Abstract. The small war between Georgia and Russia from 8 to 22 August 2008 has shattered any remaining illusions over the frontiers of the normative map of Europe. All the primary parties have to be criticised: Russia for setting a trap for Saakashvili to fall into, the Georgian leadership for its astounding military and political blunder in falling into it, and the United States for having failed to restrain its protégé. The first consequence is that Georgia has paid the price of Saakashvili’s folly, with the definitive loss of Abkhazia and South Ossetia. The second consequence is triggered by Russia’s continued occupation of strategic points in Georgia-proper, which means not peacekeeping but threatened strangulation of the Georgian economy and its role in the transit of oil and gas from the Caspian to the West. It also means that business as usual has become impossible, as already announced between NATO and Russia, and with more important decisions pending in both the EU and US. The third consequence is that the EU should immediately step up its policies to integrate Ukraine, with real perspectives of membership subject to the standard criteria. The fourth unknown consequence is how far this deteriorating process between Russia and the West will go. Russia may pretend, with its petro-power and wealth, to be immune from any actions by the West, but beyond the short-term it is vulnerable. Whatever these unknowns, already Russia has crossed a red line with its strategic occupation of Georgia-proper, rather than the option just to push Georgia out of South Ossetia. This latter option would have met with widespread understanding internationally. But with its chosen option Russia has placed itself in another category, which is a throwback to earlier times, and totally incompatible with the political and moral principles of modern Europe.

Post-mortem indeed for the families of the dead, killed in a small war that should not have happened. A small war, but one with massive implications. This was Europe’s first war of the 21st century, which has seen Russia acting in line with the European realpolitik models of the 19th and early 20th centuries.1

The rest of Europe drew profound conclusions from its dreadful history of the two world wars. The European Union has become a space where war between its nations is inconceivable, where enmities were overcome with reconciliation and integration. This West European space, coming as close as conceivable in practice to the Kantian ideal zone of ‘eternal peace’, has expanded to the East. But Russia today is intent on redrawing the map of Europe between this Europe, which is both peaceful and democratic, and the other Europe in which its dictatorial leadership is ready to go to war in order to satisfy its hunger for hegemonic power.

Is this being overdramatic? Russia had two options in responding to Saakashvili’s attack on Tskhinvali on August 8th. Option 1 was simply to drive Georgian forces out of South Ossetia and to exclude the possibility that Georgia might ever again pretend to regain its so-called ‘territorial integrity’ over either Abkhazia or South Ossetia; to make Georgia pay a due price for Saakashvili’s folly. Option 2 was to invade Georgia-proper, destroy not only military but also strategic civilian infrastructures, establish checkpoints that cut Georgia into pieces, and more generally display the presence of an occupying power with hegemonic

1 As argued in more detail by Ivan Krastev, in “Russia and the Georgian war: The great-power trap”, Open Democracy, 21 August 2008 (www.opendemocracy.net/Russia).
The trap and the blunder. This small war was preceded by a consistent policy under Putin, and most notably since the Rose Revolution of 2003, to undermine Georgia. It has not only protected the secessionist entities, Abkhazia and South Ossetia, but been consistently devious in evading any serious peace and reconciliation negotiations, either under UN or OSCE auspices. It has engaged in policies of creeping annexation, notably through issuing Russian passports to these populations, and installing Russian officials in key security positions. It has tolerated or encouraged provocative actions by the separatists, as typified by the artillery shelling of Georgian villages of South Ossetia in the days and months leading up to the invasion. It has seen in President Saakashvili a highly provokable character. Russia tried but failed to crush Georgia politically with economic sanctions in 2006. This time, in August 2008, the Russian leadership got the pretext to invade Georgia in order to destroy President Saakashvili politically and to cripple Georgia’s statehood and economy.

Oh yes, Georgia started the war. When the television showed live footage of Georgian land-to-landGrad rockets raining down on Tskhinvali in the night of August 8th, all observers said they must be crazy. Two months ago, I was hearing reports of war-talk in Tbilisi in circles close to President Saakashvili. This could only mean war between Georgia and Russia, “no further comment required”, I thought inadequately. Saakashvili was even heard saying recently that a military solution was possible, as long as it was done cleverly (!).

Saakashvili’s fateful miscalculation was militarily suicidal and politically irresponsible. As Ghia Nodia, a distinguished scholar and now Georgian minister of education, has just written, Georgia was forced by Russia into a lose-lose situation. Russia’s South Ossetian puppets could go on with their pin-prick provocations, as in their shelling of Georgian villages on the nights of August 6th and 7th, at the cost to Saakashvili of his losing credibility with the Georgian people; or Saakashvili could try a decisive counter attack, in which case he would be at war with Russia and lose in another way. And so the trap was set. This is the logic of Russia’s leadership today.

Saakashvili’s blunder will most probably cost him his job, and deservedly so, to be replaced hopefully by a more competent democrat. But it also means irrecoverable losses to Georgia. There is no chance now or ever – or let us say for any foreseeable future – of Georgia being able to negotiate back its called ‘territorial integrity’.

Since the beginning of the war the Russian media, and especially the official television channels, have sustained a non-stop propaganda offensive, combining extreme selectivity with huge slices of disinformation. The PR campaign was indeed portraying Russia’s actions on Russian TV as conforming with Option 1 described above. Russian TV was almost exclusively showing scenes of destruction in South Ossetia and of refugees in Northern Ossetia, and Russia’s humanitarian assistance there. There was initially little or no coverage of Russian bombardments of Poti and Gori, nor Russia’s occupation of much of Georgia with armoured personnel carriers and tanks. The immediate headlines were that 2,000 people were killed in Tskhinvali by the Georgian artillery fire of 8 August. These numbers were never justified, and the first independent NGO people to enter Tskhinvali suggested exaggeration on the scale of ten times. Russia’s international TV programme “Russia Today” for several days carried as subtitle to its coverage the single word Genocide in huge font. By August 22nd the Russian prosecutor indicated that there had been recorded 133 civilian deaths in Tskhinvali. Yet the propaganda offensive was effective enough to secure unanimous votes in the Russian parliament on August 25th favouring recognition of the demands by Abkhazia and South Ossetia for independence, which President Medvedev duly agreed to on the following day.

What is this state of mind of the Kremlin and (Moscow’s) White House? They have pumped up a doctrine of a Russia threatened by enemies. They build on the sense of national humiliation felt upon the collapse of the Soviet Union and the chaotic Yeltsin years. They rejoice in Russia’s new petro-wealth and petro-power, and trumpet their sense of impunity to indulge in macho politics on the world stage. They produce a comprehensive propaganda show, in which the domestic media have become mere choreography for the leadership, while founding new so-called international institutes in Paris and New York to promote a pseudo ideology called ‘sovereign democracy’. The strategy is to find ways to regain ground lost with the collapse of the Soviet Union, and first of all in the European ‘near abroad’. The advance East by NATO and the European Union, and of democratic political regimes that these organisations favour, must be stopped. Russia is being encircled and threatened by these enemies. And now it uses military force in support of these objectives. Dmitri Rogozin,
Russian Ambassador to NATO, in a press conference a few days ago challenged the West: “Is NATO willing to go to war over Georgia?” With which Russian diplomatic discourse has thus descended to the ultimate depth of realpolitik brutality.

Where at this time was the United States, supplier to Georgia of military training and sponsor for NATO membership? On August 13th the United States decided to send in militarily escorted humanitarian assistance, in a demonstration of support for Tbilisi. But what was the United States advising its Georgian friends on the days and hours before the fateful decision. Secretary of State Rice has said that she had been cautioning against military action. The State Department surely knew more than the war-talk hearsay that reached unofficial circles in Brussels. Was the leader of NATO and the world’s global superpower not trying hard enough to restrain such action? Could it not have raised the issues of Russia’s behaviour in Abkhazia and South Ossetia by more forceful diplomacy? In any event, the United States is gravely at fault for sponsoring an actor that it could not, or did not try hard enough to control. President Bush seems to have given no warning that the United States would sanction an ill-advised move, while his other foreign policy actions (Iraq, Guantanamo, etc.) have given great encouragement to Putin also to take the law into his own hands, and to mount a continuing diplomatic guerrilla campaign against the EU’s attempt to bring peace to the Balkans, and to Kosovo in particular.

**Sarkozy-mediated peace plan.** And where was the European Union at this time? Actually it had been urging Tbilisi to adopt a different strategy towards Abkhazia in particular. This would have been a policy to open up economic relations with Abkhazia, to go through a period of normalisation and confidence-building measures, and to defer attempted negotiations over final status for later. It also was surely advising against war-talk. The EU was thus advocating a peace plan different to that which Saakashvili advanced in the spring of 2008, in which he had pressed for final status negotiations as part of the package without delay, and which was received dead on arrival in Sukhumi. At the eleventh hour before this war, German foreign minister Franz-Walter Steinmeyer flew to Tbilisi and Moscow with a sensible proposal along these lines. Russia dismissed it with a bundle of pre-conditions, such as achieving confidence-building first. Russia did not want a real peace process.

France, as current EU Presidency, moved fast to facilitate the cease-fire, with visits by President Sarkozy to Moscow and Tbilisi brokering a 6-point agreement. All but one point are sensible. But Russia insisted on inserting the second fateful phrase under point 5, namely that Russia could undertake "additional security measures" pending agreement on an international mechanism. Sarkozy, acting it seems on his own and clearly travelling without the company of Javier Solana, judged it right to accept this phrase and to virtually impose it on Saakashvili. Its real meaning became evident by August 19th, when President Medvedev said that Russia would comply in withdrawing its forces by August 22nd, except for 500 troops who would stay to implement the second phrase in point 5. Maybe the six-point plan stopped the fighting or its further escalation, although the deal was done after Moscow had achieved its apparent military objectives. But it left the door open for the 'additional measures' which look like meaning continued occupation without end.

<table>
<thead>
<tr>
<th>The six-point peace plan between Georgia and Russia mediated by President Sarkozy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Abstain from the use of force.</td>
</tr>
<tr>
<td>2. Cease hostilities definitively.</td>
</tr>
<tr>
<td>3. Assure free access for humanitarian assistance.</td>
</tr>
<tr>
<td>4. Georgian military forces should withdraw to their usual places of deployment.</td>
</tr>
<tr>
<td>5. Russian military forces should withdraw to the lines preceding the outbreak of hostilities. While waiting for an international mechanism, Russian peacekeeping forces will put into effect additional security measures.</td>
</tr>
<tr>
<td>6. Opening of international discussions on the modalities of security and stability in Abkhazia and South Ossetia.</td>
</tr>
</tbody>
</table>

Russian forces had struck Georgia to cripple it strategically along both horizontal and vertical axes. On the horizontal axis, Russia bombed the commercial port of Poti, and installed its military on the East-West highway at Gori, and blew up the railway bridge that links Baku to the Black Sea. The railway network is serving as an additional outlet for Kazakh oil shipped across the Caspian, and its extension into Turkey at Kars is currently under construction. On August 23rd a train loaded with Azeri oil was blown up by a mine near Gori. On the 'vertical axis', which received less attention in the media, Russia (or Abkhazia) blew up or mined bridges along the single road into the Svaneti region of high mountain peaks bordering Russia, and which separate Abkhazia from South Ossetia.

In the days following signature of the peace plan, President Sarkozy telephoned President Medvedev several times to express his concern that Russia was not complying with its commitment to withdraw its military from Georgia, each time receiving commitments to withdraw. Sarkozy’s exasperation over non-compliance reached the point that he threatened to convene an extraordinary session of the European Council to decide on appropriate measures. By August 22rd Russia was making major withdrawals, with a column 7 kilometres long of Russian tanks, armoured personnel carriers and trucks heading north. The Russian invasion had been massive, with maybe 1,000 or more pieces of heavy equipment. But Russian checkpoints remained, with an
enlarged buffer zone south of the Ossetian border close to Georgia’s East-West highway, and with one unit apparently now implanted to the south of this highway. The Russian military is also digging itself into positions at the Black Sea port of Poti. Enough is enough. On August 24th, France convened an extraordinary European Council meeting for the 1st of September to decide how to react, with suspension of the negotiations of a new agreement presumably on the agenda.

**What next?** By bombarding and invading Georgia-proper and failing to withdraw completely from Georgia-proper, Russia’s leadership has crossed the red line between acceptable and unacceptable behaviour in European affairs. By its actions, Russia has forced the rest of Europe to think back not only to the sight of Soviet tanks in Prague in 1968, but also to its experience of appeasement policies towards a certain nationalist dictator of the mid-20th century, in which one small European country was sacrificed first, and then a bigger one.

Presumably inaction by the West will be taken by Russia’s leadership as an encouragement to move on from ‘success’ in Georgia to pursue comparable objectives, methods and tactics in Ukraine and Moldova. More precisely and finely, it may be supposed that the Russian leadership hopes that the small war with Georgia will deliver a sufficiently credible lesson to others, such that Russia can achieve its next objectives without the use of force.

Such a scenario has already been visible in Russian policy towards Ukraine for some years, with threats and actions aiming at destabilisation. But Ukraine is Georgia multiplied by 10. The strategy and the message now is: If you persist in your NATO aspirations, Russia will create difficulties to the point of destruction of your statehood. Putin has even said this directly to Ukraine. Crimea is Ukraine’s Achilles heel on two accounts, the Sebastapol naval base and the inter-ethnic tensions being stirred up by the ethnic Russian population there, compounded by tensions with the Tartar minority who have returned there from their Soviet deportation locations. In 2003 Russia attempted to redraw the border with Crimea by unilaterally building a causeway to the island of Tuzla at the mouth of the Azov Sea, until Ukrainian protests had this stopped. Mayor Lushkov of Moscow and various Russian parliamentarians are advocating reneging on the 1997 Treaty for the Black Sea Fleet to evacuate the naval base there by 2017. The dispatch of Russian warships from Sebastapol to participate in the current conflict with Georgia has already led President Yushchenko to pass a (highly implausible) decree requiring the Russian Black Sea fleet to request advance permission from Ukraine to pass through Ukrainian waters leaving or entering the port. Lushkov’s billionaire wife, who has major investments in Crimea, is reported to be funding foundations that support Russian nationalist activities there. Russia still refuses to cooperate over demarcating its frontier with Ukraine, after 17 years of independence. Ukraine currently seeks Russian recognition of the genocidal Holodomor, the Stalin-directed famine of the 1930s that cost millions of lives. But Russia, successor state to the Soviet Union, will neither recognise this piece of history, nor apologise for it. Instead Putin describes the collapse of the Soviet Union as the 20th century’s greatest tragedy.

Moldova has already been subject to years of Russian prevarication over the Transnistria conflict, unless it might be settled on terms that would give the Russian community there disproportionate political powers of control, as proposed in the Kozak memorandum of 2003, which Moldova rejected at the last minute. Since then Russia has manifested its displeasure by two years of pseudo-technical economic sanctions, blocking imports of Moldovan wines on grounds similar to those for Georgia.

The war with Georgia has to be viewed as much more than a localised action by Russia to punish Saakashvili. The wider view sees Russia using all political, diplomatic, economic and military means to change the map of Eastern Europe in favour of a hybrid neo-imperialist/neo-Soviet strategy. In the classic manner of nationalist-authoritarian regimes, it propagates the idea that it is surrounded by enemies, warranting speeches now by Medvedev that it will defend “its citizens anywhere with crushing force”, which could be referring to its diaspora anywhere among its neighbouring European countries. The tactics employed seek to avoid offensive military action, or to keep them to the last. Better use non-military tactics, but with the credible background threat to use overwhelming military force if circumstances make this ‘justifiable’. Saakashvili presented Russia with just such an opportunity in the name of ‘peacekeeping’.

Presumably Russia will want the Georgian episode to cool down in the near future, before embarking on new adventures. But if Russia keeps its military in Georgia-proper, as seems now most likely, it will not only be a continuing source of ugly scenes with Georgians brandishing ‘Russia go home’ banners; it also will be read by the West as the signal that the name of the game has changed. Russia is presuming that the West is not willing to defend countries such as Ukraine, like Georgia, with military action, at least until and unless they were NATO members. To get such ideas rolling, as Dmitri

---

4 In July, however, it signed a treaty with China to recognise that border, ceding territory on a disputed river island to win agreement. Russia makes realistic concessions to its bigger neighbour.


6 Anatol Lieven goes further in “The west shares the blame for Georgia”, *Financial Times*, 14 August 2008.
Rogozin is doing, is evidently seen as the best way to undermine these countries’ NATO membership ambitions.

Russia’s leadership may also be presuming that with its petro-power it is immune from economic and political sanctions that the West might employ. But is that correct? Already well before the war with Georgia, US Presidential candidate John McCain had been advocating Russia’s expulsion from the G8. The first unintended consequence for Russia’s leadership of the war with Georgia is that it may help McCain’s electoral chances, and speed up Russia’s expulsion from the West. But also a leading Democrat adviser to the Obama campaign has explored the agenda for more active counter-measures, including not only advancing Ukraine and Georgia’s NATO membership, but also building up NATO’s forward deployment of military resources in its new member states that border or are close to Russia.7

The EU may, because of its greater dependence on Russian energy supplies, may again (in its inglorious tradition) leave the heavy lifting to the US. However the EU was already earlier this year being pushed by events (Estonian monument, Lithuanian oil supplies, Polish meat, UK Litvinenko affair, etc.) towards working out principles of solidarity between its members in response to Russia’s bullying behaviour towards individual EU member states. The EU may have to develop such principles for its close neighbours too. For the EU there is a long list of sanctions that could be taken in graduated steps, some jointly with the US. These proceed from declarations condemning Russian actions (already done), to suspension of the negotiations over a new agreement (already advocated by some member states), the revoking of visa facilitation8 and the suspension of numerous operating programmes. If, for example, Russia’s actions towards Ukraine became analogous to what has just been seen in Georgia, economic sanctions by the EU and the US together could include banning Russian direct and real estate investment in the EU, freezing financial assets of Russian companies and individuals, stopping new operations in Russia by the EBRD and the raising of capital by IPOs on Western stock exchanges, etc. Boycott of the Sochi winter Olympics scheduled for 2014 would naturally follow in due course, recalling the boycott by the US of the 1980 Olympics in Moscow over the invasion of Afghanistan.

The list of hypothetical measures is long because it is a testimony to the huge progress that has been made in the last 18 years towards the normalisation of Russia’s place in Europe and the world. This has created new interests and incentive structures for the Russian private sector and Russia’s new middle classes and certainly even more so its new very rich classes. The reaction in Russia’s official rhetoric might be ‘we don’t care’. Such was exemplified recently by a Russian Ministry of Foreign Affairs spokesman who answered a question about how bad relations with the US might get with remarks that Russia did not necessarily need relations with any other power. Russia’s reaction to NATO’s decision on August 18th that there could not be ‘business as usual’ following the war with Georgia, was to announce itself that it was cutting off all working relations with NATO in response to the insult. Anticipating that Russia’s WTO membership negotiations would be an early casualty, Putin, declared pre-emptively on August 24th that Russia was not interested in this any more. Indeed Russia’s petro-wealth and petro-power allow its officials and leadership to talk this way, but Russia’s economy is extremely vulnerable and weak beyond its natural resource sectors. And the ‘modernisation’ objective and slogan of its leadership means becoming a competitive economy beyond being just a supplier of basic commodities, and that requires interdependence with Western economies.

But would Russia raise the stakes, and try to cripple the EU economy by stopping oil and gas exports? What does the calculus look like here? For oil the disruption would be limited, since oil is a global commodity, and if Russia sells its oil to someone else, that releases other supplies in the world market. Both Lithuanian and the Czech Republic have been able to get other oil supplies into their refineries after Russia tried to sanction them.9 For gas the situation is more difficult, but already the EU’s LNG facilities – built or under construction – amount to 57% of the EU’s total gas imports.10 The EU needs to increase gas storage capacities, complete its gas network connections and solidarity mechanisms between member states, increase alternative energy supplies, while retaining the option to take control of gas distribution facilities in which Gazprom has invested. Russia’s economy cannot last long without export earnings from the EU. So would it be ‘back to Brezhnev’, with joyless basic trade and little else?

This is a sorry story to contemplate, but the alternative to beginning to think about it, and to get Russia too to think about it, is called appeasement. A western strategy of sanctioning Russia to get it to think about the wisdom of

---

7 Ron Asmus, op. cit.
8 Christa Freeland argued in the Financial Times on 22 August, in “As crazy as it sounds, the oligarchs could save Russia”, that EU countries should give Russia some of the ‘TNK-BP treatment’, in which pressure by BP’s Russian partners to replace the company chairman from BP has been accompanied by Russian government actions revoking the visas of BP- seconded staff and harassing the company and its chairman through diverse administrative methods.

9 Russia used the pretext of environmental concerns to stop oil supplies to Lithuania refinery after its privatization went to a Polish company rather than a Russian one. Russia suddenly cut off oil supplies to a Czech refinery the day after the signature of the US-Czech agreement to install anti-missile facilities, citing unspecified commercial and technical factors.

10 Germany, alone among the major EU economies, has no LNG reception facilities, and should surely rectify this without delay.
its ‘near abroad’ foreign policy would proceed cautiously, with graduated steps, in the hope that significant messages will be received and acted upon by the Russian leadership before triggering an escalation that would be hugely damaging for both sides. For example suspension of G8 membership and suspension of the EU’s negotiations over a new agreement could serve for starters.

It does not have to come to this. There are plausible and desirable strategies for relations between Russia and the West. One such package was outlined in my paper of (as recently as) June 2008, based on several items of strategic importance: free trade with the EU to follow WTO accession, visa-free travel between the EU and Russia, deepening of relations with NATO (for example with a privileged summit process) and even the perspective of membership after a period of confidence-building measures, which would have notably included a civilised and cooperative resolution of the Caucasus and Moldova conflicts.11

The argument was also made that the EU could deepen its policies to integrate Ukraine in ways that would be positive, or at least not harmful for Russia in the view of anyone not blinded by zero-sum thinking. But with Ukraine viewed by Russia as its big objective, the EU should in any case now step up its policies to help Ukraine become a soundly functioning democracy and economy. It has many levers to use, including free trade, visa-free travel, improving the legal system, rolling back corruption and criminality, inclusion in EU foreign policy initiatives and above all the ultimate incentive of membership if its political classes were to converge on this objective. The EU has already programmed a summit in September with Ukraine, and France in its capacity as secondary actor, France in its capacity as EU Presidency, with a privileged summit process) and even the perspective of membership after a period of confidence-building measures, which would have notably included a civilised and cooperative resolution of the Caucasus and Moldova conflicts.11

But for the moment Russia chooses otherwise by its actions. President Medvedev proposed in his inaugural speeches a few words on the idea of a new pan-European security architecture. There have indeed been sufficiently serious and numerous disputes already since the beginning of the new millennium over the normative rules of international relations; the system is in disorder. But so far the west has seen nothing of substance from Moscow to work on, while events have spoken brutal realpolitik loud and clear.

In the end Russia and Russians will have to decide where and what they want to be in Europe and the world. The present leadership seems satisfied with its macho foreign policy, but is on track for branding itself in the eyes of the west as a duplicitous bully and semi-pariah state. But there can be no illusions about an easy or early change. As a recent study by the respected Levada centre reports: “The system of power cannot cope with either economic or external challenges. ... It is rigid and fails to adapt to ever-changing circumstances, because it is built on the administrative vertical line, where bureaucracy is a proxy for politics, while PR and propaganda substitute for information and political actions – hence there is nobody to offset the power. Nor can it (the regime) adjust or change its own decisions.”12 Moreover, as this same source goes on to argue, the socio-political mindset of the Russian population is easy prey for the xenophobic propaganda of an authoritarian regime: “In the mind of an average Russian, the scheme of collective thinking almost entirely boils down to opposition between ‘us’ (passive majority of ‘people like me’) and ‘them’ (aliens, be it those who are close to home, i.e. people in power, and those who are further away, who are ethically, politically, ideologically and civilizationally alien).”13

Conclusions. The small war between Georgia and Russia from 8 to 22 August 2008 has shattered any remaining illusions over the frontiers of the normative map of Europe. In this first European war of the 21st century, both Georgia and Russia in turn chose to use force to settle a separatist conflict. To be sure, these normative frontiers have become disputed over Kosovo, and actions by the United States (Iraq, Guantanamo) have crossed the normative red lines of international law, and emboldened Russian discourse over ‘double standards’ to justify actions such as they are now taking in Georgia.

All the primary parties have to be criticised: Russia for setting a trap for Saakashvili to fall into, Georgia for its astounding military and political blunder in falling into it, the United States for having failed to restrain its protégé, and Russia again for invading and occupying Georgia-proper under the bogus pretext of ‘peace-keeping’. As a secondary actor, France in its capacity as EU Presidency, rushed in to mediate a defective peace plan that left Russia with an excuse to continue its occupation of Georgia-proper.

The first consequence is that Georgia has paid the price of Saakashvili’s folly. The Russian parliament unanimously voted for the independence of both South Ossetia and Abkhazia on August 25th, thus following the model of Kosovo. This will not be recognised by the West, but nonetheless these territories are now irrecoverable for Georgia.

13 Ibid., p. 115.
The second consequence is triggered by Russia’s continued occupation of strategic points in Georgia (port of Poti and close to the East-West highway near Gori), which does not mean peacekeeping but rather, threatened strangulation of the Georgian economy and its role in the transit of oil and gas from the Caspian to the West. It also means that business as usual has become impossible, as already announced between NATO and Russia, and with more important decisions impending in both the EU and US. The EU may well decide at its extraordinary European Council meeting on September 1st that negotiations over a new agreement cannot proceed. Whatever the outgoing Bush administration decides, the presidential election campaign has already highlighted the case for expelling Russia from G8. President Medvedev’s call for a new pan-European security architecture, initially regarded as worthy of discussion by some Europe governments, is now hard to take seriously. The logic of the relationship has changed sign, from incentives for cooperation to sanctions.

The third consequence is that the EU should immediately signal an intensification of its work to accelerate the Europeanisation of Ukraine – and of Moldova as well. For Ukraine the occasion to make a major move forward is already programmed with the EU-Ukraine summit due in September, which should extend real perspectives for Ukraine’s membership as and when it achieves the standard criteria of soundly functioning democracy and the rule of law. For Russia the message can be that the mechanisms of integration into modern Europe are entirely benign, and actually extendable to it too, adapted of course in degree to the Russian reality.

The fourth but unknown consequence, however, is how far the current deteriorating process between Russia and the West will go. Russia may pretend, with its petro-power and wealth to be immune from any actions by the West, but beyond the short-term it is vulnerable. Already in the week of the war, mobile capital left Russia and the wealth of Russian stock exchange assets dropped. Political and economic sanctions could go much further. This will depend not only on whether Russia continues its occupation of Georgia, but also on whether it pursues an analogous strategy towards Ukraine, which is Georgia multiplied by 10 by all measures from population to proximity to the EU. Russia’s political rhetoric and tactical actions towards Ukraine point in the same direction, notably over Crimea with orchestration of ethnic tensions and threats to renege on withdrawal of the Black Sea fleet. The reputational and economic costs to Russia from such a policy will mount. Russia’s leaders may in due course come to understand the counter-productivity of their macho realpolitik, but then they will have to change their message to their own people.

Whatever these unknowns, Russia has crossed the red line with its choice of what above was already called option 2 (strategic occupation of Georgia), rather than option 1 (push Georgia out of South Ossetia). Option 1 would have drawn widespread understanding internationally for Russia as a responsible actor. With Option 2 it has placed itself in another category, which is a throwback to earlier times, and totally incompatible with the political and moral principles of modern Europe.
About CEPS

Founded in Brussels in 1983, the Centre for European Policy Studies (CEPS) is among the most experienced and authoritative think tanks operating in the European Union today. CEPS serves as a leading forum for debate on EU affairs, but its most distinguishing feature lies in its strong in-house research capacity, complemented by an extensive network of partner institutes throughout the world.

Goals

• To carry out state-of-the-art policy research leading to solutions to the challenges facing Europe today.
• To achieve high standards of academic excellence and maintain unqualified independence.
• To provide a forum for discussion among all stakeholders in the European policy process.
• To build collaborative networks of researchers, policy-makers and business representatives across the whole of Europe.
• To disseminate our findings and views through a regular flow of publications and public events.

Assets

• Complete independence to set its own research priorities and freedom from any outside influence.
• Formation of nine different research networks, comprising research institutes from throughout Europe and beyond, to complement and consolidate CEPS research expertise and to greatly extend its outreach.
• An extensive membership base of some 120 Corporate Members and 130 Institutional Members, which provide expertise and practical experience and act as a sounding board for the utility and feasibility of CEPS policy proposals.

Programme Structure

CEPS carries out its research via its own in-house research programmes and through collaborative research networks involving the active participation of other highly reputable institutes and specialists.

Research Programmes

Economic & Social Welfare Policies
Energy, Climate Change & Sustainable Development
EU Neighbourhood, Foreign & Security Policy
Financial Markets & Taxation
Justice & Home Affairs
Politics & European Institutions
Regulatory Affairs
Trade, Development & Agricultural Policy

Research Networks/Joint Initiatives

Changing Landscape of Security & Liberty (CHALLENGE)
European Capital Markets Institute (ECMI)
European Climate Platform (ECP)
European Credit Research Institute (ECRI)
European Network of Agricultural & Rural Policy Research Institutes (ENARPRI)
European Network for Better Regulation (ENBR)
European Network of Economic Policy Research Institutes (ENEPRI)
European Policy Institutes Network (EPIN)
European Security Forum (ESF)

CEPS also organises a variety of activities and special events, involving its members and other stakeholders in the European policy debate, national and EU-level policy-makers, academics, corporate executives, NGOs and the media. CEPS’ funding is obtained from a variety of sources, including membership fees, project research, foundation grants, conferences fees, publication sales and an annual grant from the European Commission.

E-mail: info@ceps.be
Website: http://www.ceps.be
Bookshop: http://shop.ceps.be

Place du Congrès 1 • B-1000 Brussels
Tel: 32(0)2.229.39.11 • Fax: 32(0)2.219.41.51