

UNFINISHED BUSINESS: THE EASTERN PERIPHERY OF THE POST-SOVIET SPACE

Author: F. Stephen Larrabee

The second area that remains unfinished business is the Eastern periphery of the post-Soviet space. As a result of the fall of the Berlin Wall, the former communist states of Eastern Europe have been integrated into Euro-Atlantic institutions and today enjoy a degree of economic prosperity, political stability and external security that exceeds anything most of them have experienced in their history. While many still face important economic and political challenges, their future is reasonably secure.

However, the process of integration and political transformation unleashed by the collapse of the Berlin Wall has been incomplete and left a band of states on Russia's Western periphery without a clear political future or clear foreign policy attachment. This band of states includes Ukraine, Georgia, Azerbaijan, Armenia, Moldova, and Belarus. These states exist in a kind of geopolitical limbo. Their political future and foreign policy orientation is uncertain.

Along with the states of the Western Balkans, these states are part of the unfinished business of the Cold War. As in the Western Balkans, the United States and the European Union need to work closely together to coordinate their policies toward the region. However, bringing stability and democracy to the states on Europe's Eastern periphery is likely to be more difficult than in the Balkans for several reasons.

First, the countries in the Eastern periphery of the post-Soviet space lack a strong sense of regional identity. The only recent unifying factor for most of the countries in the region in modern times has been Russian – and later Soviet – rule. (Turkey, which was not under Russian or Soviet rule, is an exception). However, the legacy of Soviet autocratic rule and economic centralization left the countries of the region poorly prepared for the transition to democracy and the development of a market economy.

Second, the region is plagued by a number of deep-seated historical animosities, border disputes and “frozen conflicts.” These include the conflict between Azerbaijan and Armenia over Nagorno-Karabakh, the Transnistria dispute in Moldova, and the separatist movements in Abkhazia and South Ossetia in Georgia. These conflicts are a major source of instability and an important obstacle to regional cooperation.

Third, the region lacks strong regional institutions that can promote regional cooperation and mitigate conflict. Efforts have been made to promote closer regional cooperation such as establishment of the Black Sea Economic Cooperation (BSEC) organization. Launched by the late Turkish President Turgut Ozal in 1989, BSEC is designed to promote private sector activity and stimulate the free movement of goods and services among member states. However, the organization lacks strong mechanisms for policy coordination and strong an effective leadership. It is also not equipped to address security issues.

Finally, many European states have reservations about whether countries like Georgia and Ukraine – not to mention Azerbaijan, with its Muslim population and historical and cultural ties to Iran - are really part of Europe and European culture. This

Western ambivalence about the “Europeaness” of the countries in the region – including Turkey - is an important obstacle to promoting closer cooperation and ties to Western institutions.

THE UNITED STATES AND EU: SIMILAR OBJECTIVES, DIFFERENT PRIORITIES

The United States and the EU broadly share similar objectives in the Eastern periphery. But their priorities differ. The US is focused on “resetting” relations with Russia, while the EU is primarily concerned with using soft power to promote the stabilization of the Eastern periphery. The Obama administration’s effort to “reset” relations with Russia, however, has created concerns that the reset with Russia may result in a weakening of the US commitment to human rights and democracy in the Eastern periphery and lead to America’s increasing political disengagement from the region.

Vice President Biden’s visit to Kyiv and Tbilisi in the summer of 2009 helped to defuse some of this anxiety. But the underlying concerns remain, especially as the United States becomes more heavily focused on areas outside Europe. Given all the urgent international problems on President Obama’s plate, there is a danger that the Eastern periphery of the Soviet Union will be overshadowed by other more pressing international issues and not receive sufficient high-level attention in Washington.

At the same time, it is not clear that the EU has the cohesion and strength to be an effective regional actor in the Eastern periphery of the Post-Soviet space. The EU is going through a complicated transition. Much will depend on how the process of internal reforms set forth in the Lisbon treaty function in practice. It may take time before the new institutional arrangements begin to work together effectively. Leadership in the coming period will be in the hands of Hungary and Poland. Neither is likely to be able to provide the type of strong leadership needed to drive the policy process.

In addition, the EU faces a number of major challenges which could deflect its attention and sap its strength. The global economic recession and financial crisis has forced many EU member states to impose austerity measures that have caused widespread social unrest. If this social unrest intensifies, EU national governments may have little time or energy to focus on stabilizing the post-Soviet space. They may be too preoccupied with providing stability at home.

Enlargement has been the main vehicle for promoting stability and security eastward. However, public opposition to enlargement has grown visibly since 2005. The growing opposition to enlargement has deprived the EU of one of its most effective policy tools for fostering greater stability and prosperity in the East.

The Eastern Partnership – the main policy instrument for dealing with countries on the Eastern periphery of the post-Soviet space – has not generated great enthusiasm among the states in the Eastern periphery. Unlike the association agreements with the states of the Western Balkans, the Eastern Partnership does not offer a prospect of membership. The prospect of membership has acted as the “golden carrot” that has provided the incentive for leaders to undertake controversial internal reforms. Without the prospect of membership as a carrot, many leaders on the EU’s Eastern periphery are likely to be reluctant to undertake difficult and unpopular reforms needed to enhance political stability and economic prosperity in the region.

In short, it is not really clear what the EU is offering the states on the Eastern

periphery or what it is demanding of the states in return. What is the alternative to enlargement? Thus the EU's offer needs to be clarified. If not enlargement, what can the states in the Eastern periphery expect from the EU?

THE RUSSIAN FACTOR

Russia has strong historical and political interests in the Eastern periphery of the post-Soviet space, which it regards as an area of "privileged interests." Moscow has shown great sensitivity to the expansion of Western influence and values into the post-Soviet space, which it regards as falling within its de facto sphere of interest. While Russia has strongly opposed NATO's expansion into the post-Soviet space, Moscow recently has also shown increased sensitivity to the EU's efforts to expand its influence in the region through its Eastern Neighborhood policy (ENP) and Eastern Partnership (EP).

The five day war with Georgia in August 2008 should be seen against this background. The Russian invasion underscored the limits of American power. In the face of determined action by Russia to defend its interests, the United States proved powerless to do anything more than to utter loud political protests. The invasion was thus a sharp reminder – to the countries in the West as well as those in the East – that Russia was still a power to be reckoned with and that any attempt to establish security in the post-Soviet space would need to take Russian security interests into consideration.

Moreover, since then Russia's influence in the former Soviet space, especially in Ukraine, has been strengthened. The election of Viktor Yanukovich as president of Ukraine has led to a major shift in the balance of power on the EU's Eastern periphery. Since his election in February 2010, Yanukovich has sought to strengthen ties to Russia. This has been reflected in the extension of the base agreement with Russia for an additional 25 years as well as an intensification of energy ties. In addition, Yanukovich has withdrawn Ukraine's application for NATO membership.

In short, in the last several years Moscow's position in the Eastern periphery of the post-Soviet space has been strengthened. Thus the West will need to find a way to engage Russia in any effort to stabilize the region. This does not mean that the West should accept a Russian sphere in the Eastern periphery of the post-Soviet space. But Russian security interests will need to be taken into consideration in formulating Western policy toward the region..

Some observers suggest there should be a "division of labor" between the EU and the US, with Washington focusing on resetting relations with Russia and Brussels focusing on the countries on the Eastern periphery. Such a policy, however, is flawed. There is an important difference between the Eastern periphery of the post-Soviet space and the Balkans. In the Balkans the EU can – and should -- take the lead because it has the experience and policy tools to do so. The situation in the Eastern periphery of the post-Soviet space is quite different. Given Russia's strong involvement and historical interests in the region, the active US involvement as a geopolitical balancer and counterweight is important.

TURKEY'S ROLE

Finally, Turkey's role needs to be considered in developing a coherent and effective Western policy toward the Eastern periphery of the post-Soviet space. Like Russia, Turkey has strong political, economic and cultural interests in the region. In the

last few years, moreover, it has begun to play an increasingly active role in the region, particularly in the South Caucasus. . On the bilateral level Turkey has sought to mend fences with Armenia, while on the multilateral level it has launched a regional initiative -- the Caucasus Cooperation and Stability Platform – designed to promote greater regional cooperation.

POLICY RECOMMENDATIONS

- The active engagement of the United States in promoting a stable security order in the region is essential.
- The EU's Eastern Partnership needs to be revised. The EU needs to clarify what it is really offering the countries on the Eastern periphery and what it expects from the countries in return. If the EU is unwilling to offer these countries membership, what is the alternative to membership?
- A stronger effort needs to be made to engage Russia in creating a stable security order in the Eastern periphery. However the United States and EU should reject the notion of a security order based upon spheres of influence.
- The right of sovereign nations to choose their security alliances and security orientation should remain a fundamental principle of US and EU policy.
- The emergence of a stable, independent and democratic Ukraine remains an important precondition for the establishment of a stable security order in Europe. The United States and the EU should continue to support Ukraine's closer ties to Euro-Atlantic institutions.
- Given Turkey's increasingly active economic and diplomatic role in the Caucasus, the United States and EU should work closely with Turkey to develop a coordinated approach to enhancing security in the South Caucasus.
- Strengthening the role of civil society and an independent media in the states in Eastern periphery of the Post-Soviet space should be an import US and EU policy goal.