

Introduction

Eastern Voices: Is the West Listening?

Daniel S. Hamilton and Stefan Meister

Crisis: The New Normal

As of this writing, the war in eastern Ukraine is now in its third year. Ongoing conflict between Russia and the West has become the new normal. Yet the ability of Europeans and Americans to address the Russia challenge is now questioned by turmoil within the West itself. The decision by the United Kingdom to quit the European Union and the election of Donald Trump, an anti-establishment economic nationalist, as the 45th president of the United States, have rocked the very foundations of the West. These and other challenges, such as terrorism, refugee streams, and economic and populist pressures at home, have left the United States and west-central Europe with less confidence and readiness to respond to tensions with Russia or to reach out in any significant way to Europe's east.

The consequences have become particularly clear with respect to Russia. Vladimir Putin has successfully upgraded his international role through his involvement in the Syrian war. Despite ongoing Western sanctions, Putin has sought to break out of his isolation by positioning himself as an influential leader with whom one must talk if one wants to solve international conflicts. His ability or even his interest in conflict reduction remains questionable, however, and his record of engagement points more to his desire to use such conflicts as opportunities to upgrade his role at the cost of others. Putin's influence stems more from his role as a spoiler than as a responsible leader. The 2018 presidential election in Russia will be a stress test for the Putin system, but it is unlikely to challenge Putin's position in any substantial way.

Despite Donald Trump's reluctance to criticize Russia and his hints that he might recognize Moscow's annexation of Crimea and review Ukraine-related sanctions as ways to pursue warmer ties with Putin, there has been no improvement in relations between Russia and the United States. U.S. Secretary of State Rex Tillerson, U.S. Secretary of Defense James Mattis, and U.S. Ambassador to the UN Nikki Haley have all called

Russia's claims on Crimea "illegitimate," stated that the United States will continue to hold Russia accountable to its Minsk commitments, and that U.S. sanctions against Russia will remain in place until Moscow reverses the actions it has taken there. They have also criticized Russian activities in Syria and in Afghanistan, and Mattis has called out the Putin regime for "mucking around" in other people's elections—a particularly notable claim coming at a time when federal and congressional investigators are probing alleged Russian meddling in the 2016 U.S. elections. The Trump administration has extended current sanctions to encompass additional Russian individuals and companies, and the U.S. Congress has also become even more assertive with regard to Russia, including efforts to impose even further sanctions.

Trump's view of Putin has also evolved, and he believes that in the current atmosphere—with so much media scrutiny and ongoing probes into Trump–Russia ties and election meddling—it won't be possible to "make a deal," as the President himself has framed it. The best that may be expected is agreement to reduce the risk of inadvertent incidents that could lead to major conflict; to manage differences in ways that do not allow them to erupt; and to contain other potential disruptions from third issue areas. After initial hesitations, President Trump has affirmed the U.S. commitment to Article 5 of the North Atlantic Treaty, has reinforced U.S. participation in NATO's forward presence in the Baltic states, Poland and Romania, and increased U.S. funding for the U.S. military in Europe.

As the U.S. administration's approach to Russia continues to evolve, it is likely to be further influenced by the question whether to supply lethal defense aid to Ukraine, for which there is strong support in the Congress, and by debate over Russia's violation of the INF Treaty.

In short, despite much rhetoric about a new dawn in U.S.–Russian relations, bilateral ties are arguably the worst since before the Gorbachev era. U.S. and Russian leaders share limited interests and very different world views of what drives the international system. EU–Russian relations also remain tense, with no signs of change, as exemplified by the EU decision to extend sanctions on Russia until at least mid-2018 without any controversial discussion. Russia's meddling into the French and German elections has further alienated the relationship. With Emmanuel Macron, a EU-friendly president has been elected in France who will strengthen the tandem with Germany and who has a critical view of Russia's role in Europe.

In March 2016 EU foreign ministers agreed on five guiding principles for EU-Russia relations.¹ They include full implementation of the Minsk agreement; closer ties with Russia's former Soviet neighbors; strengthening the EU's resilience to Russian threats like cyber attacks and disinformation; selective engagement with Russia on issues such as counter-terrorism; and increased support for people-to-people contacts. These principles show the limited ambitions of the EU with Russia at the moment. There is still no regular exchange between Moscow and Brussels; EU member states are still searching for a new approach to Russia.

Tensions with Russia extend to Syria, Iran, and other issues. Yet the key source of conflict between Russia and the West continues to be over their common neighborhood in Europe. Russia's leadership believes that Western activities in this region are a threat to its hold on power at home. It is not only willing to pay a much higher price to assert influence over the common neighborhood with the EU and NATO than any Western state, it has shown it is prepared to use force to protect what it believes is Russia's sphere of influence. The post-Soviet region is Russia's primary area of interest, as it is intimately tied to the Kremlin's image of Russia as a regional and global power.

Russian aggression and intimidation is not the only factor challenging Europe's eastern lands beyond the EU and NATO. Internal conflicts and tensions are equally relevant. Corruption and crony capitalism, kleptocratic elites, and festering conflicts are draining resources from countries that are already fragile and poor. Their instabilities have mixed with Moscow's revisionism to form a combustible brew.

Demand for More Western Engagement and (Co-)Ownership

With these considerations in mind, we asked authors from eastern Europe and others focused on the issues and concerns of the region to offer their own perspectives. What is strikingly clear from their essays is that the societies and elites in throughout the region are uncertain what they can expect from the EU and the United States at this time of rapid change and ongoing vulnerabilities. Growing frustration is the result. Many authors warn against growing fatigue and populism in these countries.

¹ European Parliament, "The EU's Russia Policy. Five Guiding Principles," briefing, October 2016, [http://www.europarl.europa.eu/RegData/etudes/BRIE/2016/589857/EPRS_BRI\(2016\)589857_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2016/589857/EPRS_BRI(2016)589857_EN.pdf).

U.S. disengagement under President Obama as well as Donald Trump's unpredictability and disinterest has strengthened this perception. The deep identity crisis of the European Union, and the trend toward renationalization among many of its member states, limits the EU's soft power and capability to act. Self-doubts within European societies, as well as the lack of credibility of European leaders to reform the EU and their countries, challenge the EU as a role model also in its eastern neighborhood.

The West's unwillingness or inability to act offers the Kremlin opportunities to destabilize the common neighborhood. Although the Russian leadership has no functioning social, economic or political model to offer, it is able to use the weakness of the West (and of its post-Soviet neighbors) to make short-term gains and prevent substantial reforms in the region. At the same time, vested interests in the six countries in the EU's Eastern Partnership (EaP)—Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine—are the best insurance for Russia that reforms will proceed only sluggishly, if at all. But our authors all agree that without substantial Western support, EaP countries are unlikely to advance sustainable reforms or substantial progress toward modernization.

In Ukraine, the current leadership has put the reform process more or less on hold, despite ongoing pressure from within society. EU member states lack both the will and a viable concept that could enable them to take more ownership in the Ukrainian reform process. Yet there will be no substantial reforms in the country without a “sandwich” strategy that can leverage pressure from inside and outside Ukrainian society.

Individual Ukrainians need to be able to identify reform measures directly with tangible results that have a positive impact on their personal lives. The introduction of visa-free travel to the EU in June 2017 is a prominent example. While such travel is still too expensive for many Ukrainians, most understand that Ukraine's turn to the West and reforms related to it have given them one more important liberty—that of freedom of movement.² Additional practical measures, clearly tied to the reform process, will remain important.

² For first impressions about this historic step, see Olena Makarenko, “The Morning After: First Day of EU-Ukraine Visa-Free Era,” EuroMaidan Press, June 13, 2017, <http://euromaidanpress.com/2017/06/13/the-morning-after-first-day-of-eu-ukraine-non-visa-era/>.

For Ukrainian society it is also crucial that the United States and the EU stick to the sanctions they have imposed on Moscow related to the Kremlin's annexation of the Ukrainian peninsula of Crimea and Russia's military intervention in parts of the eastern Ukrainian regions of Donetsk and Luhansk. The EU's decision to extend sanctions until at least mid-2018, and the Trump Administration's decision to impose additional sanctions on Russian individuals and companies, are strong signals of support. Angela Merkel's May 2017 meeting with Vladimir Putin in Sochi confirmed that the Russian leadership is not contemplating any compromise or flexibility in the Normandy negotiations addressing these issues. While EU leaders are likely to reward any positive signal from Moscow in eastern Ukraine with concessions, Vladimir Putin sees no reason to compromise. The Minsk process is at a stalemate, and Ukrainian security remains under threat. Continued military assistance to Ukraine thus remains crucial.

The reform process in Ukraine would also receive a positive jolt if a clear final destination—for instance the perspective for eventual EU membership—were visible. An EU commitment to this effect remains elusive, however.

In the meantime, Ukraine has yet to find a way to make reforms irreversible. In her chapter, former Ukrainian finance minister Natalie Jaresko argues that “fatigue, populism, and vested interests” are the primary challenges for Ukraine. Igor Burakovsky contends that successful reforms will depend not only on ongoing pressure from civil society, but on co-ownership of reforms by the EU. At the same time, the EU and international financial institutions like the IMF have to deal with the absorptive capacity of the recipient country.

This is also true for other countries of the region. Overcoming vested interests is the main challenge for reforms in all EaP countries. Moldova, which lacks sufficient economic and human resources to change the rules of the game while an oligarch owns the country, is the “bad practice” example of state capture in the region. Corrupt Moldovan politicians claiming to be “pro-European” have discredited the term among the broader public, and the EU accepted this charade because it needed a success story. Martin Sieg explains in his chapter how Moldovan elites use the geopolitical polarization between Russia and the EU to distract from their internal power struggles and to preserve their own vested interests. He points out that Moldova is not able to overcome this situation on its own. Its most critical need is to develop the human capabilities necessary for an effective reform agenda. Yet as long as the young generation continues

to leave the country for work, either to Russia or the EU, the country is left with insufficient domestic pressure for change, and lacks the critical mass of human expertise necessary to implement meaningful reforms.

Sieg recommends putting the transformational agenda at home ahead of geopolitics. In addition to offering financial support under tough conditionality, the EU has to assume much more active co-ownership of the reform process. Priorities include focusing on game-changing reforms and creating institutions that can challenge vested interests. He cites as an example the Romanian anti-corruption directorate, which was established with the strong support of the United States during the accession process to the EU, and which has the necessary power and capabilities to conduct and control the whole process of investigation and prosecution. Legal reforms, the quality and independence of courts and judges, and strong rule of law are the backbone of any sustainable reform process.

Georgia has gone most far in its reforms but has bumped up against limits in its efforts to deepen its relations with the EU and NATO. It now has an Association Agreement, including a Deep and Comprehensive Free Trade agreement and visa-free travel with the EU. But what comes next? As Kornely Kakachia argues, despite the many flaws in its strategy the West remains the main guarantor of Georgia's democratic consolidation and its security, which remains under strain. Because of its geopolitical location and the crisis of the West, Georgia has to remain flexible in its foreign policy. It needs strategic patience with regard to Euro-Atlantic integration, but has to perform as the best kid on the block when it comes to implementation of democratic reforms and the EU Association Agreement. A successful reform process will make it more difficult for the EU to refuse Georgia deeper integration.

Even though the Georgian government has to manage popular expectations regarding the future prospects of integration into Euro-Atlantic institutions, the West can do more. The EU needs to develop a more differentiated approach towards EaP countries based on their democratic achievements and their strategic importance. EU member states have to counter Russian propaganda and stepped-up activities in the common neighborhood. Individual Georgians need to experience the benefits of being part of the EU's EaP policy on a daily basis. What is needed, according to Kakachia, is access to the EU labor market, and greater financial assistance ties to the reform agenda in such crucial areas as strengthening the rule of law and good governance. Stuttering implementation of reforms

is the main weakness of the Georgian government and of that of many other countries in the region.

The sustainability of Georgia's reforms, and in fact the survival of the Georgian state itself, is dependent on the country's security situation. Russia's occupation of Abkhazia and South Ossetia, and the ongoing security threat it represents, renders Georgia vulnerable. EU and U.S. support for good governance, the rule of law and social and economic reforms by the EU must be linked in the popular mind with an improvement of the country's security. Ultimately, prosperity will only be possible in a safe environment. The games Russian leaders play with the security of their neighbors need a more serious answer. At the same time, the EU needs to step up its engagement with the occupied territories, and not leave Georgia alone. For Benedikt Harzl, the EU has to invest more in communication and academic mobility with the occupied territories. Thomas de Waal argues that the EU's policy of "non-recognition and engagement" for Abkhazia and South Ossetia is the right strategy for both the EU and the United States.

More Western ownership and responsibility is also needed in the Nagorno-Karabakh conflict. Russia is using the conflict to play the conflict parties against each other, which prompts Anar Valiyev, in his chapter, to demand more engaged Western mediation. U.S. disengagement and EU weakness has left a significant vacuum in the region, which Russia is willing to fill. Yet instead of development and good governance, Russia offers stagnation and ongoing vulnerability. Thomas de Waal goes a step further by recommending a "technical expert group" for the Karabakh conflict that can work on scenarios for peacekeeping, reconstruction, rehabilitation of transport links and assisting the return of internally displaced persons. For de Waal, the main Western activities in the South Caucasus should be assistance for state building rather than for strategic alliance building.

Stepan and Hasmik Grigoryan argue that both Armenian and Azerbaijani authorities are using the Nagorno-Karabakh conflict to stay in power by mobilizing the public. More meetings between Armenian and Azerbaijani authorities and parliaments organized by the OSCE and the EU could help to facilitate common joint projects as a basis for building trust. But the main driver of change is likely to be more person-to-person contact and trust-building between the societies of both countries. The authors recommend an upgraded Western role in demanding more accountability from the Armenian authorities with regard to human rights, democracy

and the rule of law. Furthermore, more Western engagement with regard to economic relations with Armenia is needed, for instance EU agreement to open its market to agricultural products.

In Azerbaijan, the current economic and political model is in a deep crisis, particularly because of low prices for oil and gas. Valiyev argues that the lack of economic diversification and good governance, together with the ongoing Nagorno-Karabakh conflict, renders Azerbaijan vulnerable to external and internal shocks. He highlights the country's priority need for a well-trained young generation that can modernize public administration, public health, education, and the law system. Changes can only come from within, which for the current leadership seems to be the biggest threat, which leads it to conduct a repressive policy against civil society and any kind of opposition. How this young generation can break up the decrepit structures and the clientelistic system, however, remain an open question. Valiyev recommends greater Western investment in the exchange of young people, and in education, in Azerbaijan. Joint educational programs would strengthen Western soft power in the region and could create a new generation of change. In addition, the West should invest in commercial infrastructure and transportation projects that could compete with the Russian-led Eurasian Economic Union, and that could make Azerbaijan and Georgia a regional hub between Asia, Central Asia and Europe.

Even worse is the economic situation in Belarus, which remains dependant on Russian subsidies and credits. Dzianis Melyantzou argues that the West should stop demonizing Belarus president Aleksandr Lukashenko and to stop calling Belarus the last dictatorship of Europe. He argues that the country is willing to make greater process in normalizing relations with the West, even though it is run by an authoritarian regime. Melyantsou argues that the way to challenge Lukashenko is not by preaching democratic transformation but to advance a pragmatic agenda that leverages economic and political conditionality to help modernize the country and make it more stable and predictable, also with regard to Russia, which is challenging Belarusian sovereignty. Visa facilitation and readmission agreements between the EU and Belarus could be signed in 2017. Initiating an updated Partnership and Cooperation Agreement is possible. But the West should not forget that rapprochement with Belarus will not change the rules of the game as long as Lukashenko is in power. His economic model strongly depends on Russian subsidies, which will limit any attempts at democratization or opening up of the Belarus economy. Although Lukashenko's model is under pressue, he

continues to try to play both sides to extract as much as benefit as he can from both Russia and the EU, while being careful not to commit to any really substantial changes.

Recommendations

First, for most of our authors Western co-ownership in the reform processes is crucial for the post-Soviet countries. Without serious conditionality from the EU and the IMF, it will be difficult for domestic reformers to overcome the resistance of vested interests in such crucial areas as fighting corruption, or reforming the judiciary, banks and financial systems. In addition, in both Ukraine and Moldova, direct involvement of EU member-state experts in the reform processes is required. Such measures are linked to the credibility of the West, which also means fighting seriously against corruption, not only in the EaP countries but also in the West itself. How and why can Ukrainian and Moldovan oligarchs launder money through Western banks and pay for real estate in Europe and the United States with stolen money without fear of prosecution? What does it say about Western credibility when government officials and legislators trumpet the need for east Europeans to fight corruption but ignore the role of Western financial and banking system in supporting corrupt eastern oligarchs?

Second, security is at the heart of any sustainable reform process in eastern European countries. Institution building means also modernization of the military and of security forces with Western support. Failing a true membership perspective from NATO, the Alliance's partner countries must be able to show a direct correlation between drawing closer to NATO and enhancing one's security. All of this will need much more EU and U.S. engagement in the security of EaP countries and establishing in the popular mind a direct link between the sacrifices required for domestic transformation and the payoff of greater security and prosperity.

Third, greater co-ownership in the post-Soviet conflicts is crucial. That means not only more investment in person-to-person contact with the inhabitants of occupied territories, but also more U.S. and EU member state responsibility in international efforts to address and relieve such conflicts. Accepting Russia as the main negotiator in any one of these conflicts will not bring any breakthrough. On the contrary, it will fuel regional frustrations with Western disinterest.

Fourth, human mobility and greater educational opportunities are critical to a better future for the people of eastern Europe. More academic mobility with the EU is an important demand by many authors. Investing more in the next generation of reformers, while also encouraging their involvement in the reform process of their respective countries through a tough conditionality policy, is important to many authors.