more than ten thousand people have died in the conflict. The eastern regions continue to be in the hands of ethnic Russian separatists while the Ukrainian government in Kiev seeks to join western camp and continues to make anti-Russian statements and reorient its foreign policy away from Russia. It has also signed the European Association Agreement, the first step towards full-fledged European Union membership.

1.1.1 Yeltsin To Putin

Rutland (2000) argues that there are two setups which define today's world while the third may lie in between these two. One is that of successful states who have a stable polity and continuity in economic and social policies. These states see economic growth, increasing efficiency, rising living standards and peace. On the other hand, there are states at the opposite spectrum, who face political uncertainties, leading to economic problems, stagnant growth etc. If the period of uncertainty and turmoil continues without break, these states eventually fall into a cycle of reverse growth which ultimately leads to civil war, economic implosion, social instability etc.

During the initial years after the fall of the Soviet Union, it looked as if Russia was caught in the vicious cycle of second nature. Recurrent political problems, economic atrophy, massive corruption and decreasing living standards, all plagued the Russian state. On top of it, Boris Yeltsin, the first president of the Russian Federation, turned the Russian polity into a super presidential system. The power of the President was unchecked by either the legislature or the judiciary in this system.

Despite deep unpopularity, Yeltsin was also able to secure his re-election in 1996. This was mainly with the help of oligarchs in Russia who controlled the media. These were people who had accumulated enormous wealth and political influence and connections during the initial period of market reform in the country. Many of these oligarchs had gained control of Soviet enterprises during the period of voucher privatization which lasted from 1992-1994. Many others had taken over state-owned enterprises when the Russian government decided to cede control of its factories in return for loans from banks. So those who controlled the banks took even more control of the economy including means of production than they already had through financial means.

A blitzkrieg media attack was launched on the opposition to discredit them before the elections. While this helped Yeltsin win, he became indebted to the oligarchs for the rest of his tenure, who in turn controlled him through a system called the 'family' in Russia. The members of this group were considered close to Yeltsin and included his daughter, among others.

Despite his enormous power, Yeltsin spent much of his time firefighting the opposition in the parliament who were bent on impeaching him. This included the communists, who along with their allies controlled the parliament and were vehemently opposed to his rule. The economic crisis of 1998 further eroded the popularity of Boris Yeltsin and in ratings his numbers dwindled down to single figures. As a silver lining though, the 1998 crises also hit the oligarchs hard who lost economic power and needed state backing to sustain themselves.

Yeltsin's tenure was supposed to end in 2000. According to the Russian constitution which limited the maximum number of terms for the president to two, Yeltsin could not continue after 2000. In view of his declining health, it looked difficult that he could continue anyway. The way he gave up power in December to appoint Vladimir Putin as acting President must be seen in this light.

The rise of Putin was unpredictable. But, so has been Russian politics since decades if not centuries. Informal patronage system has existed in Russia forever. That Yeltsin would prefer this system to support and develop his subordinates is no surprise. Klyamkin and Shevtsova (1998) have described this system as an "elective monarchy". In such a setup, it shouldn't come as surprise to anyone that the President selected his successor.

The other feature of the system which emerged in Russia was the view of the position of the Prime Minister as a sounding board for succession to the presidency. This was primarily due to the failure and immaturity of democracy in Russia. Since there weren't many stable parties which emerged in post-Soviet Russia, leaders couldn't emerge either who could take the reins after Yeltsin. Lack of democracy also meant that it was the security setup closest to the Presidency which was used to pick prime ministers from. Three of four Prime Ministers since 1998 came from the security establishment. Moreover, the frequent changing and chopping also indicated the lack of stability that had been the norm in the Yeltsin years.

Chernomyrdin who was the Prime Minister since 1992 was fired in 1998 by Yeltsin. The President believed that he was uplifting his profile in hope of becoming the president himself after Yeltsin's tenure ends. This lack of confidence led to some more changes in the coming years. Sergei Kirienko, an inexperienced hand at politics was named the prime minister thereafter. A banker by profession, he attempted to use help from the IMF in furthering reform in the Russian economy. However, the economic crisis in 1998 when Russia had to default on its financial obligations forced him to resign. President Yeltsin tried to get Chernomyrdin back as Prime Minister, but the Duma refused to confirm his choice twice. Thereafter Yeltsin agreed to appoint foreign minister Yevgeny Primakov as the PM. Primakov was earlier the foreign minister and a compromise candidate between

the eccentric but powerful President and the opposition-controlled Duma which was keen to impeach him. He had a good rapport with the opposition and appointed many communists as administrators in his government.

Primakov also tried to curb corruption in the government which eventually led to him being fired by the president. Primakov ordered investigation into the dealings of the powerful oligarch Berezovsky. Alarmed by his actions, Yeltsin sacked him in May 1999. The Duma once again attempted to impeach him after this but failed to muster the two thirds majority needed for this. Yeltsin thereafter appointed the interior minister Sergei Stepashin as the premier. Stepashin himself had won the trust of the presidency by refusing to serve the warrant issued in the name of Berezovsky as interior minister. By August though, Stepashin had also been fired by the President who appointed the unknown Vladimir Putin as the Prime Minister. In less than a year, the President had changed three Prime Ministers. Not only this, In the previous four years, Russia had seen three foreign ministers, three defence ministers, five finance ministers, five chiefs of staff, and seven Security Council secretaries.

To add to the political chaos that this created, one must also remember that this took place in the backdrop of the 1998 economic crisis. So, Russia was under total chaos, which anyway marked Yeltsin's rule, when Putin was appointed as the Prime Minister.

In such a scenario, Putin's position was enviable. For one, he was a rank outsider in the political games in Moscow. Secondly, he did not have sufficient political heft to begin with to control all the organs of the state. Thirdly, Russia was caught in an economic and political downward spiral. Unless the finances of the country were to be improved, there was no way for it to even partially restore its balance. The opportunity to do so arrived when oil prices rose in the beginning of the millennium which coincided with the appointment of Putin as acting president.

Around the same time, Putin laid out his political views in a policy document released in December 1999 named "Russia at the turn of the new Millennium". It states –

“The experience of the 90s vividly shows that our country’s genuine renewal without excessive costs cannot be assured by mere experimentation in Russian conditions with abstract models and schemes taken from foreign text-books.... Every country, Russia included, has to search for its own way of renewal.” He underlined that “it is too early to bury Russia as a great power” and that “The country needs a long-term national strategy of development.”

Putin described communism as an exercise in historic futility. However, in similar vein he also said that the solution to Russia’s problems could not be found by experimenting with one or other models or even by borrowing “abstract models and schemes taken from foreign textbooks. This was a swipe at the attempts by western experts to transform Russian economy from state controlled to market economy during the Yeltsin years. It was also a criticism of the political interference in internal affairs of Russia and the lecturing Moscow received from the West on how to develop a democratic system. Putin maintained that Russia will need to find its own way of revival.

President Putin showed enterprise in admitting that Russia had fallen way off its path and will have to work hard to regain its ‘great power status. He also acknowledged that the free fall in Russian economy was pushing Russia towards third world status rather than regaining its great power status. The solution was to have a long-term national strategy of development.

Putin has pursued a top down approach to try and revive the Russian state. He stated that the state was an instrument which must be utilised for the benefit of the Russian society. Although, ironically in Russia, he also said that the state provided freedom to the individual. Considering the semi-autocratic form of governance Putin has maintained since 2000, this statement was perhaps more for domestic consumption than actual implementation.

Despite this, one cannot doubt the genuine intention of President Putin to provide security to Russia and Russians and also his efforts in stabilising the Russian state. His top-down approach could be compared with that of similar efforts in Napoleonic France and in Japan after Meiji restoration (Rutland 2000). In these historical instances, modernisation of the state was attempted (successfully) by the new ruling elite, which displaced the old elite,

created new institutions even as centralisation of power was maintained. However, Russian economic weakness and a difficult path out of it was the major predicament for Putin's rule. Luckily for Russia, Russian economy received a shot in the arm through high oil prices almost at the same time as Vladimir Putin ascended to presidency.

1.1.2 Russian Economic Resurgence

Russian economy was in doldrums for much of the 90s. The Yeltsin era was marked by continuous loss of faith of the people in governance and economic institutions. Although Russia received financial loans from Western Institutions and countries to stay afloat, it was simply unable to shake off its economic vulnerability to be able to pursue any independent and assertive foreign policy. One of the major reasons for the continuous problem was the low oil and gas prices of the 90s.

Since the discovery of oil in Baku in the Caucasus in 1846, petroleum products have shaped Russia. These resources were as important for the Tsarist economy as they later became for the Soviet economy and now for the Russian economy. The revenue generated through the sale of oil and gas helped the Soviets to mask their inefficient economic model. Together with high oil prices, the discovery of large deposits of petroleum and gas in western Siberia led to a temporary bubble in the USSR in the 70s. However, by the 1980s, the price of oil had crashed and the Soviet economy began to feel its impact almost immediately. The low oil prices could be cited as one of the reasons for the dissolution of the Soviet Union in 1991.

Together with collapse in production, the 1990s Yeltsin era faced the lowest oil prices of the century. The oil prices started picking up only in 1999. By the time Putin came to power, oil was on an upswing. The increase in oil prices also enabled other sectors of the economy to start performing. This gave the new president sufficient economic cushion, for the first time in the Federation's history to remove its economic dependence on the West.

The new administration under Putin moved pragmatically to use the newly received wealth to alleviate the financial problems of the country's economy. The government first set about to reduce its sovereign debt. The Putin government had inherited a debt of around

\$130 billion. Although there were small reductions in this figure in the early years of the new government, the boom in oil prices beginning 2004 helped in removing the debt entirely. By January 2005, Russia had successfully returned IMF's debts, almost three and half years ahead of schedule. Thereafter the government started building up reserves. Russia's currency reserves grew by \$55 billion in 2005, \$120 billion in 2006, and \$170 in 2007. By mid-2008, Moscow had accumulated \$600 billion in reserves. Among all countries of the world, only China and Japan had more foreign reserves.

The government also tried to stimulate other sectors of the economy. This policy however, saw only limited success. Although the other sectors boomed when the oil prices were high, they also collapsed in 2008 when the oil prices went down. The attempt at 'diversification' therefore was only a partial success at best.

Nevertheless, the gains of the 2004-2008 oil boom were long-lasting for the Russian Federation. Incomes of the masses rose, the retail sector grew, Russia's sovereign debt vanished, reserves grew and its credit rating improved. All of these achievements did not vanish when the oil price bombed. An instructive comparison of the Russian growth could be that to the other BRICS countries. According to Gaddy and Ickes (2010), the gains and losses of other BRICS countries, during the same boom-bust period would show that Russia both gained and lost more than others. However, it still did better than the other states in this bracket.

“even with the large contraction of GDP that resulted from the global recession, Russia is still significantly richer in 2010 than it would have been had it grown at a rate as fast as the next-fastest BRIC since 1999.”

The erasure of foreign debt and in fact the need to borrow by building up vast reserves the Putin administration freed itself from economic shackles which had largely prevented the Russian Federation from pursuing its foreign policy and geopolitical goals in the world. The result was soon visible for all to see. While Russia had been humbled when NATO went so far as to bomb Serbia in 1999 despite vigorous protests from Moscow, in 2008, it was Russia which reacted swiftly to provocations from Georgia. The resulting armed

conflict saw the formation of new semi-independent enclaves of Abkhazia and South Ossetia.

1.1.3 Resurgence of Ethnic Tensions in Europe

After the dissolution of the Soviet Union and the communist states in Eastern Europe, nationalism and ethnic tensions have risen in the region. In fact, the two may be two sides of the same coin. As nationalist sentiments rise, the minority ethnicities feel increasingly under threat. The siege mentality leads to ethnic consolidation which eventually leads to clashes between the majority nationalists and minority ethnicities. Moreover, the weak state structures with immature politics and non-existent state institutions make the region an ideal place for competing groups to try and impose one's will on the other.

Ethnic tensions in Eastern Europe are not new. In fact, they are as old as Europe itself. However, these conflicts were frozen in the aftermath of the second world war. The division of Europe in two camps and the totalitarian armed supremacy of the Soviet Union forced the ethnic fault lines in a freeze for 45 years. The bottled ethnic sentiments may have come to the fore once the force that artificially controlled these sentiments, the Soviet Union, was removed.

There are many theories which analyse the study of ethnic conflicts, their primary causes and solutions. Why have ethnic identities become so important in eastern Europe while they are not half as important in other, even less developed regions of the world. The analysis of the causes remains a key to solving the disputes in the region. Apart from this, the research tries to study the role of the EU and Russia in solving or exacerbating ethnic problems in eastern Europe.

Initially, the analysis of these conflicts revolved around simple explanations such as ancient hatred. However, more advanced theories were developed to understand the phenomena as it became apparent that peace between ethnicities was a primary building block for larger peace in society as well as among nationalities and nations.

Among the more popular approaches are the rational choice theory (Lake and Rothchild 1996), which incorporates some realist ideas of the security dilemma, and social-psychological theory (Kaufman 2006) which revolves around the study of emotional and psychological reasons to explain ethnic violence. Barry and Figueiredo (1999) propose a different model where they argue that it is the elites who lead to ethnic conflict and differences by making their supporters believe that it is always the other side which is to blame for violence. This way, they can maintain their support base and political power.

Kaufman's work is especially important for the purpose of this research because he picks out examples from eastern Europe and the ethnic conflicts therein. To support his theory of myths and symbols as the root cause of conflicts, Kaufman chooses different ethnic conflicts in post-Soviet space and tries to explain the different outcomes on the basis of his myth-symbol theory. For example, he studies the many conflicts in Georgia but explains why chauvinist Georgians are opposed to some ethnicities while unconcerned by others.

All three theories attempting to explain ethnic tensions may be partially correct and together paint the full picture. In eastern Europe however, another factor plays a prominent role. The European Union and Russia call upon the sentiments of different ethnicities and receive their sympathies. For the Europeans, the Soviet Union's malign influence is to blame for the conflicts in eastern Europe. This narrative, of course, is driven by the westward looking east European states or those wanting to join them. In the Baltic states, Moldova and in west Ukraine, the USSR is to blame for the ethnic strife in their countries and it is their manifest destiny to rule these states once they are free. Such simplistic view simply negates the fact that many European states have seen their boundaries change over time and the local ethnicities have been inhabiting the same land for centuries. The Soviet rule on the other hand was only for 50 to 70 years.

On the other hand, the ethnic Russians who dominated the eastern European region may not have reconciled themselves with loss of their own political power. They cannot and do not want to settle for anything less than equal rights both on ground and in perception. The Russian Federation also sees any move against the ethnic Russians in eastern Europe from

a geopolitical lens. A situation where ethnic Russians are not treated well is intolerable for the Federation as it sees the local move to be directed against all Russians and part of the historical push by the West to subjugate the Russians.

The myths and symbols of ethnic Russians and aligned ethnicities to have fought together against Nazi Germany in the second world war clashes against the myths and symbols of other ethnicities who were oppressed by the Russians under the Soviet rule. Eventually, this leads to fear and insecurity of one community vis a vis the other and further exacerbates the tensions. The view of Russia and/or European States as protectors and backers of these communities gives a larger dimension to the conflict. Moreover, the political support received by the participating communities from Moscow or Brussels including the contrasting narratives in their press coverage further fuel the conflicts.

This pattern of evolution of different conflicts in eastern Europe since the dissolution of the Soviet Union remains very consistent although the time frames may vary. The conflict in Moldova/Transnistria began almost as soon as the USSR ended. Full-fledged armed conflict started in Ukraine only in 2014. In between, there were many other conflicts which may be attributed to ethnic tensions including at least two in Georgia. Moreover, simmering tensions between ethnic Russians and Latvians continues to exist in Latvia.

The Ukraine crisis on 2014 marks a watershed event as it removed that last semblance of normal relations between Russia and the West. The EU and its constituent member states were opposed to the so-called Russian intervention in Ukraine. More specifically, they have sharply criticised Russian annexation of Crimea. On the other hand, Russia opposes what it sees as West's attempt to pull Ukraine into its orbit. Moreover, the annexation of Crimea is only seen as a correction in historical wrong committed decades ago. Moreover, Russian insistence on right to free determination in case of Crimea and western support for territorial integrity is in stark contrast to many other conflicts where positions taken by the two are completely opposite. The fact that geopolitics decides these positions rather than ethics or morality is well known. Since the EU is also a player in the game in Ukraine, it naturally is also seen as a geopolitical actor.

The 2014 crisis in Ukraine and the subsequent conflict in eastern Ukraine has led to a new cold war type situation in eastern Europe. On one side are is the West, its security, economic and political structures, while on the other side is Russia with its own structures. The eastern European states on both sides of these divides are caught up in between these blocs.

1.2 REVIEW OF LITERATURE

A Literature review involves the systematic identification, location, scrutiny and summary of written materials that contain information on a research problem (Polit and Beck 1978), thus helping the researcher with a broad understanding of the research already done and identify gaps to establish his or her own rationale for the study. Therefore, this section broadly summarises, relates and identifies gaps in all available and studied literature on the Russian response to EU expansion.

1.2.1 Dissolution of USSR and Changed Face of Europe

Russian relationship with its neighbours to the west has been erratic at best. But rarely has it had to deal with a united Europe the way as it has to now. Gati (1991) traces the change between the USSR and eastern Europe from Stalin to reformation and beyond. As we all know, Gorbachev's attempts at reformation in the USSR were to prove world-changing in more ways than one. The transformation that gradually took place in the Soviet- east-European-states relations is well described by Braun (2019). USSR was to break up in 1991 leading to the independence of Latvia, Lithuania, Estonia, Belarus, Ukraine and Moldova. Not only this, most of the countries of eastern Europe thereafter embarked on a change from planned to market economy. They also changed their foreign policies away from Russia.

Russian Federation itself shunned communism and tried to adopt western style capitalist economy with drastic consequences. From the very beginning itself, it was evident that

western style capitalism was unlikely to have a smooth sailing in the turbulent political and social waters of Russia. Kagarlitsky (1995) and Gustafson (1999) have given a detailed account of what went wrong in the lost 90s for Russia. Yeltsin as the leader of the Russian state was hampered by the economic decline of Russia which he did little to arrest.

In the meantime, European Union and NATO continued to expand eastward. While the NATO expansion has been seen as a betrayal of trust by Russia, the European Union was seen as a more benevolent entity (Aalto 2006) initially. The EU continued to be seen positively and primarily as an economic actor by both the Russian masses as well as the ruling elite till it started incorporating former Soviet states into the Union. The view of the EU took a dramatic turn in the realpolitik-oriented elite of Russia in Moscow and Petersburg as explained by Larive (2008) and Hofmann and Makarychev (2018).

1.2.2 Impact of EU Expansion on Russia-EU Relations

The incorporation of some of these states also lead to the EU importing the positives and negatives of the relationship of these states with Russia. The negatives seemed to become far more nuanced than the positives. The relationship earned more hiccups as the new states began to influence the EU to come more in line with their own foreign policies. Poland began to assert its anti-Russia policy in the EU leading to difficulties between the EU on the one hand and Russia on the other. Szczerbiak (2012) details the developments stating that Poland saw Eastern Europe as its own field and where its voice must be heard by all in the EU. It was and has been the strongest proponent engaging countries like Ukraine and Belarus and supporting the European accession of the former. This brought Poland in direct confrontation with Russian policies leading to mutual souring of relationship. Russia responded through economic measures like banning Polish meat exports. Poland even vetoed the EU-Russia trade talks in 2006.

The Baltic States, which were incorporated in the Union after the 2004 expansion, together with Poland, have been pursuing very similar policy. In particular, Lithuania has been aggressive in the Union in opposing Russian interests in eastern Europe. The Baltic states, unlike Poland, were part of the Soviet Union and also have sizeable ethnic Russian

minority. The proximity of the Baltic region to Russian heartland and the security implications thereof also played on the minds of the Russians, prior to them joining NATO. The process of *deoccupation* in the Baltic states started with independence in 1991 itself. And the Baltic States continued to use Russia as the successor state of the USSR and as a punching bag for the perceived wrongs they had to suffer. Lane *et al.* (2013) explains how the drive of the Baltic states towards Euro-Atlanticism upset Russia. The Baltic states joining NATO turned out to be one of the landmark events for Russian foreign policy. They have since firmly opposed intervention of any form by the West in their near-abroad including Ukraine.

1.2.3 The Special German-Russian Relations

In the gamut of Russia's relationship with the West, special emphasis must also be paid to the relationship between Germany and Russia. Historically the two nations have a violent history. Schlögel (2006) maintain that eastern Europe has been the arena where the two states have competed ferociously for influence and territory. Today Germany is the 2nd largest trade partner of Russia and a strategic partner. Also, Russia has continued to have healthy relations with Germany for most of the period, till Medvedev was the president at least.

In fact, Russia worked hard to improve its relations with the West in general and Germany in particular since 1991. It was only after the NATO expansion and war in Kosovo that Russia began to see the West as a competitor. Germany's role in supporting and in fact bombing Yugoslavia did not go down well with Russia and for the first time it was seen as a non-benevolent geopolitical actor. Also, Germany's attempts at lecturing Russia on human rights and democracy was seen as uppitish in Moscow. Despite this, the economic pragmatism of the two sides ensured bonhomie and good relations. The *nord-stream* pipeline bypassing eastern Europe and connecting Russian pipelines to Germany was seen as betrayal by eastern European states but as successful and economically beneficial partnership of the two states in Moscow (Levelev 2011).

Despite the highs in the relationship, Russian democracy was always a problem area for the Germans (Meister 2015). When Russia altered its constitution and Putin became the president again, this was seen as a totalitarian tendency of the Russian state in Europe. The elevation of Angela Merkel to the chancellor's position after Schroeder also meant that Russia lost its friend, the less conservative social democratic party, as the governing party in Germany. This led to a gradual erosion of bonhomie between the two states. As the most powerful and influential of the states in European Union, the relationship between Russia and Germany has identified the curve of relationship between Russia and EU (Trenin 2018). In eastern Europe, Germany's improvement in relationship with Poland after 2006 meant a gradual decline in EU-Russia relations. Poland almost replaced Russia as the strategic friend of Germany in eastern Europe.

1.2.4 Disagreements, Conflicts and Russian Reactions

The future expansion of European Union into post-soviet space is marred by conflicts, disputes and disagreements. Two of the countries that the EU encourages to move towards it are Ukraine and Georgia. Russia has already fought a brief skirmish with Georgia in 2008 after its overenthusiastic President Saakashvili's attempted to force the issue with respect to the ethnic Russian majority provinces staying out of Tbilisi's ambit inside Georgia. According to Russia, it is the support to Saakashvili from the West that emboldened him to pursue such a policy. Taking this further, Russian strategic thinking believes that the closer any state gets to the West, the more anti-Russian it is likely to become. The case of Georgia is cited as an example. And since the 2008 war, Russia has steadily opposed the expansion of European Union in deeds and in words.

This brings us to the other big country in eastern Europe that is being slated for joining the European Union. Together with Poland and the Baltic states, Sweden and Britain have advocated Ukraine for joining the EU. Kuzio's (2014) predictions that Ukraine is a deeply divided country came to be true as the 2014 crisis showed. Earlier in 2005, Victor Yushchenko had come to power on a pro-Europe plank after the controversial Orange Revolution. Besters-Dilger (2009) declared how Ukraine was on the path to joining the EU. Unfortunately, this was easier said than done.

A reflection of the voting pattern shows that the starkly opposite voting pattern in south-east and north-western Ukraine. The geopolitical divide is bifurcated along the same lines as the western region supports European association while the eastern region opposes it and favours closer ties with Russia. Despite this, European states were seen pressing Ukraine to join the EU. While the so-called pro-Russia President Yanukovich also might have harboured similar views, he balked at signing the EU association agreement in November 2014 after IMF refused to help him avert a financial crisis. Russia, in contrast, agreed to pay \$15 billion on favourable terms. He was also explained the close inter-linkages between the Russian and Ukrainian economies.

The Russian Federation has also been working to create a Eurasian Economic Union (EAEU) more popularly known as the customs union, an attempted economic union of the post-soviet states. Russia itself wanted Ukraine to join the customs union rather than the EU according. This tug of war between the EU and Russia caused enormous strains back in Ukraine which itself is divided on similar lines.

The crisis in Ukraine is the return of geopolitics involving big powers. The European Union, Russia and the United states are contesting the territory of Ukraine. The association agreement and European economic strength is luring a corrupt and oligarchy-ridden Ukraine westwards while the Russian ethnic population, historical and economic ties with Russia are preventing it from doing so. The social engineering attempts of the western nations during the so-called Orange Revolution and again during the coup which deposed Yanukovich has convinced Russia that the West will not stop and will have to be stopped from Moscow. In fact, Russia, Belarus and other countries have learned lessons from these colour revolutions according and made policy decisions to counter them.

1.2.5 Changing Geopolitics in Eastern Europe and Impact on World Politics

Russia has taken many steps since Putin came to power, which clearly indicate that it will counter all attempts by the West to challenge Russia in what it has decided are its core interests. The European Union devoid of military capabilities to fight big wars depends on the United States for its defensive and hard power needs (Rees 2011). This makes it

vulnerable to pressures to toe the American line, which often is extremely anti-Russian. The Russian elite understands this partially and engages more with the Europeans than with Americans. The latter are considered a lost cause. It also engages more with larger states in Europe, many of which do maintain foreign policy independent of the US to some extent and maintains less contact with states that are closer to the US. Germany and France fit in the first category while Poland, Baltic States and England fall in the second.

The economic sanctions imposed by the European Union on Russia might force a rethink in Moscow. European Union is the largest trading partner of Russia and largest buyer of its natural gas. All out economic war between Russia and the EU will destroy Russian economy. Therefore, it is likely that Russia will try to diversify its economic interests from Europe to other regions of the world. The old debate between westernisers and slavophiles has been rekindled as Russia grapples with economic problems and ostracism by the West. Its white Christian identity and cultural similarity naturally supports its close relations with Europe but the EU itself is less keen on this relationship.

Russia recently signed a \$300 billion deal with China to supply natural gas to it. Putin on his visit to India also signed approximately \$100 billion worth of deals. If the Russian Federation is indeed attempting to look at other partners and friends around the globe then it is another opportunity for India to cement its good ties with Moscow. The Indian strategic thought opposes hegemony the same way as Russian Federation does today. The crisis in Ukraine and competition between Russia and the European Union in eastern Europe can be used to India's advantage if it plays its cards well and works harder diplomatically. Geopolitically larger states could always derive benefit out of a geopolitical crisis or competition emanating between other big powers.

1.3 GAPS IN LITERATURE

Europe is well known for the copious amount of work it does on the various issues involving the European states. Scholars are continuing to work on the EU's eastward drive and its effects on the region as well as the geopolitical implications on a wider scale. The

long-term consequences of EU's eastward push need to be analysed particularly in the context of Russian response to the same.

The contemporary nature of the study, particularly in relation to the Ukraine crisis which is a watershed development in the EU-Russia relations, ensures a better understanding of the developments of the last decade. Also, academic discourse from Russia's point of view is important to have a balanced understanding of the changes that have taken place in the last couple of years. Unfortunately, this discourse at present is heavily lopsided in West's favour.

We do know that Russians viewed European Union as a benevolent welfare oriented economic entity, but recent developments on Russia's border might have influenced the Russian population to take a more realist view of its western neighbour. It is important to gauge the changing perception of the EU in Russia to acquire recent information about Russian population's international compass.

1.4 RATIONALE AND SCOPE OF THE STUDY

European Union is the largest trading partner of India. At the same time Russia has been a traditional friend of India and has been its largest arms supplier. In international forums like the United Nations Organisation and other international forums, the two countries have shown common purpose and understanding. Both are also part of the BRICS arrangement. In such a scenario, any souring of relations between the EU and Russia will likely have an impact on Indian decision making the same way as India has to balance between American and Russian interests; more so after the nuclear deal signed between the USA and India.

Over the last ten years several issues have arisen which motivate the evaluation regarding expansion of European Union and its relationship with Russian Federation. While in the beginning Russia saw the EU as a benign entity, its view has changed drastically as new EU members have used their association to further their foreign policy interests. EU's continued emphasis on eastern expansion does not go down well with Russia anymore as

it sees the EU and the West as encroaching on its near-abroad. This causes security and political reaction from Russia which no longer sees the EU in positive light but sees it as a competitor in eastern Europe. In light of the developments of the last ten years and the recent crisis in the EU, it becomes imperative for scholars to put emphasis on this region and analyse how Russia is trying to counter creeping EU influence in eastern Europe.

In 2008, Russia fought a short war in the Caucasus against Georgia. One of the reasons for this war may have been the desire of Georgia to join the EU and NATO. In 2015 violent conflict is raging in Ukraine as a direct result of geopolitical competition between the two. The study focuses on the time period 1993-2015 to study the gradual change in Russian perception which has completed a full circle.

This study limits itself to the study of EU expansion and Russian response in eastern Europe. Although differences between the EU and Russia have also arisen elsewhere including in wider geographic area such as the Caucasus and the Balkans, this thesis includes these issues only in so far as they are important in supporting the argument being made. Eastern Europe in this context is defined as the territory lying between Germany on the West and Russia on the East. The countries which joined the EU after its expansion in 2004 and 2007 along with Ukraine and Moldova are the subject of the investigation with respect to this study.

Also, the role of the United States of America is extremely important in view of its close relations with European states including in eastern Europe and also its adversarial relations with Russia. However, attempt has been made to study the dynamics between the EU and Russia without including the US. Similarly, although NATO expansion is a major reason for Russian insecurity and the reason for its pushback against the EU expansion, the author has attempted to keep the focus on the developments between the EU and Russia.

1.5 EU ENLARGEMENT VERSUS EU EXPANSION

The term ‘enlargement’ is generally used to describe the process through which the European Union added new nation-states as its members. This term has been used officially by the EU itself¹. Alternately, the term expansion is also used infrequently and interchangeably by some authors (Dixon and Fullerton 2014). There is only a subtle difference between the two terms, allowing their interchangeable use as will be described below. However, the term expansion is used here in this research work primarily due to the nature of analysis which has been done. For the Russian Federation, which reacted negatively to the EU’s enlargement/expansion, it was an attempt at reducing the Russian influence in its western neighbourhood. Therefore, the expansion of the EU was taking place at the same time as Russian influence was shrinking in the region.

Secondly, the expansion of the EU post 1993 has been largely to the east. A glance at the map of Europe shows how the largest territorial addition to the EU took place after its expansion in 2004 and 2007. Although countries in the Balkans and island states in the Mediterranean also joined the EU in 2004, their inclusion in the EU largely went unnoticed due to the massive expansion in the European mainland towards the east. Poland alone contributed almost the size of the rest of the countries put together. Moreover, eastern Europe contributed to more than 90% of the territorial addition. Therefore, European Union’s eastern expansion, which is the subject of the study seems more appropriate a term than enlargement in this context.

Thirdly, the term enlargement is inclusive in nature. It indicates that the new members may have the same rights and status as the old members. On the other hand, the term expansion is comparatively exclusive and indicates that the old members will continue to form the core, while the areas/states which are added constitute the periphery. In this set-up, the core is more important than the periphery and controls the policies of the EU to larger degree. The special relationship that Germany has with Russia, which forms a part of this research

¹ The European Parliament, the European Council as well as the German foreign office, all use the term Enlargement to explain the addition of new member states to the European Union.

study, is an indication of how the core continues to dominate the periphery. How the new member states have influenced the EU's policy is also a part of the study, but largely, the policy towards Russia, continues to be formulated at the core of the European Union.

Finally, the term expansion is used frequently to describe the addition of new member states to NATO. This expression is accepted the same way as the term enlargement is accepted for the EU. However, for Russia the dividing line between the expansion of these two institutions has largely blurred. The EU is seen as a scout for NATO. The EU's attempts to entice Russia's neighbours into its own orbit has received increasingly hostile reaction from Moscow. Therefore, from a Russian point of view, the increase of western influence in eastern Europe at Moscow's expense is better described by the more exclusive term 'expansion' and not the 'inclusive term' enlargement. This is correct both for the EU as well as NATO.

CHAPTER TWO

RUSSIA AND EU ENLARGEMENT

2.1 INTRODUCTION

The European Union in its current form came into existence around the same time when the Soviet Union collapsed. The communist states of eastern Europe opened up their economies and societies with aims of accepting liberal democratic norms and developing a free market around the same period. The political union of the European states which was in development in the late 80s and early 90s culminated in the formation of political ideas which were to guide EU's policies towards the newly independent states of eastern Europe and Russia. For example, the EU developed its Common Foreign and Security Policy (CFSP) in the 90s which was to guide its policy towards the post-Soviet Union states. Also, the political union of the European states and the creation of the European Union sowed the seeds of the idea of future integration of other east European states which had become recently independent. This political and ideological understanding within the EU would later lead to problems with Russia when Moscow got disillusioned with western approach to geopolitics in its neighbourhood.

The EU's policy towards post-communist eastern Europe and post-soviet states and Russian response to these policies could be broadly divided into four different stages. The initial impetus to the EU's foreign policy came from developments in eastern Europe. Communism was collapsing in the early 90s even as the Maastricht treaty for the establishment of the EU was being signed. The EU, as is often the case in political affairs, developed its foreign policy keeping in mind the developments of the late 80s and early 90s.

As a result, the EU continued its policies which had helped dismantle the communist bloc in the first place. This meant more support to the states which had first 'revolted' against the communist leaderships and which were already being supported by western countries. The EU divided the post-communist states into two separate groups. In one group lay the east European states which were considered more western and less Russian than the rest. This group included the states of Poland, Hungary, Czech Republic, Slovakia, Romania and Bulgaria. The other group consisted of states which were part of the Soviet Union and

included the Baltic states, Ukraine, Moldova and Russia. Later however, the Baltic states were moved into the first group for all practical purposes.

The division into two distinct groups also signalled the nature of relationship that the EU expected with the them. The first group was seen as a close partner, and included states which had 'revolted' against the communist system. It therefore deserved to be offered membership of the larger European Union. These states were seen as potential candidates for future expansion of the European Union to begin with. The second group was seen as closer to Russia and for which the EU did not have specific plans. These states would form the boundary of the European Union and the relationship would be defined accordingly.

The EU developed different approaches towards the two groups – aid and integration for the group which could join EU in the future, and aid and cooperation for the group closer to Russia (Hughes 2006). This was also partly due to the nature of relationship the West had with the solidarity movement in Poland, and other pro-democracy movements in eastern Europe. After the Maastricht treaty and the birth of the EU, its policies began to reflect the changes taking place in eastern Europe after the dissolution of the communist regimes.

In the latter half of 90s, EU's policy towards Russia firmed up. The EU began to support the idea of a partnership with Russia. However, this was largely because Russia was a source of energy fuels for the EU and also a market for its products. The EU also realised that Russia was now more dependent on western support than at any point of time in history. Therefore, EU expansion plans also began to emerge during this period. This was the second phase of the EU's relationship with Russia. The partnership and cooperation agreement (PCA) signed with Russia in 1994 and the Common Strategy adopted in 1999 by the EU marked this stage.

After the arrival of President Putin on the stage in Russia, the EU's policy began to change. This was as much due to the changes taking place in Russia as it was due to the developments that had taken place in the preceding decade. The EU had gotten used to a weak Russia dependent on the West. This was marked by Russian inability to stop the western intervention against Yugoslavia. After the victory in the second Chechnya war,

Putin began to assert independence in foreign and geopolitical matters which surprised the EU. This naturally led to differences cropping up between the two entities. While the Yeltsin years were marked by changing strategic balance between the EU and Russia, Putin arrested this change. And therefore, the policies of the two vis a vis the other also changed.

The fourth phase of relationship between the EU and Russia began after the addition of new members to the EU in 2004. The expansion of the EU eastwards included Russophobic states such as Poland and Lithuania. Moreover, the inclusion of the Baltic states in the expansion and also their membership in NATO severely affected Russian position in the region. Russia saw it as a clear betrayal of its trust after the end of the cold war. It's suspicion of the EU reached its limit. At the same time, the newly inducted Russophobic states began to assert their influence on EU policy making leading to a downturn in relations between the two.

2.2 FROM COOPERATION TO DISENGAGEMENT

In the first phase, during and after the dissolution of communist regimes in eastern Europe, the EU states were largely focussed on helping these states make the transition from state managed economy to market economy. This needed, among other things financial aid to these states. As such, the EU states focussed their efforts in this direction. The EU sought to provide assistance through aid dispersal mechanisms and also technical assistance. The capitalist model of governance in the West dispersing the aid meant that it was routed through their own 'experts' and 'consultants'. The end result of this setup was the generation of wealth for these entities instead of money reaching the needy east European states.

As stated earlier, the east European region was divided into two groups by the EU for all practical purposes including aid dispersal. The PHARE programme (Poland and Hungary: Assistance for Restructuring their Economies), which was originally intended to help Poland and Hungary and was constituted in 1989, was expanded to include other east European states Czech Republic, Estonia, Hungary, Lithuania Latvia, Slovakia, Romania

and Bulgaria. The other states which were part of the Soviet Union were excluded from this programme. For Russia, Belarus, Ukraine etc., the EU offered the TACIS (technical assistance to the commonwealth of independent states and Georgia) programme. Although the TACIS programme stated that the funds were to be distributed based on an objective and mutually agreed formula involving GNP, population, the state of reform and the ability to absorb assistance, in reality most of the funds earmarked under this programme were provided to Ukraine and Russia (European Commission 1992). Also, the TACIS programme had much less funding than the PHARE. In fact, PHARE had more than double the funding of TACIS. The goals of both the programmes were similar, to help these states to transition from state managed economies to market economies. Also, the political goal was to aid the states transition into democracies like the west European states. The political conditionalities were later to become a problem, especially for Russia, as we shall see.

The states under PHARE were geographically closer to the rest of Europe and were seen as having stronger motivation to carry out market reforms. This perception was again partly due to their people-led movement which sought changes in their countries, such as the solidarity movement. It was agreed that the PHARE states were more ready and willing to comply with requirements, both economic and political, desired by the EU. The EU states also perhaps looked at these immediate neighbours as potential new markets for their products.

Compared to the PHARE states, those receiving TACIS aid were thought of as relatively distant neighbours. It was agreed that helping these states transition away from communism was important for the security of the EU. However, they were never seen as prospective members of the EU to begin with, unlike some states under the PHARE programme. The domestic push for reforms was absent in the TACIS states or was not clearly visible. Moreover, the natural resources present in some of these states such as Russia meant that the EU was unwilling to continue pouring money unless it also saw domestic push to solve economic problems by themselves.

In the second stage, the European Union further consolidated its division of the PHARE and TACIS states. For the important states in eastern Europe, the EU offered Europe-

agreements which were designed to further prepare these states for membership. These agreements delved with aspects such as democracy and rule of law which were essential for fulfilling conditions for membership in the Union according to the EU's Copenhagen criteria. For the TACIS states the EU moved into the direction of maintaining profitable economic understanding through trade agreements. For example, the EU trade and cooperation agreement with USSR was replaced by partnership and cooperation agreements (PCAs) with individual post-Soviet states. The PCAs granted these countries most favoured nation status. Russia and Ukraine were the first to sign PCAs with the EU in 1994, although ratification of the PCA with Russia was delayed for three years due to concerns among some member states in the EU regarding human rights violations in Chechnya.

The signing of different agreements with the two different camps was further validation of EU's diverging policies towards the two groups. It became evident that the EU was preparing countries such as Poland and Hungary for membership while such a plan was not foreseen for other countries of eastern Europe, particularly those which were part of the Soviet Union. From here onwards membership of some countries in the Union and the EU expansion was only a matter of time. concurrently, the FSU (former Soviet Union) states were offered economic partnership.

The PCAs were legally binding agreements which committed the FSU states to do political and economic reform. Normally signed for ten years, these agreements were to guide the relationship between the EU and the FSU states till they were replaced by new agreements. The political conditionalities were aimed at forcing changes in these states. However, there were also attempts in these states at circumventing the conditionalities by doing reforms which actually were little more than a facade or imitation. This is what happened in Russia and many other FSU states leading to differences cropping up with the EU.

The PCAs caused internal resentment among the ruling elite in many countries. They opposed the fact that the EU was intervening in internal matters of their countries and their political system. On the other hand, the EU felt that it was being cheated through shadow reforms when in reality little or nothing had changed in the authoritarian non-democratic

and non-liberal way in which these states were run. The EU also felt that it was already giving away a lot by agreeing to trade and economic agreements with the authoritarian states in return for hope and little else. The positive aspect of the PCAs however was that it led to the creation of a mechanism of regular talks between the EU and the FSU states. The PCAs led to frequent summits and meetings at lower levels between governments and officials of recipient states. This institutionalisation of dialogue led the EU and Russia to bridge gaps through talks wherever they appeared.

In 1996, the intergovernmental conference of EU member-states took place in Turin, Italy. The aim of the conference was to make the Union more efficient in handling its affairs, including external relations. An offshoot of this conference was the 'Common Strategy'. The EU created common strategy documents, which were public. In 1998, the EU Council declared the EU's common strategy towards Russia, Ukraine, the Mediterranean and the Balkans. The aim of the EU was clearly to get member states to somehow formulate their policies coherently. However, in view of deep national interests of member states as well as already institutionalised mechanisms of economic relations through PCAs and TACIS, the common strategies had limited to no impact.

The national states continued to follow their interests both in political and economic domain. Also, since there were already legal mechanisms which the states and the EU were bound by, there was no reason for states to prioritise the declarations stated in the Common strategy. The first common strategy to be released was that on Russia. Adopted in 1999, it envisaged 'ever-closer cooperation' and 'strengthening of the strategic partnership' between the EU and Russia. It required the member states to coordinate their policies towards Russia as well as in other international organisations such the OSCE, UN etc. In view of the lack of guidance on how specifically this was to be achieved, it remained in text without any actual changes on the ground.

Another problem with the common strategy was that it was to be developed by EU presidencies, which changed every six months. As a result, the strategy kept growing and new things got added every six months. At the same time, the strategy more often than not reflected the national priorities and ideas rather than the views of all of Europe which

themselves could be quite divergent. For example, the pro-Russia Schroeder presidency, when Germany was the chair, could add items favourable to Russia while Polish presidency may add harsher terms to it. As a result, the common strategy ended up becoming a catch-all of every conceivable approach towards Russia rather than the coherent approach it had sought to propagate.

For example, the common strategy stated only two goals which themselves were vague. One was maintaining a stable democracy in Russia, and the second was 'intensified cooperation' on common challenges. As to how the member states and the Union would achieve these objectives was absent. Having said that, it was in the PCA signed between the EU and Russia where concrete steps with specific goals were mentioned both in political and economic fields. Therefore, the officials between the two countries engaged in the actual implementation of policies focussed only on the PCAs and ignored the common strategy.

Moreover, the common strategy was unlinked with the time-specific approach of TACIS programme and also time limited PCAs. The TACIS programme, operating on a 4-7-year time period with specific goals and the PCA were considered more relevant by the policy practitioners than the common strategy which could change every six months and was vague and also at times unimplementable because it contained contradictory aims of member states. Unlike the TACIS programme and the PCA, the common strategy neither had funds nor allocated manpower to see the aims stated therein achieved. One could clearly conclude that the common strategy was therefore merely a textual declaration and little more.

Even the EU itself admitted that the Common strategy perhaps was not enough to force member states to coordinate their policies. A major review of the common strategy was ordered in 2000 when the EU's general affairs council asked the secretary general of the council, who also happened to be the EU's high representative for CFSP, Javier Solana to evaluate the effectiveness its effectiveness and suggest ways on making optimum use of the common strategy in future.

Solana's report which was declassified in January 2001 began with the well-known problems in the EU with respect to its foreign policy. The report admitted that the common strategy had failed and had not led to a stronger and more effective EU in international affairs, which in fact was the aim of CFSP to begin with. Solana also admitted that the Common Strategy towards Russia was of limited value and was not respected internally either. Not only this, the public nature of the common strategy had caused confusion and doubt in the target countries. The publication of the common strategy had caused confusion in Moscow as to whether the earlier signed agreements or the Common Strategy guided EU's motivations.

Solana's report therefore advised that the Common Strategy must be made an internal EU document. Also, it must not be vague and catch-all but should seek to achieve specific policy objectives. Moreover, funds, infrastructure and manpower must be made available in such cases so that those objectives could be achieved.

2.3 RUSSIAN POLICY TOWARDS THE EU

Russia had preferred, till a long time after the advent of the EU, to work bilaterally with European nation-states. Many in Russian elite were of the view that the real power in Europe lay with the individual states rather the supranational authority like the EU commission (Bordachev 2005). The fact that the European Council remained a powerful factor within the governance structure of the EU lent credence to this argument. As such, The EU was largely ignored by Russian foreign policy which focused on the larger states of Europe to achieve its goal.

The realist perspective prevalent in Moscow also saw the EU as only relevant in so far as economic strength was concerned. Since the Russians were ever watchful of NATO activities in Europe, they assumed that the EU was merely an economic appendage to NATO. The EU was not and to some extent is still not treated as a geopolitical actor. The aim for the Russian government has been to build economic ties with the EU rather than

indulge in discussing international politics. In the latter, Moscow prefers to engage with individual states.

However, after the EU publicly declared its common strategy on Russia in 1998, Moscow responded with its own “The middle term strategy for the development of relations between the Russian Federation and the European Union, 2000-2010”. This was in 1999 and in the immediate backdrop of the conflict in Kosovo where NATO states including Germany bombed another European state in complete disregard of Russian opposition. Unsurprisingly, the Russian strategy opposed the NATO-centrism of the European states and the European Union.

The Russian strategy in contrast to the EU was clear and straight-forward. It was also a rejection of Yeltsin’s pro-West policy followed by Moscow till then.

“As a world power situated on two continents Russia should retain its freedom to determine and implement its domestic and foreign policies, its status and advantages as a Euro-Asian state and the largest member of the CIS, independence of its position and its activities at international organisations”

-Middle-term strategy part 1.1.

An analysis of this statement gives an inkling of Russian thought in the late 90s. Russia would no more allow the West to dictate its policies, either at home or abroad. That included the European Union. The EU was henceforth to be dealt with in matters related to foreign affairs alone. Brussels would have no influence on the domestic policy of Russia. Any influence that the EU may retain in the domestic political arena inside Russia would exist only if the Russian leadership was ready and willing to cooperate.

There was no reference to values unlike the EU’s common strategy. It was a pragmatic document which placed Russian interests, which were different from those of the EU, above the ideals promoted by the EU. Moreover, the status of Russia as a great power status was buttressed. Moscow was the leader of a bloc different from the EU. It could not be accommodated in the western world but would have a place of its own. “National interests” overtly mentioned in the Russian strategy paper would henceforth guide Russian policy towards the EU.

The entire document is an iteration of Russian view from a realist perspective. It seeks to accommodate the European Union and Russia in a multipolar world which Moscow sought to work towards. The EU and Russia must together build a security architecture in Europe which should shove aside NATO or at least make it subservient to larger EU-Russia understanding. The medium-term strategy outlines Russia's goal to work with the EU to manage security crises in Europe to, "counterbalance, inter-alia, the NATO centrism in Europe".

The Russian mid-term strategy also goes on to suggest that the European integration model could be emulated in the FSU region. In fact, relationship and partnership with the EU itself must be used as a tool to "*consolidate Russia's role as a leading power in shaping up a new system of interstate political and economic relations in the CIS area*". The Russian goal was to set up a system wherein it would be the indisputable numero uno in the FSU and where it could not be challenged by outside powers including the EU.

The Russian enthusiasm for the EU, and to cooperate with it, had reached its zenith by the end of the millennium (Lynch 2004). In the early years of Putin's tenure, Moscow continued to cultivate the EU, with a fair degree of encouragement from Brussels. Despite the western intervention in the Kosovo conflict, Russia-EU summit in October 2000 was a highly successful one. At least the Russians thought so. After the summit, the Russians proposed joint peacekeeping operations and cooperation in armament production to the EU. This was unprecedented optimism. The Russian ambassador to the EU said that the summit was a sputnik moment which would "launch the relations between the two into a new orbit".

However, the next summit in May 2001 brought the Russians back to reality. The EU probably thought that it was moving too fast on the Russian front. This could endanger its relations with the US. Moreover, it was already working on the next phase of its enlargement, which was bound to upset the Russians as it included not only the east European states but also the Baltic countries. Moscow was disappointed with the slow pace of developments on growth of its ties with the EU. As the expansion of both NATO and EU continued despite Russian protests, Moscow became convinced that it was being

deliberately excluded from the security architecture that it was seeking to build with the EU.

The Russian policy had been centred around “erasing dividing lines” in Europe after the cold war. However, the Russians realised that a line continued to divide two camps in Europe. It was only moving eastward reducing Russian influence in the regions or states which crossed this line from east to west.

The foreign policy concept adopted in June 2000 after the elevation of Putin to the post of President expressed similar views as the mid-term policy. It states –

“To ensure reliable security of the country, to preserve and strengthen its sovereignty and territorial integrity, to achieve firm and prestigious positions in the world community, most fully consistent with the interests of the Russian Federation as a great power, as one of the most influential centres of the modern world, and which are necessary for the growth of its political, economic, intellectual and spiritual potential” (President of the Russian Federation 2000).

Security remained the primary concern of the Russian foreign policy followed by reinstatement of its status as a great power which had been diminished somewhat by the chaotic years of the 1990s. The focus on security may also perhaps be due to the internal weakness and conflicts (Chechnya) being faced by Russia at that time. Curbing regional centrifugalism was important for Russia to stay relevant in the international arena (Smith 2020).

On relations with Europe, the Russian Federation while maintaining that it was a priority area for its foreign policy, stated

“The main aim of Russian foreign policy in Europe is the creation of a stable and democratic system of European security and cooperation” (President of the Russian Federation 2000).

The Russian foreign policy concept differed from the mid-term strategy in that it also expressed its anxiety on the European attempts to become an actor in the security field. This was only slightly surprising because it came in the backdrop of the EU’s establishment of what would later become Common Security and Defence Policy (CSDP) in 1999 (Treaty

of Amsterdam). Also, the European states had already participated in NATO's bombing campaign in Yugoslavia in the same year. The EU was also involved in military missions in West Africa around the same time. The Russian foreign policy concept bluntly stated that

“The EU's emerging military-political dimension should become an object of particular attention” (President of the Russian Federation 2000).

Moreover, changing face of the European Union, above all, its ambitions to expand, including other states of Europe, and of unifying in security and foreign policy matters, also formed a concern for Russia according to its foreign policy concept.

“The ongoing processes within the EU are having a growing impact on the dynamic of the situation in Europe. These are the EU expansion, transition to a common currency, the institutional reform, and emergence of a joint foreign policy and a policy in the area of security, as well as a defence identity” (President of the Russian Federation 2000).

2.4 EXPANSION OF THE EUROPEAN UNION

Russia, after the dissolution of the Soviet Union, was divided into two opposite opinions. In context of the post-Soviet CIS states, while one side advocated an independent course for the Russian federation, the other supported the reintegration of Russia with CIS states in one way or the other. At the very least Russia should maintain its close ties and therefore influence in these states. As early as 1992, President Yeltsin stated that “policy considerations in relation to other CIS countries have priority”.

President Medvedev in 2008 went a step further and stated that Russia had ‘privileged interests in its border regions’. Foreign Minister Sergei Lavrov also stated that Russia had special relations with eastern European states because of hundreds of years of common history. This sense of understanding of the Russians would automatically make it difficult for them to accept that CIS states could or would one day move out of the Russian orbit.

However, a weakened Russia in the 1990s could not oppose such a step even if it wanted to. Also, as stated before, a section of the political elite in Russia was indeed willing to make a clean break and accept the new situation on ground if the West was willing to grant Russia a status befitting that of a great power which the political elite in Moscow considered it to be.

Pro-west foreign minister under Yeltsin, Kozyrev talked of a Euro-Atlantic entity from Vancouver to Vladivostok. He conceded that the Russian empire and also thereafter the Soviet-Union was largely expansionist in nature. Hereafter, Russia must shun this approach whose time was past and seek an understanding with the West. Kozyrev stated that Moscow must seek come to some agreement with the West on security issues and somehow integrate itself in the European geopolitical architecture.

This position came under attack from the other camp which claimed that Russia had a unique Eurasian identity which was different from the rest of Europe. The primary argument of this camp was that Russia had different history, culture and geography. It was important to protect the unique national identity of Russia from everyone including the West. The European expansion eastwards attempting to incorporate the post-Soviet states in the EU was a challenge to Russia's great power status according to them.

In 1996, Kozyrev was replaced by Yevgeny Primakov. A pragmatic, influential strategist, Primakov set about to build Russia's foreign policy away from the West. It was Primakov who proposed the policy of seeking a multipolar world for Russia, one in which Moscow would be one of the poles. For the two and half years Primakov remained at the helm in the Russian foreign office. He built the foundation of the foreign policy of Russia which is followed till date. Opposition to NATO expansion, attempts at building a multipolar world, closer ties with China are some of the ideas brought forth by him.

Most important of these ideas was to ensure influence in the CIS states. The expansion of the European Union and NATO in the CIS states which took place when the Baltic states joined the two is seen as a watershed moment in Russian relations with Europe in post USSR period. It drove right through the most important foreign policy goal of Russia and was considered a major diplomatic failure.

The EU and western countries claimed that it was the security minded Russian elite, like Primakov, who were concerned with the EU and NATO expansion (Black 1999). Moreover, since every state was free to make its own choices, Russian opposition to the decision taken by Baltic states was inappropriate. This was a dangerously callous approach to the security concerns of Russia. Moscow, which had tried to maintain friendly ties with the European states and the EU understood it as complete disregard for its views in the West. It almost immediately began to react to the new security threat that the EU and NATO expansion created. Also, since the expansion of the EU and NATO took place almost simultaneously (NATO enlargement took place on 29 March, EU enlargement on 1 May), the two were clubbed together in the psyche of common Russians as security threats.

The Russian parliament's defence committee chairman general Viktor Zavarzin demanded that Russia rethink its defence posture in light of the new developments. Other thought leaders in Russia prophesied that the recent expansion will bring about a new era in Europe-Russia relations (Gidadhubli 2004). Foreign Ministry spokesperson Alexander Yakovenko said that Russia, which had already declared its intention to demilitarise the Baltic seas, would now need to reconsider its decision (Gidadhubli 2004).

Initially, Russia was not as opposed to the expansion of the EU as it was to NATO expansion. In fact, it looked at the inclusion of the east European states into the European Union as a stabilising factor. Others in Moscow argued that the EU enlargement would not significantly affect Russia (Aslund and Warner 2003). However, as the date for incorporation of the eastern states in the EU came nearer, Moscow realised the significant economic and political fallout of EU's enlargement. Even then, Russia was willing to accept and even encourage EU enlargement so long as NATO did not reach its borders (Tkachenko 2000).

However, the way the West, including the EU, ignored Russian protests touched a raw nerve in Moscow. The EU and NATO expansion was also accompanied with the Rose revolution in Georgia where pro-Western government had come to power after prolonged protests and a re-election. The new government had promptly taken a pro-American line

and declared its desire to join Euro-Atlantic institutions. More importantly, the positions taken by the new government were also unequivocally anti-Russian. The entire period between 2003-2005 was of colour revolutions in close geographical proximity to Russia, EU and NATO expansion, and in general loss of influence and interests for Russia. This led to a feeling of being in a siege for the Russian leadership.

On the other hand, the European Union constituted a new policy for the rest of states in the same period. Called the European neighbourhood policy, it was announced by the European commission in 2003 and launched in 2004. It sought to build closer ties between the EU and its neighbours. In the backdrop of the EU expansion and other developments in Russia's neighbourhood, the new policy caused further anxieties in Moscow.

2.5 EUROPEAN NEIGHBOURHOOD POLICY

The stated goals of the European neighbourhood policy (ENP) according to the European Commission was to “to prevent the emergence of a new dividing line between the enlarged EU and its neighbours”. The countries which were left out of the EU enlargement were to be provided with other incentives to ensure that they too would gain from the expansion. As such the neighbourhood policy envisaged economic cooperation, better access to the European market, liberal visa regimes and technical and policy support.

However, besides the stated goal, the main aim was to have a stable and peaceful neighbourhood. To achieve this the EU sought to model its neighbourhood in its own image. Rule of law, democracy, human rights and social cohesion were some of the ideals that the EU sought to promote through the ENP. However, the intrusive nature of this partnership where the recipient neighbours of the Union were to change according to the wishes of the EU became a bone of contention between the EU and Russia.

The ENP embodied everything that Russia was afraid of. Moscow deduced that the EU was a new regional hegemon, albeit an economic one, that was making its conquests not on a battlefield, but by attracting ever more countries with the promise of prosperity that

was conveyed by the success of its economic model (Haukkala 2010). Many states saw the ENP as a way towards eventual EU membership. This was resented by Russia which tried to prevent this from happening. As a result, the ENP eventually achieved exactly opposite of what it had sought to do.

This was proven with continuous hostility between the ENP states such as Ukraine and Georgia, and Russia. In case of Georgia, Russia also fought a short war, one of the reasons for which was Tbilisi's desire to integrate closely with the western institutions including NATO and the EU.

To be fair to the EU, it must be included here that Russia itself was offered the European neighbourhood partnership like other states but it refused.

2.6 EASTERN PARTNERSHIP PROGRAMME

In continuation of EU's policies in eastern Europe and ENP, Brussels unveiled the eastern partnership programme in 2009. It started off as a Polish initiative to begin with. Sweden joined Poland in sponsoring and supporting the programme. Poland had for long been trying to get the EU to focus more of its energy on its eastern border.

The European Union stated that one of the aims of the eastern partnership was the development of comprehensive free trade zones by concluding bilateral association agreements with participating states. Easing of visa issues, border controls and improving energy relations were other stated goals of eastern partnership.

Although, the EU stated that the goals of the new programme would be pursued in parallel with its strategic partnership with Russia, it was difficult to see how this could be achieved. The goals of the eastern partnership were completely opposite the stated interests of the Russian Federation. Especially the creation of free trade zone via bilateral association agreements would significantly undermine Russia's trade relations with these states.

It was no surprise then that the EaP was seen as another attempt by the EU to entice post-Soviet states away from Russia and encroach into Russia dominated regions. In March 2009, Russian foreign minister Sergei Lavrov bluntly accused the EU of expanding its sphere of influence (Pop 2009), an accusation that the West had frequently thrown at Russia.

Table 2.1: Political, economic and security agreements with the EU and Russia (Eastern Partnership)

Country	Agreements with the EU	Agreements with Russia
Armenia	PCA (1999) AA and DCFTA negotiated in 2013 but never signed CEPA (without DCFTA) signed November 2017, provisionally applied pending ratification	CIS (1994) CIS FTA (2012) EEU (2015) CSTO (1992)
Azerbaijan	PCA (1999)	CIS (1993) FTA with Russia (1992)
Belarus	PCA signed in 1995 but never ratified	CIS (1994) CIS FTA (2012) EEU (2015) CSTO (1992)
Georgia	PCA (1999) AA and DCFTA (signed 2014, in force since July 2016)	Left CIS after 2008 war with Russia. FTA with Russia (1994)
Moldova	PCA (1998) AA and DCFTA (signed 2014, in force since July 2016)	CIS (1994) CIS FTA (2012)
Ukraine	PCA (1998) AA and DCFTA (signed 2014, in force since September 2017)	CIS FTA (2012)

Source- Briefing to the European Parliament (Russel 2020).

Russia, expectedly, has reacted to these European initiatives negatively. Although Moscow itself, at least in the 90s, was willing to cooperate with the EU, the changed perception of the EU meant that Moscow would pushback against these European programmes, both ideologically and practically. In fact, it has launched integration programmes of its own, which seek to compete with EU's programmes in demanding the loyalties of post-Soviet states. This has led to widening of differences with the EU, most glaring example of which is Ukraine, which will be discussed in chapter 4.

2.7 RUSSIA'S NEAR ABROAD POLICY

The term *Near Abroad* is a translation, albeit vague, of the Russian term *blizhneye zarubezhye*. The Russian term is difficult to translate although “near abroad” has now perhaps come to denote everything in sense if not literally which is represented by the original. Its first use was recorded initially in 1992 (Safire 1994). Russia maintains that it has special interests in the post-Soviet states bordering itself and this must be recognised by extra regional powers. Many of the newly independent states reject this Russian assertion.

In the initial years after the dissolution of the Soviet Union, the Russian government led by Yeltsin and pro-West foreign minister Kozyrev paid little heed to the CIS states. This was despite the fact that Russia had initiated the formation of the CIS in the first place. The focus of Russian foreign policy was on building closer ties with the West. In this environment the new states in the Caucasus, central Asia and eastern Europe started gradually building up independent political institutions away from Moscow. Like Russia these states also showed little interest in reintegration with the rest of Soviet space. Russian disinterest in taking the lead role aided this centrifugal process (Litera 1998).

However, this approach was challenged by the Eurasianists in Moscow, as stated earlier. The continued loss of influence of Russia abroad and economic and financial problems at home helped in discrediting the pro-West foreign policy of this period. By the time President Putin came to power, the Eurasianists had firmly taken control of the political discourse in Russia. It was in this backdrop that Russia promulgated its foreign policy concept in 2000 which overtly stated its interests in the CIS states.

The Russian foreign policy towards the CIS states has since turned realist with an interest in reinstating Russian influence in the CIS states. This policy of the Russian federation according to which Russia claims to have special interests in its neighbourhood has been called its near abroad policy. The EU's encroaching expansion, which undermined Russian influence in several east European states played a large part in the formulation of this policy.

The initial attempts by Moscow to reintegrate the CIS states, or to promote foreign policy coordination among the members met with failure. There were several reasons for it. Firstly, there was little incentive for post-Soviet states which had recently won their 'freedom' to coordinate with Moscow or others on foreign policy. Most of the post-Soviet states cherished their newfound independence in this field. Many of the CIS states saw the Russian attempts to convince others on a common approach suspiciously. On the issue of reintegration, Russia did not have sufficient economic or political tools to play with, which would enable it to convince others on the benefits of such a step. Russia's own economy was in doldrums until the end of the millennium. The Russian army, which could have played a coercive role in this attempt, was proven to be inefficient and lacking in motivation by the two wars it fought in Chechnya.

As it became apparent that the Russian government's attempts to increase its political influence in CIS states were proving unsuccessful, Moscow changed its tactics from political to economic integration. This was also perhaps due to the lessons learnt from the experience of Europe and the EU. By late 90s, Russia was beginning to look for economic advantages in the CIS states and pursue its political goals from this standpoint. However, the mistakes made earlier meant that some of the CIS states were opposed to even these steps (Lo 2003). This made it difficult for Moscow to attempt economic reintegration throughout the CIS states although Moscow succeeded in convincing most of the states in Central Asia, Eastern Europe and the Caucasus.

The foreign policy concept adopted in 2000 by Moscow advocated a harder line. The relations with post-Soviet states were hereafter to be governed by the willingness of these states to accommodate Russian interests including those of ethnic Russians living within the borders of these states. A subtle geoeconomics approach has been used whose final goal is a more integrated post-Soviet state with Russia as the leading state.

Under President Putin, Russia led regional organisations have become less and less important while Russia itself has gained prominence (Kulhanek 2006). This has been achieved by reducing the impact of regional organisations while Russia deals with each CIS state on a bilateral basis. By sheer weight and its indispensability Russia has managed

to regain sufficient influence in many of the post-soviet states. Belarus, Kazakhstan, Armenia immediately come to mind, which are closely allied with Russia in both the economic and political fields.

This way Russia may be succeeding to some extent in reintegrating the post-Soviet space. However, that is not due to the use of the CIS structure as a platform but more due to new geo-economic policies. Putin's approach in this context has been extremely practical without regard to the sentimental value he may or may not attach to the Soviet Union or the CIS (Sakwa 2004). In fact, the CIS itself had become redundant after some of the states overtly took a pro-West turn if not a completely anti-Russian one. Georgia after the so-called rose revolution in 2003 and Ukraine after its so-called orange revolution openly expressed their desire for NATO and EU membership.

The primary aim of the Putin rule since 2000 in the CIS states has been to ensure that outside powers namely the EU and the US do not attain a critical amount of influence. If these states were willing to stay neutral, that would also be acceptable. For example, both Azerbaijan and Uzbekistan have at times moved away from what Russia would assume to be for its best interests. Nevertheless, Moscow has been willing to cultivate and maintain friendly ties with these countries. On the other hand, an intention for any of the states to ally with another power viz EU, US has led to push-back from Moscow.

This is especially true in the security realm. The expansion of NATO eastwards was opposed by Russia. Similarly, Russia has tried to ensure that NATO or US bases do not exist on the soil of CIS states. The way the West is competing with Russia in what used to be the former Soviet Union territory is considered not just a security challenge but also a symbol of decline of Russian great power status.

Having said that, Russian influence and power has its limits in the CIS states beyond a point. Despite its best-efforts Moscow could not stop the expansion of EU or NATO right till its border. It has also not been able to stop other countries such as Georgia and Ukraine moving away from itself. At best, the Russian efforts have led to the creation of frozen conflicts around its periphery. Moldova, Georgia and now Ukraine are examples of failures

of Russian policy as much as they are evidence of Russian determination to maintain its influence in its near abroad.

In some of these states, Russia has deployed or proposed to deploy peacekeepers to maintain unstable ceasefires. Russian troops have been involved in Moldova, Georgia and Tajikistan in this capacity. Russian soldiers and its military capacity to influence conflicts is one of the tools with which the Russian government has sought to maintain and counter influence of extra regional powers in the CIS states. Having said that, this coercive power of the Russian state was circumspect from since the Chechen wars till at least the war in Georgia in 2008. It is only after the successful demonstration of Russian power in 2008 that Russian military force has been restored as a coercive weapon in its toolkit.

However, it is mostly the economics which has taken preponderance over other means in Russian pursuit to change the policies of the CIS states. Russia as a large market for agricultural products of the CIS states and Russian dominance over energy products and means of their delivery are two factors which are frequently utilised. Putin has emphasised on the need for Russia to become a world leader in the energy sector. At the same time, Russia has been trying to integrate the CIS energy producing states into its own system of delivery by offering pipelines and other incentives. For states which have shown unwillingness to cooperate like Georgia and Ukraine, Russia has used their energy vulnerability to further its diplomatic and security interests. Energy pricing has been the preferred and most frequently adopted method. While it provides energy to pliant states at much reduced price, Moscow threatens to hike or hikes energy price if the CIS states do not fall in line with Moscow's interests.

For CIS states which are net energy exporters, Russia has used its favourable geographic position to put pressure. Since most of energy products must go through Russian territory, it gives Moscow enormous leverage over other exporters. Again, in this endeavour Russia has not always been successful. For example, Azerbaijan has pursued an independent course by building a pipeline which bypasses both Russian and Armenian territory and goes through Georgia to Turkey. This is one of the factors which has severely limited Russian influence in Azerbaijan.

As stated before, despite these powerful economic and political tools Russia has not always been successful in enticing the CIS states. In fact, in eastern Europe the pull of the European Union frequently proves more than a match for Russian power. Both the soft power of the EU as well as its economic size tempts westward leaning politicians of eastern Europe and Caucasus to throw their lot with the West. In this endeavour, they are often willing to pay the heavy price that they may have to when displeasing Moscow.

2.8 EURASIAN ECONOMIC UNION

Attempts at integrating the post-Soviet space began almost as soon as the USSR was dissolved. However, by and large all such attempts have failed. The states which were ethnically diverse pounced upon the opportunity to create independent states and have resisted attempts to be pulled back into the Russian space. The attempts at economic integration have met the same fate although the Eurasian Economic Union is continuing in its journey for the time being.

As early as 1994, Nursultan Nazarbayev, the president of Kazakhstan had proposed the setting up of a 'Eurasian Union' as a regional trading bloc (Alexandrov 1999). The purpose of such a Union would be to act as a bridge between the fast-growing economies of East Asia and Europe. The idea gained little traction in the chaotic years of the 90s decade.

By the end of the decade steps were again taken to integrate at least some part of the economic space of the post-Soviet states. In 1999, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Belarus signed the treaty on Customs Union and single economic space. In 2000, the Eurasian economic community was created with the same five countries as its members. In view of the fact that the earlier signed Eurasian customs union had not been defunct, Russia, Kazakhstan and Belarus once again signed the Customs Union agreement in 2006. Finally, the attempts at economic integration have culminated in the formation of the Eurasian Economic Union or EAUU for short. The agreement of the establishment of the EAEU was signed in 2014. Apart from Kazakhstan, Russia and Belarus which are the founding members of EAEU, Armenia and Kyrgyzstan joined in 2015.

The EAEU is as much an economic project as it is a political project. For one, it cannot be doubted that the EAEU has been built on the same model as the European Union. It has similar institutions and similar goals. However, the other aspect also to be noted is that the EAEU has come in opposition to the EU and much credit goes to Brussels for its creation.

Declining influence of Russia in its neighbourhood and corresponding increase of EU's pull led Russian strategists to conclude that Russia alone simply didn't have sufficient economic weight to be attractive enough to potential allies. With addition of other friendly states to its own power, Russia sought to lure other post-Soviet states into choosing Moscow over other regional power centres. Russia also realised that it was not providing the post-Soviet states with a model different from that of the European Union. In one sense, Russian attempts to stop countries from joining the EU was a negative attempt. Only if Russia was to provide its own blueprint for economic development of the post-Soviet states could it hope to have positive outcomes in its competition with the EU.

The states which are part of the EAEU are mostly those which are dependent on Russia for economic and/or geopolitical needs. For example, Kazakhstan and Armenia are landlocked while Belarus is heavily dependent on Russia for its economic needs. All the parties understand this and therefore it makes the EAEU more of a geopolitical project than an economic one. The Russian leadership itself is conscious of this and has stated that it wants the EU to be one of the drivers of global growth much like other regional economic blocs (Popescu 2014). In the multipolar world, that Russia overtly declares to be its aim, the EAEU must form one of the blocs.

Unfortunately for Moscow, the EAEU has suffered from disinterest from some sections of the post-Soviet states most important of which is Ukraine. Although, Russia has tried to tempt Kiev with economic benefits, most important of which is low gas prices, a divided Ukraine has proved to be a difficult state. The decision making in the EAEU setup was changed from weighted voting to an intergovernmental setup, where each state has a veto, in 2012-13. This was done to allay the fears of the Ukrainian leadership of domination by Russia. However, as subsequent developments show, this was not enough for Ukraine to join the EAEU. At the same time, it must also be mentioned that Russia managed to

convince Armenia to abandon its Association Agreement ambitions with the EU and join EAEU instead. This despite Armenia having already made preliminary technical preparations for signing the Association agreement.

2.9 CHANGES IN RUSSIAN DOMESTIC POLICY

In 2004 Putin stated that Russia had showed weakness and it had given hostile powers and opportunity to undermine it. While some countries directly opposed Russia, others help them in this endeavour. Putin stated that some states may want to take a juicy piece of Pie from Russia.

“It will take many years and billions of roubles to create new, modern and genuinely protected borders. But even so, we could have been more effective if we had acted professionally and at the right moment. In general, we need to admit that we did not fully understand the complexity and the dangers of the processes at work in our own country and in the world. In any case, we proved unable to react adequately. We showed ourselves to be weak. And the weak get beaten. Some would like to tear from us a “juicy piece of pie? Others help them. They help, reasoning that Russia still remains one of the world’s major nuclear powers, and as such still represents a threat to them. And so they reason that this threat should be removed” (Putin 2004).

The expansion of the EU and NATO to the Russian border and overt courting of states such as Ukraine and Georgia by western alliance was seen by no less than the Russian president as an attempt to take away ‘juicy pieces’ away from it. Russia had shown weakness in the 90s and this was taken advantage of by the West.

Further, Putin said,

“We are living at a time of an economy in transition, of a political system that does not yet correspond to the state and level of our society’s development. We are living through a time when internal conflicts and interethnic divisions that were once firmly suppressed by the ruling ideology have now flared up. We stopped paying the required attention to defence and security issues and we allowed corruption to undermine our judicial and law enforcement system.” (Putin 2004).

Russian economy was weak, its borders insecure and internal problems had emerged again in the form of inter-ethnic conflicts. Russia’s defence and security interest had been

neglected. Many of these issues which had given the opportunity to the West to expand eastwards and undermine Russian interests were due to the weakness of the state structure in Russia. And therefore, it was imperative for Moscow to be strong and show strength if it wanted to ward off challenges to its interests. This needed an overhauling of the domestic policies of the Russian Federation.

After the economic crisis in 1998 when Russia had defaulted on its debt commitments, Yeltsin's ability to remain in power waned. Putin came to power when Russian mood towards pro-West orientation had soured and the population wanted some semblance of economic and political stability. Putin started with consolidating his own power as well as creating a clear system of hierarchy. This was called a 'vertical of power'. He reorganised the federal districts and made the governors of these provinces subordinate to the federal government. In July 2000, he was granted the right to dismiss heads of federal districts of Russia.

Putin also moved to curb the power of the oligarchs who had become a government in themselves wielding clout across the country. The crackdown on the oligarchs was not universal. Those who were willing to work with the government in an honest way, without bribing officials or manoeuvring to change the policies or the government itself were allowed to continue with their business (Goldman 2004). Harsher tactics were adopted against other business tycoons who were unwilling to accept the new political dispensation and its new rules. A case in point was that of Khodorkovsky, one of the richest business tycoons in post-Soviet Russia. His alleged involvement in tax evasion as well as political manipulation landed him in jail. Similarly, another oligarch Berezovsky had to leave Russia. The government's pressure on oligarchs helped build some semblance of normalcy in the business sector although wealth distribution remained increasingly skewed.

To rebuild economic strength, Putin made several regulatory changes. His government codified land laws as well as tax laws making them simpler and more effective. A flat tax rate of 13% was introduced in 2001 which was spectacularly successful (Mitchell 2003). Corporate tax was reduced from 35% to 24% which was among the lowest in Europe and helped bring in much needed investment from the West.

The results of Putin's efforts to strengthen Russia were largely successful both in political and economic fields. Russian economy marked its strongest growth from the period between 2000 to 2008. Productivity, investments, incomes, all facets of the economy rebounded sharply. This led to reduction in poverty and growth of the middle class which in turn has brought social stability.

As much as the credit goes to the efforts of Putin's government, the high price of oil during this period helped Russia immensely in this effort. The heavy dependence of Russian economy on export of resources has remained constant, and the economic comfort of the state and therefore the population has remained tied to it. After default in 1998, Russia devalued its currency four-fold. This helped improve the economic situation of the country. After the arrival of Putin in Kremlin, reforms in economy also helped stabilise the situation. However, real growth in Russian economy and therefore the power of the state took place during the 'oil shock' period from 2003-2008. While oil importing states suffered, oil exporting countries reaped huge benefits. Although oil prices continued to remain high till 2014, the 2008 global financial crisis hit the Russian economy hard. However, by that time, Russia had built sufficient reserves to be able to bear the recession.

The price of oil per barrel of crude oil hovered around \$30 from 1980s till 2000s. However, this began to increase in the new millennium. One of the main factors driving this was the rapid industrialisation of fast-growing economies of Asia, like China. After 2003, petroleum prices took off in a big way. This may have also been partly due to the second gulf war in 2003. The price of oil reached \$60 in 2005 and a high of \$147 in 2008. Russia, which depended heavily on export of crude reaped a windfall. By 2005 itself, Moscow had been able to pay back all its debt, including those from Soviet period. Not only, this, for the first time since the dissolution of USSR, Russia now had surplus funds to modernise its factories and diversify its economy.

Figure 2.1: Crude Oil Prices - 70 Year Historical Chart.



Source – Macrotrends 1369.

To ensure that future fluctuations do not negatively impact Russia, government took the prudent decision of creating a stabilisation fund. This was as much due to Russian experience of dependence on the West for economic support as it was to ensure economic security. The stabilisation fund would help Russia in a rainy day, if and when it came. This way it could ward off foreign pressures and maintain independent foreign policy.

The stabilisation fund was created in 2004. In 2008, it was divided into a reserve fund and a national welfare fund. The reserve fund was invested abroad to prevent it from suffering wild fluctuations in value due to currency fluctuations if they happen at a later date. The national welfare fund as the name implies was to invest the money back into the Russian economy via federal budgets. The funds are managed by the ministry of finance according to strict rules of the government.

After the colour revolutions in Georgia and Ukraine, Russian leaders became increasingly concerned with internal political sabotage operations. The leadership in Moscow genuinely believed that colour revolutions had been successful in the post-Soviet states largely because they were supported by the West through a system of propaganda, soft power,

funds and messaging². A network of non-governmental organisations (NGOs) managed and funded by western institutions was employed for this purpose according to Moscow.

When the turmoil erupted in Ukraine in 2014, Putin said that,

“[i]n the modern world extremism is being used as a geopolitical instrument and for remaking spheres of influence. We see what tragic consequences the wave of so-called colour revolutions led to...For us this is a lesson and a warning. We should do everything necessary so that nothing similar ever happens in Russia.”
(Korsunskaya 2014).

In December 2014, President Putin signed the Military Doctrine of the Russian Federation (Russian Federation 2014). The 2014 doctrine includes a section on the nature and characteristics of modern warfare, lists the main dangers and threats that Russia faces, and also lists some of the tasks that Russia must carry out in order to prevent and contain those threats. Many of the threats to the Russian state mentioned therein seem to specifically refer to the colour revolutions. These include the use of non-military means together with the protests by local civilian population, irregular private forces and the use of externally funded and organized political groups and social movements. Fomenting unrest in the post-Soviet states by using these methods is what Russia accuses the West of doing in order to create colour revolutions.

The non-violent nature of colour revolutions and the non-military methods used to achieve the goals, which mostly include regime-change means that the defence against these also require non-military methods. Some of these methods have been identified as countering foreign media and information flow (propaganda), isolating opposition leaders and groups and cutting them off from any foreign financing and media support, and strengthening the cultural and patriotic values of Russian youth.

Although the doctrine was adopted in 2014, the government has promulgated laws and taken several steps from the beginning of the millennium. These are in the domain of information control, social organisation and cutting off funds from abroad and attempts at creation of patriotic youth fronts.

In 2002, the Russian parliament passed the extremism law. The definition of materials considered to be extremist are wide ranging. In 2006 and 2007, after the colour revolutions in Ukraine and Georgia the definition was widened even further. Now extremist materials and actions include but are not limited to criticism of government officials, ideologically motivated actions, insulting the nation and threats of violence. According to the law, both production, publication as well as possession and consumption of extremist content is punishable by law.

Foreign organisations working in Russia were also put under pressure through legal mechanisms. In 2012, those NGOs which were involved in political activities in Russia were forced to register as foreign agents or pack their bags (BBC 2015). Further changes were made to the law after the crisis in Ukraine in 2014. The new laws enabled the government to prevent the functioning of undesirable NGOs on Russian soil. Even Russian citizens found to be working for undesirable organisations could be jailed for up to six years.

Putin however has defended the laws. In an interview, he maintained that what Russia was doing was accepted practice (TASS 2020). And other countries in the foreign hemisphere had similar laws. Also, he said that there was no blanket ban on foreign organisations working in Russia. All that they had to do was to accept that they were taking funds from abroad if that is what they were doing. Putin also said though that the organisations must not disguise their work ie. If they were working on political issue in Russia, they should not claim to be working in environmental, health, or humanitarian sectors.

Several organisations such as the National Endowment for Democracy, International Republican Institute, National Democratic Institute for International Affairs, Open Society Foundation, and the German Marshall Fund were declared unwanted foreign and international NGOs. Almost all of these are associated with either the United States or European countries or the EU. Clearly, the aim of these steps was to cut down the influence of western ideas and propagation of such ideas in Russia.

Other steps taken by Russia have been to take greater control of information dissemination. Although, this has been done to maintain political control by the ruling elite as much as to

insulate Russians from the negative influence of foreign media. While oligarchs largely controlled the media houses in Russia during the Yeltsin years, Putin after coming to power promulgated policies which increased the government's control in the sector. Although, the aim as stated by the government was to free the media houses from control of oligarchs, the ownership and control eventually went to the government. Those that are not directly controlled by the government are more often than not owned and managed by people connected to the government. The vast state-controlled media empire includes the news agencies ITAR-TASS and RIA Novosti; the national radio station Radio Rossiya; the leading TV networks Channel One, Rossiya and NTV (Ognyanova 2010).

The Russian government has created and lavishly funded nationalist youth organisation by the name of Nashi (Ours). This has been done to prevent the young in Russia from being influenced by pro-western and anti-government idea. The project has been largely successful and Moscow has been trying to emulate its success in other post-Soviet states.

Another facet of Russian domestic policy has been the increasing emphasis on its unique identity through language, culture, history and even religion. Putin himself has taken a keen interest in promoting orthodox Christianity and is not shy of being seen with its patriarch. Although, religious freedom is guaranteed by constitution in Russia, Putin often invokes the church in his speeches (Warhola 2007). He also promotes traditional religious values such as opposition to homosexuality. In fact, the Russian government went to the extent of promulgating an anti-homosexuality propaganda law (The Guardian 2013) ostensibly to protect children and traditional values. Such steps have helped build a different image of Russia than the West. Similarly, the government has been promoting the history of the great patriotic war and celebrating the Russian victory with ever greater pomp and show. The Russian government has accused the western states of falsifying history.

2.10 CONCLUSION

The European Union came into existence at a time of chaos in eastern Europe and CIS states. A weakened, divided and confused Russia saw the European Union as a benevolent

economic actor, someone Russia could look up to for emulation. The EU itself maintained continuity in policies from pre-USSR to post-USSR period. It sought to encourage the east European states including the post-Soviet ones to develop their societies and economy on the western model. However, this approach was different for different states.

A weakened Russia was undergoing an economic and political transition. During the Yeltsin years, it was ridden with internal and economic crisis. As a result, it could pose no opposition to western policies which it saw as challenging its interests. The NATO bombing of the Soviet Union and continuous expansion of NATO eastwards despite Russian protests convince Moscow that the European states and the EU were complicit in western schemes to undermine Russia. As a result, EU's image in Russia changed. Consequently, Russian policy towards the EU also changed.

Since the adoption of the Russian mid-term strategy towards the EU, Moscow has maintained incredible consistency and focus in pursuing it. Russia has repeatedly opposed western intervention in the CIS states to the point where it has played a zero-sum game with the EU even in economic affairs. In the east European states in particular, Russia has focused on using all means to prevent increase in EU's influence.

EU's policies which are perceived as humanitarian and development oriented in Europe are seen as a geopolitical ploy in Russia. The eastern neighbourhood programme and especially the eastern partnership programme are resented by Moscow. While Moscow's objections are ignored by the EU, Russians feel that the EU is luring its friends in the post-Soviet space through economic enticements. This is not entirely ill-founded as some of the EU programmes have free trade agreements built in them which could harm Russian economic interests. To counter this Russia has created its own economic regional organisation the Eurasian Economic Union (EAEU). Although the EAEU is no match for the EU in financial capacity, with it Russia can offer an alternative to the states in post-Soviet space.

Russia has also been working to consolidate itself internally. The colour revolutions which took place in Georgia and Ukraine in 2003 and 2004 respectively, reminded Russia of its own internal weakness. With help of high oil prices, Russia has managed to build a more

stable economic, political and social system. One of the goals for this has been to prevent the ability of western states to influence internal politics inside Russia and weaken it. In fact, steps such as the creating of a stabilisation fund have been taken to ensure that Russia does not need to rely on foreign funds again, which according to Moscow compromises the independence of its foreign policy.

CHAPTER THREE
RUSSIA AND EASTERN EUROPE

3.1 INTRODUCTION

The first expansion of the European Union after its political formation through the treaty of Maastricht (1993) took place in 1995. Sweden, Finland and Austria were the three new entrants in the EU fold. All the three states were neutral during the cold war. That would have made it difficult for them to align their foreign policies with that of the European Union majority of whose member states were part of NATO and therefore had a clearly defined security and foreign policy. However, the end of the cold war meant that the prospective member states could join the EU without the need to change their foreign policies.

The motivation for these three states was largely economics. The EU was the largest market in the region. Acceding to the EU would lead to free trade between these states and the rest of Europe helping their economies. Since the primary purpose of these states joining the EU was accruing economic benefits, they have largely retained their foreign policies although it remains to be seen if they can continue on this path in view of the EU's goal to develop a common foreign policy.

The second and largest expansion of the EU took place in 2004 when ten states joined the Union. In contrast to the 1995 expansion, the 2004 expansion was largely political in nature. Official organs of the EU talked of moral responsibility to allow these states to join the Union. The EU argued that most of the states of eastern Europe had just been freed from communist dictatorships and accession to the EU would firm up nascent democracies in these countries. Two Mediterranean islands Malta and Cyprus joined the EU along with eight east European states. These were Poland, Slovakia, Slovenia, Czech Republic, Hungary and the three Baltic states viz. Lithuania, Latvia and Estonia.

The second argument to support the accession of these states was that the states could once again fall under totalitarianism if the EU were not support it economically. However, it has already been stated that the 2004 expansion largely had political goals and it was these that swayed the EU's considerations. In fact, the EU went out of its way to accommodate the new entrants as we will see later in this chapter. The EU may have also been pressured by

the US to include new members in eastern Europe to ensure that they did not once again fall back under Russian influence.

The third round of post-Maastricht enlargement took place when Romania and Bulgaria joined the EU in 2007. The EU later admitted that the two states were not ready for membership considering the weak state of rule of law in place in these countries (Gotev 2016). The 2004-2007 enlargement reflects a political enthusiasm to include post-Soviet states in the EU as soon as possible. The last enlargement took place in 2013 with Croatia becoming the latest member.

The EU expansion since 2013 has been put on hold although candidate countries in the Balkan region are vying for accession. This may be as much due to enlargement fatigue within the EU as response from neighbouring states, especially Russia. The Russian Federation has been vehemently opposed to further EU expansion in eastern Europe. It now treats the post-Soviet region as a zero-sum game where any gain in EU influence is detrimental to Russian interests. It is anybody's guess whether the EU would have continued expanding in eastern Europe with other states if civil war had not erupted in Ukraine in 2014, the reason for which, partially at least, was the EU-Russia tug of war in the country.

Although Russia was not negatively disposed towards EU expansion to begin with, its attitude has clearly changed after the 2004 expansion. The accession of states openly hostile to Russia within the EU has not only emboldened them to pursue policies inimical to Russian interest but they may also be nudging the EU to take a more confrontational stance towards Russia.

Much of acrimony between the new members of the EU such as Poland and Lithuania are historical in nature. At the same time, the financial and geopolitical interests in aligning with the US may also be playing a role in this behaviour.

3.2 EASTERN EUROPE AND RUSSIA-EU RELATIONS

Russian relation with Europe has evolved over centuries. Russians themselves are divided whether they are part of Europe or not. For all practical purposes Russia and the vast majority of its inhabitants happily identify themselves with Europe and act accordingly. However, this wasn't always the case and is no longer the situation today.

Russian territory is majorly Asian. Its script is unique and its variety of Christianity is Orthodox, unlike majority of Europe. The people of Russia had a different cultural and economic development compared to Europe. It was in the early 18th century that Peter the Great forcibly westernized Russia after his undercover trip to Europe. In the course of the coming centuries, Russia showed one sided love to Europe which was only periodically reciprocated. Consequentially, the Russian political class got divided into two groups. One of the groups continued the policy of Peter the great and advocated closer ties with Europe. The other group wants Russia to build its own identity on the basis of its unique history and Euro-Asian roots.

Peter the Great's other legacy is the relationship of Russia with its eastern neighbours, particularly the Baltic states. The great northern war between Sweden and Russia started in 1710 and lasted till 1721. The end of the war saw the demise of the Swedish empire. This changed the landscape of northern and eastern Europe. Russia emerged as a major power in Europe and acquired the territories of the present-day Baltic states. The city of current day Petersburg was established on the Baltic Sea coastline acquired after the great war. The treaty of Nystand which ended the war between Russia and Sweden guaranteed the rights of the dominant German nobility in the newly acquired Baltic states to their own system of commerce, language and religious practices. This led to future conflicts. The forcible incorporation of Baltic states into Russia while allowing them to maintain their different identities continues to pose problems till today.

At the end of the 18th century, the Polish-Lithuanian commonwealth also ceased to exist independently as it was divided between Habsburg Austria, Tzarist Russia and Prussia. In fact, it was a succession of events in the second half of the century which wiped Poland off

the map. Poland returned into existence after the first world war only to disappear again due to the Ribbentrop-Molotov pact. It re-emerged as a Soviet satellite state with boundaries shifted westwards after the 2nd world war. Only in 1989 did Poland finally get back its independent European identity.

The history of the Baltic states as well as Poland and their subjugation by Russia has caused a distaste for everything Russian in these countries. Therefore, these states tend to be more anti-Russian in Europe than other states lying west of them. Also, the shifting of borders has not necessarily meant shifting of populations. As a result, countries in eastern Europe have ethnic, religious or linguistic fault lines running through their territory. Simmering tensions therefore continue to exist in many of these states. These tensions may get an outlet during times of crisis. At the same time, outside powers are also ready to exacerbate or ignore these tensions as and when it suits their interests.

3.3 POST EU-FORMATION

After breaking free from the Soviet bloc in 1989, Poland immediately made clear its desire to become part of the EU. It opened negotiations with other European institutions as early as 1990 itself. The next year it concluded these negotiations and signed the association agreement. Soviet Union, itself was dissolved in 1991 and was replaced by 15 newly independent states. The European Union was formed in 1993. Next year, with the coming into force of the association agreement, Poland became an associate member of the European Union i.e. in 1994. Continuing on this path, it was invited by the EU to full membership in 1997. Negotiations between Poland and other members of the Union started in 1998 and continued till 2002. The accession treaty was signed between the parties in 2003 and Poland became a full member of the EU in 2004.

Unlike Poland, the Baltic states of Lithuania, Latvia and Estonia were part of the state of Soviet Union. Consequently, their path to European Union membership was different. After the Baltic states became independent in 1991, they immediately targeted the western alliance and its institutions for membership. There was a very good reason for this. Due to

their history of occupation by Russia, they wanted to secure their independence firmly while Russia was reeling from the result of dissolution of the Soviet Union. This could have only been achieved by joining as many western and international institutions as possible while Russia was still weak (Ehin 2013).

After the withdrawal of Russian troops in 1993-94, the Baltic states moved to join the EU as well. In 1995, all three states applied formally to join the EU, separated only by a space of few months. Membership negotiations started in 1997. Estonia was the first candidate, joined later by Lithuania and Latvia. All negotiations were concluded by 2002 and the Baltic states became members of the EU in 2004 along with Poland.

Even before these four countries had joined the EU, there were apprehensions regarding the effect of EU expansion in 2004. Poland and the Baltic states are among the most vehement opponents of Russia in the geopolitical sphere. It was anticipated that EU policies would turn hostile towards Russia to accommodate the views of the new members. But as stated before, Russia itself was undergoing tremendous chaos to be able to do anything about it. Moreover, there was lack of consensus in Russia regarding the approach that Moscow ought to take vis a vis the European Union. While one section saw the EU as an economic opportunity and grouping, the other saw it as a geopolitical threat. Consequentially, initial Russian response to the 2004 expansion was rather muted. Attempts were made to ensure that Russian interests were taken care of, but these were only partially successful at best.

3.4 RUSSIA-POLAND RELATIONS

Barring a few patches here and there, relations between Poland and Russia have been difficult. This can be attributed to a number of factors. Many of these owe their genesis to the long and complicated relationship between the two countries historically. The bitter experience that Poland had, as it got repeatedly violated by its two giant neighbours, Germany to the West and Russia to the East, has played a major role in shaping its foreign policy. Domestic politics in Poland also often uses the historical narrative to counter

improvement in relations with Russia. Some Polish leaders see themselves as the inheritor of Lithuanian-Polish Commonwealth which existed in the 16th century. This regional view naturally leads to an antagonistic relationship with Russia.

After the dissolution of the Soviet Union, the Russian Federation inherited the Soviet legacy and later much of its foreign policy. Moscow claims to seek multipolar world. At the same time, it also maintains a policy of 'near abroad' which is believed to be a euphemism for the 20th century 'spheres of influence' policies of major imperialist powers. This brings it into direct confrontation with its neighbours, who may want to move away from its 'sphere' to orient their foreign policies in other directions.

Poland is a classic example of this. It was occupied by the Red army after the second world war and joined the Soviet bloc subsequently. It's capital Warsaw became the centre of the Eastern military alliance called the Warsaw pact. After 1989, when it eventually managed to end the communist rule, it moved out of the Soviet orbit. It has since sought alliances and security in other organizations and institutions. These may often be in stark contrast to its earlier membership of the eastern bloc and detrimental to Russia's interest.

Poland established official relations with NATO in 1990. After the military structures of the Warsaw pact were removed in 1991, the road for Poland to join NATO opened up. By 1992, NATO itself was stating the same thing. The 1997 NATO summit in Madrid gave invitations to Czech Republic, Poland and Hungary for negotiations on membership. After four rounds of talks, the three countries were formally invited to join NATO. Poland along with Czech Republic and Hungary joined NATO in 1999.

This led to raging opposition from Russia as well as debate within the western alliance. That the inclusion of Poland and expansion of NATO would lead to a security dilemma in Russia was explained long before the actual expansion (Mandelbaum 1995). The argument in the West was self-serving and Russian arguments were brushed aside.

NATO was expected to become more unstable with the inclusion of more members who themselves were not entirely democratic or economically. Moreover, the promise given to

the Soviet leaders that NATO would not expand eastwards (Savranskaya and Blanton 2017) was also broken which led to more suspicion in the eyes of Russian elite.

It was also argued that the inclusion of new members would embolden them to take adventurous steps vis a vis Russia if they saw themselves secured in a military alliance which was increasingly stronger and more powerful than Russia (Christensen and Snyder 1990). At the same time, if Russia were to feel threatened by the western alliance, it is likely that it will look for strength in a leader who is ready to stand up to the West to counter these threats. Such a development would lead to the regression in democracy in Russia itself. The Russians would be willing to trade security for democracy if they are threatened by NATO (Mandelbaum 1995).

Despite these arguments, there was little opposition to the expansion of NATO within Europe. The fact that European states either welcomed or remained neutral on the issue of NATO expansion confirmed Russian belief that geopolitical concerns far outweighed ethical ones even in European capitals.

3.5 EU-RUSSIA AND PROBLEMS IN EASTERN EUROPE

Although problems between Russia and individual states in Europe have a long history, their impact on the European Union and therefore almost all of Europe began to be noted only after the Polish veto of EU-Russia negotiations in 2006. At that point of time, it became overtly obvious that the expansion of the EU to include states closer to Russia geographically, and hostile to it geopolitically, would have an adverse effect on EU-Russia relations. Other disputes between Russia and east European states would only solidify this assertion.

The Polish veto issue was not the first time that bilateral problems between Russia and individual states had been imported in EU-Russia relations. Previously, Russian economic actions had affected the Finnish egg sector leading to Finland pushing the EU to take a stronger stance against Russia. Having said that, there was indeed a gradual anti-Russian

shift in the EU's position after the expansion of 2004. This happened despite a section in the EU opposing this very change.

This is not to say that Russia does not have to share the blame for this development. Moscow has also frequently used trade tools to punish states for what it perceives as anti-Russian positions. This has led to a perception problem wherein the EU and neutral observers are unable to deduce whether the action is due to genuine technical concerns or is a political pressure attempt. The lack of such clarity leads to the assumption that all action taken by Russia, especially on trade issues are due to political considerations alone. While India, China, the US, Canada and Japan have all imposed restrictions on imports from EU on technical grounds, it is always assumed that Russian restrictions are imposed to punish individual member states.

On the EU side, Russia's bilateral relations with member states are increasingly becoming less bilateral and falling more and more into the EU domain. This is as much due to the success of integration projects in EU as it is due to slowly disappearing rigid lines between what falls in the jurisdiction of individual states and what falls in the EU's. Among the subjects of which we can be certain, economic relations fall in the EU domain and it is here that there is most action. Also, the EU's concept of solidarity also plays a role in exporting Russia's dispute with individual states into the EU.

In fact, the EU concept of solidarity is written into the treaty establishing the European Community (Art 2). As such, when one state gets into a dispute with Russia, other member states of the EU are expected to support it irrespective of the moral or ethical reservations they may have. This eventually leads to Russia's disputes with any of the European states blowing up into a dispute with whole of the EU. Of course, in practice the concept of solidarity is invoked less frequently and is challenged by competing national interest of individual states.

The EU-Russia disputes themselves can be broadly divided into two categories political and economic, which themselves could be further divided into other subjects. The economic disputes may at times be simple trade disputes which arise between states all the

time or they could be technical disputes due to differing standards and parameters. An entire category of disputes could be alluded to the energy sector because of the buyer-seller relationship as well as the strategic nature of the commodity. Also, economic policies of Russia and the EU could themselves lead to difficulties as the two states may have different objectives and goals. For example, Russia desires to develop its own economy. As such, the Russian government may adopt policies which may force European factories to relocate to Russia upsetting European governments. This again is not something unique to EU-Russia relations.

Differences arising in the political field are mostly historical in nature. Even economic disputes often have their genesis in political disputes. In this, both sides accuse the other for using economic tools to pressure their adversaries. While the European Union uses the method of overt sanctions to pressure Russia on human rights issues and other political developments such as in Ukraine, similarly Russia also uses economic tools to punish states which are or act hostile to it.

Disputes over extradition decisions, violations of diplomatic privileges, espionage etc are purely political issues which crop every now and then. Although, historical interpretations of Soviet and European history have long been a bone of contention, especially between eastern Europe and Russia, recently, this has expanded into the different versions of history of the second world war too. The Russian government is visibly annoyed over placing it on the side of Nazi Germany when it suffered and sacrificed the most in the war.

The most serious disputes though are related to geopolitics and the perception of each side thinking ill of the other. The expansion of the EU and more importantly NATO is seen as Europeans posing military threat to Russia. Similarly, the European concern for human rights in Russia is widely believed to be hypocrisy considering the fact that European states have close ties with states such as Saudi Arabia which do not match the EU's high expectations either. On the other hand, the EU believes that the Russian government has broken its promise of creating an open democratic system within the country and is trying to salvage the Soviet Union by preventing post-Soviet states from joining the EU or influencing their foreign policies.

These disputes frequently involve some individual member states more than others. For example, Germany's moral sermonising is a major impediment to its relations with Russia even as practical approach of France and Italy makes them more comfortable partners for Moscow. In eastern Europe, the hawkish attitude of east Poland and the Baltic states towards EU expansion leads to poor ties between them and Russia.

Although disputes between east European states and Russia are far and many, we will discuss some of them in greater detail to understand the complexity of the problem.

Poland in particular along with Lithuania has been perhaps the most vocal critic of Russia in the European Union. Although this may be due to historical reasons where it reinterprets post war history of Poland as occupation of Poland by the Soviet Union, recent events suggest that the problems may be deeper than that. One of the reasons why Warsaw takes a hawkish line against Russia may be to ensure it maintains good relations with the US. At the same time, Poland may feel genuinely threatened by a large eastern neighbour. It therefore needs American security to feel secure. The European Union is deficient in providing hard security the same way that NATO or the US does. A classic example in this context is that of the proposed deployment of interceptor missiles by NATO in Poland.

3.5.1 Interceptor Missiles in Poland

The attempts by the US and Russia to develop missile defence systems has a long history. Both the Soviet Union and the US were in a race to develop such defences to counter their adversary's missile arsenals. In view of the fact that such a capability would alter the military balance, the two sides agreed through Anti-Ballistic Missile (ABM) Treaty in 1972 to limit the number of sites that can be employed by the two sides for this purpose. In effect, the two powers agreed to deploy ABM systems only at two sites, one to protect their capital city and another to protect their offensive missile systems. It is generally agreed that the ABM treaty helped manage deterrence and balance between the two powers necessary for peace.

However, in 2002, the United States unilaterally withdrew from the ABM treaty. Russia, as the successor state of the Soviet Union considers this as a destabilising factor in the overall security architecture in Europe. The US on the other hand, considers itself to be the winner of the cold war. The withdrawal from the ABM treaty was preceded by massive spending by the US to develop missile defence shields.

After withdrawing from the ABM treaty, the US began to plan for its deployments. In 2007, negotiations began with Poland and the Czech Republic, both of which had joined NATO in 1999 and the EU in 2004. While Poland was to host the missiles, the Radar systems to track hostile missiles would be based in Czech Republic.

The Russian government expressed its anger at the proposal. Although, the US government stated that the ABM missiles in Poland were to deter Iranian missiles, this argument didn't find much support in Washington. The Russians maintained that the deployments were aimed to counter the Russian missiles and therefore a security threat to them. Soon, the missile deployments in Poland became a major bone of contention between the US and Russia.

Poland, for its part initially expressed enthusiasm for the project. Although, it has been a longstanding policy of Poland and some east European states to cooperate more closely with NATO in general and the US in particular, the stationing of ABM missiles in Poland was certainly a grave provocation to Russia which had already been upset over continued expansion of NATO eastwards. It was clear that Poland sought to develop special ties with the US in Europe and its willingness to host missile defence systems was part of this goal. Despite domestic political opposition both Poland and Czech Republic therefore were willing to accede to the American plans.

In contrast to these states, others in Europe were more circumspect about the missile deployments. Both France and Germany had advised the US to stick to the ABM treaty and not withdraw from it in 2002 (Deutsche Welle 2001). Prominent leaders of Europe also opposed the plans to deploy missiles in Poland. In Germany, the opposition was disappointed with US plans although the government supported it formally. Foreign

Minister Frank-Walter Steinmeier stated on the floor of the German parliament that the West should pursue diplomatic solutions rather than missile defences to ensure security. French President Sarkozy questioned the rationale of the missile defence and wondered if they would enhance or endanger the security of Europe (The Jerusalem Post 2008). Later however, the French supported the plan but with conditions that it should focus on short range missiles and that the French military should also have a role to play in the final deployments.

In response to the American proposals, Russia threatened to deploy its own short-range nuclear missiles in the Kaliningrad region targeting European states. At the 2007 security conference in Munich, Putin harshly criticised the plans and threatened to abrogate other arms control treaties with the West in response. The Russian counter plans posed a threat to Europe in response to the American plans.

Despite this, NATO went ahead with its missile deployment plans, at least in the initial stage. Once again, Russians felt that verbal opposition by some states of Europe didn't sufficiently materialise when it came to security considerations of Russia. Moscow therefore deduced that all of Europe was complicit in the aggressive manoeuvres of NATO. This led to further deterioration of its ties with the European Union.

Later when the Obama administration changed the plans of deployment of missiles in eastern Europe, this was initially welcomed by Russia as well as Germany, France and the UK. These changes however disappointed Poland (Kulesa 2014) because now missiles were also planned to be stationed in Romania removing the exclusive status of Poland. In fact, Poland and the Baltic states said that NATO should focus its missile shield on Russia and not on Iran or other states as the US had claimed it does (EURACTIV 2014). The Russophobic nature of the foreign policies of these states was laid bare with such demands.

3.5.2 Poland Veto

Among other disputes with Poland was the issue of Polish agricultural and meat exports to Russia. In 2005, Russian Federal Service for Veterinary and Phytosanitary Surveillance (Rosselkhozadzor) banned meat imports from Moscow. Russia claimed that the meat

imports from Poland were not fit for consumption. It also raised doubts that some of the imports were in reality from outside Poland and had fraudulently received fake Polish certificates. Similar accusations were also made by Moscow against some other agricultural imports from Poland.

This was not a new problem because Russia had been suffering confusion in this field for quite some time. In fact, earlier in 2004 it had blocked all meat imports from entire EU because it demanded that there must be a single export certificate from the region. However, Russia and the EU had been managing their issues arising out of this confusion in an ad-hoc manner till the Polish crisis.

The Polish authorities also initially accepted that this was a technical problem and there were some shortcomings from their side. They admitted that falsification of documents had taken place and assured the Russians that they would tighten regulations and quality controls to ensure problems didn't arise in future. At the same time however, they also argued that the outright ban by Russia was disproportionate response and Poland was being singled out for political reasons. Warsaw argued that other member states of the EU also had similar issues.

Despite treating the meat ban issue as a technical problem, tensions continued to escalate gradually. Poland informed the EU about the issue and sought its intervention in sorting out the problem. At the same time, it continued contacts and discussions with the Russians. Despite the problems being escalated to minister level between the two sides, it was not resolved to Poland's satisfaction.

As a result, Poland's demands from the EU for stronger intervention grew. In 2006, it sought to take the issue to Russia-EU dispute redressal mechanism of the Partnership and Cooperation Agreement. Despite support from the EU for the Polish position, Warsaw incrementally felt that its concerns were being side-lined even as negotiations for a new agreement with Russia were being conducted. In July 2006, Jaroslaw Kaczynski from the nationalist Law and Justice party assumed the position of the Prime Minister in Warsaw. This led to increasing politicisation of the trade dispute. In November, Poland blocked the

EU-Russia negotiations using its veto, scuttling the yearlong negotiations between the two sides.

Although, the EU stood with Poland, voices within the EU criticised the Polish decision. The politicisation of the issue continued even after the veto as Kaczynski took a hard line against both the EU as well as Russia. He reduced contact with Russia on resolving the issue and criticised the EU for treating Poland like a small irrelevant state. Kaczynski saw the trade dispute as a trial of strength between the three parties, Poland, the EU and Russia and sought to play a strong hand.

Russia also refused to relent, especially after the veto. In fact, it had no choice but to present a brave face in view of opposition from Poland. Since, it was internal problems in the EU which had caused negotiations with Russia to break down, Moscow sought to use the divisions by exposing the EU's internal differences. The EU for its part renewed its efforts to resolve the dispute by pressuring both Poland and Russia. The Finnish Council presidency advised Poland to accept a compromise before the summit in November 2006. However, Poland Refused (Roth 2009).

The German Presidency of the council also made similar attempts in early 2007. German Chancellor Merkel and Commission president Barroso supported Poland by stating that a Polish problem was a European problem. This approach was welcomed by Poland although the strong European position surprised Moscow. The breakthrough in relations only happened after change in leadership in Poland when a more moderate statesman Donal Tusk became the Prime Minister of Poland. Moderate policies of Tusk helped improve ties between Poland on the one side and the EU and Russia on the other.

Russia maintained that the dispute had been blown out of proportion due to the intransigence of the Polish government under Kaczynski. Moscow also realised that the European Union would support its member states irrespective of how unreasonably such a state acts. After lifting of the Veto by Poland, Russia moved ahead with stalled negotiations. The ban on Polish meat exports was finally lifted in December-January of 2007-8.

3.5.3 Language and Citizenship Rights of Russian Minorities in the Baltic States

The historical evolution of the three Baltic states and their relations with Russia is such that the small states have ended up with large ethnic Russian minorities in their respective states. This is truer for Estonia and Latvia than for Lithuania. Since Lithuania had a different political history as part of the Lithuanian-Polish commonwealth it became part of the Russian empire after the third partition of Poland in 1795 while Latvia and Estonia were incorporated into the empire after the treaty of Nystad in 1721.

The Baltic states claim that they suffered Russification attempts under the Russian empire. However, they also claim that the problems that they face today with their sizeable ethnic minorities are largely because of the mass migration of Russians into these states after the second world war. Also, the policies adopted by the Russian states (Russian empire and USSR) maintained a divide between the various communities hindering integration of the two peoples.

Moreover, the demographic changes which the Baltic states underwent during their 'occupation' were also due to the force migration of indigenous Baltic population by the Soviet Union, especially during the rule of Joseph Stalin. The policies adopted by these states, after gaining independence from the Soviet Union, reflect their grievances as well as attempts at correcting what they perceive as historical wrongs.

The Baltic states were the first to declare independence from the Soviet Union. After their independence they have tried to connect their history including legally to the states which existed in the interwar years of 1918-1940. This legal continuity is then employed to argue that those who immigrated into the Baltic states (mostly ethnic Russians) after their forced incorporation into the Soviet Union are illegal inhabitants. This also applies to the descendants of the Russian immigrants who may have been living in these states for generations.

In Lithuania which has less minority population compared to Latvia and Estonia, the government chose the 'zero' option. Lithuania adopted the principle of *jus soli* (right of soil). This meant that persons born on Lithuanian soil would be granted citizenship

irrespective of ethnicity. On the Other hand, Latvia and Estonia adopted the principle of *jus sanguinis* (right of blood) and accordingly denied rights to Russian minorities who had arrived in these states after 1940.

Table 3.1: Ethnic Composition of Baltic States and changes over time

	Pre-war period	1989	2017 to 2018
Estonians in Estonia	88.2% (total population 1 136 000)	61.5% (of total 1 576 000)	68.7% ⁸ (2017 total population 1 315 635)
Russophones in Estonia	8.2%	30.3%	6 Russians 25.1% Ukrainians 1.7% Belarusians 0.8%
Others in Estonia	3.6%	8.2%	3.5%
Latvians in Latvia	75.5% (of total 1 905 000)	52.0% (of total 2 680 000)	60.2% ⁹ (of total 2 109 000 in 2018)
Russophones in Latvia	10.6%	34.0%	Russians 26.2% Belarusians 3.2% Ukrainians 2.4%
Others in Latvia	13.9%	14.2%	7.1%

Source- European Parliament (Gregorio 2018).

As you can see from the table above, composition of ethnic Russians in Latvia and Estonia was around more than 30% of the total population in 1989 when they gained independence. Denying equal rights to such a large minority due to historical reasons did not seem logical in the modern world. This looked even less appropriate after these states joined the European Union, which was apparently founded on and prides itself on supporting humanitarian values.

The Baltic states justified these policies on the need for creating their own national identity which had been suppressed for 50 years of Russian occupation. To some extent the desire to punish the perceived oppressors must have also played a role in the promulgation of such discriminatory practices. Moreover, the very large percentage of minorities in these states meant that they also felt internal insecurity via a vis Russia.

Notwithstanding their reasons, the continued discrimination against ethnic Russians in the Baltic states has been a sore point in relations between these states and Russia. Moreover,

the European union itself has criticised these policies at times. For example, a council of Europe committee of ministers criticised Estonia in 2002 via a resolution. Similarly, the European Council Commissioner for Human Rights, Alvaro Gil-Robles sharply criticised Latvia for not granting citizenship to more than 20% of its population. Amusingly, EU commissioner for enlargement Guenter Verheugen claimed that Latvia was fully eligible to become member of the EU despite such an approach. This of course has led to accusations of hypocrisy by Russia which regularly accuses the Baltic states of oppressing its minority Russian population.

After the tumultuous years of early 90s, Russia has been repeatedly raising the issue of ethnic Russian minority in the Baltic states. This is commensurate with the Russian government feeling itself responsible for all ethnic Russians, especially those in its 'near abroad'. President Yeltsin even went to the extent of threatening that *'given the natural desire of the Russian-speaking population to protect itself from blatant discrimination, Russia will be unable to remain a distant observer'* (President of Russia 1993). He further stated that the Estonian and Latvian policies were a form of Apartheid and *Russia retained the means to remind the Estonian leaders about certain realities.*

The Europeans believe that Russia uses the issue of ethnic minorities in these Baltic states to put pressure on the EU and paint it in poor light. They reject the Russian view that they are genuinely concerned about the situation of minorities in the Baltics. There is general tendency in Europe and the West to portray Russian objections as motivated by malafide intentions and even their concerns for fellow Russians in other states is treated the same way.

As far as the EU is concerned, according to its own rules and regulations, it must be more supportive of the rights of the Russian minority in what is now its territory. After the demise of the Soviet Union and the establishment of post-Soviet states in eastern Europe, there was a need to ensure peace and tranquillity in the turbulent period. The Council of Europe therefore established protection of minorities in the states of the EU as one of its main focus areas. The EU established several legally binding provisions for its members which includes protection of minority rights. For example, 'Framework Convention for the

protection of National Minorities” was adopted by the committee of Ministers of the Council of Europe in 1994. It came into force in 1998 and was the first legally binding multilateral instrument focused on protection of national minorities in European States. Other provisions were also incorporated which address this issue. They include –

1. The EU pact on stability in Europe (1995)
2. The European Social charter – (1996)
3. The European Convention on Nationality (1997)
4. The Locarno Conference on “Governance and Participation: Integrating Diversity” (1998)
5. The EU stability Pact for South East Europe 1999

The most important among these was the “Charter for Fundamental Rights of the European Union” which was proclaimed in December 2000 and accepted by all organs of the EU viz. the European parliament, the Council of Ministers and the European Commission. (The Chapter III, Equality – articles 2111 and 22, and the Chapter V containing the EU citizens’ rights are of particular interest); the “Additional Protocol No. 12” (entered into force in 2005) of the “European Convention for the Protection of Human Rights and Fundamental Freedoms” included the rights of persons belonging to national minorities, particularly in the cultural field.

The Resolution on “Protection of minorities and anti-discrimination policies in an enlarged Europe” was adopted by the European Parliament in 2005. And finally, the “Treaty of Lisbon” that was signed by the EU member states on December 13, 2007. Minorities were included in art. 2 Treaty on European Union (TEU), which laid down the common values of the EU. The inclusion of minorities into the TEU was the first time when minorities were included in binding EU primary law (Carpinelli 2019).

These regulations and legislations mandated the Baltic states to give equal status to minorities including ethnic Russian minority within their border. Above all, it was mandated that they should get citizenship and linguistic rights. The Copenhagen criteria for membership in the EU stated that the states must ‘respect and protect minority rights’

to join the EU (EC Europa). In fact, this was a necessary condition to even start negotiations for accession to the EU.

Amusingly, and surprisingly for Russia, the Baltic states were welcomed into the EU without ever fulfilling any of these conditions. In fact, in 1997 the European commission concluded that the Russian speaking population in Latvia faced no “discrimination except for problems of access to certain professions”. The fact that the Russian minorities weren’t granted citizenship despite living in the country for generations was simply brushed aside. Apparently, the EU felt that the minorities must be naturalised by way of taking tests and fulfilling other conditions. To be fair, the EU commission also criticised the two states, especially Latvia, for their policies towards Russian minorities. However, this did not come in the way of their accession to the EU. In general, the EU seemed more than willing to bend its own strict laws and its much-advertised values to accommodate the accession of the Baltic states.

While the EU’s soft approach to the issue of minority rights in the Baltic states has been severely criticised, one can also argue that it has led to some improvements in the policies of these states. For example, Latvia agreed to grant citizenship to stateless children born after 1991 on Latvian territory as advised by the EU commission. However, the EU was also severely criticised for not pushing the Baltic states hard enough.

On the issue of language rights, the EU seemed to encourage the ethnic minorities to learn the ‘national’ language. This, critics argue, is an attempt to assimilate the minorities and may be against the wishes of the minority which might want to preserve its language and culture.

The Russian minorities in the Baltic states clearly do not receive the same treatment from the government as does the majority. On language rights, Citizenship rights and voting rights, they are clearly discriminated against. Discrimination in these areas leads to further problems and division in the society. For example, unemployment is higher in the minorities on percentage basis. Similarly, the lack of citizenship and voting rights lead to lack of representation in state institutions. For example, in Latvia a study revealed that

‘minorities have 65% less chance of being employed in government institutions’ (Pabriks 2002). They are underrepresented both in general administration as well as in the judiciary. This further leads to a sense of alienation among the minorities, which feels it is being ruled by the majority.

Russia, as the major geopolitical power next door, remains interested in the fate of ethnic Russians in the Baltic states. It has repeatedly voiced concern over the treatment meted out to these minorities and demanded more international attention on their status. It has raised the issue at international forums including the United Nations where it accused the international community of deliberately ignoring the infringement of rights of Russian speaking minorities in the Baltics.

The accession of these states into the EU despite their discriminatory approach towards the Russian minorities is seen as the EU moving away from its much-publicised values. In this context, Russia feels that the EU rushed with incorporating the Baltic states due to their geographical and geopolitical positioning. In 2003, Igor Ivanov, foreign minister of Russia, demanded that the EU put more pressure on the Baltic states to secure the rights of the Russian minority prior to their accession. The Russian demands were brushed aside by the EU.

Russia which has been at the receiving end of moral sermonising by the EU on human rights justifiably felt that the EU was acting like a hypocrite. While the EU repeatedly and continuously demanded high standards of ethical behaviour from the rest of the world, it seemed to lack the conviction to apply the same standards to itself and its member states. This view is shared by the author. Considering the fact that Russia was a kin-state for ethnic minorities of the Baltic states, EU’s behaviour must have looked even more hypocritical to Moscow. It is no surprise then that the image of the EU has changed from a benevolent regional organisation to a hypocritical geopolitical actor in Moscow.

The Russian parliament put this into words in 2003 when it stated that the EU wanted to accept the new members into their fold “at any price, including to the detriment of its high

reputation”³. For the average Russian, the EU was acting this way because it saw the Baltic states as a geopolitical prize that was to be taken away from Russia. The dissolution of the Soviet Union and weakness of Russia was a unique opportunity for the EU, which it did not want to miss. And to achieve this it was willing to make small compromises to its ‘values’.

The EU may have influenced the policy of the Baltic states towards its minorities positively. However, it certainly did not do justice to its reputation by side-lining these issues prior to the 2004 enlargement. Although, the situation of Russian minorities has improved from the early years of the millennium, it is still not as satisfactory as in the rest of Europe. For Russia, this is a serious issue which highlights the hypocrisy of the EU. It also proves that Russians living in other states of eastern Europe may be discriminated against if these states join the EU. Also, the much-advertised EU values will not protect them against such discrimination. It is no surprise then that Russian minorities in other east European states vigorously oppose pro-EU policies if these are adopted. Ukraine is a classic example. Similarly, Russians in Russia have also come around to accept that in order to protect their Russian kin, they must prevent EU expansion into eastern Europe at all costs. The pushback from Russia towards new European overtures to east European states is therefore not surprising.

From the EU’s point of view, Russian hold on the ethnic minorities is a hindrance to their integration in the European states. Since, Russian minorities largely follow Russian media, which is often state controlled, they receive communication which does not make the environment conducive for integration. The Baltic states and the EU accuse the Russian government of deliberately inflaming passions among the Russian minorities in Europe through media offensives. Notwithstanding the divergent views of the EU and Russia on the matter, one cannot doubt that the accession of the Baltic states, especially Latvia and

³ Declaration of the State Duma in connection with major violations of human rights and the rights of national minorities in the Latvian Republic, adopted on 14 October 2003. Unofficial translation at http://pws.prserve.net/misrusce/duma_latv.htm.

Lithuania, has further led to differences between the Moscow and Brussels due to large ethnic Russian minorities in these states which are discriminated against.

3.6 OTHER STATES

Other than Poland and the Baltic States which are known to be hostile to Russia for historical reasons, there are other states who joined the Union in the first decade of this millennium. The policies of these states towards Russia must also be analysed for holistic understanding of the effect of EU expansion on relations of EU with Russia.

Czech Republic, Hungary and Slovakia form the Visegrad group along with Poland. The purpose of this group of four states, which was created in 1991⁴, is the cultural and political synchronisation in their policies. Initially, the four countries supported each other for membership in the EU and NATO. They have also led initiatives within NATO and EU to create their own defence units.

Despite the overt alliance of the four states, they have not been able to agree to a uniform policy towards Russia. While Poland has been overtly hostile to Russia, the policies of other three members is more nuanced. Slovakia after its creation in 1993, under Vladimir Meciar followed a more friendly policy towards Russia than other states. The other two states Czech Republic and Hungary preferred to join NATO and EU but didn't completely disregard their ties with Russia.

After joining the two organisations, the three countries (with exception of Poland) have been following their own independent policies with respect to Russia. The expansion of Russian economy after the oil boom in the first decade of this millennium made it an attractive trade partner for these central European states. Moreover, the trade tower attacks on September 11, 2001 on the United States led to temporary bonhomie between the US

⁴ Initially the Visegrad group consisted of only three states. Dissolution of Czechoslovakia in 1993 led to the creation of two states viz. Slovakia and Czech Republic. Both of them joined the Visegrad group as independent states.

and Russia. This relieved pressure on the smaller states of Europe to tow an anti-Russia line. As a result of these factors, Relations between Visegrad states and Russia improved in this period (Racz 2014).

Hungary needs special mention due to the unique way, its leader, Viktor Orban has been running his country after he came to power in 2010. Prime Minister Orban initiated a new pro-Russian foreign policy termed the “eastern opening”. Although, the east denotes Russia, China and also perhaps the Islamic world, it has mostly focussed on Russia. Also, due to its break from policies of other countries, this has also gained more attention. Hungary seeks closer cooperation with Russia on economic matters such as energy resources. It has encouraged Russia to build a nuclear power plant in Hungary which has been criticised by other western states.

Orban has also publicly criticised EU’s policy towards Russia including during the Ukraine crisis. He expressed his opposition to EU’s sanctions policy when he said that the EU “shot its own leg” (Hungary Today 2014). EU’s sanctions policy was also vehemently opposed by both the Czech Republic as well as Slovakia. The Slovak Prime minister Robert Fico even threatened to veto the sanctions (EU Business 2020).

Romania and Bulgaria, the two states which joined the EU in 2007 have contrasting relations with Russia. After the dissolution of the Soviet Union, the dispute over Moldova caused a poor beginning for ties between Russia and Romania. Historical disputes such those related to Molotov-Ribbentrop pact which gave Romanian territory to the Soviet Union have led to stunted growth of relations. Although periodic statements emerge from the two capitals to improve ties, Romania remains firmly ensconced in the western orbit and opposed to Russia.

In contrast, Bulgaria has a love-hate relationship with the West and Russia. Bulgaria has historical, cultural and ethnic ties with Russia. Despite this it joined both the EU and NATO. However, domestic opposition to this policy and support for closer ties with Russia is high (Kandilarov 2019). Many political parties within Bulgaria openly proclaim pro-Russian policies and fight elections on this plank. Often the EU has to pressurise Bulgaria

to abandon its pro-Russia policies, such as the south stream gas pipeline project, which was planned to carry gas from Russia to Bulgaria through an undersea pipeline. The debate on choosing between ethnic ties with Russia and economic benefits from EU membership divides Bulgaria in two camps.

3.7 KALININGRAD EXCLAVE

Kaliningrad is a question from history which has repeatedly led to numerous problems between Russia and the rest of Europe since 1991. Kaliningrad was part of Germany before the second world war. In fact, the city of Kaliningrad's name was Koenigsberg and it was the capital of the East Prussian region of Germany. However, after the war, it was occupied by the Red Army and later annexed by the Soviet Union. This was done through agreement of other allies of the second world war who recognised Kaliningrad as part of Soviet Union after the war. Germany also recognises its erstwhile province as part of the Russian Federation now.

Most of the German population in the region had been evacuated by Nazi Germany before the end of the war. Soviet Union, under the rule of Joseph Stalin, expelled the remaining Germans by 1950. Koenigsberg was renamed Kaliningrad and repopulated with Russian families, mostly from military background.

So long as the Soviet Union was united, Kaliningrad Oblast was just another region in the USSR which had been acquired after the second world war. However, the dissolution of the Soviet Union, once again changed the map of eastern Europe. With the independence of Lithuania and Poland, Kaliningrad Oblast got cut off from mainland Russia and became an exclave, as it is now.

As the westernmost region of the Russian Federation, it has since become strategically important. Moreover, it houses the Baltic fleet of the country at the Baltyisk port (Ministry of Defense of the Russian Federation).

Throughout the cold war, Kaliningrad oblast was a highly militarised zone of the Soviet Union. It was closed to foreigners and a high percentage of local population was involved in military-related activity. The oblast was treated as a Russian fortress till the dissolution of the Soviet Union. Gradually, the image of Kaliningrad has changed both in Russia as well as the West. Having said that, Kaliningrad lies between Poland and Lithuania, perhaps two of the unfriendliest states in the EU. Therefore, Russia was concerned about the security of the oblast, at least in the initial years.

The accession of Poland to NATO in 1998 further led to fears in Moscow about the vulnerability of its exclave. Exercises conducted by NATO close to the proximity of Kaliningrad in the 1990s worried the security conscious political leadership in Moscow. Moreover, some of the statements emanating from western capitals also didn't help. For example, ultra-nationalists in Germany have called for *regermanisation* of the region in the past. Similarly, in Lithuania, parliament speaker Romualdas Ozolas claimed that Kaliningrad was the "fourth Baltic Republic". This led to negative reaction from Moscow where the foreign ministry called the statement illogical and provocative (Newsline 1997). Articles also appeared in the West claiming that the political elite in Kaliningrad itself wanted more freedom inside Russia and closer integration with the West (Holtom 2003).

In 2001, News emerged in the West that Russia had transferred nuclear weapons to Kaliningrad. This led to statements from the West criticising Russia. Both Poland and Russia also expressed concern. Russia claimed that the news was bereft of any truth. However, the news maintained a life of its own. In 2001, foreign minister of Sweden, which held EU presidency at that time, raised the question of nuclear weapons deployment in Kaliningrad with Russian foreign minister Ivanov. Although the news itself was debunked with denials from Russia as well as the US, the whole diplomatic drama showed the anxieties on both sides related to the security role of Kaliningrad region.

Since joining the European Union, the Baltic states have been trying to disconnect from Russia and join the European Union like any other EU member. This was not as simple as for other states. For example, the Baltic states were and are connected to Russian electricity grid. The Kaliningrad Oblast was connected to the same system. However, since the Baltic

states have joined the EU, they have been trying to disconnect from the Russian grid and join the European grid. Kaliningrad naturally wants to stay on the Russian grid and/or cannot join the European grid. Its geographical status forces it to find a solution to this problem.

No wonder then, that the status of Kaliningrad is seen as a marker of Russian relations with the EU. This marker though has been shifting to the negative since Poland and the Baltic states joined the EU. Having been cut off geographically from the mainland, Kaliningrad depends on the benevolence of the EU and/or cooperation from the states between it and mainland Russia. This was easier to achieve in the initial days after the dissolution of the USSR. However, the positions of Poland and Lithuania have made it difficult for Russia to amicably handle the geographical barriers that Kaliningrad faces.

In Moscow itself, the realisation of the difficulties which will be faced by Kaliningrad arrived late. Russia wanted to maintain the status of Kaliningrad as if nothing had changed. The situation on the ground though was not commensurate with this line of thinking. The disruption of geographical continuity in the Soviet Union meant that Russia had no means to reach either its people or its territory in Kaliningrad through a ground route. In 2002-03, Lithuania introduced the requirement of visas for Kaliningrad residents to travel through its territory. Further, the admission of Lithuania in the Schengen zone in 2007 meant that Russian citizens wanting to commute between Russian mainland and Kaliningrad would have to acquire a Schengen visa to do so. This was easier said than done. To sort out this complex issue several workarounds were thought of. One of these was the provision of Facilitated Transit Documents (FTDs) and Facilitated Railway Transit Documents (FRTDs).

When the European Union initially proposed a FTDs and FRTDs as a way for Kaliningrad residents to travel between the Russian mainland and Kaliningrad, Moscow reacted angrily to it. Russia which was vehemently opposed to Kaliningrad residents needing EU visas for travel purposes called the FTDs and FRTDs “visas in disguise”. During the negotiations on the issue, the Russians opposed a solution “*where the question of passage of Russian*

citizens from one part of their country to another is decided by foreign governments or foreign bureaucrats” (EURACTIV 2002).

Moscow has been seeking some kind of special provision for the territory and its people. The Russians argues that Kaliningrad should not be converted into a kind of a European jail (Newsline 2002). The Europeans on the other hand have been no more accommodating than the FTDs and FRTDs. The EU argues that it cannot make special exception for Kaliningrad. In March 2002, prior to the EU enlargement, its commissioner for external affairs said that the EU “cannot override its basic rules, including the so-called 'Schengen' regulations imposing strict border controls on non-members of the EU.” The EU is of the view that the EU must protect its borders and implement uniform laws everywhere irrespective of the situation.

Among other problems that Kaliningrad faced were economic. The small territory was dependent on the Soviet Baltic territory for much of its economic needs including power. After being cut off from the European grid, the Russians had to establish their own power plant in Kaliningrad. Agreement on quota for fisheries with neighbouring Poland and Lithuania has sorted out another contentious issue. Despite this, the economic situation in Kaliningrad has remained grim.

Early in the 2000 decade it became a centre for crime, prostitution and drugs. Smuggling goods from nearby affluent European states, especially Germany was common. This led to the development of organised crime in the region. The lack of economic opportunities and the peculiar geographic position of the territory has much to do with this.

The Russian government realises the problems and has made several attempts at solving the economic woes of Kaliningrad. It was made a Special Economic Zone (SEZ) by the Russian parliament as far back as in 1996 itself. This allowed it to have trade with the neighbouring regions of Europe without interference from Moscow. Unfortunately, this attempt was not successful in solving the problem. Russia’s own terrible economic problems in the 90s may have also played a role in this. After the economic revival in Russia at the start of the millennium the situation in Kaliningrad also improved. Some

changes were made in 2005 to the SEZ model but largely the freedom of economic activity for Kaliningrad residents has been retained (Alexander and Maria 2013).

In the beginning of the millennium Kaliningrad was described as a “natural laboratory for EU-Russia relations”. If we go by this description, one would be pained to find many successful experiments which have been carried out here. In fact, Kaliningrad has caused a fair amount of heartburn in both Russia as well as the EU for what they see as uncompromising attitude of the other.

3.8 CONCLUSION

The different phases of EU’s expansion had different motives. While the first phase in 1995 was primarily economic enlargement, the integration of ten states in 2004 and another two in 2007 was political in nature. The latter expansion caused friction with Russia for the same reasons the EU wanted these states, included in the expansion, to join it at the earliest. These states wanted to move away from Russia and join western institutions to safeguard their newfound independence.

Some of these states, viz. Poland, Lithuania, Latvia and Estonia had a different interpretation of history as compared to Russia. In their version they had been suffering due to Russia dominance or occupation for centuries. Their policies therefore were one of emancipation from the coloniser and hostility towards it. Once inside the European union, their problems with Russia became the EU’s problems.

Poland’s veto on talks on a new partnership pact with Russia showed exactly how the entry of these states began to create new issues in the relationship. Poland’s enthusiastic support for NATO’s planned deployment of interceptor missiles, which Russia saw as a security threat, did not help the cause. Moreover, the EU’s soft-peddling on the issue of rights of ethnic Russian minority in the Baltic states was seen as outright hypocrisy by the EU considering how Brussels had been lecturing Russia for decades on human rights and other humanitarian values.

The assimilation of new states in the European Union has led to the creation of new borders in the region. These borders are not just physical but also administrative. For example, the creation of the Schengen zone has led to new visa zones which divides the erstwhile people of the Soviet Russia with rest of the Russian population. While many rejoice at joining the EU, the ethnic Russians living within the EU borders and Kaliningrad see this as a step back for them. One finds it difficult to blame them for thinking this way as they have faced not only the end of their freedom of movement but also linguistic, cultural and administrative discrimination in the new states of the EU.

It is worth mentioning though that not all states who joined the EU were opposed to Russian interests. Some of these states, such as Bulgaria, were deeply divided on the issue of direction of their foreign policy. A vigorous debate ensued and continues in these states. Almost all the states though gave primacy to economic issues over geopolitical ones. In this regard the importance of Brussels as the rich fund-providing capital often tilted their decisions.

CHAPTER FOUR

CRISIS IN UKRAINE AND FROZEN CONFLICT IN

MOLDOVA

4.1 INTRODUCTION

Ukraine is located in south-eastern Europe and is known for its vast fertile black soils and agricultural land. It has the Carpathian ranges in the south west and Crimean highlands in south east. The lands of Ukraine are cut almost equally in size by the river Dnieper which flows from northwest to south east into the black sea. The country is bordered by Slovakia Hungary and Poland to the west, Moldova and Romania to the south west, Belarus to the north and Russia to north and east. The black sea and the now disputed region of Crimea lie to the south. The capital Kiev is centrally located on the river Dnieper.

Ukraine has had a very close relationship with Russia and the Slavic people for a very long time. In fact, Ukraine, Belarus and Russia all claim their ideological and cultural lineage from “Kievan Rus”. Roughly the geographical region constituting present day Ukraine and some parts of Russia and Belarus was ruled from Kiev and the grand duke collected tributes from the people in these regions for around 4 centuries starting the 9th. It was one of the grand dukes of Kievan Rus, Vladimir, who introduced orthodox Christianity to the Slavic people by converting to the faith and suppressing other practices in 988 AD.

Kievan Rus was attacked and subdued by the Mongols in the 13th century. The tartars ruled the region till the duchy of Moscow under Ivan IV liberated the regions after defeating the Mongols in the middle of the 16th century. Ivan IV declared himself the Tsar and established the Russian Empire, the precursor to the Soviet Union and Russian federation, at least territorially.

Not all the territory of present-day Ukraine lay under the rule of Kievan Rus or the Russian empire thereafter. A sizeable western part of the present-day territory of Ukraine remained under the control of the Polish-Lithuanian commonwealth till the ‘three partitions of Poland’ in the latter half of the 18th century. The current policies of Lithuania and Poland towards Ukraine and Russia are derived from their historical political engagement in the western regions of Ukraine. A little more than two centuries of Russian rule over Ukraine seems to have failed in ‘russifying’ Western Ukraine which remains a divided country as became evident after the establishment of democracy there.

For Russia, the independence of Ukraine lead to its end of super power status. Zbigniew Brezinsky insists that without Ukraine, Russia has ended up as just another power while with Ukraine, Russia would retain an empire. The Russian elite therefore have seen any attempts by the Ukrainian leaders to move away from Russia with suspicion and alarm. They have also taken steps to pressurise, coerce or coaxe Ukraine into changing its policies whenever such has happened.

Ukraine remains important to Russia for reasons more than one (Zaborsky 1995). First of all, a sizeable population of Ukraine itself identifies themselves as ethnic Russians. This will be discussed later in the chapter. For practical purposes, there was no physical border between Ukrainian SSR and its Russian counterpart. The people of the border regions therefore have families and relations across the border. Moreover, Ukraine now lies next to some of the most populous regions of Russia.

Secondly, a sizeable portion of Russian trade was carried out through the Ukrainian ports of the black sea. In view of the lack of warm water ports for Russia in the north and the east, the ports of Ukraine are vitally important. After Ukrainian independence, Russia would not want a separate Ukrainian system of trade which would compete with or hinder its own trade.

Thirdly, Ukraine was a powerhouse in the Soviet Union. Its economic contribution to the USSR was significantly more than most other republics. The industrialised eastern Ukraine contributed 40% of steel and 35% of coal to the Soviet economy. The western and central Ukraine provided agricultural products. The independence of Ukraine and its reorientation towards Europe could cause Russia the loss of this trade.

Fourthly, Ukrainian industrial units formed a vital component in the military-industrial complex set up by the Soviet Union. Large factories churning out tanks, planes or their parts continue to churn out products standardised for use by Soviet and now Russian forces. The loss of these units could cause severe material hardship for both the economy as well as the defence of Russia. Although, Ukraine would also suffer from a complete break, it may be compensated for the same by the richer European and north American states. Russia

in contrast would have to build the same units afresh on its own territory at a great economic cost to itself.

Fifthly, Ukraine is strategically important for Russia. Moscow continues to see NATO as its primary military threat. Ukraine provides a buffer to the heartland of Russia from any NATO pressure on the east. An EU aligned Ukraine would pose significant problems for the defence of Russia and its ally Byelorussia in Western Ukraine. Moreover, an independent Ukraine claiming sovereignty over Crimea also causes problems in the black sea region of south Russia. Sevastopol, in particular, was built as a Russian naval base to project power in the black sea and further into the Mediterranean Sea. Loss of strategic defence infrastructure built through two hundred years of Russian control over Ukraine would be nearly impossible to replace. The annexation of Crimea in 2014 by Russia must be seen in this geostrategic as well as ethno-historical context.

4.1.1 Ukraine, A Divided State

Ukraine as we know it today has seen various deductions and additions to its territories over the centuries. Some of these have been more unnatural than others causing the present divisive and confused tendencies in the Ukrainian polity.

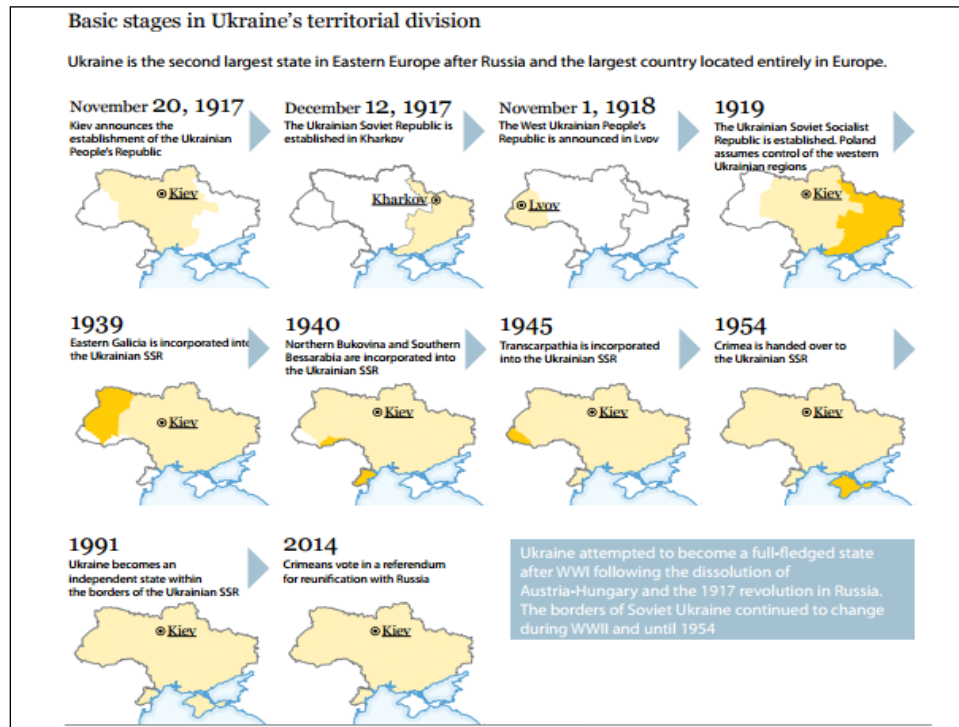
After the fall of the Soviet Union, the Ukrainian elite were left in an ideological vacuum regarding the nation-state they had to govern. What was the national identity of Ukraine? Was it a successor of the Ukrainian Soviet Socialist Republic? Was its identity based on citizenship? Was Ukrainian nationality territorial or ethnic? What role did the languages have to play in forming the national identity of Ukraine?

Trained in communist system of governance, the early elites were ill equipped to finding answers to these questions. The communist ideology is opposed to a large extent to the Westphalian nation-state concept. The elites therefore tried to govern modern Ukraine as they had governed the Ukrainian SSR. But the democratisation of politics in Ukraine forced them to find answers to these ideological questions.

Ukrainian SSR itself was a demographic and political engineering project where don basin Russians were added to peasant Ukrainians in the west and where Galicia was added as an

afterthought despite never having been part of Ukraine. Crimea was 'gifted' to Ukrainian SSR despite having a majority ethnic Russian population.

Figure 4.1: Border Changes in Ukraine in the 20th and 21st Centuries



Source - Valdai Club (Andreev 2014)

Coming back to the ideological question, the idea of a Ukrainian state is different for the western regions from the eastern regions. Historically the western regions have been seeking to break away from Russia and attain independence and a place in Europe. Eastern regions are happy with Russian language and patronage. The two sides have been at the opposing ends of fighting, historically. So, while the Russian speaking regions overwhelmingly fought and died supporting the USSR in the 2nd world war, many in Western Ukraine either supported the German campaign or fought against both the Red Army and the German army to attain independence.

A classic example of the ideological divide would be Stepan Bandera. He was awarded no less than a 'hero of Ukraine' award by the President of Ukraine Viktor Yushchenko in 2010. The next president annulled this award citing his association with pro-Nazi groups

and anti-Semitic activities. So, while the eastern regions of Ukraine see Bandera as a mass murderer and criminal, some in western regions, including a former elected president, see him as a hero of Ukrainian nationalism. When we add these sentiments, we see that the heroes of one side could very well be the enemies of the other in this ideological divide. In such a scenario it is only probable that the two identities will counteract actions of the other. Stepan Bandera's controversial legacy is something that we will continue to revisit often in this chapter.

The current territory of the Ukrainian state due to various territorial and demographic additions unsurprisingly has various ethno-linguistic divisions in its demography. The western region of Ukraine is primarily Ukrainian speaking and nationalist. This is the region that has been under the rule of the Polish Lithuanian commonwealth or Austria-Hungary Empire for centuries. The eastern and south eastern regions are Russian speaking. Ethnic Russians live in the peninsula of Crimea in the south-east. These regions have always looked towards Russia as a protector state and fellow Russians as brothers.

A detailed analysis of the ethnic and linguistic differences in Ukraine shows just how divided the state of Ukraine is. Russians constitute the second largest ethnicity in Ukraine but this is a disguised assessment considering how we define Russian or what the person answering the question considers himself. A more balanced analysis will be on the basis of language. Almost 40-45% people in Ukraine speak Russian in their homes. It would be moot to compare such a high number with the Ukrainian language but it does underline the fact that almost half the population of Ukraine has its mother tongue the same as in Russia.

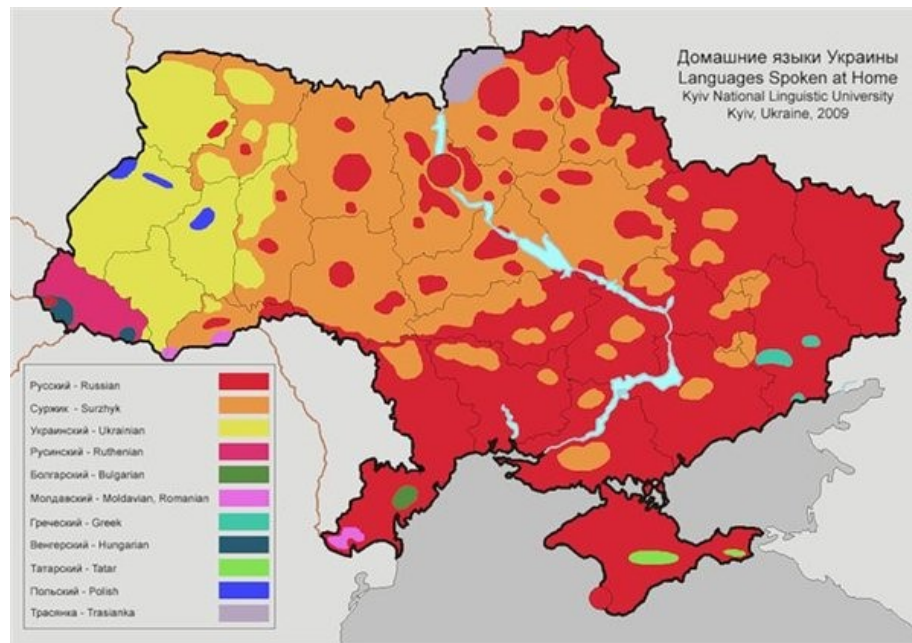
Table 4.1: Russian as home language in Eastern Ukraine

"Home Language" in Ukraine total and in key eastern and southern regions, 2004	
Ukraine total	43-46%
Autonomous Republic of Crimea	97%
Donetsk Oblast (Donbas)	93%
Luhansk Oblast (Donbas)	89%
Odessa Oblast	85%
Zaparozhia Oblast	81%
Kharkiv Oblast	74%
Dnipropetrovsk Oblast	71%

Source: Kiev International Institute of Sociology (2004)

Territorial analysis of the pattern buttresses the division. The language division is not homogenous. People in the east and south speak Russian in their homes while people in the west don't. In fact, one could use a pencil to demarcate a line on the map between Russian speaking and non-Russian speaking regions of Ukraine without lifting it. At many places it is the mix of Ukrainian and Russian that is spoken, not to mention the fact that Ukrainian itself is closely related to the Russian language.

Figure 4.2: Geographical location of languages spoken at home in Ukraine



Note: The mixed Russian-Ukrainian language is in orange in the centre of the map.
Source: Kiev National Linguistic University, 2009

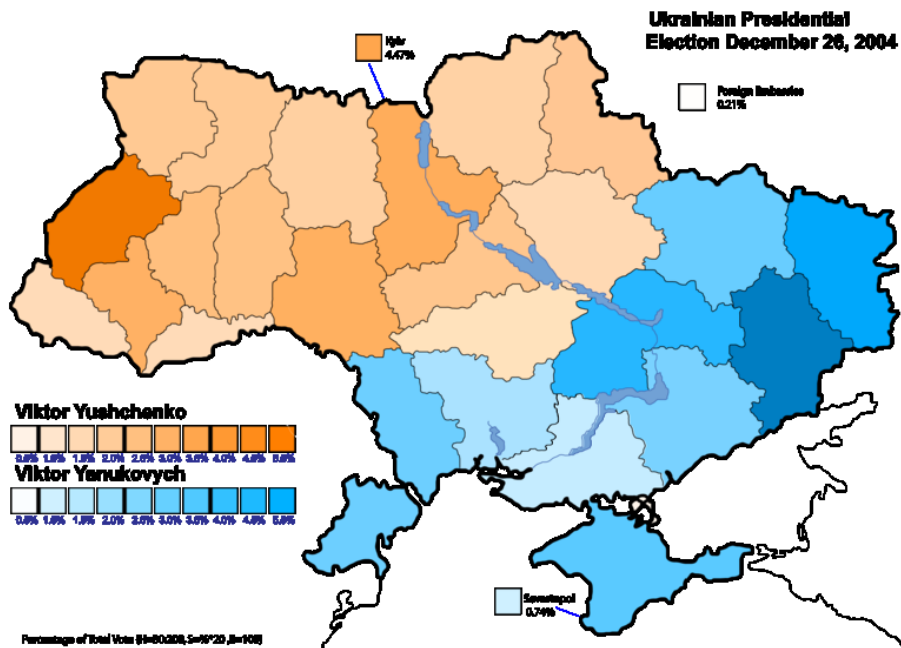
While these differences between the population in the west and east were buried deep when the people were ruled by absolutist regimes, they have come to the fore after the advent of democracy in Ukraine. Democracy has a tendency to exacerbate group identities. For example, a Christian, Muslim or Hindu leader might seek support and votes in the name of his religion pointing out the differences between himself and other communities. This leads to a formation of identity of a group supporting him as well as propagating the differences between various groups in a polity.

The first wave of changing ideological dynamics emerged in the elections of 2004 when West was pitched against the East. Prior to the 2004 elections, the eastern elite held sway

over the political landscape of Ukraine and for good reason. The east of Ukraine is heavily industrialised and urbanised. Compared to the east, the western region is mostly rural and dependent on agriculture. Moreover, the eastern Russian speaking elite has been actively involved in Russian politics, including during the time of Soviet Union. As such, the East inherited its political system and leaders from the USSR. The few leaders from the western regions who were dyed in soviet colours got phased out by about after a decade of Ukrainian independence when ideological divergences came to the surface.

The elections of 2004 were in a way a watershed event in Ukrainian history. The turn of events in Ukraine during the elections culminated into what the western historians call the 'Orange Revolution'. On two sides of the elections were Viktor Yanukovych and Viktor Yushchenko. Yanukovych was the incumbent Prime Minister and had his support base in the east. Yushchenko had also been actively involved in Ukrainian politics and served as Prime Minister under Kuchma from 1999 to 2001. He was supported by the western regions of Ukraine. The voting pattern once again clearly highlighted the deep divisions of Ukraine.

Figure 4.3: Electoral division in Ukraine in 2004 election



Source: Figure is based on election data released by election commission of Ukraine

Yushchenko supported closer ties with the West. In fact, throughout his campaign, much to the amazement of the Russian government, he also advocated joining the European Union and NATO.

4.1.2 Ukraine Since Independence

After the dissolution of the USSR in 1991, Ukraine became an independent state. The first president of Ukraine was Leonid Kravchuk. He lost to the Prime Minister Leonid Kuchma in the first general elections in Ukraine in 1994. Leonid Kuchma ruled Ukraine for two terms till 2004. In 1996, in a controversial move, the constitution of Ukraine was changed to give more powers to the President of the republic. More importantly, the economy of Ukraine nosedived after independence. Ukraine lost about 60% of its GDP in the first decade itself. Together with very high inflation, it caused hardships for the general population who were frustrated with the political developments in Kiev.

Kuchma himself was under severe pressure after it was revealed that he had ordered the kidnapping of a journalist critical of his rule. The journalist was later murdered. Kuchma was also accused of massing too much power in the office of the president, besides corruption and nepotism. So unpopular had he become that he decided not to stand for elections in 2004 and decided to support the candidature of the sitting prime minister Victor Yanukovich instead.

The frustrations of the people against the continuity of the regime came to the fore during what is termed as the `Orange Revolution` in the West. Needless to say, the terrible economic situation of Ukraine in the preceding decade had the biggest role to play in it. Besides, the protests during the journalist-murder scandal had given a blueprint to the protesters to follow, after the declaration of results in 2004.

Victor Yushchenko like Yanukovich was also a former prime minister but had formed a bloc with other opposition leaders like Tymoshenko to challenge Yanukovich for presidency. Right before the elections Yushchenko suffered Dioxin poisoning which he blamed on the opposition and Russian agents. The two contenders for the post of president were locked in a tightly contested election in the first round which was inconclusive.

In the run-off elections, Yanukovych was declared winner by 3% points. This led to a series of protests by Yushchenko camp which had chosen Orange as representative colour. The Yushchenko camp claimed fraud and called for a protest in Kiev. The first clear indications of the deep divisions in Ukraine became evident when the western cities refused to accept the official results of the election. The eastern regions also rose in protest against the subversion by the western regions and demanded federalism of the country, in case Yanukovych was denied the election victory due to protests by Yushchenko camp.

The divided state of Ukraine forced the Supreme Court of Ukraine to intervene. The courts nullified the results of the election and ordered that another round of run-off election be held. In this election Yushchenko was declared to have received 51% of votes in comparison to 49% of votes for Yanukovych. Despite protests by the Yanukovych camp, this result stood and Yushchenko was sworn in as president of Ukraine in January 2005.

The Russian media claimed that the elections were heavily influenced by western funding to ensure that a candidate unfriendly to Russia came to power in Ukraine. They claimed that this funding and support by western agencies was channelled through numerous western NGOs and foreign workers in the country. Moscow also passed a law to ban foreign NGOs in Russia claiming that they were involved in subversive activities.

That western agencies might have been involved in supporting the orange camp is difficult to deny. It is disputable as to what degree they may have managed to influence the election results, protests or the mood in Ukraine in general. Nevertheless, pro-Russian sources continue to point to the narrowest of margins of victory for Yushchenko to explain how foreign intervention could influence a nation's policy.

Russians also believe that after the Baltic states joined EU and NATO, Ukraine was the next target for the western camp opposed to Russia. The overt western support to the protests against Yanukovych and in Russian minds the covert support as well came from their desire to subvert Ukraine and turn it against Russia. While the western masses may have been led to believe that West was only promoting democracy and liberalism in Ukraine, this view was hardly shared in the political circles in Moscow where the nightmarish scenario of Ukraine joining the EU and NATO and undermining Russian

interests were constantly played. In some ways, the events in 2014 were influenced by the experience of the so called 'Orange Revolution' in 2004. Both the easterners in Ukraine as well as Russia had had enough of both the western meddling as well as aggressive manoeuvres of westerners.

In 2010, Yanukovych defeated Yushchenko who had lost all public support, and became president. He went on record stating that he was out to undo the ills of the orange revolution. At the same time, he continued with many of the west leaning policies of his predecessor. Contrary to popular views, Yanukovych was neither a supporter of Russia nor the West. In fact, Yanukovych sent Tymoshenko to jail for making an oil and gas agreement with Russia which Yanukovych believed was a bad agreement.

Also, after becoming president, Yanukovych continued to court both Russia and the EU for better trade ties. Russia had already formed the Customs Union and was wooing Ukraine to join it. At the same time, the EU also wanted Ukraine to sign an Association Agreement with the EU, which was the first step in joining the Union. Yanukovych repeatedly mentioned it in his statements and actions that he intended to sign the European Association agreement and prodded the Ukrainian parliament to make the necessary changes in domestic laws to enable him to do so.

Ukraine though was part of the Soviet Union for a very long time and had a soviet model of economic system. Moreover, the markets and sources of Ukrainian industry were closely integrated with Russia and other CIS states owing to its history. Ukraine would have lost billions of dollars and its industries would have suffered heavily, had it joined the EU without bringing structural changes to its economy and industries. Ukrainian government therefore demanded compensation from the EU for the losses it might suffer if it were to sign the Association Agreement. On 23rd November 2013, Deputy PM Yuriy Baiko stated that Ukraine continues to pursue EU membership and will sign the agreement when proper compensation for the expected drop in production (Interfax 2013) is agreed upon. Yanukovych also pointed out that the Ukrainian economy depended on Russian gas and the expected rise in gas prices needed to be compensated by the EU for it to be able to sign

any agreement. The terms offered by the EU weren't favourable and perhaps therefore President Yanukovich balked at the idea at the last moment.

Although, the Yanukovich government continued to maintain that it would sign the agreement if and when it is ready to do so (Al-jazeera 2013), the opposition cried foul and started protests. These new series of protests were modelled along the lines of protests in 2004, but were more aggressive and less political in nature. The demands of the protests changed from initially, that Ukraine sign the Association Agreement with the EU, to resignation of the government, change in the constitution etc. The attempts by protesters to occupy government buildings was met with police clampdown. This forced the protesters to camp at the independence square in Kiev which they barricaded. The protestors also occupied several govt buildings in western Ukraine.

These protests of 2013-14 were unlike the ones in 2004 in some ways. For one, this time, many of the protestors were armed and willing to resort to violence. This was primarily due to the largescale participation of right-wing extremist groups in the protests. Police was allowed only to protect the govt buildings initially but not to remove the protestors from the independence square. This prolonged the protests and allowed other countries to intervene in the protests. This in turn made the resolution of the issue difficult.

President Yanukovich was keen to portray an image of his government which was tolerant of protests and human rights and not a regressive regime. As such, he welcomed mediation by the European countries. Meanwhile intermittent violence continued between protestors and police. The Europeans, led by Germans, offered their good offices to support dialogue between the Government and the protesters (Olterman and Lewis 2014).

On 21st February 2014, President Yanukovich and three of the leading leaders of the protestors, Vitali Klitschko, Arseny Yatsenyuk and Oleh Tyanbuk signed an agreement to end the impasse. French representative and German and Polish Foreign Ministers also signed the agreement as witnesses. Although the Russian representative of the president of Russian Federation, Vladimir Lukin was also present, he refused to sign the final document. Lukin's not signing the document was hailed later as a masterpiece as the agreement broke down almost as soon as it had been signed.

The agreement called upon President Yanukovich to call an earlier election, change the constitution to give more powers to the parliament and to withdraw government forces. The agreement was implemented by the government when President Yanukovich told the police not to use force against the protestors. On the other hand, right wing protestors decried the agreement as an eyewash and refused to implement or accept it. As the government troops were told to stand down, the protestors took over the parliament and the govt buildings on the night of 22nd February.

President Yanukovich moved to Kharkiv and the Verkhovna Rada (Parliament) voted to remove him from Office. The Rada was not in full strength as the eastern representatives had also moved to their strongholds in eastern Ukraine fearing for their lives. Moreover, as the protestors had taken over the parliament, it could be concluded that such a vote was given under duress.

Later Yanukovich rued the fact that the European signatories to the 21st February agreement didn't keep their word and also that the opposition's failure to keep its words didn't seem to affect them at all. He repeatedly called on the European sponsors of the agreement to force the opposition to fulfil the provisions of the 21st February agreement.

The Russian Federation opposed the developments in Ukraine. It called the events, which changed the government in Kiev, a coup and illegitimate (President of Russia 2014). Moscow also continued to insist that the parties which had signed the 21st February agreement fulfil their obligations. It also accused the new government of including far-right fascists who did not represent the people of Ukraine. This had some grain of truth as many ministers in the new government did have suspected ultra-right-wing sympathies and history.

4.2 FAR RIGHT IN UKRAINE

In Ukraine, like in most other countries in Europe, far right politics counts its genesis from anti-Semitic views which became popular in the 19th and 20th centuries. With the rise of

fascism and Nazism in Italy and Germany respectively, the far-right politics also included racial ideologies and stereotyping. The Slavic people in eastern Europe were considered different from other European identities by the German Nazis. These ideas arrived in Ukraine during the inter-war years and got enmeshed with anti-Russian sentiments prevalent in western Ukrainian regions since long.

During the cold war period, these ideologies remained at the fringe as the Soviet Union indulged in russification of the minorities in the country. Moreover, the massive power of the USSR could not be opposed by the small minorities. The well-controlled Soviet system made this virtually impossible.

After the dissolution of the Soviet Union, minorities in eastern Europe, Central Asia and the Caucasus became independent states. This happened in Lithuania, Latvia, Georgia etc. In Ukraine, the non-Russian ethnic minorities for the first-time regained consciousness of a different identity from that imposed by the Soviet state. This sense of identity continued to become stronger as the western population felt that it was continuously dominated by the ethnic Russians in the east.

As economic problems multiplied in independent Ukraine, the non-Russian people, particularly the youth, began to identify the Russian elite as part of the problem. The numerous accusations of corruption and nepotism against the rulers continued to foment a sense of 'us versus them' in the psyche. This eventually culminated in the Orange revolution in 2004 when for the first time, the dominance of the Russians was broken by those in the west.

However, this show of strength by the west Ukrainians against the ethnic Russians also led to resentment in the Eastern regions which felt that they were being scapegoated in this internal Ukrainian competition. The controversial elections of 2004 and the attempts by president Yushchenko to take Ukraine away from Russia into the Western camp led to gradual increase of resentment in the east.

In the meantime, the strength of far-right politics in Western regions of the country continued to increase. By 2014, the divide between the ethnic Russians of the East and

others in Ukraine had reached a breaking point. The far-right made full use of this divide to further its fascist agenda. This was one of the reasons of the Maidan protests and eventually the overthrow of the Yanukovych government.

The far-right were used by other political dispensations at various stages of the Maidan protest. That was one of the reasons for their rise after 2010. In the first two decades after the Ukrainian independence, the far-right stayed mostly at the fringe of Ukrainian national politics. Ukraine was dominated by the democrats and socialist parties and continues to be so in electoral politics. However, violence and intimidation against gypsies, romas, homosexuals and Jews has been on the rise.

Of the many far-right political organisations in Ukraine, we will discuss two here. Firstly, “The Right Sector” or the Pravi Sektor is a right-wing Ukrainian umbrella organisation which has grown influential in Ukraine in the last couple of years. It came into prominence in November 2013, when many groups viz Trident, Ukrainian National Assembly-Ukrainian National Self Defence (UNA-UNSO), Social National Assembly of Ukraine, Patriot of Ukraine etc. came together.

The leader of the Right Sector is Dmitry Yarosh. He was born in a predominantly Russian region in Dnipropetrovsk Oblast in eastern Ukraine. During the course of his upbringing he turned anti-Soviet and pro-Ukrainian. He founded and joined the Ukrainian nationalist group *Trident* after the dissolution of the Soviet Union in 1994. He led this group after 2005 till it became part of the Right Sector. Yarosh was elected as a member of the Ukrainian Parliament in the 2014 elections after the fall of the Yanukovych govt.

Yarosh and his brand of politics was opposed by Russia from the very beginning. In fact, Yarosh was put on an Interpol wanted list in 2015 on the request of the Russian Federation. The Right Sector and its rise in the Ukrainian politics led to widespread fears in Russia of the rise of fascist forces on its borders again. Consequentially, the Right Sector received very negative press coverage in the Russian media.

The other right-wing organisation, which is believed to be less radical than the Right Sector is the Svoboda party. Named the All-Ukrainian Union *Svoboda*, it has participated in

electoral politics with relatively more success than the Right Sector. The Svoboda party started with an overtly radical Nazi outlook. Its name when founded was social-national party of Ukraine. Its symbol was also neo-Nazi to begin with. However, the name and the symbol were changed in 2004 when the party was reformed. Critics argue that the change was symbolic in nature and Svoboda continues to harbour anti-Semitic and fascist political views. Svoboda's leader Oleh Tyahnybok admitted that the remodelling was done to change the image of the Svoboda party. Tyahnybok himself was expelled from a faction of the Parliament which he was a member of after he gave a racist speech against "*Moscovites, Germans, Jews and other scum who wanted to take away our Ukrainian state.*" (Rudling 2013).

Oleh Tyahnybok is a seasoned politician and hails from the city of Lviv in the western region of the country, which remains his stronghold. He has vehemently opposed the use of Russian language in Ukraine opposing its instatement as the second national language of the country. Just like Dmitry Yarosh, Tyahnybok also faces criminal charges against him in Russian courts (Interfax 2014). Tyahnybok was one of the signatories to the 21st February agreement between the government and the protestors.

Svoboda like the Right Sector remained at the political fringes in Ukraine till the advent of this decade. Its major break came in 2009 and 2010 elections in the western most regions of Ukraine. In 2010 local elections, Svoboda managed to get 5.2% of the vote in the country. Its popularity has continued to rise since. In 2012 elections it managed to get more than 10% of the votes, once again mostly in the western regions of Ukraine. It remains deeply unpopular in the ethnic Russian dominated regions in the south and the east.

The recent rise of the right-wing parties in the western regions has in fact led to an equally hostile reaction from the eastern ethnic Russian dominated territories. The eastern districts see the rise of far-right parties as a threat and have rallied around the pro-Russian parties and entities thereby hardening the already evident divide in Ukraine.

The far-right parties have mostly young Ukrainians as their members. Moreover, they fill the vacuum of an overtly nationalist and chauvinist outlet of expression. The inherent nature of these organisations makes them prone to indulging in political violence, if needed.

This has been demonstrated in many incidents since their rise. Also, these organisations formed their own paramilitary battalions when the civil war eventually broke out in Ukraine.

Both, the Right Sector and Svoboda had major roles to play in the events which unfolded in Ukraine during the end of 2013 and beginning of 2014. Although they were numerically in minority during the Maidan protests, it was they who provided the muscle to the protestors (Katchanovski 2020). This was particularly important during the times when the protestors were put under pressure by the police. Eighteen of Svoboda's members were killed in the protests (Harding 2014; Katchanovski 2020). The Russian media played up the participation of the far-right parties in the protests even more than it already existed and named the protestors *Banderovtsy*, after the infamous Ukrainian Nazi collaborator Stepan Bandera.

After the 2014 events in Maidan, the new interim government had four ministers from the Svoboda party. It included the position of the deputy prime minister among others. This was portrayed by the Russians as power grab by the far-right anti-Russian fascists in Kiev and played a major role in the eruption of hostile sentiments in Eastern Ukraine.

4.3 THE ASSOCIATION AGREEMENT AND RUSSIAN RESPONSE

The Soviet Union's economy had stagnated by the 70s. Although the Union itself lingered on till 1991, it became apparent that the Western economies had left behind the Warsaw Pact bloc by far in the economic field. This realisation led to Glasnost and Perestroika policies attempted by Gorbachev in the 80s. However, instead of the Soviet economy rebounding, it led to political chaos, leading to the dissolution of the USSR in 1991.

The dissolution led to the formation of successor states which inherited the same economic problems which had plagued the Soviet Union. Both Russia and Ukraine lost much of their economic strength in attempts to change the socialist public-controlled economy to a more

market oriented one. While Russia lost 90% of its productive capacity, Ukraine also lost 60% of its GDP by value. This led to suffering for the general masses in both the countries.

On the other hand, the European countries were flourishing economically. The Russians and the Ukrainians were conscious of the fact that they had fallen behind Europe. They also deduced that it was the Soviet economic model and its inefficiency which was primarily the reason behind it. As a result, there was widespread acceptance among the general public of the western capitalist model of production and ways to achieve the same in Ukraine. The western Ukrainians, who saw themselves closer to the Europeans ethnically than Russians, were at the vanguard of the movement to somehow build closer ties with Europe.

As early as 1994, Ukrainian politicians stated closer association with the European Union as an aim. With time, this idea solidified into a policy. The *partnership and cooperation agreement* between the EU and Ukraine was signed in 1994 itself although the initial goals for the relationship were modest. Social, economic and political changes were envisaged in Ukraine by the EU to make it more democratic and open. The agreement came into force in 1997 and stayed till 2008. It envisioned a slow and gradual movement towards Europe from the Russian sphere. However, after the victory of Victor Yushchenko in the 2004 elections, joining the European Union itself was incorporated as a political aim of the Ukrainian government. Moreover, Yushchenko demanded that the Europeanisation of Ukraine must be speeded up as the earlier agreement had not taken into account the Orange revolution which took place in 2004.

The European Union offered Ukraine the Eastern Partnership Programme (EPP) in 2008 along with other states on the eastern border of the European Union. This was to replace the Partnership and Cooperation Agreement. Prior to this, the EU had a more generalised neighbourhood policy which focussed on all the states around the EU, including in Asia, north Africa and Europe. The EPP proposed closer ties with the countries of eastern Europe. It was jointly proposed by Sweden and Poland, the latter of which by this time had become an active member of the EU.

Europe expected to improve its trade relations with Ukraine with the EPP as well as push Kiev towards more democracy and rule of law. An EU summit declaration stated about the EPP that - *"shared values including democracy, the rule of law, and respect for human rights will be at its core, as well as the principles of market economy, sustainable development and good governance"*¹. On the other hand, Ukraine expected to reap economic benefits from closer cooperation with one of the richest regions of the world.

The Ukrainians and the EU saw the EPP differently, The EU was split on whether the EPP can be construed as opening the door for full EU membership for Ukraine. Some eastern countries encouraged the perception that it was indeed so. Poland in particular talked of the EPP as a step towards full EU membership for Ukraine. The Polish foreign minister specifically stated during the EPP proposal that *"We all know the EU has enlargement fatigue. We have to use this time to prepare as much as possible so that when the fatigue passes, membership becomes something natural"*². Other eastern states like Lithuania and Slovakia held similar views. On the other hand, West European states like Germany, Belgium and Netherlands held diametrically opposite opinions. They opposed the idea that Ukraine was a European state from the very outset and refused to insert this line into the EPP.

The deep divide in the EU regarding the membership of Ukraine was evident in the two contrasting positions taken by EU commission president Jose Manuel Barroso in 2005 and 2006. In 2005, Barroso stated that Europe's place was in Europe. The next year, he gave the Ukrainians a reality check by admitting that neither Kiev nor Brussels was ready for admission of Ukraine in the EU.

After Yanukovich won the elections in 2010, he brought more pragmatism to Ukraine's approach towards the EU. Some in Europe even felt a sigh of relief at his victory.

On the other hand, prior to Yanukovich's victory and to some extent even thereafter, sections in Europe continued to see only the positive side of the European Union, ignoring the warnings emanating from Brussels regarding the issue of full membership.

Russian reaction to the EPP was mild to begin with. Moscow expected to be invited to the EPP itself. However, as it gradually dawned that the EPP plans to include most of the European states of the erstwhile Soviet Union states but exclude Russia, Moscow's position became hostile. Russia accused the EU of trying to carve out a new sphere of influence in its neighbourhood. There was some grain of truth in this which was corroborated by the geographical location of the states which were offered EPP.

The EU on the other hand feigned innocence and claimed that it was only acting on the demands by the nation-states of eastern Europe themselves. The EU also tried to portray the EPP as important for ensuring that the borders of the EU were peaceful. To this end the EU claimed that democracy, rule of law and economic stability helped and therefore the EU was justified in seeking closer relations with Ukraine and using its lure to change Ukraine for better.

As Ukraine gradually moved to act on the EPP and began to implement the programmes envisaged therein, Russian position began to harden. The trade and economic issues primarily became a sore point between Ukraine, Russia and the EU. Russia was the largest economic partner for Ukraine till 2014. As Ukraine gradually started moving into the European orbit with the EPP, Moscow felt its privileged relationship with Ukraine threatened. Ukraine's accession to WTO in 2008 further stoked Russian fears.

However, Russia was willing to tolerate some adjustment in the Ukrainian economy and polity so long as it did not cause a break in Ukraine's relationship with Moscow. The Association Agreement and the Deep and Comprehensive Free Trade Agreement proposed under the EPP were seen as bigger threats than the EPP itself. These agreements were initially slated to be signed in 2011. However, the election of Yanukovich in 2010 changed the political landscape of the country again. More importantly, the new Ukrainian government jailed some pro-European leaders such as Yulia Tymoshenko and Litvenko. These actions led to resentment in the EU which proclaimed that Ukraine had gone back on principles of justice, rule of law and democracy. The European Union demanded that these opposition leaders be released before the signing of the Association agreement. Russia which was watching the events closely heaved a sigh of relief. However, in the

coming years, the EU changed its position and moved forward to sign an association agreement with Ukraine.

By 2013, the signing of the agreement looked inevitable as movement in the direction had stepped up pace. The Russians on the other hand began to exert increasing pressure on Kiev to refrain from doing so. To convince President Yanukovich that signing the Association Agreement was a bad idea, Russia began to take steps which could best be designated as coercive economic diplomacy. The Ukrainian economy was closely integrated to that of Russia. This was a legacy from Soviet times. Consequently, Russia had many levers to pull to put pressure on Ukraine.

Here is a compilation of trade actions taken by the Russian Federation in 2013-2014 (reproduced verbatim) (Cenusa *et.al.* 2014).

- *Ban on imports of Ukrainian confectionary producer Roshen (July 2013). The Russian safety control service Rospotrebnadzor declared that the sweets failed to satisfy food safety checks and later accused the producer of violating labelling requirements. Ukraine has contested the justification of these measures at meetings of WTO Committees on technical barriers to trade (TBT) and sanitary and phytosanitary (SPS) regulations.*
- *Enhanced border controls for imports from Ukraine (August 2013). The Russian customs office classified all Ukrainian exports as belonging to a 'high risk category' that provoked extensive border controls and de facto stopped exports for several weeks. Later on, exports resumed but ad hoc enhanced control measures have been occasionally reported by exporters.*
- *Ban on imports of Ukrainian railcars (September-October 2013). Russia banned imports of Ukrainian railcars, refusing to recognise certificates of conformity for some types of railcars from three producers. It was claimed that producers use defective steel casting. In several weeks, certificates were reactivated for about half of these products.*
- *Ban on imports from a large Ukrainian poultry producer (February 2014). Rospotrebnadzor suspended the certificate for MHP, one of Ukraine's largest*

poultry producers. In 2013 MHP became one of two companies to receive permission to supply poultry meat to the EU. After the Russian ban, the company reported that it successfully redirected exports to other markets, including the Middle East, Africa and other CIS countries, as well as to the EU (using autonomous trade preferences provided by the EU since April 2014).

- *Ban on imports of selected cheeses from Ukraine (April 2014). Rospotrebnadzor prohibited imports of cheeses produced by five Ukrainian companies due to alleged food safety concerns.*
- *Ban on imports of potatoes from Ukraine (June 2014). Rospotrebnadzor prohibited imports of potatoes from Ukraine due to alleged food safety concerns.*
- *Stoppage of gas supplies to Ukraine (June 2014). This is by far the most important action economically, but it is in a quite different category, since it is tied up with disputes over the price and payments for gas, and debt for past supplies. Energy security risks are now of a very high order, since the gas supply stoppage is coupled with endangered access to coal stocks due to the military conflict in parts of the Donbass region.*
- *Ban on imports of raw milk and dairy products from Ukraine (July 2014). Rospotrebnadzor prohibited imports of Ukrainian milk and dairy products due to alleged food safety concerns.*
- *Ban on imports of alcohol products of three Ukrainian companies (August 2014). Rospotrebnadzor prohibited imports of Ukrainian alcoholic products, mainly beer, produced by three large Ukrainian companies. The ban is explained by alleged violation of labelling requirements.*

Russia for its part has argued that these steps have been taken in isolation and have little to do with Ukraine's relationship with the EU. Such an assertion is unconvincing at best considering the scale of trade related barriers Russia put in 2013, prior to Ukraine's decision on the Association Agreement. The Russian trade actions once again emphasised the deep economic linkages between the two states and Russian ability to hurt Ukraine financially in case, it remained unwilling to comply to Russian wishes.

Ukrainian sources independently confirmed that Ukraine may lose up to \$40 billion if Russia were to completely decouple itself economically from Ukraine. As a result of this realisation, Yanukovich sought a large compensation from the EU if they wanted Ukraine to sign the Association Agreement and the corresponding trade deal. The EU agreed to loan Ukraine about \$15 billion contingent on Kiev's signature. However, it was unwilling to negotiate a larger pact. At the same time, the EU was unwilling to discuss the issue with Russia directly. It maintained till very late that the Association Agreement between the EU and Ukraine was a bilateral matter and Russia had no role in it.

Ukraine retaliated to Russian trade actions with limited measures. The Yanukovich government proclaimed that Ukraine would stop exporting military products to Russia. It also sought redressal against Russian actions at the WTO. Nevertheless, the Russian threat had serious impact on decision making in Ukraine. Most importantly, the Russians threatened to raise the price of natural gas it sold to Ukraine at concessional rates. Moscow argued that if Ukraine chooses Europe over Russia then, it must pay 'European rates'.

4.4 ENERGY CONUNDRUM - RUSSIA, UKRAINE AND THE EUROPEAN UNION

Russia is one of the richest countries in terms of natural resources. That may be because of the vast territory it holds. Of the many riches the country has, petroleum and natural gas are perhaps the most important. Russia is the largest producer of petroleum and second largest producer of natural gas. Although the Russian petroleum industry is considered inefficient when compared to other countries, its enormous wealth disguises this inefficiency. It wouldn't be inaccurate to say that the post-Soviet Russian economy is dependent on its exports of petroleum and natural gas.

The European Union is the largest consumer of Russian gas. Up to 30% of its energy demands are met by imports from Russia. Also, this import is one of the most vital commodities for the EU as it is used to heat houses in winter apart from its use in industries.

As a result, the EU has vital stakes in safe, secure and reliable import of natural gas from Russia.

Most of the gas transported from Russia to the EU is done through a network of pipelines. Barring a few, most of these crosses through Ukrainian territory. As a result, Ukraine is one of the most important states for ensuring safe supply of gas from Russia to Europe. Besides, Ukraine itself is a large consumer of Russian gas. Ukrainian consumption of energy resources is one of the highest in the world. Russia therefore has strong leverage over Ukraine through its energy exports, which are difficult if not impossible for Ukraine to replace.

As stated earlier, the Soviet economy and by corollary the Russian and Ukrainian economy had become completely inefficient by the 90s which eventually played a major role in the USSR's collapse. This inefficiency continued in the post-Soviet period when both Ukraine and Russia suffered in the initial years. The major difference between the two states though, as far as energy is concerned, was that Russia was self-sufficient and Ukraine was dependent on Russia. This dependency to some extent continues to this day despite various attempts by Ukraine to reduce it.

In fact, whenever Ukraine has succeeded in reducing its energy consumption, it has primarily been because of some level of deindustrialisation and not because of increased efficiency. When one adds the complex nepotism ridden corrupt political system, which has managed the distribution of energy resources in the country since its independence, one can understand why it has been so difficult for Ukraine to wean itself away from Russian gas.

Ukraine has one of the most energy-intensive economies in the world (Table 4.2) (Pirani 2007). Since Ukraine depends so much on energy imports, one would deduce that it may have diverse sources to acquire these. However, that is not the case. Easy availability of Russian gas and historical association with Russia has addicted Ukraine to Russian gas.

Table 4.2: Ukraine as one of the most energy dependent economies in the world

Country	GDP/Energy content
Germany	0.76
China	1.00
Poland	1.00
US	1.06
UK	0.67
Belarus	1.47
Russia	2.47
Ukraine	2.61
World Average	1.00

Source: Pirani (2007).

Whenever the government in Kiev is pro-Russia, it has tried to shove its energy problem under the carpet. Worse, the corrupt bureaucracy and oligarchy have tried to benefit from the enormous volumes of gas and huge amounts of money changing hands. The pro-EU governments have fared little better. The Yushchenko government, after the Orange revolution, failed to diversify its sources to create efficiency in the system. In fact, the Yushchenko government has delved into imaginary solutions for Ukraine's gas problems. For example, *the Energy Strategy of Ukraine for the Period until 2030*, adopted by the Yushchenko government assumed that Ukraine would be able to produce more energy on its own through coal and nuclear sources. This was criticised as impractical. The capital needed for investments to build up such a capacity simply didn't exist. Moreover, the document was also criticised on the grounds that it was setting impractical and overambitious targets for energy saving. The document proposed that Ukraine would be able to save 223 million of tonnes of oil equivalent by 2030. The International Energy Agency (IEA), an autonomous organisation which works on energy issues estimated that this was equal to the production of approximately 400 nuclear reactors.

Due to repeated mismanagement, inefficiency and economic collapse in post-Soviet era, Ukraine became completely dependent on subsidised Russian gas. Gradually, the inability of Ukraine to pay, resulted in Ukraine getting financially indebted to the Russian Federation. The Russians on the other hand were willing to subsidise the gas for Ukraine provided Kiev was willing to cater to its interests in other fields. For example, President Yeltsin agreed to waive off the Ukrainian debt and give discounts to Kiev if it was willing to give the control of the black sea fleet to Russia⁵ and also give up control of its nuclear weapons. However, this proposal was unacceptable to the Ukrainian parliament although the Ukrainian president Kuchma agreed to the proposal theoretically. The intransigence of the parliament to accept the Russian demands led to frequent bitter acrimony between Russia and Ukraine.

The result of the change of the entire economic system from public to private or at least partially private lead to its own set of problems in the gas industry. It is known that the state managed economy had no market and therefore little understanding of gas prices and difference between the supplier and the consumer. After the independence of Ukraine, the price of gas was decided between Russia and Ukraine on the basis of mutual agreement formalised into contracts. Inside Ukraine, however, the price was decided by Ukrainian gas shipping agencies. These agencies quickly became a hub of corruption and nepotism. As they accumulated debt, Ukraine sold off these agencies to politically connected oligarchs in opaque debt-for-equity schemes. The sheer amount of gas to be traded and therefore money involved led to the development of an entire nexus between politicians, government officials and oligarchs to scam the system.

It was not before 2002 that Naftogaz Ukraini managed to acquire complete control over the gas distribution system in Ukraine⁶. That didn't stop the corruption in the system as Naftogaz itself became deeply involved in gaming the gas distribution system in Ukraine.

It has been a goal of the Russian companies therefore to somehow gain control of the Ukrainian gas distribution system. This is not only because of the inherent corruption and inefficiency in Ukraine itself, but also because Ukraine is the primary transit route for supplying Russian gas to Europe. This Russian dependence on Ukraine has been exploited

by the Ukrainian political class in every dispute with Russia wherein Kiev has threatened to disrupt gas supplies to Europe if Russia cuts off or reduces its gas supply to Ukraine. The attempts by Russia to gain control over Ukrainian gas transport systems have been thwarted by populist pressure, mostly in the parliament. As a result, Russia finally decided to develop alternate pipelines to supply Europe with its gas. This includes the undersea Nord Stream one and Nord Stream two pipelines as well as the Turk-stream pipeline.

Ukraine has had frequent gas pricing and payment disputes with Russia. Moscow has taken a softer approach to Ukraine in these disputes when a pro-Russia set up was in power in Ukraine. On the other hand, Moscow has put severe pressure on Ukraine when Kiev has been ruled by a pro-EU government. Russian argument is that Ukraine must pay the same price for its gas as the other European states if it seeks to integrate with the EU. Russia, in this case, would not want to subsidise Ukrainian gas. This is a serious threat as the increase in the price of gas for Ukraine will cost an already malfunctioning Ukrainian economy severely. While, Ukraine could earlier threaten to disrupt Russian gas supplies to Europe, it may not be in a position to do so if Russia builds alternate infrastructure to transport its gas. Therefore, there is serious opposition to the Russian pipeline building spree in eastern European states who may be bypassed with the completion of new pipelines.

Russia has accused Ukraine in the past of siphoning off of its gas which was meant for the European market. This has been admitted by Ukraine at times, while it denies the same at other times. In 1993-94, Ukraine admitted that it had used Russian gas which was meant for Europe. In 1998, Gazprom again accused Ukraine of stealing its gas. After the Orange revolution and the arrival of a pro-EU government in Kiev, Gazprom demanded a new rate of \$160 per 1000 cubic metres of gas from Ukraine from 2006 onwards. As the negotiations broke, Russia reduced pressure in the gas supplies to Ukraine. Ukraine, in turn, reduced its supplies to Europe, alarming the European states. The issue was resolved temporarily in 2006. The gas dispute escalated in 2007-08 again when Gazprom accused Ukraine of not paying for the debts it owed. On the other hand, Kiev insisted that it had paid for the gas which it had received earlier and refused to pay in advance for the year 2008 as demanded by Gazprom. President Putin and President Yushchenko announced in February of that year⁷ that an agreement has been reached between the two sides regarding future deliveries

and payments of gas. However, Ukrainian cabinet refused to endorse the deal made by the President. The cabinet was headed by Prime Minister Tymoshenko, who did not have the best relations with either Russia or President Yushchenko.

This dispute continued into 2009 when Ukraine requested the European Union to intervene. President Yushchenko wrote a letter to the EU commission president Jose Manuel Barroso requesting his assistance in solving the gas dispute between Kiev and Moscow⁸. As the dispute escalated, Russia cut off gas supplies to Ukraine. This once again resulted in pressure of gas dropping in the European pipelines. Eventually, Russia, Ukraine and the EU agreed to appoint observers to monitor the flow of gas through the region⁹. The issue between Ukraine and Russia was finalised by president Putin and Prime Minister Tymoshenko in bilateral negotiations¹⁰. Ukraine agreed to pay European prices for its imported gas with 20% discount while agreeing that it would not hike gas transit charges for the year 2009. The EU on the other hand agreed to give loan of around \$1.7 billion to Ukraine to help it relieve itself of mounting gas debts¹¹.

The gas deal worked with relatively less turbulence between Russia and Ukraine till 2014 and the so-called Maidan revolution. Thereafter, Russia began to pile up pressure on Ukraine again. It increased the price of gas for Ukraine and refused to give any discount for the same. It also demanded upfront payment for the gas which it supplied. In fact, the price of gas for Ukraine jumped to more than \$300 as Russia forced European prices on Kiev¹². Ukraine on the other hand decided to buy its gas from Slovakia in Europe, in what is called reverse-flow. Although this did not solve all the problems for Ukraine, it reduced the number of reasons for conflict between Russia and Ukraine.

4.5 THE CRIMEAN ISSUE

Crimea is a peninsula located in the south of Ukraine. It is connected to the Ukrainian mainland by a narrow strip of land called the isthmus of Perekop. It is located in the north of the black sea. The peninsula is divided by the strait of Kerch with the Russian mainland of Kuban region. The island juts into the Black Sea and is strategically located. To its south

is the Turkey and to its West is Romania. The Ukrainian regions close to Crimea also have a large Russian speaking population.

The island of Crimea is inhabited since antiquity. It was colonised by different polities in the past such as Greece, Byzantine empire, the Golden Horde etc. Crimea was annexed by the Tsarist Russian Empire in 1783 AD. Since then, it has been a part of Tsarist Russia until 1917 and USSR thereafter. In the second world war, it was temporarily occupied by Germany. However, the end of the war saw the return of Crimea to the USSR. Crimea was 'gifted' by the USSR to Ukraine to mark 300 years of friendship between Russia and Ukraine in February 1954 by Khrushchev. Its jurisdiction was transferred from the Russian Soviet Socialist Republic to the Ukrainian Soviet Socialist Republic within the USSR.

After the dissolution of the USSR and formation of the two independent nation-states of Russia and Ukraine, the question of Crimean status came up frequently. This was primarily because Crimea had never been part of Ukraine before 1954. A section of Russians treated the 1954 transfer of Crimea to Ukraine as illegal. The aggressive handling of Crimea by Ukraine therefore further inflamed passions in Russia. (Solchanyk 1996).

Crimea prior to the dissolution of the USSR was an autonomous republic. After the independence of Ukraine, the Crimean leadership announced itself to be a democratic and independent republic. While, the Ukrainian government agreed to the 'republic' name, it refused to accept that Crimea was independent of Ukraine. A compromise was reached when Crimea and Ukraine accepted autonomy for the region in their respective constitutions. In 1994 however, the elections in Crimea led to the victory of a pro-Russian bloc which reinstated the position that Crimea was an independent Republic. On 17th March 1995, the Ukrainian parliament passed a resolution abolishing the Crimean constitution as well as the position of the President. On 31st of the same month, President Kuchma subordinated the Crimean government directly to the Ukrainian cabinet in Kiev and reserved for himself the power to appoint the Prime Minister of Crimea. Kuchma removed the pro-Russia "president" Meshkov and appointed Anatoly Franchuk in his place as prime minister to tighten Kiev's control over Crimea (Kolsto 1995).

None of this went down well with the Russian government in Moscow. Russia has close historical ties with Crimea and sees itself as its protector. The peninsula is inhabited by a Russian majority which also has historically associated itself more with Russia and not with Ukraine. Moreover, Crimea houses the black sea fleet of the Russian Navy and is the only warm water port for Moscow. This further complicates the problem.

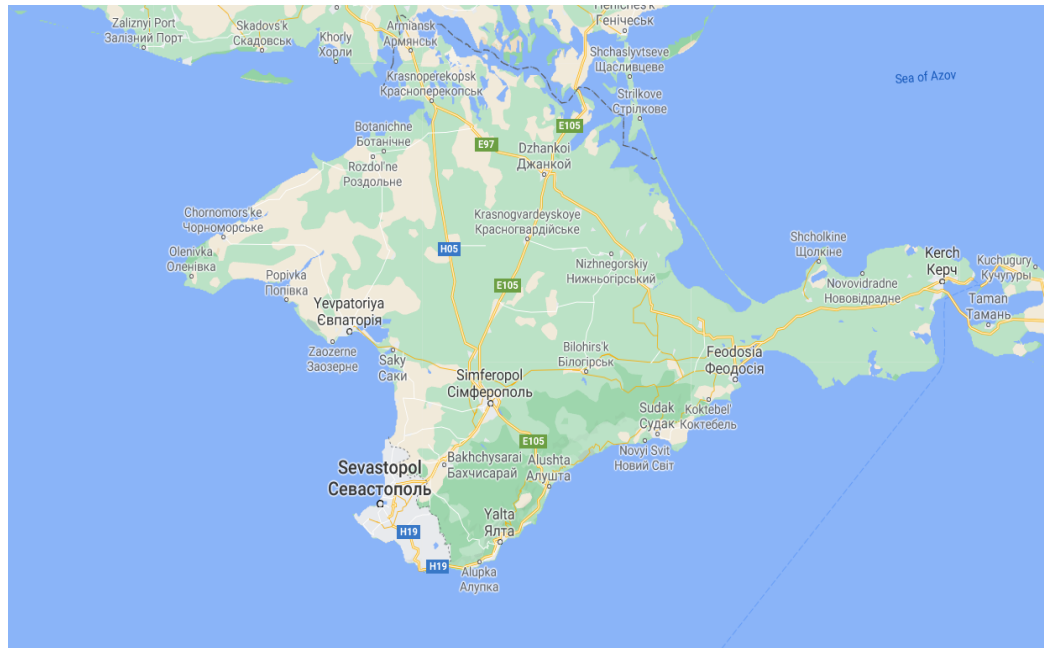
Russia initially reacted to the Ukrainian decisions in March 1995 cautiously despite the Crimean government publicly requesting it for support. However, with time the Russian position hardened. President Yeltsin refused to sign the friendship treaty with Ukraine until the 'rights of Crimean citizens were secured'. The Russian foreign minister Kozyrev went a step further and warned that "in some cases the use of direct military force may be necessary to protect our compatriots abroad" (Williams 1995).

Despite this, there were many reasons why the Russians decided not to press the issue of Crimea in 1995. For one, Russia was not interested in alienating the Ukrainians. By 1995, there were already murmurs in Ukraine about charting an independent course away from Russia. Any Russian pressure on Ukraine would have only helped these sentiments in Ukraine. Secondly, Russia was still militarily, economically and psychologically devastated from the problems caused by the dissolution of the Soviet Union. It was simply not ready to get into a serious diplomatic and perhaps military confrontation in the region. Russia was already heavily involved in the Chechen crisis and the conflict there had exposed the military weakness of the Russian Federation. Also, invoking the right to self-determination for Crimea in 1995 could have opened a Pandora's box for Russia with the increasingly powerful West demanding similar rights for the Chechens. At least, till 1995, the Western powers were unwilling to support an independent Chechnya (Zaborsky 1995).

Moreover, the Russians were not till this point willing to see Ukrainians as a different people. They were fine with having Crimea in Ukraine which they considered a brother state. All these situations had changed by 2014. This also explains why President Putin was willing and ready to follow a harsher course in 2014.

The constitutional crisis issue in Crimea with respect to Ukraine was only resolved in 1998 with the promulgation of a new Crimean constitution which complied with Ukrainian constitutional provisions.

Figure 4.4: Map of Crimea



Source: Google maps

4.5.1 The Black Sea Fleet and Sevastopol Naval Base

Among the more contentious issues regarding the Crimean problem between Ukraine and Russia is the issue of security. In this respect, the wavering of the orientation of Ukrainian politics from East to West significantly raises anxiety in Moscow. This is true as much for security on the land as it is on the sea. Although Russian Federation has the largest land territory in the world by far, it is not endowed with favourable maritime boundary. Due to its geographic location, Russia has very few warm water ports. The peninsula of Crimea protruding into the black sea therefore becomes one of the most most important ports for Moscow geopolitically. It is in fact the only warm water port of the country operable through-out the year. The city of Sevastopol, the second largest city in Crimea, has been the base for Russia's black Sea fleet since Russia built a navy. Moreover, Sevastopol and

Crimea have seen their share of military action in Russian history since 1783 itself. As such, the region is also psychologically important for Russia. *At the OSCE summit in Lisbon, Prime Minister Viktor Chernomyrdin echoed, "Sevastopol is a Russian city; all the earth there is covered with the bones of Russian sailors."* Foreign Minister Kozyrev supported also stated *"that Sevastopol had always been a 'Russian base' —and will always remain"*⁴.

After the dissolution of Soviet Union and emergence of Ukraine as an independent state, the status of Crimea and that of the Black Sea Fleet (BSF) has led to frequent friction between Moscow and Kiev. The Soviet Union had twenty-six harbours and naval bases in the Black Sea region. However, after 1991, nineteen of these came under the control of Ukraine and three of them under Georgia⁵. Russia was left with only four of these harbours. Of all of these bases, the most important is Sevastopol in Crimea. While Ukraine continues to insist on its sovereign rights over both Crimea and Sevastopol, Moscow has insisted on securing basing rights for BSF in the peninsula and the historical naval port of Sevastopol.

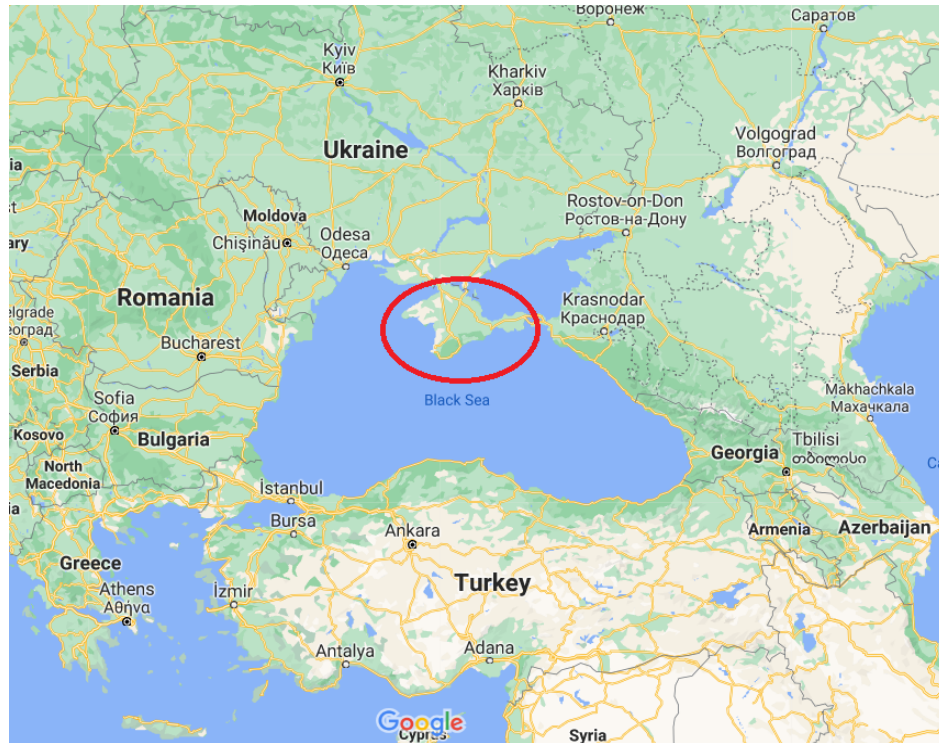
Chief of the Black Sea Fleet directorate, Rear Admiral Aleksandr Grinko, made the following observations about the importance of Sevastopol from a strategic viewpoint:

"The entire Black Sea has no more convenient, deep, closed and vast bays than the Sevastopol bays. Their advantages are obvious from all standpoints: geopolitical, geostrategic, operational and tactical. In years of the Soviet Union's existence a dock frontage extending over 10 km was built in Sevastopol; a developed system of basing, command and control, defense, operational and combat support and ship repair was created; and the organization of deployment of forces from the base had been worked out. As a main base, Sevastopol was framed by a system of defense and protection against strikes from the air, from under water, from sea and from land. A system for [target] identification and for issue of target designation and a stable, reliable system of navigation, hydrometeorological and logistic support were developed. Because of this, Black Sea Fleet forces are capable of controlling all main axes of deployment and action of probable enemy forces, and above all, exits from the Bosphorus Strait and the western and central parts of the Black Sea, thereby providing protection for Russia's southern borders."

It is no surprise then that Russia continued to pressurise Ukraine on the issue of the black sea fleet and its basing rights in Sevastopol. However, Russia in its early years after the

USSR's dissolution was both internally and militarily weak. The stalemate in the first Chechen conflict further eroded the image of Russia as a strong military power. Economically, the situation was even worse. As a result, Moscow found it pertinent to negotiate the issue with Ukraine rather than coerce it.

Figure 4.5: Geographical location of Crimea



Source: Google maps (indicative marking for Crimea is added by the author)

Ukraine joined NATO's *partnership for peace* programme in 1994. This alarmed the Russian administration. NATO's expansion in the former Soviet Union was treated as grave provocation and mortal danger by Moscow. The Russians who were holding out for better terms on the issue of Sevastopol and Crimea made haste to solve the problem before Ukraine moved further away from the Russian sphere endangering the fragile security situation even further.

Despite aggressive nationalist rhetoric by populist politicians and the parliament, the Russian government under president Yeltsin moved to sort out the issue in 1995. Yeltsin met President of Ukraine Kuchma in Sochi in June 1995. The two leaders agreed to divide the Black Sea Fleet in half. Also, agreement on the leasing of the Sevastopol naval base

was agreed upon. After the meeting, Yeltsin claimed that the agreement had put an end to the “difficult problem once and for all”.

Russia agreed to buy back about 80% of the fleet from Ukraine from its share of half of the Black Sea Fleet. Moscow also agreed to reduce its demands of debt repayment which had accumulated due to unpaid supply of Russian gas to Ukraine. In return, Ukraine was to reduce its exclusive claims to Sevastopol naval base and accommodate Russian interests there. Russia agreed to lease the facilities in the base from Ukraine for an annual charge of \$98 million for 20 years. All in all, Ukraine expected to receive around \$2.5 billion in 20 years from Russia along with discounted gas.

Once the thorny issue of the status of Sevastopol and the black sea fleet were sorted out Russia and Ukraine signed the Friendship, Cooperation and Partnership treaty in 1997. While Russia agreed to recognise Ukraine’s borders, the two countries jointly agreed on a host of principles, mainly encouraging friendship between the two countries as the agreement suggests. In 1997, there was still a widely prevalent pro-Russian sentiment which existed in Ukraine. This however changed after 2004’s Orange revolution.

The victory of Viktor Yushchenko and coming to power of pro-West rulers in Kiev put stress on the agreements signed between the two countries earlier. The Yushchenko government exerted renewed pressure on Russia on the issue of Crimea, Black Sea Fleet and its basing rights in Sevastopol. In doing so, Yushchenko was catering to his own anti-Russian, pro-West constituency. However, this led to renewed doubts in the minds of Russians about the security of their southern flank which was guaranteed by the Black Sea Fleet and Crimea.

The events of February 2014 which led to the ouster of President Yanukovich and recognition of the new government by Western countries despite its problems led to anger in the pro-Russian eastern regions of Ukraine. Crimea, which had one of the largest ethnic Russian populations in the country and had been seeking to separate from Ukraine since 1991 could not have remained untouched by it. Moreover, Russia under president Putin was also not as weak as in the 1990s to accept the fait accompli presented to it in Kiev by protestors.

After the toppling of the Yanukovich government in Kiev on 21st February 2014, President Putin held an all-night security meeting with high-ranking Russian officials on the very next day. The Russian Federation maintained more than 20,000 Russian soldiers in Sevastopol in Crimea under the agreements signed in 1995.

As protests erupted in eastern Ukraine over the manner in which power changed hands in Kiev, similar protests also took place in Crimea in February and March. The Crimean Russians saw the takeover as both illegal and a challenge by right wing anti-Russian extremists. In fact, in January, even before the Euromaidan revolution, the Crimean city council had demanded that the central government ban the far-right Svoboda party⁸. The council also demanded that European states and the US stop interfering in the internal affairs of Ukraine. Some leaders went to the extent of suggesting that the Crimeans build 'people's squads' to defend themselves and Crimea from "right wing bandits" of western Ukraine⁹.

On 21st of February when the Euromaidan protestors took over government buildings in Kiev, the Crimean parliament called for an emergency meeting. By 23rd, pro-Russian demonstrations started in Crimea as developments became clearer about what had transpired in Kiev. Protests were particularly large and aggressive in Sevastopol where the participants raised Russian flags and started setting up armed civil defence squads. The next day protests grew larger. In Sevastopol, the protestors forced the mayor of the city to resign and appointed a new mayor.

The Russian military which was already present in Sevastopol naval base deployed itself between the capital city and the base on the next day setting up check posts on the road. On the 27th, special forces dressed in Russian military camouflage dresses and armed with automatic weapons took over the Crimean parliament and other major installation in Simferopol. Similar forces along with Crimean police blocked the only road connection between Ukraine and Crimea through the Isthmus of Perekop, effectively cutting off Crimea from Ukrainian mainland. On the same day, another emergency session of the Crimean parliament was conducted which replaced the prime minister. The new prime minister and the speaker, both refused to recognise the new Ukrainian government in

Ukraine and insisted that Yanukovych remained Ukraine's president. The parliament also voted to conduct a referendum in Crimea to decide its status after the recent developments. The referendum was scheduled to be held on the 25th of May.

In the beginning of March, the new Crimean administration declared that it would control all military installations and armed forces in the republic and Ukraine had no authority over either the installations or the forces. The same day, it also asked the Russian government for help in restoring and maintaining peace and security in Crimea. The same day, President Putin requested the Russian parliament to authorise the use of Russian armed forces inside Ukraine in order to protect the security of its citizens and armed personnel deployed in Crimea. The authorisation was granted unanimously by the Duma. The Russian armed forces began to start taking over the important installations which they did not already control on the 2nd of March. By the end of the day, they controlled the entire territory of Crimea extinguishing all Ukrainian authority in the peninsula.

On 11th march, the Sevastopol city council as well as the Crimean parliament passed resolutions which effectively declared Crimea to be independent of Ukraine. The resolution itself mentioned the right to self-determination as had been exercised previously by the Albanian minority in Kosovo in Yugoslavia, which was supported by the Western states including the European Union and the United States. The explicit mention of the Kosovo precedent was to point out the hypocrisy of the European Union and the European states if they failed to accept the fait accompli in Crimea. After all, the EU and the European states have portrayed themselves since long as international law-abiding states. The argument was and is that if Kosovo had a right to self-determination and to secede from Yugoslavia, so did Crimea.

The referendum which was earlier scheduled to be held in May was moved up first to be held on March 30th and was later moved to March 16th. Also, the choices during the referendum were to either select independence (by selecting to restore the 1992 constitution) or association with Russia. Remaining associated with Ukraine as it was after 1995 did not figure in the choices. The two questions from which the citizens of Crimea were to choose were -

1. *"Are you in favour of Crimea being united with Russia as a subject of the Russian Federation?"*
2. *"Are you in favour of reinstating the 1992 version of the Crimean Republic's constitution and of Crimea's status as a part of Ukraine?"*

The government in Kiev, which had come to power after the Euromaidan 'revolution' opposed the referendum declaring it to be illegal. In fact, the Ukrainian president claimed that the Crimean parliament and the peninsular administration was working under the barrel of a gun. On 15th march, the Ukrainian Parliament dissolved the Crimean parliament. A day earlier the Ukrainian Supreme Court had termed the referendum illegal. However, these steps taken by Ukraine had no effect on the events in Crimea which now were completely beyond the control of powers in Kiev.

The Crimean authorities invited international observers to oversee the referendum. The Organisation for Security and Cooperation in Europe (OSCE) refused to send observers. Other European and North American states also did not send observers. Some political organisations from Europe however, did send observers for the referendum which was conducted peacefully on the 16th of march 2014. The pro-Russian Crimeans who controlled Crimea, as well as Moscow had little to hide, primarily because they were assured and confident of victory. The Pro-Russian sentiment in Crimean majority is fairly well-known owing to the majority ethnic Russians inhabiting the peninsula.

The result of the elections, which was declared on the 17th March, was along expected lines. According to official results 96.77% of the votes polled were in favour of integrating Crimea into the Russian Federation. The voter turnout was declared to be 83.1%. The Supreme Council of Crimea passed resolutions declaring the Republic of Crimea to be an independent sovereign state. It also formally requested Russia for accepting Crimea into the Federation. The assets of the Ukrainian state were taken over by the new Crimean state including the ports and gas pipeline network. The Crimean authorities declared that the Russian rouble along with Ukrainian Hryvnia will be the legal currency. Also, the time zone will be switched to Moscow time on the 30th of March.

Russian President Putin recognised the independent status of the Republic of Crimea on the same day through an official presidential decree. The order stated -

“Given the declaration of will by the Crimean people in a nationwide referendum held on March 16, 2014, the Russian Federation is to recognise the Republic of Crimea as a sovereign and independent state, whose city of Sevastopol has a special status.”

The same day, President Putin also accepted to incorporate Crimea and the city of Sevastopol into the Russian Federation. On the 18th of March, Russian Federation and the Republic of Crimea signed the treaty of accession, admitting Crimea into Russia.

The speed with which developments in Crimea took place after the events of 21st February suggested that neither Russia nor the leaders of Crimea wanted to take any chances. The Western governments in particular were taken aback by the Russian initiative. Although, they refused to recognise Crimea as a part of Russia and slapped economic sanctions and travel bans against individual Crimeans, they failed to deter or prevent the de-facto incorporation of Crimea into Russia. Moreover, the demographic profile of Crimea, the referendum and the Russian push to equate Crimea with Kosovo dented the moral high ground which the European states tried to take.

After the annexation, in April, Moscow formally declared the agreement on the Black Sea Fleet as null and void. President Putin gave the annexation of Crimea as the reason for it. In July, Prime Minister Medvedev claimed that Crimea was fully integrated into the Russian Federation. Prior to the declaration, Russia published the new list of federal states which showed Crimea and Sevastopol as federal regions.

The Crimean situation divides the so-called international community on clear lines as it does on many other issues. While the European states and the European Union do not recognise the annexation of Crimea into Russia and claim it to be illegal under international law, Moscow on the other hand argues that it followed the Kosovo precedent of right to self-determination as supported by the Western states. Russia’s own agreements with Ukraine, specifically the Friendship Cooperation and Partnership treaty, which recognised Ukrainian borders, is given by the West as proof of its violation of its international

commitments (Marxsen 2014). On the other hand, Russia claims that the events of 21st February in Kiev were extraordinary in nature. They ended a democratically elected government in Ukraine and therefore, Crimea was fully justified in seeking a move away from a state, in which the citizens of Crimea did not want to be part of.

4.6 AFTER THE REVOLUTION

On 10th April 2016, Prime Minister of Ukraine Arseniy Yatsenyuk resigned. His resignation was coming for days as rumblings had been going on for some time in Ukrainian political sphere. Yatsenyuk had been the Prime Minister of Ukraine for a little over two years. He was appointed to the post on 27th February 2014 by the Ukrainian President Petro Poroshenko. Poroshenko himself had become president after the controversial “revolution/coup” of February 2014.

It wouldn't be too farfetched to say that Yatsenyuk was a darling of the West in general and the United States of America in particular. Assistant secretary of State, Victoria Nuland's now infamous conversation with US ambassador to Ukraine, Geoffrey Pyatt, calling Yats to be the next Prime Minister severely damaged Yatsenyuk's credibility even before he was appointed; as much as it strengthened the view that the US was meddling in internal politics of Ukraine. Yatsenyuk government in its two years in office tried to pull Ukraine away from Russia accusing the Putin government of various anti-Ukrainian activities. The govt worked to forge closer ties with the West even as Ukraine fell into a brutal civil war between the govt in Kiev and the ethnic Russian separatists in the eastern provinces. The state of affairs in Ukraine plummeted as the surgical removal of its economic ties with Russia, together with the civil war, severely affected the economy.

Since Yatsenyuk's resignation was expected any day after 16th February when President Poroshenko asked him to resign (BBC 2016), political manoeuvring had started in the earnest. Natalie Jaresko, the American born investment banker who was handling the charge of finance minister in Yatsenyuk government was being pushed by some quarters to take over from Yatsenyuk (Ropaza 2016). She herself expressed her willingness to

become the Prime Minister (Rudenko 2016) on March 22nd. According to the statements emanating from shores of America, such a development would have been appreciated. Despite this, she was ignored and Volodymyr Groysman, former speaker and an ally of Poroshenko, has been appointed as the new Prime Minister on 14th April 2016.

President Poroshenko, of course, is an oligarch and among the richest men in Ukraine. He also holds the most powerful post with wide executive powers. The new Prime Minister and the President have known each other for decades. Groysman was the youngest mayor in all of Ukraine at the age of 28 in Vinnitsa in west-central Ukraine. It is the same city where Poroshenko brought his chocolate factories in 1996. The two have been working together since. Groysman is a deputy in Ukrainian Parliament with the Poroshenko bloc and has been the speaker of the parliament through his blessings before becoming the PM.

The consolidation of power by President Poroshenko may not go down well with Ukraine's western backers. More importantly, the independence shown by the current regime in Kiev, in appointing its own PM, despite clear signals from Washington, about its preferences, might pose problems in the future. But the conservatives in western capitals have themselves to blame for blindly diving headlong into the chaos that Ukraine is and perhaps must also take credit for creating part of the chaos. Extricating themselves from such a crisis, without losing face in international arena as well as in front of their own populace, might prove difficult considering the energies and finances they have already invested.

This is not the first time when western countries have supported efforts to wean Ukraine into their camp. The orange revolution was perhaps the last attempt at this. A presidential election fought by west-leaning Viktor Yushchenko and incumbent Prime Minister Viktor Yanukovich failed to give clear winners. Accusations of rigging and violations during elections led to protests and demonstrations in favour of Yushchenko. The intervention of the Supreme Court of Ukraine led to fresh elections and the victory of west-leaning Yushchenko. Despite his rule of 5 years, Ukraine continued to remain almost equidistant from Russia and the West. The 2010 elections returned Yanukovich to the post of president.

The reason for wide vacillations is not tough to find. Ukraine is a deeply divided country. Roughly the western and eastern halves of the state of Ukraine have opposite views on almost all the major questions related to statehood. Even in case of the so called 'Orange Revolution', while the western half looks at it positively or at least did, people residing in the eastern half have and had negative perceptions. The reason for this is not hard to decipher. The eastern regions of the country are inhabited by Russian speaking population. They are ethnic Russians and have historical ties with Russia. The western regions of Ukraine are later additions to the Russian empire and people there look over towards Europe more than Russia. Almost every election has pitted the east against the west with exactly opposite voting pattern for candidates with varying and often opposing manifestoes.

The idea of Ukrainian nationality in the western provinces hinges on separation from Russia and into Europe. There have been attempts in the past to 'free' the western region from Soviet Union, most notably, during the Second World War. Those in the West who fought against the Soviet Union are seen as heroes, even if they are termed as Nazi collaborators by others. This cannot be clearer than in the case of Stepan Bandera who fought alongside Nazi Germany against the soviets. He is highly regarded by 'nationalists' in the western regions of Ukraine. West leaning Yushchenko went to the extent of awarding Bandera the title of 'Hero of Ukraine' in 2010. A statue of Bandera was unveiled in the west Ukrainian city of Lviv in 2013 but has been damaged by 'vandals' and now needs police protection. In the east, Bandera is seen as a fascist and a Nazi collaborator responsible for the murder of Jews and thousands of Poles and Slavs. And the people of east Ukraine are proud of their anti-fascist struggle and victory. They like to wear it on their sleeves. No surprise then that the award to Bandera was annulled after Yanukovich came to power.

The deep division of Ukraine that pervades today has only been aggravated by Victor Yushchenko and so one can say, subsequently the West. By promoting the Ukrainian nationalist idea against Russia, they have in fact ended up promoting west-Ukrainian nationalism against other ethnicities in general and Russian speaking people in particular.

The rise of right-wing nationalism and its increasing influence on Ukrainian polity is one of the major reasons for the outbreak of civil war in Ukraine.

The radicalisation of nationalists in the west could perhaps have been avoided and tamed if Ukraine did have a mature political base which could have debated the idea of Ukrainian nationality and what they sought to achieve. Unfortunately for Ukraine, it inherited the worst of both the capitalist and communist worlds. It inherited the cutthroat no holds barred politics of the USSR communist party and gave birth to the powerful Oligarchs who have since wielded unhealthy influence on every political aspect.

Even if the West is forgiven for its gross miscalculation during and after the Orange Revolution, it would prove difficult for them to salvage any respect if Ukrainians continue to suffer worsening economic hardships under a self-serving government. Second time in a decade, we have now witnessed western governments trying to intervene in Ukraine in support of entities attempting to pull it away from Russia only to be thwarted by Ukrainians themselves.

The political infighting during the Yushchenko government's tenure ensured that no progress was made in Ukraine. Almost every politician worth his salt in Ukraine ensured that Ukraine went one step ahead and two steps back. Yushchenko, Julia Tymoshenko and Yanukovich were the main actors of the play. While Tymoshenko and Yushchenko had aligned against Yanukovich before the orange revolution, they soon fell out spectacularly. Yushchenko, not unlike Poroshenko in 2016, went against the diktats of the West and played his own game. Interestingly, Poroshenko himself had a role to play in ensuring that Tymoshenko and Yushchenko stay apart.

During the whole fracas between 2005 and 2010, the world underwent an economic crisis in 2008 while the number of political crises in Ukraine cannot be counted on fingers. The politicians were unmoved and unconcerned as the crisis eroded the economic health of the state. They were more involved in petty power politics and even more with satiating their huge egos. This political circus ended in 2010 but as in the previous years, maturity in public life continued to remain elusive. Political opponents continued to sabotage each other's efforts with complete disregard for the interests of the state. Vendetta and

opportunism remained pervasive. Julia Tymoshenko was sent to jail on suspicious charges and doubtful trials. One-time Orange Revolution ally and ex-president Yushchenko testified against her.

The Revolution of 2014 has been more violent, less democratic and more brazen. Around a hundred people died in clashes between protesters and law enforcement agencies between 17th and 21st February. On the 21st, an EU brokered agreement was signed between president Yanukovich and the leaders of the Maidan protesters. Yanukovich agreed not to impose martial law or emergency and not to use force against protesters. The protesters were to surrender their arms and agree to peacefully withdraw from squares and streets they had occupied anywhere in Europe.

Yanukovich honoured the agreement by withdrawing the riot police. No sooner had he done it, that the protesters seized government buildings. Yanukovich fled to eastern city of Kharkiv. On 22nd February, bill was passed to impeach him in Ukrainian parliament 328-0. Yanukovich called it a coup and demanded that the EU honour its side of the deal. *“I was given guarantees of all the international mediators, with whom I worked. They gave security assurances. I’ll see how they will perform this role,”* he said (Russia Today 2014). All the signatories of the deal (except him) quickly backtracked, found excuses and recognised the new dispensation in Kiev. Yanukovich later stated that he had trusted the EU foreign ministers in good faith and did not know that it was a trap (Radio Free Europe 2019).

Revolution or coup, politics in Ukraine has remained more of the same. The lead roles had now been taken over by Poroshenko and Yatsenyuk. The tug of war continued while Ukraine continued to slide. A look back on the history of these protagonists explains the predicament that governance in Ukraine today faces. Neither of them has had any serious ideological affiliations. They have maintained catch-all popular rhetoric while willing to ally with anyone who shares their penchant for power and protects their interests or that of their friends.

President Poroshenko as already mentioned is one of the richest people in Ukraine. According to the US embassy in 2006, Petro Poroshenko was a *disgraced oligarch* and

deeply unpopular. Later the same year, the US embassy was wiring Washington that *Poroshenko was tainted by credible corruption allegations* (Taylor 2014). Most of these allegations, of course, range from the time when Poroshenko advised President Yushchenko against Tymoshenko and the two had a fallout.

However, Yushchenko wasn't the only one who had been friends with the new President, if only to rub salt into Tymoshenko's wounds. Poroshenko has also comfortably worked with Yanukovich in the past. In fact, in March 2012, when Yanukovich, as president, offered him the post of economic development and trade minister, he accepted it the same month. His diatribe against Yanukovich after the 2014 Maidan Revolution in this backdrop looks quite opportunistic.

Poroshenko promised the electorate before the elections in May 2014 that he would sell his chocolate empire once he becomes the president. He has not done that although he claims to have put it in control of some trust. More damagingly, his name appeared in the Panama Papers leak in April 2016. According to the leak, the President was busy setting up an offshore holding company in the famous tax haven of British Virgin Islands at the height of the raging civil war in the East (Babinets and Lavrov 2016).

One of the directions in which Ukrainian authorities had been working was to attempt to stop the outflow of capital into offshore accounts. The President's actions could, in fact, be both illegal and unethical at the same time. While resignations had followed in Europe after similar revelations regarding other politicians, Poroshenko stood his ground. This only convinced the people that the Poroshenko regime was as corrupt as all the past ones in Ukraine since 1991.

Prime Minister Yatsenyuk did not seem to have too many problems with former President Yanukovich either. At least, not after the 2010 elections. He was hoping to become the Prime Minister by joining hands with Yanukovich's party. The US embassy noted "Gone are Yatsenyuk's boastful declarations that he would become "an opposition leader to reckon with."" (Wikileaks 2010). The about turns of Poroshenko and Yatsenyuk are hardly surprising in the ever-changing dunes of Ukrainian politics.

While changing rhetoric and contradictory statements and policies are bread and butter for politicians around the world, honest public life is absolutely essential if one of your planks is anti-corruption. President Poroshenko has been accused of lobbying for his own interests by none other than the then Prime Minister and then darling of the West Julia Tymoshenko. That of course led to the *disgraced-oligarch* jibe by the US embassy as Poroshenko was forced to resign his post of the Secretary of Security and Defence Council.

Yatsenyuk, before his departure as PM, was also accused of not helping curb the corruption. In contrast to his rhetoric against the oligarchs, he more or less failed to bring anyone to book. Considering that the president is one of the Oligarchs, that would have been a tough thing to do in Ukraine anyway but several accusations in the media cropped up accusing Yatsenyuk of helping his friends escape the net. For example, one of his party colleagues, Mykola Martynenko was under investigation by swiss authorities for money laundering and bribery (Tucker 2015). The Ukrainian government refused to cooperate. Among other things, another of the West's darling Mikheil Saakashvili has also accused Yatsenyuk of catering to the interests of Oligarchs (Quinn 2015).

In the murky world of Ukrainian politics, it would be difficult for an outsider like Yatsenyuk to make it big without some help. Before his English language proficiency endeared him to the West, he was helped by a number of oligarchs financially. Among others, Yatsenyuk is indebted to help from the personalities of Dmitry Firtash, Viktor Pinchuk and Akhmetov. An out and out war against the oligarchs therefore seems to be out of question for Yatsenyuk.

In October 2015, he also expressed his inability to handle all affairs related to good governance. "I am not responsible for the prosecutor's office...nor for judiciary. I am doing my jobs: to fix the economy, to be back on track in terms of reforms, to provide energy efficiency reform, to provide financial resources for the Ukrainian military, to improve corporate governance for state-owned enterprises" Yatsenyuk said. "I would be happy to be both prime minister, chief justice, general prosecutor and chief of the anti-corruption bureau ... Everyone is to make its own job." (Bonner 2015).

In other words, even if Yatsenyuk were a god-sent messiah to correct things in Kiev and bring Ukraine to order he couldn't because he does not control the system, his English language skills notwithstanding. Nor would his rabble-rousing anti-Russia rhetoric do Ukraine any good. The system is broken and no one knows how to fix it.

In a sign of things to come, Ukraine appointed another ally of the President to the post of Prosecutor General on May 12, 2016. According to Ukraine's constitution the post of Prosecutor General could only be taken up by a person having a law degree. The office is absolutely essential in fighting corruption and prosecuting illegal financial activities in Ukraine. Rather than finding a suitable candidate holding a law degree, Ukraine Government found it more convenient to change the law to accommodate an ally of the President to the top post. This, despite EU's advice against such an act. "The population needs a clear sign of commitment to vigorous reform and to end its past practices," EU Commissioner for Neighbourhood Policy Johannes Hahn had told reporters (Global Times, 2016) on April 21st. Perhaps it is not the Ukrainian population but the EU that needs to end past practices and learn its lesson.

The fact that the EU is willing to ignore every allegation at the rulers who came to power after 2014 revolution/coup, which incidentally are the same as the earlier president Yanukovich, ie. corruption, supporting Oligarchy etc., on eis inclined to accept the Russian version that the EU's interest in Ukraine is political. More specifically, the EU is interested in turning Ukraine against Russia, something that Moscow is trying to prevent.

4.6.1 Foreign Technocrats

The western countries exported quite a number of individuals to Ukraine after the 2014 change in regime to fix the system. The largest contingent arrived from Georgia, where the Rose revolution failed to turn out as had been hoped and some of the protagonists of that revolution had to leave the country. *Mikheil Saakashvili*, perhaps the most famous of Georgian personalities in Ukraine and also closer to Washington than Tbilisi these days, was invited first by Poroshenko to head the International Advisory Council on Reforms—an advisory body in February 2015. Four months later, he was appointed the governor of the Odessa Oblast.

On December 2, 2014 Poroshenko appointed three foreigners as ministers to his cabinet. They were to handle some of the more important ministries of the government. *Natalie Jaresko* was given the charge of finance ministry, *Aivaras Abromavicius* became the foreign minister and *Aleksandr Kvitashvili* became the health minister. All three of them had become Ukrainian citizens barely hours before the parliament approved their appointment through a special Presidential decree granting them citizenship. Host of other foreigners were also granted citizenships and plum posts.

On February the 3rd 2016, Abromavicius resigned, but not before giving away everything that was and has been wrong with Ukraine since 1991. He clearly pointed fingers at President Poroshenko's allies and indirectly indicted Poroshenko of attempting to get his henchmen appointed at favourable positions in the govt. "Neither my team or me have any desire to serve as a coverup for the covert corruption, or become puppets for those who, very much like the 'old' government, are trying to exercise control over the flow of public funds." Abromavicius stated that his security has been withdrawn to put pressure on him. The security of govt ministers in Ukraine can only be withdrawn by orders of the president.

Natalie Jaresko, the US citizen, who had been at the helm of financial affairs and had managed to secure the all-important loan from IMF also moved out along with Yatsenyuk. Although she had stated that she would be happy to be made the Prime Minister, the president did not think of it as a very good idea. Kvitashvili and other technocrats have also been replaced by Ukrainian ministers in the new govt. Whether or not this is a triumph of Ukrainian form of politics over the West will become clear sooner than later.

That there has been a conflict between entrenched politicians and Oligarchs with the foreign technocrats is quite clear from the statements of both Saakashvili and Abromavicius. In a stormy meeting a glass of water was thrown on Saakashvili as accusations of corruption and counter accusations flew. For his part though Saakashvili continues to remain in the governor's seat in Odessa.

"If the elites make the assumption that they could engage in political games as opposed to actually governing, that they can go slow on reform, that they don't have to be serious about Minsk, they may find that in fact the West has turned away," former U.S.

Ambassador to Ukraine Steven Pifer warned the day after the Cabinet was announced (Zawada 2016).

The fall of Yatsenyuk and appointment of Groysman prompted President Poroshenko to call up the US vice president Joe Biden who assured him of continuing US support. The very need for calling up Washington means that both the relevant parties know the importance of the development.

It is quite evident that the Ukrainian governments consider the US more influential and a more reliable supporter than the EU or its member states. This is not so uncommon. Even some members of the EU, such as Poland clearly favour closer ties with the US. This though has its effects.

The US is unalterably hostile to Russian interests. Poland's hobnobbing with the US is seen as a clear threat to Russia. The EU's silence on matters such as violence in the east, rights of ethnic Russians etc shows that it is willing to cede space to the US in Ukraine. In fact, the EU has not even tried to get Ukraine to work towards the Minsk deal which German and French presidents had so laboriously worked towards.

In such a scenario, the Russian contention that the real power lies in Washington and not in Brussels rings true. Having experienced a similar situation in the 90s when it had treated the EU as a benevolent entity opposed to Russian interests only to see NATO expand till its borders, Russia is unwilling to play the same game again. It now sees the EU and the US as two sides of the same coin.

4.7 CRISIS IN MOLDOVA

Moldova suffers from all the problems which Ukraine does, including ethnic tensions, corruption, oligarchy etc. Additionally, it is also one of the poorest states in Europe with per capita income of only 6000 US dollars, which is a little more than one tenth of that of Germany. Moldova has the lowest human development index in the continent.

Moldova is a small republic in eastern Europe between Ukraine and Romania. The country is landlocked and geographically located between the rivers Dniester and Prut. A sliver of territory exists to the east of river Dniester which claims to be independent, although it is not recognised by the majority of states in the world.

The problems in Moldova, like many post-Soviet states are remnants of history. The principality of Moldavia existed from at least the 15th century till the early 19th century, covering the whole of the territory of Moldova as it exists today. In 1812, a part of this principality, termed Bessarabia, was incorporated into the Russian empire after its victory over the Ottoman empire in 1812. The Russian claims to Moldavian territory stem from this period.

In 1917, during the chaos of the Russian revolution, the Romanian army intervened in the territory under the pretext of maintaining peace. Later in 1918, Moldova declared independence from Russia and joined the Kingdom of Romania. The legality of this act was disputed by the Soviet Union, which continued to claim the territory of Moldova. During the second world war, the Soviet Union retook the territory from Romania after the Red Army's victory. It constituted the Moldavian soviet socialist republic (Moldavian SSR for short) to govern the region.

In 1991, the Moldavian SSR declared independence. It announced itself to be the republic of Moldova, an independent state. This state eventually adopted its constitution in 1994. However, prior to this, the country already saw internal conflict between pro-Romanian and Pro-Russian citizens of the country.

Around the end of 1989, movement in the Moldavian SSR was evident as Gorbachev's perestroika began to unravel the Soviet Union. The Moldovan nationalists formed a political movement which spearheaded their drive for independence from the Soviet Union. Called the Popular Front of Moldova, the political movement alienated the sizeable Russian speaking population of Moldova when it proposed that only Moldovian should be the national language of the new country. The deterioration in relation between the majority Moldovans and ethnic linguistic minorities culminated in the Transnistrian conflict from 1990-92, interspersed with temporary ceasefires.

Eventually, fighting ended in July 1992 and Transnistria has since been independent de facto, although few countries recognise the state. The agreement (United Nations 1992) to end the conflict was signed by the Moldovan President, Mircea Snegur and the Russian President, Boris Yeltsin in Moscow on 21st July. A Russian peacekeeping force is stationed in Transnistria according to the ceasefire agreement between Moldova and its renegade region Transnistria. The agreement allowed the stationing of five Russian battalions, three Moldovan battalions and two PMR battalions under the orders of a joint military command structure, the Joint Control Commission (JCC). These forces are entrusted with ensuring observance of the ceasefire and security arrangements.

Despite the violence of 1992 which caused casualties, the two regions, Moldova and Transnistria have reconciled, in contrast to other ethnic conflicts in many other post-Soviet states. While the Soviet rule and its oppression, perceived or real, has had a reverse effect in other post-soviet east European states, in Moldova, the citizens have accepted close ties with both Romania as well as Russia. Although initially, there was a desire among the Moldovans to join Romania, this view has gradually become unpopular in the country.

On the other hand, residents of Transnistria, though accepting of Russian protection, have been cooperating with the authorities in Moldova. It is only in the field of their perceived sovereignty where they disagree with the state of Moldova. The nature of this division, where there is little chance of violent flareup, has been recognised and accepted by the respective protector states, Russia and Romania.

Apart from Transnistria, the Gagauzia region in Moldova also faced centrifugal pull during the tumultuous post-Soviet years. The Gagauzian people are ethnically Turks but speak Russian and follow orthodox Christianity like the Russians. They therefore are closer to Turkey and Russia than Romania. Gagauz nationalism, like other ethnic nationalisms in the Soviet Union gained ground in the 80s and early 90. After the dissolution of the Soviet Union and the formation of the Moldovan state, the Gagauzian community negotiated autonomy for Gagauzia within the Moldovan state. The agreement to this effect was reached in 1994. The Gagauzian equation within Moldova is considered settled by everyone. However, the Russians continue to wield significant influence in the region.

Despite Moldova's push towards Europe, Russia has been less willing to wield the stick in the case of Moldova unlike other east European states, partly because it has built a sizeable pro-Russian influence in the country, not only in Transnistria and Gagauzia but within rest of Moldova as well. This is through economic and demographic policies adopted by the Russian state since the formation of the state of Moldova. Also, Russia has accrued some advantages due to the Russification policy of the Soviet Union which lasted 45 years. Leaders in Moscow seem content and comfortable with the status quo in Moldova with little appetite to make adventurous moves in the country. The same is also true for the European Union although geopolitical jostling has led to competition between the EU and Russia to counteract the other.

By the time, Moldova became independent of the Soviet Union, a large section of the population counted Russian as its first language. Up to two thirds of the population used Russian either as a first or the second language. Also, Moldova had a fairly large ethnic Slavic population. The urban regions in particular have a larger share of ethnic Russians and Ukrainians than the villages. Also, Russian influence in arts and culture, apart from language, has also been significant due to Moscow's control of the region since 1812.

The Russians in Moldova had common interests in the country and used their skillset (of speaking Russian), which was threatened by the rise of Moldovan nationalism and its attempt to enforce Moldovan language on the country. As a result, they have grown closer to Russia and view Moscow as protector of their interests.

The primary lever that both Russia as well as the EU could employ in influencing Moldovan behaviour is to stop emigration of young Moldovans in both directions. Since Moldova is very poor with a stagnant and less developed economy, Moldovans have been moving out of the country in search of work. After the 1998 economic crisis, Moldovans suffered harshly and left the country in droves. More than a hundred and fifty thousand Moldovans live in Russia, mostly in or around Moscow, according to the 2010 Russian census. While this may not seem much in absolute numbers, one needs to keep in mind that the total population of Moldova is only three and half million.

Moreover, a large Moldovan community works in Russia but is not counted among citizens of Russia. Moldova also does not acknowledge that emigration from the country is a serious phenomenon. However, by some estimates up to a million Moldovans have left the country to work, either in Russia or in Europe. Almost half of these are believed to have *migrated* to Russia. The money that they send home to their families forms a major portion of the economy of Moldova.

By restricting their movement or changing the laws for such foreign labour, Russia could wield immense influence among Moldovans and accordingly on the state of Moldova. A prime example was the reaction of Russian authorities when Moldova signed the Association Agreement with the EU. As explained in the case of Ukraine, Russia was vehemently opposed to such a step. It expressed its displeasure by targeting the Moldovan workers who had travelled home and wanted to return to their work in Russia. Moldovans who had been working in Russia for years suddenly found that they could no longer enter the country (Deutsche Welle 2014).

The second tool that Russia has been using is that of economic coercion. If Moldova looks to the West instead of East it must pay a price for the same. That's the argument that has been used in case of most east European countries including Ukraine. The first time Russia reacted to Moldova's European ambitions was in 2005 when it signed an action plan with the EU. In response, Russia blocked the imports of Moldovan agricultural products from the Russian market. Since these commodities comprise a bulk of Moldovan exports, the country was severely hit by the sanctions.

Wines being its number one export article by far, and Russia its largest market, Chisinau suffered due to the sanctions Russia imposed on it. Moldovan wine exports to Russia declined in value from \$235 million in 2005 (the last pre-sanctions year) down to \$61 million in 2012; and from a Russian market share of nearly 50 percent reported in 2005, down to 10 to 12 percent market share annually in recent years in Russia. In fact, the Moldovan wines never regained their share of the Russian market. These sanctions were gradually lifted over three to four years with Moldovan assurances that Russian interests in the country would be protected.

Another lever that Russia can pull to influence Moldova is the energy dependence of the country. Moldova imports 98% of its energy needs. This need is also heavily loaded in favour of natural gas, which arrives in Moldova from Russia through pipelines via Transnistria. Also, Russia does not collect the cost of gas supplied to Moldova. The gas supplied to both Transnistria and the rest of Moldova is pooled together and the payment for the same is deferred. However, if Moscow wants to put pressure on Moldova, it could seek payment for the gas supplied to the country. Even if Moldova remains unwilling to pay for Transnistria's share of gas imports from Russia, its own share will amount to a substantial sum.

Moreover, the country does not have an electricity power plant of its own. It depends on the Transnistrian Soviet era Kuchurgan power station in Dnestrovsc which itself runs on natural gas imported from Russia. Again, Moldova does not pay for this electricity but owes the money to Transnistria and eventually to Russia. All the money owed by Moldova to Russia provides Moscow with sufficient leverage on the country's policies.

In 2013, Russian Prime Minister Dmitry Rogozin travelled to Chisinau and Tiraspol to warn Moldova not to sign the Association agreement with the EU. At his press interaction in Moscow, and then again in Tiraspol and Chisinau, Rogozin emphasized that Russia would react to such steps negatively. Prior to Rogozin's visit, Russia's chief sanitary inspector Gennady Onishchenko also threatened to reimpose sanctions on Moldovan exports like in 2005. Russian ambassador also warned that Moscow will "inevitably revise its existing trade agreements with Moldova".

Rogozin stated that Chisinau "*would make a serious mistake*" by concluding the agreements with the EU even as "*hundreds of thousands of Moldovans work in Russia,*" implying possible restrictions on Moldovan migrant labour in Russia. Underlying Russian hold on energy supplies to Moldova, Rogozin said "*Energy is important, the cold season is near, winter on its way. We hope that you will not freeze this winter*" (parting shot at his press briefing in Chisinau), alluding to the unsettled situation with the Gazprom-Moldovagaz supply contract.

Finally, Rogozin also hinted that Moldova may lose its Transnistria region irrevocably if it continued on its pro-European path. The country “*would lose Transnistria, if Moldova continues moving toward the European Union*” and metaphorically, “*Moldova’s train en route to Europe would lose its wagons in Transnistria.*”

When it became apparent that Moldova would sign the Association agreement with the EU, Moscow moved to make good its promise of retaliation. In September 2013, after Rogozin’s visit Russia introduced a ban on the imports of Moldovan alcoholic beverages and, in April 2014, a similar ban on processed pork. In July 2014, the embargo was expanded to include Moldovan fruit and canned vegetables, and on 27 October 2014 Russia fully suspended the imports of Moldovan meat. Apart from the embargo, as of 1 September 2014 Russia unilaterally introduced import duties on 19 categories of Moldovan goods. As a result of these steps, Moldovan exports to Russia reduced drastically. The worst hit were once again the wine producers. Despite their efforts to export their products to Russia via Belorussia, Abkhazia or Ukraine, they lost 30% of their market.

The aim of the Russian economic steps has been to coerce the Moldovans into aligning their economic, political and foreign policy goals in line with Russia. Besides, causing economic pain to the masses in Moldova may lead to electoral losses for pro-EU political parties in the country. Apart from using the stick to beat the Moldovans, Moscow has also shown that it is willing to support those who were willing to side with Russia in the geoeconomic game. Moscow agreed to lift its embargo on alcoholic beverages sourced from Gagauzia, an autonomous region of Moldova in March 2014. In February, the region had voted overwhelmingly in favour of choosing Russia dominated Customs Union as against the European Union in a referendum.

The EU’s interest in Moldova has also waned in recent years. The primary reason for this is deep rooted corruption in the country (Popsoi 2018). Competitive politics in Moldova also makes the country’s foreign policy unstable. On top of this, the EU, quite correctly, has deduced that there may be insufficient desire in the country to push forward its ties with Europe. Russian threats, economic costs and historical connections have major roles

to play in this. The European choice' has become increasingly unpopular in Moldova with time (Verdanean 2018).

On the other hand, Russia remains wary of letting Moldova out of its orbit. Like in other east European states, its primary goal is to prevent the further expansion of NATO near its borders. It has sought to counter the EU's influence, both political and economic, through whatever means available.

4.8 CONCLUSION

The attempts by western governments to wean Ukraine away from Russia have hit a roadblock due to resistance by Russia and ethnic Russians in eastern Ukraine. The consolidation of Power by President Poroshenko is one more in the long list of negative developments in Ukraine since 1991. While one may denigrate and accuse Poroshenko of taking Ukraine back, the real mistake was perhaps committed by the West in overestimating its own capabilities and underestimating the inertia of the Ukrainian institutions, not to mention their deliberate blindness in ignoring the political realities and divisions of Ukraine.

The attempt by western governments to promote Ukrainian politics in the direction of anti-Russianism while keeping everything else at stake has cost everyone dear. For the second time in a decade Ukraine is suffering deep divisions and the West is at the verge of losing face not only in the international arena but also in front of their own people. The Dutch referendum (Luvendijk 2016) in which people of Netherlands overwhelmingly rejected closer EU association with Ukraine is an example of people's disagreement with the policies of their own governments vis a vis Ukraine.

The US led western alliance is the largest, richest and militarily most powerful alliance that the world has seen. The demise of USSR has led to a unipolar world. Unfortunately, this does not seem to have satiated the appetite of the conservative geopolitical hawks in

western capitals. In their zeal to expand influence around the globe they have been doing more damage to their own alliance than any adversary.

In Ukraine the impatience shown by the West, especially European states, in undermining the Yanukovych govt and supporting its illegal downfall is the second time within a decade when the West has fallen over itself in attempts to pull Ukraine into its orbit. In contrast, Russia has shown more maturity, willingness and patience in engaging with Ukrainian regimes which have much lesser credibility. The confidence and maturity shown by the Russian Federation in its dealings with an anti-Russian govt in Ukraine from 2005-2010 stands in stark contrast to the continuous hook-or-by-crook approach of the West.

After Ukraine, the European Union stands to lose the most due to the disastrous developments in Ukraine in 2013-2015 period. Not only has it lost its moral and ethical capital in supporting the downfall of an elected government but now it also has to contend with a destabilised state on its border with a raging civil war or at least very deep divisions. The economic freefall of Ukraine is likely to force more migrants into EU. The Union itself is deeply divided with different nations at different wavelengths on Ukraine.

During her campaign to win nomination for the president's post from the democratic party, Hillary Clinton stated that her Iraq war vote was a mistake (Lerner 2015). It is a rather late admission considering the scale of disaster in the region triggered by that war. Experts are at a loss to find anything good coming out of that war. People may also find it difficult to find a single good thing coming out of the deliberate western attempts at pulling Ukraine away from Russia.

Around 10,000 people have died in Ukraine in the civil war. Ukraine is now divided into two camps and with the amount of bloodshed, it seems that they will never come together. The economy of Ukraine is in a free fall and is completely dependent on western largesse. The people of Ukraine are being gradually impoverished. The political influence of Oligarchs in Ukraine remains unchallenged and corruption is rampant. After Yatsenyuk's resignation and consolidation of power by President Poroshenko, it does look as if one will find it extremely difficult to find anything good to say about the western intervention in Ukraine either.

Before resigning, Yatsenyuk said “*The key problem we are facing is the lack of political maturity among Ukraine’s political class*” (Gotev 2016). To have helped in illegal overthrow of the Yanukovich presidency, when the elections were less than a year away, perhaps demands of political maturity rang a little too rich coming from Yatsenyuk.

Bill Gates once said – “We always overestimate the change that will occur in the next two years and underestimate the change that will occur in the next ten” (Gates *et al.* 1995). Much was expected by the West from the Orange Revolution but it almost got overturned in ten years after the initial euphoria. We are only some years after the *Maidan Revolution* in Kiev and the direction Ukraine seems to be taking does not look too promising for the West again.

Most importantly, the EU is exposed as a hard-nosed geopolitical entity which could as hypocritically approach its goals as any other power. This is a major loss for the EU which had a sizeable soft power based on its advertised values for decades after its formation.

CHAPTER FIVE

RUSSIA'S SPECIAL RELATIONSHIP WITH GERMANY

5.1 INTRODUCTION

Germany has historical relations with Russia. As two big continental powers on the Eurasian landmass, the two nations have competed and cooperated with each other depending on the geopolitical situation, with drastic results for people of both the countries. Most frequently, the contest in the preceding centuries has been about land. However, racial undertones during the Nazi period and ideological competition during the Soviet period mark the advent of the modern relationship between the two.

The earliest contact between the Germanic tribes of Europe and the Slavs was conflictual. The Christian order of Teutonic Knights fought against the native Slavs to expand the control of the Germans in the Baltic region. The defeat of the knights by Alexander Nevsky's army in 1242 AD in the *Battle on the Ice* finally ended the expansion. It defined the border between the two peoples on the banks of the Baltic sea for a long time. It also became a symbolic rallying cry for Russians against the aggressive Germans in the centuries to come. In fact, at the peak of the second world war, USSR reinstated the order of Alexander Nevsky, which it had earlier abolished after the Russian revolution.

Since the initial interactions, Germany and Russia have seen cyclical period of cooperation and hostility. Wheeler-Bennett (1946) has argued that relations between the two countries have been friendly when they are divided by a buffer state, mostly Poland. On the other hand, relations have become frictional when the two countries share a disputed border.

In the more recent history, both Germany and Russia emerged as powerful nation states in the 18th and the 19th century respectively. The state of Prussia which would later incorporate other German kingdoms to form the German state in 1871, collaborated with the Russian empire to carve out the territories between the two. The three partitions of the Polish-Lithuanian Commonwealth took place in 1772, 1793 and 1795. The treatment meted out to the Polish state by its more powerful neighbours turned the modern Poland hostile to both of them.

At the end of the 18th century, Russia and Germany both suffered from the rise of republicanism in France after the French revolution. Russia helped liberate German

kingdoms from French rule during the end of the Napoleonic wars. By 1871, however, Germany was united under Prussian leadership and emerged as a powerful modern industrialised state in the centre of Europe. On the other hand, Russia had remained largely feudal despite intermittent attempts by the Romanov monarchy to industrialise the country. This was proven when the Russian empire lost the Crimean war in 1853.

The 19th century saw the culmination of European geopolitics as major powers jostled with each other for influence, territory and sovereignty. This turned the continent into a tinderbox which exploded in the first world war. The Germans beat the Russians on the eastern front, although they lost the war eventually. As a result, both Germany and Russia suffered. Monarchies in both countries ended. In Russia, the 1917 revolution shook the roots of the European social order. As a result, the new communist state was ostracised in Europe. Germany was similarly treated due to its role in the First World War. The two countries therefore cooperated, albeit secretly, during the interwar years.

The rise of militarism in Germany in the 1930s once again led it into seeking a conflict with the Russians. This time, the conflict between the two powers was bloodier than ever. While Russians suffered more than all the other states in numbers, they eventually succeeded in defeating the Germans. Germany itself was divided and a part of it was occupied by the Red army. The USSR emerged from the war as one of the two superpowers while Germany was almost completely shattered.

However, through a grit of determination and help from its western capitalist allies, West Germany again became an economic powerhouse by the 1960s. On the other hand, the communist model failed to provide the Eastern bloc, including East Germany as well as Soviet Union, the same economic impetus. By 1990 the tables had turned once again. The Eastern bloc led by the Russians lay in social and economic chaos. Western Europe led by strong economic performance of West Germany held most of the cards.

At the end of the Cold War, Germany was reunited while the Soviet Union was dissolved. As Germany regained its strength, Russia stayed off balance due to social, economic and political chaos in the aftermath of the USSR's dissolution. However, the world itself had changed. A new towering power had emerged outside Europe in the form of the United

States of America. Moreover, the geopolitical games over territory and people had changed into more of an economic struggle. Although, armed confrontation remained a possibility, the advent of weapons of mass destruction on all sides, brought with it better sense into the leaders. Also, the ideological divide had ended primarily due to the triumph of capitalist model, although capitalism itself had evolved sufficiently to incorporate socialist ideas which eventually led to the formation of Welfare States in Europe, including in Germany. By 1992, Francis Fukuyama argued that the triumph of the Western liberal model over the totalitarian communist model would lead to lasting peace (Fukuyama 1989).

This looked even more likely as the earlier warring states of Europe came together to form the European Union in 1993. Germany and France, who had buried their hatchet after the Second World War led in this endeavour. The European Union sought to gradually remove physical, social and political borders between the member states. The borders which had led to enormous bloodshed in the preceding centuries vanished. Germany emerged as the most powerful economic entity in the new Union. However, the national character of the new German state had also changed. It now approached multilateral venues to solve disputes and discouraged the use of arms. It encouraged values such as democracy, the rule of law and peace, inside the state, in the European Union as well as in the larger world.

5.2 PEOPLE TO PEOPLE TIES

Germans have been migrating eastwards towards Russia since at least the Teutonic invasions. While the earlier centuries saw the Germanic tribes moving eastward as conquerors and religious warriors, by the 17th century this had become more of a social and economic trend. The Russian Tsar Peter Alexeyevich, better known as Peter the Great, invited Westerners into his kingdom in attempts to modernise his largely feudal and backward Empire. Over a long period of time, Germans gradually became the dominant ethnicity in a vast region of Eastern Europe. Even at places where they were in minority, they often were the landed gentry or rich businessmen. As a result, they accumulated economic wealth and political clout in these regions. After the second world war though, Germans were brutally expelled out of these regions in eastern Europe, particularly Poland,

Czech Republic, Hungary, Slovakia, Romania and Ukraine. The Germans had voluntarily left the Baltic region in the 1940s.

In Russia proper, the Germans flourished under friendly monarchs till the advent of Tsar Alexander. In fact, one of the greatest rulers of the Russian empire was Catherine the Great who herself was a German and helped expand the empire to a great degree. However, Tsar Alexander gradually removed the privileges granted to the Germans by earlier monarchs beginning in 1871, the year Germany was united. As a result, the German population in Russia either stagnated or moved to other countries, including the new world in the US and Canada.

In the Soviet Union, the Germans were treated with suspicion during the Stalin era, who deported thousands of them to far-away regions in Central Asia and the Russian Far-East. After the death of Stalin, the persecution of the German minority in the Soviet Union stopped. According to estimates there are around half a million Germans in Russia, although these Germans are now fairly Russianised.

Despite the violent recent history between Germany and Russia, the two countries and their people do not hold grudges against the other. In fact, Germany has maintained a very good reputation in Russia despite the tactics adopted by Nazi Germany during its invasion of Soviet Union. According to a 2014 World Service poll of the BBC, Russians continue to hold positive views of Germany with more than 57% of people holding a positive view of the country.

This may likely be due to the pacifist policies that Germany has pursued in recent times. Moreover, the values that the European Union strives to espouse may also have a role to play in this. In view of lack of proper democracy in Russia, the Russians may be inclined to support states outside their borders which support these values. We will come to this later in the chapter.

The Germans also hold positive view of the Russian people, although they may not possess the same outlook towards the Russian government, which they believe to be autocratic, non-democratic and repressive. The Russians have not complained as loudly as other

peoples of Europe have regarding the conduct of Germany in the second world war, despite suffering the largest number of casualties and suffering during the period. The Russians have refrained from repeatedly naming and shaming the Germans as have Poland, France, the Netherlands and many other states in Europe. This gives the impression of Russians as pragmatic people in Germany.

5.3 1993-2000, YELTSIN YEARS

German policy towards Russia and Russian response today has its genesis in the post war political structure in Europe. Eastern Europe including a large part of Germany came under the communist rule. The Federal Republic of Germany (FRG) also known as West Germany refused to recognise East Germany or German Democratic Republic (GDR) for a very long time. It claimed itself to be representative of all Germans. FRG also continues to pressurise other states not to recognise GDR under the Hallstein doctrine⁵. This made any diplomatic overture to the other side nearly impossible.

It was only after Willy Brandt became Chancellor in 1969 that German policy towards GDR and Soviet Union changed. Brandt was a towering leader of the Socialist Party of Germany (*Sozialistische Partei Deutschland*). He deduced that the frozen relationship with the Eastern bloc members of Europe was not helping reduce the tensions in the region and devised a new approach. *Neue Ostpolitik* (new eastern politics) or Ostpolitik for short, under Brandt, advocated engaging with the eastern states and the Soviet Union, instead of treating them as global pariahs as the earlier governments had been doing.

Brandt's policies helped reduce the tension in the region and managed to entice cooperation from Soviet Union as well as GDR. This eventually led to the signing of the four-power agreement, which reduced the discomfort for residents of Berlin. Eventually more agreements were signed between the adversaries of the cold war. Gradually, the

⁵ Hallstein doctrine was a foreign policy principle of Federal Republic of Germany (FRG) from 1945 till 1969. According to this unwritten policy, FRG refused to recognise East Germany and also put pressure on other countries not to recognise the communist state.

European sphere of cold-war entered a period of detente. When Gorbachev allowed the reunification of Germany in 1989, it was considered a continuing success of Brandt's Ostpolitik. The lesson learnt from this episode in post-war German history was that more could be achieved by diplomacy with the Russians than through hostility. Brandt's Ostpolitik towards the Soviet Union has continued to guide German policy to a large degree even after the end of the cold war.

When the cold war ended, Helmut Kohl was at the helm of affairs in the Chancellery in Berlin. Kohl started cultivating the new leaders of Russia after the dissolution of the Soviet Union almost immediately. Germany offered Russia financial help. The German government agreed to pay for the housing of the Red army soldiers returning back to Russia from East Germany in a symbolic gesture. It also tried to offer help in transitioning from a totalitarian state to a democracy and from state led economy to a market economy. Kohl encouraged the Russian Federation to build a state on the basis of 'rule of law' (*Rechtsstaatlichkeit*). The expectation of rule of law in Russia has become a guiding light in German foreign policy since.

Even when Russia under Yeltsin regressed on the rule of law and development of democracy, as happened when Yeltsin ordered tanks to target the parliament, Kohl continued his engagement with Russia. Berlin helped Russia join the G7 as well as supported an understanding between Russia and NATO.

In 1998, Gerhard Schroeder became the chancellor. He pursued Ostpolitik with a renewed vigour. Although by 1998, Russia was in a bad shape and so was Yeltsin. The president's health was failing. Russia had also defaulted on its financial commitments leading to depressing scenario for relations with every country. However, Yeltsin was on his way out and soon he gave away power to a new, young and energetic German-speaking former KGB officer.

The European Union came into existence in 1993 after the signing of the Maastricht treaty. Germany led in the formation of the Union and has played a significant political part in its gradual evolution since. It remains the largest economic power in the Union and drives the

economic policy to a large degree. It is also the most populous state in the EU with approximately 83 million people.

For decades the Europeans (and the Americans) were worried about the German question. The past militarism of Germany had etched in the minds of the Western world the threat of a renewed strong German state in the centre of Europe. After the unification of Germany, the government in Bonn accepted the Oder Neisse line, which marked the border between Poland and Germany as the international border. This was done with the purpose of satisfying the doubters about the sincerity of the new German state in maintaining the status quo in Europe and not seeking to revise its borders. After all, the state of Poland was reconstituted largely on German soil.

Despite this, Germany had close cultural, political and historical ties with eastern Europe. The towns and cities in eastern Europe constitute the places where Germans have lived for centuries. The association of Germany with eastern Europe could simply not be wished away by either the Germans or the historians. After the fall of communism, the German unification provided a new model for rekindling these historical ties. If East Germany and West Germany could unite, why cannot the same model be followed to unite different regions of Europe peacefully into a political union. The fact that the eastern states were significantly poorer than the western democracies of Europe was an opportunity for both sides to collaborate.

In one way, the formation of the EU has shifted the German borders once again towards the east. And once again the Germans are now bordering the Russians. How have the Russians reacted to this new development?

5.4 2000- UKRAINE CRISIS

At the end of the millennium, Boris Yeltsin handed power to Vladimir Putin. By this time, Yeltsin had lost the trust of the people, although the office of presidency in the Russian Federation still held the most weight in the political landscape of the country. Since

acquiring power, Putin has gradually strengthened his hold on it. Barring a stint as prime minister, when Dmitry Medvedev held the office of the presidency, Putin has maintained a stranglehold on political power in Russia.

Germany under Chancellor Gerhard Schroeder, who belonged to the Social Democratic Party of Germany like Brandt, had sought close ties with Russia embarking on a strategic partnership with the Eurasian state. Schroeder himself was considered a Russophile who maintained personal ties with president Putin. He also declared President Putin to be a democrat who wanted to see Russia turn democratic. Schroeder publicly defended Putin on numerous occasions and drew flak for it. He was severely criticised for his statements and lack of foresight. Chancellor Schroeder also took the lead in starting the Nord-Stream project with Russia which envisioned the building of a direct gas pipeline from Russia to Germany under the Baltic Sea.

In 2005, Schroeder demitted office and Angela Merkel came to power heading a grand coalition of CDU and SPD. The social democratic party continued to control the foreign ministry in the grand coalition though. Merkel herself had different approach to Russia despite her foreign minister's moderating influence on her. In contrast to Schroeder, Merkel took a harsher line against the Russian Federation often criticising the country publicly.

In her first visit to Moscow in 2006, Merkel met the opposition leaders of the country, a practice which was shunned by Schroeder. She criticised Putin's Russia on human rights and ignored the overtures made by him. She also criticised Russia during the gas transit dispute that Moscow had with Kiev in 2009.

On the other hand, her foreign minister Steinmeier continued the Schroeder legacy. The German foreign office continued to pursue closer ties with the Russian Federation even at the expense of displeasing its east European allies. Steinmeier, while supporting more democracy and progressive change in Russia, was the architect of 'rapprochement through interweaving' or 'interlocking' (*Annäherung durch Verflechtung*)⁶. This was a direct

⁶ Steinmeier, in direct reference to Egon Bahr's '*Wandel durch Annäherung*' ('change through rapprochement'), the cornerstone of *Ostpolitik*, coined the phrase '*Wandel durch Verflechtung*' ('change

continuation of the SPD's political line towards the Soviet Union of 'change through rapprochement' (*Wandel durch Annäherung*). The idea behind this policy, of course, was to somehow tie Russia into closer European institutions and mechanisms. Steinmeier's approach recommended closer economic, cultural and political ties with Russia. This way, Moscow may perhaps see the better side of European political systems and adopt similar systems in their own country. Also, Russia would be less inclined to wreck a system of which it was a part of. Germany had since long convinced itself that alienating Russia is not in the best interests of the country and Europe and Germany can achieve security only be working with Russia and not against it.

The problem with this approach of course was that it was German-centric and did not take the views of an increasingly confident Russia and President Putin, which saw the encroaching Europeanisation in its neighbourhood as a security threat, into account. The reaction of Russia to these developments, particularly of continued expansion of NATO near its borders led to Putin warning both Europe and Germany of Russian countermeasures.

Eventually, these countermeasures of the Russian Federation in words and in actions began to give the impression of a turn back to a more muscular and geopolitical Russia in Berlin. This was not acceptable to the German elite which by this time had become pacifist. Specifically, aggressive Russian approach during the crisis in Georgia led to the re-emergence of the perception of a Russian security threat in Germany. On the other hand, Moscow itself had gotten tired of losing its influence to the US-led West in its neighbourhood and regions where it had historical ties.

The German support to the bombing of Yugoslavia in the Balkans without the express approval of the United Nations Security Council did much damage to Berlin's credibility in Moscow. Here was a state which had been indulging in moral sermonising for the better half of its post war history, now indulging in the aerial bombing of civilian infrastructure in Yugoslavia and creating a stream of refugees in the process. Russians have close

through interdependence'). Markus Wehner, 'Steinmeiers Moskauer Karte', *Frankfurter Allgemeine Zeitung*, 24 September 2006, p. 8.

historical and civilizational ties with the Serbs in Yugoslavia. They see the Serbs as brother Slavs and were vehemently opposed to the NATO bombing campaign. It was nearly impossible for the Russians to finally digest that they had become irrelevant, militarily and diplomatically, for the West which would continue its attempts at reducing Russian influence in the regions around Russia and the world itself. In Russian eyes, Germany was complicit in this US-led attempt.

Also, the expansion of the EU itself and the East European states joining NATO and the EU simultaneously had a chilling effect on Germany's image in Russia. The enthusiastic support to the expansion of NATO despite the specific promise given by West Germany prior to the German unification led the Russian strategic community into calculating (perhaps correctly) that either Germany was incapable of managing American pressure in Europe or Berlin itself was involved in undermining Russian interests in Eastern Europe and the Balkans.

In either case, Russia under president Putin, was unwilling to accommodate any more unilateral steps by the western alliance without countering them with a Russian move. If this meant, souring of its relations with Germany, then Moscow was willing to pay the price. In fact, in the minds of the Russian strategists, Germany and the United States were actually playing the "good cop, bad cop" game with Russia and this needed to be called out. Russia must defend its interests irrespective of who it was offending and at what costs.

On the other hand, patience with Russia was also running thin in Germany. This was primarily due to inflated expectations of Russian leadership in the country after the end of the world war. Germans expected Russia to become a normal European state, a part of the European family, as it had been prior to the Russian Revolution in 1917. Since communism had vanished from Russia, the only path that the Russians would and could follow was that of liberal democracy like Germany itself. Also, since Russia had started building institutions after 1991 to this effect, it was only a matter of time before these institutions mature and form the bedrock of democratic governance structure in Russia. As it gradually became apparent that Russia was not living up to the expectations, the view of the Germans towards the Russian leadership began to change.

The return of Vladimir Putin to the presidency after a stint as Prime Minister convinced the Germans that Russia had returned to autocracy and it was perhaps a democracy only in name. In this background, the amendments to the Russian constitution proposed by president Medvedev in 2008 looked like a scripted ploy devised by Putin himself. The 2008 amendments had increased the term of Russian president from four years to six. Chancellor Merkel, who had a much better rapport with Medvedev than Putin was disappointed with the development. More importantly, the image of Russia as a functioning democracy took a beating. Also, the hopes that Russia would someday become truly democratic also received a setback.

German political scientist Sebastian Harnisch (Davis 2012) has argued that the country's foreign policy has become increasingly domesticated. While it was earlier run by consensus by the country's elites, percolation of democracy to the masses has meant that political parties tend to cater to their own voters when deciding how to approach a crisis or a country. Public opinion and its management have therefore become a significant facet of diplomacy.

The German public is deeply divided on the issue of Russia. On the one hand, Germany has benefited immensely from its integration into the US led western camp in the post-world war order. On the economic front, Germany has emerged as one of the richest countries on the planet. Much of the credit goes to the US which offered economic assistance through the Marshall Plan after the war. Also, the US provided its own markets to German exports which also aided German recovery. At the same time, the US also provided Germany its security cover when it faced the threat of hard Soviet power, throughout the cold war.

On the other hand, the Germans have felt increasingly suffocated by the US alliance system. The pressure by the US to toe its line when German citizens are unwilling to do so has strained Germany-America relations. This became clearly evident during the second Gulf war when Germany refused to support President Bush in his endeavours. Similarly, harsh US line towards Russia is resented by the Germans when they themselves are not ready for it. So, although historically, the Germans feel indebted to the US, after 25 years of cold war, they are unwilling to continue carrying the baggage. Kundnani (2015) has

argued that the German integration into the EU has also freed Germany from its overt dependence on the US for security and to some extent economics. Moreover, German economic ties with Russia are also strong and the rulers need to factor this into their calculations.

5.5 GERMANY AND RUSSIA IN THE UKRAINE CRISIS

A visit to the foreign office site (Federal Foreign Office 2010) of the German government emphasises the importance that the Ukraine crisis has played in shaping the relationship between the two countries since.

The first paragraph says -

“The two countries’ political relations are overshadowed by Russia’s violations of fundamental principles enshrined in international law such as its annexation of Crimea and actions in eastern Ukraine”.

The accusatory tone of the statement reflects the wide gulf between the positions of the two states on the issue. Moscow responds to the accusations thrown its way by claiming that it has not violated any international law. Moreover, Germany’s own actions in the Yugoslavia war when it participated in the conflict as a belligerent and helped Kosovo become an independent state are a precedent to what Russia did with Crimea. Moscow accuses Berlin of outright hypocrisy. Moreover, it also denies that it is in any way intervening in the internal armed-conflict in eastern Ukraine.

The Ukraine crisis symbolises everything that has gone wrong between Russia and Germany since. Simply put, the perception of each other and of their intentions is completely irreconcilable. Chancellor Merkel almost admitted this when she told the American President Barack Obama that “Putin lived in another world”. The Chancellor’s office did not acknowledge her statement, maintaining only that the talks were confidential. President Putin could, of course, say the same thing about German leaders. Their expectations of Russia have been out of the world.

Germany sees itself as the upholder of moderate democratic liberal force of the world. It also seeks to export these values outside its borders, most prominently in Europe itself. The expansion of the European Union was an attempt in this direction. The East European States which had been under communist rule for half a century have been gradually democratised and inducted into the liberal world according to the German narrative. The success of this experiment has convinced Germany of the righteousness of its approach. Therefore, it does not shy itself from engaging other countries and supporting them if it sees that they are moving in the direction Germany wants them too. The same was true of Ukraine.

Ukraine, a divided state bordering Russia with close historical ties, expressed its desire to join the European Union. Not everyone was on board in this decision in Ukraine itself. However, Germany saw this as an opportunity to democratise Ukraine and bring it into the liberal fold inside the European Union. It was therefore deeply disappointed when Russia opposed such a step, both politically and also with economic coercion. Berlin also stayed oblivious to how the encouragement it provided to the westernizers in Kiev was dividing Ukraine even further than it already was.

Russia on the other hand was also fed up of the Western Alliance weaning away the states in its periphery and gradually enticing them to first join the EU and then NATO. Specifically, the admission of the Baltic states into NATO despite vehement opposition by Moscow was proof that the US led western alliance was not interested in respecting its concerns on security. From the broken promise of “no NATO expansion” eastward, when Soviet Union had allowed the reunification of Germany, to the incorporation of the Baltic states in NATO, Moscow saw an unbroken chain of developments which sought to undermine Russian security and interests. Therefore, Moscow was convinced that it had to put its foot down and stop this trend where it could.

German support to transitioning Ukraine from Russian ally to European state has been a constant since the Orange revolution, although, Chancellor Schroeder at that time was more circumspect, stating that Ukraine will not be joining Europe at the cost of German relationship with Russia. Schroeder was quoted as saying “Russia is our eternal strategic

partner” (Deutsche Welle 2005). Nevertheless, support to Ukrainian aspirations under president Yushchenko was quite evident. This support increased when Angela Merkel came to the Chancellor’s office in Berlin. More importantly, Germany became keen to pull away Ukraine after President Putin came back to office in 2012. Eventually, when Yanukovich balked at signing the association agreement with the European Union in November 2013, Merkel was disappointed and enquired from him the reason at the meet. She was quoted as quipping to Yanukovich “We see you here, but we expected more”.

Germany also supported the protests which erupted in Kiev due to the decision taken by the Ukrainian government. Russian and Ukrainian arguments that the opposition included far-right radicals was ignored. Germany accused Russia of interfering in the affairs of former Soviet Union states and demanded that they be allowed to choose the associations they want of their own free will. As the Maidan protests continued to get aggressive and violent, Germany along with other European states demanded negotiations. Merkel talked to both Putin and Yanukovich to convince them to not use force against the protestors.

German foreign minister Frank Walter Steinmeier travelled to Kiev to convince the opposition and the government to solve the issue without resorting to violence. They put pressure on President Yanukovich to sign an agreement with the opposition, which was signed on the 21st of February. The crux of the agreement was that Yanukovich will not use force to disperse the protestors. At the same time, the government will concede to some of the demands of the protestors such as early election and changes in the constitution. The agreement was signed by the German foreign minister along with his French and Polish counterpart.

When the opposition failed to honour its side of the agreement and instead took over the main buildings in Kiev, the German Foreign Minister made a Gandhian appeal to the opposition to uphold the agreement in March. This was still in contrast to the approach of the German government which readily accepted the fait-accompli presented by the Maidan protestors. Yanukovich himself later accused the European countries of laying a trap for him. He stated that he had signed the agreement in good faith and trusted the European countries to get the agreement implemented. The German credibility, which was already

very low in Russia took another hit when it failed to get the agreement it had signed implemented. In fact, Russian Foreign Minister Sergei Lavrov called upon the European countries including Germany to put pressure on the opposition on 22nd February itself to honour the agreement. This did not have any effect.

On the contrary, Germany strongly opposed the Crimean developments whereby the Crimean authorities first declared themselves independent of Ukraine and thereafter joined Russia. Merkel, when meeting American president Obama, condemned the development and declared it to be contrary to international law (Press Trust of India 2014). The impression in Moscow was that Germany was biased in its approach towards the issues in Ukraine and was pursuing the matters from a cold-war mindset. In such a scenario, it was vital for Russia to safeguard its own interests as well, which is what it had done by annexing Crimea.

Since the formation of the new post-Maidan government in Ukraine, Germany has provided it with diplomatic and financial support. After the eruption of armed conflict in the eastern regions of Ukraine, Berlin took the lead in trying to find a diplomatic solution to the standoff. This was a surprising development considering the reticence of Berlin to overtly pursue leadership of crisis management anywhere in the world. To say that it was due to Germany's unique position in the region and global order that it was thrust in this position would not be incorrect.

The US was too far away and too hostile to Russia for any meaningful dialogue on the issue. Its hawkish stance on Ukraine made any dialogue with Russia impossible. Germany, on the other hand, had at least a stated strategic partnership with Russia. It had closer economic and political ties with the region including with other East European States who saw the developments in Ukraine as a security problem for themselves.

The aim of German diplomacy to begin with was to ensure that the armed-conflict in Ukraine was turned away from violence to the table. Germany wanted to bring its diplomatic and economic strength to bear on Russia to convince President Putin to accept the new government in Kiev and to stop supporting the east-Ukrainian separatists which Berlin claimed it did (Seibel 2015). Germany was well aware of its military weakness in

the region. It was also convinced that Russia could easily match or increase its own support to the separatists if the West tried to arm the Ukrainian government. Therefore, Merkel opposed providing lethal arms to the Ukrainian government, despite some of Germany's NATO partners willing to do so. She said at the Munich Security conference in 2015

"I cannot imagine a single scenario in which better equipment for the Ukrainian army would lead President Putin to be so impressed to believe that he might lose militarily" (Spiegel 2015).

To this effect, Merkel regularly talked to President Putin on telephone even as she agreed to support the new Ukrainian government financially through an IMF (International Monetary Fund) bailout package. Her efforts in diplomacy paid off when she met Presidents of France, Russia and Ukraine in Minsk in 2015 to broker a ceasefire to the conflict. The talks lasted for seventeen hours and throughout the night. Eventually, the agreement was signed on 12th February.

Steinmeier later stated that the talks were very difficult

"I can tell you that the talks held in recent months were tedious, tough, required endless patience and even the smallest steps often [...] required long-term negotiations" (Deutsche Welle 2016).

This is symptomatic of the German-Russian relations. Moscow was hardly convinced of the sincerity of the German side having seen both the EU and NATO expand right till its borders. In fact, the European Union led by Germany quickly signed the Association Agreement with Ukraine which the previous pre-Maidan government had refused to sign. Along with, the IMF support to the new government, it was clearly an attempt by the West to wean away Ukraine from the Russian orbit.

Merkel herself was circumspect about the Minsk agreement. She stated that she had "a glimmer of hope" that violence in Ukraine will end but she "did not have any illusions". However, the German leadership in finding some kind of solution to the lingering conflict was lauded everywhere. It was also seen as a victory in Germany itself, where the pacifist population appreciated its Chancellor's efforts to bring peace in eastern Europe.

Russia on the other hand also did not want to involve itself militarily in Ukraine. It was also well aware of the economic leverage that Germany possessed which could be utilised in case President Putin appeared unwilling to accommodate diplomacy in lieu of military means. Most importantly, Russia did not want to alienate public opinion in Germany which has been favourably disposed towards Russia, in contrast to other hostile countries in eastern Europe.

5.6 THE RUSSIAN APPROACH

Russia has tried to maintain its close relations with Germany to the same degree as Berlin. Historically, both the countries' people have shared revulsion and attraction for the other at the same time. After English, German is the most popular language to be learnt by students in Russia. War and romanticism may be the other reasons why Russians and Germans continue to feel for each other even after many centuries.

Specifically, both modern Russian and German identities are the result of the second world war. Russia, having lost 27 million men in a brutal life and death conflict with Germany emerged victorious as a great superpower. On the other hand, Germany emerged, divided, devastated and occupied after its struggle. The war turned Germany pacifist, while it also gave the Russians deep scars. The people of two countries, to some extent share the romanticism of having fought the bloodiest war in history perhaps and therefore see the other as some sort of comrade.

Russians are also well aware of the importance of Germany, both economically as well as politically. In fact, Russia may have overestimated the value of its ties with Germany and may be doing a course correction after the sanctions that were slapped on it after the Ukraine crisis.

Although it may not have intended such an approach, Russia manages to divide public opinion in a fairly big manner. Courting Germans therefore is advantageous to the Russian elite in more ways than one. Germany is the most important and powerful member of the

European Union. If Germany itself is divided on how it should handle issues vital to Russia, one can safely assume that the rest of EU will also be divided. Even more importantly, Moscow is well aware that the hawkish approach of the east European states towards Russia lack any teeth so long as it is not supported by the larger more powerful members of the Union such as France or Germany. Similarly, the strong anti-Russian stance of the US frequently gets moderated due to opposition from European countries, including Germany.

Moscow, in particular, is well aware of the fair degree of anti-American sentiments prevalent in Germany. This sentiment has been reflected in the policy decisions that the country has taken not just in Europe but also elsewhere. For example, Germany has repeatedly opposed the military means of problem-solving approach of the United States.

Berlin opposed the second Gulf war which was launched by the US president George Bush in 2003. It again refused to support the Euro-American military intervention in Libya in 2011, this time going against even its European ally France. It's position on the Libya issue was closer to Russia than to the West. Russia does not want to reduce the anti-American sentiment in Germany by looking uncooperative or unreasonable in the eyes of the German public. This may have been one of the reasons why president Putin was willing to put pressure on separatists in Ukraine to agree to the Minsk deal despite them being reluctant to do so.

Even high-profile politicians, writers and entrepreneurs have publicly expressed their support to the Russian position and criticised their own country, the EU or the United States for being unreasonably hostile to Russia.

Former Chancellors Gerhard Schroeder and Helmut Kohl, both criticised the European Union and Germany, more than Russia in the aftermath of the Ukraine crisis. Speaking to German weekly *Die Zeit* about Ukraine, Schroeder said that the EU had not

"understood in the least ... that it is a culturally divided country and that one cannot deal with such a country in this way." "I ask myself if it was correct to force a

culturally divided country like Ukraine to choose between two alternatives -- an association agreement with the EU or a customs agreement with Russia."

Schroeder accused the EU of fuelling the conflict between Russia and Ukraine. He also stated that the EU was partisan towards Ukraine in its conflict with Russia. All his statements supported Russian position and criticised the EU and Germany to a fair degree. In fact, the German parliament debated if they should try to censure Schroeder from going public with such pro-Russia and anti-Germany and anti-EU statements. Nothing came off it though. Schroeder's critics tried to portray his association with Russian gas lobby as a reason for his statements.

However, Helmut Kohl, long-time chancellor before Schroeder was also critical of the West. More importantly, he, unlike Schroeder did not belong to Russia friendly SPD but to Merkel's party Christian Democrats. Kohl stated that the West had committed "major lapses" in its handling of the Ukraine crisis in the previous years. He also accused the West of being imprudent and being insensitive to Russian views on the issue.

Across the spectrum, pro-Russia views are common in Germany. Politicians from different political parties, artists, writers and other public personalities routinely express their support and admiration for Russia. Russian policies, when wrong, are equated with those of the policies of the West and the EU and this equivocation is used to defend Moscow. This sentiment is particularly prevalent in the regions which were earlier part of East Germany and saw more interaction with the Russians than the western regions.

Trenin (2018) has argued that Russian attempts to see Germany as different from the rest of Europe is bound to fail. Germany remains a steadfast member of the European Union and will eventually moderate its policies according to the needs of other members of the EU. Also, both Germany and the EU find it difficult to say No to the United States. Despite statements by dissenters, eventually both the German as well the European policy will gravitate around to the US position, even if it happens reluctantly. In such a scenario, continuing to host ambitions of creating a German- Russian axis are bound to fail. Russia may therefore be following a policy of securing its own interests first before trying to divide the West or to cultivate relationships with entities or individuals in Germany.

5.7 ECONOMIC RELATIONSHIP

German-Russian economic relationship has remained strong for almost forty years since Willy Brandt launched his *neue Ostpolitik* to redefine relationship with the Soviet Union. This has remained so despite various geopolitical developments including the end of the Cold War and the dissolution of the Soviet Union. In fact, the attempt at creating a market economy in Russia after the end of the Soviet Union saw further engagement from German companies, with political support from Berlin. The German government decided to help Russia transition itself from a public economy to market economy through a “strategic partnership”.

Another reason why Germany has been keen to support Russia economically for much of its post-Cold War history is because it assumes that economic interdependence between Russia and Europe will provide more security and assurance to the two sides, particularly to Europe, than staying aloof. Therefore, despite the view of Russia as a backward economy which is living off its natural resources, Germany, politically, and German companies, economically, have engaged in deep business relations with or in the country.

Germany is Russia’s second largest trade partner. This is a recent development. Germany was taken over by China only in 2010⁷. Prior to that Germany remained Russia’s largest trading partner for almost two decades. Russia on the other hand, does not figure in the top ten trading partners of Germany. It came eleventh in 2013 after a host of European countries and the US. Bilateral trade between the two countries is largely in favour of Russia. However, that is primarily due to the export of energy resources by Moscow.

Trade between Russia and Germany continued to grow at a healthy pace since the beginning of this millennium till the economic crisis of 2008. After a trough for a couple of years, trade picked up again growing to a record of approx. \$80 billion in 2012,

⁷ China overtook Germany to become Russia’s largest trading partner in 2010 according to the Russian Federal State Statistic Service.

However, it has petered off since, largely because of low energy prices, sanctions and lower buying capacity of customers in Russia (Figure 5.1).

However, for all the talk of special economic relations between Germany and Russia, the importance of Russia has diminished in Berlin. To put this in perspective Germany has larger trade with most of the smaller states in eastern Europe than with Russia. Berlin's trade with even the Czech Republic has recently overtaken that of its trade with its giant eastern neighbour. There is hardly anything to compare when one talks of larger countries such as France, UK and the US and even Poland, when their volume of trade with Germany is compared to that of Russia. In such a scenario, Russia remains in danger of becoming economically irrelevant to Germany.

Figure 5.1: Bilateral trade between Germany and Russia.



Source: German journalist Holger Zschaepitz⁸

⁸ <https://twitter.com/Schuldensuehner/status/975275658657124352>

Figure 5.2 Commodities traded between Germany and Russia.⁹



Source: Ministry of Economic Development of Russia

It is easily discernible why Russia maintains a trade surplus with Germany. Oil, natural gas and coal account for about 80% of its exports. Moscow is well aware of the problem it faces. The inefficiency of Russian industries, which makes it dependent on other countries for processed products or advanced machinery, is quite evident. Moreover, the advanced countries are wary of investing in Russia and sharing technology due to various factors. The preponderance of natural products including energy remains one of the reasons why Germany continues to see Russia as a partner. It is also the most debated in the western circles where it is implied that Russia has leverage over Germany due to its energy exports to the country.

Among the German private entities which have set shop in Russia, some are giant multinationals like Siemens which deal with machine hardware. In fact, Siemens had captured almost the entire heavy industry market in Russia. However, a large number of small and medium size companies numbering around 6000 had been doing business in the

⁹ Bilateral trade between the two, Germany and Russia, has seen mostly transfer of natural resources from Russia to Germany and processed goods and machineries the other way round.

country as well. A fairly large number of German retail market chains had also been operating in Russia, having begun investment in the country in the beginning of the millennium. Compared to other European countries, Germany has almost ten times the number of economic entities active in Russia. They employ more than 200,000 people and generate a large amount of revenue, which is almost equal to the amount of trade between the two countries.

Another aspect of Germany-Russia economic relation is that of German investment in Russia. Germany is the largest contributor of Foreign Direct Investment (FDI) in the country. In 2012, the total German investment in Russia was about \$25 billion. The same in 2013 was a tad bit lower at \$21 billion approximately. Generally speaking, the share of FDIs to other investments is almost the same with both contributing 50% to the net amount.

It is therefore assumed that German industry would oppose any severing of economic relations with Russia because of political reasons. This is exactly what happened after the developments in Ukraine in 2014. Despite the protests by German industry, the EU as well as the German government went ahead with slapping economic sanctions on Russia. As a result, the amount of business German companies were conducting in the country came down drastically. The number fell from 6000 to about 3500 for small and medium sized companies in 2015. Even larger multinationals such as Siemens got caught in the sanctions conundrum.

Rheinmetall, a German defence technology firm, which was under contract to construct a high technology combat training centre for the Russian army had to cancel the contract owing to sanctions. However, the strongest damage was done to German engineering firms which traded 19% less in 2014 than in 2013.

Adomeit (2015) has however argued that the much-discussed opposition of German companies to economic sanctions against Russia is highly inflated. Adomeit argues that the different German chambers of industry and commerce (Ost-Ausschuss der Deutschen Wirtschaft, the Bund der Deutschen Industrie (BDI) and the Osteuropaverein der Deutschen Wirtschaft) have indeed opposed sanctions against Russia but this was way

before the crisis in Ukraine. Also, once the political decision on sanctions was taken, the industry has stood behind the government despite some complaints and reluctance.

While it is well known that Germany's energy basket is dependent on Russian supplies, it relatively less acknowledged that Moscow is also dependent on German equipment, chemicals and investment. Without specialised chemicals and know-how from Germany, the state-owned energy giants in Russia may find it difficult to extract and refine the country's crude. It was probably because of this reason that sanctions imposed on Russia after the developments in Ukraine specifically targeted Russian oil and gas industry.

Also, the sanctions state that investments by Western companies could not be made into new technologies of production and extraction of oil. They also prohibit investment by Western oil firms in the Arctic region of Russia. As Russia exhausts its existing oil resources in the easily accessible areas, it will have to increasingly look at the Arctic for resources. If the sanctions on Russia continue, they may begin to hamper Russian economic activity even in this crucial sector. The sanctions also make it difficult for western companies to bring new technologies to Russia. In Russian eyes, these sanctions are directly aimed at crippling its oil industry. In such a scenario, Russia expects its strategic-partner Germany to help it out. However, Germany has been vocal in support of sanctions. As a result, Russians see no other choice but to move away from Germany to other trade partners who may be more reliable, for example China.

5.8 CONCLUSION

There has been a gradual erosion of German influence in Russia since the dissolution of the Soviet Union. While the initial years saw bonhomie between the two countries, this eventually led to mutual disillusionment. Germany was disappointed with slow pace of political development (liberalisation, democracy) in Russia, which in fact stopped after president Putin came to power. On the other hand, Russia feels that it would never be allowed in the western camp no matter how hard it tries unless it were willing to sacrifice

its ambitions of being a great power. The geopolitical goal of German attempts at modifying internal political system in Russia was in fact to disarm it.

The diverging views of both the states has gained strength in recent years. After Putin became president again in 2012 after changing the Russian constitution, Germany feels that Russia has taken a big step backwards. Moreover, Russian attempts at modernising its armed forces, its position on Ukraine and its military intervention in Syria looks like an attempt at revisionism in Berlin. As such, it feels obliged to push harder against Soviet style authoritarian rule in Russia.

On the other hand, Russia finds German sermonising hypocritical. While German opposition to unilateral American military interventions in West Asia gave hope to Russians that Germans would indeed stand up to the more hostile Americans when it comes to Russia, such hopes have been dashed in recent years. The hard-line German position on Ukraine crisis and the harsh sanctions which Berlin slapped on Russia has disillusioned Moscow. It now sees Germany more as an accomplice in American attempts to subjugate Russia.

In this context, the so-called strategic partnership between Russia and Germany exists only in name. In fact, there is little strategic in ties between the two countries.

After the Ukraine crisis, the sanctions have also hit the most crucial part of relations between the two countries. The trade between Germany and Russia is decreasing. German companies are also moving out of Russia. This may have a long-term effect as Russia may look at other states for investment and cooperation.

In 2010, China replaced Germany as Russia's largest trade partner. This trend is likely to continue in future for two reasons. China is growing faster than the West economically. As such, it is seeking more markets to exploit and invest in. The second reason is that Russia is being pushed away by the West. As such Russia is left with few options but to turn to the few other states which could help it economically. China, being the second largest economy in the world is ideally placed to replace the West.

Having said that, one must remember that the Russian interest in West in general and Germany in particular is also due to historical reasons. Moreover, Russia is culturally more similar to the West than China. Russia still exports large quantities of its resources to Europe. And although, China may have eclipsed Germany as Russia's largest trade partner, the EU as a whole still dwarfs this number.

Germany is unlikely to be seen as a strategic partner in Moscow, more so after the Ukraine crisis. At the same time, it is China which is becoming more and more relevant in geopolitical and economic fields. If we look at the synchronisation of actions by Russia and China in the UN, we see that it is China which looks more and more like a strategic partner of Russia, in stark contrast to Germany. This trend may continue in the future.

However, Germany will continue to remain relevant in policy circles in Russia for historical and cultural reasons. Also, since the German public is deeply divided on the topic of Russia, Moscow will continue to try and influence opinion in the country. This serves both a political purpose as well as satisfies Russian cultural aspirations to be accepted in Europe.

CHAPTER SIX

CONCLUSION

6.1 INTRODUCTION

Russian history is full of instances where it has looked for friends in Europe only to be disillusioned with European states later. This is primarily due to Russian desire to be accepted as part of the European civilisation. In premodern times, the technological backwardness of Russia forced it to look towards Europe. At the same time, Europeans saw the same Russian backwardness with a superiority complex, denigrating the Russians.

In the 19th century, while the Russian nobility adopted French language and culture, it was shocked by Napoleonic invasions. Similarly, the Soviet Union maintained good relations with the short-lived Weimar republic in Germany when it was shunned by other European countries. The USSR also tried to cooperate with Nazi Germany but this ended with operation Barbarossa and fatal consequences for both Russia and Europe.

Attempts to emulate European States in building a market economy and democracy after the dissolution of the Soviet Union was perhaps the latest attempt by Russia to be accepted in the European comity of nations. This attempt has also clearly failed although the reason for failure this time is not an armed invasion, however rejection from Europe for various reasons. The slow loss of Russian influence in its neighbouring regions alarmed Russian elite and forced a reaction from them.

The inability of Russia and Europe to come to an understanding which could lead to a positive change in security and geopolitical dynamics of the region is also a big failure for the European Union. The EU frequently claims that it was built on values and it is these values which it pursues as its goal. However, in its conduct towards Russia or in eastern Europe it has shown a penchant to keep geopolitics above values. As a result, the Russians have felt cheated.

The Russian elite feels that while it was willing to put away historical baggage to work for peace, security and development, the Europeans on the other hand have continued to pursue the path of undermining Russian interests with scant regard to considerations for interests of the Russian state, or even the Russian speaking minority in other east European states.

That the Europeans at times may have been under pressure from their trans-Atlantic allies to pursue anti-Russian policies does not absolve them of some of the crimes they have committed, at least in the eyes of Russian elite. The bombing of Yugoslavia, the expansion of NATO, supporting the coup/revolution in Ukraine and slapping harsh economic sanctions are some of the grievances held by Russians against the EU.

6.2 EUROPEAN UNION AND RUSSIA

The European Union like Russia was in a state of transition in 1993 when it came into being. Prior to the Maastricht treaty, it was only an economic union. Russia, which itself was transitioning from the Soviet Union to a modern capitalist state, accordingly saw the EU as a cooperative economic union, the members of which had brought peace, wealth and welfare to their people through cooperation and without competition, at least not unhealthy competition.

The EU though was also being pulled in different sides. It was also coming from a cold war where it had close ties with the US both for security as well as in the foreign policy domain. The dissolution of the Soviet Union and the fall of communist regimes in eastern Europe was a period of transition. The EU divided the post-Soviet states into two distinct groups. On one hand were the states of eastern Europe such as Poland and Hungary which were at the forefront of anti-communist movements in the 80s. The geographical proximity and political desire to integrate into the western institutions made these states ideal candidates for membership in the Union. As such, they were looked upon as immediate candidates for the next expansion of the EU. On the other hand, were states which were both geographically and culturally closer to Russia. These states were also culturally similar to Russia and some of them had sizeable Russian minority populations. The second group was not included in the initial plans for expansion of the EU. The two groups therefore were treated differently.

The EU also probably felt that the western institutions and structures which had brought peace and welfare to western Europe could also be used to do the same in eastern Europe.

While this was a natural thought process, all institutions of the West didn't have as benevolent a perception in Russia as others. For example, NATO was a military alliance which was created to counter the Soviet Union. The expansion of NATO eastwards was a clear violation of agreements, at least verbal ones, which had ended the cold war.

The European acquiescence to such an expansion was perhaps the first instance where Russia felt betrayed by Europe. The rejection of Russian objections to NATO expansion by the West gave an indication of how the loss of power had diluted Russian influence not only in eastern Europe but also in other capitals of western Europe. Moreover, the change in perception of the EU in Moscow, once completed led to the construction of a geopolitical dilemma where each side saw the other as acting to undermine its interests.

Devices which the EU employed in eastern Europe and which it saw as benevolent political and economic tools to create a democratic, stable and secure socio-political system in its neighbourhood were seen as a means to achieve geopolitical superiority in the region by Russia. Having seen the violent dismemberment of Yugoslavia and the creation of a new state of Kosovo, completely by the employment of hard power by the West, Russia was probably justified in feeling this way.

The European neighbourhood policy and the European partnership programme became victims of these insecurities. The EU claimed that it was trying to create a more secure and prosperous neighbourhood by integrating east European economies to itself. Russia saw it as a means to entice its traditional allies away from it. The EU encouraged political changes in eastern Europe. Russia saw such encouragement as meddling into the internal affairs of countries which were friendly to Moscow with the aim of subverting the states.

The EU's treatment of different post-communist states differently also caused some consternation in Russia. The Russians themselves were partly to blame for this though. On one hand, they wanted to be treated as more than equals and not be clubbed with other states, but they also didn't want any elevated treatment for east European states such as the Baltic states. This was contradictory.

In the nineties, a weak Russia was willing to cooperate with the EU, leading to various agreements signed between the two. However, the gradual realisation of loss of power by the political elite in Moscow, perhaps after the elevation of Primakov to foreign minister, led to change in policies in Moscow. The arrival of a stronger and more stable personality in the Kremlin in the 2000s led to a transition in Russian approach.

In his initial years in the power corridors of Moscow, President Putin made it clear that Russia was not going to be pushed further into geopolitical irrelevance. In 1999, the Russian government released its “The middle term strategy for the development of relations between the Russian Federation and the European Union, 2000-2010”. The document signalled the return of realism in foreign policy of Russia.

Although the document was not combative, it did mention its grievances with respect to the EU. For example, it criticised the NATO-centrism of the EU. At the same time, it also stated that Russia was a great power and must retain the freedom to “*shaping up a new system of interstate political and economic relations in the CIS area*”. This was the new concept of near abroad. The Europeans saw this as an attempt by Russia to somehow reconstruct the Soviet Union in a new form and were alarmed.

The near abroad policy has thrown new challenges to both Russia as well as the EU. In no small measure has it caused problems between the two and in the smaller states in the region. An example of this is the ongoing troubles in Ukraine and the war that Russia fought with Georgia in 2008. However, the continuing encroachment of the West in the Russian neighbourhood and subsequent loss of Russian influence forced Moscow’s hand to come up with its own geopolitical and economic strategy to counter European enticements of its neighbouring states.

In the economic field, Russia has been trying to integrate the post-Soviet states into its own economy. This has been most visible in the energy field where Russia has offered states the services of its pipelines in return for coordination in management of the gas and petroleum markets. With economic, political and diplomatic tools, Russia has managed to get some partial success in this endeavour.

Moscow has also taken the initiative to create an economic union of its own. The Eurasian Economic Union (EAEU) is designed on similar lines as the European Union, although it works only under the economics ambit until now unlike the EU. The EAEU was probably created to offer an alternative to the east European and Central Asian states which were either being courted by Europe or were generally under the influence of centrifugal forces driving them away from Russia.

Russia has also taken steps inside the country to protect itself from what it sees as threat of destabilisation by agencies which have their origins in the West. The colour revolutions in states adjacent to Russia have made Moscow wary of such developments within the country. As a result, the political leadership of the country has begun to insulate itself from what it sees as harmful activity by western agencies, NGOs, etc. The government has passed laws making it more difficult for foreign NGOs to work in the country. In fact, the laws passed by the Duma also seek to punish Russian citizens who work for these agencies.

On similar lines, Russia has begun to propagate its own cultural values to protect Russian youth from being enticed by western cultural influences. To achieve, this, patriotic youth organisations such as *Nashi* have been lavishly funded by the state. Traditional religious values with support and cultivation of the Russian orthodox church is also one facet of this policy. The harsh anti-homosexuality laws in Russia must be seen in this context. These steps have led to further differences with the EU which sees them as violation of human rights and against values which it stands for.

6.3 EAST EUROPEAN STATES

EU has been growing in size since its political union in 1993. The largest expansion has been in the general direction of Russia, geographically speaking. The incorporation of post-Soviet states of eastern Europe has changed the face of the EU. In no small measure has it influenced the EU's approach towards Russia.

The EU expansion took place in 1995, 2004, 2007 and 2013. The 1995 expansion involved the accession of Sweden, Finland and Austria. These states were politically neutral during the cold war. After the creation of the EU, they sought to seek the benefits of the large single European market. As such, this expansion is generally considered to be economic in nature.

The second expansion in 2004 was the largest and it led to massive expansion of the EU eastwards, reaching right up to the Russian border. The Baltic states, Poland, Hungary and Czech Republic among others joined the EU during this phase. Most of these states were members of the Warsaw pact during the cold war. The Baltic States were in fact a part of the Soviet Union itself.

Coming so soon after the dissolution of communist regimes in these states, it was doubtful whether they were ready for incorporation into the EU and shared the EU's vision and values. However, the opponents to this line of thought argued that including them inside the EU would secure the direction of their domestic policies towards democratic values, like the rest of EU members. As such, it wouldn't be incorrect to say that this phase of expansion was political in nature.

The states acceding to the EU themselves were in a hurry to join as many western institutions as soon as they can. Some states such as Poland and Hungary had long history of domestic opposition to communism and were therefore seen as natural candidates for membership. Surprisingly though, the Baltic states which were part of the USSR also chose to join both NATO and the EU.

These states perceive themselves as victims of Russian high handedness historically. In case of Poland and Lithuania, they also carry the historical legacy of the Polish-Lithuanian commonwealth which existed during the middle ages. The various partitions of Poland and the forced incorporation of the Baltic States in the Russian empire and later the Soviet Union are some of the historical grudges that these states hold against Russia. The position of these states therefore tends to more anti-Russian than that of others inside the EU.

After the accession of these states in the EU, the various existing problems between these states and Russia automatically became problems between Moscow and Brussels. Moreover, as political union continues in the EU, it is almost certain that Brussels will have increasingly larger role to play in disputes between EU's member states and Russia in the future.

Currently, while bilateral problems have cast a shadow on EU-Russia relations, mostly, this has been due to the elevation of disputes by member states. The EU has initially refrained from interfering in bilateral matters till the time they blow up in a much larger way.

This was the case during the issue of trade disputes between Russia and Poland which led to the latter vetoing the ongoing EU-Russia negotiations for signing of partnership and cooperation agreement in 2006. After the veto, the EU was forced to intervene on behalf of Poland and try to manage the issue. Despite the unreasonable stand of Poland, which was also criticised by many other member states, the EU defended Poland's actions and sought to mediate on the issue.

Those defending EU's support for Poland have argued that the solidarity clause written in the TEU (Art 2, Treaty of the European Union) obliges all member states and Brussels to support another member state in dispute with outside powers. This automatically converts Russia's dispute with individual members states in disputes with the EU.

Secondly, the biased perception of Russia in Europe continues to be a major hindrance. This is most evident in trade relations. Although various states have taken trade actions against the EU, including but not limited to Japan, China and the US, whenever Russia takes a similar step, it is always seen as being politically motivated. In case of many east European states such as Moldova and Ukraine, this may be true. However, not all such actions may be due to political reasons.

Some of the issues, both political and economic, which have come to light in the aftermath of the 2004 expansion have been analysed in chapter three. Significant among these are the attempts by NATO to install an anti-ballistic missile system in Poland and Czech Republic,

Poland's 2006 trade dispute with Russia and language and citizenship rights of Russian minorities in the Baltic states.

The issue of Russian minorities in particular is a sensitive point for Moscow which sees EU's apathy to discriminatory behaviour by its member states in eastern Europe as an example of the hollowness of its humanitarian slogans.

In Latvia and Estonia, almost a quarter of the population is ethnic Russian. However, the two states have used historic-legal means to disenfranchise the Russian minorities in the country. Russia has repeatedly warned both the Baltic states as well as the EU of the damage this causes to the EU's image as well as to relations between the different entities involved. However, the EU has tried to brush these concerns under the carpet hoping that the problems in these states will solve themselves over time.

This is not to say that all states incorporated into the EU in 2004 and thereafter in 2007 have been equally opposed to Russia. Some of them are in fact favourably disposed to Russia. For example, after the election of Victor Orban to the post of Prime Minister in 2010, Hungary has friendly relations with Russia and has often supported pro-Russian voices within the EU. Similarly, other central European states such as Czech Republic and Slovakia also have nuanced views on EU's ties with Russia. Some other states are deeply divided on the issue. Bulgaria for example is deeply divided between pro-EU and pro-Russia camps.

Apart from the inclusion of new states which impacted Russian relations with the EU, the EU expansion also created another point of friction with Moscow. The exclave of Kaliningrad which was part of the Soviet Union is now surrounded by European territory. This has caused administrative, economic and political problems between Moscow and Brussels. As a strategic military fortress, Kaliningrad is extremely important for Russia. As a result of its new geography, its defence has become a major headache. The aggressive rhetoric emanating from some EU capitals has not helped.

Despite, initial problems, the EU and Russia have managed to iron out differences related to the Kaliningrad oblast. General understanding is reached on the travel and transport

mechanism between Russian mainland and its exclave. However, economic backwardness of Kaliningrad when compared to the richer regions of Europe around it may lead to varying problems in the future. Russian attempts to solve this issue has faced the same ebbs and flows as the Russian economy.

6.4 UKRAINE AND MOLDOVA

One of the major reasons for taking up this research work was the eruption of a violent conflict in Ukraine in 2014. Considering the general history of sorting out problems peacefully in mainland Europe after the 2nd world war, or at least movement in this direction historically, violence in Europe, especially between one side supported by Russia and another by the West reminded one of the earlier bloody conflicts in the first half of the 20th century.

Ukraine, which is at the centre of this, is a deeply divided state. After its formation in 1991, it has been facing headwinds which are seeking to turn it westward. The elections since at least 2004 show a stark division in the country, with eastern regions supporting pro-Russian candidates while western regions prefer pro-West candidates. The country is also ethnically and linguistically divided along similar lines. The 2004 election was particularly controversial because it led to what has since been known as the Orange revolution.

The election of Victor Yushchenko to the post of presidency after a controversial and divisive election led to competitive insecurity of being overwhelmed by the other in both the eastern and western halves of Ukraine. The protests after the election in the centre of Kiev by pro-West supporters, which eventually led to the instatement of Yushchenko to the post of President were in some way a blueprint for the protests which took place in 2014.

Between 2004 and 2014 however, Ukraine had changed a lot. Not only had the two camps grown further apart but other socio-political changes had also taken place. The rise of ultra-right-wing forces in western Ukraine was one of them. These forces not only hated Russia

but also ethnic Russians inside Ukraine. These forces were instrumental in causing the incidents in Ukraine the results of which we continue to see till date.

After the so-called Orange revolution in Ukraine and western support to Yushchenko, Moscow felt that Ukraine was the next domino being targeted by the West after the Baltic states and other east European states. These fears were further enhanced when similar protests once again started in Kiev in 2014. The fact that these protests started after the duly elected president Yanukovich chose not to sign the association agreement with the EU further increased Russian suspicions. The support to these protestors, who were not just unreasonable but unruly and violent by various states of Europe, led to further differences cropping up between the EU and Russia.

The perception of the West trying to wean Ukraine away from Russia was gaining hold for decades. As a result, Russian policy towards Ukraine had also been changing. Prior to Yanukovich's decision on the association agreement, Russia applied both economic and political pressure on Kiev. Yanukovich was eventually convinced that signing the association agreement was not worth all that he would be losing if he chose Europe over Russia.

To no small measure was this due to the Russian use of its energy weapon. As the major supplier of energy both to Ukraine and rest of Europe, Russia has enormous leverage to use. Ukraine, whose economy is extremely inefficient, is heavily dependent on cheap Russian imports of gas. Without these, Ukrainian economy could collapse. Moscow has frequently used this tool to bend Ukraine's policies according to its wishes.

Despite Russian attempts, Ukraine's vacillation has continued. After the protests in Ukraine in 2014 and the resulting change of government and violence in eastern Ukraine, Russia felt that it must secure its most important interests in the country first. This was the region of Crimea, which is historically, culturally and strategically important.

With more than 90% of ethnic Russian population in the peninsula, few doubt where the loyalties of Crimea lay. Moreover, as the home of Russia's black Sea fleet, Crimea guards the soft southern underbelly of the country. The western insistence on Crimea remaining

part of Ukraine, where now an anti-Russian regime had come to power and which also received support from the West, was seen as a ploy to further weaken and endanger Russian security. Therefore, Russia moved to take over the Crimean region using its troops which were already present on Crimean territory in accordance with an earlier agreement. A referendum was conducted in March which resulted in the overwhelming victory for incorporation of Crimea into Russia. Later, Crimea and Russia carried out further legal formalities which led to the territory becoming part of Russian federation.

The Western reaction was along expected lines. The Europeans cited international law of territorial integrity of nation states, ie. Ukraine's this case, to criticise these actions and slap economic sanctions on Russia. On the other hand, Russia and Crimea overtly talked of the precedence of Kosovo and the right to self-determination, which was employed in the Kosovo case, to expose western hypocrisy and support their own arguments.

Since the so-called revolution of dignity or the Kiev coup, depending on whom you ask, the gulf between Russia and the EU has further widened. The European support for illegal overthrow of a duly elected government in Ukraine has also removed the last remaining pretensions of cooperation with Russia. Moscow has firmly realised that there exists an unalterable desire in Europe to undermine Russian security interests and the EU and its constituent members will go to lengths to achieve their geopolitical goals. The EU will use all tools in its inventory including taking one-sided view of developments and ignoring far-right radicals and their violence, legalities and interest of citizens of other countries.

On the last point, it must be noted that the Ukrainians have been systematically impoverished since the change in government through a policy of austerity demanded by the West. The fight against corruption which was one of the repeatedly proclaimed goals has gone nowhere. This was most visible when Petro Poroshenko, an oligarch, who had himself been earlier accused of corruption by the West became president of Ukraine after the fall of Yanukovich.

The attempt by the Europeans and Americans to manage Ukraine directly by installing their own men and women in positions of power in Ukrainian government has also not gone anywhere. These foreign technocrats, as they were called, have since been removed

from their positions or left their own accord, unable to solve the deep-rooted administrative problems. Ukraine on the other hand has sunk further into economic and political quicksand.

Similar to the conflict in Ukraine, in Moldova which is one of the poorest states in Europe, ethnic conflicts between Russians and Romanians has been frozen since 1992. The dissolution of the USSR led to the formation of the independent state of Moldova which had a majority Romanian and minority Russian population. In similar fashion to Ukraine later, rise of nationalist sentiments among the majority Romanians, who sought to undermine language rights of the minorities, led to conflict from 1990-92. Since 1992, a Russia managed peace is continuing in the region between Moldova and its breakaway region Transnistria.

The attempts by Moldova to move towards the West has been resisted by Russia and Transnistria. Moldova itself is deeply divided on the issue of its foreign policy. Large sections of its population live and work in Russia. Its major exports of wines and agricultural exports also go to Russia. These pressure demographic and economic have been exploited by Russia to pressurise Moldova every now and then. Russia has also adopted a carrot and stick policy towards the country, rewarding it for friendly policies and punishing it for hostile ones. Moscow has also sought to cultivate closer ties with regional and political allies within Moldova to further its goals.

6.5 GERMANY AND RUSSIA

A good marker of Russian relations with rest of Europe has been its relations with Germany. Oddly, Germany has tempered European states from getting either too friendly with Russia or too hostile to it. Its own policy has been changing depending on who is at the helm in Berlin. For example, under the chancellorship of Schroeder, Germany and Russia had good friendly ties. On the other hand, the relationship between the two countries under Chancellor Merkel has been colder.

Russia has seen value in building closer relationship with the largest economy in the European Union and perhaps also its most influential member. Historically, the two countries have had violent past and the romanticism of that may have also played some part in this approach by Russia. However, practical necessities after the dissolution of the Soviet Union and Germany was probably the biggest reason which brought the two countries together. While Germany was grateful to Gorbachev for allowing its reunion, Moscow saw Berlin as its gateway to the West. The economic relationship where Russia needed financial support and Germany needed Russian energy supplies also played its role. Moreover, Moscow saw Germany as the less hostile and more benevolent western power which could moderate the aggressive stance of the US in the western alliance.

The dissolution of the Soviet Union and the formation of the EU led to renewed hopes in the two countries for a peaceful and cooperative Europe. Despite hiccups in between, this view of each other continued till at least the Schroeder era which ended in 2005 after Merkel became Prime Minister.

The German expectations from Russia were that it would become a more democratic and open state. Therefore, when Putin exited from the post of President and was replaced by Medvedev, it led to mild improvement in ties between the two countries. However, the return of Putin to the post of President in 2012 thereafter has led to disappointment in Berlin. Germany now feels that Russia has once again regressed into totalitarian system of governance and there isn't much hope for its democratisation till Putin remains in Kremlin.

On the other hand, Russians also argue that it was the incessant and continued hostility towards Russia by the West, including Germany, which has led to the rise of another security-minded strongman in Moscow. Had the West been less aggressive in expanding NATO, bombing Yugoslavia and trying to entice Russia's neighbours into its orbit, perhaps Russians would have indeed tried to develop genuine democracy in the country.

This debate though is moot. What we do know is that Russia has cultivated good relations not only with Germany but also within the country. Moscow has reaped dividends as Germany is deeply divided on the topic of Russia. Former chancellors, artists and prominent politicians and civil personalities have vouched for Russia in the country.

However, the domestic division within Germany perhaps gets countered on the policy level by Germany's membership in the European Union. In this context we must remember the inclusion of anti-Russia states in the EU after its 2004 expansion.

The differences between the political positions of Russia and Germany came to the fore during and after the Ukraine crisis of 2014. The directly opposite stance of the two countries is hidden by the charade of the Minsk group meetings which have achieved little on ground in Ukraine. On the other hand, the economic sanctions imposed by the EU, under the leadership of Germany, have severely damaged the Russian economy.

Despite this, the relationship between the two countries is not broken. An indicator of this fact is the Nordstream gas pipeline which directly connects Russia with Germany bypassing all east European states. The protests by east European states and even the US have been repeatedly ignored by both Germany and Russia who have gone ahead with the construction of the pipeline.

Although the economic ties, apart from the sale and purchase of energy, is broken due to the post-Ukraine economic sanctions on Russia, Germany remains important economically as a source of technology and investment. On the other hand, due to high-handed German approach, Russia may also be seeking to diversify its options by building closer economic partnership with a rising China. If this new Russian approach is successful, it may change the face of geopolitics on the Eurasian landmass.

6.6 ETHNIC CONFLICTS

The general belief that ethnic frictions exist mostly in the underdeveloped regions of Asia and Africa is challenged by the developments in eastern Europe. The events of 2014-2015 in Ukraine where Russian speaking minority fought against Ukrainian nationalist government in Kiev is an indication that divisions remain in Europe which may show themselves when sufficient stress is applied.

The fragile democracies in this contested region are challenged by ethnic identities, mostly where a minority group is not in complete sync with the majority. This is true for most post-Soviet states including the Baltic states within the EU. The involvement of outside powers in these historical disputes gives them a more violent and competitive character. Many of these problems will continue to linger so long as extra-regional powers do not stop meddling in these countries.

Although, some of the more demographically homogenous post-Soviet states have managed to make the democratic transition, most of the states, even within the EU, are still to completely accept the modern liberal-democratic values. Strong-headed leaders supported by aggressive and populist rhetoric have often prevented the accommodation of demands of ethnic minorities in these states.

In such a scenario, perhaps it is more prudent for outside powers, even the most well-meaning ones, to allow societies in these states to develop on their own terms and find a solution to their own problems. In contrast to political transitions, social transitions generally take much longer. So, despite the push from the EU to develop states in its periphery in its own image, these countries will almost certainly take much longer to solve their problems. Without the overt push from the EU, Russia will also be more confident of allowing these states the space they need to find their own path. A classic example in this case is perhaps Azerbaijan. The lack of EU influence there has given Russia the confidence to allow it to take its own developmental course.

6.7 RELEVANCE FOR INDIA

The expansion of the European Union and resulting geopolitical changes in Europe do not have a direct bearing on India. However, as one of the larger states in the world with its own ambitions, India would do well to keep its ear to the ground for changes in political equations around the globe.

Both the EU and Russia are large powers with global reach. Changing equations between these powerful actors will have an effect on every aspect of international affairs. India has friendly relations with both the entities. While its trade with the EU is growing, it also has historically close ties with Russia. Moscow in the past has provided India with both, political and military support. India continues to rely on Russia for its arms imports. It also relies on Moscow for technology in some crucial security fields.

As the European Union has incrementally integrated, and its relations with Russia have deteriorated, Moscow feels that its hopes of joining the western club are farther than ever. The hostility from the West, most recently evident in the economic sanctions after developments in 2014, has forced it to look for friends elsewhere. It may have found one in China, which is both a rising power as well as another state which is increasing receiving brickbats from western countries. As a result, Moscow and Beijing may be coming together to counter the enormous clout of the West in global affairs.

This of course has a direct bearing on Indian security. In fact, a Russia-China quasi-alliance spurred by Russia's disillusionment with the European powers may completely alter the power equations on the Eurasian landmass if not the entire globe. India would therefore do well to keep an eye on such developments.

Although compared to the EU and Russia, India is a smaller power, Delhi's influence is increasing along with the size of its economy. In the coming decades, India would be well placed to emerge as another pole in the Eurasian landmass. It is in Indian interests to prevent the Russian rapprochement with China turning into an outright economic, political and military alliance. To achieve this, one must ensure that Russian relations with the West, especially larger European states and the EU remain functional. India would do well to keep supporting this goal in its diplomatic efforts, when engaging both, with the EU as well as Russia.

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