The EU’s Second Ring

It is often forgotten that Ukrainian industry would be disastrously undercut as a result of the proposed EU association agreement. With much of its market in Russia and no hope of competing with more modern industries in EU countries, Ukraine would be in a similar disastrous state to East German industry after reunification but with no massive social support such as East Germany received from West Germany.

The deal offered by Russia looked by far the most sensible option economically - a continuation of its existing trade with Russia, a large injection of cash and a heavily discounted price for Russian gas.

The German puppet organisations and fascists who organised the demonstrations which destabilised the country will face the wrath of their countrymen and more instability once the economic effects of their policy become apparent.

Edward Spalton

The EU’s Second Ring

Taken from German-Foreign-Policy Blog

BERLIN/KIEV/BERN
In the aftermath of the Western-oriented putsch in Kiev, German politicians are preparing German public opinion for the disastrous deterioration of the Ukraine economic situation. Even though it was most recently suggested that the country could only expect a thriving development by linking up to the EU, it is now – truthfully – being announced that Ukraine is practically bankrupt. The CDU European parliamentarian, Elmar Brok, predicts “difficult times” ahead: “It has never rained gold coins, except in fairy tales.” In fact back in the fall, experts had already indicated that, because of its out-dated industry, the Ukraine would have to expect dramatic economic slumps if it signs the EU Association Agreements –

unemployment and poverty would dramatically rise. In a position paper, the Berlin-based German Institute for International and Security Affairs (SWP) is now proposing the introduction of a special status in EU ties for the Ukraine as well as other countries, such as Turkey. This sort of EU "second ring" would also permit the economic integration of such countries as Switzerland, which politically resists joining the EU. The SWP contends that these plans could also be used for Catalonia, should it secede from Spain and Scotland, from Britain.

Automatic Adaption

The authors of the SWP position paper initially part from the EU's relationship with Switzerland, as the basis for their contemplations of the EU forming a "second ring." Brussels and Bern, according to the paper, have currently signed more than 100 bilateral accords, forming the foundation of close cooperation. Brussels is now insisting on changes, because the intransigence of the accords reached with Bern are no longer in step with the continually evolving EU rules. Rather than always having to "manually" update these accords, Brussels would like to have an agreement on mechanisms, which would make it possible to practically have Switzerland automatically "accept the Union's legal standards." This would be "a new institutional umbrella" for bilateral relations. Negotiations were to have begun this spring. However, following the Swiss Free Movement of Persons Referendum, this is no longer immediately possible, because the results of the referendum have placed in question current accords with the EU.

Integrate into the Interior Market

After the results of the referendum, as the authors see it, there should first be a "discussion of principles" on the relations between Switzerland and the EU. This would simultaneously provide "the opportunity" to work out a "model for institutional ties" to the EU for all those countries that one wants "to have participating in the interior market," while "the political full membership is not wanted either by the country in question or by the EU." This concerns, first of all, members of the European Economic Area (EEA) (Norway, Island, Liechtenstein), but also Turkey – whose EU membership Berlin has been blocking – as well as the "EU-fatigued … EU members … such as Great Britain," for the case that the United

Kingdom “really decides to abandon union membership.” The Euro crisis has long since “imposed integration at two different speeds,” according to the position paper on closer cooperation within the Euro zone. There are also “many indications that the members of the Euro zone will close ranks even more tightly.”The concept of a “second ring” around a core Europe with a common currency would also make it possible to standardize the economic penetration of European peripheral countries, even those lacking the political will for complete integration.

Possibility of Secession

The SWP position paper explicitly makes reference to the question of “the status that eventually newly-founded countries, such as Catalonia or Scotland, should have.” Catalonia and Scotland are pro-secessionist regions of sovereign countries, whose governments are adamantly opposed to their secession. Last year. in late summer, the EU Commission explicitly reiterated that EU member nations’ territorial integrity is indispensable. Shortly thereafter, the SWP published a paper characterizing Catalonia’s secession as difficult, however feasible. The EU could “reach a situation, where it must be considered” whether a “negotiated separation is not more preferable to a situation of permanent instability,” according to the paper. (german-foreign-policy.com reported.) This statement could have been understood by pro-secessionists to be an indication that Madrid’s and London’s resistance could be broken. The current SWP position paper picks up where the previous paper left off, by proposing, at least, the prospect of admission of the areas of secession to the EU’s “second ring,” in case Spain and Great Britain oppose their full EU membership.

Accession Undesired

This plea for an EU “second circle” is of considerable interest, particularly in view of the Ukraine. The oligarch, Yulia Tymoshenko, who was released from prison last weekend and, for whose release, Berlin had launched a massive PR campaign in 2012 (german-foreign-policy.com reported), has already declared on Saturday that she is convinced that the Ukraine will join the EU in the near future. This can only be seen as an open affront to Berlin and Brussels: As is known, Germany and the EU are not willing to pay for the expensive EU accession of the overwhelmingly impoverished country. This is why they are only seeking Ukraine's "association," providing the advantage of exclusive economic links, without the requirement of costly transfer payments. German politicians were quite annoyed with Tymoshenko's advance. "EU foreign policy has recently experienced … that initiating accession negotiations too early with a large and heterogeneous country at the European periphery is a mistake," the German CDU European parliamentarian, Herbert Reul, is quoted – a clear rebuff to the country's EU accession

Socially Extremely Painful

Simultaneously, Berlin is preparing public opinion for the foreseeable disastrous development of the Ukrainian economy. Already last autumn, the German Council on Foreign Relations (DGAP) exposed in a paper that Ukraine's EU association would require "serious and extremely painful social adjustments." In early January, an expert of the DGAP journal "Internationale Politik" pointed out that in the EU "very few Ukrainian products" are "competitive." "Open markets" would therefore incur "enormous adjustment costs" and "the unemployment rate would skyrocket." If the EU Association Agreements would have been concluded last fall, within a year, the Ukrainians' "approval rate" of their country's "EU integration" would probably plunge, according to the author. This is the scenario that looms, if Berlin and Brussels can now put through the country's association.

Europe, No Fairy Tale

MEP Elmar Brok (CDU), who, for weeks, has repeatedly been negotiating in Kiev and is known as the one "secretly pulling the strings" for the EU in the Ukraine, expressed himself accordingly. "It has never rained gold coins except in fairy tales," Brok declared following the putsch in the Ukrainian capital: Even though the country has the "best opportunities … on its route to Europe," it still "will be difficult in the beginning." Substantial economic problems are already looming. This year, Kiev has to pay approximately ten billion Euros in debts, which it cannot muster without dramatic budget cuts. Moscow had offered its help, but broke off transfer payments after the coup in Kiev. It can be practically excluded that Berlin and Brussels will jump in with billions in payments. After all, Berlin and Brussels are not as interested in the welfare of this country, as in its accession to the German European hegemonic sphere