

# OST/WSCHÓD

## FINAL REPORT

Germany, Poland and Eastern Europe  
Current state of affairs, scenarios and recommendations

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*Ost-Wschód. Germany, Poland and Eastern Europe. Current state of affairs, scenarios and recommendations*

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## EXECUTIVE SUMMARY

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1. The significance of Eastern Europe (the Eastern Partnership and Russia) for the European Union, Germany and Poland has increased dramatically in recent years due to the Kremlin's aggression against Ukraine, the development of the EU's institutional cooperation with Chisinau, Kyiv, Tbilisi and, to a lesser degree, with Yerevan and the rising presence of China and Turkey in that part of the continent.
2. Due to the revisionist power ambitions of the Russian leadership and the claim to authoritarian control in domestic politics, more conflict in relations between Russia and the West, and also a drastically more repressive domestic regime within Russia, in the future is highly likely. Poland and Germany should be prepared to manage and confront a more aggressive Russia in Eastern Europe on many levels. Both countries should seek to expand bilateral security cooperation with each other significantly as well as find new ways to actively engage with the Russian society, in cooperation with the EU.
3. Ukraine is an associated partner of the EU which carries the heaviest burden of Russia's aggressive policy in Europe. Poland as a direct neighbour of Ukraine together with Germany (which plays a crucial role in the Normandy peace process format), EU institutions and member states should contribute to improve Ukraine's resilience by providing tailored support to Ukrainian institutions. There should also be greater EU contributions to social and political cohesion of the society by engaging with the Ukrainian leadership and directly supporting the NGO sector.
4. The Belarusian society no longer sees Lukashenka as their legitimate leader, who is resorting to even more repressions on the society following the forged presidential election in August 2020. The EU, Germany and Poland need to recognize this fact and should insist very firmly on new elections; investigate human rights violations; radically increase financial and institutional support for civil society and independent media; and prepare a "Marshall Plan" for Belarus's

reconstruction after the end of the Lukashenka regime.

5. The Chinese-Russian asymmetric partnership and China's influence in Eastern Europe have increased considerably in recent years leading to lasting changes in the balance of power in that part of Europe. These trends will continue to accelerate in the coming years. The Eastern policies of the EU, Germany and Poland in a close cooperation with the US have to create adequate responses to these developments.

6. The Black Sea region, including the South Caucasus, continues to be one of the most unstable regions in the region. After Russia, Turkey possesses the biggest stakes in the region. The recent assertive, unilateral and sometimes even aggressive Turkish foreign and security policy represents a considerable challenge to the EU, German and Polish interests in Eastern Europe. In the Black Sea region, Berlin and Warsaw should seek new initiatives which would prevent the worst-case scenario, namely a permanent geopolitical confrontation between the West and Turkey and its further drift towards Russia.

## INTRODUCTION. GERMANY, POLAND AND EASTERN EUROPE

The importance of the Eastern Neighbourhood and Russia in the European Union's foreign and security policy has increased dramatically in recent years. The Association Agreements (AA) including the Deep and Comprehensive Free Trade Area (DCFTA) between the EU and Georgia, Moldova and Ukraine entered into force in 2016 and 2017. In 2017 the EU also signed the Comprehensive and Enhanced Partnership Agreement with Armenia. In consequence, the EU's economic, social and political relations with these countries witnessed a considerable expansion, which weakened structurally the predominance of Russia in the region.<sup>1</sup>

Certainly, Russia's annexation of the Crimea and its military aggression against Ukraine which started in 2014 constituted a watershed moment in the most recent history of Eastern Europe. It confirmed that the Kremlin sees the EU's Eastern Neighbourhood as its exclusive sphere of influence and is ready to "defend" its interests via the use of force and the violation of basic foundations of international law. By default, Moscow has demonstrated that it vehemently rejects not only the enlargement of NATO towards the

East, but also the "soft" policy of the deepened and enhanced cooperation of the region with the EU, within the framework of the Eastern Partnership. Indeed, the initiative promotes EU values and the political and economic model (democracy, rule of law, free market economy) in the Eastern Neighbourhood. Meanwhile, the economic, social and political transition of the region in line with the EU model is perceived by the Russian elite as a long term vital threat to its authoritarian political system. The Kremlin rightly assumes that it may serve as a source of inspiration for the Russian society.

The EU policy towards the region is facing another serious challenge; namely the growing Chinese-Russian economic and political partnership based on a deepening asymmetry largely favouring Beijing. This trend translates itself into China's growing economic engagement in the Eastern Neighbourhood. Meanwhile, the geopolitical plurality of the Black Sea area has increased in recent years thanks to a more assertive policy of Turkey, which has strengthened also its economic position in the region.

The Eastern Neighbourhood possesses a substantial potential of destabilization manifesting itself through mass violent demonstrations, revolutions and frozen

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<sup>1</sup> For instance, in 2012 the EU's share in the Ukraine foreign trade approached 30%, while in 2018 it raised to almost 45%.

conflicts which may easily heat up as the most recent war between Armenia and Azerbaijan over Nagorno-Karabakh demonstrates. In fact, there is no other region in the world with so many breakaway and unrecognized states as the Black Sea region. They are under Russian protectorate and treated by the Kremlin as a “controlling interest” in the region.

The countries of the Eastern Neighbourhood differ substantially regarding their political systems (from democracies with flaws to hard authoritarianism) and the character of their relations with the EU and NATO. The complexity of the region is deepening due to the rising importance of civil society and local government as confirmed by the mass pro-democratic protests in Belarus. Even in the case of Russia, the year 2020 has demonstrated that there is a substantial potential for political unrest in the regions.

Taking all these factors into consideration, the stability of the Eastern Neighbourhood will depend even more on the further modernization and democratization in the coming years which seem very difficult to achieve without an intensification of the cooperation within the EU. At some time, this necessity poses the question regarding the long-term EU membership perspective for the most democratic countries of the Eastern Neighbourhood.

Among the largest EU member states, the developments in the Eastern Neighbourhood and Russia are particularly important for Germany and Poland. Their geographical location makes Germany, and especially Poland, very sensitive to instability region and threatened by Russia’s aggressive posture. Both countries are EU members which are strongly engaged economically, socially and politically in that part of Europe.

As far as the EU is concerned, Poland and Germany play key roles as economic partners to Ukraine and, to a lesser degree, Belarus, two the biggest economies of the Eastern Neighbourhood (trade, FDI, remittances, higher education, Official Development Aid, tourism, etc.).<sup>2</sup> Certainly, Germany constitutes a considerably more significant economic partner of Russia than Poland which is one of factors behind some differences between Berlin and Warsaw in their approaches towards the Russian Federation. Nevertheless, Poland still belongs to a small group of EU members with relatively considerable stakes in the

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<sup>2</sup> Besides Russia, Ukraine’s GDP measured in PPP is the largest one in the former Soviet Union. It is considerably bigger than the combined GDP PPP of the remaining EaP countries (Armenia, Azerbaijan, Belarus, Georgia). Belarus’s economy is the second biggest in the Eastern Neighbourhood accounting for almost 20% of GDP PPP of the region. Poland and Germany account for around half of the EU trade with Belarus and more than 35% of that trade with Ukraine. Moreover, Poland’s and Germany’s shares in the Belarusian and Ukraine trade turnovers are almost identical.

Russian social and economic life.<sup>3</sup> Germany and, to a lesser degree, Poland occupy also a relatively significant place in the economic life of Moldova and Georgia.<sup>4</sup> As a result, the future of EU policies directed towards the Eastern Neighbourhood and Russia will be largely shaped by the character of relations between Poland and Germany. Both countries share many general common interests in the East (for instance, the EU sanctions against Russia, support for EaP initiatives; and promoting democracy in the region), but they also diverge on certain important issues regarding the region (for instance, Nord Stream 2, EU enlargement towards the East in the near term, NATO deployment on the Eastern Flank). The bilateral political tensions represent another challenge to the closer Polish-German cooperation.<sup>5</sup> The legacy of bitter German-Polish history also has some negative impact and makes more difficult the confidence building between both countries.

This report provides an evaluation of the most current and important issues identified

in Russia, Belarus, Ukraine, the Black Sea region and Turkey, as well as the role of China. Each section is divided into three parts: the current state of affairs; possible scenarios; and recommendations for Germany and Poland.

This report was inspired by the discussions held during the Second German-Polish Round table organized in September 2020 in Wojnowice (Lower Silesia, Poland) together by the Jan Nowak-Jeziorański College of Eastern Europe (Poland) and the Deutsch-Russische Austausch (Germany). The report and the roundtable are parts of a project co-financed by the Foundation for Polish-German Cooperation and the Warsaw office of the Heinrich Böll Stiftung.

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<sup>3</sup> For instance, among the EU member states, Poland is fourth in Russian trade turnover surpassing France and Spain. The combined Polish and German share in Russian foreign trade exceeds 30% of the entire EU's share. However, the volume of Poland's foreign trade with Russia is three times smaller than that of Germany. Meanwhile, Germany predominates decisively over Poland in the case of Russia's FDI stocks.

<sup>4</sup> For instance, the combined share of Poland and Germany in the EU trade with Georgia and Moldova approaches 25%.

<sup>5</sup> The tensions originate mostly from the internal political changes in Poland recognized by main EU institutions and member states as a democratic backsliding.

# RUSSIAN FEDERATION

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## CURRENT STATE OF AFFAIRS

The Russian Federation is a great power in 2020, but not a superpower<sup>6</sup>. Russia's influence in world politics and in its immediate neighbourhood is waning and the incoming new Biden Administration presents new difficulties to the Kremlin. The leadership of the Russian Federation favours revisionist great power politics<sup>7</sup> and relies increasingly on the establishment of zones of influence, as well as on the destabilization and infiltration of its neighbours to help achieve its political aims. While the belt of frozen conflicts in the periphery of the Russian Federation is rooted in the final years of the Soviet Union and reflects an unbroken imperial heritage, it has been really since 2008 and 2014 that Moscow actively pursues a path of asserting its influence in the post-Soviet space. The annexation of Crimea from Ukraine has demonstrated that the Russian Federation is willing to break international agreements that have made up the European security order since the end of the Second World War. Similar to the Arctic region, to which

Moscow attaches strategic importance, Russia seeks to balance confrontation and cooperation in the Black sea region, along with the presence of other countries including NATO and EU members.

While Russia's engagement in Syria (since 2015) and Libya (since 2017) is due largely to the power vacuum left by Washington's disengagement, it does show aspirations to restore its global power status and to enforce its principles of preventing popular uprisings to change political rule there as well. These activities go hand in hand with aggressive interference in western countries, which includes cyber-attacks<sup>8</sup>, disinformation<sup>9</sup>, support for far left and far right anti-democratic movements, and systematic political corruption. This foreign policy contributed to a considerable decrease of economic cooperation between Russia and the West and the rise of relations with China (see below).<sup>10</sup> Nevertheless, the EU remains the most important source of the Foreign Direct Investment (FDI) in

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<sup>6</sup> The strongest indicator is the economic weakness of Russia that has a GDP (nominal) comparable to that of Spain. With Joe Biden's election victory as well, Russia can no longer successfully present itself globally as the leading power of authoritarian conservatism.

<sup>7</sup> During a press conference in Kaliningrad 2018 Vladimir Putin confirmed early statements in this regard by telling the audience that he would reverse the fall of the Soviet Union.

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<sup>8</sup> In Germany, the most aggressive Russian cyberattack so far took place in January 2015 and was targeting the Bundestag.

<sup>9</sup> In his book *Nothing Is True and Everything Is Possible: The Surreal Heart of the New Russia* from 2014 Peter Pomerantsev explains the basics of Russian disinformation strategies.

<sup>10</sup> The share of the EU in the Russian foreign trade diminished from more than 50% to below 35% in 2020.

Russia. The expansive foreign-policy agenda coincides closely with authoritarian domestic trends, the most recent culmination of which is the constitutional reform endorsed in July 2020 criticized by critics as a constitutional coup<sup>11</sup>.

On the other hand, the authoritarian and relatively ineffective governance in the country is encountering greater social discontent regarding living standards, medical care and educational opportunities. Increased demands for effective administration are now at odds with the systemic corruption of the ruling class. Since the 1990's Russian society has modernized from below through a consolidation of small and medium-sized businesses, especially in the Russian regions, and through the significant expansion of citizens' initiatives, especially surrounding issues that affect the development of local communities and the improvement of everyday and cultural life, but also political participation.<sup>12</sup>

Another issue is the state's overdependence on the sale of hydrocarbons (e.g. petroleum and natural gas) which will only deepen as a

result of Nord Stream 2 pipeline. This, in turn, has led to an insufficient differentiation of the economy. In addition to the permanent geopolitical rivalry with the United States, there are also strong tensions in the relationship with the European Union due to Russia's policies in the region posing a direct security threat, especially to the Eastern member states of the EU. The sanctions regime that has been in place since the annexation of Crimea, has cut Russia off from international capital markets, further weakening its economic potential. All of these circumstances put the Russian leadership under severe pressure and present it with serious challenges and dilemmas if it wants to achieve its foreign policy aims in the region.

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<sup>11</sup> Placing the Russian constitution above international law undermines the system of human rights protection and makes Russians far more vulnerable against possible violations.

<sup>12</sup> The most astonishing political protests in Russia take place in the Siberian city of Khabarovsk, where the citizens demand the return of their governor who was ousted by the Kremlin already for many months.

## SCENARIOS

Possible development scenarios in Russia will depend on the decisions of the Russian leadership and whether it is able to resolve foreign and domestic policy contradictions through a more pragmatic approach or through greater repression, violence and hostility.

In a positive scenario, Russian leaders respond to the challenges of the post-pandemic recovery and increased expectations among the Russian population. They offer concessions in the various domestic conflicts and decide to decrease Russia's influence in the periphery of the former empire by seeking compromise and disengagement (by focusing more on improving the domestic situation). Such a development could lead to greater political participation in the country, concessions on key issues with the West such as conflict management in Donbas and, more generally, more openness in dialogue with the EU on the Eastern Neighbourhood. It would also see positive engagement with the new US administration on security issues, starting

with the handling of the New Start agreement.

In a negative scenario, on the other hand, the Russian leadership could intensify domestic repressions and compensate its legitimacy deficits through propaganda and ideological mobilization. Signs of increasing repression are reflected in greater restrictions of freedom via assembly bans, forced registration of individuals as “foreign agents”, and the requirement of official permits for educational events. Such moves may be intensified ahead of the 2021 Duma elections in the fall. The Kremlin may also try to compensate for its relative loss of power in international relations by increasing instability in its neighbourhood through provoking armed conflicts. Against the background of the described dilemmas of the Russian leadership, and in the frame of recent developments such as those in Belarus which Moscow perceives as existential threats, a rather negative scenario is more likely.

## RECOMMENDATIONS FOR GERMANY AND POLAND

### 1. Increase of security cooperation

If Russian-American relations continue to deteriorate after the Biden Administration takes office and there is no positive dialogue between the two great powers on basic security issues (such as the extension of the

New Start treaty), the resulting uncertainty will increase political pressure on Poland and Germany to cooperate even more closely on security issues within the EU and NATO. This should equate to more

common trainings, exercises, intelligence sharing, research, etc.

## **2. Nord Stream 2: The key challenge**

A prerequisite for closer Polish-German cooperation in European security policy is greater trust in the bilateral relationship. No single factor strains the relationship of trust between Poland and Germany in the Russian context as much as Nord Stream 2, and this is where the German government should act. The increasing challenges in European security policy are shifting the previous cost-benefit calculations for Germany. Berlin should therefore resubmit the pipeline project to the European Commission for review and advocate for an unfiltered application of the European Gas Directive.

## **3. Two priorities: Frozen conflicts and disinformation**

Long-term Polish-German coordination on Russia policy and joint action on difficult issues such as conflict management of the frozen conflicts in the countries of the Eastern Partnership or in response to Russia's disinformation campaigns could help make Eastern policies of both countries and of the EU more robust.

## **4. Cooperation with Russian civil society**

In view of the upcoming Duma elections in 2021, repressions against Russian civil society will most certainly increase and domestic political conflicts could intensify. Both countries should increase cooperation with independent Russian civil society. Russian journalists, intellectuals, NGO activists, independent scholars and artists should be supported via the creation of common German-Polish projects directed towards these groups.

# UKRAINE

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## CURRENT STATE OF AFFAIRS

The Revolution of Dignity in 2013/2014, the Association Agreement with the European Union and the visa-free regime have profoundly changed Ukraine. Revolutionary mobilization and collective actions in defence of basic human values have led not only to democratic change of the political regime in Kyiv and a renewed pro-western foreign policy orientation, but has also empowered political nation building by changing the relations between the state and the citizens, emancipating the society from its previous Soviet-style mentality. This social process kept evolving under the pressure of the annexation and the ongoing armed conflict with the Russian Federation.

While civic engagement has declined significantly in comparison to 2014/2015, civic initiatives in Ukraine still enjoy a very high level of trust in Ukrainian society. Through the formation of coalitions and specializations, non-governmental organizations have been to influence political decision-making. Active social participation in these political and social changes is also reflected in the pluralistic media landscape. However, significant portions of the country's television channels remain under the control of Ukrainian oligarchs which still have a huge influence

on the economic and political life of Ukraine. On the other hand, it should be noted that in the past two years, Ukraine has held presidential, parliamentary and local elections that were competitive and democratic despite the strain of war and the annexation.<sup>13</sup>

Of the reforms supported by Ukraine's Western partners, decentralization is considered a key reform because it channels political and financial resources to municipalities, and thus to the grassroots level of society, from which sustainable political and economic renewal of the country might originate. The Association Agreement with the EU has strengthened international economic cooperation while the visa-free regime has widened people-to-people contacts. Labour migration and the expansion of international exchange and training programmes by international donors have contributed to an accelerated informal integration of the EU and Ukraine, the momentum of which continues today. These developments translated themselves to a dramatic increase of the EU's importance in the Ukrainian economy

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<sup>13</sup> The OSCE assessed the presidential elections in spring 2019 as follows: "competitive, voters had a broad choice and turned out in high numbers".

(especially foreign trade and labour immigration) at the expense of Russia.<sup>14</sup>

While the relationship between the state and society and the relations between Ukraine and its western neighbours have changed dramatically, the intended reforms of state institutions have failed on many levels. According to the Freedom House ranking, despite the Revolution and reforms, Ukraine remains a “partly free country”, though with the score much closer to the category “free” than “not free”. Many deficiencies responsible for ineffective administration and corruption have not yet been addressed since 2014.<sup>15</sup> Yet, from the *longue durée* perspective, regressions in the reform process and persistence of dysfunctional institutions have always been a reality in the 30 years of Ukrainian independence and have not prevented the Ukrainian state and society from gradually modernizing, changing, and gaining increasing international recognition.

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<sup>14</sup>In 2012 the share of the EU (with the UK) in the Ukrainian trade volume did not exceed 30%. In 2018 the share (without the UK) increased close to 45%. Moreover, the number of Ukrainians working in the EU skyrocketed in that period. Poland became their main destination and Germany occupies the second place.

<sup>15</sup> Despite his promise to take effective action against corruption, President Zelensky has not made any considerable progress in reforming the rule of law.

## SCENARIOS

Most experts consider it unlikely that Kyiv will quickly regain control over occupied Crimea and the non-government-controlled areas of Donbas. Negative and positive development scenarios of Ukraine therefore must be seen unfolding under the conditions of a protracted political and military conflict with Russia, of continued Russian attempts of hostile influence on Ukrainian domestic politics and a possible re-escalation of the conflict. The country's lack of membership in defence alliances has left it in a grey zone of insecurity, dependent on the willingness of other states to provide support and thus on skilful diplomacy on the part of the Kyiv leadership.

Against this background, the question of the stability of state institutions and the success of the participatory nation-building process are central to the country's development. In a negative scenario, mistakes in the Minsk negotiations and unresolved domestic political struggles could lead to instability as in the current constitutional crisis, which could have extreme consequences (considering the militarization of society) and lead to a next Maidan protest. The worst-case scenario could see coup attempts from far right organisations supported by a part of the

political elite that maintains contacts with extremists.

Institutional instability could be fuelled by greater polarization of the Ukrainian public, which may increase if systemic problems such as corruption of the political establishment and the influence of oligarchs on the political decision-making process are not solved. However, the most recent social changes in Ukraine have shown that social cohesion within the country tends to increase, and in fact the resilience of the Ukrainian society has even strengthened under the pressure of an armed conflict. This is also helped by the relative freedom of the Ukrainian media and the strength of the third sector which represents most of the country's pluralistic political landscape and promotes political debates on the country's key problems.

In a positive scenario, prudent actions by Ukrainian civil society, the parliament and the Ukrainian government can succeed in a consolidation of state institutions over the next several years. The institutions may gain more legitimacy and trust among Ukrainians through greater transparency, higher performance and inclusiveness, improving the living conditions and daily lives of Ukrainians.

The delay of the reform process shows that modernization of the country from above cannot be sustainable and successful in the long-term perspective. Instead, the impulses for reforms must come from below, namely

from the society and regions. Even in a positive scenario, the functional deficiencies of state institutions would not be eliminated completely, but there would be a political consensus on the course of modernization.

## **RECOMMENDATIONS FOR GERMANY AND POLAND**

### **1. Coordination of support for reforms**

Poland and Germany should coordinate much more their support of important and difficult reforms in Ukraine (obliging Ukrainian politicians to commit to reforms; providing expertise from transformation in Poland and Germany, empowerment of expert communities and Ukrainian society; development of German-Polish-Ukrainian projects, in cooperation with the EU, etc.)

### **2. Conflict management in Donbas**

Poland and Germany should expand cooperation with Ukraine on matters of security and defence. Particularly important is the rise of the Polish-German contribution to conflict management in eastern Ukraine. Poland and Germany should support Ukrainian efforts for stabilizing the government-controlled areas of the Donbas by renewing infrastructure, modernizing administration, strengthening civil society and developing small and medium-sized enterprises.

### **3. Completion of decentralization reforms**

German-Polish support for the unfinished decentralization reform is crucial: The right to local self-government is not codified in the constitution and the reform of the rayon and oblast levels could still lead to unnecessary re-centralization given the fact that President Volodymyr Zelensky appears to think rather “vertically”. A mixed system of unitary/federalist elements like in Poland would work well in Ukraine. On the regional level, Poland and German local governments and cities should intensify their cooperation with their Ukrainian counterparts. They should focus especially on the improvement of the investment climate.

### **4. Development of transport infrastructure**

Poland and Germany should be more involved in modernization and development of transport corridors in Ukraine (e.g. support for modernization of Dnieper locks, or Ukrainian ports) which should be realized within the framework of the Trans-European Transport Network (TEN-T) and engage the Ukrainian neighbours in transnational projects.

## **5. Enhancement of collaboration between civil societies and academia**

Poland and Germany should promote an expansion of horizontal Polish-German-Ukrainian partnerships at the level of universities and civil society. It should

include the expansion of cultural and scientific cooperation and youth exchange with Ukraine, promotion of Ukrainian language learning in Poland and Germany and promotion of historical research particularly on difficult topics.

# BELARUS

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## CURRENT STATE OF AFFAIRS

Since coming to power, the regime of Alyaksandr Luksashenka has posed significant challenges for its European neighbours. The growing authoritarianism that began in 1994 through the early 2000s, at a time when most of Central and Eastern Europe was beginning the transformation towards democracy and free market, led many to label the regime “Europe’s last dictatorship.”<sup>16</sup> Despite some periods of thaw and greater cooperation with the West, Lukashenka has generally maintained a strong authoritarian grip over the country and the Belarusian society.

Relations with the European Union over the past 20 years, including with its neighbour Poland, as well as Germany, can be characterized by periods of tense, cold relations and at times warmer and more engaging. After the 2010 presidential elections and the brutal crackdown by the Lukashenka regime, for example, the European Union cut ties with Minsk and targeted sanctions at regime officials. These sanctions were eased after 2016, and by 2019 there were signs of greater opening in relations between Minsk and western

capitals. Lukashenka had attempted to position him and his country as a neutral site for negotiations related to the Russian-Ukrainian conflict. However, the EU has never managed to gain a more important role in the Belarusian economic life.<sup>17</sup>

Similarly, Belarus-Russia relations had warmer and colder periods. However, ties between Belarus and Russia were also somewhat strong, considering that the Kremlin, in essence, subsidized the Belarusian economy by selling petroleum and gas to the country at lower-than-market prices which Minsk was able to process and sell at profits making up a considerable portion of the state’s annual revenue. This in turn created an economic Belarusian dependence on Russia.<sup>18</sup> In addition, the 1999 Union State Treaty envisioned a joining of the two states with common political and economic structures. However, the treaty has never been fully implemented. During periods of Kremlin frustration with Minsk, Lukashenka would then warm up to European and western capitals, in a

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<sup>16</sup> Before the mass demonstrations in 2020 the Freedom House evaluated that Belarus was almost as much authoritarian as Russia and considerably less than Azerbaijan.

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<sup>17</sup> In 2020, the EU share in the Belarusian foreign trade has exceeded just slightly 15%.

<sup>18</sup> Currently Russia’s share in the Belarusian trade turnover approaches 50%. Russia, including Russian companies registered on Cyprus dominates also in the FDI stocks of Belarus. No former Soviet country is so strongly economically integrated with Russia.

geopolitical balancing act that he was hoping to maintain indefinitely. His aim had been primarily to maintain a level of sovereignty but without losing the benefits of close ties to the Russian economy and its cheap resources. Nevertheless, Lukashenka established a particularly close cooperation with Russia in the security field. Indeed, no country in the world is as strongly integrated with Russian military structures as Belarus.

Everything changed in the year 2020. The regime failed to adequately respond to the COVID-19 pandemic in the spring, which forced the society to self-organize. This organization and mobilization transferred into politicization during the summer campaign ahead of the presidential election scheduled for August 9th. Lukashenka believed that he marginalized any competition when he arrested his competitors or forced them to leave the country. The only true opposition candidate allowed to run was Sviatlana Tsikhanouskaya, wife of jailed YouTube blogger Siarhei Tsikhanouski. Lukashenka underestimated her potential to rally the already mobilized society against the regime. Yet, it was announced that Lukashenka won the August election with 80% of the vote. The results,

## **SCENARIOS**

Most experts agree that the regime of Lukashenka is coming to an end. However, how and when exactly it will end and in

which were obviously falsified, were unacceptable to a very large number of Belarusians who immediately came out to the streets in mass protests. The scale of the discontent was on a level never seen in the Belarusian society. The authorities responded with brute force and repressions. Protesters were beaten, arrested, expelled from the country and families were threatened. Several activists have also been killed and dozens are missing.

The response towards protests in Belarus of both Poland and Germany differs, though not fundamentally. Both countries, as well as the European Union, have not recognized the results of the forged election, calling into question Lukashenka's legitimacy on the international stage. Poland and Germany have also been a strong advocate of wider sanctions against the regime and support for repressed Belarusians as well. However, Poland, being an immediate neighbour of Belarus, has taken a much more proactive approach. Poland has offered assistance to repressed Belarusians fleeing the country, university space and tuition-free educational opportunities for students coming from Belarus as well as medical assistance to those injured during violent crackdowns.

what circumstances the changes will take place remains difficult to foresee. The ideal situation would be Lukashenka stepping

down and holding new elections which are open and free. This however would mean a complete surrender by Lukashenka. Such a scenario would require some sort of guarantees for the personal safety of Lukashenka and his personal family. Yet, at the current stage there is no indication that such a scenario is likely as Lukashenka has already proven that he is willing to resort to brutal tactics to maintain power. Another scenario which is similar and appears to be more possible is a constitutional reform, which would eventually lead to new elections in a given time period. This option has been debated and appears to have found some support in Moscow. Yet, we do not know any details on what reforms would be undertaken and what steps are needed to pass such reforms. One scenario which currently seems less probable, but it is not completely unlikely, would be some sort of Russian intervention. This could be more political and economic pressure to force some change which would be more advantageous to the Kremlin, such as an offering to exchange Lukashenka with a new president which will maintain very close ties with Russia. A second intervention scenario would be direct or indirect military force used in the country. Such an intervention, however, carries serious risk to Moscow and the stability of the region as a whole and most likely will be avoided. The dramatic weakening of Lukashenka's internal position means that Russia's already very large

influence in the Belarusian security sector will increase even further. This scenario presents the West and especially Poland and the Baltic states with particularly serious challenges.

Should Lukashenka's determination to stay in power remain strong, this could lead to political stagnation (constant stand offs between protesters and security forces) as well as greater economic collapse. Already before the August 2020 election there were signs that the economy was stalling due to the drop in oil prices, more pressure from Russia as well as the COVID-19 pandemic. The World Bank has predicted a four per cent decrease in Belarusian GDP for 2020. The protests that have been taking place since August, together with the regime crackdown, has also created a level of instability which will further effect economic activity, investment and developments.

Lastly, one element which should be taken into account in all of the above scenarios is the role of the regime's elite. The system created by Lukashenka over the past 26 years resembles a vertical power system, but at the same time relies on loyal elite on all levels, in public administration and institutions as well as state-owned enterprises. There have been some cracks in the elite's loyalty to Lukashenka and once these become even more visible (i.e. the

abandonment of the elite), this could play a

## **Recommendations for Germany and Poland**

### **1. Insist on new elections**

Poland and Germany should continue to pressure Lukashenka into repeating the presidential election that has a free and fair process that includes an international election observation mission. Any transfer of power should take place peacefully and with the support of the European Union (with Germany and Poland at the helm).

### **2. Investigate human rights violations**

The mass number of violent repressions, human rights violations and even deaths need to be investigated and those responsible for these violations should be held accountable. Poland and Germany should spearhead efforts to support an international mission to Belarus to conduct this investigation.

### **3. Support civil society and independent media**

Both Germany and Poland should enhance their efforts to support the civil society activists, the NGO sector and repressed journalists. This cooperation should be done in coordination with Polish and German civil society organizations that specialize in Belarus and the region of Eastern Europe

significant role in instigating change.

by capitalizing on the expertise and know-how of these organizations to support their counterparts in Belarus.

### **4. Marshall Plan for Belarus**

Once a free and fair election is held and a peaceful transfer of power begins, Germany and Poland should work with the European Union to lead a massive reconstruction effort for the country and its economy. The situation of Belarus's economy is in peril, and after the fall of Lukashenka it will find itself on the edge of collapse, since it has been largely dependent on subsidized oil delivery from Russia and is largely state-managed and inefficient. A massive investment in reconstruction will help Belarus in a transition from autocratic one-person rule into a more open and freer society and democratic country.

### **5. Maintaining interest in Belarus**

Keeping attention on Belarus and the situation there, especially among Polish and German public opinion, will be critical in maintaining support for an active policy when Lukashenka finally steps down. Therefore, the role of Polish and German media will be of crucial importance.

# CHINA

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## CURRENT STATE OF AFFAIRS

The significance of Eastern Europe for Brussels, Berlin and Warsaw is on the rise due to fundamental changes in the balance of external powers which have been taking place in the region since 2014. Since Russia's aggression against Ukraine, EU-Russian relations have deteriorated dramatically. On the other hand, since then, Chinese-Russian political and economic partnership has expanded considerably and is stronger than it has ever been. The process is accompanied by the growing power gap between China and Russia. It is changing the nature of their relationship as China is entrenching its position as the dominant partner.

The shift in Russian policy towards Beijing became evident in the immediate aftermath of the global financial crisis (2008-2009) and has been further consolidated as a consequence of the Ukraine crisis. The latter, in particular, demonstrated that China is the closest country Russia has to a friend, and that Vladimir Putin has far greater need for Xi Jinping than the other way around. The Sino-Russian relationship is based on solid ideological affinities and similarities between their political and economic systems. China and Russia are authoritarian regimes with a strong leader and their

economies are based on so-called state capitalism and kleptocracy.

Generally, Moscow and Beijing are eager to contain or even reverse the democratic aspirations in the world and perceive them as a western conspiracy. In consequence, both countries reacted negatively against the Revolution of Dignity in Ukraine and the most recent mass democratic protests in Belarus. Russia and China also promote the idea of a "multipolar global order" managed by several powers (including Russia and China). Both regimes also share a negative attitude towards the United States. In fact, China's and Russia's geopolitical rivalry with the US has increased considerably in recent years. Therefore, the Chinese-Russian partnership can be defined as a "normative alliance" against democracy, human rights, the rule of law, free market economy and multilateralism.

Indeed, the increasing overlapping of positions between China and Russia was strengthened by the growing authoritarianism in both countries taking place since 2013. The chemistry between the leaders of China and Russia constitutes another glue of the partnership which was entrenched by the establishment of

institutional framework.<sup>19</sup> On the other hand, Beijing and Moscow have established neither a formal security alliance nor joint military structures. Nevertheless, the military cooperation between the countries has reached an unprecedented level in the recent years, which besides China's purchase of Russian equipment, includes also large-scale joint military exercises, including in Europe (i.e., the Baltic Sea). The growing political and military cooperation between China and Russia on the international arena was accompanied by deepening economic collaboration, which is largely based on the increasing asymmetry between the two countries.<sup>20</sup> In recent years China's economy has become 6-10 times larger, depending on the indicator, than Russia's economy. Moreover, what is very symbolic, in 2020 China's GDP (nominal) per capita surpassed Russia, for the first time in around two centuries Russia.

The rising asymmetry originates from a much faster pace of economic growth of China in comparison to Russia. Indeed, after

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<sup>19</sup> Between 2013 and 2019 Putin and Xi met 30 times in various formats: bilateral visits and meetings on the margin of international summits. In 2016 the Kremlin and Zhongnanhai formed a joint mechanism for policy coordination chaired by their chiefs of staff. China hasn't established such a bureaucratic format with any other country.

<sup>20</sup> In 2000, Russia's GDP PPP was 2.5 times smaller than the Chinese one. In 2020 the ratio is 6:1 in favour of China. In case of nominal GDP, the Chinese economy surpasses Russia's in a much bigger proportion, namely ten-fold. On the other hand, Russia's GDP per capita measured in PPP remains bigger than Chinese's one.

the global economic crisis in 2009 China's economic growth has increased five times faster than the Russian one. In the same period, China dramatically increased its share in Russian trade turnover. The development of trade between China and Russia started already after the dissolution of the Soviet Union but it accelerated in the 21st century.<sup>21</sup> In 2020 China's share in it has approached 20%. At the same time, the share of the EU in the Russian foreign trade considerably decreased (also because of the Brexit). In 2020 it has fallen below 35%. China is also reinforcing its position in the Foreign Direct Investment (FDI) stocks in Russia. However, the EU maintains a huge advantage over Beijing and remains the main source of FDI in Russia.<sup>22</sup>

Consequently, the stronger the Chinese position in Russia's economy is, the more important role China plays in the economic life of the Eastern Neighbourhood. Indeed, China's share in the trade of Eastern

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<sup>21</sup> In the middle of the 1990's China's share in the Russian trade volume oscillated around 3%. It increased to around 5% during Putin's first term in power as the president of Russia (2000-2005). Gradually, China gained the first place in the Russian foreign trade.

<sup>22</sup> Russia's official data show that the great majority of the FDI stock in the country refer to investments from offshore jurisdictions (for example, Cyprus). However, estimations of FDI based on Ultimate Investing Country eliminate intermediary jurisdictions and bring a completely different picture. According to these estimations, The Chinese and Hong Kong share in Russia's FDI stocks exceeds 10%. The Central Bank of Russia evaluates, that the official Chinese and Hong Kong FDI stocks in the country increased almost 4.5 times between 2010 and 2020.

Partnership countries increased decisively in recent years. This rise occurred at the expense of the EU<sup>23</sup> but particularly of Russia. A considerable strengthening of the Chinese position in the economic life of the Eastern Neighbourhood was accelerated by the COVID-19 pandemic and its favourable impact on China's position in the global economy. China's advance to position of the top trading partner of Ukraine in 2020 is the most spectacular example of that phenomenon. Currently, Chinese-Ukrainian commercial exchange accounts for almost 15% of Ukraine's foreign trade<sup>24</sup> and it is around two times larger than the share of Russia. The Chinese share in Ukrainian trade has more than doubled since 2012.<sup>25</sup> China has also increased its relevance for the economy of regional countries by providing them with loans, greater FDI and investment in the construction sector. Although, from the point of view of Chinese economic influence, there is still a plenty of room for growth.

The institutionalization of economic cooperation between China and the Eurasian Economic Union (EAEU), the Russian-led regional organization composed of Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia, constitutes another factor facilitating the Chinese economic expansion in Eastern Europe. In May 2018, China signed a free-trade agreement with the EAEU. China's engagement with Russia and the Eastern Neighbourhood operates within the framework of the Belt and Road Initiative (BRI), a Chinese global infrastructure development strategy. Currently, around 75% of Chinese goods sent by rail freight to Europe transit through Russia and Belarus. However, China has invested considerably within the BRI in the transport infrastructure crossing Azerbaijan, Georgia and Ukraine, thus bypassing Russia. Although the transport of goods by cargo train does not exceed 5-10% of overall world trade, it experiences a fast pace of growth in recent years.

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<sup>23</sup> The share of the EU in Ukrainian trade turnover fell from almost 45% in 2018 to below 40% in 2020.

<sup>24</sup> Ukraine's export to China has skyrocketed in 2020, increasing almost by nearly 100%. China's share in Armenian trade turnover also approaches 15% if import is measured on the basis of country of origin. In Georgia it exceeds 10%. In other countries of the Eastern Neighbourhood, the Chinese share oscillates around 8%.

<sup>25</sup> In the same period, the Russian share in the Ukrainian foreign trade decreased from almost 30% in 2012 to 7% in 2020. In the case of Georgia, Azerbaijan and Moldova, China's share in their foreign trade is just slightly smaller than the Russian one. The EU's share in the Ukrainian foreign trade increased dramatically after 2014.

## SCENARIOS

In the coming years, the further strengthening of Chinese-Russian cooperation and the deepening asymmetry between the partners<sup>26</sup> and the rise of a Chinese economic presence in the Eastern Neighbourhood should be treated as a highly probable scenario. The authoritarianism of China and Russia will clash more often with the normative narrative of the EU in the Eastern Neighbourhood. In all likelihood, the Chinese-Russian economic and political relations will continue to develop at the expense of EU-Russia cooperation, though the EU will maintain the position of the most important economic partner to Moscow. This scenario is even more probable in case of the Eastern Neighbourhood. However, the establishment of a permanent China-Russia alliance will face certain difficulties. Moscow will accept the growing asymmetry in its relationship with Beijing as long as China will at least pretend to respect Russia as a great power, and as long as the partnership with Beijing will allow the Kremlin to maintain a certain degree of independence in its foreign policy. On the other hand, a

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<sup>26</sup> According to the projections of the International Monetary Fund, China's pace of GDP growth between 2020 and 2025 will maintain the current advantage over Russia's one, namely the ratio 5:1. In consequence, the ratio of the Chinese GDP (nominal) vs. the Russian one will increase from 10:1 to 12:1. It should be assumed that probably around 2030 the Chinese GDP PPP per capita will surpass Russia's one.

cordial relationship with Moscow constitutes one of the key pillars enabling China to take on the US. Therefore, Beijing will likely remain sensitive to Russian concerns about the growing Chinese predominance.

Moreover, the cooperation will facilitate the fact that the Eastern Neighbourhood, which possesses a crucial importance for Russia, despite the Chinese presence, will remain second-tier for Beijing. Nevertheless, as China will strengthen and its role and ambitions on the global arena expand, Beijing might begin to neglect its reassurances to the Kremlin. However, at end of the day, with increased Russian dependency on China, Moscow might be forced to align with the Chinese agenda even in the case of a certain divergence of interests. Russia's political system in comparison to the Chinese one is less authoritarian and more fragile and in effect more vulnerable and exposed to social pressure. In consequence, the serious crisis of Putin's regime or even its fall should not be completely excluded. This scenario might be a game changer which could rearrange Russia's relations with China and the West.

On the other hand, the EU's position towards Chinese-Russian asymmetric partnership and Chinese increasing influence in the Eastern Neighbourhood

may strengthen because of rapprochement between Brussels and Washington expected after the 2020 US presidential elections and the incoming Joe Biden administration. It will improve its relations with the EU because as opposed to the previous US president, Donald Trump, the Biden administration will perceive the EU as an ally. China, which is defined by the US as the most serious challenge to American interests on the global stage, will definitely be a crucial issue for EU-US relations. Moreover, the Biden Administration will treat Russia as a key military threat and it will understand well issues in the Eastern Neighbourhood.<sup>27</sup> The EU will remain more cautious on China and Russia than the US, but most probably Brussels will follow the Washington line rather than contest it. Closer cooperation will be facilitated by Biden's emphasis on values in foreign policy (democracy, human rights, rule of law, international law and multilateralism).

In effect, the scenario of a gradual emergence of two blocs: the EU-US vs. China-Russia on the global arena and also in the Eastern Neighbourhood seems a probable scenario. The current striking difference of positions regarding the massive protests in Belarus between the EU

and the US, on the one hand, and China and Russia, on the other, represents a forerunner of that trend. The EU facing China and Russia will benefit from closer cooperation with the US also because of the fact that Washington possesses considerable "assets" in certain sectors of Eastern Europe.<sup>28</sup>

However, it is China's rising power in the Asia-Pacific that will represent the greatest challenge to US interests. This situation presents the transatlantic relationship with the challenge that as the United States deploys more military capabilities into the Asia-Pacific region, Europe will need to take greater responsibility for security; and it may turn out to be a challenging task. Further US engagement in East Asia could increase China's incentive for entering a formal alliance with Russia and endorsing Moscow's aggressive policy in the Eastern Neighbourhood in order to divert US attention away from Asia. In that scenario, Russia and China may intensify coordination to undermine the EU and the US. In fact, according to many reports, both countries have already launched cyberspace and intelligence cooperation and disinformation operations targeting the EU and the US.

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<sup>27</sup> It is worth reminding that as US Vice President in the Obama Administration (2008-2016), Biden oversaw Ukraine policy and visited the country on six occasions, particularly after the Russian aggression in 2014. No previous US president has ever been so familiar with Ukraine.

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<sup>28</sup> The US share in the foreign trade of Russia approaches 5%. Washington is also the first ultimate investor in Russia (close to 10% of the FDI stocks). The US as a state is the biggest donor of ODA to the EaP countries. The US is the main provider of military aid and training to Georgia and Ukraine.

## RECOMMENDATIONS FOR GERMANY AND POLAND

### 1. The strategic rethinking of Eastern policies

China is radically more an important economic partner to Germany than to Poland.<sup>29</sup> This situation creates challenges in the coordination of German-Polish policies towards China and its role in the region. A new German strategy for the Indo-Pacific region issued in September 2020 indicates both a necessity for bolstering of cooperation with regional states concerned with China's rise and the need for a bolder Germany in its approach to China. This can be seen as an important first step in a European rethink on China; but it is a rather cautious one. Nevertheless, Berlin and Warsaw have to accommodate their Eastern policies to respond to key developments, namely the growing asymmetric Chinese-Russian cooperation and rising Chinese engagement in the Eastern Neighbourhood. The process should start with detailed research on the current trends and provide decision-makers with a comprehensive prognosis and recommendations. Berlin and Warsaw should undertake this strategic reflection together.

### 2. Preparation of an EU “Chinese”-oriented strategy for Eastern Europe

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<sup>29</sup> The trade turnover between Germany and China is around six times larger than Chinese-Polish trade. Germany belongs to the group of the most important foreign direct investors in China, while Polish investment is negligible.

Experts and diplomats from both countries should prepare a draft of new “Chinese”-oriented strategy for EU policies towards Russia and the Eastern Neighbourhood. They should consult the draft with their EU partners and encourage them to rearrange the EU's foreign policy. The key assumption of that strategy should be an acceptance of the failure of many European attempts to convince Russia to reconcile with the EU in order to balance China's predominance over Moscow. The strategy should also develop concrete responses to Chinese engagement in Eastern Europe, particularly in the economic sector.

### 3. Close cooperation with the United States

Poland and Germany should promote EU cooperation with the United States on China's increasing influence in Eastern Europe by approaching Washington with a list of concrete projects and initiatives directed towards Russia and the Eastern Neighbourhood. These should aim to promote democratic ideas and countering the authoritarian model promoted by China and Russia. These initiatives should also be implemented through a consortia made up of German, Polish and US institutions and civil societies organisations. However, this recommendation demands for Poland to fundamentally rethink its current internal policy which is recognized by the new US

administration as a part of a democratic backslide.

# TURKEY

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## CURRENT STATE OF AFFAIRS

In the Black Sea region, the EU's eastern policy has to face a new authoritarian Turkey.

<sup>30</sup> The authoritarian slide of the country translated into the transformation of Turkish foreign and security policy which became more unilateral, assertive and sometimes even aggressive and interventionist and contradicting the NATO main stream. It provokes serious tensions with key NATO members, especially with France and the United States.

These developments represent a serious challenge to the EU since Turkey belongs to a group of the most powerful NATO member states<sup>31</sup> while Russia is the strongest regional power in the Black Sea region. Turkey's solid military capabilities are based on its rising defence budget.<sup>32</sup> The Turkish-Russian relationship constitutes a particularly challenging factor which may

jeopardize regional security. Both powers should be described as "frenemies" since its relations combine a friendship with enmity.

The rapprochement between Russia and Turkey has been correlated with an authoritarian slide of both countries. Ankara has recently increased security cooperation with Russia on a scale incomparable to any other NATO member state. In fact, Turkey is the only NATO member that has did not imposed any sanctions on Moscow after its aggression in Ukraine. In 2017, Ankara signed an agreement with Russia regarding the purchase of S-400 anti-aircraft weapon systems. At the same time, Russian-Turkish relations also represent a challenge to EU security. Aside from cooperation they are also shaped by rising competition, which includes proxy wars. These sometimes involve the Turkish and Russian armed forces (mostly mercenaries, air power, combat advisors, and even in rare cases regular troops) as protagonists. Military incidents between Turkey and Russia could spin out of control and escalate. In a worse-case scenario, they could turn into a direct confrontation on a bigger scale.

It should be also noted that Turkey has intensified its cooperation with China in

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<sup>30</sup> In 2016, the Freedom House, after a failed *coup d'état* relegated Turkey from the category of "partly free" countries to the category of "not free".

<sup>31</sup> According to "Global Fire Power", Turkey possesses the fourth most powerful conventional armed forces in NATO (after the US, France and the UK), and the 11<sup>th</sup> most powerful in the world.

<sup>32</sup> The Stockholm International Peace Research Institute (SIPRI) evaluates that the share of military expenditures in terms of GDP grew from 1.8% in 2015 up to 2.7% in 2019. Currently the Turkish defence budget is the 15<sup>th</sup> largest in the world and the 7<sup>th</sup> largest in NATO. Yet, estimates based on GDP PPP suggest that the real military purchasing power of Turkey should be increased almost 2.5 times, making it 11<sup>th</sup> in the world and 5<sup>th</sup> in NATO.

recent years. This cooperation should be placed in a wider Black Sea context. China has already invested or plans to invest in Turkish transport and energy infrastructure mostly in the proximity of the Black Sea. The Chinese investments are implemented within the Belt and Road Initiative which connects the countries of the wider Black Sea region. As opposed to other NATO member states, the Chinese-Turkish relationship possesses also a geopolitical dimension, namely that Ankara supports a “multipolar global order” postulated by Beijing. It established cooperation with China also in the security sector.

On the other hand, for many years Turkey has attempted to avoid an indirect confrontation with Russia in the Black Sea region. Yet, in recent years the situation has started to change. Since the fall of the Soviet Union, Turkey has established close cooperation with Georgia and Azerbaijan, and to a lesser degree Ukraine, on security-related issues. Turkish armed forces organised – along with their partners from those countries – many military exercises and assisted with training, weapons and equipment. In 2020, however, Turkey’s engagement reached a new level. Ankara provided a decisive military and diplomatic support, technical assistance and advice to Azerbaijan during the war in the Nagorno-Karabakh region in the fall of 2020. This tipped the balance in favour of Azerbaijan

and allowed Baku to achieve a sweeping victory. Moreover, the Turkey’s unequivocal support for Azerbaijan provoked tensions not only with Russia, but also with France and the United States.

The most recent increase of military cooperation between Turkey and Ukraine represents another example of the Turkish challenge to Russia in the security field in the Black Sea region. Ukraine is a particularly attractive partner for Turkey due to the substantial potential of the Ukrainian defence industry. The rise of multidimensional cooperation in the defence sector between both countries has been accompanied by an unprecedented intensification of bilateral visits at the highest levels.

Turkey’s influence in the Black Sea region is based on solid economic foundations. Turkey plays a significant role in various economic sectors in the Black Sea countries including foreign trade, FDI, the construction sector, tourism, labour immigration, official development aid, etc. Turkey’s economic cooperation is particularly advanced with Georgia and Azerbaijan and to a lesser degree with Moldova and Ukraine.<sup>33</sup> In such a way,

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<sup>33</sup> Turkey is the most important trade partner of Azerbaijan and Georgia (at around 15%) and a relatively significant partner for Ukraine and Moldova (at 5-7%). Turkey became the key source or destination (in the case of Azerbaijani companies) of FDI for Azerbaijan and Georgia and relatively

Ankara has significantly contributed to a decrease of the Black Sea countries' economic dependence on Russia and an increase of their economic sovereignty. Yet, the expansion of economic cooperation with Turkey also means that the Black Sea region has become more exposed to possible negative spill-over from Turkey, whose economy has become more fragile in recent years.

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relevant for Ukraine and Moldova (if Turkish investments registered in third countries are included). Turkish construction companies implemented in the above-mentioned countries projects worth more than 25 billion USD. The Turkish market also attracts a number of labour immigrants, tourists and "suitcase traders" from the region. The number of Turks visiting the countries have increased considerably in recent years.

## SCENARIOS

Due to its economic and military potential and assets in the Black Sea region, Turkey will certainly play a factor in shaping the EU's Eastern policy in the coming years. What's more, the internal political trajectory taken in Turkey will have a crucial impact on Ankara's relations with Brussels. The more authoritarian Turkey will be, the more its foreign and security policy will become unilateral and assertive.

On the one hand, the chance of a reversal of Turkey's authoritarian slide should not be excluded. Indeed, after the establishment of democracy (albeit with serious flaws) at the beginning of the Cold War, Turkey experienced short periods of authoritarian governing. Even now Turkey is substantially less authoritarian than Russia. As a consequence, even if the Turkish ruling elite tries to replicate Russia's political model, it will be met with much stronger social opposition than the Kremlin sees in Russia. The year 2023 could be a crucial one due to parliamentary and presidential elections in Turkey.

Most probably, the authoritarian Turkey will not identify with the reinvigoration of the transatlantic relationship between the EU and the US based on a democratic identity. Moreover, due to a bipartisan consensus in the US concerning taking a critical stance towards Turkey's assertive and unilateral

foreign and security policy, a significant escalation of tensions between Ankara and Washington under a new presidential administration seems highly likely. The further drift of Turkey away from NATO may push it closer to Russia. In the worst-case scenario, which should not be completely rejected, Turkey will de facto suspend its membership in NATO. On the other hand, however, the more economically powerful Ankara becomes, the more Turkey will be eager to challenge Moscow in various regions, including the Black Sea. Indeed, economic projections suggest that Turkey will experience a considerably faster pace of GDP growth than Russia in the coming years<sup>34</sup>, yet the performance of the Turkish economy has been very volatile in recent years, making reliable projections difficult. Nevertheless, Turkey's economic influence in the Black Sea countries will continue to increase at the expense of Russia, but facing more and more competition from China.

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<sup>34</sup> According to the most recent IMF projections, Turkey's GDP PPP in 2020 approached 60% of Russia's, and in 2025 the ratio will exceed 65%.

## RECOMMENDATIONS FOR GERMANY AND POLAND

### 1. Support for the civil society and local government in the Black Sea region

Poland and Germany should undertake a more active posture concerning the civil society and the local government in the Black Sea region. Both countries should promote cooperation between German and Polish cities and NGOs and their partners in Turkey with counterparts in Georgia, Ukraine, Moldova and Black Sea EU member states (Romania and Bulgaria). This cooperation should be treated in Germany and Poland also as an instrument to strengthen the democratic milieu in Turkey.

### 2. Cooperation regarding Crimean Tatars

Poland and Germany should also increase its financial and organizational support for Crimean Tatars living in the region and the rest of the world in cooperation with Turkey and Ukraine. In the case of Poland, it requires a rethinking of its politics of identity which often includes rhetoric of Islamophobia.

### 3. Establishment of a German-Polish-Turkish business council for the Black Sea

Poland and Germany should establish a special business council with Turkey for the Black Sea region to promote cooperation between German, Polish and Turkish

companies in Azerbaijan, Georgia, Moldova and Ukraine.

### 4. Basic code of conduct in NATO

Within NATO, Poland and Germany should propose a basic code of conduct that should exclude the purchase of military equipment from certain hostile states, including Russia and China, as well as drills and intelligence cooperation with them.

### 5. Military cooperation in the Black Sea region

Germany and Poland should definitely engage with Turkey in the Black Sea area in the security sphere by organising more drills and expanding cooperation with Georgia and Ukraine (via training, arms transfers, education, exercises, etc.), while involving the Turkish armed forces in these initiatives. Romania should also be involved in such activities.