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Executive summary

Moldova, Ukraine and Georgia are experiencing tense situations and the EU is carefully watching these scenarios.

In Chisinau, the Head of State Nicolae Timofti is trying to avoid a new election, which might undermine Moldova's chances to sign the Stabilization and Association Agreement (SAA) with the EU by the end of the year. He appointed the outgoing Prime Minister Vladimir Filat, who lost a no confidence vote in March, as Prime Minister designated. However the Constitutional Court invalidated this step, forcing the President to choose the former Foreign Minister Iurie Leanca as caretaker Prime Minister. He has 15 days to look for a new coalition, otherwise a new vote will be organized. In this case, the Communists have quite good chances to take the power back.

In Ukraine the President Viktor Yanukovich freed Yuri Lutsenko, the former Minister of Interior and a key ally of Yulia Tymoshenko. Lutsenko's case is the second most serious example of the political use of justice under Yanukovich's tenure. By pardoning Lutsenko, Yanukovich tried to appease relations with the EU and pave the way to the signature of the SAA, a goal that Kiev shares with Chisinau. It might help to contain Russia's influence. Yet, the release of Lutsenko seems not enough to achieve this result. As a matter of fact the EU asks for the release of Yulia Tymoshenko, jailed in 2011.

As for Georgia, the standoff between the Prime Minister Bidzina Ivanishvili and the Head of State Mikhail Saakashvili, as well as the latter's party, the United National Movement (UNM), carries on. Likely, it will continue until October, when the Caucasian country will head to polls to choose the new President. Saakashvili will not run for a third term.

Situation report

Moldova

In Moldova, the political vacuum opened by the collapse of Vladimir Filat's Government in March is not yet over. After that the pro-EU coalition did not survive a no confidence vote on March 5, Moldova's President Nicolae Timofti launched talks with the parties, in order to verify if a new majority could be found before calling early elections. On April 10, he decided to appoint Vladimir Filat as Prime Minister designated. Filat tried to end the political crisis started in March with the collapse of his coalition by reviving the same pro-European alliance that ruled since 2009, although without the support of the Liberal Party, its smallest faction.

Yet he could not deploy his strategy. The Constitutional Court ruled that Timofti's decree appointing the outgoing Prime Minister as Prime Minister designated was unconstitutional. «The Prime Minister of a cabinet ousted in a no confidence vote cannot carry out his mandate», stated the Court, advising Timofti to choose as caretaker Prime Minister a

member of the previous coalition other than Filat. Thus, the Head of State picked up Iurie Leanca, who served as Minister of Foreign and European Affairs from 2009 until the fall of the Government. Leanca, appointed on April 24, must form a new coalition within 15 days, otherwise new elections will be called.

Ukraine

Ukraine's President Viktor Yanukovich pardoned the former Minister of Interior Yuri Lutsenko on April 7. Lutsenko, a key ally of the former Prime Minister Yulia Tymoshenko, was previously sentenced to four years in jail for embezzlement and abuse of office, after a 14 months pre-trial detention.

His case, alongside Tymoshenko's trial, was enlisted by the EU as an example of the so called "selective justice", through which, according to many European leaders, Yanukovich has been pursuing a vindictive policy towards his political rivals after he won presidential elections in 2010.

Lutsenko's release was somewhat expected. Over the last months, media have highlighted several times that Yanukovich had a pardon decree on his desk. Yet, the Ukrainian Head of State refused once again to pardon Tymoshenko, a thing the EU asks even more. It is the main condition to finalize the Stabilization and Association Agreement with Kiev – as well as a free trade deal – by the end of the year.

Meanwhile, the European Court of Human Rights (ECHR) ruled on April 30 that Tymoshenko's pre-trial detention in 2011 (she was sentenced to 7 years in prison in October) was «arbitrary and unlawful», adding that her right to a legal review was violated. The verdict is not final. Parties involved has three months to appeal against the ECHR's decision. Moreover the verdict does not overturn Tymoshenko's sentence. Yet, it is a thing that Yanukovich cannot ignore.

Georgia

The situation remains quite tense in Georgia. No major breaks were recorded inside the perimeter of the challenge between the Prime Minister Bidzina Ivanishvili and the President Mikhail Saakashvili, begun after parliamentary elections in October 2012, which were won by the Georgian Dream, a wide coalition of parties headed by Ivanishvili.

Since then, the Prime Minister and his coalition have been working to weaken Saakashvili. So far, selective justice has been the main tool to achieve this purpose. Prominent members of the United National Movement, Saakashvili's party, have been put under investigation or even arrested. The Georgian Dream – in April it dominated by elections in three districts – has also pushed for amending the Constitution, so that the Head of State cannot dismiss the cabinet anymore.

In April, Ivanishvili made a further step by announcing that an inquiry over the Georgian-Russia war in 2008 will be soon opened to check whether Saakashvili made political and military mistakes during the conflict, which ended with the self-declaration of independence – under Russia's aegis – made by Abkhazia and Southern Ossetia, two former secessionist provinces of Georgia.

On April 19, just few days after Ivanishvili's statement about the inquiry over the 2008 war, the United National Movement organized a big rally in central Tbilisi, to show the ruling coalition that it does want to react to pressures and challenges. Some 10.000 people attended the gathering, during which several speakers claim that the UNM is still alive. Also Saakashvili spoke, although some observers remark that the UNM is trying to distance itself from the President to regain some electoral competitiveness ahead of presidential vote in October. Saakashvili has already stated that he will not run for a third term.

Regional trends

The political picture in Moldova, Ukraine and Georgia has become more faded in the last months, forcing Brussels to reconsider its capacity of attracting these counties to its sphere of influence through the Eastern Partnership, a European initiative aimed at improving ties with post-Soviet countries and – implicitly – contain Moscow's influence in the region.

Political troubles are jeopardizing Moldova's chances to sign the SAA with Brussels during the Eastern Partnership Summit, to be held in Vilnius in November. This goal is not as close as it seemed some just few months ago. After all before the coalition collapsed, Chisinau was on the right track. Filat got two important endorsements from Angela Merkel and José Manuel Barroso, who visited Moldova in August and November 2012 respectively.

Yet the crisis of the pro-EU coalition, due to growing rivalries between the three parties that formed the cabinet, which are partly related to a harsh struggle for business and economic influence, put Moldova under scrutiny. Now there are two options. First, a new election. It might have catastrophic consequences, as the Communist could take the power back. The other scenario is a renewal of the alliance that has ruled until March. If Iurie Leanca will succeed in forming a new cabinet Moldova could go back on the right track and finalize the agreements with the EU, especially if Leanca will get a wide support in the Parliament.

However the final outcome does depend also from the dispute between Moldova and Transnistria, its secessionist entity. Recently relations have worsened and there are few hopes of reaching a satisfying level of dialogue in the short term, as requested by the EU. Therefore, the EU might postpone the signing of the agreements regardless the outcome of Leanca's attempts to form a new coalition.

Ukraine's chances of signing the deals with the EU in Vilnius are uncertain as well. Yanukovich sent a rather important message to the EU by releasing Lutsenko, but this step might not be enough. The EU pretends the release of Yulia Tymoshenko, as already

remarked several times. However this could undermine Yanukovich's consensus at home, as he could be pictured as a President unable to resist to Brussels' pressures. Some European countries are getting aware of this and are timidly asking to avoid binding the EU-Ukraine relations to Tymoshenko's case. Yet, this still remains the condition set up by Brussels to push forward the dialogue.

In the meantime, Yanukovich is also struggling to keep Russia's influence distant, and talks with the EU are strictly tied to this aim. Kiev asks Moscow to have a discount over gas prices negotiated in 2008 by Putin and Tymoshenko, which are rather expensive for Ukraine, also considering the delicate financial stability of the country. However, Moscow does not want to make any concession, unless Kiev sells its wide network of gas pipelines to Gazprom and join the Custom Union, already operating, between Russia, Belarus and Kazakhstan. It is a very hard diktat, which might deeply affect Ukraine's sovereignty. Yanukovich is trying to avoid this scenario by proposing to rent Ukraine's pipelines instead of selling them. As for the Custom Union, Kiev is insisting on getting the status of observer instead of joining.

However, it is rather clear that Yanukovich's double-headed strategy – somehow it recalls Yugoslavia's old approach to exploit East/West rivalries – might be unsustainable in the medium term. Kiev is not so strong to resist all these pressures, coming both from Brussels and Moscow.

As for Georgia, there are no major deals with the EU on the horizon. The Georgian-Russian war in 2008, followed by some authoritarian moves made by Saakashvili at home, have slowed down the process. Moreover the recent change in power suggests the EU to observe carefully the current troubled standoff.

Somewhat, Ivanishvili is pursuing a strategy that is quite similar to Yanukovich's one. He is carrying out a vindictive policy and using selective justice, while his foreign policy focuses is clearly oriented towards a rapprochement with Moscow (Russia recently lifted the embargo on Georgia's wine and mineral waters), although relations with NATO and the EU have not been cooled down.

However there is a big difference between Ivanishvili and Yanukovich in terms of foreign policy. While the Ukrainian President made a wide range of concessions to the Russians once he took the power (the main one was the extension of the lease allowing Russia's Black Sea Fleet to stay in Sevastopol), alienating Europe's support as consequence, the Georgian Prime Minister is trying to develop a balanced international action. He wants to establish good relations with Moscow, but at the same time he does refuse to recognize Abkhazia and Southern Ossetia's independence and continues backing Georgia's Atlantic commitments. Some analysts say Georgia's foreign policy under Ivanishvili recalls Armenia's one. Some others remark that it purely serves the Prime Minister's goals at home, because it is oriented to divert the West's attention from selective justice and power issues. Both the versions are partly true, although Georgia is not Armenia and the West is still committed to Georgia's stability.