

EU, Russia Face Off Before Divisive Summit

By [The Moscow Times](#)

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LANAKEN, Belgium — A little more than two decades ago, Moscow ruled Lithuania with an iron fist. Now, the Baltic nation holds the presidency of the European Union.

It symbolizes a breathtaking change in Europe's political landscape, in which nations once thought to be eternally in the Soviet thrall have become free, vibrant EU nations. This week Lithuania hosts a summit hoping to seal an economic cooperation pact that would weaken Russia's grip over eastern Europe even more.

But Moscow is not giving up authority over its former backyard without a fight. And the contrasting dramas playing out within Ukraine, Moldova and Georgia — the three nations involved in the association deal with the EU — indicate just how hard the Kremlin plays this power game.

Moscow has been issuing threats of economic punishment to keep the three nations within its

sphere of influence. The results are mixed: Moldova and Georgia plan to go ahead with the agreement, while Ukraine stunned many of its own people last week by pulling out.

The stakes are high, with the economic and political future of some 55 million people — 46 million in Ukraine alone — hanging in the balance.

For the countries at the tipping point, the plans to embrace the West in a pact that could eventually open the way to EU membership is producing political foment rarely seen since they became independent from the Soviet Union in 1991.

Neighborly Warnings

While the opportunities are great, Russia wastes no chance to speak of the dangers of crossing Moscow.

“Each country can of course develop those relations — but without forgetting the implications,” Russia’s Deputy Prime Minister Dmitry Rogozin warned ominously. Ukraine showed a keen awareness of such implications this past Thursday, when it abruptly backed out of the partnership deal in a move widely seen as submission to Moscow’s will.

That unleashed a demonstration of some 50,000 in the center of Kiev on Sunday demanding that Ukraine’s government go forward with plans to seal the agreement. But on Monday, it looked like Moscow had won the fight — with Ukraine appearing to stick by its decision to pull out.

In Moldova, some 15,000 rallied against closer EU ties over the weekend with some waving communist-era flags. But — while a substantial force — the pro-Russia camp appears to be a minority: Three weeks ago, some 100,000 people demonstrated in favor of EU relations.

For months now, Swedish Foreign Minister Carl Bildt has spoken of “brutal Russian pressure ... of the sort that we have not seen in Europe for a very long time.”

“This is economic warfare,” Bildt said, adding that the Russians “have been threatening Moldova with both cutoffs in gas supplies as well as cutoffs in wine exports.”

Toasting Cooperation

As a result, Philippe Van Houtvin was swirling the stuff of geopolitics in his wine glass when, at this autumn’s Lanaken Winefair, he sought to entice buyers with a 2004 Amaro de la valea Perjei, a heady red Moldovan vintage.

It used to be that Moldovan wines were the toast of tsars and members of the Soviet elite alike. But, like its vintners, the landlocked nation of 3.6 million people is now looking west.

“Moldova is willing to go more toward Europe. Their export of wines in general has increased and it is increasing every day,” said Van Houtvin, marketing director of the Moldovino wine dealership in Belgium.

In a move that was seen by many as Russian bullying, Moscow in September banned Moldovan wine, claiming it did not meet quality standards. The 28-nation EU had no such

health concerns, and, in an immediate tit-for-tat, further opened its market of half a billion consumers to Moldovan vineyards.

The Asconi winery from Puhai, just outside Moldova's capital of Chisinau, was hit by an earlier 2006 Russian ban — this one also for alleged poor quality. Moldova claimed that prohibition, too, was politically motivated, since it came in the wake of new customs rules affecting a pro-Russian separatist province in Moldova. Asconi reacted by starting to look for new export markets.

“The political risk for us, as a small company, became too big,” said Asconi manager Andrei Sarbu. “It was too risky to base such a large percentage of exports on only one market. We no longer work with them [Russia] since 2008.”

“The European market is much more stable,” he said.

Possible Backfire

Brandishing bans and embargoes could also work against Russia in the long run. Just ask Georgia, which has also had to grapple with Russian wine bans, trade threats and even a war in its brief history since independence.

“We showed that we can survive without the Russian market,” Georgian Foreign Minister Maia Panjikidze said in an interview with The Associated Press. “In the last seven years, we did not have this access and the Georgian economy did not collapse.”

Yet Russia has also made clear it has control over the natural gas pipelines that supply Moldova and Ukraine. Rogozin, the Russian deputy prime minister, has warned that if Chisinau initials the cooperation agreement with the EU, it may no longer get all the Russian gas it wants in winter.

“Russia is not really interested in having normal, equal relationship with neighboring countries,” said Panjikidze, especially when they are as small as Georgia, with 4.5 million people, or Moldova.

Proponents of the deal say it should pay dividends.

“The impact of the [Vilnius] agreement on Moldovan GDP will be worth one year of growth,” said Georg Zachmann, a research fellow at Bruegel think tank. “That is because it is easier for Moldova to export to the EU.”

Projections are also rosy for Georgia if it signs the deal this week.

“Vilnius will make the way of Georgia to Europe irreversible and it will start the process of Europeanization of Georgia,” said Panjikidze.

Pulling out of the deal would hurt Ukraine, the EU said. It said the agreement would, for example, save Ukrainian business some half a billion euros a year just in import duties. It would increase Ukraine's GDP by more than 6 percent in the longer term, the EU said.

The outcome of the summit could redraw the political map. The Iron Curtain running from the

Baltic to the Adriatic, once sliced Europe into U.S. and Soviet spheres, and cut Germany in two. The EU has already pushed eastward, and accepted Romania, Bulgaria, Croatia, Poland and other former Soviet satellite states as fully-fledged members. This deal would draw two more eastern European countries closer to the EU.

The continuing tug-of-war for allegiances evokes memories of World War II's Yalta conference where Britain's Winston Churchill, Soviet Russia's Josef Stalin and U.S. President Franklin Roosevelt divided the continent into zones of influence.

And it raises the stakes for the Vilnius summit where EU leaders like German Chancellor Angela Merkel and French President Francois Hollande will be on hand to witness the likely commitments of Georgia and Moldova to the EU.

And, somehow, it left Moldovan wines in the diplomatic firing line.

KIEV — Ukraine has not abandoned plans to sign a landmark trade deal with the European Union, the country's top diplomat said.

"Ukraine is not rejecting the agreement on association [with the EU], we are simply talking about the suspension of its signing," Foreign Minister Leonid Kozhara told reporters in Kiev late on Monday. "Neither Ukraine nor the EU are ready for this deal."

Kozhara's remarks came after days of protests in Kiev and a number of towns and cities across Ukraine.

In a move that stunned Europe, the Ukrainian government last week announced it would seek closer cooperation with Russia and the Moscow-led Customs Union trade bloc, which also includes Belarus and Kazakhstan.

Kozhara said the Ukrainian Foreign Ministry has backed the Cabinet's decision to suspend the planned signing of the Association Agreement and free-trade deals with the EU at the two-day summit in Vilnius starting Nov. 28.

Ukraine has instead proposed the creation of a trilateral commission between itself, Russia and the EU to explore ways to deepen mutual ties.

Ukraine has come under sustained pressure from the Kremlin in recent months as diplomatic negotiations over its alignment with the EU intensified.

As well as the threatening the imposition of a strict new customs regime, Russia also ratcheted up pressure on Kiev, which depends on Russia for its energy supplies, over payments for gas imports.

The Ukrainian government acknowledged last week that the country had already registered significant losses because of shrinking trade volumes with Russia and other members of the Commonwealth of Independent States, an alliance of former Soviet countries.

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