



EASTERN PARTNERSHIP  
Civil Society Forum



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# POLICY PAPER

**A NEW SECURITY AGENDA FOR THE EASTERN PARTNERSHIP:  
ASSESSING THE KEY SECURITY RISKS FOR THE EU,  
GEORGIA, REPUBLIC OF MOLDOVA AND UKRAINE**

**Bucharest, December 2018**



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## AKNOWLEDGEMENTS

The paper „**ASSESSING THE KEY CHALLENGES OF THE EASTERN PARTNERSHIP 2020 DELIVERABLES IN THE AREA OF SECURITY**” was prepared as a background document for the Eastern Partnership Think Tank Forum 2018 (EaPTTF2018), organized in Bucharest between November 14-16, 2018. Each study case includes a set of draft policy recommendations for national interested political and non-political actors from Georgia, Republic of Moldova, Ukraine and Romania and, also, a set of recommendations for EU decision makers. The recommendations were discussed and reviewed during the Forum.

The paper has been produced within the project project “**Eastern Partnership Think Tank Forum 2018 - A new security agenda for EaP. The regional approach**” implemented by the Experts for Security and Global Affairs, Bucharest, New Europe Center, Kyiv, Georgian Institute for Strategic Studies, Tbilisi and the Institute for European Policies and Reforms, Chişinău in cooperation with the EaP Civil Society Forum. The Forum was held under the auspices of the Austrian Presidency of the EU Council and benefited from the support of the Central University Library “Carol I”, and was co-financed by Konrad Adenauer Stiftung (KAS), Bucharest Office.

The project benefits from support through the EaP Civil Society Forum Re-Granting Scheme and is funded by the European Union as part of its support to civil society in the region. Within its Re-granting Scheme, the Eastern Partnership Civil Society Forum (EaP CSF) supports projects its members that contribute to achieving the mission and objectives of the Forum. Key areas of support are the democracy and human rights, economic integration, environment and energy, contacts between people, social and labor policies.

The opinions expressed in this publication are the sole responsibility of the authors.



## CHAPTER I. ASSESSING GEORGIA'S SECURITY ENVIRONMENT AMID FAST CHANGING REALITY

Author: Irakli Porchkhidze

### Georgia and the Regional Geopolitical Scene

The Brussels EaP summit injected measured dynamism in the South Caucasus. It offered Georgia a consolation in terms of acknowledging European aspirations and European choice of associated partners. Armenia benefited from the signature of the Comprehensive and Enhanced Partnership Agreement (CEPA) and conclusion of the aviation agreement. Azerbaijan and the EU made progress with work on framework agreement. While the Summit results are modest it made sure that the EU remains to be a vital actor in terms of offering alternative foreign policy choice to the South Caucasus states, especially to the ones that have desire to advance on that course.

At the moment Georgia enjoys the status of an EaP frontrunner thanks to the fact that other EaP states are underperforming or show little interest to move closer to the EU. Its relationship with Brussels is set around the EU-Georgia Association agenda for 2017-2020.<sup>1</sup> Both parties reckon the current state of play convenient seeing it as a logical pathway to a closer association. Yet, this process itself can become formal and bureaucratic bereft of a tangible political end-goal considering Europe's internal challenges (Brexit, Eurozone concerns, two-speed Europe), enlargement fatigue and the lack of readiness in Brussels and the member states to acknowledge the membership perspective of associated partners.

Meanwhile, current Georgian authorities seek to avoid making binary choices between its Euro-Atlantic goals and a desire to pursue a quite détente with Russia. One can argue that it is exactly what the Georgian Dream leadership intended to achieve after winning the 2012 parliamentary elections - not to have Georgia as a contentious issue between the West and Russia<sup>2</sup>. This strategic ambiguity might serve the short-term goals but in the long term it will gradually dilute international support for its foreign policy pillars (non-recognition, de-occupation, NATO membership).

The year 2018 brought about unexpected developments in the rest of the South Caucasus. Despite its peculiar geopolitical conditions Armenia defied odds and experienced a power transition, which brought Nikol Pashinian, former opposition leader, to the helm of the country. It is yet to be seen if the change in leadership will translate into meaningful reforms that will move the country in the right direction. Apart from consolidating power, the new government will have to produce a meaningful reform roadmap, meet popular expectations and most importantly do away or limit the Kremlin's influence on its political life. Against the backdrop of these changes, the question remains if Yerevan pursues more EU-centric policy.

The latter is not going to be easy as Moscow is apprehensive in dealing with its "partners" and rarely offers any leeway. One also has to keep in mind that the regional power balance dictates Yerevan's allegiance to the strategic partnership it has with Russia. The difficult task ahead was subtly acknowledged by Pashinyan after his meeting with president Putin on September 8, pointing out "some

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<sup>1</sup>EU-Georgia Association Agenda for 2017-2020, [https://eeas.europa.eu/sites/eeas/files/annex\\_ii\\_-\\_eu-georgia\\_association\\_agenda\\_text.pdf](https://eeas.europa.eu/sites/eeas/files/annex_ii_-_eu-georgia_association_agenda_text.pdf), 20.11.2017

<sup>2</sup>GD Unveils Draft Agreement on Foreign policy Priorities ", Civil.ge Online news platform, <https://old.civil.ge/eng/article.php?id=25744&search>, Feb 13, 2013

issues” between the two states that need to be solved in view of “respect for the sovereignty and the principle of noninterference in each other’s internal affairs.”<sup>3</sup>

On the other hand, Azerbaijan has no intention to deepen its ties with the EU and instead opts for a pragmatic approach embracing the principle of differentiation. In this context its main goal is to maintain the balance between Brussels and Moscow without compromising its internal stability. It attempts to entice Russia by purchasing Russian military equipment to shift the balance vis-à-vis Armenia in relation to the Karabakh conflict and the same time to generate distrust between Yerevan and Moscow. As stated by Azerbaijan’s President Ilham Aliyev these purchases are quite substantial and exceed 5 billion dollars.<sup>4</sup> By doing so Russia signals to Armenia that any future foreign policy shift might have consequences for Yerevan.

In light of the signature of the agreement on the legal status of the Caspian Sea by five littoral states, Baku will aim to bring additional Caspian energy resources (natural gas) to the world markets, if it finds mutually beneficial arrangement with Turkmenistan.<sup>5</sup> This aspiration will most likely find traction in Brussels and some member states that show willingness to further diversify their gas supply options.

Considering the regional intricacies, the EU will remain a principal source of normative power for the South Caucasus states including Georgia. Through its EaP platform it can provide political roadmap catering to the differing interests of the regional actors. Yet existing regional asymmetry of balance of power in favor of Russia limits the effectiveness of these instruments.

## Russia Generated Military Threats

For Georgia Russia is the single most destabilizing actor. Moscow’s power projection primarily, but not exclusively, relies on hard power elements of its national power that help it to achieve its political goals. Its foreign policy playbook is crisis-centric and focuses on instigating, perpetuating and managing conflicts as well as exploiting existing divisions and weaknesses of potential adversaries. These conflicts have long been used by Russia as levers of influence on the states of the region through its policy of “divide and rule”.

In case of Georgia, this objective has further been facilitated by its full and effective control of now occupied territories of Abkhazia and Tskhinvali Region/South Ossetia. After the Russia-Georgia war, Russia enhanced its military presence in these regions by evolving former peacekeeping military facilities into full-fledged military bases: in Abkhazia, Russia operates its 7th military base in Gudauta close to Sokhumi and a naval base in Ochamchire and in Tskhinvali Region/South Ossetia Russia maintains its 4th military base close to the city of Tskhinvali<sup>6</sup>.

These bases are constantly strengthened by additional military equipment as a part of a larger process of military force modernization and transformation taking place in the Caucasus<sup>7</sup>. The purpose of this build up is to twofold: to cement and reinforce its military preponderance vis-a-vis Georgia and when necessary dispatch auxiliary military capabilities to the Ukrainian war theatre<sup>8</sup>.

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<sup>3</sup> „Putin, Armenian Prime Minister Meet in Moscow, Praise State Of Relations”, Radio Free Europe, <https://www.rferl.org/a/putin-armenian-prime-minister-meet-in-moscow-praise-state-of-relations/29478947.html>, September 8, 2018

<sup>4</sup> „Azerbaijan Disclosed the Cost of Military Equipment Purchased from Russia“, UAWIRE Portal, <https://uawire.org/azerbaijan-discloses-the-cost-of-military-equipment-purchased-from-russia#>, September 2018

<sup>5</sup> Alia Raimbekova, „Littoral States Agree on Caspian Sea Status“, Anadolu Agency, <https://www.aa.com.tr/en/politics/littoral-states-agree-on-caspian-sea-status/1229011>, August 12, 2018

<sup>6</sup> Anton Lavrov, „After the War“, Russia in Global Affairs, [http://eng.globalaffairs.ru/number/After\\_the\\_War-14780](http://eng.globalaffairs.ru/number/After_the_War-14780), April 9, 2010

<sup>7</sup> David Batashvili, „Consequences of the Growth of Russian Military Forces in the Caucasus: Georgia’s Perspective“, GFSIS Publication found at: <https://www.gfsis.org/files/library/pdf/English-2537.pdf>,

<sup>8</sup> Irakli Komakhidze, Massive Deployment of the Russian Troops And Equipment from the Occupied Abkhazia Is Registered <https://informnapalm.org/en/massive-deployment-of-the-russian-troops-and-equipment-from-the-occupied-abkhazia-is-registered/>, September 23, 2015

Inside the the so called sphere of its „privileged interests“ (let it be in Georgia or Ukraine) logic of Russian military build up is simple – zero sum games that Moscow pursues needs brute force for intimidating opponets and in case of necessity to put it to use. This was demonstrated both in Georgia in 2008 as well as in Crimea in 2014 and later in the east of Ukraine.

Considering the overwhelming character of Russian military presence close to the occupation line, direct military intervention remains to be the most serious threat to the Georgian security. This very fact creates the effect of the sword of Democles hanging over Georgia; keeping Georgian political elites permanently wary of a potential full-scale Russian invasion. Moscow maintains its options open when it comes to potential scenarios it can realize.

This type of military incursion or a smaller scale military operation can be preceded by a staged provocation with the use of hybrid warfare methods. It is noteworthy that the regime in Tskhinvali, fully supported and controlled by Russia, pushes forward additional territorial claims related to the Truso Valley, a part of Georgia’s Kazbegi district<sup>9</sup>. The valley is close to the Republic of North Ossetia - Alania, Russia’s federal subject. It is not accidental that these claims surface from time to time given the history and desire of Russia to have another *casus belli* ready if need be. Bearing this in mind, one should not exclude a possibility of a premeditated provocation with the involvement of proxy groups instigating a skirmish with Georgian side in the above-mentioned area that could lead to a response from Russia-backed forces and subsequent occupation of additional territories.

Ongoing creeping annexation and the so called „borderization“ of the chunks of the Georgian territory adjacent to the occupied territories represent still another serious security threat<sup>10</sup>. Since 2011 there have been at least 54 instances of borderization accompanied with land grabs of additional territory<sup>11</sup>. By doing so Moscow is trying to achieve 3 goals:

1. To reinforce unilaterally created reality of the 2008 Russo-Georgian war
2. To carry out a unceasing psychological operations intended to influence behavior of the Georgian government and the population
3. To maintain fertile ground for a potential provocation involving local irregular groups.

Due to permeability of the occupation line and the permanent character of transgressions along it, there is a likelihood of a potential provocation that can ratchet up into a bigger crisis. The presence of European Union Monitoring Mission (EUMM) in the area mitigates the probability of such a course of action, but it does not eliminate the risk. It puts the Georgian authorities in a position to maintain vigilant stance and constantly underwrite security risks on the ground.

Furthermore, Russia’s strategy of „divide and rule“ relies on the premise of setting against each other neighboring states or intra-country ethnic groups<sup>12</sup>. Georgia is home to large Azerbaijani and Armenian communities, who comprise 6.3% and 4.5% of the entire population of Georgia.<sup>13</sup> Taking into consideration Karabakh issue the above-mentioned communities can become targets of subversive activities aimed at inciting an inter-ethnic tension. Especially, if the Karabakh conflict turns hot and becomes a full-scale military confrontation.

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<sup>9</sup> „Tskhinvali: Bolsheviks illegally handed over territories of Ossetians to Georgia“, Ekho Kavkaza, <https://www.ekhokavkaza.com/a/29323404.html>, June 27, 2018

<sup>10</sup> Roland Oliphant, „EU Condemns Russia over Creeping Annexation of Georgia“, <https://www.telegraph.co.uk/news/worldnews/europe/georgia/11745510/EU-condemns-Russia-over-creeping-annexation-of-Georgia.html>, The Guardian, 16 July, 2015

<sup>11</sup> Luke Coffey, „NATO Membership for Georgia: In US and European Interest“, The Heritage Foundation, <https://www.heritage.org/defense/report/nato-membership-georgia-us-and-european-interest>, 29 January, 2018

<sup>12</sup> Janusz Bugajski, „Moscow’s Divide and Rule Strategy“, <https://www.cepa.org/divide-and-rule-strategy>, the Center of European Policy Analysis (CEPA), December 18, 2017

<sup>13</sup> Stats are taken from the website of the National Statistics Office of Georgia found at: [http://census.ge/files/results/Census%20Release\\_GEO.pdf](http://census.ge/files/results/Census%20Release_GEO.pdf)

## Growing Economic and Energy Dependence on Russia

Russia's hard power does not solely have military dimension. It also relies on economic and energy levers. Georgia has suffered effects of these coercive elements of Russian national power in the context of deteriorating Russo-Georgian relations starting from 2006<sup>14</sup>. It has resulted in energy and goods embargo, deportation of Georgians from Russia as well as severing of air and postal communication.

After the power transition in 2012 Russia lifted the sanctions against Georgia and currently bilateral trade has picked up making Russia one of the biggest export destinations for the Georgian goods.<sup>15</sup> Georgian exports to Russia have increased more than 10 times from 2011 to 2017, from 36 million to 396 million.<sup>16</sup> As we see dependence on the Russian market has drastically increased over the course of the last five years giving Moscow an additional trump card vis-a-vis Georgia.

There is another development worth paying attention to related to the growth of Russian gas imports. In the last 3 years the share of the Russian gas supplies increased from 1% to 5.7% making it the third largest gas supplier after Azerbaijan (54%) and South Caucasus Pipeline (42.8%).<sup>17</sup> Instead of receiving Russian gas as a compensation for the transit of Russian gas to Armenia as it was the case before the signature of a new deal with Gazprom Tbilisi will collect fixed tariff for the gas transit.<sup>18</sup> In return, Georgia will pay undisclosed amount for 1000 cubic meters for Russian gas, necessary to meet the remaining demand. The new arrangement leaves multiple questions as to what Georgia gains from this shady trade-off.

As Georgia's gas consumption increases annually Moscow's bargaining power over Georgia will increase, jeopardizing its energy security. Coupled with increasing trade dependence on Russia Tbilisi's maneuverability will further be limited and render it exposed to external influence.

## Hybrid Threats Facing Georgia

Georgia faces continuous non-kinetic threats originating from Russia or Russia-sympathetic domestic actors that are as damaging as conventional threats. As Russia's soft power has limited scope vis-s-vis Georgia its strategy is to undercut Tbilisi's foreign policy choices through hybrid warfare techniques designed to manipulate perception of the Georgian public. To achieve this goal Moscow employs diverse channels and sources, used with rapidity and repetition in high-volumes and without commitment to truth.<sup>19</sup>

In its quest Moscow sabotages and undermines Tbilisi's pro-western orientation by fanning anti-Western sentiments with the use of false narratives. Some of these narratives portray the west as declining, crises-ridden and culturally decaying space at odds with prevailing tenets of the Georgian culture. Pro-Russian political parties and anti-western media outlets are primary generators of these narratives in large quantities<sup>20</sup>. Leaders of Alliance of Patriots, a political party whose representatives are

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<sup>14</sup> „Russian Imposes Economic Sanctions on Georgia“, <https://www.voanews.com/a/a-13-2006-10-03-voa25/323874.html>, Voice of America, October 31, 2009

<sup>15</sup> „Georgia's Foreign Trade in 2017“, <https://old.civil.ge/eng/article.php?id=30809>, Civil.ge - online portal, January 22, 2018

<sup>16</sup> Stats are taken from the website of the National Statistics Office of Georgia found at:

[http://www.geostat.ge/index.php?action=page&p\\_id=134&lang=eng](http://www.geostat.ge/index.php?action=page&p_id=134&lang=eng)

<sup>17</sup> Annual Reports of the Georgian National Energy and Water Supply Regulatory Commission for 2015, 2016, 2017 found at:

<http://gnerc.org/en/public-information/gazi/tsliuri-angarishi>

<sup>18</sup> Liz Puller, „Georgian Transit Agreement with Gazprom Under Fire“, <https://www.rferl.org/a/georgia-russia-gas-agreement-armenia/28256580.html>, Radio Free Europe, January 25, 2017

<sup>19</sup> Christopher Paul and Miriam Matthews, „Russian Firehose of Falsehood Propaganda Model“, Rand Publication, page 5, [https://www.rand.org/content/dam/rand/pubs/perspectives/PE100/PE198/RAND\\_PE198.pdf](https://www.rand.org/content/dam/rand/pubs/perspectives/PE100/PE198/RAND_PE198.pdf)

<sup>20</sup> Tamar Kintsurashvili, „Anti-Western propaganda“, Media Development Foundation (MDF), 2017, pages 14-17; Available at: [http://mdfgeorgia.ge/uploads/library/65/file/eng/Antidasavluri-ENG-web\\_\(2\).pdf](http://mdfgeorgia.ge/uploads/library/65/file/eng/Antidasavluri-ENG-web_(2).pdf)

often courted in Moscow, often maintain that in exchange for being granted visa free travel Georgia committed to offering refuge to Syrian refugees<sup>21</sup>.

The false dilemma method is another widely used technique by pro-Russian actors, which relies on psychological manipulation. The most common fallacy aims to cultivate existing fears of losing the occupied territories in case Georgia pursues its NATO membership. Nino Burjanadze, leader of the Democratic Movement – United Georgia Party, is notorious for pushing this line– “it is damaging for Georgia to talk about NATO membership, only because, it would mean losing Abkhazia and South Ossetia”<sup>22</sup>. The Georgian public is highly sensitive to the issue of occupied territories as it rates the restoration of territorial integrity among the top national issues for the past ten years<sup>23</sup>. No wonder why this myth has been inculcated in public with such an acute pedanticism.

Stimulating divisive sentiments and attitudes among various social groups along ethnic, religious and other identity lines, using pre-existing stereotypes and dispositions, represents one more method embraced by pro-Russian organizations and politicians. In this context ultra-nationalist and extremist groups wittingly or unwittingly encourage xenophobic and homophobic agenda under the guise of nationalist and traditionalist rhetoric. One such movement is „Georgian March“, which openly propagates „Georgian Georgia“ slogan and stages multiple anti-immigrant and homophobic rallies<sup>24</sup>. Their rhetoric is amplified by number of online platforms and print media outlets that foment these sentiments among various social groups.

As observed Russia does not solely focus on information warfare methods, but it also draws on other active measures to debilitate central authorities' ability to pursue independent, coherent and consistent policies. It will carry on encouraging the politics of divisiveness, capitalize on public's pre-existing dispositions and increase support for anti-western actors.

Georgia soon might have another headache on this front. If elected in the next presidential election to be held this October, Salome Zurbishvili, a quasi-independent presidential candidate supported by the ruling Georgian Dream party, will herself be a main Russian propagandist. Her quotes are mirroring major Russian narratives that blame Georgia for starting the war in 2008 and bombing its own citizens.<sup>25</sup> For the past years and during her pre-election campaign she repeatedly made these claims in public.

## Challenges of Georgian Democracy

The soft component of Georgia's security lies in its attractiveness as a democracy. It has been recognized in the region as a poster child of a successful institutional and democratic transformation, especially if viewed in relative terms. That is largely why it has been benefiting from significant privileges from its approximation with the EU and enjoys continuous political, military and financial support of Washington, its main partner.

At present the functionality of the Georgian democracy is seriously tested by the lack of genuine checks and balances with a ruling Georgian Dream party dominating Georgia's political life. It enjoys supermajority in the parliament, which has become an institution rubber stamping executive government's initiatives without thorough scrutiny and subsequent oversight. No less worrying is the state of the

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<sup>21</sup> „Price for Visa liberalization to be paid by providing refuge to Syrian refugees“ April 3, 2018,

<http://www.mythdetector.ge/ka/myth/patriotta-dezinpormatsia-vizaliberalizatsiis-sapasuri-sirieli-itolvilebis-mighebaa>

<sup>22</sup> „There is no place for Georgia in NATO“, GHN News Agency, <http://www.ghn.ge/com/news/view/198486>, March 5, 2018

<sup>23</sup> Public Attitudes in Georgia, NDI Poll, June 2018, pages 11-12,

[https://www.ndi.org/sites/default/files/NDI\\_June\\_2018\\_Presentation\\_Public\\_ENG\\_vf.pdf](https://www.ndi.org/sites/default/files/NDI_June_2018_Presentation_Public_ENG_vf.pdf)

<sup>24</sup> The Georgian March against migrants and NATO, Jam News Online Portal, May 2, 2018 <https://jam-news.net/?p=99992>

<sup>25</sup> „Salome Zurbishvili's Remarks n August War“, Civil.ge - online portal <https://civil.ge/archives/253861>, September 13, 2018

judiciary characterized by the executive branch's domination, clan interests, dubious and unmerited appointments, corrupt and behind the scenes dealings.<sup>26</sup>

Apart from the loose system of checks and balances Georgia suffers from omnipotent political presence of the former PM Ivanishvili, the richest Georgian oligarch boasting the personal fortune worth almost twice the annual budget of Georgia.<sup>27</sup> His unchecked and informal political clout has been the single most important defining feature of Georgia's political system. It is common knowledge among Georgian public that he has been behind major political decisions ever since he left PM's post in 2013. Given fact defines the patrimonistic nature of the system where the authority is exercised according to the wishes of a single figure without institutional restraints.

The media environment remains to be somewhat vibrant and pluralistic thanks to the role Rustavi 2, major opposition-affiliated TV station, plays in news reporting. The fragile media balance will be jeopardized if the court proceedings over the ownership of Rustavi 2 results in return of the TV station to its previous owner, who is close to the Georgian Dream party.<sup>28</sup> Given scenario was temporarily averted due to the interim court order of the European Court of Human Rights (ECHR) that suspended the ruling of the Supreme Court of Georgia until the case is considered by the ECHR.<sup>29</sup> With other major broadcast media players having direct or indirect links with the governing party, Rustavi 2's case will largely determine if the media landscape remains pluralistic.

Tbilisi's long-term credibility, in the eyes of its partners and friends, will depend on its democratic credentials and how it will manage to preserve and encourage pluralistic political environment. With political system heavily skewed in favor of the Georgian Dream party and Ivanishvili, the responsibility for achieving this goal lies predominantly with them. Failure to do so will stall Georgia on its Euro-Atlantic path and downgrade its status of a EaP frontrunner. Over time its support among partners will dwindle rendering it vulnerable in the face lingering Russian threat.

### Recommendations for Georgia

- Maintain permanent contact with Brussels and separate member states in relation to ongoing acts of creeping annexation, detentions of Georgian citizens and militarization of the occupied territories.
- Actively promote de-occupation and non-recognition policy in bilateral and multilateral formats by raising awareness and petitioning for the introduction of relevant legislative acts and political statements in the European legislative bodies.
- Extend benefits deriving from Georgia's association with EU to the residents of the occupied territories in accordance with the Strategy on Occupied Territories and its Action Plan without undermining existing legal status-quo.
- Increase Georgia's presence in the EU's CSDP missions and seek out new security cooperation opportunities within PESCO framework.
- Advance integration agenda vis-a-vis NATO by meeting NATO-Georgia Commission (NGC) commitments as well as expanding and realizing the Substantial NATO-Georgia Package (SNGP) initiatives. These efforts should be accompanied by augmenting military capabilities through defensive weapons' acquisitions and pertinent trainings.
- Expand trade with EU member states using opportunities made available by the DCFTA to minimize reliance on Russian export market. Given can be achieved by information campaigns/awareness raising, successful study visits and capacity development activities targeting agricultural and business actors.

<sup>26</sup> Olga Sheramdani, Tamta Kakhidze, „Corruption Risks in Georgian Judiciary“, Transparency International Georgia, <https://www.transparency.ge/en/post/corruption-risks-georgian-judiciary>, 2018

<sup>27</sup> Edward Luce, „America's Gaping McCain-shaped Hole“, Financial Times <https://www.ft.com/content/56ea0dac-b67d-11e8-b3ef-799c8613f4a1>, September 13, 2018

<sup>28</sup> Freedom of Expression and Belief Section(D1), Freedom in the World 2018 Report, Freedom House, <https://freedomhouse.org/report/freedom-world/2018/georgia>,

<sup>29</sup> „Georgia Media Freedom at Risk“, Human Rights Watch, <https://www.hrw.org/news/2017/03/07/georgia-media-freedom-risk>, March 7, 2017

- Support and promote initiatives related to the Southern Gas Corridor, especially in the context of new developments related to the status of the Caspian Sea, in partnership with Azerbaijan.
- Further develop relations with Ankara in defense and foreign policy realms to minimize effects stemming from Turkey's shift away from its long-lasting partnerships.
- Permanently cultivate political and economic ties with Baku and Yerevan through utilizing existing cooperation venues and seeking out new opportunities.
- Recognize in the respective documents the malign effects of the state-sponsored (Russian) hybrid warfare, especially the information component of it, by establishing effective and well-designed inter-agency task force with a mission to elaborate strategy on countering state-sponsored (Russian) hostile influence operations.
- Improve democratic standing and commitment to the EU-Georgia Association agenda by depoliticizing justice (Judiciary, Public Prosecutor's Office) and security systems, eradicating informal governance, ensuring level political field for all political actors, uphold media pluralism by not interfering in independent media and secure independence of the election administration at all levels.

### Recommendations for the EU

- To uphold peace and provide third party monitoring of the occupation line ensure the prolongation of the mandate of the EUMM in Georgia after the December 14, 2018.
- Take note of the situation along the occupation line and ensure continuous political engagement with all parties involved (Georgia and Russia) to avert any future crisis. Especially take a close look at ongoing detentions, creeping annexation, recurring territorial claims (Truso Gorge).
- Ensure unwavering and steadfast support to the territorial integrity, sovereignty and inviolability of borders of Georgia in all dealings with Russia. It will send clear and unequivocal message to Russia about unacceptable character of its actions.
- Continue sanctions regime on Russia in tandem with the U.S. to make sure Moscow understands/incurs the costs related to illegal occupation and annexation of sovereign territories.
- Ensure permanent monitoring of the movements of the Russian military personnel and equipment from the occupied territories (Abkhazia and Tskhinvali region/South Ossetia) to other combat theatres and vice-versa.
- Engage the Georgian authorities to improve the degree of structural pluralism by preserving media diversity (Rustavi 2), depoliticizing the justice and security systems, ensuring equal access of political parties to financial resources, uprooting the use of administrative resources, guaranteeing independence of the election administration.
- Strengthen efforts to expand the Southern Gas Corridor through high-level political and diplomatic engagement in light of the signature of the agreement on the legal status of the Caspian Sea by 5 littoral states.
- Continue supporting EEAS's East Stratcom Task Force and start thinking about allotting funds to fight disinformation and propaganda in effected countries (including EaP). By doing so the EU will recognize malign effects of state-sponsored (Russia) information warfare as a serious threat undermining resilience and credibility of the EU internally as well as in its neighborhood.
- To ensure viability of EaP the EU membership perspective needs to be alive as a political principle that will serve as a substantial political carrot EaP elites.
- Given the differences among the EaP countries, the EU needs to employ a "multi-speed" EaP approach that will pragmatically reflect political, economic and social dynamics found in individual partner states. EaP should be a multi-layered platform for interaction between the EU and individual EaP countries, depending on their level of engagement, commitment and ambitions with a possibility of promotion or demotion.

## CHAPTER II. AN ASSESSMENT OF SECURITY RISKS IN THE REPUBLIC OF MOLDOVA

### RE-ASSEMBLING A RUSSIAN EMPIRE: ANNEXING TERRITORIES THROUGH DECEIVING HEARTS AND MINDS

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#### Executive Summary

Russia's stealthy model of foreign aggression, in its potential effect to disrupt the rule-based order and redraw international borders, is the new nuclear bomb. The process, widely labeled as hybrid war, is a model of stealthy political assimilation of new countries and operates as a modern conflict technology replacing territorial annexation. If the conventional type of wars has been aiming at conquering territory in order to control the citizens, the new type of wars aims to conquer the citizens, in order to achieve control over the territory.

Russia directly targets the two of the three entries allowing control over another country's sovereignty: population and political elites; the control over the third one – territory – is achieved by proxy and thus greatly diminishes the territorial conquest costs, imposed by international law.

The effects of Russia's stealthy aggression are greatly augmented due to Moscow's direct access to the Moldovan population, enabled by its media penetration from abroad; due to its ability to mold the incentive structures of the Moldovan electorate, by directly changing its economic conditions; and due to its resulting ability to directly participate in Moldova's national elections, exploring its local proxy actors;

In its aggression efforts against Moldova, Russia places emphasis on three strategies: replacing the values of targeted groups of population, seizing control over elements of political elites and over state institutions, and faking the resolution of the Transnistrian conflict.

The success of the Russian stealthy aggression would encourage its further use, including against EU countries; to deter it, EU should make it a priority to generate prohibitive costs for its use in Moldova.

EU should initiate the deployment of a CSDP mission to Moldova that would assist in countering the Russian hybrid aggression in a comprehensive way - this is the less costly way of an early and indirect engagement of Russia; the lessons learned by the mission would be useful to inform and consolidate EU's own responses to Russian stealthy aggression.

EU should design provisional assistance mechanisms until the CSDP mission is effectively deployed, with special focus on strengthening Moldova's military and security agencies in countering the unorthodox military tactics of the Russia's aggression model; an important element of this pro-active involvement should be the creation of national EW and ER mechanisms.

EU should provide support to the Republic of Moldova in preparing to counter and reduce the effects of the Russian efforts to influence the outcome of the 2019 parliamentary elections.

EU should creatively and effectively engage the Moldovan incumbent authorities, so that they make genuine steps towards diminishing the Moldova's vulnerability to Russian stealthy aggression, as assessed in this analysis.

Moldovan authorities should engage with pro-European opposition to address the existing major dissents, aiming to reduce the effects of Russia's efforts to affect elections outcome.

## 1. The elusive disguises of modern interstate aggression

In a classical security risk assessment, we would try to understand the risk level by evaluating the capability and intent factors that reveal a possible foreign aggression. It has been a solid method for decades. In the eyes of Western analysts Russia looked, after the collapse of the Soviet Union, like a militarily weak actor. This misled the Western observers into discarding the presence of a clear aggressive intent. All they noticed was Russia's limited combat capability in contrast to the Western superior military might. Another misleading idea was the perception that Russia would not dare to challenge the internationally-recognized borders and sovereignty of other countries. In retrospective, we know that these expectations were wrong. The Russian 2014 aggression against Ukraine confirmed the need of a more polished approach to security assessment.<sup>30</sup>

We achieved a solid understanding of Russia's intent. Over two decades after the dissolution of the USSR and following two military aggressions against its neighbors (Georgia and Ukraine), there is little uncertainty about the Russia's foreign policy goal in post-Soviet area. Brutally shortly, it is building and consolidating leverages, allowing to exert full political control over the former Soviet republics, now independent states. It is a stealthy model of foreign aggression that is a modern-era equivalent of the old territorial annexation. In fact, there are reasons to believe that this foreign policy ambition of the Russian Federation extends over the whole Europe.<sup>31</sup> There is now plenty of evidence of Russia's attempts to consolidate its influence of European countries or their policies. For instance, we learned that the 2014 scandals leading to the discrediting of the main opponents of the now-ruling populist and anti-EU Law and Justice party (PiS) in Poland were instrumentalized by the Russian intelligence agencies.<sup>32</sup>

It is not always clear though how a new foreign aggression technology, short of military invasion, would work. The popular saying suggests that an image is worth a thousand words. I would like to present a conceptual and logical image of the modern interstate aggression, exploited by Russia. Let us start, by examining those institutions that make independent countries so distinct from other territorial entities. A very important one is sovereignty,<sup>33</sup> which is the most valued and guarded right of states, as it is often synonymous with their survival. Therefore, as a rule, states do not trade sovereignty and they fight wars to preserve it. That is, wars will occur, as a rule, when sovereignty is at stake. A state can have its sovereignty seriously compromised – in the instance when a foreign country installed a puppet regime. The so-captured state continues to be a member of the international community only *de jure*, though it will *de facto* transform into a satellite of the country, which seized its sovereignty.

There are a few ways a country can take over the sovereignty of another. Let us imagine sovereignty to be a room, which can be accessed through three separate doors – a door called “territory”, another one called “state leadership”, and a third one called “the people”. It is through the control of these three political spaces that a foreign actor can mainly acquire command over a state sovereignty. Or, one country can command another by controlling any or some of the following: territory, the political leadership, or the people.

An aggressive country can use military force to conquer another one's territory. It is the control of the territory that gives it the ready ability to replace the government and rule the country, directly or through a local proxy. This – the conventional military invasion - has been the traditional, most frequent

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<sup>30</sup> See an attempt to achieve this in D. Mînzărari, „Conflict Technologies in Post-Soviet Area: The Challenges of Hybrid War against Moldova,” *Journal of Philosophy, Sociology and Political Science* (Revista de Filosofie, Sociologie și Științe Politice), Vol.2, Issue 171 (2016), pp.35-55.

<sup>31</sup> Even during the years of Yeltsin presidency, when Russia was economically and militarily weak, the Russian leadership apparently had these ambitions. Recently declassified documents indicate Russian President Yeltsin told US President Clinton “Just give Europe to Russia... Look, Russia has the power and intellect to know what do to with Europe.” See Memorandum of Conversation, “Meeting with Russian President Yeltsin,” Istanbul, Nov. 19, 1999, 562-564 pp, accessed at <https://clinton.presidentiallibraries.us/items/show/57569> on 28 August 2018.

<sup>32</sup> The Guardian, “Russia Linked to 2014 Wiretapping Scandal in Poland,” 12 September 2018

<sup>33</sup> By sovereignty, this analysis generally refers to the state's authority and ability to control actors and activities within and across its borders. See J. E. Thomson, ‘State Sovereignty in International Relations: Bridging the Gap between Theory and Empirical Research,’ *International Studies Quarterly*, vol. 39, No. 2 (June 1995), pp. 213-233.

and the most obvious interstate aggression type. It is the conflict technology that also generates the highest costs, both political and material, particularly due to its visibility.

An aggressor can also directly acquire control over the leadership of another country, thus being able to guide their domestic and international policies. It can get this control through different means, such as covert threats of aggression, economic pressure or intimidation, but also blackmailing. For instance, having offered the leadership of the target country electoral support, the aggressor country could threaten the public disclosure of electoral interference. In exchange for silence the aggressor could demand the acceptance by the target country's government of a non-obvious satellite role. The "electoral support" of the foreign country can include simple financial assistance of the favorite contender. It can involve creating or faking and then exploiting publicly damaging material for the opponents of the aggressor's favorite electoral contender. Generally, it can include various actions – even inciting violent protests - that produce interference in the electoral process and that could result in influencing the elections outcome. This is often not viewed as foreign aggression, since it is assessed erroneously – the intended goal of these actions should be the unifying category.

However, the elections interference method is not always very effective for the aggressor. This is because the aggressor's threat of exposing the dependent leader of the target country is not entirely credible to that leader. If the aggressor country publicly exposes its proxy political leader in the target state, it loses any further possibility to exploit him or her to influence the policy process. The leader in the target country that became vulnerable to aggressor country's blackmailing, understands this and may show only selective loyalty. As outside observers we may detect such situations, when a captured leader is occasionally advancing the interests of the aggressor country, but not always. Due to the apparent randomness of the process, it is difficult to detect the foreign capture of the country's leadership.

Finally, when the traditional military aggression is costly, the most effective tool of foreign aggression is taking control over the third listed mechanism of the sovereignty subversion technology – the people. It is, though, a labor-intensive and lengthy process of social engineering. It can have various intensity and scope – from creating social discord and damaging the national unity, to higher forms of control. The most favorite solution of the aggressor is to convert a part of the target country's population into feeling high cultural and even political attachment towards itself, while cultivating the population's distrust of the national government. Penetrating the sovereignty through this "door" would give the aggressor the natural ability to control the sovereignty of the target country through two of the three mechanisms – "the people" initially and consequently "the state leadership". The population, loyal to the foreign country, would bring into power whomever political figure the aggressor would choose. It is necessary to make an important distinction: this last mechanism is not a democratic process, since the population were falsely led to accept certain believes favorable to the aggressor. Another image of it would be the imitation of democratic process. For a better illustration, let us consider a historical comparison. In the past aggressors conquered foreign territories to acquire control over the people inhabiting them, and thus their government. In modern days an aggressor can first "conquer" the people, allowing it to install a loyal government and thus achieving control over the foreign territory.

Russia's political and military leadership understands this logic very well. It is this logic that guided the notorious and highly-quoted article, written in 2013 by the Chief of the General Staff of the Russian Armed Forces, Army General Valery Gerasimov.<sup>34</sup> For illustration purposes, it is useful to examine an excerpt from Gerasimov's view of modern war. The current analysis develops a logical framework that allows us to see Gerasimov's well-known words in a different light, in comparison to the interpretations provided in other similar work:

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<sup>34</sup> Valery Gerasimov, "Tsennost Nauki v Predvidenii", *Voyenno-Promyshlennyi Kuryer*, 8(476), 27 February 2013, <http://www.vpk-news.ru/articles/14632>, accessed on 31 August 2018.

*“Based on their level of casualties and destruction, as well as the catastrophic consequences of social, economic and political nature, the conflicts of the new type are comparable to the consequences of a real war. And even the “rules of war” themselves have changed considerably. We witness an increase of the role of non-military tools in achieving political and strategic goals, which in certain cases displayed a significantly higher effectiveness than the power of military weapons.*

*The focus of employed conflict methods is shifting towards a wider application of political, economic, informational, humanitarian and other non-military measures, which are implemented through the triggering of the population’s conflict potential. All these measures are complemented with covert military measures, including informational warfare and the use of special operations forces.”*

The above quote is not a separate instance of Russia’s intellectual debates of the modern “rules of war”. It is the reflection of the emerging strategic culture of the incumbent Russian government. In another revelation of this understanding, Putin’s press secretary Dmitri Peskov told in 2017 the New York Times correspondent that “the new reality [*ability to influence masses across borders, through Internet – D.M.*] creates a perfect opportunity for mass disturbances, or for initiating mass support or mass disapproval.”<sup>35</sup> The acquiring of control and consequent manipulation of foreign country’s populations is at the core of the Russia’s modern model of elusive aggression. The two other “doors” are explored when they offer comparative advantages and the next chapters will further clarify these.

This section offered the conceptual mapping of the emerging Russian model of foreign aggression. It suggests that when we assess the Russian foreign policies we shall zoom out and filter separate Russia’s actions through this model. If we simply try to react to “Russian interference into elections” or “Russian propaganda” we will always fail to block Russia’s wider aggression designs. This is because these actions reflect separate attacks, of which there are many similar others, which altogether form a wider Russian offensive against the target country’s sovereignty. If we focus on separate actions, not seeing the forest for the trees, we will fail to identify the other attacks, that are less-familiar looking.

## 2. Mapping Moldova’ security threats

The globalization of media and the disappearance of national borders has brought many positive effects in a global informational exchange. These processes, however, have also created new opportunities for interstate aggression. To see this, we have to discern the underlying dynamics of warfare and avoid falling trap to the fallacy of viewing war as merely crossing swords or exchanging fire across borders. ***If the old types of war were aiming to conquer territory in order to control the citizens, the new types of war aim to conquer the citizens, in order to achieve control over the territory.***

Based on the foreign aggression model described previously, this section examines three key challenges that top the list of security threats, with the highest potential to undermine the sovereignty of the Republic of Moldova. For identification and analysis purpose these are labeled as follows: i) replacement of values, ii) seizing political elites and institutions, and iii) diminishing the influence of Moldovan liberals on national politics through a fake resolution of the Transnistrian conflict.

A forth top security challenge would be an attempt of Russia’s proxy military aggression, of the type used in Crimea and Ukraine’s Donbas. However, this has been assessed in detail elsewhere<sup>36</sup> and will not be developed here, due to lack of space. The scenario, enacting this particular challenge, will mostly likely be brought to life only after the other three actions of the Russian aggression will fail.

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<sup>35</sup> The New York Times, “RT, Sputnik, and Russia’s New Theory of War,” 13 September 2017.

<sup>36</sup> Minzarari, 2016.

## 2.1. Replacement of values

Human values are beliefs, which have a motivational structure and are reflected through human preferences. Roughly, based on existing knowledge, this analysis suggests the following logical chain: “values” ← “preferences” ← “needs” ← “social and economic context”. This indicates that preferences are both socially dependent and socially shared. They are also susceptible to change and manipulation. This logic chain allows us to make an important conclusion.

***An actor with sufficient resources and intimate access to the target audience can influence its perceptions; it does this by altering that audience’s economic and social environment, which consequently changes the needs of the audience.*** This is a key and instrumental revelation for understanding this particular security threat.

Consider the following scenario: a) a voter today wants the state to protect her individual freedoms, which are in the top of her preference ranking; b) the voter is then exposed to some period of severe economic crisis and hardship; c) the top preference of that voter has been replaced by a new one, reflecting the need to ensure physical survival for herself and her family.

Moldova still remains quite vulnerable to Russian economic pressure, mainly in the area of the exports of goods and services, as well as energy imports. Its exports of goods and services to Russia, while having a modest share of the country’s foreign trade and thus representing a limited impact on the country’s GDP overall, have a powerful social impact.<sup>37</sup> This is because a large number of the Moldovan population is employed in agricultural sector and other sectors relying on agricultural products. The Moldovan National Bureau of Statistics indicate that during 2014-2017 over 30 per cent of Moldovan work force was employed in the agricultural sector. If we consider those working in the industrial sector that is dependent on agriculture, and in the related logistics (transportation) service, we look at some 40 per cent of the country’s workforce, which acquired a strong vulnerable perception of welfare dependence on Russia.

In addition, the energy imports that are dependent on Russia (natural gas, but also electricity from the Russia-controlled Transnistrian region of Moldova) are aggravating this vulnerability perception. For a large part of Moldovan population, the energy bills can reach as high as 40-80 per cent of their monthly income, especially during the winter time. Particularly vulnerable are the pensioners, agriculture sector and public sector workers, who have low salaries.<sup>38</sup> The Russian sanctions have affected this distinct segment of the population, given they faced difficulties in redirecting the exports of fruits, vegetables and other agricultural products from Russia towards EU. An illustration of the severity of this issue is reflected in the declaration of President Igor Dodon on 5 November 2018, following his visit to Moscow. Dodon, a pro-Russian politician, claimed that he convinced the Russian side to temporarily lower the import tariffs for Moldovan agricultural exports, linking their persistence to the results of February 2018 parliamentary elections in Moldova.<sup>39</sup>

The last piece of the puzzle is the ability of Russian authorities to direct the blame for economic scarcity in Moldova on selected local political actors. It has been possible due to the extreme penetration of the Moldovan informational space by media outlets controlled by Russian authorities. In fact, a number

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<sup>37</sup> There are many studies suggesting this conclusion. For a good example, see Ana Popa, “Moldova and Russia: Between Trade Relations and Economic Dependence,” Expert Group, April 2015.

<sup>38</sup> Official statistics obscure the real situation, by offering aggregated data. However, available information suggests that over 50 per cent of Moldova’s workforce, representing the most vulnerable economically, does not receive salaries higher than Euro 200-250 per month. See Telegraph.md, “What Was the Average Monthly Salary in Moldova in the First Half of 2018” (in Romanian), 25 May 2018, <https://telegraph.md/cat-a-fost-salariu-mediulunar-in-moldova-in-prima-parte-a-anului-2018>, accessed on 29 October 2018.

<sup>39</sup> Adevarul.md, “Igor Dodon Explains the Conditions, under Which the Russian Market will Remain Open for Moldovan Products” (in Romanian), [https://adevarul.ro/moldova/economie/igor-dodon-lamureste-conditiile-piata-rusa-ramane-deschisa-produsele-moldova-1\\_5be04cb2df52022f752f7d78/index.html](https://adevarul.ro/moldova/economie/igor-dodon-lamureste-conditiile-piata-rusa-ramane-deschisa-produsele-moldova-1_5be04cb2df52022f752f7d78/index.html), accessed on 7 November 2018. It is important to mention that these import tariffs are, reportedly, lifted by Russia temporarily, only active for the first six months of 2019. This news was made public, while the Moldovan media has been broadcasting across the country vivid graphics of thousand tons of apples perishing on the ground, because the farmers cannot sell them at acceptable prices.

of recent thematic studies suggested Moldova is the most vulnerable to Russian influence operations among the countries of Central and Eastern Europe.<sup>40</sup>

The Russian media has primarily focused its work in Moldova on attacking EU and Western political and economic systems generally, while presenting Russian political regime as a better alternative. By proxy, it occasionally attacked the incumbent authorities for some of their declared EU-related initiatives. The opposition, declaring a pro-European agenda and policy, has been the target of Russian media attacks on a more regular basis. Even though the Moldovan government passed in late 2017 a law aimed at countering the Russian TV propaganda on the national territory, its effects had been at best questionable, and very likely so by design.<sup>41</sup>

The resulting ability of Russia to communicate directly and intimately to a large part of the Moldovan population had a tremendous effect on their values substitution mechanism. An indicator of Russian propaganda's significant effect was reflected in a recent public opinion poll. The Moldovan respondents surprisingly indicated that they perceived United States as the highest threat for the Republic of Moldova (26 per cent), followed by Russia (23 per cent), Romania (11 per cent) and EU (10 per cent).<sup>42</sup>

The 26 per cent figure reflecting anti-American feelings comes as a shock, as there is no objective reason for this perception. The vast majority of the negative coverage of US in Moldova came from the Russia-controlled media.<sup>43</sup> Some of it emerged in July 2018 (after the survey) and it was linked to the intention to build the new US Embassy in the central part of the capital, on the territory of a former stadium. It was quickly exploited by Russian media for triggering anti-American sentiments in Moldova. For instance, the local Sputnik website used one of its local "experts" to claim that "there is some symbolism in it: the positioning of US Embassy on an enormous territory, right in the center of national capital, demonstrates the power of this country as well as the status of Moldova as a subordinated country".<sup>44</sup>

Russian state-control media outlets bombard the electorate in Moldova with carefully-crafted deceptive ideas. As an illustration, they are claiming that the West is morally decayed and will mistreat Moldovans in case of the country's integration in EU. In contrast, they present Russia as protector of those "attacked" by the West, as the guardian of Christian Orthodox morality, as a harbor of social and economic stability, and as an economically flourishing country, despite Western sanctions. Russian media portrays Russian Federation as the friendliest country to Moldova and the only solution to Moldovan citizens' economic problems. In effect, these messages anchor the West to an image shaped by negative traits, in the perception of conservative Moldovan citizens. In contrast, they are linking Russia to positive and conservative moral traits.<sup>45</sup>

Having a direct and intimate access to Moldovan population through a wide media penetration and possessing the ability to directly affect the Moldovans economic conditions, Russia is able to directly participate in Moldova's national elections and effectively hijack them. It is the grandest of all possible security threats that Moldova has been facing in its modern history. Being so indistinguishable from the genuine political process, makes that threat not visible enough to trigger defense responses.

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<sup>40</sup> "Disinformation Resilience in Central and Eastern Europe," Foreign Policy Council "Ukrainian Prism", 2018, pp.209-235, [http://prismua.org/wp-content/uploads/2018/06/DRI\\_CEE\\_2018.pdf](http://prismua.org/wp-content/uploads/2018/06/DRI_CEE_2018.pdf) accessed on 1 September 2018.

<sup>41</sup> The law targeted the Russian news, while the Russian information operations in Moldova are much more complex, including both news and entertainment, and extending to radio, printed and online-based (both traditional media and social networks) disinformation efforts.

<sup>42</sup> "Public Opinion Survey: Residents of Moldova, May-June 2018," The International Republican Institute, p.43, [http://www.iri.org/sites/default/files/2018-7-16\\_moldova\\_poll\\_presentation.pdf](http://www.iri.org/sites/default/files/2018-7-16_moldova_poll_presentation.pdf) accessed on 8 September 2018.

<sup>43</sup> Most of anti-EU and anti-Romanian news were also produced by pro-Russian media in Moldova.

<sup>44</sup> Sputnik.md, "Expert: Why US Needs the Territory of the Former Republican Stadium" (in Romanian), 14 September 2018, <https://sputnik.md/opinie/20180914/21845828/expert-ambasada-SUA-stadion-republican.html> accessed on 15 September 2018. The network of Sputnik news web-sites is one of the Russian government's largest foreign influence operations, which started on 14 November 2014, following the Ukrainian crisis, now operating in over 30 countries.

<sup>45</sup> The "traditional family" is one of these widely-explored themes.

## 2.2. Seizing political elites and institutions

One way that a foreign state can seize control over, or capture, the political elites and state institutions of another state is by hijacking national elections of that country. The earlier analysis presented a mechanism that is explored by Russia to achieve this goal. However, the same goal can be achieved short of going through that extended process. It can also happen when the citizens of the target country are not buying into the Russian manipulation and may even view Russia as an unfriendly country. An aggressor can target the elites and institutions directly.

Under this particular scenario, Russia would select local political actors that it would like to come to power in the target country. It will then invest significant operational costs and efforts into discrediting the political opponents of their favorites, using a push and pull approach. Through this, Russia will practically get directly involved in foreign elections and will basically be “cleaning” the path to governance to its preferred candidates. This process may include direct financing of the favorite parties (in a covert way)<sup>46</sup>, recording and then making public conversations discrediting the political contenders of their favorites, manipulating events and situations for the discreditation of their favorites’ opponents, as well as instigating or provoking diversions on national economic or banking systems, among other things. The later example would undermine the trust of the public in the incumbent authorities and in the national government generally. Directed skillfully, these “active measures” can be exploited to signal how “corrupt” the incumbent government is, thus facilitating the bringing into power of the Russia’s favorite political actors.

The ramifications of this type of foreign aggression are diverse. It is possible that the political figures that Russia picks up to support are not even aware of this. In this case, they are only allowed to ignorantly play an assigned role in Russia’s grander foreign policy designs. For instance, Russia would interfere in a country’s elections to help come into power conservative or nationalist parties, if these exploit messages that suit Russian agenda. Given Russian agenda in Europe, it would support political forces in EU/NATO countries aiming to sever these countries’ ties with the United States or even fully un-anchor it from international organizations or alliances, such as EU or NATO.

So far, the analysis pointed predominantly to Russia just exploiting political elites in target countries. The capturing part comes when Russia would like to specifically direct and control these elites for concrete projects. The mere threat to leak that their electoral victory was possible due to the Russian interference is a tool of direct and targeted control, even though it may have a time-limited use. For instance, some analysts in Moldova consider that the Russian government was behind the publishing on 3 July 2018 of a news article, threatening with the revelation of the individuals linked to the notorious “Laundromat” money-laundering scheme.<sup>47</sup> Moldovan banks and judges were involved in operationalizing the illegal flow of billions of US dollars out of Russia. This could not have been done without the consent and support of Moldovan influential politicians.

There is more relevant context to the story above. The Russian Presidential Administration posted in July 2012 on its web-site a tender for a research on the “influence of financial-economic groups on the political processes in the Republic of Moldova”. Of relevance, the tender requested a similar study on Latvia.<sup>48</sup> This suggests that the leadership in Kremlin had a significant interest in exploiting the Moldovan

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<sup>46</sup> There have been multiple general statements of current and former high-level Moldovan officials that Russia is funding political parties and actors in Moldova. Among these are the former prime minister V. Filat, the former head of the Constitutional Court A. Tanse, and the Speaker A. Candu. Details were not usually given, due to the high sensitivity of this issue. An illustration of a more severe situation is the arrest in 2017 of a former member of parliament I. Bolboceanu on the accusations of high treason. He was caught working for the Russian military intelligence (GRU), under the guidance of the Russian military attaché in Moldova. Bolboceanu was also reportedly involved in an earlier criminal case, investigating “Money from the Russian Embassy to buy members of Moldovan Parliament”. See Unimedia.md, “Ex-MP Iurie Bolboceanu Accused of Spying and High Treason” (in Romanian), 19 March 2017, <https://unimedia.info/stiri/ex-deputatul-democrat-iurie-bolboceanu-ar-fi-invinuit-de-spionaj-si-tradare-de-patrie-129890.html>, accessed on 26 September 2018.

<sup>47</sup> Rosbalt.ru, „Mjaso’ Vyvelo is Rossii \$21 miliardă,” 3 July 2018, <http://m.rosbalt.ru/moscow/2018/07/03/1714472.html> accessed on 29 August 2018.

<sup>48</sup> KP.md, “Russia is Interested to Learn who can Influence Moldovan Politics,” (in Russian), 1 August 2012, <https://www.kp.md/online/news/1212350> accessed on 20 August 2018. In addition to this, the tender requested a study on Ukraine’s federalization, on the foreign policies of countries of southern Caucasus and on the political elites of Central Asia countries.

oligarchs' political influence. It is also a convenient coincidence that shortly thereafter the laundering of billions of US dollars through banks in Moldova and Latvia was performed at massive scale. c. The fact that the Russian authorities have apparently stalled the Moldovan government's efforts to investigate that crime<sup>49</sup> would indicate a cover-up attempt. When accused of stalling the investigation, the Russian side reversed the attack, claiming that in fact it was the Moldovan authorities that were mounting obstacles. The reason for this, Russia claimed, was because members of Moldovan Parliament were involved in the money laundering scheme, although refusing to offer concrete details.

It is quite illustrative that the Russian authorities seem to first have exploited the Moldovan politicians to launder money from Russia, and now are apparently ready to be blackmailing them for involvement in the scheme. This way Kremlin is exploring the same active operations for two purposes. From an influence operation point of view, it makes a lot of sense. While the "replacing of values" strategy is targeting directly the forthcoming parliamentary elections<sup>50</sup>, the "capturing of political elites" strategy is used to prepare a favorable ground for elections. The combined application of these two operations generates a superior, augmented effect. It allows for a better control of the Russia's design to transform Moldova into a satellite state, following its February 2019 elections.

The main factor that allowed Russia to effortlessly take control over members of Moldovan political elites is the astonishing ignorance of the latter, who did not perceive Russian designs in Moldova as inimical. ***Moldovan politicians got swamped into narrow-focused feuds for local control, viewing Russia as a source of funding for their domestic games, and failing to understand the Russian interest as being in taking remote control over Moldova.***

### 2.3. Faking the resolution of the Transnistrian conflict

The Transnistrian conflict, which the Western capitals prefer to view as a "political" conflict and which they continue to treat by tools that were particularly designed to address ethnic conflicts, is a less refined copy of the Russian aggression in eastern regions of Ukraine.<sup>51</sup> Until late 2017 the conflict looked well "frozen". This was due to the Moldovan authorities' ability to resist against the many pressures of the Russian Federation. An equilibrium in negotiations was established, due to reaching the point where the Russian capability to squeeze out concessions out of Moldovan authorities dropped to minimum and matched the ability of Moldovan Government to resist these pressures. However, this equilibrium was broken in November 2017. It happened, to a significant extent, due to Russia being able to mislead or co-opt a few Western countries into pressuring Moldova to give up a set of specific leverages it had in negotiations. This led to increasing the international acceptance of the Russian proxy – the leadership of secessionist Transnistria – but also the ability of this proxy to survive economically. The trend continued with another "5+2" format meeting in Rome in May 2018.<sup>52</sup>

This introduction of the issue was necessary for revealing the sophistication and magnitude of efforts, which Russia invested into advancing its agenda on the Transnistrian conflict. It exposes the Russian policy towards the Transnistrian conflict resolution process as a very important element of its wider aggression design towards Moldova. What specific role, though, has Russia assigned to this ongoing endeavor of rushing through a conflict resolution?

The sudden thawing of tensions that existed between Moldova and the Russian proxy actor in Tiraspol should not mislead the reader. The secessionist leaders in Tiraspol are totally dependent on the Russian Federation. This includes not only financial vulnerability but also an exposure to potential

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<sup>49</sup> OCCRP, "The Russian Laundromat Exposed," 20 March 2017, <https://www.occrp.org/en/laundromat/the-russian-laundromat-exposed> accessed on 8 September 2018.

<sup>50</sup> The parliamentary majority led by Democratic Party made public the intention to hold elections on 24 February 2019, though this date may still be modified for an earlier one.

<sup>51</sup> For a more detailed argument see D. Minzărari and V. Bucătaru, "Transnistrian Conflict Resolution at 25th Year of Impasse: Causes, Obstacles, and Possible Solutions," APE Policy Brief (02/2018).

<sup>52</sup> For more details on the collapsing of the 2018 bargaining equilibrium, see Minzărari and Bucătaru (2018) but also D. Minzarari, "Russia Refocuses its Efforts on Drawing in Moldova," *Eurasia Daily Monitor*, Vol.15, Issue 109, 23 July 2018.

pressures of the Russian military and security apparatus, stationed in the Transnistrian region. Inevitably, the secessionist leadership has no other choice but follow the decisions taken in Moscow. In fact, the Tiraspol representatives at negotiations recognized this on many occasions in both private talks with Moldovan negotiators and with Western officials.

Moldovan sources refer to over 220,000 voters living on the territory of Transnistrian region of Moldova, controlled by the Russian Federation.<sup>53</sup> This reflects the number of the inhabitants of the secessionist region that acquired Moldovan passports. However, the 2016 unrecognized elections of the local “President” in Transnistria revealed that there are almost 400,000 registered voters in Transnistrian region.<sup>54</sup> Most of them are eligible to acquire Moldovan passports, if they wish, and would be able to register then as voters for Moldovan upcoming parliamentary elections. Based on the 2016 Moldovan presidential elections data, over 70 per cent of the voters coming from the secessionist region to the polling stations,<sup>55</sup> voted for the pro-Russian candidate Igor Dodon. The number of voters from the secessionist region was unprecedented. There were multiple reports indicating that the voters were brought to the polling stations in an organized way, with busses, and were consequently demanded to show pictures of their ballot vote.<sup>56</sup>

In the upcoming parliamentary elections, even half of the 220,000 voters could play the decisive role of a swing vote. They could easily give the victory or at least a solid presence in Parliament even to an unknown candidate, that Moscow may handpick just shortly before electoral campaign. With an expected heavy involvement of Russia, both through funding and implementing a mobilization plan for sympathetic voters, most of the registered voters from the secessionist region, holding Moldovan passports, could come to the polling stations. Simple math shows that, under this scenario, the pro-European parties that may otherwise be able to get at least half of the active voters, will certainly be in a minority opposition in the future parliament. The participation of heavily manipulated electorate from Transnistria would get a clear parliamentary majority to the pro-Russian parties. The incumbent Democratic Party, which is a pragmatic business party, unfettered by any ideology, will be happy to join the majority to protect its business interests.

***By bringing into the equation the Transnistrian swing voter, Russia can ensure a certain success of capturing the Republic of Moldova state***, even if some of its other two strategies listed earlier fail to deliver, as expected. The limited experimenting during the 2016 Moldovan presidential elections that brought to power the pro-Russian President Dodon is a clear illustration of that risk’s magnitude.

In order to achieve this, Russia will continue to promote a bogus conflict resolution agenda. It will actively engage those EU countries that are already heavily involved in a way or another in Transnistrian negotiations<sup>57</sup>, attempting to manipulate their temptation for triumphalism, by claiming short-term diplomatic victories. This script has been written and practiced by Russia on numerous occasions. The diplomatic formalities will be followed, the documents between Moldovan authorities and the Russian proxy in Transnistria will be signed in front of flashing cameras, and the media will generously praise the efforts of those Western states involved. But nothing will really change on the ground. The Russian troops will continue to stay, guarding Moscow’s control and making sure that their proxy is listening well to the orders from Moscow; the financial flows will continue to arrive uninhibited from Moscow to ensure the

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<sup>53</sup> RFE Moldova, “PSRM and Dodon Refuse to Accept the Map of Electoral Districts” (in Romanian), 1 November 2017, <https://www.europalibera.org/a/harta-circumscriptiilor-electorale-stinga-nistrului/28829577.html> accessed on 3 September 2018. Moldovan Central Electoral Commission offered on 22 August 2016 that 221,600 voters were registered in the Transnistrian region.

<sup>54</sup> Novosti Pridnestrovyia, “Elections 2016: Online Reporting” (in Russian), 11 December 2016, <https://novostipmr.com/ru/news/16-12-11/vybory-2016-onlayn-reportazh> accessed on 28 August 2018.

<sup>55</sup> To facilitate their voting, these polling stations were opened for them at the administrative line between Moldova and its breakaway Transnistrian region.

<sup>56</sup> Hotnews.ro, „Interactive Map: Elections in Moldova” (in Romanian), 14 November 2016, [https://www.hotnews.ro/stiri-alegeri\\_moldova\\_2016-21415220-harta-interactiva-alegeri-moldova-cum-inrosit-localitatile-moldovenesti-granita-transnistria-mii-alegatori-care-votat-listele-suplimentare.htm](https://www.hotnews.ro/stiri-alegeri_moldova_2016-21415220-harta-interactiva-alegeri-moldova-cum-inrosit-localitatile-moldovenesti-granita-transnistria-mii-alegatori-care-votat-listele-suplimentare.htm) accessed on 2 September 2018.

<sup>57</sup> These are, currently, Austria, Germany, and Italy, involved either through bilateral efforts, or through the OSCE Troika.

survival of the secessionist regime in Tiraspol; the Moldovan authorities will allow the secessionist authorities to additionally generate cash on their own; and Moldovan state will not recover its administrative control over the region. ***It will bring a bogus conflict resolution, only imitating the achievement of a finality of a peace process and represent the metaphorical Russian hook<sup>58</sup> that will keep Moldova hanging, preventing it from breaking ties with the Russian Federation.***

### 3. Recommendations

Desperate times call for desperate measures. Some of the proposed recommendations may seem “unrealistic” from the perspective of bureaucrats, who are used to the slow speed of policy responses in Brussels or other capitals. This analysis claims that the situation is so dire that this would be a minimum set of actions to be taken, for even a modest chance of success. It is likely that some readers will decide that either the suggested steps cannot be taken, or their suggested content cannot be implemented in other political forms. If so, Moldova will be the first real casualty in the ongoing contest of political ideologies in Europe: the national authoritarianism promoted by Russia and the liberal democracy that used to be supported by European Union.

Due to the general lack of understanding of (and the measures to tackle) the ongoing Russian foreign aggression model against Moldova, as well as a lack of time to wait until these measures are designed, it is necessary to operate aiming for the minimization of damage. The critical importance of preventing Moldova being politically captured by Russia is simply captured by the concept of deterrence. If Russian aggression works in Moldova, it will embolden it to pick up another target. Failing to deter Russia in the case of its 2008 aggression against Georgia, had encouraged Russian aggression against Ukraine. The Western reactions to Ukraine case, had only a partial deterrent effect on Russia, as Russia did not fully give up its foreign aggression designs. Russia instead changed the form of its aggression, while aiming for similar results. The only effective deterrent for Russia is to make the operational and political costs of its aggression, regardless of its shape, too high to justify its implementation. The following steps are considered the minimum necessary for that purpose.

#### Recommendations for the Republic of Moldova

- Actively engage with various EU member-states and actors to lead to EU deployment to Moldova of a CSDP mission, focused on advising and assisting Moldovan authorities in countering Russian hybrid aggression;
- Actively and urgently seek EU agreement to initiate that CSDP mission already to be able to begin assisting Moldova’s efforts of protecting the upcoming 2019 parliamentary elections from Russian interference; given hijacking elections is one of the three Russian aggression strategies against Moldova, this would fit well under the CSDP mission’s mandate;
- Moldovan incumbent authorities should promptly engage EU bodies and/or member-states as mediator to facilitate a dialogue between them and the domestic pro-European opposition forces, preceding the parliamentary elections, to agree on mechanisms and strategies that would prevent Russian capture of the Moldovan state;
- Display political responsibility and roll-back on its ongoing policy of rapprochement with Russia and its proxy actors in Moldova; engaging with the Russian proxies may be a short-term solution, but in medium and long term it will be a disaster, both for Moldova and for incumbent political forces;
- Initiate, with possible support of EU and US, discrete discussions with pro-European opposition, aiming to identify mutually-convenient measures for an honorable exist-strategy for incumbent actors;

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<sup>58</sup> Kommersant, “We Should not Allow Warriors become Traders” (in Russian), 9 October 2007, <https://www.kommersant.ru/doc/812840> accessed on 4 September 2018. This op-ed, written by Viktor Cherkosov, the Head of the Russian Federal Drug Control Service, famously stated that the “falling into the abyss the post-Soviet society caught the Chekist hook. And hanged on it”.

- Promote a genuine reform in the justice sector and the law-enforcement agencies, to increase the Moldova's resilience against Russian hybrid aggression, including attempts to hijack the parliamentary elections; a particular focus should be on reforming the national intelligence, both by genuinely reforming Information and Security Service and strengthening the military intelligence and counterintelligence;
- Without delay, take systemic measures to diminish the Russian ability to conduct hybrid operations in the Republic of Moldova, by examining the work of the office of the Russian military attaché, as well as the general Russian diplomatic presence; increase the Moldova's civilian and military intelligence services capabilities to conduct surveillance on Russian operatives in Moldova and interdict their actions;
- Examine and identify the key national economic vulnerabilities to Russian pressure and influence operations, and seek EU support to strengthen and protect the spotted areas;
- Engage actively the EU and US in reviewing and reassessing the current "5+2" negotiations format, and build together an effective format of talks that would consider the hybrid and proxy nature of the Transnistrian conflict; it has to be noticed that Transnistrian conflict is one of the most effective entry points of Russia into Moldova political, social, and economic spaces;
- Secure the support of the development partners to initiate a nation-wide massive information campaign, preceding elections, exploring the known Russian influence operations in Moldova and its attempts to pressure the Moldovan authorities.

## Recommendations for EU

- Consider the initiation and deployment of a CSDP mission to the Republic of Moldova, focusing on assisting Moldova in countering hybrid threats against its sovereignty. The existing EUBAM would be closed under this scenario. It will instead be transformed into a separate portfolio of the larger mandate of a CSDP Mission to Moldova, given that the Transnistrian conflict is a hybrid-type conflict that is presented by Russia as an internal one;
- Design provisional assistance mechanisms, until a CSDP Mission is deployed to the Republic of Moldova, to strengthen the capacity of Moldovan military and security agencies in countering Russian hybrid threats; including by assisting Moldova in the creation of national Early Warning and Early Response mechanisms, targeting also unorthodox military tactics;
- Initiate an EU-Moldova bilateral format of cooperation in training and preparing to effectively counter the unorthodox military tactics of the Russian hybrid aggression; this would include the joint preparation of operational concepts, concepts of operations and crisis management concepts targeted to Moldovan conditions; the preparation and conducting of EU-Moldovan joint training exercises addressing the unorthodox military aspects of hybrid aggression;
- Engage Ukrainian authorities to ensure they work together with the Moldovan authorities on diminishing the effect of the Russian influence operations in Transnistria; provide intellectual and financial support for advancing these bilateral efforts;
- Work with US, Moldovan authorities, civil society and other interested actors to transition from the currently defunct "5+2" format towards a different one, addressing objectively the Russia's role in the conflict. While initially that format was based on a benign platform, it has gradually lost its integral character, being coaxed by Russia to accept and incorporate the Russian design for negotiations.<sup>59</sup> It currently legitimizes the Russian cover of its aggression in the Transnistrian region, making a genuine conflict resolution unlikely;

<sup>59</sup> For an analysis explaining the logic of the Russian design inefficiencies, see D. Minzarari, "The Illusion of Progress in the Transnistrian Conflict Resolution and Other Traps of the Russian Proxy War in the Republic of Moldova" (in Romanian), Institute for European Politics and Reforms, Analytic Note No.4 (2018), 4 October 2018, <http://ipe.md/2018/10/04/de-ce-exista-iluzia-progresului-in-solutionarea-conflictului-transnistrean-si-care-sunt-capcanele-razboiului-proxi-rus-in-republica-moldova/>, accessed on 2 November 2018.

- Engage the incumbent Moldovan authorities in more proactive and effective ways. This should include developing the ability of detecting and respecting the necessity of avoiding the provision of indulgencies to corrupt officials or business interests, linked to the governing elites. The corrupt actors are susceptible to Russian pressure, they advance the elements of the Russian hybrid aggression against Moldova, and assist Russia in capturing the Moldovan political elites and institutions;
- Assist, possibly jointly with US, the Moldovan authorities in protecting the upcoming parliamentary elections from being hijacked by Russia. Given Moldova is a small country, this experience could prove a very valuable pilot project to design and practice effective measures, countering Russian interference into EU member-states elections; this project could also set up the foundations for a full-fledged CSDP Mission to Moldova;
- In tandem with US, work with Moldovan authorities to restrict the ability of the Russian Federation to affect the parliamentary elections outcome in Moldova through the exploitation of the potential voters from the Russia-controlled Transnistrian region;
- Work with OSCE ODIHR and other European bodies, involved in elections research and monitoring, to elaborate a better mechanism on measuring and controlling the effects of various manipulative interference practices on the electoral outcome;<sup>60</sup>
- Design and employ effective mechanisms to encourage the Moldovan authorities into increasing the impact of its efforts of countering Russian media disinformation and propaganda; the Russian-controlled media outlets in Moldova contribute to the consolidation of anti-EU and anti-Western echo-chambers in the Moldovan society, exclusively through the manipulation of facts;
- Creatively encourage the Moldovan authorities to ensure the genuine integrity of the justice sector; jointly with US, consider initiating legal cases against Moldovan judges and other Moldovan officials that were engaged in illegal activities falling under the jurisdiction of EU member countries or US; this could include freezing their assets as well as restrictions on entering EU;
- Encourage the Moldovan authorities to pass and implement a law, advancing the principles of the Magnitsky Act;
- Review the activity and the results of the EU High-Level Advisers to the Republic of Moldova, and work both with the Moldovan authorities and civil society to address them and optimize this important policy support tool;
- Assist the Republic of Moldova in designing and implementing measures for diminishing the vulnerability of its agricultural sector against Russian pressures;

The ***hesitation to consider these suggested actions will signal to Russia a lack of genuine EU interest in Moldova, will aggravate the situation by attracting more Russian involvement, and will force the EU to come back to similar actions in the future, though at higher cost.*** Given the complex decision-making process in EU, some of the recommendations may seem difficult to implement. Creative approaches can be explored to informally implement elements of the recommendations into EU decisions and strategy on Moldova – it is the effect that matters rather than the form. At this stage of Russian foreign aggression designs in Europe, we are not talking just about Moldova – discouraging Russian indirect aggression in Moldova may prevent a similar aggression against a European member-state. It may also create prohibitive costs for the Russian efforts to undermine the European Union, generally. Acting on these recommendations, therefore, is quite likely a matter of self-survival for EU itself.

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<sup>60</sup> A recent experimental study published in *Science* indicated that already established opinions of groups can be manipulated and influenced by outside actors, by only influencing the opinion of 25-30 per cent of the group members. Given that in multiparty electoral democracies there are many such separate groups, it takes even a smaller number to manipulate for a foreign actor, in order to influence the choice of the whole group. See D. Centola et al., “Experimental evidence for tipping points in social convention,” *Science*, Vol. 360, Issue 6393, pp. 1116-1119, 8 June 2018. The study also suggests that the Russian interference in foreign elections can have a considerably higher manipulative impact on elections outcome, than previously thought.

## CHAPTER III. UKRAINE'S SECURITY ENVIRONMENT: AN ARGUMENT FOR MORE REFORMS AND GREATER COOPERATION WITH THE EU

Authors: Leonid Litra and Sergiy Solodkyy

### Factors influencing Ukraine's regional view on security

Ukraine, a country under the Russian aggression since 2014, has made serious attempts to strengthen its position as a leader of the Eastern Partnership and as a trend-setter in relations with the EU. The regional context has been very complex, with conflicts and disputes at various levels in which Ukraine plays a central role. On the one hand, Kyiv has been fighting against Russian aggression in the East of Ukraine and keeps the question of illegal annexation of Crimea on the agenda. On the other hand, Ukraine has a series of bilateral misunderstandings over historical policy with Poland, over language issue with Hungary and Romania, on environmental issues with Moldova, various disputes with Belarus, etc. The issues above have created a negative background for Ukraine to develop and implement reforms, but despite this, Ukraine has made a significant progress, which it had not been able to make for the previous 23 years of independence.

With the Russian aggression in Ukraine, all major international actors became involved in the settlement efforts. First of all, the European Union got involved in supporting Ukraine to withstand the repercussions of the war in the East of Ukraine and the illegal annexation of Crimea. The role of EU was and is instrumental in maintaining Ukraine afloat and avoid economic default by making available about EUR 11 billion in loans and grants from EU and its financial institutions.<sup>61</sup> The EU response to the conflict in Ukraine was broadly defined by the German Chancellor Angela Merkel which entailed three pillars of support for Ukraine: 1) attempts to diplomatically resolve the conflict with Russia (Normandy Format); 2) sanctions in order to change Russian behavior and pressure Kremlin to deescalate; 3) support for Ukraine to help resist the assault.<sup>62</sup>

Since 2014, the Russian role has significantly decreased. It is not only about limitations to air Russian propaganda and disinformation media which entered into force in 2014, but also about clear economic shifts in the trade structure of Ukraine. The exports of Ukraine to the EU have increased and hit the record of \$17,5 billion in 2017, which is 40,5% of all exports. In its turn, Russia, where Ukraine exported goods worth \$3.9 billion, constitutes 9,1% of the exports.<sup>63</sup> Although, it is worth to mention that the exports increased not only to the EU countries, but also to Russia, which seems quite paradoxical at times of Russian-Ukrainian war.

The public opinion in Ukraine continued to support integration with the EU. Most of the population (52%) sees the EU as the only viable economic union for Ukraine, 12% up compared to 2013. At the same time, the Russian led economic Union is preferred by 15% in 2018, down from 37% in 2013. One more change in the public opinion is the increase of number of undecided and of those who do not see Ukraine in any of the Unions above. If in 2013 the combined number was 22%, then in 2018 it is 33% - a significant increase.<sup>64</sup> In relation to the public opinion, it is also important to note that the Ukrainian society is very self-critical. For instance, when asked about the expectations from EU, almost 1/3 of Ukrainians

<sup>61</sup> EU matches Putin's €11 billion financial offer to Ukraine, <https://www.euractiv.com/section/europe-s-east/news/eu-matches-putin-s-11-billion-financial-offer-to-ukraine/>

<sup>62</sup> Litra L., Medynskyi I., Zarembo K., Assessing EU's conflict prevention and peacebuilding interventions in Ukraine, Whole of Society Conflict Prevention and Peacebuilding, [https://www.woscap.eu/documents/131298403/131299900/D3.4\\_Case+Study+Report+Ukraine\\_PU\\_23032017+\(1\).pdf/6ed9509a-a10d-4b20-b8c0-518093ad8252](https://www.woscap.eu/documents/131298403/131299900/D3.4_Case+Study+Report+Ukraine_PU_23032017+(1).pdf/6ed9509a-a10d-4b20-b8c0-518093ad8252)

<sup>63</sup> Експорт українських товарів до ЄС вперше перевищив довоєнний рівень, <https://www.eurointegration.com.ua/news/2018/02/15/7077566/>

<sup>64</sup> Динаміка суспільно-політичних поглядів в Україні, RatingGroup, International Republican Institute, 2018, <http://ratinggroup.ua/research/ukraine/0063e745819871f4c681514866a6c0cf.html>

expect EU to exert more pressure on the Ukrainian authorities; 27% think that EU does enough, and it is time for Ukrainian authorities to act; while 22% think that EU should stop giving money to Ukraine because they get stolen by people in power. Interesting that only 9% of the respondents think that EU should give more money.<sup>65</sup> These data shows that the Ukrainian society has a very sober view on the problems faced by Ukraine in the process of European integration.

The United States of America have partnered with the EU in helping Ukraine defend against the Russian aggression. The sanctions which were adopted in parallel by Brussels and Washington have helped Ukraine because these increased the political and economic costs of Russian aggression. Both actors have tightly coordinated their policy on Ukraine, however, with the Trump presidency and the increase of tensions in the transatlantic relations, the coordination of the two regarding Ukraine has suffered and may cause other unexpected problems. One of the most diverging issues between U.S. and EU when it comes to Ukraine is the Russian Nord Stream II (NSII) project. The NSII pipeline is meant to deprive Ukraine from its transit role and the funds deriving from this role. If the U.S. introduces sanctions against the European companies which participate in the construction of the pipeline, it means that the EU countries and Germany might retaliate in a different form against United State of America. Although many in Ukraine want U.S. to introduce sanctions against European companies participating in Nord Stream II, it is not voiced publicly since the support of Germany is equally important for rolling back Russian aggression and develop relations with the EU. Therefore, the NSII is a project which apparently will have negative consequences for Ukraine, no matter which the outcome is.

### **Domestic policies and weaknesses of national security**

The Russian aggression in Ukraine made Kyiv to rethink its priorities and focus on security above all. Ukraine's priority is reflected also in policy documents and state funding. Since 2014 Ukraine has significantly increased its budget for defense and security, topping 5,26%<sup>66</sup> in 2018, which is more than \$6 billion and now belongs to top-10 strongest armies in Europe.<sup>67</sup> Compared to many NATO countries the sum might seem small, but for Ukraine that is a real achievement. The same is the case with the Law on National Security of Ukraine which was adopted in July 2018 and represents a serious step in bringing Ukraine's security sector closer to European principles and standards.<sup>68</sup> The European Union through European Union Advisory Mission and NATO have consulted Ukraine while writing the new law. Additionally, Ukraine plans to fully comply with NATO standards in regard of Armed Forces of Ukraine by 2020, which although sounds very ambitious. The NATO support programs and its Trust Funds which also cover important areas of cooperation between NATO member states and Ukraine are in place for several years and have deepened the cooperation between the two.

However, not everything goes smooth when it comes to reform in the security area. One of the biggest issues on the agenda is the reform of the Security Service of Ukraine (SBU) which is often accused of abusing business instead of dealing with state security.<sup>69</sup> Both EU and NATO insist on the demilitarization of SBU and reform in accordance with the NATO standards, otherwise, the failure of the SBU will de facto mean the failure of the entire law-enforcement system.<sup>70</sup> Some other failures refer to

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<sup>65</sup> Solodkyy S., Sharlay V., How could the EU accelerate reform in Ukraine? Institute of World Policy, [http://neweurope.org.ua/wp-content/uploads/2017/12/history-of-success-01\\_24\\_eng\\_print.pdf](http://neweurope.org.ua/wp-content/uploads/2017/12/history-of-success-01_24_eng_print.pdf)

<sup>66</sup> Poroshenko says Ukraine to spend 5.26 percent of GDP on defense this year, <https://www.kyivpost.com/ukraine-politics/unian-poroshenko-says-ukraine-to-spend-5-26-percent-of-gdp-on-defense-this-year.html>

<sup>67</sup> Українське військо – в топ-10 армій Європи й у топ-30 армій світу, <https://www.pravda.com.ua/news/2018/11/5/7197310/>

<sup>68</sup> EU welcomes Ukraine's adoption of national security law, <https://www.kyivpost.com/ukraine-politics/eu-welcomes-ukraines-adoption-of-national-security-law.html>

<sup>69</sup> Mingarelli: SBU should focus on combating terrorism, rather than investigating economic crimes, <https://www.kyivpost.com/ukraine-politics/mingarelli-sbu-should-focus-on-combating-terrorism-rather-than-investigating-economic-crimes.html>

<sup>70</sup> В НАТО предостерегли Україну от провала реформи СБУ, <http://news.liga.net/politics/news/v-nato-predosteregli-ukrainu-ot-provala-reformy-sbu>

the fact that there is a sharp deficit of the democratic civilian control over the security sector and the lack of legislation allowing the appointment of a civil minister of defense.

The democratic control also refers to the procurement area. After the war started, Ukraine implemented the “ProZorro” system of public procurement and tenders, which is an electronic and competition-based system with free access for the wider public. There have been many cases of revealing corruption cases by the civil society which resulted in billions of UAH saved. However, most tenders for military acquisitions are classified due to sensitive information and therefore are not subject to public scrutiny, which gives room for potential corruption schemes.

But despite the war, economic hardships and a deteriorating social infrastructure, Ukraine has been witnessing a very rich, diverse and dynamic political life. Noteworthy that pro-Russian politicians are well represented in the political life and enjoy the same privileges as the other politicians without any discrimination, which again confirms the open type politics even during the war. The openness and variety of Ukrainian politics is praised by international community and society; however, this could also bring problems at the next elections. There is a risk that Ukraine could make a U-turn after the presidential and parliamentary elections scheduled to take place in 2019.

The main driving force of the disappointment with the pro-Western and pro-reform forces in Ukraine are the fatigue from these politicians and not the fatigue from the EU integration process itself. The main causes which generated weaker support for pro-Western forces are the inability of the latter to fulfill their own electoral promises. One of the main demands of the EuroMaidan Revolution of Dignity was to put an end at the oligarchic system which was in place since the time of Leonid Kuchma and well developed during the presidency of Viktor Yanukovich. The de-oligarchization did not take place in Ukraine, despite the strong demand and pressure from the society and international community. Some redistribution of assets took place; however, all key oligarchic figures are strong on the positions. Even more, some of oligarchs who stood behind Yanukovich are on the rise again after the fall which happened in 2014. Rinat Akhmetov who's wealth in 2013 was more than \$22 billion dropped to \$3.37 billion in 2016 after losing a series of assets due to Russian invasion. However, in 2017 Akhmetov's wealth increased to \$4.45 billion. The increase coincides with the “Rotterdam Plus” scheme which is an electricity tariff formula. It was dubbed as “Rotterdam Plus” because the price is based on the cost of the coal, cost of the transportation from Dutch port of Rotterdam and the expenditures of loading and unloading in ports.<sup>71</sup> But according to independent investigations, some of the coal was extracted in Ukraine and costs much less than in “Rotterdam Plus”, while the price for electricity didn't decrease, on the contrary, it increased several times. Moreover, the beneficiary of the scheme is not only Rinat Akhmetov, but allegedly also incumbent president Petro Poroshenko, who is considered by some an oligarch himself.<sup>72</sup>

The business is not the only area where oligarchs dictate their rules. Media in Ukraine is diverse and there is a certain degree of pluralism, however, not an ordinary pluralism, but an oligarchic pluralism. All the mainstream TV channels are controlled by such oligarchs as Viktor Pinchuk, Rinat Akhmetov, Igor Kolomoisky, Dmytro Firtash, etc.<sup>73</sup> The battle of the oligarchic media results in a sort of democracy without democrats, which keeps a fragile balance of information sources in the society. Despite this, the current system is not a sustainable solution and media pluralism is often hostage of the oligarchic games.

A separate attention should be paid to the regions of Ukraine which are often giving a slightly different picture than one could hear in Kyiv. Ukraine, the largest all-European country is having regional political centers in Odesa, Lviv, Dnipro and Kharkiv. The subordination of regions to Kyiv is not linear and implies serious efforts to keep these within the policy line drawn by Kyiv. The power of the regions derives

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<sup>71</sup> Ukrainian oligarch Akhmetov rises in Bloomberg's billionaires' index, <https://www.kyivpost.com/ukraine-politics/ukrainian-oligarch-akhmetov-rises-bloombergs-billionaires-index.html>

<sup>72</sup> Success formula: Why Akhmetov and Poroshenko invented Rotterdam+ – Investigation, <https://antac.org.ua/en/investigations/success-formula-why-akhmetov-and-poroshenko-invented-rotterdam-novoe-vremya/>

<sup>73</sup> Yes, Ukraine's Oligarchs Own the Airwaves, but Their Days Are Numbered, Atlantic Council, <http://www.atlanticcouncil.org/blogs/ukrainealert/yes-ukraine-s-oligarchs-own-the-airwaves-but-here-s-why-their-days-are-numbered>

from their economic might and the mood in the society. For instance, the Kharkiv region has a mixed support when it comes to Kyiv's policy. The distinct policy of Kharkiv comes not only from the fact that the mayor of the city holds a tight control on the local politics, but also because the local population has a long history of people to people contacts with the neighboring Russia, therefore, the population is quite silent about European integration and other Kyiv-driven policy issues.<sup>74</sup> Another important game changer is Odesa region which has certain similar features with Kharkiv and is more skeptical to EU. For instance, a 2018 opinion poll shows that if next Sunday a referendum on Ukraine's membership in the EU would be held, then only 24% of Odesa region would vote in favor, which is the lowest indicator in the country – lower than in Donetsk region (25%), Luhansk (27%), and Kharkiv (33%). Finally, 50% of people in Odesa region would vote against the EU membership, followed by Kharkiv (49%), and Donetsk region (48%).<sup>75</sup> The negative associations with the incumbent politicians have generated wider distrust to the EU and therefore prepared a fertile ground for Russian comeback, which has already set in motion its campaign and is profiling candidates for the next elections<sup>76</sup>.

### Mapping security threats of Ukraine

The perennial concerns of the Russian involvement in Ukraine are justified by the Kremlin's obsessive attempts to subordinate Ukraine to its agenda and interests. The risk that pro-Russian forces will backfire at the next elections is imminent and has actually been part of the Russian playbook since Moscow lost political control on Ukraine in 2014. Despite the increasing resilience of Ukraine, Russia is still posing a multilateral and multilayer threat which has manifested itself in a series of aspects.

First of all, Russia continues to sponsor and coordinate a low-intensive conflict in the East of Ukraine, with escalation phases. The conflict is meant to serve as a tool to set agenda in Ukraine and keep Kyiv out of any possible integration steps with the West. The main international framework – Minsk Accords – is not able to deliver any practical achievements aside from buying time. Although officially, both Russia and Ukraine broadly agree with the provisions of the Minsk Accords, these see sequencing and procedures in a very different way. For example, if Ukraine demands first of all full cease-fire, permanent control of the border with Russia from the side of international observers in the early stage of settlement and equal conditions for campaigning before elections, then Russia wants first to prioritize the political package (elections in the region, amnesty, etc) and then possibly handing over control of the border to Ukraine or even allowing permanent presence of the international observers at the border. On top of that, the discussions about the UN peacekeeping mission is also seen differently by the parties in the conflict. Russia sees the peacekeeping mission as a light-armed peacekeepers to protect the SMM OSCE monitors at the touchline between the Ukraine and the separatist territories and possibly in the occupied areas, if the monitors travel there. In their turn, Ukraine, EU and U.S. propose a mission which would be deployed on the entire territory controlled by Russia proxies, including the border of Ukraine with Russia.<sup>77</sup> Nevertheless, it is quite unlikely that any progress will be made, at least until the next elections in Ukraine.

And if concerning the occupied territories in the East of Ukraine there is a discussion, then on the illegally annexed Crimea, Russia is denying any negotiations. The Crimea dossier, from the Russian perspective, is not a negotiable issue. Although, Russia tends to contradict itself, especially when Vladimir Putin proposed a referendum in areas controlled by its proxies at the meeting with President Trump in Helsinki in 2018. The proposal of Putin to hold a new referendum is in fact a confession that the previous

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<sup>74</sup> Solodkyy S., Zarembo K., Silence of Kharkiv: Kharkiv dimension of the European integration, [http://neweurope.org.ua/wp-content/uploads/2018/06/Policy-Brief\\_Movchannya-harkivyan\\_eng.pdf](http://neweurope.org.ua/wp-content/uploads/2018/06/Policy-Brief_Movchannya-harkivyan_eng.pdf)

<sup>75</sup> Желających вступить в НАТО стало в полтора раза больше – опрос, <https://www.pravda.com.ua/rus/news/2018/02/22/7172464/>

<sup>76</sup> Litra L., Zarembo K., Talking Business: How to Keep Southern Ukraine Engaged in European Integration?, [http://neweurope.org.ua/wp-content/uploads/2018/11/Brief-Odesa-and-Kherson\\_highlight\\_eng.pdf](http://neweurope.org.ua/wp-content/uploads/2018/11/Brief-Odesa-and-Kherson_highlight_eng.pdf)

<sup>77</sup> Poland pushes for UN mission at Ukraine-Russia border, <https://www.euractiv.com/section/global-europe/news/poland-pushes-for-un-mission-at-ukraine-russia-border/>

referendum in Crimea was staged by Russia and used as a pretext to legitimize annexation. The proof comes from wording used by Putin who said that “we held the referendum in strict compliance with international law...”.<sup>78</sup>

The conflict in the East of Ukraine and the illegal annexation of Crimea are long-standing issues on the agenda, but a new dimension of the conflict is unfolding in the Azov Sea. The construction of the bridge over the Kerch strait by Russia which physically unites Russia with the occupied peninsula represents yet another source of tensions. The bridge construction created a new tool for Russia to control the Azov Sea and put in motion a de facto creeping annexation of the Azov Sea. The treaty governing the rights in the Azov Sea dates to 2003 and stipulates that the sea is basically considered as internal waters which gives the right to Ukraine and Russia to control all the suspected boats in the sea. However, Russia is de facto using the sea as its “own lake” and blocks the transportation, as there is no state border defined. Apparently, one of the instruments to roll back the creeping annexation of Azov Sea is to denounce the 2003 agreement and govern the area by the UN Convention of the Law of the Sea of 1982, but some of the state institutions in Ukraine are still hesitating since this could affect Ukraine’s ability to protect its rights in international courts and the possible usage of the instruments of the agreement. Certainly, this would give Russia a pretext for a denigrating informational campaign of Ukraine, but after the occupation, it is hard to imagine that the denigration campaign would change someone’s mind. In the meantime, the Azov Sea has seen a new level of escalation with Russia overtly attacking three Ukrainian boats, wounding several Ukrainians and taking prisoners 24 sailors, which prompted Ukraine to declare the martial law in several regions for 30 days. Getting back to the agreements, it is not the first time that Ukraine is considering denouncing an agreement with Russia. Kyiv, at the indication of president Poroshenko, did not prolong the Treaty of Friendship, Cooperation and Partnership with Russia which was concluded in 1997 – one of key agreements in the bilateral relations. Ukraine also denounced other 44 agreements with Russia and some other agreements are in the pipeline today.<sup>79</sup>

The Russian aggression in Ukraine is also influencing the relations with Ukraine’s neighbors and creates regional distrust. The recent tensions with Belarus over the alleged spying scandal are part of the wider suspicions over Belarus given the alliance of the latter with Russia – for instance, the Zapad 2017 military exercise. Within the Eastern Partnership, it is not possible for Ukraine to cooperate with Belarus on a range of issues, mainly military, precisely because Belarus is in an alliance with Russia.

The international dimension of the Russian-Ukrainian conflict manifested in all the important international entities, mainly UN, NATO, EU, Council of Europe and WTO. In this context, a special attention deserves the Parliamentary Assembly of the Council of Europe (PACE) which is a victim of the Russian blackmail. After the Russian aggression, PACE withdrawn the right to vote for Russia and imposed a list of conditions to fulfil in order to return full voting rights. Moscow decided to ignore the PACE conditions and suspended its funding for CoE which represents about 14% of the annual budget. Following this, Russia initiated the revision of the Council of Europe regulations on sanctions, which if adopted, could de facto “amputate” CoE to impose any sanctions in the future and therefore Russia could return to PACE without fulfilling any conditions. Ukraine, together with other CoE member states, managed to successfully block the Russian initiative, however, this could be adopted in the future. If adopted, this would represent a serious precedent of lifting sanctions for Russia without delivering on conditions and subsequently would initiate discussions about lifting EU sanctions on Russia based on the CoE example.

To put aside the usual military and disinformation concerns posed by Russia, a top priority for Ukraine is now to counter Kremlin’s attempts to interfere in the Ukrainian elections. Unlike before the war,

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<sup>78</sup> News conference following talks between the presidents of Russia and the United States, <http://en.kremlin.ru/events/president/news/58017>

<sup>79</sup> <https://www.rbc.ua/rus/news/ukraina-rastorgla-44-soglasheniya-rossiey-1522847114.html>

most of the politicians are hiding their sympathies to Russia and the only politician running into elections and with open support to Russia is Viktor Medvechuk, who is a relative of Putin (Vladimir Putin is the godfather of Medvechuk's daughter) and his main contact in Ukraine. There is a high likelihood that the Russian forces in Ukraine are going to increase twofold in the next parliament. That would seriously damage the ability of the parliament to withstand the Russian initiatives in the future legislature and a milder tone could be taken on board.<sup>80</sup>

As concerns the settlement process and the de-escalation in the East of Ukraine, one should not expect important moves. The upcoming elections in Ukraine will not create conditions for advancing the conflict settlement related agenda, precisely because Russia has no interest in showing progress with the incumbent Ukrainian leadership. Kremlin is rather intending to wait for the new president and parliament and then make symbolic concessions such as exchange of prisoners in order to start the cooperation with the new power with a positive example.

### The EU role in mitigating security threats

Since 2014 Ukraine developed its relations with the EU to an unprecedented level. The Association Agreement and its Deep and Comprehensive Free Trade Area (DCFTA) is fully in place. Ukraine went through a bloody and often humiliating process of getting the AA. First, the Association Agreement was demanded by the EuroMaidan which suffered enormously. Then, the populist Dutch Referendum has put on hold the ratification process and it took significant efforts of Ukraine, the Dutch government and the EU to overcome the artificial created obstacles. Third, Russia has demanded postponement of the entry into force of DCFTA and asked for trilateral consultations. Despite all the efforts to stop Ukraine from deeper integration with the EU, these were all futile. The DCFTA finally started to bear fruits and a revival of economic activity between the EU and Ukraine is taking place. Visa-free regime has been granted since mid-2017 which is also a tangible result of the rapprochement with the EU. However, maybe the most important contribution of the EU is the financial support which helped Ukraine avoid an economic collapse after the 2014. The EU mobilized \$11 billion which also opened the gate for IMF program with Ukraine.

The EU has always considered that Ukraine's security is threatened on two dimensions: Russian aggression and the high corruption. The EU's response to Russian aggression was first of all sanctions. Although a much tougher stance on the aggression was put in motion after the downing of the MH17 by the Russian Buk (which Russia denies).<sup>81</sup> Second, the EU managed to get Russia on the negotiations table through the efforts on the Germany and France within the Normandy Format. Third, the financial support provided for conditions to keep Ukraine away from an economic default.

On the fighting corruption things got more complex. The EU conditioned its support with the creation of independent anti-corruption institutions. The National Anti-Corruption Bureau of Ukraine and the National Agency of Corruption Prevention were created. A system of e-declarations was put in motion and all the people in public service must declare their assets and interests. Finally, the law on High Anti-corruption Court was adopted and is set to become functional not later than mid-2019. The system is now widely in place; however, it is not yet operational. The main causes are the resistance of the political class which is concerned that it could fell victim of its own creation. Now it depends on the results of the next elections which could provide for a continuity of the existing reforms, or on the contrary, reverse some of them. If the latter happens, it is unlikely that EU will continue its support to Ukraine. As of now, it seems

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<sup>80</sup> Putin's Friend Medvedchuk Reenters Ukrainian Politics, <https://en.hromadske.ua/posts/putins-friend-medvedchuk-reenters-ukrainian-politics>

<sup>81</sup> Dutch minister: MH17 investigation points to Russian involvement, <https://www.reuters.com/article/us-ukraine-crisis-mh17-foreign-minister/dutch-minister-mh17-investigation-points-to-russian-involvement-idUSKCN1IQ0VM>

that EU chose not to openly criticize the current political establishment in Ukraine and to provide for a silent support in order not to give too many arguments for populist forces in Ukraine.

At the regional level, the EU has always tried to facilitate a dialogue between the countries on a large number of issues. Dialogues on non-sensitive political issues like environment, social issues, SME's, etc are taking place mainly through the platforms offered by the Eastern Partnership program. While issues like security are not discussed, as Belarus and Armenia are part of the Russian-led Collective Security Treaty Organization and Ukraine cannot share its intelligence with these countries, even if some high-ranked EU officials asked for it. In terms of security, Ukraine needs rather to focus on cooperation with Georgia and Moldova who face similar problems with Russian occupation and have declared similar agendas. The EU is hesitating to step on issues of de-occupation and leaves the question rather to EU members states.

### **Recommendations for Ukraine**

In terms of security, Ukraine has never seen EU as a classic player in the area. Kyiv's expectations are rather related to the energy, governance and other issues that could fortify Ukraine's position against Russian aggression.

First, Ukraine, together with Georgian and Moldovan partners, needs to establish a permanent task force on the occupied territories at the level of ministries in charge of the occupied territories and the ministers of defense. The task force would entail a permanent exchange of views on the Russian aggression and possible policies to counter its actions.

Second, in view of the re-election of the European Parliament and the upcoming new mandate and competence of the European Commission, Ukraine, ideally in cooperation with Georgia and Moldova should offer a policy-vision of how to develop the relations with the European Union during the mandate of the new EC. The vision has to touch upon above all on the security issues, as the political cooperation and economic integration are already covered by the AA and DCFTA.

Third, Ukraine has to share its experience on countering hybrid threats, unconventional and conventional war. Out of all the countries, Ukraine has the biggest experience in withstanding Russian aggression. Ukraine developed a lot in terms of military equipment and tactics to roll-back Russian aggression and could share precious information from the 4-year experience of fighting against Russia.

Finally, from a security point of view and not only, an advanced cooperation would be possible in the trilateral format of Ukraine-Georgia-Moldova given the common challenges and the aspirations of the three countries.

### **Recommendations for European Union and Eastern Partnership**

The EU has to continue its policy of strengthening the security of Ukraine from within. The fight against corruption should remain a top priority alongside with energy efficiency and independence, and infrastructure projects. The rule of law and high living standards are a prerequisite for internal cohesion and stability.

At the same time, the "soft power" elements should not be the only EU security approach to Ukraine. Kyiv is ready to embark into more ambitious projects within the Common Security and Defense Policy and has shown interest in hosting a CSDP mission in the East of Ukraine (different from EUAM). The mission would give a strong signal to Ukraine that EU is ready to contribute to the conflict settlement in the east of Ukraine. Unfortunately, as of now, the EU rather supports the deployment of an UN-mission.

Finally, PESCO (Permanent Structured Cooperation) is a new instrument with which Ukraine could cooperate. PESCO is quite new and almost all EU member states have joined it. Ukraine could join PESCO projects that are aimed to enhance military training and exercises, strengthen jointly their capabilities on land, air and sea but also for example in the even more important cyber space. **Moreover, Ukraine already asked for a cooperation based on PESCO, but so far there were no tangible developments. Opening the possibility to cooperate between member states and Ukraine based on PESCO, would provide EU countries with a better understanding of Ukraine's reform agenda in the security area and would also make Ukraine more predictable for EU.**

## CHAPTER IV. ASSESSING THE SECURITY FRAMEWORK AT THE EU BORDER:

### THE CASE OF ROMANIA

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#### Executive Summary

This paper presents and analyses what are the main problems, threats and risks on Romania's security with a special focus on Romania's relation with the Eastern neighbourhood. The last section offers a number of recommendations for Romania's foreign policy agenda. I will present the legal framework, the main actors and institutions involved in managing security and their role, as well as the internal and external factors that influence Romania's actions in the area of security. Because 2018 is the year in which Romania celebrates a century since *The Great Unification*<sup>82</sup> and is preparing to take over the Presidency of the Council of the European Union in the first half of 2019, being also a NATO member, I will emphasise that I consider the present context as unmatched in Romania's history. Thus, it allows the country to propose and support different goals in its foreign policy, in accordance with Romania's interests, as they are described in the official documents and the interaction with other actors in a tumultuous and interdependent environment.

My main supposition is that the military and political aspects of security are ensured in Romania because as a NATO and EU member country several requirements in these fields needed to be implemented, but that the economic aspect of economy must be greatly improved in order to allow the country to support medium and long-term goals in its defence and foreign policy.

#### The Legal Framework

The legal framework that regulates defence and security planning in Romania is split on the internal and external levels. According to the Law on Military Planning 203/2015 the actors involved in planning Romania's defence are: international (as a NATO member), regional (as an EU member) and national<sup>83</sup>.

The main documents used for elaborating Romania's defence policy:

- **International level:** The Comprehensive Political Guidance (2006); NATO's Strategic Concept (2010) and other NATO-related documents<sup>84</sup>;
- **EU level:** A Global Strategy for the European Union;
- **National level:** The National Strategy for the Defence of the Country 2015 - 2019 *A Strong Romania in Europe and in the World*, Governing Programme; White Paper on Defence 2016, The Military Strategy of Romania-Modern Armed Forces for a Powerful Romania within Europe and Around the World (2016), the Law 203/2015 regarding Military Planning.

**Main Institutional Actors involved in elaborating the defence policy:** According to Romania's Constitution, the Presidential institution is the most important actor in the area of defence. The President is the commander of the army forces and the president of CSAT (Supreme Council of National Defence,

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<sup>82</sup> After the 1989 Revolution, in July 1990 December 1<sup>st</sup> has become Romania's National Day, marking the unification of Transylvania, Bukovina (former parts of the Austro-Hungarian Empire), and Bessarabia (former part of the Russian Empire) with the Romanian Kingdom in 1918, after the end of the First World War.

<sup>83</sup> It is interesting to mention that according to October 2018 Eurobarometer only 49% of Romanians support the country's EU membership, although Romania had the strongest support for EU membership in 2004-2005. After the 2007 accession usually over 65% of Romanians supported EU membership. Eurobarometrul 67 Opinia publică în Uniunea Europeană Primăvara 2007, Comisia Europeană/European Commission

[http://ec.europa.eu/commfrontoffice/publicopinion/archives/eb/eb67/eb67\\_ro\\_nat.pdf](http://ec.europa.eu/commfrontoffice/publicopinion/archives/eb/eb67/eb67_ro_nat.pdf) p. 11.

<sup>84</sup> As is the case with other countries in Eastern Europe, half of Romanians see NATO as a protection: Smith, M. (2017) "Most NATO Members in Eastern Europe See It as Protection", *Gallup*, <https://news.gallup.com/poll/203819/nato-members-eastern-europe-protection.aspx> (20.09.2018).

SCND). CSAT is authorized to organize and coordinate the activities regarding the country's defence and national security<sup>85</sup>. SCND notifies the President's proposals (the Council takes decisions by the rule of unanimity) and then they are approved by the Parliament after that, the institutions with responsibilities in the field of defence (Ministry of National Defence) apply the decisions<sup>86</sup>. Therefore, the legal framework presents very clearly the actors engaged in the process of determining Romania's defence policy and their powers. This should help improve the coherence of the policy, at least in the first phases of its planning.

**The Security Environment:** As is the case for the whole region of South-eastern Europe, Romania must react to a highly volatile, complex environment and to increased instability caused primarily by Russia's actions in the last decade. This situation that started in 2008 with the war in Georgia has worsened after the 2014 illegal annexation of Crimea. In the same time, the political situation in Republic of Moldova has put the country in very problematic light and caused a deterioration of the economic situation. Thus, Moldova went from the "Poster Child" to "Problem Child" of the Eastern Partnership<sup>87</sup> and the situation is far from improving at the end of 2018<sup>88</sup>. Ever since the dissolution of the Soviet Union and the declaration of independence, Moldova's stability and development have been priorities for Romania's foreign policy. Although a member of NATO and the EU, Bulgaria is less inclined to see Russia as a reluctant actor in the region. As for the Western border of the country, Romania supports Western Balkans countries' efforts to join the EU (and also Turkey's application for membership, the neighbour of our neighbour). In the present context, Romania has two neighbours on its Eastern border that have frozen (Republic of Moldova) or open (Ukraine) conflicts on their territory, which can be seen as important sources of threats. As NATO country, Romania is interested in increasing the visibility and resources for NATO's Eastern flank **and** as an EU member state Romania aims to increase EU's engagement with the Western Balkans and the Eastern neighborhood, especially with the three countries that have signed the Association Agreements in order **to stabilize and develop the region as a whole**. Therefore, the neighborhood would become attractive in terms of foreign investments as well.

## Main internal risks for Romania

**Corruption** is a risk that could endanger Romania's development goals, according to the National Defence Strategy. Several institutions have been created to work against corruption during Romania's accession negotiation to the EU, the most well-known being National Anticorruption Directorate. However, the topic of corruption has been in the spotlight in the last two years due to changes proposed by the Coalition of governance in the country's judicial code, a theme that has divided the country. Judicial independence and rule of law are considered at risk after changes – named by the media as the Justice's new laws - were adopted by the Government through an emergency ordinance (OUG) and the European Parliament adopted a very critique resolution on Romania<sup>89</sup>. The latest report on The Cooperation and Verification Mechanism (CVM) aimed at monitoring the reforms in the area of justice and administrative sectors presented in November 2018 has been very critique towards the developments that took place in the last two years<sup>90</sup>. The reaction of the representatives of the political parties after these events has

<sup>85</sup> Constitution of Romania, art 119 <http://www.cdep.ro/pls/dic/site.page?id=371> (20.08.2018).

<sup>86</sup> The process is described in the Law 203/2015 regarding Military Planning.

<sup>87</sup> The expression was used by Rinnert, David (2013) The Republic of Moldova in the Eastern Partnership from „Poster Child” to „Problem Child”? *Friedrich Ebert Stiftung*, <http://library.fes.de/pdf-files/id-moe/10184.pdf>.

<sup>88</sup> European Parliament adopted a resolution on Republic of Moldova asking for action in the fight against corruption and support for an independent judiciary "Moldova must take urgent action and Georgia should continue efforts, say MEPs. Press Release, 14.11.2018" (2018), European Parliament, <http://www.europarl.europa.eu/news/en/press-room/20181106IPR18329/moldova-must-take-urgent-action-and-georgia-should-continue-efforts-say-meps> (19.11.2018).

<sup>89</sup> "Romania: MEPs are deeply concerned about judicial independence and rule of law", *European Parliament* <http://www.europarl.europa.eu/news/en/press-room/20181106IPR18326/romania-meps-are-deeply-concerned-about-judicial-independence-and-rule-of-law> (20.11.2018).

<sup>90</sup> "Cooperation and Verification Mechanism for Bulgaria and Romania; Brexit preparedness", *European Commission*, [https://ec.europa.eu/commission/news/cooperation-and-verification-mechanism-bulgaria-and-romania-brex-it-preparedness-2018-nov-13\\_en](https://ec.europa.eu/commission/news/cooperation-and-verification-mechanism-bulgaria-and-romania-brex-it-preparedness-2018-nov-13_en) (20.11.2018).

been similar to what we have seen in Hungary and Poland in the last years, defiance based on claiming the state's sovereignty.

Some countries (Russia) are using the cyber space to expand their **propaganda goals** such as: the West presented in (very) negative terms, migration as a threat to Europe and Christianity etc. For example, in Romania we have the Association Vostok Group<sup>91</sup> which aims to attract and involve youths in different cultural activities, Sputnik Romania website, the Coalition for the Family – an informal alliance of conservative NGOs which lobbies especially that a family to be defined as only the union between a man and a woman. Therefore, those groups that uphold very conservative values and are willing to approve the limitation of freedom and rights for other citizens are used and mobilised in order to increase the support for non-democratic discourses.

**Weak institutions:** increasing institutions' resilience should continue to be an important aim for Romanian policy makers. In the aftermath of 2015 Colectiv nightclub fire, the entire society wanted a rapid change in authorities' behaviour<sup>92</sup>. This tragedy showed not only the difficult process of communications between institutions but also the difficult situation of the public health sector. Only one hospital has been built in Romania in the last 30 years.

## Topics of interest for Romania. What are the main interests and priorities for Romania?

### Military security:

As a member of NATO – the world's largest military alliance, Romania is in the best position regarding its defence since its formation as an independent state as I already mentioned. However, as a country situated in the South-East of Europe, Romania is situated at the border of European Union and NATO, therefore more affected by the dramatic changes that took place in Ukraine in 2013-2014. Currently, two of its Eastern neighbours have foreign (Russian) troops on their territory. One consequence of this fact is that the Romania is receiving more attention and resources from its partners aimed at increasing the country's capacity to respond to potential threats. This includes different common exercises such as: Exercise Sea Shield. In the last decade, especially at the Bucharest Summit, Romania has aimed to increase the visibility of the Black Sea region on Alliance's agenda. However, after this 2008 Summit, where Ukraine and Georgia had been high on the Agenda, both lost territory and population due to Russian aggression. Although both actions were illegal under the international law, now the both states have conflicts on their territories in which the Russian Federation is involved, just as in Republic of Moldova. This also shows that Russia, however weak its economy can still find the resources to be a relevant player in world politics (see for example the intervention in Syria). As a minor power, Romania can only try and use in the most efficient way the small resources it has, keeping in mind that a strong defence and only be supported by a strong economy with a healthy and educated population.

*The National Defence Strategy 2015-2019 - A Strong Romania within Europe and the World* - the first strategy after the Ukrainian crisis, operates with the concept of extended national security, although it's not very clear what does exactly mean. The document notes that a "change of paradigm" is taking place at the global level and that while the relation between NATO and the Russian Federation is deteriorating, steps must be taken in order to "consolidate Romania's credibility"<sup>93</sup>.

We will not list here all the internal and external priorities that are mentioned in the paper, but state only two of them for each dimension domestic and external, that we consider relevant for this topic. On the internal level we find the necessity to consolidate and develop the military capabilities and to

<sup>91</sup> Facebook, <https://www.facebook.com/vostokgroup/> (17.09.2018).

<sup>92</sup> On the night of October 30, 2015 during a concert of the band Goodbye to Gravity a deadly fire broke out in the Colectiv nightclub. 64 people were killed and 146 were injured. It was the worst disaster in the post-Communist Romania. Massive protests over the corruption in the public administration lead to the resignation of Romania's Prime Minister, Victor Ponta on November 4th, 2015.

<sup>93</sup> "National Defence Strategy 2015-2019 - A Strong Romania within Europe and the World", p. 5 [http://www.presidency.ro/files/userfiles/National\\_Defense\\_Strategy\\_2015\\_-\\_2019.pdf](http://www.presidency.ro/files/userfiles/National_Defense_Strategy_2015_-_2019.pdf) (22.08.2018).

ensure a dynamic economic sector (this is analysed in the second part of the paper). On the external level, the intense cooperation with the other NATO members in the Black Sea region and consolidation of Romania's profile inside NATO and EU. Three years later we can observe that these four priorities were followed in a surprisingly coherent manner.

After the National Defence Strategy, another significant national document in accordance with which the national security is ensured is the Military Strategy. In accordance with the National Defence Strategy, the Military Strategy mentions that two facts contribute to the instability of the security environment for Romania: first the military conflicts in Georgia and Ukraine and second the migration from MENA (Middle East and North Africa). The Black Sea area is related to the two most important factors that pose military risks for Romania: "development of military potential in the vicinity and instability in the eastern proximity"<sup>94</sup>. Romania is using two tools aimed at responding to these threats and risks – the first is to increase its defence capacity and the second is to participate as a responsible member in military alliances, more precisely in NATO. Following NATO 2014 Wales Summit and NATO 2016 Warsaw Summit, Romania must implement the Readiness Action Plan and is part of a tailored forward presence aimed at strengthening deterrence and defence posture in south-eastern part of NATO and especially in the Black Sea<sup>95</sup>.

### Spending in the area of defence

Together with the Baltic states, Poland, UK and Greece, Romania is one of NATO members that has allocated 2% of its GDP for defence spending. It is interesting to mention that after its accession to the alliance, Romania spent the required 2% only for one year in 2005 and then again in 2017<sup>96</sup>. Considered by SIPRI a Central European country, Romania has had in 2017 the largest relative increase in military spending 50% - the highest in the world – as a result of its plan to modernize its military<sup>97</sup> called *Endowment Plan of Romania's Armed Forces for 2017 - 2026*<sup>98</sup>. CSAT approved the Plan in July 2017. This shows that Romania is committed to be involved in ensuring its security not only as a member of an alliance (NATO), but also through active measures on the internal level (increasing military spending).

### Cyber security:

According to the National Defence Strategy, one of the country's interests from the domestic point of view is to consolidate and protect critical infrastructure in the cyber area. This must also be adapted in order to respond to potential attacks. Cyber threats are considered the fourth most important of this kind in the Strategy (after destabilization of Eastern vicinity, frozen conflicts and energy security)<sup>99</sup>. Romania is a very active player in this domain because it can use its competitive advantage – the IT sector is very well-developed in the country. Romania strongly supports the NATO Industry Cyber Partnership and NATO Trust Fund on cyber defence for Ukraine, where Romania is a Lead Nation<sup>100</sup>.

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<sup>94</sup> Ministry of Defence, "The Military Strategy of Romania 2016", p. 8, [https://www.eda.europa.eu/docs/default-source/Defence-Procurement-Gateway/ro\\_milstrategy.pdf](https://www.eda.europa.eu/docs/default-source/Defence-Procurement-Gateway/ro_milstrategy.pdf) (22.08.2018).

<sup>95</sup> NATO, "Boosting NATO's presence in the east and southeast", 14.08.2018 (latest update) [https://www.nato.int/cps/en/natohq/topics\\_136388.htm?selectedLocale=en](https://www.nato.int/cps/en/natohq/topics_136388.htm?selectedLocale=en) (22.08.2018).

<sup>96</sup> SIPRI, 2018 "Military expenditure by country as percentage of gross domestic product 1988-2002", p. 12 [https://www.sipri.org/sites/default/files/3\\_Data%20for%20all%20countries%20from%201988%E2%80%932017%20as%20a%20share%20of%20GDP.pdf](https://www.sipri.org/sites/default/files/3_Data%20for%20all%20countries%20from%201988%E2%80%932017%20as%20a%20share%20of%20GDP.pdf) (10.08.2018).

<sup>97</sup> SIPRI, 2017 "Trends in World Military Expenditure", (May 2018) [https://www.sipri.org/sites/default/files/2018-04/sipri\\_fs\\_1805\\_milex\\_2017.pdf](https://www.sipri.org/sites/default/files/2018-04/sipri_fs_1805_milex_2017.pdf) (10.08.2018).

<sup>98</sup> Another document used for drawing the reform in the area of defense is "Transformation of Army of Romania" (2007). It aims to: "promote and facilitate the national interests in relation to the current and future risks and threats and to fulfil Romania's commitments towards NATO and EU and other international organizations". Ministry of National Defense, "The Strategy for the Transformation of Romanian Army", Ministry of Defense, Bucharest 2007, p. 4 [http://www.mapn.ro/programe\\_strategii/index.php](http://www.mapn.ro/programe_strategii/index.php) (20.08.2018).

<sup>99</sup> National Defence Strategy 2015-2019 - A Strong Romania within Europe and the World, p. 14 [http://www.presidency.ro/files/userfiles/National\\_Defense\\_Strategy\\_2015\\_-\\_2019.pdf](http://www.presidency.ro/files/userfiles/National_Defense_Strategy_2015_-_2019.pdf) (22.08.2018).

<sup>100</sup> NATO. Trust Fund on Cyber Defence for Ukraine „Ukraine Cyber Defence” June 2016 [https://www.nato.int/nato\\_static\\_fl2014/assets/pdf/pdf\\_2016\\_07/20160712\\_1606-trust-fund-ukr-cyberdef.pdf](https://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2016_07/20160712_1606-trust-fund-ukr-cyberdef.pdf) (22.08.2018).

At the Global Conference on CyberSpace 2015 Romania co-initiate, together with Holland, Hungary and HP company the “Cyber Security Responsible Disclosure Initiative”<sup>101</sup> and opened a pilot-project for Cybersecurity Innovation Center which will help investigate cyber threats. In 2019 Romania will join NATO Cooperative Cyber Defence Centre of Excellence (CCDCOE) in 2019<sup>102</sup>. Due to the high level of expertise in this domain, Romania can provide support for other actors in the region through governmental and non-governmental actors. However, this will imply a more efficient dialogue between the governmental representatives and private actors in order to identify different channels of action that can be used to increase the activity in this sector, as well as the export of expertise in different countries in the Eastern Partnership.

**Bucharest Format (B9):** Together with the Three Seas Initiative, Bucharest Format is one of the most important diplomatic steps co-initiated in the last years, this format – proposed in 2015 by Romania and Poland aims to offer for nine countries on NATO’s Eastern flank the possibility “contribute to the Alliance based on their shared interests”<sup>103</sup>. This proved an efficient initiative that increased the visibility on the Flank and helped increase the resources allocated to this zone – which at the Warsaw Summit received more attention – although not as much as Romania intended (for example, NATO Black Sea fleet). In April 2018 was held the First Parliamentary Summit of the Bucharest Format (B9) as a move of parliamentary diplomacy with the intent to “to advance the culture of effective parliamentary control beyond our Eastern borders”<sup>104</sup>. This initiative should be also be supported in the future as any form of interaction – formal or informal – between the minor powers in the region could help them respond better to the current challenges in the region.

#### Economic security:

Just as is the case in the military sector, Romania’s economic domain is connected with the regional and European levels. Therefore, any change positive or negative at these levels affects rather fast and in a strong manner the Romanian economy.

#### - The external dimension:

International level - Romania’s main interest in the economic domain is to accede to the OECD – something which is trying since 2004. The newest change in the relation with the organization came in April 2018, when Romania became a Participant in the Development Assistance Committee (DAC) which will allow it to interact with other countries regarding the good practices in the area of development and humanitarian aid<sup>105</sup>. Since 2007 Romania is an international donor and offers assistance for development. However, it was only in 2016 that a law regulated these actions (law no. 213/2016). The main countries that benefitted from Romanian funds in this area were Moldova, Turkey, Serbia, Ukraine and the Syrian Arab Republic<sup>106</sup>.

European level – As an EU member, Romania has had in 2017 the fastest growing rate since the 2008 financial crisis – 6.9% due to external (the Eurozone countries overall had the best year since 2008 and EU’s economy as a whole as well) and internal factors (according to Romania’s National Bank 2017

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<sup>101</sup> Secretarul de stat Daniel Ioniță, prezent la Haga la conferința “Global Conference on CyberSpace 2015”, MAE <http://ramallah.mae.ro/romania-news/5423>

<sup>102</sup> NATO, “Romania to Join the NATO Cooperative Cyber Defence Centre of Excellence in Tallinn” (15.06.2018), NATO Cooperative Cyber Defence Centre of Excellence <https://ccdcoe.org/romania-join-nato-cooperative-cyber-defence-centre-excellence-tallinn.html> (22.08.2018).

<sup>103</sup> The First B9 Parliamentary Summit, Bucharest, About the summit <http://www.b9parl2018.ro/index.php/despre-summit/> (22.08.2018).

<sup>104</sup> The First B9 Parliamentary Summit, Bucharest, 18 April 2018 Co-chairs’ Communiqué [http://www.b9parl2018.ro/wp-content/uploads/2018/04/FINAL\\_Communique-B9-parl-co-chair-18-APR-2018.pdf](http://www.b9parl2018.ro/wp-content/uploads/2018/04/FINAL_Communique-B9-parl-co-chair-18-APR-2018.pdf) (22.08.2018).

<sup>105</sup> Organisation for Economic Co-operation and Development. “Romania becomes Participant in the OECD Development Assistance Committee (DAC)” (20.04.2018), <http://www.oecd.org/countries/romania/romania-participant-dac.htm> (10.08.2018).

<sup>106</sup> Organisation for Economic Co-operation and Development. “Romania’s Official Development Assistance (ODA)”, OECD <http://www.oecd.org/dac/stats/romania-official-development-assistance.htm> (22.08.2018). See also: The national report on the official development aid, granted by Romania in 2016, Press release (02.07.2018) Ministry of Foreign Affairs <https://www.mae.ro/en/node/44944> (22.08.2018).

Report, consume was the engine of this grow helped by increased wages and pensions and relaxed fiscal policies).

A new Fiscal Code came into force in January 2018 (the previous Code was adopted in 2015), but according to the current Ministry of Finances, Eugen Teodorovici, the Code will be analysed during 2018 so that starting with January 2019 can be again modified<sup>107</sup>. As of August 2018, the Code has been modified five times<sup>108</sup>. These changes mean that the public and private economic actors must assign resources in order to understand and implement the requirements of the new law.

Romania is - together with Latvia, Estonia, Greece and Spain - one of the EU's countries with the greatest decrease of investment in the last decade (12.5%)<sup>109</sup>. We can add that in Romania this decrease has affected even more the country's under-developed infrastructure, which has less than 800 km of highways. The weak infrastructure affects directly the car industry (Groupe Renault Romania's factory in Mioveni for example due to the delays in the building of Pitesti-Sibiu highway).

Although the EU funds - European Structural and Investment Funds (ESIF) were supposed to be an important source of cash for Romania's economy, as of May 2018, the country has absorbed only 17,02% of the EU funds for 2014-2020, under the EU average of 18,26%<sup>110</sup>; the country can access 40 billion euros; Romania should accelerate the absorption of EU funds either by changing the institutional arrangements that manage the funds, or by training those who apply to the funds.

The economic forecast for 2018 is much more temperate at 4.1% due to higher inflation still one of the strongest in the Central and Eastern Europe region<sup>111</sup>. This year inflation has been between 4.3% in January and 4.6% in August, with a peak of 5.4% in May and June<sup>112</sup> due to increase in the price of oil.

In March 2018, Eurotransgaz company (owned by Transgaz Romania in Republic of Moldova) signed the contract for purchasing the Moldavian state company Vestmoldtransgaz. This will allow the construction of Iasi-Ungheni pipeline and will increase Moldova's security energy.

#### The internal dimension:

In 2017, Romania became EU's 16 economy and represents 1.23% of the EU economy<sup>113</sup> however this is under threat first of all from political instability: the current coalition of government has had three prime ministers in 18 months; this lack of political stability is seen as a lack of accountability and coherence by foreign partners.

**Population** – one of the most important medium and long-term threats to Romania's economy and future is the demographics problem. The country's population has decreased constantly in the last three decades from 23.2 million to 19.5 million in 2017<sup>114</sup>. In the same time, the percentage of persons over 65 years old increased constantly since 1990 (7% of the population) to almost 18% today due also to increase in life expectancy. In 2017 the difference between the group of population over 65 years (3,614 millions) and those under 14 years (3,264 millions) was of 350.000. Most of the policies and services for this group are ill-informed and at a considerable distance from the EU's standards with a few

<sup>107</sup> Ionescu, Tudor "Eugen Teodorovici: Se lucrează la un nou cadru fiscal, aplicat din 2019" (24.07.2018), *Mediafax*, <http://www.mediafax.ro/economic/eugen-teodorovici-se-lucreaza-la-un-nou-cadru-fiscal-aplicat-din-2019-17368378> (13.08.2018).

<sup>108</sup> ANAF (The National Agency for Fiscal Administration) [https://static.anaf.ro/static/10/Anaf/legislatie/Arhiva\\_cod\\_fiscal.htm](https://static.anaf.ro/static/10/Anaf/legislatie/Arhiva_cod_fiscal.htm) (22.08.2018).

<sup>109</sup> Normand, Grégoire. "Europe: un déficit d'investissement encore marqué", (15.05.2018), *La Tribune*, <https://www.latribune.fr/economie/union-europeenne/europe-un-deficit-d-investissement-encore-marque-778370.html> (13.08.2018).

<sup>110</sup> The Government of Romania. „Situația la zi a fondurilor europene 23 mai 2018”, [http://discutii.mfinante.ro/static/10/Mfp/presa/transcrieri\\_declaratii/Prezentare\\_ref\\_situatia\\_la\\_zi\\_a\\_fondurilor\\_europene23mai2018.pdf](http://discutii.mfinante.ro/static/10/Mfp/presa/transcrieri_declaratii/Prezentare_ref_situatia_la_zi_a_fondurilor_europene23mai2018.pdf) (18.08.2018).

<sup>111</sup> Thomas, Christopher "Economic Snapshot for Central & Eastern Europe" (01.08.2018) *Focus Economics*, <https://www.focus-economics.com/regions/central-and-eastern-europe> (18.08.2018).

<sup>112</sup> Romania Inflation Rate <https://tradingeconomics.com/romania/inflation-cpi> (18.08.2018). See also: National Bank of Romania Inflation Reports, August 2018 Year XIV, No. 53 <http://www.bnr.ro/PublicationDocuments.aspx?icid=6876> (02.08.2018).

<sup>113</sup> Pana, Marian "Romania's economy ranks 16th in the EU – We surpassed Greece" (14.05.2018) *Curs de Guvernare*, <http://cursdeguvernare.ro/romaniias-economy-ranks-16th-eu-surpassed-greece.html> (13.08.2018).

<sup>114</sup> Romania Population (LIVE) Worldometers <http://www.worldometers.info/world-population/romania-population/> (20.08.2018).

funds, low budgets a lack of dialogue between private and public actors and incoherent coordination between different services<sup>115</sup>. Becoming more open to the migration policy could help Romania on medium and long term supply the missing workforce. However, without an informed and well-research approach the country will risk addressing structural problems such as the contribution to the pension system and social security.

**Poverty rate** – after population decrease and aging another major problem interrelated with this one in poverty. Romania is the second-poorest country in EU, after Bulgaria. Although after 2000, when 72% of the population lived with less than \$ 5.2/day the poverty rate decreased constantly until 2008, at 25.7% of the population. However, since then it stayed constantly at 25% which means that almost a quarter of the population is cut from access to medical and education services. It is very unlikely that they can access any jobs that could help them overcome their situation. This also means lower taxes (or even a constant lack of contributions) and invisible consumers on the market (for comparison, in Poland the highest percentage of people in the same situation was in 2002 – 12.4%, while in 2015 it was only 3.6%). Without fast and coherent policies in the sectors that influence this outcome the situation is unlikely to change – except of course for external migration as a means to escape this circle. The measures are more likely to benefit this group if the political parties can obtain a consensus on this topic. However, this is highly unlikely in the present situation.

These problems (demographic and population decrease) are more highlighted in areas with poor infrastructure and low investments – public or private such as the North-East region.

In this context, Romania's first priority during the presidency of the EU Council is sustainable development, reduction of disparities, convergence, employment and social rights<sup>116</sup>.

## Conclusions

The orientation towards the Western Europe and membership of NATO and EU have been at the core of Romania's foreign policy after the fall of communism.

One important conclusion of this analysis is that a certain *fatigué* can be recognized at the level of policymakers after Romania's accession to the EU. After more than a decade since it has become an EU member state, Romania still struggles to identify and define a coherent set of goals in its foreign policy. At the European level, Romania aims to accede to the Schengen area and Eurozone, by adopting the euro and the international level to accede to the OECD.

At the regional level, the relation with the Republic of Moldova is still difficult to grasp, although there is certain inertia in maintain this topic on the public agenda. Another point is that there is little interest and expertise on the topic of Eastern neighbourhood – also there are almost none academic programs aimed at deepening the study of the region.

However, I consider the domestic politics and measures that can be taken in order to consolidate and strengthen the country's role as more important in the long run.

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<sup>115</sup> Bodogai Simona I., Cutler Stephen J. "Aging in Romania: Research and Public Policy", *The Gerontologist*, 54, (2), 1 April 2014, pp.147–152, <https://doi.org/10.1093/geront/gnt080> (18.08.2018).

<sup>116</sup> Romania's Presidency of the Council of the European Union. Topics of the Romanian Presidency of the EU Council <http://www.romania2019.eu/en/topics-of-interest/> (22.08.2018).

### Recommendations for Romania:

- As is usually the case, the domestic agenda tends to take priority over the external goals, however, as this is an important year in the country's modern history an increased dialogue between the main political parties should contribute to a more coherent position regarding the medium- and long-term goals of the country;
- Strengthening institutions – the country should aim to consolidate the progress made in modernizing the country's main institutions regarding especially the rule of law and the separation of powers;
- Increased transparency in the activity of public institutions; this will also contribute to:
- Decreasing the inequalities between the regions – as the access to central public resources is limited by different level of decision that use different criteria to allocate those resources this only adds to the imbalances that help perpetuate significant differences of development between the country's main geographical regions; as it has already been mentioned due to the population decrease an administrative reform might be needed; however, the main political parties that count on the voters from these regions do not support such possible plans;
- The support for Republic of Moldova's Europeanization must remain a priority in Romania's foreign policy; but Romania should also try to coordinate its actions with those of the European actors in order to increase the efficiency of its actions. This can also help avoid duplicating the actions of main actors in supporting the country.
- Deepening economic relations with the three countries that have signed the Association Agreements as Romania can offer them access to capital and a more developed market.
- Support also Georgia and Ukraine and their efforts to develop and implement reforms, including EU membership.

### Recommendation for the EU institutions:

- Ten years after the beginning of the financial crisis, EU countries seem to have surpass what had become an economic crisis; this will allow for a strong and coherent foreign policy orientation as EU should invest in stabilizing its neighbourhood;
- As the EU countries are preparing for the next parliamentary elections and the EU budget after 2020 it is unlikely that in the next six months significant decision will be taken regarding the EU's Eastern neighbours. Although for now the Western Balkans and the Southern neighbourhood appear to be the main priorities in EU's foreign policy, the Eastern neighbourhood should remain at least as high on the agenda;
- EU membership perspective for the countries that have signed the Association Agreements with the EU;

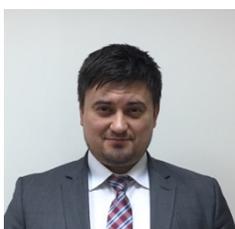
The EU institutions should maintain and deepen their support for the democratic forces in the countries from the neighbourhood including financial support; at the same time the political actors that are more willing to get involved in democratic reforms should be encouraged to increase their dialogue to the other politicians.



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## Project implementing partners



**The Experts for Security and Global Affairs Association (ESGA), Bucharest** is a Romanian think tank designed as an online platform that brings together researchers, experts, analysts, journalists, civil society representatives from Romania, Republic of Moldova and from abroad, specialized in the study of political, socio-economic and security the of the ex-soviet space, Euro-Atlantic area and the Middle East. ESGA is an independent, nonpartisan membership organization and think tank.



**The Georgian Institute for Strategic Studies (GISS)** is a non-profit, non-partisan think-tank established in November 2012. The GISS's mission is to serve as a resource for interested parties in understanding political, security and foreign policy choices before Georgia and the wider region.



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*This Policy Paper is prepared within the project “EaP Think Tank Forum 2018 - A new security agenda for EaP. The regional approach” implemented by the Experts for Security and Global Affairs, New Europe Center, Georgian Institute for Strategic Studies and the Institute for European Policies and Reforms in cooperation with the EaP Civil Society Forum. The Project benefits from support through the EaP Civil Society Forum 2018 Re-granting/Financial Support to Third Parties (FSTP) Scheme and is funded by the European Union as part of its support to civil society in the region. Within its Re-granting/FSTP Scheme, the Eastern Partnership Civil Society Forum supports projects of its members that contribute to achieving the mission and objectives of the Forum. The Forum was held under the auspices of the Austrian Presidency of the EU Council, and benefited from the support of the Central University Library “Carol I”, and was co-financed by Konrad Adenauer Stiftung (KAS), Bucharest Office.*

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