

# GERMANY AND THE CRISIS WITH UKRAINE AND RUSSIA

## *EVENT SUMMARY*

On March 21st, 2014, the Wilson Center's Global Europe Program hosted a discussion on Germany's role in the crisis in Ukraine and Russia with the former Ambassador of Germany to the U.S., **Klaus Scharioth**. The event was moderated by Wilson Center Fellow **Hope M. Harrison**. The discussion focused on Germany's efforts to resolve the crisis, its role within the European Union's response, and divergences in Germany and U.S. policies.



On Friday, March 21<sup>st</sup>, the Wilson Center's Global Europe Program hosted former German Ambassador to the U.S. **Klaus Scharioth**. Scharioth presented his analysis from extensive experience in the German Foreign Ministry on the current situation in Ukraine and how the European Union (EU), U.S., and Russia must work together. The discussion and subsequent question and answer session were moderated by Wilson Center Fellow **Hope M. Harrison**.

Ambassador Scharioth emphasized the essential importance of the EU and US working together on the issue of Ukraine – neither the EU nor the U.S. can achieve anything unilaterally. The two must collaborate to stabilize Ukraine, its economy and its territorial integrity. They must deter Russia from further encroachment into Ukrainian territory and must avoid war at all costs. Doing so will keep the situation from the control of radicals.

Mr. Scharioth argued for the efficacy of “dual-track strategies” for the EU and U.S. in their relations with Ukraine and Russia, reaching out to both and also preparing for scenarios in which Russia becomes more cooperative or becomes more aggressive. In the short-term, the EU should give Ukraine economic aid and in the medium-term, it must offer Ukraine trade incentives. These steps have already been taken: the EU has pledged \$15 billion to Ukraine and, as of June 1<sup>st</sup>, all EU tariffs on Ukrainian products will be removed. The EU and Ukraine have also signed the political component of the Association Agreement which was originally to be signed at Vilnius last November. The EU should urge the Ukrainians to pursue an inclusive policy at home which involves including officials in the government favored by pro-Russian areas of Ukraine, developing a new constitution, investigating the tragedies which occurred on the Maidan, and communicating with Russia.

As far as Russia is concerned, Ambassador Scharioth noted that the West should continue to keep the lines of communication open; Russia and Ukraine must hold talks ideally facilitated by a “Contact Group” and allow the Organization for Security and Cooperation in Europe (OSCE) to send international monitors to Ukraine. Although Putin initially rejected the idea of OSCE monitors, the neutrality of the current chair (Switzerland) may help to mitigate their concerns. [Indeed, within hours of Scharioth's appearance at the Wilson Center, the Russians did agree to the monitors in Ukraine, not including Crimea.] Scharioth advised that the EU and U.S. should indicate to Russia that there will be a price to pay if it does not agree to the monitors. The EU and the US will not recognize the annexation of Crimea.

A “three-step policy” should be implemented to push Russia toward cooperating on Ukraine and not moving its troops beyond Crimea: put on hold negotiations with Russia on visa-free travel to the EU; freeze the bank accounts of and restrict visas for those Russian officials responsible for the annexation (both steps are already in place); and, finally, discuss more serious sanctions (freezing of accounts, financial and trade sanctions) if Russia continues on its current path. These would hurt European countries, but they would hurt Russia (which has for

instance few alternatives to export its gas – more than 50% of her gas exports go to EU countries - in the short-term) even more. If Russia continues to undermine the “common European order” set forward after the end of the Cold War, Scharioth believes that stiffer sanctions will be implemented.

The world will continue to watch Ukraine and Russia closely over the next few months. The behavior of all parties will impact the world for years to come. In order to bring the region out of crisis, it is essential that no country works unilaterally. This is an opportunity for the U.S. and the EU to show they are strongest when working together.