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Europe in Crisis: Renewed Relevance of the OSCE?

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Foreword

While the OSCE was heavily rocked by the Ukraine crisis in 2014, it entered somewhat calmer waters in 2015. But even so the climate has changed, which left its imprint on the OSCE. 2015 was therefore not a year of normalization, but of a certain sobering up and realism.

On the one hand, the crisis in and around Ukraine continued to show the renewed relevance of the OSCE. Here it proved its adeptness in managing the crisis, both in terms of mediation and in delivering highly relevant information from the conflict zone. The Minsk Package of Measures of 12 February 2015, negotiated by the Trilateral Contact Group, became the cornerstone of both Russian and Western efforts to resolve the crisis. The Special Monitoring Mission to Ukraine (SMM) continued to grow significantly and showed remarkable resilience and capacity to adapt to the evolving challenges on the ground. The fact that its mandate was prolonged twice – in 2015 and 2016 – is not only a result of successful consensus building by the Serbian and German chairs, but also a testimony to the quality of the SMM's management and daily work.

On the other hand, the harsher climate continued to reflect on the OSCE. Debates in the Permanent Council revealed little will for working together to rebuild co-operative security. Late-night negotiations during the Belgrade ministerial meeting did not reveal a co-operative spirit, either. In some respects, the OSCE seemed to be back to normal: its internal disagreements rendering it unable to formulate credible answers to the pressing problems of our time.

Yet there was a slight wind of change. The final report presented by the Panel of Eminent Persons in Belgrade was realistic in its assessment of the different narratives persisting in the OSCE area. In providing recommendations and calling for a robust diplomatic process on the basis of the Helsinki Final Act and the Paris Charter, it also laid the foundations

for a future dialogue on European security. The ministerial discussion in Belgrade showed that there is a nascent consensus on the necessity for such a dialogue and its priorities – even if political will is currently still lacking, in view of the ongoing fighting in Ukraine.

Such a forward-looking yet realistic mindset was also characteristic of the OSCE Focus 2015 gathering. This year's seminar was characterized by particularly focused, open and frank debates. Like every year it brought together selected representatives from the Permanent Council and the OSCE executive structures with inspiring speakers from think-tanks and academia. The discussions were a perfect precursor for the 2016 German chair. They focused upon its major priorities, such as conflict resolution in Ukraine and beyond, the strengthening of the OSCE's instruments in the conflict cycle, economic connectivity, and dialogue on European security writ large.

In 2016 the OSCE will have to adapt further to the rapidly changing security landscape. While the crisis in Syria will continue to reflect on the OSCE, it will stay on the sidelines with regard to resolution of this armed conflict. But the related migration crisis is increasingly poisoning interstate relations, and is likely to become more and more relevant for the OSCE.

For Switzerland, the OSCE continues to be the forum where European security issues can and should be discussed, and the organization where concrete steps can be facilitated to improve security on the ground. We will stay actively engaged with the German and future Austrian chairs. We will also push for a stronger OSCE that is abreast of the evolving security situation, for example with regard to instruments in the conflict cycle, economic connectivity to overcome tensions and conflicts, human security, cyber security and migration.

Raphael Nägeli
Minister
Head, OSCE Task Force, Swiss Federal Department of Foreign Affairs

Food for thought papers

Ukraine – How to resolve the conflict?

James Sherr
Associate Fellow, Russia and Eurasia Programme, Chatham House

The Ukraine conflict is not a crisis, but a new stage in what we used to call East–West relations. The conflict has a long gestation, founded on deep, historically grounded sentiments about Ukraine's course since 1991 and Russian state identity. Intense as these issues are, Ukraine is also the fulcrum of Russia's mounting sense of grievance regarding the evolution of the international order, germinating disillusionment and frustrated (betrayed) expectations from the mid-1990s.[1] A "solution" is most unlikely to be found in timescales congenial to Western political establishments. This does not mean that present dynamics cannot be changed, however, or even improved over the short to middle term. Realism demands acceptance that the OSCE does not have the remit or capacity to play a decisive role in the resolution of this conflict. Yet a pragmatic acceptance of its actual potential will allow for its enhanced role as a facilitator of conflict amelioration and ultimate resolution, consistent with the OSCE's founding principles.

First Principles

Russia's military intervention in Ukraine is the product of specific exigencies and surprises, notably the dramatic collapse of the Yanukovych regime. Yet it would be inexplicable in the absence of the wider geopolitical context and the distinctive cognitive prism of the Russian leadership. Russia's turn from soft coercion and "waging friendship" to hard power (first in Georgia, latterly in Ukraine) has been a reflection of worsening threat assessments

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[1] By "Russia" and "Moscow" I mean the people who hold power in Russia or those who make the decisions in question.

as much as of growing confidence.[2] Its policy in Ukraine bears the imprint of five factors.

First, definitions of European security were diverging well before the present conflict. Since 1991 most European states have equated the status quo with universal application of CSCE/OSCE principles of independence, sovereignty and freedom of choice. Yet quite early in the Yeltsin era, Russia began to equate the status quo with its interpretation of geopolitical equilibrium. In 1992 this equilibrium comprised the Russian Federation, the Commonwealth of Independent States (CIS), NATO and the former Warsaw Pact countries. Even for Yeltsin's liberals, it was axiomatic that "Russia should be leader of stability and security throughout the territory of the former USSR", and they were surprised when the West demurred.[3] It was also axiomatic that "common security" rather than "extreme forms of national sovereignty" should determine the future of former Warsaw Pact countries, whether by means of a new security structure, the enhancement of the OSCE or an amalgamation between NATO and the (still hypothetical) joint security structures of the CIS. In the NATO-Russia Founding Act of 1997 both parties expressed the aim of "creating a common space of security and stability without dividing lines or spheres of influence limiting the sovereignty of any state".[4] For Moscow, the salient words in this declaration were "common" and "without dividing lines". By enlarging its own bloc "unilaterally", NATO violated the principles of common security as Russia defined them, and established itself as a revisionist force in Europe.

Given this optic, it is understandable that NATO enlargement was considered intrinsically anti-Russian even in Yeltsin's time. That there were

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[2] On the evolution of "soft coercion" see James Sherr, *Hard Diplomacy and Soft Coercion: Russia's Influence Abroad* (London: Chatham House, 2013). Non-Russians in the USSR used to pose the ironic question, "against whom are you waging friendship?" (*protiv kogo vy druzhite*?).

[3] Deputy Foreign Minister Fedor Shelov-Kovedyayev, "Strategy and tactics of Russian foreign policy in the new abroad" (*Strategiy i taktika vneshney politiki Rossii v novom zarubezh'ye*), September 1992, p. 2 article in *Kommersant* 15 Oct 1992, available at: http://www.kommersant.ru/doc/26688 . In February 1993 Yeltsin called for the "UN and other leading states" to "grant Russia special powers as guarantor of peace and stability … on the territory of the former USSR". (Speech to Civic Union, broadcast on Russian Television, *BBC Summary of World Broadcasts,* 3 March 1993, p C2/1).

[4] "Founding Act on Mutual Relations, Cooperation and Security between NATO and the Russian Federation", Paris, 27 May 1997, p. 1.

more powerful factors for enlarging NATO than Russia – overcoming the baleful legacies of the "grey zone" and Mitteleuropa – made little impression on Moscow, as did Germany's fear of a new zone of instability between itself and Russia. Although NATO and Russia each attached importance to "equality" in their relationship, they meant very different things by it. For Russia it meant "real influence in the decision-making process" of NATO.[5] But for NATO it meant, pace the Founding Act, the absence of a veto over one another's actions.[6] The text went on to state that the Act's provisions "cannot be used as a means to disadvantage the interests of other states", adding that relations would be built on the following principles:

> *Respect for sovereignty, independence and territorial integrity of all states and their inherent right to choose the means to ensure their own security, the inviolability of borders and peoples' right of self-determination as enshrined in the Helsinki Final Act and other OSCE documents [emphasis added].*[7]

Yet for Russia the "inherent right to choose" has never been a factor of cardinal importance. Fatefully, the first round of enlargement coincided with NATO's intervention in Kosovo, which could not properly be called defence against "armed attack" under the terms of the Washington Treaty and which much of Russia's military establishment viewed, tenaciously but implausibly, as a prelude to intervention in Russia itself. ("Today they are bombing Yugoslavia but aiming at Russia"[8])

The second point follows directly from the first. Russia does not accept the West's benign view of its own intentions. In his March 2015 annual statement, Foreign Minister Lavrov referred to "persistent attempts by the "historical" West to preserve global leadership at all costs".[9] US

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[5] Konstantin Kosachev (former chair of the State Duma Foreign Affairs Committee), "Three birds with one stone?", *Russia in Global Affairs,* November 2010.

[6] "Provisions of this Act do not provide NATO or Russia, in any way, with a right of veto over the actions of the other nor do they infringe upon or restrict the rights of NATO or Russia to independent decision-making and action." Founding Act, note 4 above, p. 4.

[7] Ibid., p. 3.

[8] *Krasnaya Zvezda* (Red Star), 27 March 1999.

[9] Vladmir Putin at the final plenary meeting of the Valdai International Discussion Club's XI session, 24 October 2014, available at: http://en.kremlin.ru/events/president/news/46860;

hegemony in particular is equated with a determination to "isolate" and "weaken" Russia and control others, even US allies. In the eyes of Nikolay Patrushev, secretary of the Russian Federation National Security Council and a pillar of the current system, this threat is "systemic" rather than political, the product of the US national security establishment rather than of one administration or another.[10] Even analysts notionally independent of the Kremlin and well respected in the West argue that:

> *Moscow assesses U.S. policy towards Russia as a preventive attack carried out before Russia restores its historic place after the period of crisis … And as long as American elites aim for global leadership, there is no alternative to their strategy of weakening Russia. It makes no difference to Washington whether Russian elites are pro- or anti-American; their position only affects the way the United States achieves its goals.*[11]

The third and more recent element in Russia's outlook is its increasingly antagonistic attitude towards the European Union and, in particular, its enlargement. In the 1990s the EU was viewed in a benign, even favourable, light as a geopolitical counterbalance to the United States. Finland's accession in 1995 aroused no concern at all. But after the treaties of Amsterdam and Nice and the 2003 Treaty of Accession, Yeltsin's successors correctly understood that the EU was, in essence, an integration project, designed to institutionalize norms of business, law and administration – not to say political and social life – at variance from those of the post-Soviet world. The prelude to the conflict in Ukraine was increasingly brutal Russian pressure upon a "non-bloc" state that had assiduously curtailed co-operation with NATO in deference to Russian interests, but still set its sights on an association agreement with the EU.

Fourth, despite the dissolution of the USSR, Russia's leaders have regarded Ukraine as a component of internal as well as external policy. Even in the 1990s, "independent Ukraine" was seen as a historical

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Sergey Lavrov's address and annual news conference on Russia's diplomatic performance in 2014, 21 January 2015, available at: http://www.rusemb.org.uk/foreignpolicy/2915

[10] Interview with *Rossiyskaya Gazeta,* "The second cold" (*Vtoraya Kholodnaya*), 15 October 2014, available at: http://rg.ru/2014/10/15/patrushev.html

[11] Andrey Bezrukov, Mikhail Mamonov, Sergey Markedonov and Andrey Sushentsov, "How to avoid war with Russia", *The National Interest*, 29 January 2016, available at: http://nationalinterest.org/feature/how-avoid-war-russia-15054

aberration and a Western project. What the Russian Federation recognized in 1992 was Ukraine's juridical independence (nezavisimost'), but it did not accept, pace Leonid Kuchma, its "freedom to choose" its partners and course (samostoyatel'nost') as either a normative principle or a practical possibility.[12] As Alexander Bogomolov and Oleksandr Lytvynenko (current deputy secretary of the Ukrainian National Security and Defence Council) observed in 2012, "the very idea of a Ukrainian nation separate from the great Russian nation challenges core beliefs about Russia's origin and identity".[13] These views have not been confined to one part of the political spectrum. With the sole exception of the 1920s, Russian and Soviet leaders, conservative and reformist, have viewed Ukrainian national sentiment as a threat to the state. Nevertheless, these sentiments have acquired greater potency since Vladimir Putin's return to the presidency in 2012: a development marked by the narrowing of the circle of power in a defensive, illiberal direction and a "civilizational" opposition to Western "hegemony" and "messianism".

Fifth, and as a result of the foregoing factors, Russia is now embarked upon an avowedly revisionist course. The conflict in Ukraine has become pivotal to its efforts to reshape a security order that President Putin terms "weakened, fragmented and deformed".[14] Russia now openly calls for "new rules" on the basis of "Yalta principles": spheres of influence and "respect" (i.e. equality between great powers rather than all powers).[15] Although even in this context Russia states that "the importance of OSCE as

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[12] *Samostoyatel'nost'*: "ability to stand". There is an old Russian expression, *Samostoyatel'noy Ukrainiy nikogda ne budet*: "Ukraine will never be able to stand alone."

[13] Alexander Bogomolov and Oleksandr Lytvynenko, "A ghost in the mirror: Russian soft power in Ukraine", Chatham House Briefing Paper REP RSP BP, January 2012, p. 3.

[14] Vladimir Putin, speech to Ninth Session of the Valdai Club, 24 October 2014, available at: http://en.kremlin.ru/events/president/news/46860. Also see Foreign Minister Lavrov's March 2015 annual statement, where he emphasized the dangerous contradiction between an increasingly "polycentric" world and "persistent attempts by the 'historical' West to preserve global leadership at all costs".

[15] On 4 February 2015 the Chairman of the State Duma Sergey Naryshkin warned that Europe either "relearn the lessons of Yalta" or risk war. "Dialogue rather than war: Sergey Naryshkin calls upon Western leaders to study the 'lessons of Yalta'" (*Dialog a ne voyna: Sergey Naryshkin prizva liderov Zapada uchit' "uroki Yalty"*) *Rossiyskaya Gazeta*, 5 February 2015. In this he echoed Putin's Valdai Club speech (note 14 above), which contrasted the "mechanisms" established after the Second World War (based on "balance of power" and "respect") with the emergence of US *diktat* after the Cold War. Not a word was said about the post-Cold War system that Gorbachev and Yeltsin co-authored.

a platform of political dialogue is growing", the Helsinki Final Act, the Paris Charter and the OSCE Budapest Document have virtually disappeared from official discourse.[16] Its attack on Ukraine was an attack on the rules that the OSCE was established to uphold. Russia has withdrawn from the Treaty on Conventional Armed Forces in Europe, is in de facto violation of the Intermediate-Range Nuclear Forces Treaty, has called the NATO–Russia Founding Act into question and has pronounced the Budapest Memorandum, the 1997 Russia–Ukraine Interstate Treaty and the Black Sea Fleet Accords null and void.

Finally, Russia has miscalculated in Ukraine. Its undeclared war has not been a catalyst for Ukraine's disintegration, but has consolidated national sentiment. After 20 months of insurgency and two military offensives backed by Russian troops, the Donbas separatists control just 5 per cent of Ukraine's territory. Nevertheless, these consequences do not seem to have altered Moscow's view that Ukraine is an "artificial state" that "cannot stand alone".[17] Nor have they diminished Moscow's faith that Europe will eventually grow weary of supporting Ukraine and toeing Washington's line.

Dynamics of the Conflict

The dynamics of the conflict in Ukraine need to be understood on their own terms: the western Balkans analogy is of dubious relevance. Ethnic nationalism runs counter to the ideology of the Ukrainian state and is unpopular in the country.[18] Political parties espousing the ethno-nationalist cause received less than 2 per cent of the national vote in the May 2014 presidential elections (observed by the OSCE Office for Democratic Institutions and Human Rights). The radical and right-wing "patriotic"

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[16] On the OSCE's importance see "Moscow: OSCE importance grows as Russia's dialogue with EU, NATO suspended", Tass, 29 December 2015, available at: http://tass.ru/en/politics/847671

[17] As recently as July 2015, State Duma Chair Sergey Naryshkin characterized Ukraine as a "bankrupt economy, corrupted leadership and a state in the deepest socio-political crisis". "Naryshkin talks about Ukraine's prospects in war with Russia" (*Naryshkin rasskazal o perspektivakh Ukrainiy v voyne s Rossiey*), 23 July 2015, available at: Lenta.ru/news/2015/07/23/narishkin_war

[18] The 1996 Constitution defines the Ukrainian people as multinational. Its opening words are: "The Verkhovna Rada of Ukraine, on behalf of the Ukrainian people – citizens of Ukraine of all nationalities … adopts this Constitution, the Fundamental Law of Ukraine."

parties did better in the October 2015 local elections, but their level of support remains very modest by EU standards. In the Donbas the majority of residents are Russian-speaking ethnic Ukrainians: the region is neither divided nor divisible into separate ethnic areas.

Second, the linguistic issue, a core component of Russia's casus belli, has been greatly oversimplified. Ukrainian state building in the 1990s was in large part the work of eastern Ukrainian Russian-speaking elites. The 1996 Constitution defines Ukrainian as the "state" language, but also guarantees the "free development, use and protection of Russian and other languages" (Article 10). The 2012 language law (rashly annulled in February 2014 but immediately restored) allows each oblast to choose its "official" language.[19] Some 60 per cent of soldiers fighting in support of Ukraine are Russian speakers. The absence of conflict across ethnic, confessional and linguistic lines was reaffirmed by the UN special rapporteur on minority issues in January 2015.[20]

Ukraine's cleavages are regional. Eastern Ukrainians have felt estranged from Kyiv, whoever has held office. Viktor Yanukovych (former governor of Donetsk Oblast) was elected by 75–80 per cent of the region's voters, but by February 2013 more than 40 per cent strongly opposed him. These cleavages need to be put into perspective. Four of the most prosperous countries in the EU – the UK, Belgium, Italy and Spain – are hosts to separatist movements. In Ukraine, discontent with governance has not translated into significant separatist sentiment or opposition to statehood. Even in May 2014 support for secession in separatist regions was well below 30 per cent and support for "federalism" only somewhat higher.[21] No pre-2014 opinion survey put support for Crimean separatism above 50 per cent.[22]

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[19] The attempt to repeal this law on 23 February 2014 was vetoed by Acting President Turchynov.

[20] "The overwhelming majority of the minority and other representatives consulted by the Special Rapporteur on minority issues during her visit to Ukraine described a history of harmonious inter-ethnic and interfaith relations and a legislative, policy and social environment that was generally conducive to the protection of their rights, including cultural and linguistic rights." "Report of the Special Rapporteur on Minority Issues: Mission to Ukraine", Human Rights Council, Agenda Item 3, 27 January 2015.

[21] Pew recorded 27 per cent support for secession in eastern oblasts in May 2014. Pew Research Center, "Ukraine: Desire for unity amid worries about political leadership, ethnic conflict", 8 May 2014, available at: www.pewglobal.org/2014/05/08/chapter-1-ukraine-desire-for-unity-amid-worries-about-political-leadership-ethnic-conflict/. In April Gallup

For all this, Ukraine's primary weakness has been bad governance. Although this deficiency has no bearing on the merits of Russian policy (Russia would be the last country entitled to wage a war against Ukrainian corruption), it has enormous bearing on Ukraine's prospects. This has long been understood inside the country. Ukraine's first National Security Concept (January 1997) was a model statement of what would be at stake if the malign nexus between politics, business and crime were not addressed. In conditions of fragmentation within and between the state and society, its authors warned, it would be exceedingly difficult to forestall and resolve local crises, emergencies and conflicts and prevent them from being exploited by actors (internal and foreign) with ulterior political ends. In essence, the concept raised the spectre of "hybrid war". Proceeding from this analysis, it identified "the strengthening of civil society" as the first of nine security challenges for Ukraine.

In the ensuing 17 years Ukraine made striking progress in meeting this challenge and fostering the emergence of a parallel civic state. Its ethos, "we rely upon ourselves", is symbolized by the two Maidans (2004–2005 and 2013–2014), and it is arguably the key factor sustaining the country's fortitude in the current conflict. In Ukrainian political culture, there is no contradiction between contempt for the country's legal authorities and solidarity in the face of an external enemy.[23]

Yet the deficiencies of the legal state were not addressed systematically between 1997 and 2014, and under Viktor Yanukovych they

reported 5–8 per cent for the right of *oblasts* to secede, 35 per cent for a federal state and 49 per cent for a unitary state. International Republican Institute, "IRI poll: Majority of Russian-speaking citizens in Ukraine don't feel threatened; majority support closer ties with Europe", 5 Aril 2014, available at: www.iri.org/resource/iri-poll-majority-russian-speaking-citizens-ukraine-don't-feel-threatened-majority-support

[22] According to Pew, it stood at 42 per cent in early 2013. A later Pew poll recorded 58 per cent in support of annexation one month after the fact. Pew Research Center, Chapter 1. Ukraine: Desire for Unity Amid Worries about Political Leadership, Ethnic Conflict, 8 May 2014, available at: www.pewglobal.org/2014/05/08/chapter-1-ukraine-desire-for-unity-amid-worries-about-political-leadership-ethnic-conflict/

[23] According to a survey by the Kucheriv Democratic Initiatives Foundation in January 2015, only 8.3 per cent of respondents characterized the Euromaidan as a "fight by radical and nationalist groups against a lawful authority", and only 19.9 per cent shared the view that European integration "divided Ukrainian society". Kucheriv Democratic Initiatives Foundation, "What factors unite and divide Ukrainians?", press release, 22 January 2015, available at:
http://dif.org.ua/ua/publications/press-relizy/sho-obednue-ta-rozednue-ukrainciv.htm

were multiplied. By 2013 they finally "put the state at risk".[24] Russia's intervention, first in Crimea, then in the Donbas, is the product of the dynamic that arose between the legal state, the parallel state and the Kremlin. Over the years, neither Ukrainian nor Russian leaders have understood this dynamic very well.

For this reason, Russia's intervention was the product of surprise as much as planning. Between 2010 and 2014 Yanukovych hollowed out much of the state, converting security structures into administrative and commercial resources and, in the process, facilitating penetration by Russian loyalists, agents and money. This process, which pushed the country to the edge of default, forced Yanukovych to yield to Russian pressure and abandon the EU Association Agreement. But it also produced the Maidan and Yanukovych's fall from power. When Yanukovych finally accepted Putin's complete package of terms on 17 December, both parties assumed that the protests could be contained and crushed. Russia's influence had reached its height. Two months later, Yanukovych fled the country and Russia was left with no influence at all. Although this possibility was faced some weeks before the event – surely no later than the meeting of the Russian Federation Security Council on 24 January – it marked the derailing of a strategy, not the realization of one.[25]

Nevertheless, Russia's improvisations rested upon well-advanced efforts to penetrate and enfeeble the Ukrainian state. In February 2014 Ukraine's new and provisional leaders inherited a state without a brain or many functioning ligaments: for weeks, the Security Service of Ukraine (SBU) had taken its orders from Moscow. During Yanukovych's final days, its personnel and operational records were systematically eradicated, codes compromised, communications systems destroyed and command and control of the armed forces seriously disrupted. The state of psychological disorientation was even more traumatic. That Russia would spy, bribe, intimidate and economically coerce was long taken for granted. But the

[24] The warning I expressed one year before his fall from power. James Sherr, "If the great potential of a weak country is not developed, it remains a weak country", *Den'* (*The Day*), 26 February 2013.

[25] An elliptical but revealing account of this meeting and the conference that followed in the General Staff Academy the next day can be found in "The General Staff received additional authority, prepared plan of transition of the RF to a wartime footing" (*Genshtab poluchil dopolnitel'niye polnomochiya, podgotovil plan perekhoda RF na usloviq voennogo vremeni*), 25 January 2014, available at: available at news.ru.com

axiom that "Russians will never fight Ukrainians" was deeply engrained even among the country's most seasoned and patriotic security professionals.

In southeastern Ukraine and parts of the Donbas, the sudden departure of Yanukovych had aroused not only disorientation but apprehension and resistance. Nevertheless, the Russian leadership was required to militarize this resistance and give it a critical mass. Igor Strelkov (formerly Girkin), the first defence minister of the so-called Donetsk People's Republic (DNR), affirmed that "if our detachment hadn't crossed the border, everything in short would have collapsed".[26] He also lamented that:

> *One cannot find even a thousand men ready to risk their lives even for their own city. Amongst the volunteers, the majority are men over 40 who acquired their upbringing in the USSR. But where are they, the young, healthy lads? Perhaps in the brigades of gangsters who, enjoying the absence of authority, have thrown themselves into plunder and pillage in all cities and right across the oblast.*[27]

Despite Russia's instrumental role – among the initial leaders of the insurgency, only one was a Ukrainian citizen – the war has had a hybrid character, which it owes not only to new concepts of "non-linear" warfare but to a tradition of irregular warfare dating back to the Soviet and tsarist empires. Such wars, like today's, blur the distinction between internal and interstate conflict. Today's forces under the flags of the DNR and Luhansk People's Republic (LNR) comprise serving and retired officers in the Russian Federation Federal Security Services and GRU (military intelligence), remnants of Ukraine's former Berkut "special" police, the private security forces of oligarchs, Cossacks, Chechen fighters, adventurers and those whom Strelkov calls "brigades of gangsters". The 40-odd Ukrainian territorial defence battalions that emerged, largely privately financed, also illustrate this hybrid character despite their progressive incorporation into the Ukrainian National Guard. The Ukrainian counteroffensive of May–August 2014, which reclaimed 23 of 36 districts, was prosecuted by a mixed

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[26] "Strelkov said that it was he who began the war in Ukraine" (*Strelkov soobshchil, chto eto on nachal voynu na Ukraine*), BBC Russian Service, 20 November 2014.

[27] Igor Strelkov, "Is that all that you are capable of?" (*Eto vse, na chto viy sposobniy?*), *Vzglyad*, 18 May 2014, available at: www.vz.ru/world/2014/5/18/687251.html and https://www.youtube.com/watch?v=-T68YLCV0HA

(Ministry of Defence, National Guard and volunteer) force. On should add that anger is a force multiplier, and minorities far smaller than those in the Donbas have overthrown political orders and dismembered states. It was into this inherently perilous environment that the OSCE Special Monitoring Mission (SMM) was deployed following its establishment on 21 March 2014.

The environment was dramatically worsened by a step change in Russian tactics. The two Russia/separatist military offensives of September 2014 and January–February 2015, backed by Russian general-purpose forces and advanced weaponry, created the prerequisites for the two Minsk accords and the fraught and fragile stalemate that still prevails. These offensives were designed to demonstrate:

- Russia's military dominance and capacity to annihilate Ukraine's forces at will;
- Its determination to use any means necessary to block unilateral revision of the post-February 2014 status quo;
- Its capacity to inflict economic damage on Ukraine and deny it the baseline needed for political sustainability, fiscal solvency and investor confidence;
- The failure of the West's "punitive" sanctions policy;
- The folly of "arming" Ukraine;
- The impossibility of solving the conflict at the expense of Russia's interests.

In sum, the offensives were tools of policy, not mere applications of force. They aimed to discredit Western narratives as well as to modify Western policy. Yet, as the International Crisis Group has documented, they also reflected a difference in aims between the separatist leaders – who wanted to expand their holdings into a viable economic and administrative entity – and Moscow, which views them as a means of exercising a proxy but institutionalized veto over Ukraine as a whole.[28] The Novorossiya project (the "gathering of lands" conquered by Catherine) died in 2014. In its place, the "federalization" of Ukraine – by diplomatic means and with Western consent – moved to centre stage.

[28] International Crisis Group, "Eastern Ukraine: A dangerous winter", Europe Report No. 235, 18 December 2014, pp. 10–15.

The Significance of the Minsk Accords

The Protocol on the Results of Consultations of the Trilateral Contact Group (TCG) (Minsk-I) and the Package of Measures for Implementation of the Minsk Agreements (Minsk-II) were not consensual documents in the equitable sense of the term.[29] They were products of force majeure, mitigated by negotiation. In the process, the OSCE has acquired a central role as facilitator, negotiator, manager and monitor. Yet, as the January 2015 offensive demonstrated, it does not have a determinant role or the power to enforce agreements. The OSCE is in a delicate position and risks finding itself in an untenable one if large-scale conflict resumes.

The ceasefire and withdrawal provisions (Articles 1–3) form the most consensual parts of the implementation package (Minsk-II). But other provisions in both accords call into question Ukraine's sovereignty and are at variance with positions previously articulated by Western governments.

By combining a ceasefire with provisions of a political settlement, both accords violate sound diplomatic practice. Ceasefires emerge out of urgency. Peace settlements require deliberation (which in a democracy must include representative structures of power). Constitutional changes require the same if they are to be sound, workable and legitimate. They should not be dictated by arbitrary deadlines or imposed at gunpoint. Moreover, the accords grant a de jure status to those whom neither Ukraine nor the West hitherto regarded as lawful authorities. They preserve the fiction that Russia is an interested party rather than a protagonist in the conflict, not to say its instigator. Several provisions of Minsk-II are particularly problematic. Although restoration of border control by Ukraine is supposed to begin one day after the holding of local elections, the basis for establishing election modalities and constitutional reform is highly ambiguous. On the one hand, these provisions are to be drawn up "in accordance with Ukrainian legislation"; on the other hand, they are subject to "consultation and agreement [po soglasovaniyu] with the separatists" (Articles 4, 8, 9, 11 and 13), who have licence to withhold their consent indefinitely. Two provisions articulated in footnote 1 to Article 11 have also provoked particular disquiet in Kyiv: "participation of local government in

[29] Minsk-I, 5 September 2014, available at: www.osce.org/home/123257 (in English); Minsk-II, 12 February 2015, available at: www.osce.org/cio/140156 (in Russian)

the appointment of prosecutors and judges" and "creation of people's militia detachments by local councils with the aim of supporting public order". Taken in the round, the Minsk agreements provided a framework for armed truce rather than stabilization, let alone reconciliation. They established a dynamic status quo affording Moscow a formalized, if cosmetically de facto, role in Ukraine's future.

For this reason alone, parallels with the "frozen conflict" in Moldova are inevitable. Four differences command attention. First, the stationing of two contingents of Russian forces in Moldova has a legal basis within the framework of the Joint Control Commission and (in Russia's interpretation) the bilateral 1992 ceasefire agreement, whose validity Russia affirms despite its 1999 OSCE Istanbul commitments. In Ukraine there is no such legal basis, and Russia denies that its forces are present. The accords mandate the "withdrawal of all foreign armed formations, military equipment, as well as mercenaries" (Article 10). Second, whereas there has been no annexation of territory in Moldova, Crimea was "incorporated" into the Russian Federation on 18 March 2014. Third, whereas the Transnistrian conflict arose in the context of Soviet disintegration, Russia's intervention in Crimea and eastern Ukraine took place 17 years after the Russia-Ukraine State Treaty bound both parties to "respect the territorial integrity and … inviolability of borders between them". This treaty also has legal implications for the expropriation of Ukrainian civil and military assets, valued at tens of billions of dollars. Finally, the infrastructure of Transnistria is intact while that of the Donbas is heavily damaged. For all these differences, there is an ominous affinity between the mandated "special regime" in DNR/LNR, the autonomy of the Pridnestrovian Moldovan Republic and the "special legal status" of the Autonomous Territorial Unit of Gagauzia, as well as the use of the term "federalism" to denote a regime of liberum veto in both countries.

The Paris Agreements

Despite the conclusions Russia drew from Minsk, a more constructive dynamic emerged in summer 2015. Under strong inducement from the United States, on 16 July the Verkhovna Rada (Supreme Council of Ukraine) passed the first reading of the constitutional reform (decentralization) legislation envisaged by the Minsk accords. In the words of Assistant

Secretary of State Victoria Nuland, this served to demonstrate that "Ukraine is doing its job" and there would be "no excuses on the other side for renewed violence".[30] Almost simultaneously, Russia engineered the emergence of a new DNR leadership rhetorically committed to implementing rather than obstructing the Minsk accords. On 1 September the guns in eastern Ukraine fell silent. On 2 October the "Normandy" parties (France, Germany, Russia and Ukraine) reached a number of significant understandings designed to unblock the Minsk process. With hindsight, it appears that all these measures were synchronized in advance. But why?

From Moscow's perspective, the art of the possible was probably assessed more negatively than it was in February.

- The cumulative impact of Tier 3 sanctions was taking its toll on the state budget, the capital-intensive energy sector and a defence-industrial complex dependent on Western technology for critical modernization (and some 800 current weapons systems). Their swift renewal, without dissent, by the EU in June possibly came as a surprise.
- Washington and Berlin had issued unmistakeable, well-substantiated warnings that further escalation will meet with a sharp augmentation of sanctions well beyond Tier 3 levels.
- The military system was showing signs of strain. Force generation and the maintenance of 40,000–50,000 troops in theatre have placed demands on ground forces units as far away as Armenia, Kazakhstan and Vladivostok.[31] Morale was becoming problematic.
- The burdens of war, annexation and occupation had failed to destabilize Ukraine, retard its military modernization or deflect its Euro-Atlantic course. Ukraine's resilience, civic and military, has defied expectations.

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[30] Press conference of Assistant Secretary of State Victoria Nuland, US Embassy, Ukraine, 16 July 2015.

[31] Igor Sutyagin, "Russian forces in Ukraine", RUSI Briefing Paper, March 2015. These figures do not include an estimated 26,000–29,000 in Crimea, including 13,000 in the Black Sea fleet.

In these circumstances, the separatist card had to be exploited more subtly.

From Ukraine's perspective:

- The prospect of defeating the separatists by force no longer exists;
- It lacks the financial and institutional means to assume the economic and humanitarian burden of the Donbas, and the prospect of adequate external finance for these purposes is virtually nil; *faute de mieux*, autonomy in the short term and reintegration over the longer term is the outcome most consistent with Ukraine's interests and possibilities.

The (still oral) Paris Agreements, based on the unpublished plan of Pierre Morel (chief monitor of the OSCE) incorporated several favourable innovations. First, there would be an immediate and complete cessation of hostilities. Second, the 31 December 2015 Minsk-II deadlines were postponed for an unspecified period, but at least until March 2016. Third, OSCE contingents would be augmented and granted immediate, unimpeded access to all facilities and all sectors of the 400 km Ukraine–Russia border. Fourth, consistent with Minsk-II, Ukraine would be obliged to agree election modalities and adopt a "law on special status" with the concurrence of DNR/LNR representatives. Fifth, DNR/LNR special status would come into effect only on the day of elections (and temporarily), and would take permanent effect only when the results were declared legitimate by the OSCE. Sixth, immediately following the elections, Russia would withdraw its forces, weaponry and military equipment and return the border to Ukraine's full control.[32]

By comparison with the baleful Minsk implementation package, Ukraine gained from the accords. The principal gain is the linkage established between legitimate authority and transfer of powers. Return of the border would be strictly sequenced according to the election timetable, and not dependent on the consent of the current DNR/LNR leadership. Ukraine would gain from the enhancement of transparency inside the

[32] "The Paris Agreements. What Poroshenko and Putin agreed" (*Parizhskie Soglasheniya. O chem dogovorilis' Poroshenko i Putin*), LIGA, 3 October 2015, available at: http://news.liga.net/articles/politics/6785404-parizhskie_soglasheniya_o_chem_dogovorilis_poroshenko_i_putin.htm

DNR/LNR and on its borders. Not least important, the accords stipulated that failure by Russia or its proxies to observe one of these provisions invalidates the whole.

For its part, Russia secured key objectives of its own. Enhancement of sanctions was now off the table, and Moscow can reasonably hope that the current sanctions regime will be softened and, after June 2016, withdrawn altogether (apart from the Crimea package). Moreover, the obligation on Ukraine to agree election and "special status" provisions with current DNR/LNR representatives is now unambiguous.

These terms provided a basis for sober optimism, but still left everything to play for. At the tactical level, they allow Russia and its proxies to do their utmost to ensure that the law on special status confers veto-wielding powers over such issues as Ukraine–NATO cooperation and EU membership. Thus Ukraine will find itself constrained to delay the process. The election modalities will be equally contentious. In principle they must correspond to the laws of Ukraine, but in practice the DNR/LNR will have a considerable say in the formation of election commissions and the dominant voice in determining the eligibility of parties and candidates. All the post-Maidan parties – including the Poroshenko bloc (Solidarnist'), Yatseniuk's National Front and the grassroots "Self Help" (Samopomich) – could be excluded. At this point, President Poroshenko and his Western partners still wager that restoration of the border would deny Russia its principal means of influence. Whatever the immediate election results, some in Washington and Kyiv calculate that the post-conflict environment will be conducive to the re-emergence of Ukraine's traditional structures of oligarchic power and "special status" will be consigned to history. The return of Rinat Akhmetov means the restoration of bad rules. But at least they are Ukrainian rules, and preferable to the "people's" regime of intimidation, abuse, pillage and plunder described by the Office of the UN High Commissioner for Human Rights and the former DNR leadership itself.[33]

The terms also leave the strategic picture roughly as it was. No fair election is likely as long as Russia remains in occupation, overtly or by proxy, and controls the border. For its part, Russia is equally unlikely to return the border until it gets the "federal" solution it wants. In other

[33] Office of the UN High Commissioner for Human Rights, "Report on the human rights situation in Ukraine", 15 May 2014; Strelkov, note 27 above.

words, Moscow's price for relinquishing Ukraine's border in the east remains the blocking of its path to the West. War and resistance have changed the calculus of means and ends, but have not altered this goal, which Russia has pursued by one means or another since 2014 and arguably since 1991. For their part, neither Ukraine's leaders nor its parliament are likely to consent to such a "resolution", and it is most unlikely that the country will do so either. Until Russia's goal is abandoned or imposed, Ukraine's de facto partition will probably continue.

The initial aftermath of the Paris Agreements preserved this climate of cautious optimism. A full ceasefire entered into effect for the first time since the conflict started. Weapons withdrawals proceeded roughly as stipulated and largely on schedule, but with enough infractions and ceasefire violations to impel Ukraine to register a formal complaint with the OSCE Joint Centre for Control and Co-ordination on 8 November 2015.[34] Moreover, no significant relaxation of restraints on OSCE border access took place.

In mid-November conditions changed dramatically for the worse. Both Ukraine and the OSCE registered a sharp escalation of hostilities, which subsided briefly during the end-of-year holiday season only to resume shortly after the New Year. On 14 November the SBU uncovered two armed subversive groups operating inside unoccupied Ukraine. Moreover, on 30 December Lavrov took a step away from the Paris Agreements, calling for implementation of the law on special status before elections took place.[35] Taking all this into account, the new OSCE chair-in-office, Frank-Walther Steinmeier, declared on 14 January 2016 that "key OSCE commitments were and are being broken".[36]

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[34] "Tensions along the contact line abruptly escalated on October 18, 2015, when the second stage of arms withdrawal began, exhibiting a lasting trend of further deterioration. In all, in the period from October 18 till November 6 the Ukrainian mission to the JCCC [Joint Centre for Control and Co-ordination] observed 26 violations of the ceasefire and 361 provocative attacks of militants on positions of the Ukrainian Armed Forces and the 'gray zone' aimed to incite Ukrainian Armed Forces units to return fire." "Ukrainian mission to JCCC accuses militia of activity that may disrupt arms withdrawal", Interfax (Russia), 8 November 2015.

[35] "Donbas should be granted special status before elections in Donetsk, Luhansk republics – Lavrov", Interfax (Russia), 30 December 2015.

[36] He added that "SMM observers must finally be granted unrestricted access to the entire conflict zone – without threats, intimidation or exceptions!" "Renewing dialogue, rebuilding trust, restoring security", speech to OSCE Permanent Council, Vienna, 14 January 2016. Steinmeier's comments were consistent with the content of John Kerry's sharply worded

A Kaliningrad Process?

On 15 January, one day after the chairman's statement, a four-hour meeting took place in Kaliningrad between US Assistant Secretary of State Victoria Nuland and Russian Presidential Assistant (pomoshchnik) Vladislav Surkov. The meeting was held in conditions of secrecy but "in close cooperation" with the Normandy Four. "US officials" briefed "senior Ukrainian officials" the following day.[37]

On the eve of the meeting and in its immediate aftermath, several Western and Russian commentators concluded that Russia was finally seeking a way out of the conflict.[38] These diverse analyses drew optimistic conclusions from two indisputable facts. The first is a change to the management of the Donbas conflict: the appointment of Boris Gryzlov (former chair of the State Duma and a trusted colleague of President Putin) as Russia's representative to the TCG and the replacement of Surkov by Dmitriy Kozak as Gryzlov's representative to the DNR/LNR leadership. The second and more significant fact is the dramatic worsening of the Russian economy in recent months.

On the face of it, there is nothing in these personnel changes to suggest that Moscow is retreating from well-established positions. The greatest commonality between Gryzlov and Kozak is their assiduous promotion of Kremlin interests. The arrival of Kozak, a leading architect of Moldova's proposed "federalization" (the "Kozak Plan") is, if anything, a harbinger of a tougher and more tenacious course. Moreover, Surkov's role

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speech at the annual OSCE Ministerial Council in Belgrade on 3 December. Carol Morello, "Kerry calls for Russia to pull back from Ukraine", *Washington Post*, 3 December 2015.

[37] "Washington briefs Kyiv on Nuland-Surkov meeting – Embassy", Interfax Ukraine, 16 January 2016, available at: http://en.interfax.com.ua/news/general/318001.html

[38] Anders Aslund, "New Russian management of the Donbas signifies Putin may be ready to negotiate", Atlantic Council, 4 January 2016, available at: www.atlanticcouncil.org/blogs/new-atlanticist/new-russian-management-of-the-donbas-signifies-putin-may-be-ready-to-negotiate; Timothy Ash, "Is Ukraine-Russian peace deal brewing behind the scenes?", *Kyiv Post,* 18 January 2016, available at: www.kyivpost.com/content/author/timothy-ash/; "Russia and USA sharply enhanced their efforts for resolution in Donbas" (*Rossiya Ii SShA rezko aktivizirovali usiliq po uregulirovaniyu v Donbasse*), 17 January 2016, available at: www.vedomosti.ru/politics/articles/2016/01/18/624301-rossiya-ssha-rezko-aktivizirovali-usiliya-uregulirovaniyu-Donbasse

in Kaliningrad does not suggest demotion. While the rapid downturn of oil prices and Russian state reserves is an alarming sign, geopolitical imperatives have drowned out economic rationality from the start of the conflict, and the belief that this would radically change is possibly based on hope rather than experience.

Information leaked from the Ukrainian President's Administration and the National Security and Defence Council tells a different story. According to these sources, Moscow is now prepared to alter its approach, but in terms of symbols rather than substance. The exhaustive summary set out in Kyiv's authoritative weekly Dzerkalo Tizhnya (Mirror of the Week) suggests that Moscow's revised terms envisage:

- Cosmetic inclusion of Ukrainian border troops on the eastern border but staffed with local contingents under conditions determined by Moscow – a Ukrainian flag on a border that would remain under Russia's de facto control;
- The withdrawal of "regular forces" from DNR/LNR, leaving in place Russian "military specialists" and local "people's militias", subordinated to local field commanders and financed by `Kyiv and the West;
- "Decorative" elections that would include representatives of Ukrainian political factions but keep the control of rules and electoral commissions in local hands;
- An amnesty list drawn up by Moscow.[39]

And not least significantly:

- An end to the sanctions regime.

Almost a fortnight after the Kaliningrad meeting, the leadership of the DNR published its three conditions for ending the conflict.

1. A quota of deputies in the Verkhovna Rada: not simply those elected from the region, but a designated group with which the

[39] Sergey Rakhmanin, "Change of course?" [*Smena Kursa?*] *Dzerkalo Tizhnya,* 22 January 2016, available at: http://gazeta.zn.ua/internal/smena-kursa-_.html

Rada would have to agree legislation. This group would have "a right of veto on any decision in the sphere of foreign policy".

2. Total amnesty for all fighters as well as armed saboteurs (diversantiy) held in Ukraine.
3. Full autonomy. This would include freedom to regulate trade with Russia, devise rules for electing its parliament, government and president, and control the staffing of local police, security service, judicial organs, procuracy, border guards and local facilities.[40]

The first of these conditions finds no echo in the Minsk accords or any other international agreement. The second condition, amnesty, is also at variance with the Minsk accords. These accords confine amnesty to individuals held "in connection with events that took place in certain areas of Donetsk and Luhansk" (Article 5, emphasis added) as well as "hostages and other unlawfully detained persons" (Article 6, emphasis added). Third, there is no reference to autonomy in the Minsk accords, only to "decentralization" by "agreement" with the region's representatives and "in accordance with Ukrainian legislation". While modalities governing decentralization and elections are to be "agreed" with the separatist leadership, there is nothing in the Minsk accords that requires Kyiv to accept the separatists' demands. As Ukrainian commentators have noted, the DNR has demanded more than Chechnya received after its de facto victory over Russia in 1996. Of the Paris Agreements, there is no longer any trace.

After so clear a demonstration of Kremlin control of separatist forces during the two-month ceasefire, it cannot be supposed that the DNR leadership was doing anything more than playing its part in the Kremlin orchestra. Russia has clearly decided that a more aggressive change in dynamic now suits its interests. But why should the Kremlin's calculus diverge so greatly from the economic calculus adopted by some of the West's Kremlin watchers?

The most likely answer is that the Kremlin perceives, with arguable reason, that the West is as weak politically as Russia is economically. The Syria crisis and its associated refugee crisis have moved to the fore of Western priorities and, to all appearances, have thrown the West into

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[40] Kirill Sazonov, "The fighters articulated their demands. We can draw Minsk to a close" [*Boeviki ozvuchili trebovaniq. Na Minske mozhno postavit' tochku*], 28 January 2016, available at: http://glavcom.ua/articles/37520.html

disarray. Whatever its actual significance, the visit to Moscow (over Merkel's objections) of Minister-President of Bavaria Horst Seehofer would have reinforced existing perceptions that the authority of Angela Merkel, the linchpin of Europe's Russia policy, is now on the wane.[41] By its military intervention in Syria and exploitation of the refugee crisis, Russia has done its utmost to demonstrate, there as in Ukraine, that no problem can be resolved without it. It probably is no coincidence that the marked escalation in fighting in the Donbas began two days after the traumatic terrorist attacks in Paris on 13 November. If Moscow intended the collapse of the ceasefire to be a test of Western resolve, the results have shown this resolve to be wanting. Instead of upholding the Paris Agreements provision that a ceasefire violation would be treated as a violation of the entire agreement, the West has responded with protests against "ceasefire violations by all sides" and intensified dialogue.

It should surprise no one if Ukraine loses faith in the entire process. Signs of disillusionment are becoming all too visible. On 29 January at a conference on "The Minsk Accords – Path to Conflict Resolution or Recipe for Catastrophe?" experts from several of Ukraine's leading research institutes drew the following conclusions.

- The Minsk accords define the conflict "as a civil war in which Russia is not the aggressor or a part of the conflict, but a mediator". This approach "violates democratic norms", risks "civil resistance" in Ukraine and "expands Russia's levers of influence on Kyiv".
- The aims of reintegrating the occupied territories by means of a "special status" are to "create obstacles to the will of the vast majority of citizens to enter the EU and NATO, conserve the oligarchic structure and strengthen centrifugal tendencies in the rest of the country".
- Granting "special status" in violation of the "principle of the unitary state and equality of citizens before the law" can be the "impulse

[41] "Merkel's coalition rival urges dismantling of anti-Russia sanctions after visiting Putin", RT, 4 February 2016, available at https://www.rt.com/news/331342-seehofer-russia-putin-sanctions/; "Meeting of Bavarian premier with Putin alarmed Berlin" [*Vstrecha prem'era Bavarii s Putinym Vstrevozhila Berlin*), 4 February 2016, available at: www.bbc.com/russian/international/2016/02/160204_germany_seehofer_moscow_visit.

> for fragmentation of the country and become one of the technologies for waging hybrid war".[42]

Of greater import, on 24 January President Poroshenko threw down the gauntlet, vowing that a parliamentary vote on constitutional changes would not take place until the separatists and their Russian supporters met several preconditions.

> *Position one – cease-fire and a prolonged period of calm [tishina]. This has to be guaranteed by Russia, and the world has to see that it is taking place … And the key position: restoration of control of the state border, in the first stage by the OSCE.*[43]

The Minsk process, so recently reinforced in Paris, is now on the verge of unravelling. In the light of these developments and the sentiments they have aroused, it will be difficult for the OSCE to approach its tasks in a spirit of optimism.

Conclusions for the OSCE

In his excellent paper of 22 September 2015, Stefan Lehne rightly observes that the OSCE "has suddenly regained political relevance because of the Ukraine crisis".[44] A fortnight later, the Paris understandings appeared to reinforce this judgement. The OSCE has become not only the indispensable instrument for monitoring borders, disarmament and elections; it has become the fulcrum of expectations. This is not an unmixed blessing.

The most immediate risk facing the OSCE is that it will be denied the material and human resources it requires to perform its mandate. Not

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[42] "Opinion: The Minsk Accords – Recipe for catastrophe in Ukraine" (*Mnenie: Minskie dogovorennosti – eto retsept katastrofiy dlya Ukrainy*), *Noviy Region,* 29 January 2016, available at: http://nr2.com.ua/blogs/Ksenija_Kirillova/Mnenie-Minskie-dogovorennosti-eto-recept-katastrofy-dlya-Ukrainy-115538.html

[43] "Ukrainian president names conditions for vote on constitutional changes" (*Prezident Ukrainiy nazval usloviya dlya golosovaniya po izmeneniyu konstitutsii*), *Kommersant*, 24 January 2016, available at: http://korrespondent.net/ukraine/politics/3619586-poroshenko-nazval-uslovyia-dlia-yzmenenyia-konstytutsyy.

[44] Stefan Lehne, "Reviving the OSCE: European security and the Ukraine crisis", Carnegie Europe, 22 September 2015, available at: http://carnegieeurope.eu/2015/09/22/reviving-osce-european-security-and-ukraine-crisis/ii06

only does “augmentation” of the SMM (688 monitors in January 2016, up from 500 in April 2015) and the Border Checkpoint Observer Mission (a civilian staff of 20 in 2015) require adequate finance, it demands adequate expertise. The protagonists of hybrid war and their external “curators” are seasoned experts in maskirovka (masking), deception and lying. Some on the scene will be all too happy to offer “help” to the credulous.

But the greater risk is that, however well resourced, the OSCE will find itself holding a poisoned chalice. Conditions on the ground in the Donbas will be those that national policy-makers, Western and Russian, and local actors bequeath to it. The OSCE has long recognized that foreign occupation and free elections do not mix (Crimea being but the latest example). No matter how scrupulous the monitors and how thorough the monitoring process, the inhabitants of DNR/LNR will be voting under occupation, not to say intimidation, and this is bound to influence the result. The possibly of becoming complicit in an inherently biased process requires sober assessment.

A second level of challenge is geopolitical. In the 1990s the OSCE was Russia’s instrument of choice; this is no longer the case. More than six years before Putin claimed that the OSCE was being transformed into a “vulgar instrument designed to promote the foreign policy interests of one or a group of countries” (February 2007), one of Russia’s most experienced diplomats, (then) Deputy Foreign Minister Yevgeniy Gusarov, warned at the annual OSCE meeting in November 2000, “we oppose the use of the OSCE for interference in the internal affairs of the countries situated to the east of Vienna”, adding “we won’t allow this to happen”.[45] Russia will accept this role in the Donbas for one of two reasons: confidence that it can keep the OSCE locked into its political-military framework (and de facto control), or as a lesser evil. After the Russia–Georgia war, an EU monitoring mission offered an alternative to the OSCE. Today Moscow views the EU as an antagonist, not as an impartial body. Should Moscow reassess its balance sheet of risks and opportunities, its forbearance towards the OSCE might change. The possibility cannot be excluded that Moscow will seek to discredit the OSCE or trap it into discrediting itself.

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[45] “Gusarov”, *Financial Times,* 23 January 2001. Vladimir Putin, “Speech and the following discussion at the Munich Conference on Security Policy,” 10 February 2007, available at: http://archive.kremlin.ru/eng/speeches/2007/02/10/0138_type82912type82914type82917type84779_118123

But the principal challenges confronting the OSCE are systemic. As much as are the parties to disputes within its purview, the OSCE is the product of its history. Its predecessor, the CSCE, was the child of East–West détente. The OSCE is a graduate of the Cold War and the product of the "soft security" challenges that arose in its aftermath. Its role in 1990s' conflict management was undertaken in a cooperative security order; today, it is operating in a contested and abrasive security order. Instincts and practices need to be adapted accordingly.

The OSCE's "political relevance" in Ukraine is something of a curate's egg. Should the dialectic of power, interest and diplomacy produce positive results, most will be inclined to attribute this success to the wisdom of the key national players rather than give credit to the OSCE. If it produces a flawed settlement, acrimony and fresh conflict, many will find it easy to denounce the OSCE as a feeble and malleable instrument. The OSCE maximizes its potential and minimizes harm when it respects its own limits and makes sure that others understand them. It can be a valuable foundation for conflict amelioration when the "hard" factors of power and interest come into balance. Conflict resolution is usually beyond its capacity. The Russia–Ukraine conflict will not be solved by special monitoring regimes, supervised elections, border management and other "modalities". It is a civilizational and geopolitical discord shaped by divergent world views and compelling political interests. There is nothing "frozen" about it, but its fundamentals will change only when realities make change obligatory. The West will best facilitate that outcome by firmness, fixity of purpose and patience. The OSCE will do so by realism, vigilance and prudence.

The OSCE and Resolving (Un)Frozen Conflicts

Pál Dunay
Professor of NATO and European Security Issues at the George C. Marshall Center

Introduction

The OSCE is the only fully inclusive regional organization in Europe, so it is understandable that it works under the assumption of indivisible security. The indivisibility of security extends both to its comprehensive nature, professed ever since the adoption of the Helsinki Final Act in 1975, and geographically to each of its present 57 participating states. However, one may well be compelled to qualify the idea of indivisibility of security. Although Europe in comparative terms is a continent of peace, its population has been living with different levels of security without much of a problem. Some high-intensity conflicts, like the wars in the former Yugoslav area, did not leave people indifferent and certainly contributed to Western democracies taking action. Others generated much less attention, and populations of several OSCE participating states, their establishments and leaders had to accept diminished levels of security. Hence one can preliminarily conclude that the OSCE area has indivisible and not indivisible security concurrently. Contesting certain phenomena, like terrorism, unite the continent, while we only discoursively address other security matters, like the so-called protracted conflicts.

At the end of the Cold War or shortly thereafter, the three so-called multinational federations of East-Central, Southeastern and Eastern Europe fell apart, and in a matter of two decades at least 23 states appeared on the map – if not more, as those entities that have not achieved sufficiently wide-ranging recognition are not counted in this number. The federal dissolutions followed different patterns, ranging from negotiated (Czechoslovakia) to *de facto* separation followed by consensual termination (the Soviet Union) and massively violent (Yugoslavia). Until 2008 and the declarations of independent statehood of Kosovo, Abkhazia and South

Ossetia, every dissolution occurred in accordance with the *uti possidetis* principle. Respect for the territorial integrity of the former constituent elements of the three federations resulted in relative stability after the end of the wars in the former Yugoslavia, except in those areas where territorial conflicts pre-dated or co-existed with the process of the dissolution of the Soviet Union. This was challenged in the Georgia–Russia war and by the declaration of independence of Kosovo. However, the influence of the West resulted in avoiding further violence in the former Yugoslavia. In the former Soviet Union the same could not be achieved, and some of the protracted conflicts have had a tendency to remain volatile and return to violence. A relapse back into conflict has been avoided where the secessionist territories are firmly anchored under the influence (or as part) of the Russian Federation. This applies to Abkhazia and South Ossetia and, if we are ready to recognize it as a protracted conflict, the Crimea. Time will tell whether the two conflict zones in Ukraine will qualify as protracted. I am of the view that we will not escape Ukraine being added to the list of protracted conflicts in one form or another.

As the above indicates, the term "protracted conflict" is applied to various situations which are in different phases of the conflict management cycle. Some require conflict management, whereas others are well into the post-conflict peacebuilding, stabilization and new status quo phase. This means that the concept of protracted conflict lacks intellectual cohesion from this vantage point, and it is necessary to find some other factors to give the term cohesion. Philosophers would immediately offer two basic categories, *time* and *space*; but for policy analysts these may be too abstract. Nevertheless, let me make an attempt to interpret their relevance for protracted conflicts.

As "protracted" is a synonym for "lasting" or "enduring", it is obvious that time is a relevant factor. Although there is no agreed-upon definition of how long a conflict should last without resolution to qualify as "protracted", it clearly must be an extensive period of time. It is also apparent that the overwhelming majority of conflicts in the former Soviet area meet this requirement. However, it is necessary to ask whether we can speak about *potential* protracted conflicts, in the sense that simply due to the passage of time and the continuing lack of resolution they may develop into real protracted conflicts. If the answer is that "potential" protracted conflict is possible, then the conflicts on the territory of Ukraine that broke

out in 2014 may well belong in this category. It is certain that at least one of them will be extremely difficult to resolve to the satisfaction of the parties and the world at large.

As for space, the situation is not much simpler. As I have mentioned, every protracted conflict is present in a somewhat arbitrarily defined area, in the west and the south of the former Soviet Union. They are in or between five countries which not only belong to the former Soviet space but also to the EU's eastern partnership, formerly the eastern neighbourhood. This is often called the shared neighbourhood. If we take a closer look, it is more realistic to conclude that it can be regarded as a contested rather than a shared neighbourhood. In fact there is only one state in this "shared" neighbourhood whose territory is free of real or potential protracted conflict: Belarus. However, as four of the six real or potential protracted conflicts started more than a decade before the EU neighbourhood policy was conceived, there is no reason to create an organic link between the conflicts and that policy. Nowadays, one can simply state that the west and south of the former Soviet Union are the areas where geopolitical contest may occur.

Theoretical thinkers would identify this space as a sphere of "rear-end collisions". Such collisions usually occur between rising and declining powers, when the declining power does not notice its decline while the rising one is carried away by its fast rise. In this case, such an interpretation would mean stretching the concept to its limits and beyond. Even if some elements of the concept may be found relevant, it is inapplicable for the following reasons.

- We may have difficulty identifying the players. Are they the parties on the ground and Russia? Is it also the EU, presenting, even if not offering, an alternative to the former Soviet republics? Is it also the West as such, including the United States, making an attempt to create a pro-Western buffer surrounding the Russian Federation in the west and south?
- Which are the emerging and declining powers? Is the Russian Federation an entity in decline? Is the EU in decline? Is the West as such rising?
- What is the role of the smaller states (ranging from Armenia to Ukraine in geographic scope) where these conflicts actually occur?

Do they only provide the battlefield, the place for the elephants to dance or fight, or do they play a more important role?

It is not easy to give an answer to any of these questions. The perception of an actor may not be the same as the perception of the world at large. Hence, it is difficult to conclude that the protracted conflicts can be associated with the concept of rear-end collision.

Protracted Conflicts and Current Changes in the International System

Events which are not closely related to others are often unleashed by historical changes. There cannot be any doubt that we are living in times that will result in some lasting rearrangement of international power relations. The emergence of the non-Western world and the growing influence of China and India in the international system symbolized by BRICS (Brazil, Russia, India, China and South Africa), and partly also by the G20, Russia's insistence on being a shaper of a multipolar international system and Moscow's claim to be more than a regional power and a decisive player in the post-Soviet space are elements of it. I think the changes still stop short of a paradigm shift, but a lasting rearrangement has been launched. If we narrow the scope and take a closer look at recent developments, the picture is inconclusive, although it indicates that lasting changes will follow.

To address the protracted conflicts, it is necessary to "zoom in" on the Russian Federation as the only great power directly involved in each and every one of these conflicts. There are a few competing priorities that can be hardly met simultaneously. Russia needs stability to focus on its other pending conflicts. Moscow should get out of the stalemate in the Donbass and liberate itself from the increasingly mounting consequences of the economic sanctions. At the same time it must not lose standing in the international system and retain its influence in the post-Soviet space. Moreover, Russia has aspirations which exceed its current achievements. Those objectives are hardly possible to manage simultaneously.

The Russian Federation, partly due to economic development characterized by mainly steadily rising GDP between 1999 and 2013, has become increasingly assertive in the international system and claims a status that it lost with the decline and then dissolution of the Soviet Union.

The results of those 15 years are impressive: tripling the GDP from US$860 billion in 1998 to more than $2.5 trillion by 2014. Even though the peak may be only one-seventh of the GDP of the United States or the European Union, it means that more than half of the GDP in the post-Soviet space was realized by the Russian Federation. Consequently, the Russian Federation could have a well-established claim for a *primus inter pares* role in the post-Soviet space. This could be supported in some cases on historical grounds, as tsarist Russia (at least in Central Asia) and later the Soviet Union (with which the Russian Federation fully associates) was a civilizational power *vis-à-vis* many others, and the latter state contributed to the industrialization of many of the now former Soviet republics.

However, the Russian Federation could not sustain its economic development. It did little to diversify its economy and move away from dependence on the export of natural resources and energy bearers as the primary source of income. As long as the value of some of those commodities was on the rise, Moscow felt no need to diversify. With the price of oil and gas radically and it seems lastingly declining since 2014, it no longer has the abundant resources to diversify. A leading Russian economist clearly pronounced this: "Russia has failed to adapt to economic and technological change and has fallen into the ranks of 'downshifter' countries that will catastrophically lag behind their more advanced rivals … 'We must honestly admit that we have lost to competitors,' … the era of oil [is] over and … in the new technology-driven world the difference between the leaders and losers [will] be 'larger than during the industrial revolution'."[1] It is also clear that the Russian economic slowdown started earlier than the Ukraine crisis, and thus cannot be attributed to it. This means that Russia will face ongoing problems in backing its political aspiration with economic resources. Consequently, in contrast to the Georgia–Russia war of 2008 when the war *added to the legitimacy and the popularity* of the political leadership, in 2014–2015 during the Ukraine crisis, the conflict and the seizing of territory were *instead of legitimacy and popularity* based on economic development.

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[1] "'Downshifter' Russia Is Losing Global Competition, Warns State Bank Chief", *Moscow Times,* 15 January 2016, available at: www.themoscowtimes.com/arts_n_ideas/business/article/downshifter-russia-is-losing-global-competition-warns-state-bank-chief/555889.html. The full speech has never been published and excerpts tend to disappear gradually from the internet. At the same time, German Gref's speech is regularly referred to in speeches and reports of diplomats.

The Ukraine crisis ignited a rearrangement of various other elements of international relations in Europe and the Euro-Atlantic area. The United States started to attribute more importance to Europe, in particular East-Central and Eastern Europe, than in most of the last two decades. The unity of the enlarged West has increased in spite of efforts of Russia to weaken it. Although Moscow "played" on countries like Cyprus, Greece, Hungary, Italy and Slovakia, the unity remained, due to leadership provided by the United States in security and Germany in economic support (to Ukraine) and coercion (of Russia). With the main (Western) European and Euro-Atlantic institutions now focusing more on their original function than at any time during the last quarter of a century, conflict management in Europe has entered a new phase.

The Historical Evolution of Protracted Conflicts

The protracted conflicts have been without exception due to the weakening central power (oppression) during the late stage of the existence of the Soviet Union, which gave way to centripetal tendencies. The result has been a few violent conflicts often based on underlying ethnic divisions. It is known that ethnic (or ethnicized) conflicts are the most vicious and the most difficult to resolve. They also tend to have long life cycles. In this sense, the Ukraine conflict falls in a different category, as there the ethnic element is less noticeable.

The early phase of the conflicts upon the demise of the Soviet Union and soon after was characterized by the direct involvement of the Russian Federation, including the employment of military force. This was the case not only in Transnistria but also in Abkhazia. Russia also became a party to the conflict between Armenia and Azerbaijan, where the leadership of Boris Yeltsin provided essential support to the former. This has certainly resulted in lasting mistrust in many partners, successor states of the Soviet Union.

The Russian Federation was weak, but soon insisted on its privileged status in the area that was once the Soviet Union. Irrespective what Moscow did in the world at large (and its position went through different phases of development), one characteristic feature has been present and lasting since 1996 at the latest: it claims a privileged position in the post-Soviet space. The Russian Federation resisted accepting that the

once constituent republics of the Soviet Union have become sovereign states. Whether the world at large, in particular the West, paid enough attention to these states (except for the Baltic states) may be debated. It is also open to question whether or not the scant Western attention to the Soviet successor states inadvertently contributed to Russia's domination claims.

Those few that paid attention to the protracted conflicts, first and foremost the United States, saw the post-Soviet space and the conflicts in it through the eyes of Moscow. Either they were "Moscow firsters" in the post-Soviet space, like some in the Clinton administration, or they believed that containing Russia, if not rolling it back, was the way to a better international order, like some neo-conservatives mired in a lastingly unipolar order during the George W. Bush administration. Residual concerns about Russia's revisionist aspirations underlined this. They were propagated by a Western discourse, whether founded or not. While "crying wolf" was the name of the game for voluntary Western trolls, the Russian Federation developed into a power that had connected the dots. Russia's return was mentioned so often that in the end it looked like a self-fulfilling prophecy.

The Russian Federation has achieved two major successes in the post-Soviet space. First, it has contributed to preventing further "colour" revolutions between the mid-2000s and 2014, as it has artificially sensitized its partners and the Russian population to their continued danger (although it could have used a different terminology: imperialist expansion). This was music to the ears of those authoritarian leaders who insisted on nothing but their own perpetuity in power. Presenting external threat and a potential or real adversary has the advantage of (further) curtailing freedom in the society. Unfortunately, occasionally this also applies to leaders who come to power with strong democratic aspirations and mandates and then develop into autocrats, as happened to President Lukashenko when he monopolized power after 1996 following two years in power with democratic legitimacy.

The Russian Federation also achieved the consolidation of its *primus inter pares* position in the post-Soviet space. Despite the strong reluctance in some capitals (Kiev, Tbilisi) and some reluctance in a few others, the post-Soviet space has become a *hegemonic subsystem* of international relations. Bearing in mind the limitations of Russian power

compared to the decisive players of the international system, this can be regarded a major achievement for Moscow. It is partly due to the broader array of means of coercion and inducement that Russia uses with respect to the partners in its sphere of influence compared to those previously applied by the Soviet Union. When Russia draws a red line, it follows it up by action, in particular in the former Soviet area. Economic support (Kyrgyzstan), sharing sensitive intelligence information that may be a matter of survival (Azerbaijan), a rescue package (President Yanukovich of Ukraine) and no word on abuse of power are the goodies. There is also another side to the coin. Punishments of various sorts apply to those that step out of line (Georgia and Ukraine are the best-known examples). This results overall in hesitant if not outright reluctant followers, but yields the regional leadership essential for Moscow. It is leadership by imposition with little element of invitation, as John Lewis Gaddis put it in the Cold War context.[2] Without this, Russia would not be in the position to be a self-proclaimed pole of a multipolar international order.

What we have learned about the post-Soviet space over the last (nearly) quarter of a century is deeply disappointing. Economically, the only states that do well are those that live on the export of natural resources, first of all hydrocarbons. The five states with the highest per capita GDP (the Russian Federation, Belarus, Kazakhstan, Azerbaijan and Turkmenistan) belong in this category, with the only variation being that Belarus exports somebody else's hydrocarbon. Ukraine is economically not sustainable. Democratic transition has been either curtailed or not even started. Strong statehood is identified with authoritarian if not outright dictatorial regimes. Corruption is endemic. The only state that seems to have lastingly broken out of this vicious circle is Georgia, which has improved its ranking from 133 in 2004 to 48 in 2015 on the Corruption Perception Index of Transparency International.[3] What we have learned is that even those states that show some signs of catching up with economic modernization, fighting corruption and democratic transformation cannot sustain the positive processes. Some countries are in fact *pseudo states* that cannot offer even the minimum to

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[2] John Lewis Gaddis, *We Now Know: Rethinking Cold War History* (New York: Oxford University Press, 1997).

[3] See Transparency International. For the Corruption Perception Index of 2004: http://www.transparency.org/research/cpi/cpi_2004/0/,
for those of 2015 http://www.transparency.org/cpi2015#results-table.
In 2004 Georgia ranked between 133 and 139, in 2015 between 48 and 49.

their populations in terms of internal security or services like education and healthcare (Kyrgyzstan and Tajikistan), and hence the population reacts by withdrawing from public affairs to the extent possible. The fact that some states involved in the frozen conflicts do not stand out with impressive performance records may contribute to hindering conflict resolution. Nearly a quarter of a century after the dissolution of the Soviet Union, this cannot seriously be attributed to historical misfortunes.

The United States is once again in a phase of its development when it somewhat reduces its international commitments. This is understandable after a number of inconclusive if not outright disastrous interventions (Afghanistan and Iraq, respectively[4]). The EU stands out in representing a different approach to international relations that most other actors have difficulty in understanding or matching. The Russian Federation in particular has long-term difficulties, as the recent sanctions have already demonstrated. However, the Russian leadership has constantly and consistently insisted upon a multipolar international system with Russia as one of the poles.[5] The West does not have a strategy, or at best it is not realistic and hence cannot be followed through. It is clear that the world at large is ready to live with low-intensity conflicts in the former Soviet space. It contributes to the management of conflicts without seeking their resolution particularly actively. (This reminds observers of the role of the CSCE (Conference on Security and Co-operation in Europe) in the Cold War, managing the conflict without imagining that it could ever be resolved.)

The West's main shortcoming in managing the protracted conflicts in the post-Soviet space is its reluctance to accept Russia as the only great power in the region. The West is not ready to recognize that without Moscow it is impossible to achieve a lasting solution, if for no other reason than that Russia can be a highly effective and powerful spoiler of any settlement if its perceived interests are not taken into account and decisions are taken without its participation. This means that conflict management has a chance when co-operation between Russia, the West

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[4] The Libyan misery should not be attributed to the United States, as it was pulled into the high-intensity phase of the conflict clearly against Washington's will.

[5] Even though the two could be kept separate, as a multipolar system could be advocated without Russia necessarily belonging among the poles. However, this is not the place for such "philosophical" considerations.

and local players is possible. It is apparent that the conditions for this have not been favourable lately.

A major handicap is that we can only speculate on Russia's thinking about the world and its more closely defined vicinity. What does Russia listen to? Is it a realist power that understands only superior power, coercion and deterrence? Does Russia work in a constructivist paradigm where its international role is a continuation of domestic politics and its wounded ego motivates its actions, as Dominique Moisi so eloquently proposed in his seminal and controversial book?[6] If Russia's perceived humiliation and loss of status is addressed, will it be ready to return to a co-operative stance or will it focus on the weakness of its main self-chosen opponent? Do we not notice that classic diplomacy, where every concession is regarded a sign of weakness, drives us regularly into a blind alley (and then leaves us there)?

Protracted Conflicts: The Real and the Potential

If we take a closer look to the four protracted conflicts in the former Soviet space and the potentially protracted conflicts in Ukraine, the following conclusions can be drawn.

The once-pending conflict in *Abkhazia* and *South Ossetia* can hardly be regarded as protracted any longer. The conflict has been terminated without resolution as a result of the war between Georgia and the Russian Federation, launched by the former after various provocations of the latter. What followed is very well known: Russia recognized the independent statehood of Abkhazia and South Ossetia, although followed by very few others. Nonetheless, it is highly unlikely that the situation will be reversed. With effective Russian support, the two entities have proved different levels of viability. Most inhabitants of Abkhazia are Russian citizens and benefit from this; the same applies to the fast-shrinking population of South Ossetia. The Russian Federation concluded inter-state security agreements and protects their borders. Later, both "states" signed collective defence arrangements with Russia. All these factors demonstrate that the two states (in Russia's view) or separatist entities (for Georgia and many others) are largely dependent upon Russia and would be unable to provide for their

[6] Dominique Moisi, The Geopolitics of Emotion: How Cultures of Fear, Humiliation, and Hope Are Reshaping the World (London: Bodley Head, 2009).

external security without Moscow's helping hand. Recently, the border of virtual South Ossetia moved further to the south, quite close to the road connecting Tbilisi with the west of Georgia. Tbilisi has become careful in managing its relations with Moscow, and the population of Georgia is gradually accommodating to the new territorial status quo. However, the leaders of Georgia will continue to keep the painful loss of a part of the country's territory on the agenda, as it may contribute to national cohesion. They will measure this against the risk of further alienation of Russia, unlike during the period of Mikheil Saakashvili's presidency.

Only a few states (like Poland and Estonia) were of the view that the 2008 war should be regarded a turning point between Russia and the rest of the Euro-Atlantic community. Now, retroactively, more states may share this view, even though nothing follows from such a rearrangement for politics. After the five-day war, the Russian Federation effectively vetoed OSCE (and UN) presence in Georgia. It may be worth considering whether it is in the parties' interest to constrain the international presence and regard the European Union Monitoring Mission (EUMM) as the representative of the international community. Efforts to establish a status-neutral OSCE presence could, interestingly, now better serve Moscow's interest, which certainly does not want to see change in the *status quo*. It is saddening, irrespective of the long shadow of the two conflicts and the stubborn attitude of both states involved, that the only protracted conflict to come to a standstill in the former Soviet area has been due to use of force.

The conflict that surrounds *Nagorno-Karabakh* and its neighbourhood is in contrast regarded as the most volatile. The hostilities on the ground provide a steady stream of casualties as a reminder. It is questionable whether the conflict, as William Zartman asked in his book in the African context, "is ripe for resolution". The situation has shown signs of a changing context that may have somewhat rearranged the interests of the parties (and also the states beyond the immediate conflict area). Azerbaijan has the upper hand in multiple senses of the term: a bigger population, higher GDP, massive investment in modernization of the armed forces and many other advantages. However, the economy is far too dependent upon hydrocarbon income, which may lastingly decline. Then the US$50 billion or so reserves of Baku may well have better places to be spent than on the military. Armenia is the underdog in the bilateral power

relations. Its economy suffers from two closed borders (with Azerbaijan and Turkey). Its population is declining, and its international relations are curtailed by a host of factors. Even though Yerevan is a member of the CSTO (Collective Security Treaty Organization) and has a multilateral treaty commitment to be protected against aggression, the commitment may not extend to this contingency. One problem is that both parties have used rhetoric for many years, putting constraints on the freedom of action of their political elites. As the two parties are not democracies, the leaders may well be uncertain about their freedom of action. The Russian Federation has tried to use its influence again lately to achieve some settlement, including an Armenian territorial concession. However, Azerbaijan may not yet be ready. It also resists investigation of border skirmishes. Baku seems closer to Moscow than ever due to its economic and strategic importance, as well as in its increasingly disappointing human rights record, which alienates many of its other partners, at least temporarily.[7] It may well be in the interest of Moscow to appear in the cloth of peacemaker. This has been demonstrated once again in spring 2016 when Azerbaijan and Armenia started higher intensity hostilities with massive use of firepower and resulting in dozens of casualties in the area of Nagorno-Karabakh. The Russian Federation sent the Prime Minister to Yerevan to reassure the leadership of Armenia whereas the Russian foreign minister visited first Baku and then Yerevan. Armenia got the necessary reassurance as member of the Collective Security Treaty Organization (CSTO) and also – may be more importantly - bilaterally. Azerbaijan was discouraged to continue challenging the territorial status quo irrespective how painful it is to accept. The hostilities suddenly lost intensity and then died off. Russia has given indication that in this part of the world it may be futile to ignore its decisive role as mediator and peacemaker and thus gave a reminder there was no lasting solution against its interests or without it. Furthermore, a state that could emerge from Nagorno-Karabakh would add to the long list of pseudo-states that are dependent upon their external environment. Once the Soviet Union insisted upon a buffer zone, as a lesson learned from the Great Patriotic War of 1941–1945. Now, Russia

[7] It is sometimes difficult to identify whether the human rights violations come first, followed by increasing political distance from the West, or first comes the distancing and then the reference to human rights violations. We must not forget that a poor record on human rights is a convenient Western excuse mentioned in some relations and overlooked in others.

seems to insist on dependent states (*de facto*[8] and *de jure*) in its neighbourhood. It is more of a question who will foot the bill for the existence of newer and newer states which cannot take care of their own affairs. The so-called Minsk group, in particular the three co-chairs, uses its interaction for addressing matters other than the conflict proper.

The *Transnistria* conflict was for long regarded the "lowest-hanging fruit" that a number of OSCE chair countries dreamed of solving. However, as the situation has been stabler than in other cases, there was no urge to concentrate efforts to find a solution. Moreover, the state to which the separatist territory should have belonged, Moldova, did not present the world with a reassuring picture. The hopes after the April 2009 "revolution" betrayed us, and a divided Moldovan political establishment and a dependent economy did not appear as a force of attraction. For Russia the situation is complicated by various factors. Transnistria is quite distant, next to southwestern Ukraine. It does not have a viable economy, except for some grey and black sectors as the formerly successful sectors become increasingly depleted. The current economic difficulties of Russia (nearly 4 per cent contraction of Russian GDP in 2015 and mounting security costs, a typical overstretch of a great power) have already resulted in 20–30 per cent reduction of salaries in the public sector of Transnistria. But it would be wrong to assume that the solution will come by Russia simply giving up on Transnistria. Furthermore, the new generation of leaders of Transnistria will be reluctant to relinquish their status and the advantages of being a non-sovereign territory, irrespective whether it has become more difficult to realize these advantages.

The situation is influenced by the danger that returning to violence would increase the interest of the world at large. As the Transnistria conflict is not liable to return to violence after conflict stability for two decades, parties can live with the status quo. In this case Russia is a direct participant of the conflict, as without it Transnistria would not be able to sustain itself. Russia's special interest is that the conflict provides it with an "extra handle" on Chisinau. Russian Deputy Prime Minister Dmitry Rogozin revealed his country's hope: "Moldova's train en route to Europe would

[8] Memorably, Dov Lynch called the territorial entities that have emerged from protracted conflicts de facto states. See Dov Lynch, Engaging Eurasia's Separatist States: Unresolved Conflicts and De Facto States (Washington, DC: US Institute of Peace Press, 2004).

lose its cars in Transnistria."[9] Most of the world at large can also live with the status quo as long as the protracted conflict does not show a propensity to undermine regional security. As Moldova tends not to move forward in resolving some of its most lasting internal problems related to governance and corruption, it does not create a situation that would shift the situation out of the stalemate by making Chisinau attractive for Tiraspol. Moldova may turn in the direction of democracy, good governance and gradually abolished corruption. However, if the EU waits two decades or so before offering a viable prospect, it is necessary to ask how will the country survive until then? Will this not invite a part of the political class of Moldova to turn to Russia again?

While none of the protracted conflicts was resolved and only two (Abkhazia and South Ossetia) were terminated due to the use of force since 2014, the list of protracted conflicts has included two new lines: Crimea and the Donbass (confined to the Donetsk and Luhansk area). The time that has elapsed since the beginning of these conflicts does not give ground to conclude firmly whether or not we are going to face another two protracted conflicts. However, there is some reason to think they will enrich the list. The Crimea is the easier to understand and address. The Russian Federation memorably lost all the territory it had gained over more than three centuries with the end of the Soviet Union, so it pursued revanche and demonstrated it could regain a certain part of the former domain. The territory is symbolic for three reasons: until 1954 it belonged to the Russian Soviet Socialist Republic; a majority of its population is Russian; and as it was the best-known holiday resort in the Soviet Union, every Russian citizen has an image of it.

The Russian Federation had no reason to claim that the Russian population was discriminated against or in any other manner badly treated. Due to the change of power in Kiev, Russia was rightly concerned that it would not have access to the "home" of the Russian Black Sea fleet as the new leadership in Kiev would terminate the underlying Kharkiv agreement. The territorial change was legitimized by a referendum on 16 March 2014, when more than 96.77 per cent of those who cast a ballot voted in favour

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[9] Quoted by Leonid Litra, "Repercussions of the Ukraine crisis for Moldova", 16 July 2014, available at: http://iwp.org.ua/eng/public/1176.html

of joining the Russian Federation.[10] No international organization monitored the referendum, which was later contested on this basis. The change of sovereignty over the Crimea violated various rules of international law, and I shall focus on those that are specific to the case. In December 1994, on the margins of the Budapest CSCE Summit, the Russian Federation, Ukraine, the United Kingdom and the United States signed the Budapest Memorandum on Security Assurances Provided to Ukraine. Accordingly: "The Russian Federation, the United Kingdom of Great Britain and Northern Ireland and the United States of America reaffirm their obligation to refrain from the threat or use of force against the territorial integrity or political independence of Ukraine, and that none of their weapons will ever be used against Ukraine except in self-defence or otherwise in accordance with the Charter of the United Nations."[11] The Russian Federation and Ukraine signed an agreement on the status of the Russian Black Sea fleet in 1997 and extended it in 2010, in the so-called Kharkiv Pact. According to the latter's most relevant paragraph: "Military formations carry out their activity at stationing locations in accordance with Russian Federation legislation, respect Ukraine's sovereignty, abide by its legislation, and do not allow interference in Ukraine's internal affairs."[12] Irrespective of how much the change of sovereignty violated international law, I find it extremely unlikely that the territory could change hands again and return to Ukraine. However, the perpetuation of this situation will provide an opportunity to various players to increase or reduce tension between Russia and Ukraine, as well as Russia and the West, any time they see it fit. It can legitimize those limited sanctions that were introduced due to the Crimea.

The conflict in the Donbass is of a different nature: the area is ethnically mixed and the effort of the Russian-backed separatists had a less clear objective. It was clear that Russia miscalculated both the unity of

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[10] For a detailed account of my views see Pál Dunay, "Kosovo 1999 and Crimea 2014: Similarities and differences", Connections, No. 4, Vol. 14 (2015), pp. 57–68.

[11] UN General Assembly and Security Council, "Memorandum on Security Assurances in Connection with Ukraine's Accession to the Treaty on the Non-Proliferation of Nuclear Weapons", UN Doc. A/49/765, S/1994/1399, 19 December 1994.

[12] Quoted in Eric Posner, "The 1997 Black Sea Fleet Agreement between Russia and Ukraine", ericposner.com (blog), 5 March 2014, available at: http://ericposner.com/the-1997-black-sea-fleet-agreement-between-russia-and-ukraine/

Ukraine and the resolve of the West not to accept the further undermining of Ukraine's territorial integrity. In the end, Russia now seems to seek a face-saving compromise. It would like to achieve some special status for the separatist region while it remains under Ukrainian sovereignty. This would reduce the costs for Russia, as it would not be obliged either to finance the region indirectly or contribute to rebuilding it from ruins. It would also help Russia get rid of at least some of the sanctions introduced by the West (and reciprocated by Russia). Last but not least, and this may be even more important for Moscow in the long run, it will have some influence on Kiev through the way the Donbass is "governed", as the Kremlin can switch on and off complaints against the government of Ukraine by those who govern the Donetsk and Luhansk areas locally.

What has happened in Ukraine since 2014 leads back to one conclusion. The German foreign minister was correct when he raised the question: "we should ask ourselves … whether we have overlooked the fact that it is too much for this country to have to choose between Europe and Russia".[13] The idea of Western engagement without a clear and sustainable exit strategy has resulted in a situation that burdens every actor with an interest in the region.

The Role of Institutions in Managing Protracted Conflicts, with an Emphasis on the OSCE

As intra-European conflict emerged between the Russian Federation and a large group of states, including not only EU and NATO members but also Ukraine, it was clear that the main European and Euro-Atlantic institutions fell into different categories. Those organizations of which the main protagonist, the Russian Federation, was not a member could not be regarded as mutually acceptable forums of conflict management. As they could be involved in influencing the conflict only by the co-operative and collective actions of those of their members that had a stake in it, only those organizations that included all interested parties among their members could contribute to the conflict's management.

[13] Frank Walter Steinmeier, speech, 17 December 2013, available at: www.canada.diplo.de/Vertretung/kanada/en_pr/2013/steinmeier-antritt/steinmeier-atrittsrede.html. Quoted in Rilka Dragneva and Kataryna Wolczuk, Ukraine between the EU and Ukraine: The Integration Challenge (Basingstoke: Palgrave Macmillan, 2015), p. 3.

The Council of Europe soon disqualified itself by Russian alienation. One may conclude that this alienation was “pre-programmed” due to the organization’s heavy emphasis on human rights and democratization. Moscow clearly resented this, while it pursued an agenda that was increasingly distant from that of the organization. I think, however, that there is a more complex and perhaps largely invisible reason behind this alienation – namely that the Council of Europe has “paid a price” for being a narrow-agenda organization. When human rights and fostering democratic transformation were forced off the shared agenda, there was nothing to replace them. The Council of Europe could contribute to conflict management in no other way. This provides us with what may be a valuable lesson in terms of the disadvantages of narrow-agenda organizations.

Russia has found it unacceptable for NATO to get involved in the management of the protracted conflicts. In some cases the conflicts, and Russia’s involvement in them, were underlined by Moscow’s reluctance to accept that any state of the former Soviet Union would join the alliance. At least the 2008 phase of the Abkhazia and South Ossetia conflicts was due to this. In the current Ukraine conflict NATO played three roles: it deterred the Russian Federation from taking further irresponsible steps and escalating the conflict; it reassured those NATO member states that perceived themselves to be most exposed to the threat; and it suspended co-operation while leaving the door open for communication with Moscow.[14]

The EU introduced sanctions on Russia due to both the Crimea and the Donbass conflicts. Although this has resulted in losses for the EU economies, they have been upheld and regularly extended. With the expected termination of the conflict in the Donbass there is hope that sanctions will be scaled back, as this is in the mutual interest of all, including Russia, which will meet the requirements with some hesitation and occasional slips.

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[14] There is reason to assume that the working-level co-operation between NATO and Russia will be gradually re-established during 2016, similarly to what happened after the Kosovo war of 1999 and the Georgia–Russia war of 2008. Of course, it had to happen gradually, first on working level and then also on higher one. The restarting of meetings of the NATO-Russia Council on ambassadorial level in spring 2016 gave indication that NATO needed Russia as a cooperation partner. As this does not happen for the first time, there is a certain pattern to observe that events follow. This reduces the symbolic value of the interruption of interaction due to Russian or NATO ”missteps”, be it Kosovo and Iraq on one side or Georgia and Ukraine on the other.

The OSCE used to play some role in managing the protracted conflicts. There are indications that the OSCE community, including the chair countries, have become more realistic and are waiting for better times. The Swiss chair of 2014 noted that it may be too ambitious to seek settlement of the protracted conflicts, or some of them, during its tenure.[15] This realistically reflected that Switzerland did not expect to achieve a breakthrough in any of them. A recent study by the OSCE Network gives a similar impression when it concludes that the "OSCE should focus on preventing the re-ignition of armed hostilities in all of these conflicts and should make an effort to provide fresh impetus for the Nagorno-Karabakh peace negotiations in the OSCE Minsk Group".[16] This also reflects realism.

The German chair that started its work in January 2016 raised the barrier and has presented a more ambitious agenda on protracted conflicts. As the chair in office (CiO) put it: "We … want to work on settling those conflicts in the OSCE area that are still unresolved. For far too long, they have been causing human suffering and hampering development in the countries and regions affected. It's important that we don't simply accept these conflicts."[17] The CiO addressed the Ukraine conflict separately, and gave the impression that he had high hopes of achieving a breakthrough there.

Every protracted conflict has its dedicated mechanism. In Moldova the OSCE was one of the parties in the multilateral mediation process and also has a presence in the field. The OSCE also played an observer and facilitator role in Nagorno-Karabakh, but this conflict is the furthest away from any kind of resolution, or even noticeable long-term stabilization. The related OSCE mechanisms produce no result. The three chairs of the Minsk Group form an entity with some intimacy but without impact. The personal representative of the CiO on the conflict, dealt with by the OSCE Minsk Conference (as the Nagorno-Karabakh conflict is called, since it extends to

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[15] Didier Burkhalter, "Into the Swiss chairmanship: Seizing opportunities to create a security community for the benefit of everyone", address to Special Meeting of the OSCE Permanent Council, Vienna, 16 January 2014, pp. 5–6/9, available at: www.osce.org/pc/110326

[16] Teija Tiilikainen (ed.), Reviving Co-operative Security in Europe through the OSCE (Vienna: OSCE Network of Think Tanks and Academic Institutions, 2015), p. 24, available at:http://osce-network.net/file-OSCE-Network/documents/Reviving_Co-operative_Security_in_Europe_through_the_OSCE_web.pdf

[17] Dr Frank-Walter Steinmeier, "Renewing dialogue, rebuilding trust, restoring security", speech to the OSCE Permanent Council, Vienna, 14 January 2016, CIO.GAL/2/16/Corr.1, 15 January 2016, p. 4, available at: www.osce.org/pc/216716?download=true

some adjacent areas as well), will soon celebrate his twentieth anniversary in office – certainly with valuable knowledge and insights, but maybe with less transformational impact than one could hope. The situation is so clearly dissatisfying that the new CiO politely mentioned in his speech that these "efforts have to be stepped up".[18] Whether a resolution to this conflict, where one of the parties is clearly satisfied with the status quo, will be achieved in any reasonable period of time remains to be seen.

In the conflict related to Georgia's territorial integrity, after the war of 2008 a new forum was established. The Geneva International Discussions represent a mediation effort to reduce some of the adverse human consequences of the separation. It has achieved some minor technical successes, like the withdrawal of Russian troops from the Georgian village of Perevi. However, on bigger matters, like preventing the termination of the UN and OSCE missions to the separatist regions, it remains unsuccessful. Those who participate in these processes may appreciate their own role more than history will.

The OSCE, an organization that dozed through the last two decades, was reactivated when the Ukraine conflict started. In spite of Moscow's frequent expressions of dissatisfaction with the OSCE in recent decades, including its initiative in 2008 to shut down the organization and replace it with something else, the Russian Federation began to see the advantages of the OSCE as the Ukraine conflict unfolded. Previously, particularly around 2004–2005, there were two major reasons for Russia's dissatisfaction: the organization's emphasis on the humanitarian dimension, and its involvement in fostering the so-called colour revolutions within some states of the former Soviet Union. Its extra-budgetary projects were allegedly intended to help carry out regime change. Although the OSCE was not singled out as the only "guilty party", it was nonetheless Russia's conviction that the colour revolutions were externally orchestrated and facilitated. The Russian Federation wanted to restart the European international institutional order, in an effort that was apparently not successful. In light of recent developments, however, it may not regret this after all. The OSCE was available when needed to address the Ukraine conflict.

Three main factors may be identified behind this reassessment of the role of the OSCE. The OSCE is an organization with a broad (even very

[18] Ibid., p. 4.

broad) agenda that can flexibly address complex security problems and their repercussions. It is an organization that is relatively weakly institutionalized, and thus one in which decisions are in the hands of the participating states, which essentially control its activities. Finally, the decision-making of the OSCE is consensus-based, with all 57 participating states having equal power, *de jure*. All three of these factors are favourable to debating and trying to settle a conflict such as Ukraine, with so many aspects ranging from politico-military to humanitarian and economic. When Western institutions confront the Russian Federation to deter Russia, or apply economic sanctions to indicate the dissatisfaction of the majority of their members in the hope that Moscow as a rational actor will change its behaviour, it is the OSCE that can continue as the preferred platform for establishing multilateral institutional co-operation. It is this that has newly demonstrated the value of the OSCE after nearly two decades of relatively low visibility.

The OSCE's contribution has consisted of a broad array of activities that serve as examples for conflict management in future as yet unpredictable scenarios. The OSCE's regular forums have continued to complement diplomatic exchanges through alternative channels. It has become clear that three participating states have been particularly active – the two conflicting parties, Russia and Ukraine, and the United States – while EU member states have remained more reserved, not being in full agreement on how to assess the situation. This has demonstrated how difficult it is to achieve unity among EU members on such a divisive matter as a conflict in their own neighbourhood. The OSCE has also contributed to the dedicated management process established between the conflict parties. The so-called Minsk process (which has nothing to do with the Minsk Conference and Minsk Group mentioned above) was extremely important, as it provided a forum where representatives of the non-state actors – the separatists or *opolchentsy* – could interact with representatives of the involved states, first and foremost with the government in Kiev. Four high-ranking OSCE envoys, with certain similarities and differences, were rotated in the role of special representative of the CiO in Ukraine.[19] The

[19] Ambassadors Tim Guldimann (from Switzerland, a veteran of the OSCE and ambassador of his country to Germany), Wolfgang Ischinger (Germany, former ambassador of his country in Washington and London and head of the Munich security conference), Heidi Tagliavini (Switzerland, formerly head of both OSCE and UN missions and author of the EU report on

most important quality needed by someone in this role has turned out to be a certain regional sensitivity and knowledge of the intriguing environment of the post-Soviet space, rather than of the inner workings of the OSCE. Two of these envoys met this requirement. Even though the role is one of observation rather than mediation, it has special challenges as it contributes to mitigating the negotiating environment and presenting the OSCE with an objective picture of the complex situation.

The OSCE has developed into the main institution for managing the Ukraine conflict. This has demonstrated the necessity for some inclusive institution that cannot be labelled as discriminatory and thus provides the parties with no additional excuse. Another lesson, however, is that within the framework of the institution some smaller dedicated body must emerge comprising those that play the primary roles in both the conflict and its management.

It is symptomatic of the new, non-Cold War re-division of Europe that institutions which (unlike the OSCE) do not have comprehensive membership can play no other role than either diplomatically reassuring one party and coercing the other (the EU), or militarily backing one party and deterring the other (NATO). As the current division continues to have certain limited co-operative elements, this may constitute an example for the future. A mixture of conflict and co-operation, rather than a fully co-operative or unambiguously adversarial relationship, will likely continue to characterize European security into the future. It is only the relative proportions of these elements that will change. Hence we will have to continue to live with this kind of ambiguity, or shades of grey.

Conclusions

The pending so-called protracted conflicts no longer have prohibitive repercussions for the OSCE. Even though their existence continues to interfere with some OSCE activities and draw on the limited resources of the organization, it does not result in blocking the acceptance of documents at Ministerial Councils, unlike 10–15 years ago. The Euro-Atlantic area may well be able to live with the protracted conflicts, including those that have been “frozen” following the change of the territorial status quo.

the Russia–Georgia war of 2008) and Martin Sajdik (Austria, former ambassador of his country to China and then to the United Nations in New York).

Irrespective of the efforts made to resolve these conflicts, this does not seem likely due to the fact that in practically every conflict there are parties on the ground or further afield that may find the current status quo preferable and feel that time works in their favour. In some cases this is based on misperception, as in case of Armenia, which is gradually losing a lot due to its isolation. In other cases, like those of the Russian Federation in Moldova, Georgia and Crimea and Azerbaijan in Nagorno-Karabakh, spoiling any resolution may contribute to broader national political agendas.

The OSCE may well be a contributor to resolution of the conflict in the Donbass and then become a major player in post-conflict peacebuilding. But any forthcoming success should not make the organization self-satisfied, as several other conflicts continue to wait for resolution.

It is possible to draw a lesson from the current conflict in Ukraine. Superimposing geopolitical rivalry on protracted conflicts is an ill-advised idea. It has resulted in nothing more than so-called rear-end collision situations (even if it does not appear as a textbook case), where the rising and declining powers both believe that a delay results in less favourable conditions for them. Hence we add new conflicts to those that have been with us for decades. This predictable volatility has been on the rise, and resulted in one new conflict that none of the external players may be able to sustain or afford. Fostering internal development in (real and potential) conflict zones may well be wiser than looking to launch mutually exclusive ideas.

Let me call attention to two factors here. First, the value and effect of the OSCE are significantly linked with its field presence. It may be for this reason that whenever a participating state wants to "punish" the OSCE, it either initiates the closing of the field presence on its territory (like Azerbaijan in 2015) or blocks the field presence on the territory of another participating state (like the Russian Federation after the Georgia–Russia war). In other cases the field presence is reduced to just a project co-ordinator's office to make it more exposed to the host state's behest. I do not think it necessary to emphasize how irresponsible such behaviour is, as it deprives the OSCE community of influence, insight and reliable information. Secondly, no protracted conflict has been resolved to the extent of removing the conflict sources. At best some conflicts were frozen,

providing for negative peace (Abkhazia, South Ossetia, Crimea). Hence there is reason to conclude that the OSCE has been contributing to conflict management but not to conflict resolution. If the list of protracted conflicts is only getting longer with time, there is not much reason to be complacent.

The long-term thinking is not so sophisticated that it would remain *Ding an sich*. It demonstrates the absence of strategy. Launching processes and then losing control over them is irresponsible. Engaging in processes without any exit strategy is similarly ill fated. Last but not least, if we change the level of analysis it may also be important to take into account that we live only once, and the same applies in zones of protracted conflict.

Renewing dialogue, rebuilding trust, restoring security

Speech to the OSCE Permanent Council, Vienna 14 January 2016

Frank-Walter Steinmeier
Chairperson-in-Office

I am pleased to be speaking to you today for the first time in my capacity as Chairperson-in-Office of the OSCE and to present the programme for the German Chairmanship.

We had organised a lively event in Berlin for the day before yesterday to mark the launch of this special year. We had arranged performances and discussions and invited writers, musicians and intellectuals from all over our large OSCE area to take part. And then? Then a murderous terrorist attack in the heart of Istanbul claimed the lives of ten Germans on Tuesday morning. Many more people were injured. I had to leave our opening ceremony to attend a special meeting of the cabinet.

This terrible attack showed us that the cancer of terrorism does not spare anyone. This form of barbaric and cowardly murder poses a threat to all the OSCE states and beyond. We in the OSCE stand resolutely side by side with Turkey.

We firmly believe that we must not allow ourselves to be intimidated by murder and violence. On the contrary, we will increase our resolve to tackle terrorism together at all levels. This includes our conflict de-escalation endeavours, the deployment of the police, the use of the rule of law and efforts to overcome murderous ideologies in young people's minds.

To this end, the OSCE is already active in many areas and we have to show determination in maintaining this commitment.

We are taking on the OSCE Chairmanship in stormy times, as can be seen in the attack in Istanbul, the crises in the Middle East and the conflict in eastern Ukraine.

I firmly believe that we need the OSCE during these stormy times and these times of uncertainty and new challenges in particular. We need an OSCE that has clearly defined goals and a compass to guide it!

This compass, our common compass, is formed by the canon of principles and commitments to which we all signed up in the Helsinki Final Act, the Charter of Paris and the Astana Final Document.

In 1990, at the first CSCE summit following German reunification, the host François Mitterrand summed it up extremely well:

> *“The CSCE remained the only place, during the years of the Cold War, where dialogue among all could be initiated and pursued. As a result it has become a rallying point, the centre of a debate which bears within itself the future of Europe and to a large extent the future of peace. (...) The method has proved its worth. Let us keep it. The principles remain, let us apply them.”*

There is no doubt in my mind that we need to build on these methods once again, particularly because the conflicts in the OSCE area have seriously undermined trust and security. The principles and commitments – in all three dimensions – are and will remain valid. Taken together, they form the foundations for peace and security in Europe.

That is why renewing dialogue, rebuilding trust and restoring security are our priorities for this year.

And the same goes for our programme as it does for the future of the OSCE and of peace in Europe: merely talking about the importance of dialogue and trust will not get us anywhere – we need actual dialogue and concrete steps to build confidence. What we don’t need is dialogue about dialogue – we need a dialogue that cannot and does not want to hide the fact that key OSCE commitments were and are being broken – for example, in Crimea and eastern Ukraine. We need a dialogue that does not ignore the shortcomings in implementing our principles and commitments. We need a dialogue that names the difficulties and challenges, but also works towards solutions. We want to do everything we can to facilitate such dialogue during our Chairmanship. And to this end, we will need to answer three questions honestly:

- What contribution is each of us prepared to make in order to return to constructive dialogue and real security?

- Will we succeed in finding our way back to a constructive approach in all three dimensions in order to re-establish the foundations for common security and to make real decisions when they are actually needed and not only at the end of a Chairmanship? This would significantly increase the OSCE's political importance.
- And finally, how can we increase dialogue and discussion among political leaders once again?

We will only be able to answer these questions together.

The discussion with colleagues in Belgrade in December left me feeling optimistic, as it showed that there is a willingness to conduct dialogue and to discuss political topics and fundamental issues of European security.

We should make use of the momentum from Belgrade on both the political and civil-society level, for example to explore the questions in the report by the Panel of Eminent Persons in greater depth.

Ladies and gentlemen, in Belgrade, I also called for the willingness to compromise. And I am very grateful to all of you for your role in approving the budget for 2016 in the final hours of last year. In doing so, all of us showed our commitment to making the OSCE able to act, and you lent us momentum for our Chairmanship. We want to continue using this momentum.

Ladies and gentlemen, the conflict in and on Ukraine has dominated the OSCE agenda for two years now. Foreign Minister Klimkin's presence here today underlines this. Pavlo, many thanks for coming!

The Ukraine conflict shows us two things very clearly – how urgently we need the OSCE and that we need to strengthen its capacities.

Over the past year, there was significant progress as regards military de-escalation and the withdrawal of weapons. I am relieved that monitoring by the SMM shows that the ceasefire is being observed to a greater extent since the end of 2015.

But at the same time, the SMM is still reporting clashes almost every day. All sides must now observe the ceasefire strictly. Every shot fired and every person injured is too much! And the SMM observers must finally be granted unrestricted access to the entire conflict zone – without threats, intimidation or exceptions!

All sides must also take the other steps towards the complete implementation of the Minsk agreements without delay. At the meetings of the Trilateral Contact Group and the working groups in Minsk, headway has been made on a difficult but now sustainable political process. And I say very clearly here that there is no alternative to this process. I would like to thank Ambassador Sajdik and the chairpersons of the working groups for their hard work. Along with our French colleagues, we remain firmly committed to supporting this process and conducting mediation efforts in the Normandy format.

The SMM observers have been deployed for almost two years now. Six hundred and sixty observers from 46 OSCE countries ensure that we have an objective picture every day of the state of play as regards the ceasefire and the withdrawal of heavy weapons. The Observer Mission at the Russian checkpoints adds to this picture – although unfortunately not to the extent I would welcome because of its restricted mandate.

I would like to thank Ambassador Apakan and all those involved in both missions for their hard work, which often takes place under harsh and dangerous conditions. I would also like to thank all those who support the SMM by providing staff, technical equipment or funding. The SMM needs our full support. Decisions on the extension of its mandate and on a new budget will be made soon. I am convinced that the mandate has proved its worth and forms a good foundation for the SMM's work in the future. Let us thus bring the negotiations to a swift conclusion and also prove the OSCE's ability to act here.

Ladies and gentlemen, we also want to work on settling those conflicts in the OSCE area which are still unresolved. For far too long, they have been causing human suffering and hampering development in the countries and regions affected. It's important that we don't simply accept these conflicts.

In a difficult environment, we're striving to bring about realistic steps forward in the Transdniestria conflict. Our goal remains to find a comprehensive settlement which recognises the sovereignty and territorial integrity of the Republic of Moldova and grants special status to Transdniestria.

In the Southern Caucasus, it's encouraging that – despite all the difficulties – there was more discussion on issues of practical cooperation during the last rounds of the Geneva talks. This momentum must continue.

We want to underpin the work done in Geneva with confidence-building and humanitarian measures. For restrictions on freedom of movement have a very concrete impact on people's lives in Georgia.

In the Nagorno-Karabakh conflict, Germany will – as holder of the OSCE Chairmanship and as a member of the Minsk Group – support the efforts of the co-chairs to reach an agreement on resolving the conflict. These efforts have to be stepped up. We're concerned about the situation at the contact line and at the border between Armenia and Azerbaijan. De-escalation continues to be the primary goal. That's why we support the co-chairs' initiative to create a mechanism to investigate violations of the ceasefire.

Ladies and gentlemen, if these conflicts are to be resolved, if the consequences are to be contained and the security situation on the ground improved, then we will need a strong OSCE with strong field missions. Not only in the regions mentioned but also in the countries of Central Asia and the Western Balkans, the missions – supported by the Secretariat – are doing valuable work.

The posts in the Secretariat established within the framework of the new budget – important as they are – will not be enough to bolster the OSCE.

Let us continue to work on strengthening the OSCE's capabilities in the entire conflict cycle – from early warning to conflict prevention, from crisis management to post-conflict peacebuilding. As stated in our programme, we want to deal with these issues within the framework of a structured dialogue process here in Vienna. Furthermore, we intend to work hard on making progress towards ensuring that the OSCE acquires a legal personality under international law.

Ladies and gentlemen, confidence- and security-building measures, as well as conventional arms control, are among the core issues affecting security in Europe. At a time of dangerous incidents, we have to try and avoid misjudgements and unintentional escalation. Since 1990, the CFE Treaty, the Open Skies Treaty and the Vienna Document have gone a long way to making our continent safer. We shouldn't keep calling this regime into question but – especially in the case of the Vienna Document – boldly tackle the modernisation envisaged for 2016. To this end, we've already put forward proposals which provide a constructive basis for the discussion. We

also want to strengthen the Open Skies Treaty. We will again procure a national observation aircraft. That will ensure that Germany will soon be able to play an even more active role in the implementation of this Treaty.

Ladies and gentlemen, frank discussions on how we want to tackle the challenges facing us all is part of a new culture of dialogue in the OSCE. I'm thinking here of issues relating to terrorism. At a special conference, we want to examine this issue and look in particular at the radicalisation of young people.

But I'm also thinking of migration. Especially here, we should make use of this organisation's potential. Its geographical span and comprehensive approach make it a suitable vehicle. It's a good forum for discussion and exchange. And it's the right place to look at the social impact of migration and immigration – with a special focus on tolerance and non-discrimination. This very issue will therefore be the subject of a conference in Berlin which we are planning to hold in the autumn.

Ladies and gentlemen, respect for human rights, democratic governance – these are integral components of our joint security.

Questioning this would mean discarding what was achieved in Helsinki, Paris and Astana. In the human dimension, we have established the OSCE's own independent institutions – ODIHR, the High Commissioner on National Minorities and the Representative on Freedom of the Media. I hoped that the importance of these institutions would be reflected somewhat more in the OSCE budget. We will work closely with all three and are planning joint events.

We should quickly appoint a new Representative on Freedom of the Media, now that it's time for Dunja Mijatovic – whom I'd like to thank for her excellent work – to relinquish this post.

During our Chairmanship, we want to place special importance on improving the implementation of existing obligations in all OSCE states. This expressly includes my own country. Germany will therefore – just like Switzerland and Serbia before us – submit to an independent evaluation which will assess the implementation of OSCE commitments in our country and to which civil society can contribute comments.

We're fully committed to the concept of security – initiated in Helsinki and confirmed by all of us in Astana – which links the maintenance of peace to the respect of human rights and fundamental freedoms. This

commitment is our shared achievement and thus a legitimate concern of all participating States.

Ladies and gentlemen, we want, indeed must, look beyond the OSCE area in our work – for instance, to our partner states in the Mediterranean and in Asia. The joint conference with our Mediterranean partners in Jordan last October showed that the view from the outside, as well as the view outwards, can benefit our work.

It's equally important that we look inwards – to our own societies. Including academia and civil society is vital. We have to make use of the social power of culture. We made that clear at our opening event in Berlin the day before yesterday.

As holder of the Chairmanship, we want to help ensure that the dialogue between our societies doesn't break down – especially at a time when the political situation is difficult.

Economic exchange can also help build confidence. At a business conference in Berlin in May we therefore want to hear from companies how, in their view, we can improve connectivity in the OSCE area in a sustainable manner. I'm thinking here of infrastructure, transportation routes, border and customs procedures, as well as digital networks and the strengthening of good governance.

Ladies and gentlemen, the tasks ahead of us are considerable. In order to renew dialogue, in order to rebuild confidence and to restore security, we need energy, perseverance and firm adherence to the OSCE's principles.

It cannot be enough for us to simply manage the past of an organisation so steeped in history. We have to use our OSCE, here and now, to create a future in which war and violence in Europe once again become unthinkable. I therefore call on you: let's not cling to the old platitudes and certainties. Rather, let's work together to resolve the new issues which are now facing us.

I'd like to thank the preceding Chairmanships – Serbia and also Switzerland – for our intensive cooperation. And I'm looking forward to welcoming Austria as a new member of the troika. I'd also like to expressly thank the Ambassadors of Romania, Greece and Finland, who will be supporting our work as the chairs of the three committees.

Assuming the OSCE Chairmanship is a great responsibility. I intend to make every effort to warrant the trust that you have placed in us. Now we all want to set course for the Ministerial Council in Hamburg. I'm looking forward to our journey together.

European Security – The Future of European Security

Hans-Joachim Spanger
Member of the Executive Board, Peace Research Institute

History returns to Europe

When the Ukrainian crisis unfolded in 2014, there was broad consensus that any new division of Europe should – and at least implicitly could – be avoided.[1] Since then, however, it has become clear that a return to the status quo ante as enshrined in the Paris Charter of 1990 is no longer realistic in the short and medium term. The "whole and free" common European home has become a thing of the past,[2] replaced by a confrontation between Russia and the West that is reminiscent of the Cold War – but both sides lack the experience and mechanisms of managing such a confrontational relationship. Thus even in the absence of many essential traits of the Cold War (such as the ideological antagonism, the

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[1] This was officially declared by both sides. Foreign Minister Lavrov ("We hope the 'safety net' that has been created over the years will prove strong enough and will enable us not only to restore the pre-conflict status quo, but also to move forward"), interview in El Pais, 17 September 2014, available at http://on-planet.ru/policy/2400-tochka-nevozvrata-v-otnosheniyah-s-zapadomesche-ne-proydena.html; Foreign Minister Steinmeier ("Die Krise ist tief, das Risiko einer neuen Spaltung Europas alles andere als gebannt. Ich kann nur davon abraten, unsere historischen Erfahrungen über Bord zu werfen ... Die gegenwärtige Krise zeigt, dass eine in Jahrzehnten aufgebaute und scheinbar tragfähige Sicherheitsarchitektur der ständigen Absicherung und Erneuerung bedarf"), interview in Die Zeit, 17 September 2014, available at www.zeit.de/2014/17/russland-ostukraine-frank-walter-steinmeier/seite-3

[2] Igor Ivanov, for instance, recently cautioned that "nothing could be worse than to continue to persuade ourselves that not everything is lost, that the problems will somehow go away and European politics will get back on track along which it was rolling for the past quarter century". Igor Ivanov, "The sunset of Greater Europe", Russian International Affairs Council, 16 September 2015, available at http://russiancouncil.ru/en/inner/?id_4=6564#top-content

global reach and the nuclear stand-off), the current situation in Europe may in many respects be even more dangerous – at least more so than in the final 20 years of the Cold War.[3] In light of this, it is no accident that "peaceful co-existence", the catchphrase of the détente period, is yet again gaining currency – at least among those pundits in the East and West who want to turn the tide.

But what does "peaceful co-existence" actually mean under current circumstances; what does it require, and how can it be transformed into a more amicable relationship? Originally the phrase implied competition without war, living side by side without undue interference, thus ruling out any convergence between the competing political systems.[4] But peaceful co-existence necessarily entailed a rapprochement of the opposite blocs, an approach that was represented in the German Ostpolitik's paradigm of "change through rapprochement", which essentially meant that to produce a change in the confrontational attitude of the opposite side (and facilitate a relaxation of the human burden that accompanied the confrontation) one had to build trust.[5] In other words, there are lessons to be derived from the world's previous experiences with "peaceful coexistence" – lessons that are all the more pertinent as it is currently wholly unclear what might conceivably replace the "common European home", and there are not even any discernible contours for a new structure or paradigm. But before trying to determine a remedy for the current situation, one must first consider possible diagnoses for the crisis. Moreover, it is important to note that, although this paper aims to be as analytically balanced as possible, any prescriptions made here will inadvertently imply a Western bias, as they are

[3] This is said in spite of the perception of the time that the Soviet war in Afghanistan, the deployment of intermediate-range nuclear weapons on both sides and the advent of Ronald Reagan at the beginning of the 1980s had led to a Cold War within the Cold War, i.e. a marked rise in tensions after the heydays of détente in the 1970s.

[4] Irrespective of the concurrently emerging academic theories of convergence.

[5] It did not, however, entail regime change, as ill-informed pundits misconstrued Egon Bahr's 1963 concept after the Cold War. See Hans-Joachim Spanger, "Kooperation tut not! Wider die Blindheit der Putin-Feinde", Osteuropa, 63(7): 169–178, 2013.

not only conceived from a Western perspective but also address primarily a Western audience.

Competing Explanations of the European Crisis

There are essentially two explanatory narratives that represent the most prominent strands of thinking about the crisis in and around Ukraine, and thereby about European security.[6] In the dominant Russian perception the Ukrainian crisis is not a cause of but the effect of current confrontations: it grew out of an East–West relationship that had been deteriorating for quite some time and for which the West is said to bear prime responsibility. The most obvious examples, repeatedly invoked by Moscow's political class and not least by the president himself, include not accepting Russia as an equal in international affairs, disregard for Russian vital interests, undue democratic lecturing, the military alliance approaching Russian borders, and not least Western uneasiness with – and resistance to – the global power shift.[7] According to this view, Russia's actions in Ukraine were taken either with a view to changing the international order (the offensive variant) or in self-defence, even if the measures were disproportionate. In the West this view is currently shared by most academics of the realist school, notably John Mearsheimer.[8]

[6] The final report of the OSCE Panel of Eminent Persons represented the diverging interpretations equally. See "Back to diplomacy. Final report and recommendations of the Panel of Eminent Persons on European security as a common project", OSCE, November 2015, available at www.osce.org/networks/205846?download=true

[7] The last point was raised by, for instance, Foreign Minister Lavrov on the "Day of the Diplomatic Service" in 2015: "Our position provokes dissatisfaction and anger among those who, irrespective of the objective drive towards the formation of a multipolar world, keep being obsessed by their own uniqueness" (Vystuplenie na torzhestvennom vechere po sluchayu Dnya diplomaticheskogo rabotnika), International Affairs, 12 February 2015, p. 10, available at https://interaffairs.ru/virtualread/lang/rus

[8] He bluntly stated: "The taproot of the trouble is NATO enlargement, the central element of a larger strategy to move Ukraine out of Russia's orbit and integrate it into the West. At the same time, the EU's expansion eastward and the West's backing of the pro-democracy movement in Ukraine – beginning with the Orange Revolution in 2004 – were critical elements, too … The West's final tool for peeling Kiev away from Moscow has been its efforts to spread Western values and promote democracy in Ukraine and other post-Soviet

In the prevailing Western perception, however, it was the events in and around Ukraine that provoked the crisis, notably Russia's actions in Crimea and the Donbass. This diagnosis also looks further back, emphasizing the authoritarian transformation of the Russian polity that started around 2005 and has gathered speed since 24 September 2011, when Putin decided to return to the helm of the state. The resulting frustration in the West gave rise to the assumption that the very nature of the regime makes it inherently aggressive – for the sake of generating public consent and securing the regime's hold on power. In this view, Russia's intervention in Ukraine is meant either to prevent the Euromaidan virus from spreading east or to ensure that the resurrection of Russia's dominant role on the territory of the former Soviet Union is not derailed by Ukraine defecting to the West. Among Western academics this view is mostly shared by those who subscribe to liberal and constructivist approaches, notably Michael McFaul.[9]

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states, a plan that often entails funding pro-Western individuals and organizations." John J. Mearsheimer, "Why the Ukraine crisis is the West's fault. The liberal delusions that provoked Putin", Foreign Affairs, September/October 2014, available at: www.foreignaffairs.com/articles/russia-fsu/2014-08-18/why-ukraine-crisis-west-s-fault

[9] McFaul has been no less blunt than Mearsheimer, and on various occasions assembled all the relevant arguments: "The decision by President Vladimir V. Putin of Russia to annex Crimea ended the post-Cold War era in Europe … Our new era is one defined by ideological clashes, nationalistic resurgence and territorial occupation – an era in some ways similar to the tragic periods of confrontation in 20th-century Europe … We did not seek this confrontation. This new era crept up on us, because we did not fully win the Cold War. Communism faded, the Soviet Union disappeared and Russian power diminished. But the collapse of the Soviet order did not lead smoothly to a transition to democracy and markets inside Russia, or Russia's integration into the West … Also, similar to the last century, the ideological struggle between autocracy and democracy has returned to Europe. Because democratic institutions never fully took root in Russia, this battle never fully disappeared. But now, democratic societies need to recognize Mr. Putin's rule for what it is – autocracy – and embrace the intellectual and normative struggle against this system with the same vigor we summoned during previous struggles in Europe against anti-democratic governments." Michael McFaul, "Confronting Putin's Russia", New York Times, 23 March 2014, available at www.nytimes.com/2014/03/24/opinion/confronting-putins-russia.html. See also his reply to Mearsheimer: Michael McFaul, "Faulty powers. Who started the Ukraine crisis?", Foreign Affairs, November/December 2014, available at www.foreignaffairs.com/articles/eastern-europe-caucasus/2014-10-17/faulty-powers

At their most extreme, the two competing explanations amount to political prescriptions that are clearly non-workable: the Russian version ultimately calls for overcoming the established international hierarchy by dismantling NATO (among others), and the Western view would require overcoming the Putin legacy by means of a regime change. Each narrative is supported by concrete evidence, so both perspectives can be accorded some measure of plausibility. Their consequences for Western policy, however, are vastly different. The latter advocates containment and deterrence, and insists on Russia reversing its interventionist course in Ukraine as a precondition for any meaningful dialogue and rapprochement. The former, by contrast, calls for engagement and cooperative efforts, thus addressing both sides and the need to devise what has allegedly proved defunct – an inclusive European security order. If, however, the diagnosis of the current crisis can be conceived of as containing complementary elements, it makes sense to devise a response to the crisis that tries to combine these prima facie incompatible perspectives.

Congagement

A strategy that tries to reconcile the competing prescriptions of "containment" versus "engagement" might be labeled "congagement".[10] This term and its related concept were developed by the RAND Corporation in 1999 and applied to rising China. It rests on the hope for continuously benign development of China on the one hand, and the need for precautionary measures in case of disruptions and a Chinese turn to revisionism on the other. It tries to engage China both in international organizations and by means of economic exchange, to encourage economic and political progress while turning the country into a "responsible

[10] See for greater detail Matthias Dembinski, Hans-Joachim Schmidt and Hans-Joachim Spanger, "Einhegung: Die Ukraine, Russland und die europäische Sicherheitsordnung", HSFK Report No. 3, Frankfurt, 2014. Others employed the term "dual-track" strategy or referred to NATO's Harmel Report of 1967, which combined (traditional) deterrence and (novel) détente, and, on the Western side, ultimately comprised the conceptual starting point of "peaceful co-existence" in Europe.

stakeholder", as Robert Zoellick put it in 2005. At the same time, it aims at containing China to prevent aggression and expansionism.[11]

As a strategy of the West vis-à-vis Russia, congagement starts out from the premise that the pan-European post-Cold War order, as enshrined in the Paris Charter of 1990, has lost its meaning, and for now no longer provides a sense of direction for joint efforts at devising a common European space. But even in conditions of a divide between East and West, the growing rift needs to be managed in a productive, i.e. crisis-resilient, way. Congagement is meant to address both the concerns over the continuous deterioration of East–West relations and the aspiration of ultimately reversing this trend. With respect to concerns, it requires containment and is expected to provide reassurance against revisionism, including sanctions for transgressions. Aspiration, on the other hand, calls for engagement and incentives that reward compliance and, at a minimum, make sure that the potential for political change does not get blocked in mutual antagonism.

The strategy of congagement draws clear red lines for non-compliance, but it does not perceive the "other" as an adversary or enemy. Rather it considers it as an actor who certainly does not share one's own norms and pursues an agenda of its own, but who, at the same time, is welcome as a collaborator in those areas where mutual interests intersect. In spite of zero-sum-type conflicts between the parties, congagement aims at co-operation for the sake of stabilizing the relationship and ensuring that conflicts do not escalate and are kept peaceful. Although the strategy does account for the possibility of misconduct and is prepared for such events, it avoids provoking the other side into such behaviour. In concrete terms, the degree and scale of containment do not orient along the lines of possible worst-case scenarios, such as a violent departure of Russia from everything European or its rupture of the international division of labour, but instead

[11] See on this Peter Rudolf, "Die USA und der Aufstieg Chinas. Die Strategie der Bush-Administration", SWP Studie, Berlin, 2006, p. 9.

strictly focus on real(istic) threats. Three issues fundamental to European security need to be addressed.

First, the Ukrainian crisis has once again demonstrated the explosiveness of unregulated competition over power and influence in a zone that was once called "Zwischeneuropa" (Friedrich Naumann) – that is, the uncharted territory between Russia and the EU. On the one hand, the destiny of these countries – whose number has shrunk considerably since their re-emergence after the demise of the bipolar Cold War system – must not be the trophy of great-power struggles. On the other hand, previous instances of military force have made abundantly clear that without any measure of consent, these states, which in many respects are failing states, can easily be torn apart.

Moreover, it is one of the undisputed lessons of the Cold War that to move on from outright confrontation to a détente policy, a clear demarcation of respective spheres of influence is required.[12] This demarcation was instated – incidentally right after the Prague Spring was crushed by Soviet tanks in 1968 – because overthrowing, dismantling or dismembering respective camps proved an illusionary option. Currently, however, such a demarcation is missing. Instead, the dividing line between East and West runs straight through Ukraine, and the temptation to move it keeps both sides in a state of permanent alert, not to mention creating the risk of even more far-reaching (military) repercussions.

Secondly, the pronounced gap between Russian autocracy and European liberal universalism calls for a modus operandi that keeps competition under control. This not only refers to moving from a values-based to an interest-based foreign policy; it also requires a different approach. In practical terms, it might, for instance, imply recognizing the plural character of political regimes as a given fact and rethinking the wisdom and practice of democracy promotion. Here, the bottom line is that basic human and civil rights must be observed. And without sacrificing

[12] Around the mid-1970s this was once again demonstrated when East–West antagonism boiled up in the global South, notably in Africa (in Portugal's former colonies Angola and Mozambique as well as in Ethiopia), and came to a head – and turning point – in Afghanistan.

values on the altar of interests, one might give them weight by setting a positive example by instigating all-encompassing dialogue. Political conditionalities do not serve this purpose.

Thirdly, whether justified or not, deficiencies in the European security architecture have been a subject of Russian grievances for more than 20 years. Throughout the post-Cold War era the West's alleged "NATO-centrism" has been Russia's prime complaint. It was in this area that Russia first perceived itself as marginalized and cut down to size, well before the "near abroad" in the shape of the post-Soviet space became a bone of contention. Even though under present circumstances virtually nobody in the West would accept anything reminiscent of a weakening of NATO, and although ready-made institutional designs are not currently available, it would be unwise to keep neglecting these Russian complaints.

It is clear that congagement addresses the currently most salient issues in East–West relations in a way that could conceivably facilitate compromises, but as a strategy it also must translate into practical measures. This entails procedural questions, such as a proper sequencing, as well as institutional questions like devising appropriate mechanisms, rules and organizational designs. As the opposing sides keep drifting apart, only a gradual approach to first halting the confrontational dynamics and then reversing them is conceivable.

Confidence Building

In conditions of shattered trust –the result of Russia's undercover warfare in Ukraine, according to the West, and due to Western arrogant negligence of its interests, according to Russia – reversing the slide towards an ever-more-antagonistic relationship is the most urgent political task.

This task implies the necessity of starting a process of confidence building, which is much easier said than done considering the current confrontational dynamics. After all, during the Cold War it took many years of the détente period to start negotiations on confidence-building

measures that addressed the military stalemate between NATO and the Warsaw Pact in a meaningful and not purely symbolic way. Nonetheless, the preconditions for such negotiations do not appear entirely bleak this time, since contrary to the antagonistic relationship of the previous Cold War era, confrontational and cooperative elements co-exist in all spheres of mutual relations.

Principally, confidence building is a process which gradually builds in small steps. As such, the necessary condition for any confidence-building efforts is communication, preferably in a more formalized setting than through the phone calls and emergency meetings that have become the norm since the onset of the crisis in 2014. Igor Ivanov is quite right when he emphasizes that trust can only be generated "through working together and through testing each other's commitments, consistency, and integrity".[13] Only with this basis in place can expectations stabilize and predictability increase, on which confidence in the behaviour of the opposite side rests. The sufficient condition for confidence building – which is much more ambitious – is readiness to compromise where interests diverge, which implies taking risks as a most convincing means to signal benign intentions and an absence of the aggressive goals the two sides currently attribute to each other.

The current distrust between East and West in Europe has two sources: the zero-sum-type conflict in and around Ukraine and the more basic drifting apart and mutual alienation of both sides. Ideally, one would address the most salient issue – the Ukrainian crisis – and its root causes simultaneously, because they are closely interrelated. However, any success in doing so requires – and constitutes proof of – restored trust, and is therefore hardly a workable proposition.

At the same time, Ukraine represents a time bomb that even in conditions of relative East–West stability may explode at any given moment and derail any progress. Co-operative conflict resolution on this most

[13] Igor Ivanov, "Russia-U.S. relations. Is there any light at the end of the tunnel?", Russian International Affairs Council, 26 October 2015, available at: http://russiancouncil.ru/en/inner/?id_4=6763#top-content

contested issue is therefore indispensable – whether it be in an institutionalized Normandy format or in a broader contact group (to assuage Polish grievances). Another “frozen conflict” in the eastern part of Ukraine is even less of a solution than in previous cases, which started in a similar fashion – with protracted conflict-resolution efforts that got increasingly bogged down in intransigence on all sides and halted because of the detrimental impact of various spoilers. As a conflict of much greater proportions than earlier ones, any freezing will be much less promising and hardly sustainable.

Joint conflict management in Ukraine would tackle and possibly remove the most obvious stumbling block towards European security that is not predicated upon mutually assured destruction but based on a sense of common security. The foundations of such a system still exist, and it is no accident, as Igor Ivanov rightly points out, that it was during the Cold War that the “fundamental agreements and treaties” were signed and enforced and the institutional framework emerged, which is mostly still in place. Judging by its legacy, it might even be appropriate for managing the current adverse conditions. Ivanov concludes: “It would be extremely dangerous and highly irresponsible to start dismantling the old system until a new one is put in place – until it is tested and demonstrates its efficiency.”[14] However, even in the relatively benign conditions of the two decades prior to the current crisis, these foundations began to show increasing cracks. Therefore, simply trying to rejuvenate what is still in place would certainly not be sufficient.

Controlling Arms’ Build-Up

As mentioned, congagement requires reassurance and extended deterrence for those NATO allies in the East that show a heightened sense of insecurity. But in the sense of risk taking as mentioned above, and with a view to the current military balance (or rather imbalance) between Russia

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[14] Ibid.

and NATO, the alliance can easily stick to those measures of reassurance that remain within the boundaries of the NATO–Russia Founding Act of 1997, irrespective of the fact that "the current and foreseeable security environment" – referred to in the Founding Act as facilitating restraint in stationing – has indeed substantially changed.[15]

However, this proposition is by no means supported among all NATO allies, notably not those sitting on the northeastern front line with Russia, whose threat perceptions have resonated with many others within the alliance bent on worst-case scenarios. The spectre of "non-linear" or "hybrid" warfare and the risks associated with geographic exposure – both associated with the Baltic states in the first place – are obviously most haunting.[16] Moreover, in conditions of a reactivated security dilemma – the inevitable byproduct of seeking security unilaterally – it is no accident that Russia professes to interpret any reassurance on the part of NATO in the sense of worst cases and tends to respond accordingly.

Military confidence building and arms control are therefore indispensable building blocks of any security architecture in Europe, and in particular of a peaceful co-existence type of relationship. In both regards, arms control might – at least in theory – also serve as a building block towards restoring a more benign relationship. Unfortunately, in the current situation of a substantial deterioration of relations between Russia and the West, meaningful arms control is clearly off the table. Any readiness to compromise does not exist, nor is either side willing to accept any limitations on its military forces that might conceivably restrict its military postures. This has been openly admitted by both sides with respect to the Treaty on Conventional Forces in Europe (CFE) and the Vienna Document on Confidence- and Security-Building Measures. This bodes ill for even just trying to preserve what has been achieved.

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[15] Founding Act on Mutual Relations, Cooperation and Security between NATO and the Russian Federation, signed in Paris, 27 May 1997, available at: www.nato.int/cps/de/natohq/official_texts_25468.htm?selectedLocale=en

[16] See, for instance, Rainer L. Glatz and Martin Zapfe, "Nato-Verteidigungsplanung zwischen Wales und Warschau", SWP Aktuell 95, Berlin, December 2015.

As far as the CFE Treaty is concerned, Foreign Minister Lavrov has made clear that, for Russia, the treaty is "dead" and "there will be no return to it".[17] This reflects not only the current Russian political mood but also the country's mixed appreciation of the treaty itself, an attitude that has developed over many years. After all, it was Russia that first departed from the CFE Treaty, when on 14 July 2007 President Putin announced that Russia would "suspend" its participation. This somewhat curious expression of discontent affected primarily the information exchange and verification measures of the treaty, which had become its most relevant aspect after the ceilings on weapons holdings had been met, and in most cases even considerably undershot. In November 2010 NATO, too, ceased to implement CFE information and verification obligations with regard to Russia.

During the years prior to this move Russia had raised a number of requests with regard to the treaty, which the West either ignored or simply rejected. These notably concerned ratification of the "adapted" version of the CFE Treaty (determined in 1999) by NATO member states, which the latter refused to do. NATO invoked a linkage between ratification and the withdrawal of Russian troops from Georgia and Moldova – stipulated in 1999 at the Istanbul OSCE summit. Russia, however, considered that link to be "invented" and regarded troop withdrawal as a bilateral issue with Georgia and Moldova respectively, not as a NATO–Russia issue. Moscow also called on those NATO members not yet covered by the CFE Treaty provisions to accede to the treaty. This concerned the Baltic states and was meant to put treaty-bound limitations on foreign troops there, instead of NATO's unilateral pledge in the NATO–Russia Founding Act of 1997. Concerning this pledge, Russia also requested an agreed-upon definition of the term "substantial combat forces", which NATO had pledged in the

[17] Vystuplenie S. V. Lavrova v ramkakh "pravitel'stvennogo chasa" v Gosudarstvennoy Dume Federal'nogo Sobraniya Rossiyskoy Federacii, Moscow, 19 November 2014 goda, available at https://interaffairs.ru/news/show/12132

Founding Act not to station in the new member states.[18] And in addition to the abolition of the flank rule on Russian territory, Moscow called upon NATO to adhere to the original Western group ceilings in the CFE Treaty after its expansion to the east, to establish at least a semblance of parity.[19]

As far as the Vienna Document is concerned, the Russian government has demonstrated a more benign attitude and duly implements the relevant provisions. However, with respect to this legally non-binding commitment, too, Moscow rules out any "radical renewal", and for the time being advocates only "measures of refinement of its implementation". Instead, the main focus should be on the very basics, i.e. re-establishing a constructive dialogue on "the general questions of strengthening the military-political basis of European security". In this sense, modernization of the Vienna Document is contingent upon NATO refraining from its "containment policy" and respecting Russian interests – two objectives that are in fact the intended effects of any arms control.[20]

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[18] It took until the end of March 2008 for NATO to offer negotiations with Russia on a definition, which it limited to land forces only (see "NAC Statement on CFE", Brussels, 28 March 2008, available at www.nato.int). On 17 July 2008 Russia responded with a detailed proposal which defined "substantial" combat forces as consisting of 41 main battle tanks, 188 armoured combat vehicles, 90 artillery pieces and 24 each in the categories of combat aircraft and attack helicopters. Similarly, the envisioned mechanism for transparency in the building of military infrastructure in the new member states did not move forward, either.

[19] See on this "Information on the decree 'On Suspending the Russian Federation's Participation in the Treaty on Conventional Armed Forces in Europe and Related International Agreements'", 14 July 2007, available at:
http://archive.kremlin.ru/eng/text/docs/2007/07/137839.shtml

[20] "Vystuplenie rukovoditelya delegacii Rossiyskoy Federacii na peregovorakh v Bene po voprosam voennoy bezopasnosti i kontrolya nad vooruzhenyami A. Yu. Mazura na rabochey sessii "Kontrol' nad vooruzhenyami i mery ukrepleniya doveriya v voennoy oblasti – problemy i vozmozhnosti" Ezhegodnoy konferencii OBSE po obzoru problem v oblasti bezopasnosti", Vena, 25 June 2015, available at:
http://archive.mid.ru/BDOMP/Brp_4.nsf/arh/9B57870EA2731AD543257E7300597B16?OpenDocument. Not much different is the view of US Under Secretary for Arms Control and International Security Rose Gottemoeller, who "recognized" with respect to the modernization of conventional arms control that "now is not the time to engage Russia on this", but called for "a revitalization" in the future. Rose Gottemoeller, "Remarks at the Annual Deterrence Symposium", 14 August 2014, available at:
www.state.gov/t/us/2014/230636.htm

As long as these political conditions are not met, thoroughgoing modernization of the armed forces clearly has precedence – on both sides. As far as Russia is concerned, one might refer to Andrey Kelin, Russia's permanent representative at the OSCE until mid-2015 and head of department at the Russian Ministry of Foreign Affairs since then, who made his view unmistakably clear in October 2015:

> *For the Russian Federation, after an extended period of reconstruction and modernization of the armed forces, to say that we are already prepared for limitations, would be unrealistic and unreasonable. That is the case when we will have achieved the planned targets and when we are in a situation to talk about arms control from a position of strength, then we can move on to the next step.* [21]

Similar statements can be found in the West. In November 2015, for instance, US Secretary of Defense Ashton Carter not only approvingly referred to Ronald Reagan's "peace through strength" approach and specifically to his Soviet policy that "was both strong and balanced", but also drew practical lessons for current Russian "challenges". Helping "reduce the vulnerability of allies and partners" by "prepositioning tanks, infantry-fighting vehicles, artillery, and the associated equipment" and

[21] Andrey Kelin, "OBSE nakonec-to rabotaet tak, kak dolzhna byla rabotat' vsegda", 2 October 2015, available at www.pircenter.org/articles/1957-obse-nakonecto-rabotaet-tak-kak-dolzhna-byla-rabotat-vsegda. Some academics even point to a structural reason why Russia allegedly has to resort to the military component of power: "In current circumstances of a crisis, sanctions, unprecedented pressure on Russia and the consequences of stagnation in the previous period, effective military activity is in part intended to close the gap (it has yet to be eliminated), which was opened up because of unresolved issues in the aggregate strength of the country caused by the insufficiency of its other 'soft power' components – the economy, the techno sphere and ideology." S. Kazennov and V. Kumachev, "Khochesh' mira – Gotov'sya k miru. Razmyshleniya na fone nyneshnego politicheskogo krizisa", Mezhdunarodnaya Zhizn, September 2015, p. 47, available at: https://interaffairs.ru/virtualread/ia_rus/92015/index.html#/17/zoomed

"investing in the technologies that are most relevant to Russia's provocations" are the most pertinent.[22]

Because new limitations are out of reach for the foreseeable future and the established limitations of the CFE Treaty have become irrelevant, any substantial progress on the basis of the existing groundwork can conceivably focus only on transparency measures. After all, it is the loss of transparency and not the risk of a renewed arms build-up which has been deplored after Russia and NATO stopped the information exchange and suspended the CFE verification regime in 2007 and 2010 respectively. This puts the Vienna Document into focus: it is still being observed, but has lost much of its original relevance in line with the reduction of forces and scaling back of military exercises on both sides.

But there are also new challenges that need to be tackled. The least demanding, yet most pressing and feasible, is a mechanism to avoid dangerous encounters during the military posturing that became popular during 2014 in and around European airspace. The same applies to the operation of Russian and US air forces in Syria. It is revealing that once an urgent need arises, agreements can still be reached on both sides.

As far as the confidence- and security-building measures of the Vienna Document are concerned, adjustments are needed that reflect the changed military landscape. Although the previously prevailing trend with regard to force reductions and the scaling back of military exercises in size and frequency is gradually being reversed on both sides, the problem foreseen by the Vienna Document – that is, large-scale mass mobilization – no longer applies and almost certainly will not return. Therefore, to maintain a sufficient level of transparency and predictability, the thresholds for prior notification and observation of military exercises and unusual force deployments need to be lowered, for instance to personnel and

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[22] "Remarks on 'Strategic and operational innovation at a time of transition and turbulence' at the Reagan National Defense Forum as delivered by Secretary of Defense Ash Carter", 7 November 2015, available at:
www.defense.gov/News/Speeches/Speech-View/Article/628146/remarks-on-strategic-and-operational-innovation-at-a-time-of-transition-and-tur

equipment thresholds equivalent to the level of a reinforced brigade.[23] Bearing in mind the escalatory potential of local conflicts within Europe, such a tightening of the Vienna Document might help prevent the destabilizing short-term build-up of forces and could conceivably contribute to exercising military restraint in sensitive areas and conditions.[24]

But the Vienna Document also holds some promise in terms of proper crisis management. The document maintains that if a state has concerns about a militarily significant action by another state party, it can request an explanation of the action from that party. If concerns persist after an explanation is offered, the concerned state can request a meeting with the acting party. Participation in the meeting will be open to any interested states. Either party can also request a meeting of all states, which would be conducted as a joint meeting of the Permanent Council of the OSCE and the Forum for Security Cooperation. This procedure is reminiscent of the European Security Treaty proposed by President Medvedev in November 2009, and might serve as a starting point for expansion.

The basic infrastructure of these arms control regimes in Europe was negotiated during the final stages of the Cold War and has not changed much since then. Duly implemented but not tightened during the past 25 years, arms control moved to the bottom of the list of priorities in European security – until the Ukraine crisis broke out, which, in combination with renewed emphasis on the military, inevitably puts arms control back on the political agenda. However, previous experiences indicate that arms control plays a peculiar role. In fair-weather conditions, which prevailed during the

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[23] Wolfgang Richter, "A new start for the Vienna Document", 23 November 2010, available at www.osce.org/fsc/104041. Richter also suggests increasing the number of evaluation visits and raising the inspection quota, their reasonable distribution over the calendar year, extending the time available for evaluation and inspection and providing for a higher number of inspectors, allowing for two subteams to work in parallel.

[24] See Wolfgang Richter, "Possibilities for advancing arms controls in Europe", in OSCE Focus: Creating a Security Community to the Benefit of Everyone (Geneva: DCAF, 2013), p. 86. See on this in greater detail Hans-Joachim Schmidt, "Verified transparency. New conceptual ideas for conventional arms control in Europe", PRIF Report No. 119, Frankfurt, 2013.

two decades following the Cold War, arms control is deemed unnecessary, whereas in bad-weather conditions, which prevail right now, it is deemed impossible. That is to say, there seems to be a window of opportunity only in the grey area between peace and conflict, when tensions are no longer mounting but gradually subsiding. In such a situation, the parties involved are tired of confrontation but still suspicious of each other – and these suspicions call for tight regulation of their mutual conduct in the area of greatest vulnerability, i.e. the military. And of course, successful negotiations also indicate an improvement of the overall climate.

As mentioned earlier, the current situation is characterized by a peculiar amalgam of confrontation and co-operation, which might provide conditions that are appropriate for facilitating a gradual rapprochement by means of arms control. However, although arms control has proved a valuable tool in this regard, it cannot be pursued in isolation. Its primary purpose is stability – which, as the Cold War demonstrated, can work even in an antagonistic relationship. Transforming this relationship is a potential byproduct of rapprochement and co-operation that might come about in the process of negotiations. But for that to succeed, arms control needs to be embedded in broader activities that are conducive to improving the overall climate in East–West relations. In the present circumstances this concerns all three baskets of the OSCE, i.e. security, economic co-operation and the humanitarian dimension. It is also hardly conceivable when economic sanctions – and their political cause – dominate relations between Russia and the West. And it requires addressing the unfinished post-Cold War business, namely Russia's recognized place in the European security system.

Security Architecture

Whereas the West has not indicated that it would like to see the institutional security landscape overhauled, this has been the prime demand for Russia for quite some time. For Moscow's political class, the

Ukrainian crisis proved once again the dysfunctional nature of the security architecture in Europe, whose instruments and mechanisms have ensured that security on the continent has remained divided – essentially between those in and those out of NATO. This is an exclusively Russian concern, however, as most others outside NATO have a clear preference for getting in as soon as possible (or are quite content with their enduring "neutral" status), whereas Russia has never seriously harboured such intentions.

It is true that the crisis in Ukraine was not prevented by those institutions whose briefs are security, crisis prevention and crisis management. This highlighted once again that trust in institutions seems to constitute a bit too much of an expectation. Many international events simply bypass international organizations because they are too slow to react. And states, once determined to act, simply do not care.

Nevertheless, the new division of the European continent should be reflected in the institutional landscape. This does not necessarily mean that the existing organizations ought to become more inclusive or that new all-encompassing organizations should be devised. A comprehensive institutional model that meets Russian demands would almost certainly require granting it veto power, and that is clearly a non-starter. And the frequent Russian references to the Yalta Conference of February 1945 are certainly not owing to its seventieth anniversary, but to the deep-seated propensity for exclusivity and concertation by the great powers at whose behest the world is carved up.[25]

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[25] In this sense, Sergey Lavrov (note 8 above, p. 10) drew the historical conclusion that at Yalta "the states, the members of the Anti-Hitler-Coalition, managed to overcome their egoistic ambitions and ideological contradictions and reached an agreement in the interest of common security". On this occasion, academics added that Yalta and Potsdam provided the framework for a "stable and predictable world" that lasted for half a century and only came to an end in the 1990s. Since then "dangerous instability" has prevailed, constituting an "erosion of sovereignty and unpredictable conflicts". This could have been avoided had the principles of Yalta been confirmed by all sides and had they gradually evolved in the direction of a new political system based on the polycentric international space. Evgeniya Pyadisheva, "Yalta – Epokha v 70 let", International Affairs, February 2015, pp. 25–27, available at https://interaffairs.ru/virtualread/lang/rus. That is a truly interesting reading of an event and arrangement whose only – and highly dubious – achievement was that the Iron Curtain that

What should rather be considered as a first step is a reconfiguration of existing institutions to reflect the demands of the new divide. This raises a question about Russia's continuing membership in those organizations – such as the Council of Europe – whose essence is liberal-democratic values. Russia is clearly in defiance of those values to which it once subscribed, and this, for all intents and purposes, calls for relieving it of membership. There is, however, a downside to that. Not only would Russia be compelled to advance further ideological concepts of its own making – which so far has been a fairly futile undertaking – but there are even more important practical implications of such a departure.[26] For Russian citizens, for instance, it has proven much more valuable to get their cases to the European Court of Human Rights than to be treated by the Western concept of universal values.[27] Apart from these considerations, there is no question about the need to strengthen those elements of the institutional setting in Europe that are designed to secure stability and interest-based co-operation in an environment characterized by severe conflicts.

Embedding NATO

The Ukrainian crisis very much cleared the air for NATO, which has actually been the sole benefactor among the relevant organizations in Europe. It not only made the allies move closer together but also provided a new and

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descended on Europe just two years later did not lead to major clashes over the demarcation of respective parts – unlike in East Asia.

[26] See on this Hans-Joachim Spanger, "Unheilige Allianz: Putin und die Werte", Osteuropa, 64(1): 43–62, 2014.

[27] As of November 2014, Russia was in third place in use of the court, with 9,850 pending cases by its citizens, right after Ukraine (13,600) and Italy (11,200). In the preceding years it was regularly the frontrunner, with in excess of 20,000 cases. See Statista website, available at http://de.statista.com/statistik/daten/studie/76450/umfrage/anhaengige-verfahren-am-europaeischen-gerichtshof-fuer-menschenrechte. In early December 2015, however, the State Duma passed a law qualifying Russia's adherence to the rulings of the court – a clear contravention of the Russian Constitution – called for by a ruling of the Russian Constitutional Court earlier in 2015 when it rejected an European Court of Human Rights ruling entitling Yukos shareholders to claim compensation for their expropriation in the region of €1.9 billion.

unequivocal sense of direction, and once again made collective defence the core of the alliance's mission.[28] Apart from that, NATO's role and performance in the crisis in and around Ukraine have been rather vague. Reassuring allies meant simultaneously reaffirming that NATO's area of responsibility does not reach beyond treaty territory. This left others at the mercy of more potent powers, i.e. Russia, and contributed to the negligible impact NATO has had on the course of events. NATO, it has become clear, is definitely not the prime instrument of crisis management in those parts of the continent where management capabilities to that effect are badly needed.

This calls for modesty and restraint, which – pending the Warsaw summit of the alliance in early July 2016 - so far have by and large been observed in the area of NATO's rejuvenated collective defence – in spite of considerable pressure from a number of member states on NATO's eastern flank. But the same is needed with regard to expanding NATO to the east. The 2008 declaration of the NATO Summit in Bucharest that Georgia and Ukraine will not be admitted to the Membership Action Plan, but will one day become members of the alliance, has hardly enhanced their security (nor has it contributed to a reasonable security and military policy in either country). Worse yet, it heightened Russian suspicion and encouraged contingency planning, which a little later in 2008 helped draw a red line in the Georgian war and was employed when it came to the annexation of Crimea in 2014.

Obviously, NATO policy on enlargement needs to be rethought fundamentally – and Ukraine is the first case to employ it. Hopefully the invitation to Montenegro, officially issued on 1 December 2015 in spite of repeated Russian complaints that such a move would further derail Russia–NATO relations, is not an indicator to the opposite effect. In material terms, it is definitely no game changer.

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[28] Up until the Lisbon Summit of 2010, NATO's strategic thinking oscillated between managing international security threats (the new mission) and addressing requirements of forward defence and extended deterrence (the traditional mission). See on this Hans-Joachim Spanger, "The future of NATO", International Affairs (Moscow), 57(3): 156–166, 2011.

NATO membership for Ukraine is certainly the strongest, but not the only, indicator of the country's future status in the European (security) landscape. Certainly, the pressure on Ukraine to choose between East and West increases the more the division between East and West deepens. And conversely, the prospects of a consensual status for the country become ever more distant as the distance between the two poles grows. This requires the West to come to terms with its ultimate objective.

There are still two competing approaches. On the one hand, Ukraine is conceived of as a tertium, a country in-between, which, according to John Mearsheimer, requires the Western powers to "abandon their plan to westernize Ukraine and instead aim to make it a neutral buffer between NATO and Russia, akin to Austria's position during the Cold War".[29] Allegedly, such a status would secure self-determination of Ukraine to the greatest extent possible under the given geostrategic circumstances. And it implies at least the possibility of engaging Russia in joint problem-solving.

On the other hand, Ukraine is conceived of as an integral part of the West, and ultimately as its outpost vis-à-vis Russia. In this role it serves the purpose of "push[ing] back against Russia's unacceptable challenge to the post-war European security order" and deterring Russia from further "incursions, possibly including attempts to redraw borders elsewhere, and efforts to intimidate former Soviet states into accepting Russian dominance", as Strobe Talbott and others have argued, with the goal of arming Ukraine in its fight against Russian-backed insurgents in the Donbass.[30] This is containment pure and simple, which would almost

[29] Mearsheimer, note 9 above. Interestingly, considering that he put the blame for the crisis unequivocally on the West, his remedy is fairly balanced.

[30] I. Daalder, M. Flournoy, J. Herbst, J. Lodal, S. Pifer, J. Stavridis, S. Talbott and C. Wald, Preserving Ukraine's Independence, Resisting Russian Aggression: What the United States and NATO Must Do (Washington DC: Atlantic Council of the United States, 2015), p. 6. Not much different is Michael McFaul's rationale, according to which "strengthening" Ukraine is the necessary "pressure on Putin". M. McFaul, "To beat Putin, support Ukraine", New York Times, 6 August 2014, available at www.nytimes.com/2014/08/07/opinion/to-beat-putin-support-ukraine.html. This is something that in the wake of Russia's military campaign in Syria he also wants to expand "in a sustained, strategic manner around the world". M.

certainly turn ever-larger swathes of Ukraine into a battleground, derail any prospects of economic and political recovery in the country, and impair all efforts at thinking about European security in an organized and mutually acceptable way.

Revitalizing the OSCE

According to conventional wisdom, the OSCE shows NATO an image of its future were Russia admitted to the alliance – an emasculated organization of collective security. One such organization in Europe is clearly enough. In Ukraine, however, the OSCE has proven to be a valuable tool. It dispatched civilian monitors (even though peace enforcement is beyond its means), facilitated and mediated negotiations on the ground (even though the political frame had to be negotiated elsewhere), and helped secure democratic elections (even though it has been barred from parts of Ukrainian territory). Not least, the OSCE is an important – perhaps the most important – institutionalized channel of East–West security communications after others, such as the NATO-Russia Council, have been suspended.

Moreover, and in more general terms, "the OSCE is first and foremost an extensive regulatory framework" with an important and indispensable function, as Andrey Zagorsky points out: "Over the past decades, this regulatory framework has become an indispensable foundation of European security and cooperation. This foundation can be built up and 'appended'. But abandoning the set of rules and offering something different is a task that is doomed to failure."[31]

However, these guiding principles have not managed to overcome what proved to be the core of the division between Russia and the West,

McFaul, "The myth of Putin's strategic genius", New York Times, 23 October 2015, available at:
www.nytimes.com/2015/10/23/opinion/the-myth-of-putins-strategic-genius.html?_r=0

[31] Andrey Zagorsky, "The OSCE in modern Europe", Russian International Affairs Council, 19 November 2015, available at http://russiancouncil.ru/en/inner/?id_4=6865#top-content

but rather provided respective points of reference for each side. The "Code of Conduct on Politico-Military Aspects of Security", a declaration of a politically binding nature passed in 1994, is a case in point, and in many ways the security equivalent of the "common European home" as enshrined in the Paris Charter of 1990.

At an early stage in the post-Cold War era, this code already hinted at the fault lines along which relations between Russia and the West would start to unravel 20 years later. For Russia, the concept of "common security" as indicated in the code has been of paramount importance – implying "that security is indivisible and that the security of each of them is inseparably linked to the security of all others", as the code states. Based on this notion, Moscow questioned NATO (-centrism) early on, and rejected the gradual expansion of the Western alliance to the east. This, however, does not mean that Moscow finds its dreams of equal say fulfilled in the OSCE, namely an organization that operates on the principle of one state, one vote.

Conversely, the West has put emphasis on its understanding of "comprehensive security" referred to in the code, a notion "which links the maintenance of peace to the respect for human rights and fundamental freedoms" as enshrined in the principles of the Helsinki Final Act, recalling that they are "all of primary significance and, accordingly, that they will be equally and unreservedly applied".[32] However, by taking Western security arrangements as a non-negotiable given, the Western OSCE approach puts prime emphasis on the fulfilment of those political commitments that were deemed deficient in the East – and increasingly so in Russia.

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[32] "Code of Conduct on Politico-Military Aspects of Security", adopted at the 91st Plenary Meeting of the Special Committee of the CSCE Forum for Security Co-operation in Budapest, 3 December 1994, DOC.FSC/1/95, paras 2, 3, 7. A related principle confirmed that each state "is free to determine its security interests itself on the basis of sovereign equality and has the right freely to choose its own security arrangements" (that is, accession to NATO, and hence favoured by the West), "bearing in mind the legitimate security concerns of other States" and "in accordance with international law and with commitments to CSCE principles and objectives", something Russia has been inclined to emphasize in order to contain NATO's push to the east (para. 10).

Along these fault lines initial irritations gradually led to political cooling – with an early low point during the Kosovo crisis in 1999 – and further on translated into growing divergence. This record unmistakably demonstrates the limitations of common principles, which somehow need to reflect the divergent approaches and emphases, meaning that they suffer from the same limitations as overarching institutions. Nevertheless, the OSCE has proven to be a valuable and indeed indispensable tool, not least in acute crises like the one in and around Ukraine, and as such has been greatly appreciated by all sides with an interest in conflict resolution (even in conditions of apparently irreconcilable objectives). One need only imagine the scenario if the OCSE were not currently in place – a thought that points directly to what is left: a common interest, which might serve as the best and most promising starting point, as opposed to far-reaching and ultimately lofty objectives of a pan-European nature.

Beyond Security: Dialogue and Co-operation

The strategy of congagement builds equally upon a readiness for dialogue and a readiness to draw clear lines. In addition, as mentioned above, it intends to keep transformative options open, which implies keeping channels of communication and exchange as wide open as possible (and incidentally also applies to Western tenaciousness in visa issues). This includes economic exchange, which should be shielded against political disruptions as much as possible. But there are definite limits to that, and these have become more pronounced recently. Exporting arms to Russia can hardly be expected any more, for example, and the same almost certainly applies to dual-use technology – and to those sanctions that have been applied with regard to Russia's annexation of Crimea. Indeed, economic sanctions are a political tool that, irrespective of the unsettled controversies about their merits and limitations, will almost certainly be employed when deemed appropriate – Russia's sanctions against Turkey after the downing of its SU 24 bomber on 24 November 2015 are a case in

point.[33] And yet one should not lose sight of the well-established fact that economic exchange helps stabilize modes of co-operative behaviour and – in the longer term – helps bring about societal change.

Another subject matter, closer to security proper, is forging a common understanding – or at least a minimum of transparency in its application – of the normative basis of the European order. The common democratic denominator of the Paris Charter has been abandoned by Russia, and its voting rights in the Council of Europe have for that reason been suspended. But in the Ukrainian crisis Russia also turned the tables with regard to international law. It previously used to be an uncompromising proponent of everything "Westphalian" (state sovereignty, territorial integrity, non-interference in internal affairs) and a staunch critic of everything "post-Westphalian" (humanitarian intervention, peacebuilding, democracy promotion), but this is no longer true. Russia's sudden U-turn is the exact opposite of a trust-building exercise and urgently demands clarification.

Conclusion

Essentially everything has been tried and tested, and many suitable institutions are in place to address the current crisis. There is no need for a big leap into the unknown territory of untested institution building. But, given the fact that the harmonizing intentions of the Paris Charter of 1990 have become obsolete for the time being, there is a need for conflict management. For this, the common European home is neither the starting point nor a necessary goal-post; Cold War experience is much more relevant. In light of this, it might be advisable to return to the beginning of the post-Cold War era in the early 1990s, and remember what once was called "interlocking institutions". Making the existing institutions collaborate productively entails creative use, mutual transparency,

[33] And they are an unmistakable indicator that Moscow's rant against the inadmissibility of Western sanctions did not exactly hold water.

developing modes of co-operation, and most importantly "communicative action". These qualities should not pose insurmountable obstacles at the onset of a process of rapprochement, but they definitely lead the way to a European security that deserves its name.

European Security: How to Strengthen OSCE Peace Operations

Wolfgang Zellner
Deputy Director IFSH; Head, Centre for OSCE Research (CORE)

> *So where should we be heading? From my point of view, the OSCE should remain an essentially civilian organisation. Its civilian missions and expertise are a comparative advantage that must be preserved and maximised. The OSCE should not duplicate other organisations. There is no need to push towards military peacekeeping. That said, the OSCE must adapt to today's needs for effective peace operations.*
>
> Swiss Federal Councillor Didier Burkhalter, 1 October 2015[1]

This paper explores options for strengthening OSCE peace operations. More specifically, it addresses the following issues. First, based on the UN understanding of "peace operations" and "peacekeeping", the paper analyses which of these activities and functional tasks are already covered by OSCE field operations (FOPs) and which are not. Second, against the background of the OSCE debates on peacekeeping in 1994 and 2003, it discusses whether the OSCE should engage in military peacekeeping. Third, it lays out in more detail options for strengthening civilian OSCE FOPs. And finally, some broader conclusions are drawn.

Peace operations and peacekeeping – What the OSCE is already covering

The report of the High-Level Independent Panel on UN Peace Operations (HIPPO), published in June 2015, defines "peace operations" as follows:

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[1] Didier Burkhalter, "More OSCE capacity and a stronger partnership with the UN to effectively prevent and resolve conflicts", keynote address by head of Federal Department of Foreign Affairs, Switzerland, at ministerial event on "OSCE Peace Operations" on the margins of High-Level Segment of 70th Session of UN General Assembly, New York, 1 October 2015, p. 5.

> *The term "UN peace operations" used in this report embraces a broad suite of tools managed by the UN Secretariat. These instruments range from Special Envoys and mediators, political missions (including peacebuilding missions), regional preventive diplomacy offices, observation missions (both ceasefire and electoral missions) to small, technical specialist missions (such as electoral support missions), multidisciplinary operations both large and small drawing on civilian, military and police personnel to support peace process implementation ... as well as advance missions for planning.*[2]

The OSCE covers almost all forms of UN peace operations, apart from multidisciplinary operations that include military personnel. This type of mission is usually called a "peacekeeping operation" (PKO), and is functionally defined as follows in the HIPPO report:

> *... different types of missions that have been collectively referred to as UN peacekeeping operations: (i) ceasefire monitoring is taking place in more hostile settings; (ii) peace implementation is being undertaken in more difficult operating environments often with political processes susceptible to collapse; (iii) in situations that the Panel here terms "conflict management", missions are being deployed into more violent settings without the enabling frameworks that have previously driven success.*[3]

From this definition it is clear that the OSCE, with its Special Monitoring Mission (SMM) to Ukraine and, 15 years earlier, its Kosovo Verification Mission, has covered ceasefire monitoring missions as a functional subcategory of PKOs, including in "hostile settings". However, the other two types of peacekeeping, which require military forces, have remained outside the scope of the OSCE. Thus we can conclude that OSCE FOPs cover a large part of (UN) peace operations, including the smaller, non-military portion of PKOs.

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[2] High-Level Independent Panel on UN Peace Operations, "Uniting our strengths for peace – Politics, partnership and people", United Nations, New York, 16 June 2015, p. 4, available at: www.un.org/sg/pdf/HIPPO_Report_1_June_2015.pdf

[3] Ibid., p. 29.

The OSCE and military peacekeeping

There is a remarkable history of discussions on CSCE/OSCE military PKOs that is largely forgotten and badly covered by the scientific literature. It is all the more welcome that Larissa Meier covered, in her master's thesis published as CORE Working Paper 27, a good part of these discussions based on the study of the related documents available at the OSCE Prague archives.[4] The first major step in these debates was the 1992 Helsinki Document, where the CSCE mandated itself to conduct PKOs:

> *A CSCE peacekeeping operation, according to its mandate, will involve civilian and/or military personnel, may range from small-scale to large-scale, and may assume a variety of forms including observer and monitor missions and larger deployments of forces. Peacekeeping activities could be used, inter alia, to supervise and maintain cease-fires, to monitor troop withdrawals, to support the maintenance of law and order, to provide humanitarian and medical aid and to assist refugees.*[5]

The Helsinki Document formulated three principles for conducting CSCE/OSCE PKOs:

- "CSCE peacekeeping operations will not entail enforcement action.
- Peacekeeping operations require the consent of the parties directly concerned.
- Peacekeeping operations will be conducted impartially."[6]

Before starting a CSCE/OSCE PKO, "the following conditions must be fulfilled:

- Establishment of an effective and durable cease-fire;

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[4] Larissa Daria Meier, "A role for OSCE peacekeeping? From the 1992 Helsinki Guidelines to the Special Monitoring Mission to Ukraine", CORE Working Paper 27, Hamburg, 2015, available at https://ifsh.de/en/core/publications/working-papers/

[5] Conference on Security and Co-operation in Europe, "CSCE Helsinki Document 1992, The challenges of change", Helsinki Summit, 9–10 July 1992, Chap. III, para. 18, available at www.osce.org/node/39530

[6] Ibid., paras 22–24.

- Agreement on the necessary Memoranda of Understanding with the parties concerned and
- Provision of guarantees for the safety at all times of personnel involved."[7]

It is striking how strictly these conditions are formulated. If taken literally, an OSCE PKO in Ukraine would not have been possible because, at least until October 2015, the first and third conditions were clearly not met.

Despite the 1992 CSCE PKO mandate, the participating States have not developed a durable common understanding of military OSCE peacekeeping. Quite to the contrary: whereas the states were still willing to agree in 1994 on a CSCE PKO in Nagorno-Karabakh, the 2003 review discussion on OSCE peacekeeping revealed a much wider spectrum of positions.[8]

The 1994 discussion on peacekeeping in Nagorno-Karabakh[9]

In June 1994 the OSCE's High-Level Planning Group presented recommendations for a PKO in Nagorno-Karabakh that contained, in its rules of engagement, wording "stating that monitors might use armed force, apart from self-defense, in cases where the operation was forcefully prevented from carrying out its mandate".[10] Thus participating States had not only started discussing the issue of CSCE PKO as such, but "For the first time ... entered discussions on the necessity of providing PKOs with so-called robust mandates."[11] As this was going beyond the peaceful settlement of conflicts according to Chapter VIII of the UN Charter, there was agreement that a mandate of the UN Security Council was necessary. Consequently, the participating States declared at the 1994 CSCE Budapest Summit "their political will to provide, with an appropriate resolution of the United Nations Security Council, a multinational peacekeeping force following agreement among the parties for cessation of the armed

[7] Ibid., para. 30.
[8] Cases in which OSCE FOPs worked in parallel with or under the protection of PKOs run by other international organizations, such as UNPROFOR in Bosnia and Herzegovina and Croatia or KFOR in Kosovo, are not discussed here.
[9] For this and the next paragraph see Meier, note 4 above.
[10] Ibid, p. 21.
[11] Ibid. p. 22

conflict".[12] However, as this agreement has never been reached, the Budapest decision on a PKO in Nagorno-Karabakh has not been implemented.

The 2003 review discussion on OSCE peacekeeping

The 2002 Porto OSCE Ministerial Council tasked the Permanent Council "to conduct a review of peacekeeping".[13] According to Meier, there were two main divergences between the positions of the key Western states and Russia. First, while the Western states were reluctant "to discuss the very idea that the OSCE could get involved in military peacekeeping",[14] Russia on the other hand argued in favour of OSCE PKOs. And second, while the Western states argued in favour of a specific stipulation of the 1992 Helsinki PKO guidelines, namely that CSCE/OSCE PKOs would be commanded by the chairperson-in-office, Russia wanted to delegate this task to a command group whose head should be appointed by a consensus body such as the Permanent Council. In the end, a "majority of participating States were of the view that the OSCE already carries out peacekeeping, even if it does not officially label its activities as such".[15]

If one compares the 1994 debate on a PKO in Nagorno-Karabakh with the 2003 review discussion, the difference is striking. While in 1994 conducting a military PKO as such was not questioned, but the focus was on its modalities, the 2003 discussions revealed that there was no longer a consensus on whether the OSCE should conduct military PKOs at all. This clearly reflects the fact that the OSCE had become a rather neglected and marginalized organization, whereas in 1994 it was still recognized as a serious security provider.

Under the current conditions, a number of legal, financial, organizational and political factors would make OSCE military PKOs extremely difficult, if not impossible.

First, the lack of a legal personality of the OSCE makes it necessary to conclude memoranda of understanding (MoUs) with the host state that

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[12] CSCE, "Budapest Document 1994: Towards a genuine partnership in a new era", Budapest, 21 December 1994, Chap. II, Regional Issues, p. 6.
[13] OSCE, "Reviewing the OSCE role in the field of peacekeeping operations", Tenth Meeting of the Ministerial Council, Porto, 6–7 December 2002, Decision No. 4, p. 42.
[14] Meier, note 4 above, p. 30.
[15] Ibid.

regulate the status and legal protection of the mission and its members. In the case of the SMM, negotiating and adopting a MoU took weeks. In this period the mission members were almost without legal protection, and it is an interesting question whether the OSCE would have been made liable for the financial implications of possible incidents and accidents. And even after the conclusion of the MoU with the Ukrainian government, not all problems have been resolved, because the MoU covers only mission members, but not officials of the OSCE Secretariat or institutions who travel to Ukraine to co-operate with the SMM. In the case of a PKO, providing the necessary instruments for legitimizing the operation and giving legal protection to its members might be even more complicated, as the host state would have to conclude a MoU with each troop-providing state as well as with the OSCE. In addition, these MoUs should have the same substance, otherwise different troop-providing states would be treated in a different manner. Altogether, it is to be doubted that the status-of-forces agreements necessary for a PKO could be established on the basis of a series of bilateral MoU by an international organization without a legal personality.

Second, the lack of a multiyear budget and the uncertainty about whether the unified budget will be adopted in time would make it very difficult for the OSCE to finance a PKO. The costs for a 3,000 person PKO for Nagorno-Karabakh for half a year were calculated in 1994 at US$100 million.[16] This is more than the double of the amount the OSCE needed to finance the SMM in 2014 with leftovers and voluntary contributions. As even this was a risky operation, it is doubtful whether financing a PKO in this way would be possible, and whether such an approach would be accepted by the troop-providing states.

Third, the OSCE does not have adequate command and control capabilities. This is already a problem today for civilian FOPs, because it cannot be seriously argued that the two officials at the OSCE Secretariat's Conflict Prevention Centre (CPC) Policy Support Service responsible for FOPs of a size such as the OSCE Mission in Kosovo or the SMM can really guide or control them. In addition, the Secretariat has no mandate to do so. It is the chairperson-in-office who has the mandate to give guidance to the FOPs, but only in rare cases do strong chairs such as Switzerland in 2014 or

[16] Ibid., p. 21.

possibly Germany in 2016 have the means to do so, and only rudimentarily. As a result, in operational day-to-day business OSCE FOPs lead themselves, or are led by more indirect means such as the selection of (deputy) heads of missions, reporting to the Permanent Council and related discussions, as well as informal communications with several sides. It is more than doubtful whether the rather loose and informal mechanisms for guiding civilian OSCE FOPs can simply be transferred to military PKOs. Since the risk of a military operation is higher, a higher standard of control would be necessary. Thus even a quite modest military PKO would require a command and control apparatus of a low three-digit number of personnel, equipped with the necessary means of communication. By far, the OSCE does not have such a capacity and the organization in its current shape is not able to establish such a structure for running a military PKO. As a consequence, borrowing the complete command and control structure would be the only option. However, this would be a risky exercise for two reasons: only a few states have the necessary capabilities, and those states might not be acceptable ones (for example, NATO states in eastern Ukraine); and in the case of borrowing, it would not be the OSCE that would be in command but the lending state, with the result that the political objective of the whole exercise would not be reached.

Fourth, the generation of the necessary forces – units, not individuals, as in the case of OSCE's civilian FOPs – would represent a major problem. Again, there would be only a limited number of states able and ready to provide forces, and many of these might not be acceptable to other states in many cases where a military PKO would be employed. Only a limited number of neutral and non-aligned states, such as Austria, Finland, Ireland, Sweden and Switzerland, might be eligible to provide troops. And even in the cases of four of these states it might be discussed by certain other states whether they are really neutral or are bound by the EU's foreign and security policies. As a result, it might become very difficult to get the necessary troop contingents for an OSCE PKO.

Fifth, and this is a positive argument for civilian FOPs, under certain conditions a civilian FOP can achieve success more precisely because it is a civilian operation: "As an impartial and civilian mission the SMM does not represent a threat to the parties of the war, therefore it can frequently

cross the frontlines in the entire mandated area."[17] In addition, as Tanner rightly points out, civilian missions with their "light footprint" are cheaper than military ones.

Finally, although today the OSCE has regained some political relevance, primarily by its crisis management in Ukraine, a number of relevant states still oppose military OSCE PKOs. In addition, it is far from certain whether the current political renaissance of the OSCE will be of a sustainable character.

Together, these obstacles currently represent an almost insurmountable barrier for military OSCE PKOs, at least for the time being and in the near future. On the other hand, to the degree that these obstacles are addressed and the structural capabilities of the OSCE are sustainably strengthened, the chances for military OSCE PKOs could improve in a long-term perspective. What the OSCE can and should do, in the frame of its limited lessons-learnt capacity, is to follow and, as far as possible, participate in the lively UN debates on the future of peace operations, including PKOs.

Options for strengthening civilian OSCE field operations

As mentioned, the OSCE is able to cover a large part of what the UN defines as "peace operations" and a smaller part of what is called "peacekeeping", particularly operations that monitor ceasefires and the withdrawal of military equipment, as in the case of the SMM. Launching and maintaining the SMM was only possible because the Secretariat's CPC had worked intensively to prepare the organization, on the basis of Decision 3/11 on elements of the conflict cycle[18] of the 2011 Vilnius Ministerial Council meeting, for future contingencies. The then CPC deputy director, Claus Neukirch, wrote on these preparations:

> *The OSCE Secretariat's Conflict Prevention Centre (CPC) had been working intensively with other OSCE institutions and field operations on the basis of*

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[17] Fred Tanner, "Peacekeeping. Vorteile ziviler Missionen", Neue Zürcher Zeitung, 4 September 2015, p. 12 (author's translation from German).

[18] OSCE, "Elements of the conflict cycle, related to enhancing the OSCE's capabilities in early warning, early action, dialogue facilitation and mediation support, and post-conflict rehabilitation", Ministerial Council, Vilnius, 7 December 2011, Decision No. 3/11, MC.DEC/3/11.

> *this decision in 2012 and 2013 to develop its early-warning system, conceptualize systematic mediation-support and – crucial for the rapid deployment of the SMM – establish an internal roster for rapid deployment, a virtual pool of equipment, and an operational framework for crisis response. These tools were ready for deployment when the Ukraine crisis broke out.*[19]

Only on this basis was it possible for "Thirty-two so-called 'first responders' from the Secretariat and nine OSCE field operations"[20] to be deployed in Ukraine within four days to kick-start the launch of the whole operation. What is true for staff is also true for equipment:

> *The virtual pool of equipment created in recognition of the fact that the OSCE cannot afford to keep large quantities of expensive equipment in stock. Instead, it keeps a small contingent of less expensive items, such as laptops and satellite phones, and a data base showing where it can procure critical equipment such as armoured and soft skin 4x4 vehicles, satellite phones, and flak jackets in crises situations. A system of so-called "window contracts" allows the OSCE to purchase such critical items quickly.*[21]

Thus it was operational preparedness in all critical respects, detailed pre-planning of staff recruitment and equipment procurement procedures that were at the core of the success of the quick launch of the SMM.

It is important that this idea has been taken up by the incoming 2016 German chair. At the OSCE Focus Conference in Geneva in October 2015, the head of the German OSCE Task Force, Ambassador Antje Leendertse, tabled a paper which designated "Strengthen OSCE abilities over the whole conflict cycle" as one of the five priorities of the German OSCE chair:

> *Experiences from setting up and operating the SMM as a mission with completely new tasks and challenges compared to former OSCE field missions (e.g. concerning the necessary military expertise or the use of*

[19] Claus Neukirch, "The Special Monitoring Mission to Ukraine: Operational challenges and new horizons", in Institute for Peace Research and Security Policy at the University of Hamburg (ed.), OSCE Yearbook 2014 (Baden-Baden: IFSH, 2015), p. 186.
[20] Ibid.
[21] Ibid.

> *surveillance technology) show the necessity to improve the capacities of the OSCE's structures. This necessity is not confined to planning, procurement or additional technological elements. In other areas like analysis, early warning or capacities for mediation, the resources of the OSCE could be stronger. We would like to initiate a structured dialogue about the OSCE's capacities in crisis reaction and crisis management over the entire conflict cycle.*[22]

This can be seen as a political signal that the task of strengthening the OSCE's operational capabilities for crisis reaction is not treated as a more technical issue, but made it on to the quite short list of the chair's priorities. The next subsections explore options for doing this in more detail with respect to personnel, training, planning capacities, budgets, legal personality and international co-operation.

Staffing peace operations

The SMM is mandated for up to 1,000 monitors;[23] currently it comprises about 650,[24] many of them with a military or police background. As it already requires significant efforts to keep the SMM at the current staff level, it would be demanding to achieve a level of 1,000 monitors – not to mention what might happen if the OSCE were to be confronted with the challenge of launching another operation of comparable size. Thus one has to conclude that the OSCE's staffing system, essentially based on secondment, has reached its limits or is at least seriously under stress. This is also due to the fact that, in the wake of the financial crisis, many states have become hesitant to second (and pay) personnel. The following measures, still within the confines of the secondment system, might at least gradually relax the situation.

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[22] Antje Leendertse, "The OSCE after Helsinki +40: Priorities of the German chairmanship", OSCE Focus Conference on "Europe in Crisis: Renewed Relevance of the OSCE?", Geneva, 9–10 October 2015.
[23] OSCE, "Extension of the mandate of the OSCE Special Monitoring Mission to Ukraine", Permanent Council, 12 March 2015, Decision No. 1162, PC.DEC/1162.
[24] OSCE Special Monitoring Mission to Ukraine, "Status report", 2 December 2015, available at www.osce.org/ukraine-smm/205561?download=true. According to this report, the overall number of mission members as of 2 December 2015 was 1,009.

a) The OSCE might consider re-employing former seconded staff members who have had to leave the organization according to the ten-years rule, after a cool-down phase of a couple of years. While this would still not convert the OSCE into a career organization – the main argument of the proponents of the ten-year rule – it would enable it to recruit badly needed expertise, including former OSCE staff members with very specific qualifications.

b) There is a specific need for personnel with a military background. However, the legal conditions for seconding military personnel as individual members of a civilian FOP are quite different in the participating States. Therefore states should create the legal, political and social conditions (for example, in terms of insurance) to allow active and retired soldiers/police officers to join OSCE peace operations as civilian persons with a military background. It would present a breakthrough if a few major participating States created benign conditions for the secondment of soldiers. The same is true for members of police units that are led as units, i.e. Guardia Civil or Carabinieri.

c) The employment of women represents another underused resource. The fact that of the 651 monitors serving in the SMM as of 2 December 2015 only 109 were female is a case in point. Of course, one could argue that this is quite natural because the share of women in the staff of armed forces is comparatively low. However, if one takes a look at the famous UN Security Council Resolution 1325 on women, peace and security,[25] which is also endorsed by the OSCE, the argument is different. This document "urges the Secretary-General to seek to expand the role and contribution of women in United Nations field-based operations, and especially among military observers, civilian police, human rights and humanitarian

[25] UN Security Council, "Resolution 1325 (2000) on women, peace and security", adopted by the Security Council at its 4213rd meeting, 31 October 2000, UN Doc. S/RES/1325(2000).

personnel".[26] Although UNSCR 1325 is frequently discussed in the OSCE, more recently at an OSCE Security Day[27] it seemed that not so much has changed on the ground. Thus a concrete action plan for increasing the share of women in OSCE FOPs, which could only be successful if larger participating States become active – it is them which second – is an urgent matter.

d) Another potentially underused resource is national professional staff – that is local staff engaged in professional and not administrative (secretary, translator, driver, etc.) functions. In 2014 the Mission in Kosovo had 123 international seconded staff members compared to 80 national professionals; in Bosnia and Herzegovina the ratio was 33 internationals to 123 national professionals; in the Mission to Serbia 22 to 25.[28] These figures show that relevant numbers of national professional staff are already used in OSCE FOPs, particularly in Southeastern Europe and to a lesser degree in Central Asia. In other FOPs such as the SMM it might not be advisable to engage more national professional staff, because the strength of this type of mission is based on a broad spectrum of international staff. Nevertheless, it should be analysed whether the OSCE could engage more local professionals. If this is the case, more should be invested in training this category of staff, including at national training centres such as the Crisis Management Centre (Finland), the Centre for International Peace Operations (Germany) and the Folke Bernadotte Academy (Sweden).[29]

e) The Secretariat/CPC should strive to enhance the flexibility of moving staff members between individual OSCE FOPs. Basically, this would mean expanding the concept of "first responders"

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[26] Ibid., Part 4.

[27] OSCE Security Day, "In pursuit of peace and security: How gender makes a difference", Vienna, 13 November 2015, annotated agenda, available at: www.osce.org/secretariat/198831?download=true

[28] OSCE, "Financial report and financial statements and the report of the financial auditors", 2014, p. 27, available at www.osce.org/secretariat/178636?download=true

[29] See Wolfgang Zellner and Frank Evers, "The future of OSCE field operations (options)", OSCE Network of Think Tanks and Academic Institutions, Vienna, 2014, p. 5.

that made it possible for several dozen mission members to start their work in Kiev just days after the adoption of the mandate for the SMM on 21 March 2014.[30] This was only possible because a selected group of existing staff from other OSCE FOPs was earmarked in advance for a possible quick-start operation, including gaining the necessary permissions from their heads of mission. Thus developing the "first responders" concept further should be examined.

Training capacities at the Secretariat

The OSCE Secretariat includes a small Learning and Development Unit with a staff of eight. This unit is responsible for the training done by the OSCE itself, particularly the induction courses for new mission members. The SMM entails the need for a number of additional training profiles that up until now were either not necessary at all or not to that degree. An incomplete list includes (more) training in military situations and verification. In light of these increased training requirements, the need to strengthen the unit should be examined. Another issue is increased co-operation with the national training centres mentioned above.

Enhancing the sphere of competence of the Secretariat/Conflict Prevention Centre

More tasks should be delegated to the Secretariat and, in particular:

The participating States should increase the Secretariat's crisis-management capacities and particularly strengthen the co-ordinating role of the CPC in the OSCE early-warning system.

The participating States should better enable the CPC to dispatch fact-finding visits in a timely fashion to places of emerging tensions. The Secretary General and the CPC should be authorized to have a stronger say

[30] OSCE, "Deployment of an OSCE Special Monitoring Mission to Ukraine", Permanent Council, 21 March 2014, Decision No. 1117, PC.DEC/1117, available at: www.osce.org/pc/116747?download=true

in translating the Chairmanship's guidance into operational advice for the field operations.[31]

Giving the Secretariat more competencies in all phases of the conflict cycle aims to strengthen its structural capabilities and thus make it less dependent on the contingencies of strong or weak chairs. The first report of the Panel of Eminent Persons on European Security as a Common Project, titled "Lessons learnt for the OSCE from its engagement in Ukraine", argues in the same direction:

Recommendation: The OSCE should try to ensure that it always has a capable Chairmanship/Troika, and should strengthen the ability of the Secretary General to take action in the interests of enabling the Organization both to prevent conflicts and to respond rapidly and effectively in a crisis.[32]

In addition to this more general orientation, the Panel of Eminent Persons recommended another very concrete step that would significantly increase the crisis reaction capabilities of the Secretary General:

> *Given the desirability of early preventive action by the Secretary General, he or she should have access to a small contingency fund for such purposes, without prior authorization from the Permanent Council.*[33]

However, what seemed to be a more technical question concerning an issue on which everybody can agree – early warning and early action – turned out to be politically sensitive. This is shown by the footnote by Sergei Karaganov, the Russian participant in the Panel of Eminent Persons, on the immediately preceding quoted text:

> *In principle I share the logic of possibly eventually giving the Secretary General and Secretariat somewhat more powers in crises. However, under the circumstances of current acute political and informational confrontation, which reminds us of the worst days of the Cold War, the*

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[31] Zellner and Evers, note 29 above, p. 5.

[32] Panel of Eminent Persons on European Security as a Common Project, "Lessons learnt for the OSCE from its engagement in Ukraine", interim report and recommendations, June 2015, p. 10. The Panel of Eminent Persons was initiated by the foreign ministers of the OSCE Troika (Switzerland, Serbia and Germany) and led by Ambassador Wolfgang Ischinger.

[33] Ibid.

> *diffusion of powers of the participating states is dangerous. The Secretary General could fall prey to prejudices or blackmail. So for the time being I am strongly against giving the Secretary General any additional authorities and powers including the right to appoint heads of field missions and the creation of a special fund for use by the will of the Secretary General.*[34]

This position is a sober reminder that the current conflictual relationship between Russia and the Western states is not limited to grand politics, but influences seemingly minor or technical questions.

Strengthening the planning capacity and expertise of the Secretariat

When the SMM started, the OSCE – Chair, Secretariat and CPC – was confronted with a range of issues the organization had never dealt with previously: unmanned aerial vehicles (UAVs), satellite imagery, armoured ambulances, etc. Swiss Federal Councillor Didier Burkhalter remembers:

> *I recall long and difficult discussions before we were finally able to deploy UAVs in the Donbass. Other capabilities that have proven necessary included armoured vehicles, secure communications, medical evacuation, and satellite imagery.*[35]

As there were no specialists in all these technical items available in the Secretariat, diplomats laboriously had to collect expertise on issues quite outside their sphere of competence. “It is also true, however, that the OSCE has had to improvise considerably to arrive at where the SMM is today.”[36] The lesson learned is clear: the OSCE needs more planning capacity as well as specific expertise in a number of areas. This applies, among others, to early warning, mediation support, safe communications and transport, medical support and evacuation, and verification of military equipment, UAVs and satellite imagery. This assessment is shared by both the 2014 chairperson-in-office and the Panel of Eminent Persons:

It needs more planning resources. We also should assess the extent to which we can and should provide the OSCE with capacity for some of the capabilities that had to be built into the SMM on an ad hoc basis. More

[34] Ibid.
[35] Burkhalter, note 1 above, p. 4.
[36] Ibid.

generally, we should look at ways of permitting more robust capabilities to be included in OSCE missions – as well as at the political, financial and legal implications of this.[37]

Recommendation**:** The OSCE should strengthen its operational capability, notably through an enhanced planning capacity in Vienna, a study of the potential of technical means and stronger partnerships with other international organisations, including the United Nations.[38]

It is clear that the OSCE can at best provide and maintain a significant initial capability in all these areas, as well as pre-planned modalities on how to enhance these capabilities quickly in case of emergency.

Budget

The development of the SMM has shown that peace operations of this size stretch the current budgetary system of the OSCE to its limits, and one could also say even beyond its limits. In its whole first year of the operation, from 21 March 2014 to 20 March 2015, the SMM was solely financed by leftover money from past years and voluntary contributions. This led to a situation where the biggest share of all voluntary contributions was consumed by the SMM, while other activities which used to attract voluntary contributions suffered. This is certainly not the way to finance a major FOP in a sustainable manner. It was not until 12 March 2015 that the Permanent Council decided to "authorize the assessment of EUR 65,000,000 on the basis of the field operations scale, at the time of billing, with the remaining balance being financed through voluntary contributions".[39] According to estimates, almost three-quarters of the costs of the SMM are now covered by the OSCE's unified budget.

The following measures could improve the situation.

[37] Ibid., p. 5.
[38] Panel of Eminent Persons, note 32 above, p. 14. One has to add that this paragraph was not footnoted by any member of the panel.
[39] OSCE, note 23 above.

a. The basic precondition for any major progress in the budgetary field is for participating States to revise the informal budget rule of "zero nominal growth" that has led, in reality, to a substantial decrease of the budget. This rule, mirroring the marginalization of the OSCE, is no longer timely: a stronger OSCE is only feasible with (moderate) budget increases. However, a strong group of OSCE participating States is still opposing any budget increases.

b. The OSCE should switch to a biannual budget cycle,[40] as is already done by other international organizations such as the UN Office on Drugs and Crime.[41] A milder form of such a move would be multi- or biannual commitment appropriations. Either step would significantly improve the OSCE's capacity for mid- and long-term planning.

c. Finally, as mentioned earlier, a conflict prevention and crisis management fund[42] should be created under the authority of the Secretary-General.

In all budget discussions one should not forget that we speak, in comparative terms, of small money. The total annual turnover of the OSCE equals no more than the price of one-and-a-half modern military fighter aircraft – not much for the task of working to maintain security and stability in the Euro-Atlantic and Eurasian areas.

Legal personality

As the OSCE does not possess a legal personality, it cannot grant diplomatic privileges and immunities to members of its FOPs. However, this kind of protection is indispensable, as field staff can always become involved in legal quarrels of different kinds in host countries. To compensate for the

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[40] Zellner and Evers, note 29 above, p. 5.

[41] See Commission on Narcotic Drugs, "Resolution 57/12: Implementation of the budget for the biennium 2014–2015 for the fund of the United Nations International Drug Control Programme", 2014, available at: https://www.unodc.org/documents/commissions/CND/Drug_Resolutions/2010-2019/2014/CND_Res_57-12.pdf

[42] Zellner and Evers, note 29 above, p. 5.

lack of a legal personality, the OSCE has to negotiate a MoU for each FOP with the host state to provide this kind of protection for mission members. In the case of the SMM it took weeks to negotiate and put into force a MoU with Ukraine – and, as mentioned earlier, the MoU is only partial and does not cover representatives of the Secretariat or OSCE institutions who travel to Ukraine on a regular basis.

Therefore, the participating States should adopt the fully negotiated 2007 draft Convention on the International Legal Personality, Legal Capacity and Privileges and Immunities of the OSCE without delay.[43] The "lessons learned" report of the Panel of Eminent Persons also comments: "The OSCE owes it to all of its staff to resolve the question of its legal personality. The work of the Informal Working Group offers a way forward."[44]

International co-operation

Co-operation with other international organizations on the issue of peace operations should be strengthened, particularly with the UN under Chapter VIII of the UN Charter, and with the European Union. In more detail, this involves a number of points.

a. The transfer of expertise and equipment has already started within the frame of the SMM; thus the OSCE received armoured vehicles from the EU. The Panel of Eminent Persons recommends systematizing this: "The OSCE should also enter into agreements with other relevant partners to draw on their assets in crisis situations, including things as diverse as technical expertise or armoured vehicles and special equipment."[45] A quite extensive exchange was conducted with the UN Department of Peacekeeping Operations, among others, on the use of UAVs, where the UN has already acquired experience. However, such experiences could not be transferred wholesale: UN expertise with UAVs was primarily related to missions in Africa, where winter seasons have a different character than in Ukraine. The example shows that experiences from other actors can be used, but they almost always have to be adapted to one's own conditions.

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[43] Panel of Eminent Persons, note 32 above, p. 11.
[44] Ibid.
[45] Ibid., p. 14.

b. Joint lessons learnt efforts could be very fruitful for the OSCE, particularly with partners that have larger operational capacities such as the EU and the UN. This could include joint further development of positions and approaches to peace operations. The latter is particularly interesting against the background of the findings of the High-Level Independent Panel on UN Peace Operations and the related follow-up process.

c. The exchange of staff and positioning of liaison officers were also mentioned by the Panel of Eminent Persons, which recommended "including the possibility of integrating UN personnel into OSCE Field Operations".[46] As the UN employs contracted personnel in the civilian parts of its peace operations, this could be a way for the OSCE to gain access to specialists and specialized expertise that it usually finds difficult to get.

While the assistance of the EU and the UN was very important in forming the SMM in a short-term perspective, the real gains of international co-operation can only be reaped in a long-term perspective on the basis of continuously developing relations.

Conclusion

I would like to conclude this paper with some more general deliberations that are suited to frame the narrower and more technical discussion on peace operations. As in every debate on political instruments, and peace operations of any kind are instruments, there is an inherent danger that this discussion is only or primarily conducted at a technical level, which can lead to wrong conclusions.

First, there are some basic observations on the political character of the OSCE. One is that the CSCE/OSCE is a bad-weather organization. It flourished when tensions were high and in situations where we had manifest crises or wars. The 1975 Helsinki Final Act was adopted in the middle of the Cold War. Its primary aim was to provide norms and rules for the regulation of a confrontation that at the time was seen as antagonistic

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[46] Ibid.

and principally insolvable. The 1992 Helsinki Document, which founded almost all primarily conflict-related institutions of the CSCE/OSCE, was adopted at a historic moment when the heads of state and government realized that they did not have proper instruments to regulate or at least contain the Yugoslav secession wars. And the SMM was kick-started in 2014 because it was needed and no other international organization was in a position to create something comparable.

Another observation is that the OSCE enjoys little institutional autonomy. The Secretary General alone is not able to mobilize the OSCE for a certain purpose. Thus it is not the OSCE as such that is doing something or not; rather it is its participating States that decide to use or not use the OSCE as an instrument to achieve certain political ends. This was the case in 1992 when the OSCE states wanted to created instruments they could use in Southeastern Europe; and it was the case in 2014, when the participating States wanted an instrument for containing an escalation in Ukraine that was seen by most as too dangerous for the whole of Europe.

Second, one has to be aware that the basic objectives of the participating States are the decisive factors that shape or do not shape the OSCE's operational instruments. In 2012 or 2013 even a theoretical discussion on a FOP comparable to the SMM was unthinkable. In 2014, however, such a FOP became possible because major states perceived the need to create the SMM and states were able, in a complicated process, to achieve consensus. However, this general political assessment has two operational caveats. On the one hand, the quick deployment of the SMM was only possible because there was a two-year preparation process based on Decision 3/11 on the elements of the conflict cycle.[47] On the other, the deployment process happened in the benign environment of the strong Swiss chair that supported it even in operational and technical terms.

What consequences can we draw from these general deliberations on the current discussion about peace operations in general and PKOs in particular? Currently, there is no urgent need for participating States to consider the creation of an OSCE military PKO. And precisely this element, the urgent need, was what made the SMM possible. That can change quickly if the crisis in Nagorno-Karabakh escalates into a full-fledged war. Then it might be urgent – for the same reasons as in Ukraine, namely to

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[47] OSCE, note 18 above.

prevent a sub-regional war escalating to the European level – to supplement political efforts to achieve a ceasefire agreement with a mission on the ground. And it might well turn out that a mission of the SMM type would not be sufficient and one needs a full-fledged military PKO. And it might also turn out that the OSCE is the only platform available for deploying such a mission. In such a political situation it might be possible (and necessary) to discuss the option of a military OSCE PKO. But this cannot be done in advance. States are not willing to adopt anticipatory decisions on an OSCE PKO.

For the time being, the same type of action is possible as was possible after Decision 3/11 had been adopted. In 2012 and 2013 there was no high-profile eagerness to improve the OSCE's crisis reaction capabilities, but small steps were possible. The same applies to the current period, with the additional element that the memory of the deployment of the SMM and the lessons learned from this crisis are still fresh. Consequently, the current opportunities for gradual improvement of the OSCE's crisis reaction capabilities are at least as good as in 2012/2013 and should be used accordingly. Even if only modest progress is achieved, it will help in the next crisis – and unfortunately we have to take into account the possibility of future violent crises in the OSCE space.

Third and finally, there is frequently a misbalance in the perception of the political and the operational elements of crisis regulation processes, for a number of reasons. A phenomenon such as the SMM is of a physical character – persons, vehicles and drones. One can see them and hear them. And it is important to keep in mind that it is easy to produce videos on these things and post them on the internet. Compared to that, the political process is rather abstract and not so easy to show. Whether a picture of the foreign ministers of Ukraine, Russia, France and Germany shows the fifth or the eighth ministerial meeting of the Normandy format, nobody can distinguish. In addition, it is much more difficult to get precise information on the political process, which is ambivalent and fluent by nature, whereas one can safely say about the SMM that it had 651 monitors at a certain date who moved a certain number of vehicles and drones. Thus the SMM is much nicer to show in PowerPoint presentations than the political process. However, this does not change the fact that the political process – in this case the Normandy format and the Trilateral Contact Group – is at the

heart of the conflict management process and not the instruments it uses, impressive as these instruments may be.

The same applies for the OSCE as a whole. Staff numbers, budget, all these factors are important, as we have seen in this paper. However, at the heart of the matter are decisions by OSCE participating States to use or not to use this organization. These decisions will always also depend on alternative options. If the NATO–Russia Council resumes its role as a platform for discussion, one can assume that a portion of the security dialogue would return there. And if relations between Russia and the EU improve again, one can also assume that certain strands of dialogue will then be dealt with in an EU–Russia frame. And this is good, as a sustainable European order without at least business-like relations between Russia and the EU and NATO is barely conceivable. The OSCE must and can find its place in different scenarios. The last two years have shown that this is possible.

Economic connectivity: Challenges of European and Eurasian integration processes

Michael A Landesmann

Scientific director, Vienna Institute for International Economic Studies (wiiw), and professor of economics, Johannes Kepler University, Austria.

Introduction

What matters more in international relations: political interest or economic interest? There is no general answer to this question – it depends on the particular historical circumstances, geostrategic setting, etc.

Europe is currently in flux: the EU, defined mostly as an economic power, traditionally sees its relationships defined by economic (and partly humanitarian) interests, while Russia has clearly stated its geopolitical interests. However, one has to be cautious with this characterization: firstly, while the EU might perceive itself predominantly as an economic integration project, that project could be judged by others more prominently for its geostrategic implications. Secondly, when one partner starts to define the "game" in terms of geostrategic interest, the other partner also has to adjust its strategy. Thirdly, the geostrategic capacity of any actor is always constrained by economic resources, and hence economic interests never disappear entirely from international relations.

Nonetheless, the fact is that the European situation has moved somewhat from an EU-defined economic integration model towards a

situation in which geostrategic considerations start to play an increased role that forces the EU to adjust its "model".

In this short paper I discuss EU–Russia relations and the position of the "conflict zones" in between, and particularly that of Ukraine. All this is discussed in relation to the notion of "economic connectivity". So let us start with a definition of "economic connectivity".

By economic connectivity we understand any form of economic relationship across countries or regional groupings pertaining to trade, business activities in each other's markets, financial relationships and business- and work-related mobility. It also includes economic cross-country relationships sponsored by state and civil society.

Usually, in conflict situations and even acute conflict situations, "economic connectivity" in the above sense does not break down completely. But the levels and patterns of economic linkages will in such situations be significantly affected. One can also speak of a two-way process: political relationships and geostrategies shape the pattern of economic connectivity, but also economic interdependencies shape the course of conflictual relationships.

The two trading/integration blocs

Europe currently has two significant trade/integration blocs (the European Union, with 28 member countries, and the Eurasian Economic Union, EAEU, with five members[145]) with very different characteristics and economic sizes, and each confronting quite strong structural challenges. This paper applies the concept of "economic connectivity" to understand the current competitive and conflictual relationship between these two trading blocs and explore the potential for economic relationships between them.

[145] The current members of the EAEU are Armenia, Belarus, Kazakhstan, Kyrgyzstan and the Russian Federation.

Characterizing European and Eurasian economic integration: Fundamental asymmetries and differences

It is clear that there are major differences in the way the EU integration process is organized as compared to the Eurasian integration initiative. These differences give rise to strong asymmetries in the relationship between these two regional blocs.

First, there is the issue of overall size. The EU has currently 28 member states, more than 500 million inhabitants and an aggregate GDP of €13,000 billion; the EAEU has five members, about 200 million inhabitants and an aggregate GDP of below €2,000 billion. Average real per capita GDP (per annum) is €27,000 in the EU and €7,000 in the EAEU. If we take the entire European economy together (i.e. Lisbon to Vladivostok), the EAEU accounts for only 13 per cent of the combined Eurasian economy.

Next, there is the difference in the weights of the most important players within each integration bloc. In the EAEU Russia is by the far the dominant player, accounting for about 85 per cent of the overall GDP. In the EU there are several bigger economies, with Germany accounting for 18 per cent of aggregate EU GDP, the UK 14 per cent, France 13 per cent, Italy 11 per cent, Spain 8 per cent and the combined group of new member states 12 per cent. We can thus see that economic weight and power are much more widely dispersed in the EU than in the EAEU.

The degree of economic dominance by a single player of the EAEU compared to the more dispersed number of main players in the EU is combined with significant differences in formal and informal decision-making mechanisms (which are especially complex in the EU). This leads to very different characteristics in the operations of these two regional blocs, in the cost-benefit calculations of individual countries regarding membership (hence relative attractiveness) and – possibly – in the sustainability of these regional organizations.

Thirdly, there is differentiation within each of the blocs, but of a quite different nature. That within the EU has been much analysed in terms of income differences, the issue of convergence or divergence in income levels, current account imbalances, the relationships between debtor and creditor countries, etc. There are many unresolved issues here which the economic crisis in the EU has clearly brought to the fore. However, there are also existing and new mechanisms and policy instruments that have been set up to tackle these issues: structural and cohesion funds, the recently installed Macroeconomic Imbalances Procedure, the moves towards a banking union, etc. In contrast, the EAEU is at a relatively early stage in developing its institutional mechanisms to deal with internal structural integration issues. Here the “dominance” by one player is important.

As regards within-bloc specialization patterns and hence production and trade relations between members in the two integration blocs, there are also significant differences. The EU has a well-documented pattern of trade and production integration among its members, with a strongly evolving and pervasive pattern of intra-EU production integration and trade specialization. The EAEU, on the other hand, has well-recognized asymmetry problems, as trade with Russia is much more important for the other EAEU members than Russia’s trade with them. Further, there is the issue of relative complementarity of production and trading structures, which is much less pronounced in the EAEU than in the EU. This is partly because a number of EAEU members are specialized commodity and energy suppliers, and partly because a lack of diversification prevents evolution of the high degree of intra-industry trade and cross-border production integration characteristic of the EU. This reduced lack of complementarity is one of the reasons why the economic incentive to join the EAEU might be in the shadow of political considerations.

Furthermore, there are ongoing important trade and integration processes with other global regions that are relevant for the global setting of the EU, on the one hand, and the EAEU, on the other hand.

EU–North America trade, investment and financial relationships are very close and make up about half of global interlinkages (more in finance and investment, less in trade) overall. They would be further intensified if the Transatlantic Trade and Investment Partnership agreement gets signed. *EU–Asia and EAEU–Asia trade links* are also of very different magnitude and have very different characteristics: the EU sends about 15 per cent of its total goods exports to East, Southeast and Southern Asia, and Russia 18 per cent (it exports 52 per cent to the EU); Asia sells 15 per cent of its total goods exports to the EU and only 2 per cent to the EAEU.[146] Looking at Russia–China trade specifically, exports from Russia consist almost entirely of oil, gas, metals and wood (in 2015 it exported about €20bn), while it imported from China machinery, electrical equipment and consumer goods (total imports in 2015 about €31bn). Hence there is by far more symmetry in trade between the EU and Asia (with again much scope for intra-industry trade and technological interleafing, just as there is between the EU and North America) than there is between the EAEU and Asia.

Thus at a broad level one can say that the EU and associated states form a differentiated, highly integrated economy, symmetrically linked with the other large trading areas of the global economy, while the EAEU is a much smaller economic entity characterized by considerably less complementarity among its members. The EAEU also shows highly asymmetric trade relationships with other global trading areas, characterized by a large dependence on energy and commodity exports. Any intensification of Russia–China trade (Russia's "pivot to Asia") will not change this picture, and China will continue to be a far less important

[146] The figures relate to 2014 and the percentage shares are calculated on the basis of total goods exports (including intraregional trade).

trading partner for Russia than is the EU. Decision-making in the EU is cumbersome, the result of complex bargaining processes, but based on a relatively horizontal structure of relationships; in the EAEU the situation is much more hierarchical, reflecting the dominant position of Russia, although national interests do get articulated by the other larger members of this union (in particular Kazakhstan and Belarus).

The Ukraine crisis and economic connectivity between the two regional blocs

Prior to the Ukraine crisis the economic relationships between EU and EAEU members were founded on the expected economic channels which characterized the complementarities and comparative advantages between the EAEU countries and the EU. Thus it was clear that there was a joint interest in energy supply, although operating in a market in which power relationships play an important role: there was continuous haggling between EU competition authorities and Russian energy suppliers. There was also, following earlier crises in EU–Russia relations, an attempt to diversify energy supply routes from the EU side and coordinate energy policies better in the EU (not only in relation to external supplies but also in terms of creating an integrated market). These attempts were not very successful, as EU countries in many ways followed national interest paths.

Furthermore, there was a strong interest by actors in the EAEU to make use of international financial markets. Official statistics report that about two-thirds of inward FDI stocks in Russia by the end of 2014 were accounted for by Cyprus, Netherlands Antilles, the Virgin Islands, Bermuda and the Bahamas.[147] It is clear that such capital flows reflect "round-tripping" (the inward flows are mirroring the outward flows to these destinations) and that financial market linkages are heavily used for such

[147] I am grateful to my colleague Peter Havlik (wiiw), who compiled the figures from national statistics.

purposes. On top of this, companies in EAEU countries borrowed from international capital markets to finance their operations.

Lastly, and very importantly, the complementarity in trade flows (exports of energy and raw materials and imports of a wide spectrum of industrial goods and advanced services) between EAEU countries and the EU facilitated the import of advanced technology and a diversified supply of the goods on offer in EAEU markets. This benefited both producers in the EAEU, who could purchase advanced intermediate inputs and capital goods, and consumers, who had access to a wider range quantitatively and qualitatively of consumer goods.

The Ukraine crisis signifies a rupture in these relationships, although the depth of this rupture and its duration is still unclear. But in all the three areas mentioned above there are clear developments:

- There have been renewed attempts by the EU to move towards more coordination and integration of its energy policy and reduce its dependence on Russian supply of oil and gas;
- The sanctions regime on the Russian Federation in the wake of the Ukraine crisis has had a significant effect on Russian companies' access to finance in international financial markets;
- The crisis has given an impetus in the EAEU to move towards a more self-reliant and import-substituting strategy.

Regarding the last point, other developments beyond the Ukraine crisis have pushed Russia in particular to adopt such a strategy: the collapse of the oil price and commodity prices in general has had a large impact on GDP (Russia is in its second year of recession). This led to a strong devaluation of the rouble, which automatically induces a shift away from imports. Other EAEU countries also suffered from the decline of commodity prices, and the fall in Russian GDP that reduced their export possibilities and thus their ability to import. These are the external factors that put pressure on EAEU members as a whole. As far as strengthening internal commitment to the

EAEU is concerned, there are contradictory tendencies following the Ukraine crisis. On political grounds, the strengthening of EAEU linkages (given the external conflictual relationships) would be in Russia's interest. On the other hand, other EAEU members do not necessarily want to suffer from a spillover of worsening relationships with external partners in the wake of the Ukraine crisis. Furthermore, they did not particularly like the pressure put on Ukraine by Russia over the right to determine external economic relationships, which in many ways could serve as an example of the pressure that can be (and has been) put on EAEU members themselves.
Hence Europe faces a rather difficult situation: on the one hand we have a weakened EU which has suffered from and is still dealing with a multiplicity of shocks (economic crisis, refugee crisis, Brexit referendum, waning trust by the EU population in the problem-solving ability of EU institutions and policy-makers). On the other hand we have Russia and the EAEU, which suffer from both longer-term issues regarding economic development and the internal structure of the EAEU and the short-term impact of the economic crisis and the fall-out from the Ukraine conflict.

I return to the role which "economic connectivity" could play under such circumstances in the concluding section of this paper. Before that we want to deal with the situation of the "in between" countries, and Ukraine in particular.

The position of the "in betweens" and Ukraine in particular

The situation of the "in-betweens" (in short, Moldova, Georgia, Ukraine and Armenia) has been difficult for some time and, given the increase of tensions in the wake of the Ukraine crisis, has not become easier. There are problems of contested territories in relation to all these countries (Georgia–Abkhazia–South Ossetia; Moldova–Transnistria; Armenia–Nagorno-Karabakh; Ukraine–Donbass–Crimea), and with the long-term pull of internal and external forces regarding relationships with the West and the

EU, on the one hand, and with Russia and the EAEU on the other. The increased pressure to have to "make a choice" is detrimental to their economic and political development.

To focus on Ukraine, the economic situation of the country is dramatic, and so are the challenges in relation to the path of transformation that has to be followed if the economic and social situation is to become sustainable. The war situation and the split of the Donbass region into a separatist-controlled part and one controlled by the central government has led to a collapse of the previous heartland of industrial production in Ukraine. Before the conflict with Russia this region accounted for 60 per cent of Ukraine exports, and the disruption of cross-regional production links and the loss of sales to Russia (which accounted for 12 per cent of Ukrainian exports in 2015, but amounted to over 30 per cent before the crisis) take a heavy toll on overall economic activity – and industrial production in particular, which is about 25 per cent lower at the beginning of 2016 compared to 2013.

Ukraine struggles with an extraordinarily high external debt burden (estimated to be currently about 160 per cent of GDP) and, even with the deep depression of the domestic market and the dramatic devaluation of the hryvnia, barely manages to balance the current accounts. The DCFTA (Deep and Comprehensive Free Trade Agreement) with the EU should have brought some relief to Ukrainian exporters, as the EU has already lifted asymmetric trade restrictions (except for agricultural goods) in 2015. However, despite the nearly free access to EU markets, Ukrainian producers are so far not in a position to take advantage of this, and Ukraine's exports to the EU fell by 27 per cent (in dollar terms) in 2015. This was due to the fall in commodity prices and lack of diversification, the existing gap in standards and lack of investments. The recovery of industrial production and exports (and thus of achieving sustainability in external accounts) will be a long haul, as compliance with EU standards will require large investments and necessitate becoming attractive to international investors

who would bring the know-how and access to Western markets. The regional reconfiguration of production activity in an Eastern region that is split, has part-destroyed and outdated capacities and is historically dependent on the Russian market will be a major long-term challenge.

The political situation in the country is far from stable, and the required strong commitment to reform measures – which themselves are essential to make Ukraine attractive to foreign investors and provide a framework for recovery – is very difficult to achieve at sufficient speed in such circumstances. Under a deteriorating social situation, the political situation can further deteriorate.

Back to the question of "economic connectivity"

There are two levels of discussing "economic connectivity" in this context: one is the micro-regional level pertaining to economic linkages in border regions between conflicting states and also across contested areas; the other is the macro context regarding relationships between the EU and the EAEU. This paper is limited to a short discussion of possible policy measures and potential scenarios.

As mentioned earlier, a conflict situation does not lead to complete rupture of economic linkages, and once the acute phase of a conflict subsides, a process of "normalization" of economic and administrative links re-emerges, albeit at often very low levels and predominantly through informal channels. This is the point where international mediation and diplomacy can play a role.

At the *micro-regional level* the build-up of linkages would pertain to the following areas.

- Allow some degree of cross-border trade, at times through informal channels and by building up some confidence in arranging payment mechanisms that can be trusted, and lift such transactions to a more formal and monitored level. Creative adjustments in trade

policy arrangements (such as recently offered by the EU in the case of shipments from Transnistria) and international support for banking transactions can help here.

- There is the issue of continued support across contested areas for the provision of utilities (water and electricity supply) which are vital in the basic infrastructure for the population. Transport infrastructure (road, rail) is likely to have been severely interrupted through conflict, but once entering a phase of "normalization" reconnections and even new investments in cross-regional links could be envisaged and international support for this could be provided.
- There is the social infrastructure (hospitals, educational facilities, pension payments), which is crucial for the social well-being of the population and is likely to have suffered badly because of within-country borders and the conflict situation. Attempts to reduce hardship by allowing and building up cross-border access are an essential component in re-establishing "connectivity". Also along these lines is furthering some limited degree of cross-border labour mobility to allow for some expansion of employment possibilities, which in turn leads to business links.
- All the above require some degree of cooperation between public administrations in contested areas, and here again intermediation by international actors would be essential.

This is not the place to discuss the details of such initiatives and developments with regard to specific conflict regions, but there is scope to exchange experiences on what works in which circumstances and what are the most binding constraints at any point in time that lead to focusing efforts in a particular direction.

As to the more *macro aspects* of "economic connectivity", what is the potential for such connectivity between the two integration blocs of the EU and the EAEU? It is important in my view not to lose sight of the fact

that normalization of economic relationships is always of long-term benefit to each of the partners. Let us outline the following scenarios.

Scenario A: Continued conflict

Under this scenario, the tense relationships between the West/the EU and Russia persist, and are shaped mostly by geopolitical interests and a commitment on both sides to consolidate and possibly expand areas of influence. A gain by one side in this respect is seen as a loss for the other. The result of this is that most of the mechanisms through which economic integration produces welfare benefits for both sides do not operate:

For Russia, international integration in such a scenario remains focused on a small regional bloc, the EAEU, which yields only very limited gains from economic integration due to the limited extent of comparative advantage and specialization potential between the partners. Furthermore, as the integration process is based mostly on geostrategic considerations and little on economic motives for partner countries, incentives to stay in the EAEU have to be introduced through explicit or implicit "side payments". These could come in the form of providing a security umbrella, external support in propping up authoritarian structures, or explicit financial subsidies either directly or indirectly through, for example, preferential contracts for oil and gas supplies. External relationships also remain driven by geostrategic considerations, such as the "pivot to China" that led Russia to sign a rather suboptimal deal regarding oil and gas supplies with little commitment on the Chinese side in terms of investment. For Russia itself the constrained economic interactions with the "West" mean forgoing benefits of technology transfer and international cooperation with Western companies that could support modernization of industry and diversification of production. The area in which ongoing economic relationships persist because of mutual interest, namely oil and

gas supplies, will continue to be formulated by a mixture of geopolitical and commercial interests and thus be loaded by mistrust on both sides.

The “in between” countries and conflict regions will continue to suffer from “frozen conflicts” stifling their economic and social development. Such constellations of contested terrains absorb considerable resources for security and not developmental purposes. There is well-established evidence that regions which border antagonistic integration blocs have little chance to develop: they remain backward and poor even though historically (such as the Donbass) they might have been the more developed regions of their countries.

Finally, the countries in the “in between” zone will be pushed towards a decision to join either one or the other trading and integration bloc (i.e. sign an association agreement with the EU or become a member of the EAEU); this, from an economic rationale of international integration, is definitely suboptimal.

Scenario B: Pragmatic trade relationships

This scenario would avoid a strictly binary “either/or” decision for countries to join one or the other trading and integration bloc; rather, pragmatic solutions could be found whereby benefits from economic linkages with both these blocs could be reaped. Thus, for example, Ukraine could negotiate preferential trade agreements with the EAEU (or the wider CIS group) in addition to implementing the DCFTA. The same could apply to Georgia and Moldova.

The advantages of such a scenario from an economic point of view are obvious: The rather broken relationships which had historically been close between neighbouring regions and countries could – across the dimensions discussed above – be gradually reconstructed, with significant welfare benefits to the local populations. A pragmatic approach could see these border regions again performing a “bridge function”, and since

neighbouring countries are rather large markets this would also attract foreign investors wanting a foothold in such regions. Prerequisites for such renewal of “economic connectivity” are, however, security, infrastructure development, low barriers for cross-border movements (of goods, business activities, people), trust in contracts, qualitative institutional improvement, etc.

If such a pragmatic approach is not adopted, a country such as Ukraine would face a Herculean task to reorient its regional development pattern. There would be little prospect of redeveloping the historically more advanced and industrial regions in the east even in the longer run; the regions in the west of the country were the less advanced, more agriculturally oriented areas. This pattern is currently changing, with more scope for western and southwestern regions adjacent to EU member countries to attract business links with Western partners and gradually upgrade their spectrum of activities. But such regional reorientation is a long-run process, and it is questionable whether it provides a sufficient economic foundation for the economy as a whole to assure a reasonable recovery of living standards over the medium term. Attention to ameliorating the collapse of the conflict-torn regions in the east and providing some prospects for their recovery (based not insignificantly on resumption of cross-border economic linkages) should be an essential component of an overall strategy.

Annex I

OSCE FOCUS PROGRAMME 2015

Europe in Crisis: Renewed Relevance of the OSCE? 9-10 October 2015, GCSP, Geneva

Time	Friday, 9 October 2015
09:00 - 09:15	**Welcome and Introductions** Daniel Warner Philipp Fluri Christian Dussey
09:15 – 10:30	**Session 1: Ukraine – How to resolve the conflict?** Chair: Walter Kemp Speaker: James Sherr Discussant: Hanna Smith
10:30 – 10:45	Coffee Break
10:45 – 12:00	**Session 2 : The OSCE and resolving (un)frozen conflicts** Chair: Christian Strohal Speaker: Pal Dunay Discussant: Rasa Ostrauskaite
12:00 – 14:00	Buffet Lunch at GCSP
14:00 – 15:15	**Session 3: The OSCE after Helsinki +40 - Priorities of the German chairmanship** Chair: Vuk Zugic Speaker: Antje Leendertse Discussant: Andrei Zagorski
15:15 – 15:30	Coffee Break
15:30 – 16:45	**Session 4: European Security : the future of European Security** Chair: Daniel Warner Speaker: Hans-Joachim Spanger Discussant Günther Bächler, Dmitry Balakin
19:00	Dinner at La Perle du Lac, keynote address by Ambassador Marcel Pesko, Director CPC

Time	Saturday, 10 October 2015
09:00 – 10:15	**Session 5: European Security : How to strengthen the OSCE (peace operations)** Chair: Marcel Pesko Speaker: Wolfgang Zellner Discussant:Fred Tanner, Angelo Gnädinger
10:15-10:30	Coffee Break
10:30-11:45	**Session 6: Economic Connectivity** Chair: Aleksey Kuznetsov Speaker: Michael Landesmann Discussant: Thierry Béchet
11:45 – 12:30	**Conclusions** Chair: Daniel Warner Speakers: Istvan Gyarmati, Raphael Naegeli, Andrei Zagorski
12:30 - 13:30	Buffet Lunch at GCSP
14:00	Departure of participants

Annex II: LIST OF PARTICIPANTS

Lydia Amberg	Assistant to Dr Warner, DCAF
Günther Bächler	Ambassador of Switzerland, Georgia
Dmitry Balakin	Head of NATO/European Security Section, MFA, Russian Federation
Thierry Bechet	Ambassador, EU permanent representative to the OSCE
Christian Bühlmann	Colonel, Head of the Regional Development Programme, GCSP
Pal Dunay	Professor of NATO and European Security Issues at the George C. Marshall Center
Christian Dussey	Ambassador, Director GCSP
Philipp Fluri	Deputy Director, DCAF
Angelo Gnädinger	Special Representative of the OSCE Chairperson-in-Office for the Southern Caucasus
Jonas Grätz	Policy Advisor, Swiss FDFA
Istvan Gyarmati	President, International Centre for Democratic Transition (ICDT), Hungary
Julian Jacob	Special Advisor to the Director, OSCE ODIHR
Walter Kemp	Director for Europe and Central Asia, International Peace Institute
Aleksey Kuznetsov	Head, Center for European Studies, IMEMO, Moscow
Michael Landesmann	Scientific Director, Vienna Institute for International Economic Studies
Antje Leendertse	Ambassador, Head of the Taskforce for the 2016 German OSCE Chairmanship
Raphael Nägeli	Minister, Head of OSCE Task Force, Swiss FDFA
Rasa Ostrauskaite	Deputy Director, Conflict Prevention Center
Marcel Pesko	Ambassador, Conflict Prevention Center
Ihor Prokopchuk	Ambassador, Permanent Representative, Ukraine, OSCE
James Sherr	Associate Fellow, Russia and Eurasia Programme, Chatham House
Hannah Smith	Editor-in-chief of Aleksanteri Insight
Hans-Joachim Spanger	Member of the Executive Board, Peace Research Institute
Christian Strohal	Ambassador, Austria, OSCE
Fred Tanner	Ambassador, Senior Advisor to the OSCE Secretary General
Alexandra Tokareva	Senior Programme Officer, Regional Development Programme, GCSP
Daniel Warner	Assistant Director for International Relations, DCAF
Claude Wild	Ambassador, Switzerland, OSCE
Andrei Zagorski	Head of Department, Institute of World Economy and International Relations, Moscow
Wolfgang Zellner	Deputy Director IFSH, Head of Centre for OSCE Research (CORE)
Vuk Zugic	Ambassador, Serbia, OSCE

The Geneva Centre for the Democratic Control of Armed Forces (DCAF) is an international foundation whose mission is to assist the international community in pursuing good governance and reform of the security sector. The Centre develops and promotes norms and standards, conducts tailored policy research, identifies good practices and recommendations to promote democratic security sector governance, and provides in-country advisory support and practical assistance programmes.

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