# EaP Think Bridge September 2017

Eastern Partnership monthly analytical digest



# **EaP Think Bridge**

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EaP Think Bridge is a platform uniting expert communities in the countries of Eastern Partnership region to fill the gap in distributing analytical products for stakeholders

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# «The Northern ones» vs. «the Western ones» – drills or geopolitical stand?

Are military drills preparing for future aggression or is it another way to threaten the West? Belarus-Russia drills «Zapad-2017» unsettled their neighbors.

The Eastern Partnership countries already have a sad experience of the aftermath following such Moscow's drills. This is how Russian-Georgian war started in 2008, and Crimea occupation and Donbas destabilization in 2014.

What did Kremlin aim for with the drills this year? What is the role of Belarus – aggressor's ally or a piece in Moscow's games? And what did Minsk gain as a result of its relations with the Russian Federation and with the West? Arseny Sivitsky from Strategic and Foreign Policy Studies Center was searching for answers.

In the meantime another attempt to escape Russian military presence was made by Moldova. The issue of withdrawing the Russian contingent from the territory of the Republic was included into the agenda of the UN's General Assembly session by official Chisinau.

Also in New York Ukraine presented its vision of the UN's peacekeeping mission, one of the main requirements of which is Russia's non-participation in the mission.

The ministers of Foreign Affairs of Azerbaijan and Armenia were seeking common ground for solving the Karabach conflict on the margins of UN assembly.

As for Georgia, it is still immersed into the notorious process of adopting a new Constitution and is waiting for the President to veto the Parliament's project.

These and other main September developments are in the traditional first-hand monthly reviews from Eastern Partnership analysts.

Olga Chyzhova, Editor in Chief EaP Think Bridge Digest

### **Table of Contents**

#### **SEPTEMBER IN REVIEW**

	ARMENIA: POLITICAL POSITIONING & DIPLOMATIC DIALOGUE Richard Giragosian, Regional Studies Center	4
	AZERBAIJAN: ACTIVISTS RELEASED UNDER INTERNATIONAL PRESSURE Vugar Bayramov, Center for Economic and Social Development	6
	BELARUS: DEVALUATING STATUS OF RUSSIA'S IRREPLACEABLE ALLY Arseny Sivitsky, Center for Strategic and Foreign Policy Studies	8
	GEORGIA: WAITING FOR PRESIDENT'S VETO  Lasha Tughushi, Foundation «European Initiative - Liberal Academy Tbilisi"	11
	MOLDOVA: INTERNAL POLITICAL DISCORD & DEMOCRATIC PROCESS STAGNATION  Natalia Stercul, Foreign Policy Association of the Republic of Moldova	13
	UKRAINE: LANGUAGE CONTROVERSY WITH "EUROPEAN ADVOCATES"  Oleksii Krysenko, Foreign Policy Council "Ukrainian Prism"	15
P	ANALYTICA	
	"ZAPAD-2017": BELARUS BETWEEN ITS ALLY OBLIGATIONS & REGIONAL SECURITY COMMITMENTS Arseny Sivitsky, Strategic and Foreign Policy Studies Center	18

# Armenia: Political positioning & diplomatic dialogue

Richard Giragosyan, Regional Studies Center (Armenia, Yerevan)

With an unprecedented transformation from a semi-presidential to a parliamentary government in April, 2018, the politics in Armenia remains dominated by who will become the next prime minister, the country's next head of the state under the new system. In the light of that looming deadline, the parties and individuals are engaged in a period of positioning and posturing.



Opposition bloc demands Armenia's exit from Eurasian Union.

Photo by azatutyun.am

The sitting prime minister defends his success, thereby suggesting a desire to stay on. While others in the ruling Republican party openly call on the incumbent president to continue to govern the country. At the same time, some improvements in the Armenian economy, allowing the government to increase the state

spending, also serve to bolster the incumbent leadership. Meanwhile, the Armenian foreign policy continued to be dominated by the Nagorno-Karabakh conflict, with an Armenian-Azerbaijani ministerial meeting to prepare for a planned presidential summit later this year.

#### **DOMESTIC POLICY**

## Second-largest party to back government

Much of the month's domestic political discourse was driven by a move by the opposition Yelk ("Exit") coalition to challenge the Armenian government over purported "benefits" from the country's membership in the Russian-led Eurasian Economic Union (EEU). The opposition parliamentary faction initiated a legislative attempt to force the government to form an ad hoc commission to the economic and security implications from the membership, arguing that government should also <u>launch a <u>wprocess</u>" to invalidate Armenia's accession treaty with the EEU.</u>

Although the move was voted down, the issue of the Armenia's position within the Eurasian Economic Union is significant and also stems from the public disappointment over expectations for the strong economic dividends from the bloc membership. The initiative was also a sophisticated tactic by the largely pro-

Western Yelk faction, which consists of three opposition parties and holds 9 of 105 seats in the Armenian parliament.

In a long expected statement of support for the government, the oligarch leader of the second largest party "Prosperous Armenia", businessman Gagik Tsarukian confirmed his consideration of entering into a new power-sharing agreement with the President Sarkisian's ruling Republican Party. Despite a rather disingenuous attempt to position his party as an opposition force, Tsarukian never fully recovered from his previous political neutralization by the president after a public clash in early 2015, that ended any hopes for challenging the incumbent party.

Holding 31 seats in the 105-seat parliament, the Tsarukian bloc is widely expected to back the dominant Republican Party through the April, 2018 transition to a full parliamentary form of government. The ruling Republican Party, which holds 58 seats in the parliament, already holds the support of the small and marginal seven-seat Armenian Revolutionary Federation-

Dashnaktsutyun (ARF-D), which serves as a junior partner and was rewarded with three ministerial posts.

Amid the signs of a rift with the Armenian president, the Prime Minister Karen Karapetian defended his one-year tenure by pointing to what he claimed was a "positive impact on the lives of the ordinary citizens" and a stronger economy. Karapetian added that since his appointment in September, 2016 his reform program has successfully "improved the business environment and attracted more investment". Yet it remains unclear whether Karapetian will continue to serve as the prime minister, which will become the country's next head of the state once the April, 2018 transformation to a new parliamentary government is completed. And in a recent statement, the deputy chairman of the ruling Republicans, cast doubt on the prime minister's future, suggesting instead that the incumbent President Serzh Sarkisian would be a better choice to "continue to govern" the country.

#### **ECONOMY**

#### **Increases in spending**

In a report for the 28 September weekly cabinet meeting, citing some improvements in the tax collection and higher than expected economic growth, the Armenian Finance Minister Vartan Aramian pledged to significantly increase the public spending on the infrastructure projects and defense, with an 18% increase in

the defense spending bringing the total some \$515 million for 2017. According to the official statistics, the tax collection increased by some 7% in the first two quarters of the year, and GDP is set to post a 4.3% increase this year, up from the earlier growth projections of 3.2%.

At the same time, however, the minister ad-

mitted that the projected budget deficit would rise in the absolute terms to \$330 million, equivalent to about 2.7% of GDP, while the Armenia's aggregate public debt will expand to \$6.7 billion, or roughly 60% of GDP for 2017. Over the longer term, Armenia will also face some serious debt servicing commitments of more than \$1 billion by 2020, a serious burden representing one-third of the country's total state budget.

Opposition tries to force the government to form an ad hoc commission to the economic and security implications from Eurasian Union membership

#### **FOREIGN POLICY**

### Armenia calls on Turkey "to normalize" relations

Despite the plans to participate in a <u>U.S.-led military exercise</u> in Georgia in September, the Armenian Defense Ministry announced that the country would not be participating, leading to a speculation that the decision was made due to the Azerbaijani participation. A group of 30 Armenian soldiers took part in a larger U.S.-led exercise in Georgia a month ago, however, Azerbaijan refused to attend them. On 11 September, the Armenian First Deputy Minister of Defense Artak Zakarian participated in a NATO conference in Washington, reflecting the deepening of the Armenian-NATO ties.

Meanwhile an Armenian delegation led by the Defense Minister Vigen Sargsyan arrived in China with a nearly week-long official visit. Meeting with the Chinese Defense Minister Chang Wanquan and the senior officers, including Xu Qiliang, the vice chairman of the China's Central Military Commission, the Armenian minister concluded several agreements on the expanded cooperation (www.mil.am/en/news/4943) in military education and in the defense industry, as a sign of the deepening bilateral military relationship.

In his <u>official address</u> on 19 September to the 72nd session of the UN General Assembly, the Armenian President Serzh Sarkisian called on Turkey to re-engage in the stalled "normalization" process. Noting that Armenia "never made the recognition of the Armenian Genocide a precondition for the normalization of the bilateral relations between Armenia and Turkey", the Armenian president added that the protocols of October, 2009 "have not been ratified, "but instead were suspended due to Turkey's "preconditions for their ratification that run counter to the letter and spirit of the protocols". He warned Turkey that it would be "mistaken" if those documents are held hostage", and added that if by the spring of 2018 Turkey fails to "show any progress", Armenia would declare the protocols "null and void". Two protocols, signed by the Armenian and Turkish foreign ministers in Zurich in October, 2009 would have established the diplomatic relations and reopened the closed border.

After several months of tensions over Nagorno-Karabakh, the Armenian and Azerbaijani Foreign Ministers Eduard Nalbandian and Elmar Mammadyarov met in New York on the sidelines of the UN General Assembly. While the meeting failed to result in any new agreement, it was a significant move to prepare for a planned presidential summit later this year. The ministerial meeting also followed a rather unpopular <u>public defense</u> of the Armenian position by Nalbandian that underscored the necessity for the compromise by all sides and, in a policy increasingly going against the Armenian public opinion, the need for the territorial concessions to Azerbaijan.

# Azerbaijan: Activists released under international pressure

Vugar Bayramov, Center for Economic and Social Development (Azerbaijan, Baku)

September was remarkable for the civil society in Azerbaijan. It was a month of the dropping charges and the jailed activists releasing. The autumn beginning also brought several promising deals in economy, as well as in the foreign relations.



Faig Amirli, financial director of opposition newspaper Azadliq, conditionally released.

Photo by @SMDT\_EMDS at twitter.com

#### **DOMESTIC POLICY**

## **Drop of politically motivated criminal charges**

In September, in the context of the imprisoned civil society activists, there were some noticeable breakthroughs.

The charges in several politically motivated cases were dropped almost simultaneously. Aleksandr Lapshin, a blogger who visited Nagorny Karabakh without the consent of the Azerbaijani government, was released; as well as Mehman Aliev, a head of the independent "Turan" Information Agency, charged for the tax evasion in August; Faig Amirli, an assistant to the head of an oppositional party. The U. S. State Department released a statement welcoming the drop of criminal charges against Mehman Aliev.

At the same time 14 other people who faced criminal charges for the crimes related to the events in Nardaran,

were also released. On 26 November, 2015 the law-enforcement authorities conducted a special <u>operation in Nardaran</u>, a religious village 25 km away from Baku. During the operation the police met an armed resistance. As a result, four residents were killed and the several others were injured, two police officers died. The detained activists were accused of public unrests organizing and attempts to seize the power through violence. Though the villagers themselves claimed to have participated in a peaceful praying gathering in one of the houses at the time of a special operation. The event were seen as an attempt of the secular authorities to strangle the Islamic opposition in Azerbaijan.

The increased development of the relations with the EU and also the increased international pressure toward the government of Azerbaijan played an important role in the release of the jailed activists.

## EBRD invests in small business in Azerbaijan

On 7-8 September, the president of the European Bank for Reconstruction and Development paid a visit to Azerbaijan and met President Aliev. At the same time, the bank disclosed the amount of its investments in different sectors of Azerbaijan's economy. The EBRD invested in many small non-energy projects in the private sector, contributing to the establishment of the new small and medium-sized enterprises (SMEs) and improving existing entrepreneurs' skills. Up until today, \$294 mln investment was allocated to SMEs by the EBRD through the private banks and directly. The bank also indicates a potential \$61 mln

investment to the local economy and small business.

The information comes at a time when Azerbaijan is willing to invest in its non-oil sectors and improving the business environment in the country. Following the drop in oil prices, the central government had to reevaluate its policies of the economic reforms and diversify the economy. At the end, it will lead to the improved relations between the government and the international financial institutions.

The increased development of relations with the EU have played an important role in the release of the jailed activists

#### **FOREIGN POLICY**

#### Renewal of the "Contract Of The Century"

The Azerbaijani state-owned national oil and gas company SOCAR and BP (United Kingdom), Chevron (USA), INPEX (Japan), Statoil (Norway), ExxonMobil (USA), TP (Turkey), ITOCHU (Japan) and ONGC Videsh (India) signed a contract extending the development of the Azerbaijan's Azeri-Chirag-Gunashli (ACG) oil fields up to 2049.

In the new contract, the SOCAR's share increased up to 25%. The participating interests will be as follows: BP - 30.37%; SOCAR - 25.00%; Chevron - 9.57%; INPEX - 9.31%; Statoil - 7.27%; ExxonMobil - 6.79% and others.

As a part of the new deal, the Azerbaijani government will receive a \$3.6 bln bonus which will be transferred to the State Oil Fund.

This is the renewal of a so called "Contract of the Century" signed in September, 1994, by the SOCAR and the British multinational oil and gas company BP. The deal regulated the extraction of the Azerbaijani oil from three platforms and its transportation to the oil market by the ways avoiding the Russian pipelines. In the 1990s, the contract had real geopolitical and economical significance for Azerbaijan and its international partners, connecting the

Caspian Basin to the Mediterranean and farther, eliminating the Russian monopoly over the oil and gas transport.

The renewed agreement also comes following the repeated statements of Azerbaijan to provide the alternative energy routes to the EU countries in order to aid it in resolving its energy security issues.

### New transport corridor through Azerbaijan

On 8, September the heads of the railway companies of Poland, Ukraine, Georgia, Azerbaijan, and Iran signed a new deal on forming a Coordination Committee for a new North-South railway transport corridor. The corridor aims to connect the Persian Gulf seaports of Iran to Europe, hence creating a path between Europe and India. As it was mentioned by the head of the Azerbaijani railways, the rout de-facto already exists. Although the existing "North-South Transport Corridor" connects the Iranian seaports to the Baltic Sea ports of Russia. It seems Azerbaijan is interested in diversifying of its transport route and delivering goods to the European markets without passing over the Russian territories.

# Belarus: Devaluating status of Russia's irreplaceable ally

Arseny Sivitsky, Center for Strategic and Foreign Policy Studies (Belarus, Minsk)

Taking into account the coming parliamentary and the presidential elections, the Belarusian authorities are making steps to liberalize the country's economy, however, these actions do not seem to be making an impact on a difficult economic situation in the country, while "Zapad-2017" results demonstrate not only a deeper crisis in the country's relations with Russia, but also Minsk losing the initiative both on the international arena and in the information space.



The Foreign Affairs Minister Vladimir Makei yet again introduced "Helsinki-2" initiative in UNO.

Photo by un.org

#### **DOMESTIC POLICY**

#### **Targeted liberization**

One of the main developments of the period was the announcement of the possible early presidential or parliamentary elections in 2019 instead of 2020 made by the head of the Central Election Commission. The multiple comments followed this statement addressing the background of one or another scenario of this "change". However, one can only be sure to say that it is highly unlikely that the local elections will be held together with a referendum. Some rumours have it that such issues as the moratorium on the capital punishment, the change for a mixed electoral system and the extension of the president's term from 5 to 7 years can be put to vote.

With the elections coming up, in September the Belarusian authorities dramatically intensified their efforts to reform the economy. Such reforms, however, just as before are understood in quite a specific way — as the "improving the conditions of the economic management" for the small and medium sized businesses while rejecting a consistent reform for the state sector.

Nevertheless, even those steps the authorities are ready to make can produce a significant positive impact on the dynamic of the economic situation. For instance, a <u>list of the activities was enlarged</u> by those activity types where the physical persons do not need to be registered as the individual entrepreneurs. The President Lukashenko also supported the draft law aimed at the further development

of the craftsmanship. Furthermore, a special attention was paid to the issue of the agroecotourism developing, which was the main topic of the meeting of Alexander Lukashenko and the country's Economy Minister Vladimir Zinovsky. The President approved the most liberal approach to regulating the activities conducted by those involved in the agroecotourism, including allowing them to host weddings, receptions and other events.

Lukashenko also demanded a liberal approach to the draft law concerning the introduction of the amendments and addenda to the Administrative Violations Code and the Code of Execution Procedure on Administrative Violations

in the course of the meeting with a director of the National Center of Legislation and Legal Research Vadim Ipatov, especially when it comes to cases dealing with businessmen. Moreover, in the given period a decree on the tax consulting was signed thus creating the institute of the tax consultants and regulating their acitivity. Finally, in the course of the meeting between Alexander Lukashenko and the chairman of State Control Committee Leonid Anfimov, who reported on the draft decree "Concerning the measures to improve the control (audit) activities", the President additionally demanded to dramatically reduce the number of the business inspections.

#### **ECONOMY**

#### **Modest expectations**

In general, the economic situation in the country does not leave much hope. With the backdrop of the possible new shakedowns connected to the dynamic of the relations between Belarus and Russia, the dynamic of the population income did not become positive even in the most optimistic months of 2017 second quarter. In January-July, 2017 this number was 0.5% lower compared to the corresponding period in 2016. Therefore, the population did not get a much needed "break" before the next wave of the rather painful transformations. To be more precise, it concerns the coming events of the Belarusian economy reaching 100% of compensating the housing costs by the population of the country. Having increased the housing tariffs in September, the authorities are planning two similar steps in the nearest future: at the beginning of both December and January. These actions, in their turn, will allow for the necessary compensation level in all the housing costs except heating. The latter is behind other housing costs and 100% compensation in this case, according to the relevant ministry, is only possible by 2025 (taking into account the plan of achieving the equal-netback pricing on the energy products in the relations with the Russian Federation). Yet with the backdrop of the dissatisfying dynamic of the population income such plans appear quite risky, while with the low rate of the inflation in other sectors of the economy the growing housing tariffs will without a doubt become one of the main concerns of the country's population exactly before the elections at the beginning of 2018.

According to the National Statistical Committee of the Republic of Belarus, the listed number of the employees working for the state organizations made up on average 1 mln 511 thousand people as of January–June, 2017, which is 132 thousand people less against the same period in

2016. This means that despite the multiple statements on fighting the job cuts and creating the new jobs instead, the authorities are in fact cutting the number of the employees quite fast. Moreover, this affects both the government staff undergoing yet another optimization wave, as well as the state enterprises. In its turn this means that the ability of the authorities to support the positive dymanic or stagnation at the job market is extremely limited. The state sector of the economy is going through a phase of a deep recession and will continue to "free up" jobs, which will definitely further complicate the work of the authorities aiming to balance the country's economy and create the atmosphere of the social optimism getting ready for the 2019 political campaigns.

# The "Helsinki-2" initiative is actually the only direction of the foreign policy activity still demonstrating some dynamic

In January–July, 2017 the Belarusian export of the goods and services increased 19.5% against the same period 2016, up to \$19.739 bn, with the July export being lower than the June export by 7.1%. The balance of the goods and services trade significantly increased during 6 months and made up \$489 mln against \$73.9 mln in January–July previous year. The positive balance went up by 17.4% against the first six months. In other words, the dymanic in the country's economy remains positive, but now mostly due to the very low numbers in 2016. Such growth is considered to be no more than preventing the economy from going down by the majority of the population.

#### **FOREIGN POLICY**

#### Minsk completely lost initiative

The main development of the given period happened due to the Belarusian and Russian joint strategic drills "Zapad-2017" on the territory of Belarus. Even though in general this event did not bring about any serious incidents, it also did not change the general tendency of worsening the relations between Belarus and Russia. From the very beginning official Minsk faced a difficult dilemma: to host "Zapad-2017" in such a way that there would not be any additional pressure or undermining the regional security, yet demonstrate to Moscow the fulfilment of its ally obligations. By 30, September the Russian contingent, far from being numerous, was withdrawn from the territory of Belarus. Despite the stated positive moments, with the backdrop of the intensifying information campaign against the drills the Belarusian side happened to find itself in quite a difficult situation during the event itself. Without the possibility to control the Moscow's provocations during the parallel large scale maneuvers "Zapad-2017" on the Russian territory, Minsk wasn't able to distance itself in the information space as well. As a result, the information pressure of the Western countries aimed at the drills mostly affected Belarus, not Russia.

However, when it came to the aftermath of the drills, the general image losses of the Belarusian side turned out to be rather insignificant. Yet there is a problem of Minsk completely losing its initiative on the international arena and in the information space. Its attempt to further promote the idea of "Helsinki-2" on the "Minsk square", introduced yet again by the Foreign Affairs Minister Vladimir Makei during the UN's 72nd General Assembly session, is actually the only direction of the foreign policy activity which still demonstrates some dynamic. However, it is rather obvious to foreign observers that "Helsinki-2" is an empty initiative aimed exclusively on legitimizing a new, "post-Crimean" status quo. And in this

regard the actions of Minsk aimed at promoting this initiative further undermine the trust to the quasi-neutral position of the country on the international arena.

It is worth mentioning that in the given period there were more than enough signals from Russia pointing at the dooming perspectives for the development of the bilateral relations between the countries. For instance, the Ministry of Agriculture of the Russian Federation came forward with accusing Kazakhstan and Belarus of making a negative impact on the raw sugar market in the Eurasian economic union due to the fact that these countries have a tax free import of the raw products. The Moscow's pressure continued regarding the issue of redirecting the Belarusian oil products export to the Russian ports. In its turn, the Belarusian side made a statement about no wish to cooperate with the Russian partners in the sphere of the potash fertilizers trading.

The case of the Ukrainian citizen Pavel Grib, who most probably was kidnapped by the Russian special forces on the territory of Belarus, resulted in an additional negative effect. Since this case is among other cases of kidnapping people on the territory of Belarus, this situation raises a serious issue of the Belarusian side not being able to control the situation on its own territory.

As the "Zapad-2017" drills and the mess with an intention (and the lack of an intention) expressed by the presidents of both Belarus and Russia to visit one another demonstrated, Moscow used these drills to voice a clear signal of "stripping" Belarus of its status of the "irreplaceable ally" in providing the military security in the Western strategic direction. Having underlined the focus on holding their own drills, and not the joint ones, Kremlin made a clear statement that it is determined to provide its own military security exclusively in the unilateral terms (and possibly believes that this has already been achieved).

# Georgia: Waiting for president's veto

Lasha Tughushi, "Liberal Academy Tbilisi" Foundation (Georgia, Tbilisi)

In spite of the protests and even the opposition's boycott, the parliamentary majority adopted the new Constitution of Georgia. Now it's the President's turn, and the presidential veto is widely expected. As for the economic life of the country, now it is mostly about the harvesting of the wine grapes. And in the Georgia's foreign policy the main development of the beginning of this autumn was the Prime Minister meeting the re-elected Germany's Chancellor.



The Ministry of Agriculture reported on the achievements of the state support of winemaking in Georgia.

Photo by maxpixel.com

#### **DOMESTIC POLICY**

#### **Constitution for one party**

"The day will mark the establishment of a one-party rule in the country" – these were the words of the parliamentary opposition addressing the project of the new Constitution. The opposition walked out of the session hall to demonstrate their protest before the third and final hearing with nothing but insults heard in its back.

At the third and final hearing, after a lengthy and controversial process of hearings, the Parliament passed the new Constitution with 117 votes for it and only 2 against, with the participation of the only one political power—the parliamentary majority faction "Georgian Dream". The new Constitution will enter into force immediately after the presidential elections in the autumn of 2018.

The opposing parties mostly protest against the delay in changing the current mixed electoral system for the proportional representation from 2020 to 2024. The transit to the proportional representation is a significant breakthrough for Georgia from the point of view of forming a democratic political system. That's why the weak position of the parliamentary majority is completely unclear. One of the reasons for such actions can be blackmailing by some MPs elected by the majority system, who would be threatened to leave the majority as a result of changing the current system. And this, in its turn, would lead to a rupture. The majority would be, however, able to get the necessary number of votes if they had the support of the Parliament's opposition instead of some MPs elected by the majority system.

However, the scenario of the Constitution adopted as a

result of the consensus with the Saakashvili followers was forsaken for a different scenario: the one involving passing the Constitution without the Saakashvili followers, with it in fact being a standby document supported by one party only.

The Constitution is waiting to be signed by the President. It is unknown what exact actions the President will take, especially since he does not feel quite as enthusiastic as the majority in the Parliament. Even more so taking into account that according to the new Constitution, the President will no longer be elected by the direct voting. Moreover, when the institute of the Security Council of Georgia was dissolved, it was quite traumatizing for the President. The Council was where, despite all the clashes, the Prime Minister, the head of the Parliament and the President sat down together and discussed the pressing issues of the

politics, security and defense crucial for the country. The Security Council will be replaced by the Defense Council acting only during the times of war. The presidential veto is expected, and as in the rest of cases it will be overridden by the Georgian Parliament. However, the issues, points and frames that the President will quote in his veto remain to be seen.

At the same time the local electoral campaign is on the rise. The pro-Russian parties are acting quite harshly. One of them, "Alliance of Patriots of Georgia", went on a hunger strike in front of the Parliament's building and is calling on its followers to follow with street protests in order to make sure that "saboteurs" in the government are held responsible. Another Pro-Russian party, the party of Nino Burjanadze, calls on its electorate to make their choice between the national and the liberal values. It is clear that these events will touch upon all sensitive and volatile issues, from religious to social ones, including the issues of the ethnic minorities.

The president is expected to veto a new Constitution, but the parliament will overcome veto

#### **ECONOMY**

### Rtveli – wine's aroma in Kakheti

As a rule, the annual harvesting of the wine grapes in Kakheti (rtveli) starts at the beginning of September, while in western Georgia—in early October.

According to the Ministry of Agriculture of Georgia, 24 new enterprises were financed and 48 active bussinesses were aided during the preparation period of rtveli in the country. In the frames of the state agricultural insurance program, vineyards of 5.1 thousand ha are insured. Moreover, the diversification of the export market is also taking place.

Georgia intends not only to improve its export efforts at the traditional markets, but also to enlarge the non-traditional markets, such as the Chinese market, for example. This year the government is going to use a different approach. Since now thanks to the government support the demand for the quality grapes increased, there is no need to subsidize it in the region of Kakheti as of today. However, providing some financial aid will remain in other regions where the unique grape varieties are grown.

The wine boom can be recognized not only in the traditional regions, but also in Tbilisi. The city wine lovers are actively purchasing grapes in order to produce their own wine with their hands. As it is said in Georgia, the natural wine is waiting for its guest.

#### **FOREIGN POLICY**

#### Kvirikashvili is in Berlin again

The Prime Minister of Georgia, Giorgi Kvirikashvili met the Chancellor of the Federal Republic of Germany Angela Merkel. His visit to Merkel happened remarkably fast: only two days after her electoral victory.

The Prime Minister of Georgia stated that the Merkel's electoral victory is of the outmost importance to Georgia. As for Georgia, the current reforms were being discussed along with the association agreement with the EU, the Free Trade agreement and the visa liberalization issue. Moreover, the Prime Minister said that the stable and democratic situation creates all the preconditions for the German business circles to show more interest in Georgia. This will bring the significant benefits to both countries.

The issues of the global security and the Georgia's role in the region in this respect, as well as the country's participation in the mission in Afghanistan were discussed as well. Germany appreciates the impact the Georgian soldiers

made during this mission. Moreover, the conflict between Georgia and Russia, as well as the current situation on the occupied territories of Georgia and the occupation line were also discussed.

Georgia is well aware of the prospects of the multilateral cooperation with Germany, especially taking into account the historic perspective.

At the end of the month the President of France Emmanuel Macron officially passed the Open Government Partnership (OGP) co-chairmanship to the Prime Minister of Georgia Giorgi Kvirikashvili. It was the first time in the history that Georgia became the co-chairman of the initiative involving 75 countries. It is a big challenge for Georgia to be a leader in the initiative that, according to the progressive international plan of the U.S. former President Barack Obama, sets the new high standards for the citizens' involvement and the state management according to the principle of transparity.

# Moldova: Internal political discord & democratic process stagnation

Natalia Stercul, Foreign Policy Association of the Republic of Moldova (Moldova, Chisinau)

The protests against changing of the electoral system, some difficulties of the democratic transition and the ever present influence of Russia in the region of Transnistria complicate the Moldova's already challenging domestic political situation. The attempts made to overcome the economic recession are supported by the late measures of the intensifying control over the banking sector and a launching of an inter-institutional platform to monitor the investigation of the fraud operations. The Moldova's involvement in the military and political cooperation with the NATO member states provides for its army modernization according to the European standards, as well as for its security and defense sectors reforming. The issue of the evacuating of the Russian forces illegally deployed on the territory of the Republic of Moldova was also a part of the international agenda.



The Moldovan military, in spite of the President's ban, took part in the Rapid Trident exercises within the framework of the NATO Partnership for Peace program in Ukraine.

Photo by mil.gov.ua

#### **DOMESTIC POLICY**

# Difficulties of democratic government and reintegration

Against the backdrop of the Moldovan government assigning the members of the national commission on creating the single-seat constituencies, the leaders of the Party of Action and Solidarity and the Dignity and Truth Platform Party organized a protest. Acting against the mixed elec-

toral system, the transition to which was <u>criticized by the Venice Commission</u>, yet supported by the socialists, the democrats and the President, the opposition forces hoped to be able to go back to the <u>proportional representation</u> with the Moldovan people participating in the protests. The main disadvantage of this type of the electoral system is a so called "political tourism", that is a possibility to change your party affiliation. It is expected that the mixed electoral system will allow to increase the responsibility of the politicians

for their actions, however, nothing is being said regarding the possibility to manipulate the votes of MPs and increase the level of te corruption. However, this time the attempt to mobilize the citizens failed, the repeat protest is <a href="scheduled for 1">scheduled for 1</a>. October. It looks like that the parliamentary elections in 2018 will take place according to the mixed system, and the transition to true democracy and the rule of law will take a long time.

A greeting by the Russian Deputy Prime Minister Dmitry Rogozin, a persona non grata in Moldova, to celebrate the 27th anniversary of the day the unrecognized Republic of Transnistria was declared, cannot be left unnoticed. The greeting note suggests that Russia as a state guarantor will not let such military and political events happen again, and the "future of Transnistria is next to Great Russia". The statements of that sort even more so destabilize the situation in the region, stoke dissatisfaction and irritation, have a destructive impact on the reintegration of the left-side regions within the Republic of Moldova. Moreover, this paves the way for the Transnistrian side to make the accusations regarding the use of the radical instruments aimed at the isolation of the region on behalf of Chisinau.

#### **ECONOMY**

## **Better supervision of banking sector**

The aftermath of the scandal in the banking sector, connected to the stolen billion and hopes for the return of the country's assets forced authorities to create an inter-institutional platform for monitoring the investigation of the banking fraud and return of the lost assets both on the national

and international levels. The banks and the non-banking organizations, the insurance and investment companies will be under a stronger supervision and control. In order to harmonize the legislation, lessen further risks and improve the

systematic supervision, as well as to protect the legal norms of the prosecutors and judges in the sphere of the parallel financial investigations and seizure of the illegal assets, the Cabinet of Ministers approved the action plan on preventing and fighting money laundering and financing terrorism 2017-2019. The government's late actions and bad timing for the legal support do not provide enough confidence as for their efficiency, however, allowing for the hopes to prevent the fraud in the future.

The government initiated the discussion on the issue of the foreign troops withdrawal from the territory of the Republic of Moldova at the UN General Assembly

#### **FOREIGN POLICY**

# Moldova's participation in international military and political cooperation

The failed attempt of the country's President to ban the government's decision on sending the Moldovan soldiers to the military drills Rapid Trident in Ukraine, which took place 8-23, September, 2017 in the frames of the NATO program Partnership for Peace. The government's reaction was immediate. The neutrality principle does not suggest isolation, the national army needs modernization, while the security sector needs reforms. To support this position the Partnership Action Plan (IPAP) was approved by the Republic of Moldova-NATO during 2017-2019, which aims to fight the new secu-

rity threats, develop military forces, and improve the level of readiness in case of the emergency situations and crisis management.

In the light of the UN's 72nd General Assembly session the Moldovan government initiated the procedure to add to the agenda a special point on "withdrawing the foreign forces from the territory of the Republic of Moldova", which resulted in a disapproval of the country's President. This fact was not also left unnoticed by the Russian Federation. The Russian Minister of Foreign Affairs Sergei Lavrov made a rather harsh statement, saying that "those who suggested the idea of the Russian troops evacuating provoke a war in the region". Yet the illegal dislocation of fthe orces on the territory of the Republic of Moldova intensifies the Transnistrian conflict and complicates the process of its settlement.

# Ukraine: Language controversy with "European advocates"

Oleksii Krysenko, Foreign Policy Council "Ukrainian Prism" (Ukraine, Kharkiv)

September traditionally considered to be the beginning of a fall-winter political season and the month determining the main trends of the political year coming to its end. September, 2017 was not an exception and determined the key issues for the further political development: intensifying of the domestic political clashes and the early elections threat, more complicated design and the stagnation of the peace-making process in Donbas, the Ukrainian diplomacy achievements and the controversy of a "language issue" involving the Ukrainian advocates in the EU, as well as the "political fires" etc.



«Breakthrough" at the Poland-Ukraine border: current opposition shows its readiness for the radical measures for the early elections.

Photo by facebook.com

#### **DOMESTIC POLICY**

# Abundance of emotions and lack of rationality

Stripping the former President of Georgia and the ex-governor of the Odessa region Mikheil Saakashvili of his Ukrainian citizenship in July became yet another conflicting factor in the Ukrainian politics just as forecasted. Therefore, it is not a surprise that the begin-

ning of the political fall was the "breakthrough" made by Mikheil Saakashvili at the Poland-Ukraine border, supported by some opposing Ukrainian politicians and quite a big number of followers.

These dramatic events demonstrated the political stagnation of the current authorities and their inability to outplay Saakashvili in the public political performance space (and that means such "creative tantrums"

of the opposition will continue in the future).

The very fact of the illegal border crossing demonstrates not only the weakness of the Ukrainian state institutions but also the determination with which the current opposition shows its readiness for the radical measures, including the mass actions of disobedience aiming to call for the early elections and as a result to get more control over the executive power aiming for repartition of the administrative rent.

There are two factors still restraining the opposition. The first one is the unfinished process of the resource consolidation (the negotiations on combining or coordinating the current and future efforts among the political powers of "Samopomich" (Self Help), "Batkivshchyna" (Fatherland) and "Rukh Novykh Syl" (Movement of the New Forces) as the most influential political opposing forces in the national democratic camp have not been concluded yet. The second one is the lack of the convenient "political occasion" to start such performances

(it is exactly such an occasion that should put the President Petro Poroshenko in the situation of no other alternative but to dissolve the Parliament). It is worth mentioning that the actions of the authorities lack the

pragmatic rationalism and might lead to creating such an occasion in the short-term perspective.

There were two high-profile developments that happened in September: the fire that took place in a children's camp "Victoria" (in the Odessa region), and the fire at a military arsenal in the village of Kalinovka (in the Vinnitsya region). The both events seeming to be completely unrelated tragedies at a first sight. However, the deaths of three children as a result of the total negligence of everyone responsible for the safety at the children's camp and the fire at the biggest military arsenal in the country that brought on significant damage to the national defense capability demonstrated the ever present qualities of the Ukrainian politics - the conspiracy of silence and the lacking factor of the political responsibility in the Ukrainian elite. These features will continue to delegitimize the Ukrainian authorities and weaken the state further on.

The conspiracy of silence as well as the lack of the political responsibility in the Ukrainian elite remain the two ever present qualities of the Ukrainian politics

#### **ECONOMY**

#### Low rates and bad ratings

In spite of the generally positive tendencies of the economic development, Ukraine remains to be the one of Europe's poorest countries, and the current rate of the economic growth does not leave much hope for the significant social and economic changes in the short-term perspective.

However, it is worth mentioning that the macroeconomic parameters of the Ukrainian economy significantly improved against the previous period. For instance, the balance of the single treasury account grew by 17.08 bn UAH (approximately \$642.2 mln), or by 38,8% having reached the historic record of 61.2 bn UAH (about \$23 bn), which is 2.6 times more against the previous year's numbers. The Ukraine's international gold and foreign currency reserves currently make up over \$18 bn. As of 1 September the net reserves of the National Bank of Ukraine made up \$5.43 bn (the international net reserves of the National Bank of Ukraine increased by 10.5% this August against the previous month).

Energy security. Since the beginning of 2017 the gas transit through the territory of Ukraine made up 61.95 bn cubic meters, which is 23.4% more against the same period of the previous year. In 2017 Ukrtransgas pumped 7 bn cubic metres of gas into the gas storage tanks, which is 71% more against the same period 2016. The gas extraction in Ukraine increased by 3% since the

beginning of the year, and made up approximately 13.8 bn cubic metres, while the gas consumption dropped 0.5% to 17.9 bn cubic metres since the beginning of 2017. The gas reserves in the Ukrainian underground gas storage tanks reached 15 bn cubic metres, and surpassed the previous year's record in September.

There is another tendency worth mentioning: Ukraine is turning into a country of the agricultural export. The Ukrainian agricultural holdings "Kernel" and "UkrLand-Farming" rank among the top 20 largest agricultural companies in the world with the land banks over 600 thousand ha. While the industrial manufacturing in Ukraine in August, 2017 grew by 2.2% against this July, and with the seasonal adjustments the agriculture demonstrated much higher dynamics.

According to the marketing results 2016/2017, Ukraine exported 2.9 mln tons of the soybeans, which is 23% more than the previous season, and sets the record for the export shipments in the entire history of the such data monitoring. The export of the oil plants from Ukraine increased almost twofold in a year (as of 25 September Ukraine exported 1.32 mln tons of the oil plants). The rapeseed export also demonstrated some positive dynamics of the growth: 1.2 mln tons against 0.56 mln in 2016. Ukraine has also already exported more than 10 mln tons of the crops. In the given period Ukraine exported 769.3 thousand tons of sugar, which sets an absolute record in all the years of the country's independence.

Different dynamics in the international economic ratings. Ukraine ranked 81st in the Global Competitiveness Index, having climbed four positions up in a year. As for the most problematic factors influencing the competitiveness of the Ukrainian economy, some experts name inflation, corruption and political instability. Yet Ukraine ranked 149th out of 159 countries in the Index of the Economic Freedom having gone down, and is now placed between Angola and Iran, among the countries with the worst economic freedom in the world. Such different directions demonstrate the lack of the consistent governmental strategy aiming at the liberating and

modernizing the country's economy.

The contract of the month. On 28 September the National Nuclear Energy Generating Company of Ukraine "Energoatom" together with the PJC "Turboatom" and the Westinghouse Electric Sweden AB company started a five-year project of boosting the efficiency and the production capacity of the power-generating units of the Ukrainian nuclear power plants. Energoatom and Turboatom signed the program on supplying the equipment to the Ukrainian nuclear power plants for 2018-2022, with the cost being around \$100 mln, which will allow to produce more than fifteen Thousand New Jobs.

#### **FOREIGN POLICY**

#### All quiet on the foreign front

Despite the generally positive content of the Ukraine's foreign policy, there were no any significant results or breakthroughs in this area. On the contrary, the reaction of the Ukraine's "advocate states" on passing a new law "On education" by the Verkhovna Rada of Ukraine on 5 September became an unpleasant surprise. The Ukraine's Western neighbours, first and foremost Hungary and Romania, took an extremely negative stand regarding the law. Greece, Bulgaria, Moldova, and Poland also raised their concerns one way or another. In this case, what can be observed is using the politization of a "language issue" in order to put some pressure on the Ukraine's foreign and domestic policies. It was especially well demonstrated by Russia, which later on joined the criticism and accused the Ukrainian state of the "enemy de-russification". In terms of the given circumstances, the Ukrainian strategy of seeking a way out of the situation looks generally quite adequate, as it uses not the escalation of a "language controversy" but rather the initiative of the "European audit" of the new law "On education" regarding the correspondence between the language norms and the general European

An important development of the given period happened when the President of Ukraine participated in the

UN's 72nd General Assembly and in the UN Security Council meeting on the peacemaking, where he called for launching a peace-making mission in Donbas (without Russia as it is an aggressor state). This initiative was essential not only due to the humanitarian reasons, but also in order to foresee the development of the Russian model of "freezing the conflict" in Donbas by imitating a peace-making mission on the contact line.

On 21 September a meeting between Petro Poroshenko and the U.S. President Donald Trump took place, and even though it did not bring any obvious practical results, it had an important symbolic meaning and further declaration of precisely the Ukrainian, and not the Russian peace-making initiative.

The working visit of the Ukrainian President to Canada looked quite promising as well, as Canada has a long history of the extremely consistent pro-Ukrainian evaluation of the current situation at the post-Soviet space. As for the results declared, the interest of the Canadian business to invest into the Ukrainian economy and deeper cooperation in the military sector can be named.

One of the positive historical features of this month was the fact that starting 1 September the association agreement with the EU began to fully function, which adds some resources, mechanisms and prospects to the Ukraine's development in the European direction.

#### **Analytica**

# "Zapad-2017": Belarus between its ally obligations & regional security commitments

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At the very first stage of planning the joint Belarus-Russia strategic drills "Zapad-2017" Minsk attempted to solve a complicated dilemma. On the one hand, it needed to hold the military maneuvers in such a way that they would not destabilize and undermine the regional security. On the other hand, these strategic drills were meant to demonstrate that Minsk fulfills its ally obligations to Kremlin in the frames of the military and political alliance with Russia.



#### Difficult dilemma

At the same time Belarus provided the unprecedented openness and transparency in preparing, organizing and hosting the "Zapad-2017" drills. Therefore Belarus was determined not only to confirm its status of the regional stability donor, but also to distance itself from its ally that uses the large-scale military drills and sudden checks of the wartime readiness for generating and sending some "asymmetric" signals to the Western countries, especially following 2014, which marked the start of the new "cold war" between Russia and the West.

This is exactly the reason to separate the joint Belarus and

Russia military drills that took place mostly on the territory of Belarus 14-20, September, and the parallel large-scale strategic drills of the Russian military forces under the nominal name "Zapad" that started at the end of July and are still taking place now with their end planned for the end of the autumn.

The first task was successfully completed by Belarus, however, solving the second task, as the very course of the preparing and holding the "Zapad-2017" drills showed, presented the certain difficulties. As a result, the failed meeting between the presidents of Russia and Belarus at the final stage of the military maneuvers demonstrated the tension in the relations

between the allies.. The event which was initially planned as an illustration of the unity turned into the demonstration of the diffirences and controversies.

#### **Fears and concerns**

Both preparing and hosting the "Zapad-2017" drills attracted the unprecended international attention. It was caused by the fact that starting at least from 2008 Russia instrumentalized its large-scale military maneuvers and wartime readiness checks in order to serve its geopolitical purposes. For example, the strategic drills of the Russian military forces "Caucasus-2008" were held before the outbreak of the Russian-Georgian war in August, 2008, and the sudden check of the combat readiness by the Russian forces on its border with Ukraine smoothly transformed into the annexation of the Crimea and the destabilization of the Donbas situation in 2014.

Many Western countries including Poland, Lithuania, Latvia, Estonia, and Ukraine raised their concerns with regard to the joint drills held by Belarus and Russia being able to serve as a cover for the concocting aggression against the countries neighboring Belarus. For example, the Main Intelligence Department of the Defense Ministry of Ukraine believes that the operational order of the battlegroups in the course of "Zapad-2013" drills had the same pattern as the operational order of the battlegroups that was created and used by Russia in 2014 in the course of the "hybrid war" in the East of Ukraine.

Other concerns raised by the Western military experts were connected to Russia being able to leave its military contingent and equipment on the territory of Belarus after the drills were finished in order to create the base for the possible future conflicts with the neighboring countries. Therefore, "Zapad-2017" could become a certain "Trojan horse" for the countries of Eastern Europe.

All these fears and concerns were based on several presumptions. On the one hand, since 2015 Kremlin has demonstrated a clear strategic intention of organizing its military presence on the territory of Belarus having established an airbase there. On the other hand, Belarus is still perceived by many Western coun-

tries as a Russia's military and political extension without its own independent foreign and military policies. On the top of that, Russia recently used the large military drills as a cover for the military surprises preparing, and Russia's both foreign and military policies are of very unpredictable nature.

The combination of these factors pictured a rather gloomy perspective, however, did not take into account the subjectivity and security guarantees of Belarus, which were formulated by Minsk at the very start of the Russian-Ukrainian conflict in 2014, and concerned the impossibility of the territory of Belarus being used by the third countries for the aggression of the neighboring countries (from the point of view of the international law such actions would automatically put Belarus on the aggressor's side).

Finally, the intention of Belarus to keep its regional stability and security donor status, as well as to stay aside of the military and political clashes between Russia and the West, predetermined the modest parameters and exclusively defensive scenario and thoughts behind the "Zapad-2017" drills on the territory of Belarus.

#### **Contradictory signals**

The Belarusian side started to generate rather contradictory signals that were not interpreted in the same manner by the foreign observers even at the stage of the planning.



For instance, at the meeting of the Defense Ministers of the participating countries of the Treaty on Collective Security Organization in June Aleksander Lukashenko <u>stated that the "Zapad-2017" drills will be held on a large scale</u> and taken seriously despite the pressure with regard to the issue. On 3, July, the Independence Day of Belarus, he voiced his concerns connected to the growing militarization of the European countries, the U.S. anti-missile defense launch near the Belarusian borders, as well as its nuclear potential modernizing. Moreover, he added that Belarus, together with "brotherly Russia" will defend the borders of the Union State.

These statements were perceived by the foreign observers, first of all, in the context of the comments made by the Russian Minister of Defence Sergey Shoygu in Minsk in November, 2016 when the joint board of the defense institutions of both countries was held. Then he made a statement that the scenario of the "Zapad-2017" drills will take into consideration the NATO activity growth on the border with the Union State.

Belarus aspired not only to confirm the status of the donor of regional stability and security, but also to distance itself from its ally

Yet the Ministry of Defense and the General Staff of the Armed Forces of the Republic of Belarus clearly articulated their position, according to which they do not consider the NATO military activity (enhancing its presence with four multinational battlegroups and increasing the number of the drills at the Belarusian borders) as a direct military threat. Moreover, the President Lukashenko himself made a statement at the meeting with Michael Carpenter, the U.S. Deputy Assistant Secretary of Defense, saying that he does not believe the USA and NATO are planning to attack Belarus or Russia.

The "Zapad-2017" drills themselves were positioned by the Belarusian side as a routine event of the military preparation for the Regional grouping of Russia and Belarus military forces, of the exclusively defensive nature without targeting the third countries, and is, first and foremost, the demonstration of the strong ties between Belarus and Russia and the positive dynamic of the integration processes in the frames of the Union State defense capabilities improving.

#### **Modest scales**

Despite the rhetorics of the Belarusian side regarding the scale of the "Zapad-2017" joint military drills with Russia, their parameters on the territory of Belarus turned out to be quite modest (almost identical to those of the "Zapad-2013" drills). According to the thoughts behind the "Zapad-2017",

their thematic content was determined as a preparing and using the military groups (forces) with the interests of providing the military security for the Union State. Today there are two of such joint groups in the frames of the Union State: the Regional Group of Forces including 65 thousand of the Armed Forces of Belarus and the 1st Guards Tank Army of the Western Command of Russia with more than 50 thousand people, as well as the United regional air defense system, uniting the air forces and the air defense forces of the Armed Forces of Belarus and the forces and means of the Aerospace Forces of Russia located in the Western direction.

It is worth mentioning that in a peaceful time these joint groups only exist on paper, which means that Russia and Belarus control their own security separately, and in order to use each other's territories both countries need an official permit. The deployment of the forces, as well as forming the allied command takes place only in the period of the direct threat of the military aggression and at a wartime, with forming the allied command of the Regional Group of Forces taking place at the base of the Ministry of Defense and the General Staff of the Armed Forces of Belarus. It was exactly this reason due to which the Belarusian side had the leading role in planning and determining the parameters, designing and scenario of the "Zapad-2017" drills, instead of the General Staff of the Armed Forces of Russia (even though this institution was also involved in the process), as it was delivered by some Western experts.

And even though the and the United air defense system were mentioned in the drills, it did not mean that the entire numerous armada of the Russian Forces was planned to be deployed to the territory of Belarus. However, it was exactly this situation that provided the grounds for the suspicions of some Western experts and politicians who thought that 100 thousand of Russian contingent

will be deployed on the territory of Belarus.

Finally, <u>according to the Belarusian side</u>, up to 12.700 soldiers and up to 680 units of the military equipment took part in the drills at seven Belarusian training areas and three Russian training areas (Luga in the Leningrad region, Strugi Krasnye in the Pskov region, Pravdinsky in the Kaliningrad region).

Out of these around 10.200 people took part in the drills on the territory of Belarus including 3.100 of the Russian soldiers; approximately 370 units of the military equipment including about 140 battle tanks; to 150 artillery units and multiple launch rocket systems (MLRS); more than 40 aircrafts and helicopters including 280 units of the Russian equipment. The rest 2.500 Russian military men took park in the "Zapad-2017" drills at three Russian training areas.

According to our data, the Russian contingent on the territory of Belarus was represented by three battalion tactical groups from the 4th Kantemir tank division and the 2nd Tamaskaya Motor Rifle division, as well as the 6th Separate Tank Brigade of the 1st Guards Tank Army of the Western Command. They arrived in Belarus already in August, prior to the drills with the military equipment including 98 main battle tanks, 104 armored combat vehicles, 32 artillery units and MLRS. The Russian aviation was represented by 27 aircrafts and helicopters (four units of SU-34, SU-24MR, MIG-29CMT aircrafts and one airborne warning and control system aircraft A-50; four units of Mi-24, Mi-28H, Mi-35 and KA-52 helicopters). By 30, September the Russian troops participating in the "Zapad-2017" drills left the territory of Belarus.

The Belarusian contingent consisted of approximately 7.100 people, 40 tanks, 130 armored combat vehicles, 112 units of artillery and MLRS, and was represented by the sub-

divisions of the 120th, 11th and 19th separate mechanized brigades, 38th air assault and 103rd airborne brigades, 191st artillery group, 336th missile artillery brigade, 51st artillery and 465th missile brigades, as well as the cooperation group consisting of the employees from the Investigation Committee, the Ministry of Emergencies, the Ministry of Internal Affairs, the Committee for State Security and the State Border Committee. As for the Belarusian airforces, the aircraft flights of 4 units of aircrafts SU-25, Yak-130 and a helicopter Mi-8MTB-5 were used.

### "The Western" vs. " the Northern"

The biggest media resonance related to the "Zapad-2017" drills was caused by the scenario of the maneuvers developed by the General Staff of the Armed Forces of Belarus, according to which Belarus together with Russia fought several fake states. It needs to be said that the Belarusian Military Department was forced to react to the active publicity, correcting the content of the further briefings for the press, some international organizations (OSCE, NATO) and the observers (all briefings were given to us from the sources in the Belarusian Military Department).

According to the Belarusian side, up to 12.700 servicemen and up to 680 military equipment participated in the exercises at seven Belarusian ranges and three Russian ranges

So according to the first briefing, taking into account the events happening in the countries of Northern Africa and the Middle East, the "Zapad-2017" drills basic design was based on a crisis situation appearing and escalating due to a flare-up between the states based on the national, ethnic and religious clashes and territorial claims. However, already during the second briefing the scenario became more precise: based on the events happening in the countries of the Middle East and Europe, the design included the variant of a crisis situation appearing and a conflict escalation related to a bigger activity of some illegal militant groups, international separatist and terroristic organizations having foreign support.

The plan determined singling out the following fighting sides: "the Western", or the coalition of the interested states (Veishnoria, Vesbaria, Lubenia) and on the other side — "the Northern", including the Union State of Belarus and Russia.

The fake state of Veishnoria was located in the Western part of the real territory of Belarus, while Vesbaria and Lubenia were located to the West of Veishnoria, however, their territories and the state borders were determined only nominally. Belarus was located in the Eastern part of its true territory, while a conflict zone was within the border lines of the real borders of the Republic of Belarus. It is worth mentioning that starting from "Zapad-2009" drills the territory of Belarus, according to the scenarios, has always been divided into two fake states located within the borders of the real territory border lines of Belarus.

According to "Zapad-2017" scenario, taking measures of a political, diplomatic and economic nature as well as of some information confrontation, the "Coalition of Interested States" attempted to achieve a break between the subjects of the Union State, worsen the domestic social and political

environment and change the political authorities in Belarus. Moreover, Veishnoria was determined to join some regions of Belarus to its own territory. Having destabilized the situation in some border regions, however not having achieved its key goals, the "Coalition" started to prepare an open military aggression against the "Northern". In its turn Belarus aspired to not allow the breakout of the military conflict, destabilization of the region situation, and Russia, in accordance with the incumbent rule, the regulations and its ally obligations, provided a political, financial, military and technical support. As for the Regional Group of Forces of Russia and Belarus, it started to prepare to fight the aggression.

In general the scenario description is not very different from the same one of 2013. However, there is a significant change in the military and political environment in the region and around Belarus, in particular, which needs to be taken into account. In 2013 official Minsk could have suspicions regarding Poland attempting to inspire the regime change and a color revolution in Belarus while being supported by the Western countries. However, after the breakout of the Russian-Ukrainian conflict in 2014 and the normalization of the relations between Belarus and the West such concerns no longer have a real basis. The very perception of the threats changed, ow they can come not only from the West, but from Russia as well.

#### Veishnoria as "DNR" analogue

What's more, in 2016 Belarus adopted a new military doctrine, which specifically took into account the military conflict experience between Ukraine and Russia, which was expressed by its definition of a domestic military conflict. In their essence these doctrinal changes were also taken into account during

the drills. And the conflict of Belarus with the fake state of Veishnoria on the Belarusian territory is in fact a domestic military conflict.

As for its genesis, strategy and tactics of a warfare with a focus on using some illegal militant groups and sabotage-reconnaissance groups

Veishnoria reminds more of the separatist formations of the "Donetsk People's Republic" ("DNR") and "Luhanks People's Republic" ("LNR"), as in fact the very scenario of the drills more likely describes the course of the Russian-Ukrainian conflict rather than presents a hypothetical variant of the conflict between Belarus and the neighboring countries. However, due to the obvious reasons the Belarusian side formed the scenario of the drills in such a way that it avoids any direct analogy and therefore does not trigger Kremlin.

There are no expected conflict situations with Belarus and the neighboring countries participating, which may be based on the territorial claims or any ethnical, religious and cultural clashes today, as well as in the medium-term perspective.

In order to emphasize the exclusively defensive nature of the drills, Belarus needed to be divided into two fake parts, one of these parts being the fake state of Veishnoria, which was heavily featured in mass media and social networks. Almost immediately there appeared several different versions on the subject of the geographical correspondence of the fake states with Lithuania, Latvia, and Poland, as well as the correlation of Veishnoria borders with the region mostly inhabited by the Belarusian Catholics and the Polish-speaking minority. However, these analogies brought on by the same sounding names of the fake states with some Baltic names, as well as the Russian interpretation of the "Zapad-2017" scenario, miss an important point.



According to the drills design, the conflict zone did not surpass the real territory of Belarus, and that means that the defense actions of Belarus and Russia after ending the conflict on the real Belarusian territory did not transform into an offensive operation against other states. Moreover, the location of seven training areas in the central part of Belarus where "Zapad-2017" took place reminded the border lines of Veishnoria. Choosing them was predetermined by the large distance between them and the state borders in order to avoid tensions in the course of the drills.

Finally, in the latest briefings of the Belarusian military officials the fake states of Veishnoria, Vesbaria and Lubenia were mentioned no more and were replaced for a fake coalition of the states named "the West", in order to avoid instigating any additional interpretations subjected to their correspondence to Poland and the Baltic States, or "DNR" and "LNR".

In its genesis, strategy and tactics of warfare, Veishnoria recalls the separatist formations of the "Donetsk People's Republic" and "Luhanks People's Republic"

What's more, the Deputy Minister of Defense of Russia Alexander Fomin's briefing had more specific geographic details concerning the "Zapad-2017" drills. According to him, the design of the drills envisaged that the extremist groups aiming to carry out the terroristic acts and destabilize the situation in the Union State infiltrated the territory of Belarus and the Kaliningrad region in Russia. This way the Belarusian interpretation of the drills' geography was questioned. The Russian version created a rather specific field for the interpretations including the conflict scenarios involving using the so-called Suwalki corridor connecting Belarus and Kaliningrad through the border territory of Lithuania and Poland.

#### **Hybrid tactics**

If the origin and the warfare tactics of the fake Veishnoria reminded more of "DNR" and ""LNR", then the Armed Forces of Belarus were going to fight it using the tactics actively used by the Russian forces during the course of the Russian-Ukrainian conflict in Donbas. To be more particular, the so-called battalion tactical groups were actively used as the main tactical element in the course of the combat action instead of the traditional battalions. Even though earlier the Belarusian military tactical art operated the notion of the "enforced battalion", which is an analogy of a battalion task force. For example, during one drill episode a battalion task force was

formed on the basis of a separate armored battalion of the 120th armored brigade team where reinforcing means were also included: a tank, a carriage motor howitzer artillery and an air defense gun, and some missile system units.

In general during the "Zapad-2017", when fighting the illegal armed groups and the sabotage-reconnaissance groups, the Belarusian forces used a model "special reconnaissance and air reconnaissance – area and locality isolation – artillery and missile attack", which was actively used by the Rus-

sian forces and separatist groups in Donbas in 2014-2015. This model, in particular, is described in the recent American "textbook" published by the Institute of Land Warfare Association of the United States Army under the name of "Making Sense of Russian Hybrid Warfare: A Brief Assessment of the Russo-Ukrainian War".

limits according to the Vienna Document, 2011 on the Confidence and the Security-Building Measures. As a result, around 80 international observers from the United Nations, Organization for Security and Co-operation in Europe, International Committee of the Red Cross, The Collective Security Treaty Organization, Commonwealth of Independent States and for the first time NATO were invited. An agreement was reached on the bilateral basis regarding inviting the observers delegations from Norway, Sweden, and Estonia.

From the very beginning of joint exercises, the Kremlin sought to undermine confidence in the position of Minsk, and also sent a signal to Western countries that Belarus is subordinated to the goals and objectives of the strategy of escalation domination in relations with the West

Does it mean that now the Belarusian land forces will massively transform in the system of the battalion tactical groups according to the Russian example? It looks more like this tactic novelty need to be seen as for learning new tactical skills and modes of warfare.

For example, earlier on some Belarusian military authorities, including the Belarusian Minister of Defense Andrei Ravkov, made statements on learning the experience of the Armed Forces of Ukraine responding to the hybrid threats in Donbas. So, as they say, nothing personal, just studies.

### Belarusian transparency vs. Russian "camouflage"

Despite the "Zapad-2017" being planned by Minsk as a demonstration of its ally obligations to Moscow, the Belarusian side was determined to distance itself from the aggressive foreign and military policies of its ally. More so after a new American sanction law on Russia entered into force as there was a high possibility of Kremlin reacting with a heavy metal diplomacy (according to Mark Galeotti, an expert on Russia, and his spot on expression), and holding the parallel large scale aggressive "Zapad" strategic drills on its own territory in order to send a message of being ready for the further tensions escalating. And this is exactly what actually happened.

What's more, even before the joint Belarus-Russia drills were planned, Kremlin was going to force an escalation agenda in relations of by Minsk and the West. In particular, the tender of the Russian Ministry of Defense bore witness to the plans of delivering 4.162 railway cars with the military cargo to Belarus in 2017, which signified the plans of a large scale redeployment of the Russian forces to the territory of Belarus (approximately one motor-rifle division additionally). It is obvious that if Minsk had agreed to such a scenario, the drills would have been of a demonstratively aggressive and provocative nature aimed at the neighboring NATO countries and Ukraine.

Yet when this March Aleksander Lukashenko approved the "Zapad-2017" parameters it was clear that Belarus is not going to host these drills in the confrontational format. And in order to avoid any different miscalculations, misunderstandings and associations with the Russia's provocative behavior on behalf of the international community, Belarus provided the unprecedented regime of transparency and openness.

All of this was done despite the fact that the "Zapad-2017" drills parameters did not exceed the allowed thresholds and

It is obvious that such unprecedented transparency acted as an insurance in case of any provocations from the Russian side. And it turned out that it was not in vain. Despite the earlier discussed parameters of the joint drills, Russia performed a number of provocations. For instance, on the first day of the joint drills (14, September) there was a sudden statement by the Ministry of Defense of Russia, saying that a battle tank force of the 1st Tank Army in the Moscow region is alerted and taken by train to Belarus to participate in the "Zapad-2017" drills (that is the 4th Kantemir division that consists of almost 10 thousand people).

Simultaneously the Pskov, Tula and Ivanovo divisions of the Russian Airborne Troops (this is another 24 thousand people) were alerted as well. Therefore, it was only on the first day of the joint "Zapad-2017" drills that involved 34 thousand people, thus threefold increased the parameters discussed earlier as 12.700 taking part in the joint drills. It is obvious that nothing like this was previously discussed or coordinated with the Belarusian side. Moreover, our insiders indicate that Minsk could not get hold of their colleagues in Moscow to clear the situation for several hours. Our sources also state that Kremlin intentionally created an information vacuum and did not inform Aleksander Lukashenko of the Russian military movements in the Western Command at the border with Belarus. It is obvious that such steps of Moscow are the instruments of the psychological pressure on Minsk.

Therefore, since the very beginning of the joint drills Kremlin was determined to undermine trust to the Minsk position regarding the issues of transparency and openness of the drills, as well as sending a signal to the Western countries that Belarus is subject to the goals and aims of the escalation dominance strategy in its relations with the West.

The coincidence of holding the Russia's very own parallel strategic maneuvers under the nominal name of "Zapad", that started at the end of July and are still taking place, with joint Belarus-Russia "Zapad-2017" drills was meant to create a foreign observers' impression that there exists a joint and united strategic design, in other words, to demonstrate the lack of the independent Belarusian foreign and military policy, which in the eyes of the Russian strategic thinkers is only an operational space for the deployment of the 1st tank army of the Western Command.

The Russian side also effectively used the frenzy around the joint Belarus-Russia drills in order to side-track the attention from its own military preparations and camouflage its preparations for the strategic maneuvers. Judging from the military activities which could be observed since the end of July in the areas of the responsibility of the Western, Southern and Central military command regions, as well as the Northern Fleet, other security institutes and services of Russia, it is possible to state that the thematic content of these maneuvers contains the aspects of forming, managing and using the joint force grouping with the interest of a multidimensional fight with an enemy placed at the European theatre of war actions. Thus it is about working out a scenario of the conflict with NATO. And the total number of the military men and institution personnel involved in the Russian "Zapad" drills can make up approximately 150 thousand people.

It is assumed that in the course of these maneuvers the provisions of the strategic deterrence, the military conflict prevention strategy and the doctrine on using the strategic and battlefield nuclear weapons are drilled, as well as the improving of the military organization of the state, the ways and the methods of using the military forces of Russia, other forces, fighting units and bodies and increasing the Russia's mobilization readiness and the readiness of the civilian forces and means.

Among those participating are the following: the entire military and separate group troops, including the strategic missile forces, which was confirmed by the test-firing of the intercontinental ballistic missiles "Yars" (RS-24) and "Topol-M" (RS-12M) in September. Such sudden drills and tests are the elements of the so-called "nuclear diplomacy" aiming to be used as a scare tactic for the Western countries.

It is important to underline that the Belarusian side is not only not involved in the planning of these Russian maneuvers, but also is not informed of the course of their preparation and holding the maneuvers by the Russian side. Therefore it makes sense to separate the joint Russia-Belarus military drills "Zapad-2017" and the Russian parallel "Zapad" maneuvers with regard to their structure, design, scale, number and composition of the forces and means, transparency and openness.

### The devaluation of special ally status

It looks like some principal differences in the Belarussian and Russian approaches to planning and hosting the "Zapad" drills served as a basis for the conflict between Minsk and Kremlin, as a result of which the meeting of Aleksander Lukashenko and Vladimir Putin did not take place. It was the first time since hosting the very first joint "Zapad" drills in 2009 that the two Presidents, as well as the Commanders-In-Chief, according to the joint decision of whom, by the way, the Regional Group of Forces is formed and the plans of using it are activated, did not meet to watch the final active phase of the maneuvers, even though this ritual was performed in the course of the previous "Zapad" drills in 2009 and 2013. The absence of the Russian Minister of Defense Sergey Shoygu and Valery Gerasimov, the Chief of the General Staff of the Armed Forces of Russia at the command-and-observation post together with Aleksander Lukashenko attracted everyone's attention having emphasized the tensions in the relations between the two strategic allies.



All of this can signify that Moscow no longer considers Minsk its equal and special partner in providing the security of the Union State, as it was initially determined by its architecture. In general such a state of affairs has been observed since 2015 when Kremlin unilaterally made a decision to launch an airbase on the territory of Belarus without the permission of the Belarusian side. Later on in 2016 Moscow started to move the motor-rifle units to the Belarusian border, where by the end of this year a fully-fledged motor-rifle division will be deployed in the frames of the 1st Guards Tank Army.

Another one is being deployed by Kremlin right now with the 20th Guards Combined Army at the border with Ukraine at the Western Command. However, unlike Belarus, Ukraine and Russia are in fact at war. Finally, the fact of the bilateral renewal of the border control with Belarus by the Russian side can be added.

All these facts together demonstrate that the status of Belarus as the Russia's security guarantor in the Western strategic direction is being devaluated. Kremlin no longer needs Belarus to provide security in the named direction and is moving on to providing its own security unilaterally supported by its own capabilities, however using the Belarusian side without taking into account the Belarusian interests.

The meeting between Aleksander Lukashenko and Vladimir Putin that never took place symbolically confirmed this tendency. Despite demonstrating its ally obligations to Russia in the military and political spheres, which the joint military "Zapad-2017" drills were supposed to demonstrate, Kremlin continued to put some pressure on Minsk, first of all, in the economic sphere. However, judging by the tendency, this pressure can easily be applied to the other spheres as well. There is no doubt that the Kremlin's better military and political control over Belarus using the deployment of the Russian military bases and the requirements of the further strategic concessions in the economy and the domestic policy will be one of the priorities of Russia. This scenario of the development is highly possible, especially at the backdrop of a new round of putting pressure on Russia at the end of this year and the beginning of the next one, as the USA new sanction law on Russia is coming into force. Since nothing from the above-mentioned factors corresponds to the national interests of Belarus, a deeper crisis for the Belarus-Russia relations is programmed.

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