

NATIONAL SECURITY & DEFENCE

№ 5-6 (148-149)

2014

Founded and published by:



UKRAINIAN CENTRE FOR ECONOMIC & POLITICAL STUDIES
NAMED AFTER OLEXANDER RAZUMKOV

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This journal is registered with the State Committee
of Ukraine for Information Policy,
registration certificate KB №4122

Published in Ukrainian and English
Circulation: 3,800 copies

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Photos:
cover – nashidni.org

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This issue of journal is published with
financial support of the Swedish International
Development Cooperation Agency (SIDA)

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THE RUSSIA-UKRAINE CONFLICT: CURRENT SITUATION, CONSEQUENCES, PROSPECTS

On 27 January 2015 the Verkhovna Rada of Ukraine adopted the Resolution “On the Appeal of the Verkhovna Rada of Ukraine to the United Nations, European Parliament, Parliamentary Assembly of the Council of Europe, NATO Parliamentary Assembly, OSCE Parliamentary Assembly, GUAM Parliamentary Assembly and national parliaments of the countries of the world on the recognition of the Russian Federation as an aggressor state”. It is stated in the document that “Ukraine remains the target of military aggression by the Russian Federation, which the latter carries out, among other things, by supporting, and providing supplies for large-scale terrorist attacks. ... taking into account the provisions of the UN Charter and UN General Assembly Resolution 3314 ‘Definition of Aggression’ dated 14 December 1974, the Verkhovna Rada of Ukraine recognises the Russian Federation as an Aggressor State...”.¹

This Appeal defines the current situation and character of the ongoing Russia-Ukraine conflict, the reason and source for which is Russia’s expansionist policy in the post-Soviet area, which the Russian Federation, represented by its current leadership, considers its “zone of privileged interests”. This forms the basis for Russia’s hard pressure on Ukraine to integrate into Eurasian alliances under the auspices of the Russian Federation (RF), and blocking Kyiv’s course towards European and Euro-Atlantic integration. Such policy, as implemented by Russia since the beginning of 2000, did not involve establishing real partner relations between Moscow and Kyiv on the basis of parity and equality, – its goal was to turn Ukraine into a controlled state, which would operate in the framework of Russia’s policy.

Russia’s geopolitical plans regarding Ukraine were ruined in February 2014. In return, Putin’s regime resorted to outright aggression against Ukraine – in March 2014 Crimea was annexed, later began the military expansion in Eastern Ukraine. This “undeclared” or “hybrid” war of Russia against Ukraine has now lasted for almost a year; during this war Ukraine has suffered large-scale human, territorial and economic losses. A critical outcome of this war is mutual estrangement of both countries’ societies.

The Russia-Ukraine conflict is not a “local”, “peripheral” event, – it has regional and global dimension, and contains challenges and threats to the global security system. Annexation of Crimea, the situation in Eastern Ukraine are turning into a large-scale “frozen conflict”, which is a threat to security and stability not only on the European continent, but in the world at large.

Leading Western countries and international organisations have not recognised the annexation of Crimea, thus, demonstrating political and diplomatic solidarity with Ukraine; have supported Ukraine in its battle against Russian aggression in Donbas. Ukraine has received considerable external financial and material-technical support. “Restraining” sanctions against Russia have been implemented. Currently, Ukraine is in the epicentre of critical West-Russia confrontation, which is characterised by an unprecedented loss of mutual trust.

Ukraine-Russia relations are in a critical and unpredictable state. The political and diplomatic confrontation is ongoing; fundamental agreements and arrangements have been violated; the system of institutional interstate relations has been practically shattered; confrontation in the sphere of economy and energy sector is exacerbating, informational aggression of the Russian Federation against Ukraine continues. In general, current events give no reason to expect changes for the better in Russia’s policy towards Ukraine in the foreseeable future.

Thus, the current state of Kyiv-Moscow relations demands creating fundamentally different conceptual and strategic approaches to co-existence with Putin’s Russia, a review of international contacts system, introduction of specific measures towards Russia.

The Analytical Report contains three chapters.

The first chapter presents a brief description of the current state of affairs between Kyiv and Moscow, outlines the origins and characteristics of the current Russia-Ukraine conflict.

The second chapter analyses international aspects of the Russia-Ukraine conflict, which started as a result of Russia’s military aggression against Ukraine, evaluates the position and actions of the leading Western countries and international organisations with regard to this conflict, points out the challenges and threats to the global security system.

The third chapter contains forecasts of future developments in Ukraine-Russia relations, proposals of certain conceptual approaches to creating a new model of Ukraine’s co-existence with Russia, taking into account the specific character of its current leadership’s policy, as well as specific steps for Ukraine to take in its relations with Russia.

¹ Resolution “On the Appeal...” See the Website of the Verkhovna Rada of Ukraine – rada.gov.ua/news/Top-novyna/102554.html.

1. THE CURRENT STATE OF UKRAINE-RUSSIA RELATIONS

From the beginning of 2000, Ukraine's external political situation has been developing in the context of increasingly severe geopolitical competition between two European centres of influence – the EU and Russia implementing fundamentally different integration projects for post-Soviet states in Eastern Europe and the Caucasus. The EU pursues a policy of expansion and/or establishing a circle of partner-countries, which base their internal and external policy on foundations of democratic values, norms and rules. Russia, in its turn, strives for the EU (as well as the whole world) to recognise these states as “Russia's zone of privileged interests”, to export to these countries its state-centred and authoritarian (“Eurasian”) model of “managed democracy” and to create a powerful integrated formation under its auspices, which would function according to its rules.

Ukraine (due to its multivector policy, but in reality – its uncertain integration course) has been increasingly turning into an epicentre of geopolitical confrontation between external power centres, where one of its parties – Russia, as it turned out, does not overburden itself with “fair competition” practices.

Russian leadership is aware that Ukraine's successful European integration is not only a challenge to the Russian integration project, but also a convincing mobilising example for other post-Soviet countries (Moldova, Georgia).¹ This is why its goal has been to prevent European integration of Ukraine at any cost and subdue Ukraine to act according to Russia's own geopolitical goals.

In this context, Russia's policy regarding Ukraine has evolved in three stages: mild persuasion to integrate into Eurasian formations under the auspices of Russia, forcing Ukraine to do so (using political and diplomatic, economic, energy sector, and information leverages), and finally, – direct military aggression. In March 2014, Russia annexed Crimea and then started military expansion in Donbas.

1.1. UKRAINE-RUSSIA RELATIONS IN THE CONTEXT OF EURASIAN INTEGRATION

This subchapter contains a brief account of events that preceded the current situation in Ukraine-Russia relations. It mentions the main milestones in the process of involving Ukraine in Russian integration projects on the territory of CIS, on the one hand, and, on the other, – measures, to which Russia resorted in order to prevent Ukraine from signing the Association Agreement with the EU.

Involving Ukraine in Eurasian integration: from persuasion to force. The actual process of actively involving Ukraine in Russia's reintegration projects in the post-Soviet region started in year 2000, when V. Putin came to power in Russia. He strongly intensified integration processes on the CIS territory. Thus, already in May 2000, the countries signed a *Memorandum of improvement of Collective Security Treaty (CST) effectiveness and its adaptation to the new geopolitical situation*,² which in essence restored and intensified the

work of the Collective Security Treaty Organisation (CSTO). In October 2000, the Eurasian Economic Community was established (EurAsEC).³ At that time conceptual approaches were formulated and practical steps determined for Eurasian integration under the auspices of Russia.⁴ EurAsEC was viewed as the core of economic integration, CSTO – as the main international instrument for defence against external threats.

Later, in 2003, an attempt was made to establish a Common Economic Space (CES) involving Russia, Ukraine, Belarus and Kazakhstan. However, during the presidency of V. Yushchenko, Ukraine *de facto* stopped participating in the project. The Presidential Decree determined that Ukraine's participation in the CES was limited only to participation in the free trade zone, which under no circumstances was satisfactory to the Russian side.⁵ In 2007, Russia initiated establishing the Customs Union (full-fledged operation since 2011).

Implementation of integration projects introduced by Russian President V. Putin was continued by D. Medvedev

¹ For more information, see: Ukraine's European integration: internal factors and external influences. Analytical report by the Razumkov Centre. – National Security and Defence, 2013, No.45, p.26. See the website of the Razumkov Centre, section National Security and Defence journal, <http://www.razumkov.org.ua/ukr/journal.php>.

² Memorandum of improvement of Collective Security Treaty (CST) effectiveness dated 15 May 1992 and its adaptation to the new geopolitical situation. – CSTO website, <http://www.odkbcsto.org>.

Also, Collective Security Treaty Organisation (CSTO) was established in 1992.

³ The first unsuccessful attempt to create a similar integration formation (the Customs Union) was made back in 1995.

⁴ For more information, see: Problems and prospects of Ukraine-Russian cooperation. Analytical report by the Razumkov Centre. – National Security and Defence, 2006, No.5, p.338.

⁵ Decree of the President of Ukraine “On the Decision of the Ukrainian National Security and Defence Council of 20 May 2005” No.952 dated 15 July 2005. – Official website of the President of Ukraine, <http://www.president.gov.ua>.



during his presidency (2008-2012). In particular, were approved the Foreign Policy Concept of the Russian Federation (12 July 2008) and the National Security Strategy of the Russian Federation until 2020 (12 May 2009); both documents define cooperation within CIS as the priority of Russia's external policy. In this period, Russia's pressure on Ukraine (i.e., effective blocking by the Russian side of the declared by V. Yushchenko course for European and Euro-Atlantic integration) was very active, which caused a number of heated Ukraine-Russia tensions.⁶ In August 2008, D. Medvedev presented on the state level the geopolitical concept of "Russia's zone of privileged interests", which, in the opinion of Russia's leaders, undoubtedly incorporated Ukraine.⁷

As V. Yanukovich came to power in Ukraine, **Russia's pressure brought considerable practical results.** The Ukrainian side made unprecedented unilateral concessions.⁸ Relations with Russia took the form of closed, one-sided "political-economic barter" – ceding national interests in exchange for economic (i.e., gas) preferences. An indicative example of such concessions on the part of Ukraine was signing **on 21 April 2010 by the Presidents of both countries of the so-called Kharkiv Accords, which stipulated**, inter alia, prolongation of the Russian Black Sea fleet deployment in Crimea for 25 years (until 2042) in exchange for reduction of gas prices by Russian side.⁹

The return of V. Putin to presidency (2012) was marked by an increase of Russia's ambition for leadership. In his speech during the inauguration on 7 May 2012, V. Putin said: "...We all have to understand that the life of future generations, historical perspective of our country and nation currently depend on us... on our ability to become **leaders and the centre of gravity for the whole of Eurasia**".¹⁰ On the same day this policy was formalised by the corresponding decree, which identified directions and measures for strengthening integration processes in the CIS region. Revitalisation and strengthening of these processes were also recorded in Russia's core documents that followed (Box "Eurasian Integration in the Fundamental Documents of the Russian Federation").

Correspondingly, Russia's pressure on Ukraine kept increasing, primarily with regard to its participation in the Customs Union.¹¹ In particular, in February 2013, V. Putin signed the updated Foreign Policy Concept of Russia which outlined the relations with Ukraine in a separate provision (not present in the 2008 edition). It was intended to "build a relationship with Ukraine as a priority partner in the CIS, and contribute to its involvement in intensification of integration processes". At the same time, massive measures were taken (also at the international level) to prevent Ukraine from signing the Association Agreement with EU.

EURASIAN INTEGRATION IN THE FUNDAMENTAL DOCUMENTS OF THE RUSSIAN FEDERATION*	
The National Security Strategy of the Russian Federation until 2020 (2009)	"Development of bilateral and multilateral cooperation with CIS member-countries is the priority of Russia's foreign policy. Russia will aim to develop the capacity of regional and subregional integration and coordination on the territory of member-countries of the Commonwealth of Independent States...".
Foreign Policy Concept of the Russian Federation (2013)	"...42. The priorities of Russia's foreign policy are the development of bilateral and multilateral cooperation with CIS member-countries, further strengthening of CIS... 44. Russia views as its top priority task the formation of Eurasian Economic Union... 48. With this purpose, Russia will: e) develop relations with Ukraine as a priority partner in the CIS, facilitate its involvement in deeper integration processes...".
Military Doctrine of the Russian Federation (2014)	"...Strengthening the collective security system in the framework of Collective Security Treaty Organisation (CSTO) and increasing its capacity, strengthening cooperation in the area of international security in the framework of the Commonwealth of Independent States (CIS), Organisation for Security and Cooperation in Europe (OSCE) and the Shanghai Cooperation Organisation (SCO), cooperation with the Republic of Abkhazia and South Ossetia with the purpose of ensuring common defence and security...".
Decree of the President of Russia "On measures to implement of the Russian Federation foreign policy" (2012)	"...For the Ministry of Foreign Affairs of the Russian Federation together with other federal executive power bodies: in relations with member-countries of the Commonwealth of Independent States: consider the development of multilateral cooperation and integration on the territory of the CIS as a key direction of foreign policy of the Russian Federation... promote deeper Eurasian integration of the Russian Federation, the Republic of Belarus and the Republic of Kazakhstan in the framework of Customs Union and the Common Economic Space, and founding until 1 January 2015 of the Eurasian Economic Union...".
Presidential Address of the President of Russia to the Federal Assembly (2013)	"We will follow the way of deep integration. Examples of this are the Customs Union, the Common Economic Space of the Russian Federation, Kazakhstan and Belarus. All of these already function, function efficiently. We started the process of founding the Eurasian Economic Union and, of course, we will follow this way and will solve this task...".
Presidential Address of the President of Russia to the Federal Assembly (2014)	"From 1 January 2015, the Eurasian Economic Union will start its full-fledged operation... I am convinced that close cooperation will become a powerful source of development for all participants of the Eurasian Union".

* These are citations of documents published on the official website of the RF President, <http://kremlin.ru>. Translations by the Razumkov Centre.

⁶ For more information, see: Ukraine-Russia: from crisis to effective partnership. Analytical report by the Razumkov Centre. – National Security and Defence, 2009, No.4, p.214.

⁷ See: D. Medvedev's interview to Russian TV channels on 31 August 2008. – Official website of the RF President, <http://kremlin.ru>.

⁸ What is meant, in particular, is: (a) Kyiv's official renouncing of plans to enter NATO; (b) extension of the RF Black Sea Fleet deployment term in Crimea; (c) abandoning own interpretation of a number of historical events; (d) exclusion from the agenda of bilateral relations of the issue of meeting the national and cultural needs of Ukrainians in the RF; (e) increased presence and influence of Russia in the key sectors of the national economy; (f) Ukraine's support for certain foreign policy initiatives of the Kremlin.

⁹ The Agreement between Ukraine and the Russian Federation on the Presence of the Black Sea Fleet of the Russian Federation in the Territory of Ukraine. Already on 27 April 2010 the Agreement was ratified.

For more information, see: The first year of activity of the new ruling team: intentions, actions, and results. Analytical report by the Razumkov Centre. – National Security and Defence, 2011, No.3, p.50-51.

¹⁰ Vladimir Putin took the office of the President of Russia. – Official website of the RF President, 7 May 2012, <http://kremlin.ru>. Bold font – ed.

¹¹ For more information, see: EU-Ukraine-Russia relations: Problems and Prospects. Analytical report by the Razumkov Centre. – National Security and Defence, 2012, No.45, p.89.



Blocking the signing of the EU-Ukraine Association Agreement and its consequences. Year 2013 became the crucial one for Ukraine-Russia relations. Russia used its full potential of political and economic levers, on the one hand, to involve Ukraine in the process of Eurasian integration, and on the other, – to block Kyiv's European integration course.

The successful achievement of Russian leadership's goals was largely facilitated by the fact that the President of Ukraine was V. Yanukovich, – leader of the Party of Regions, which held the majority in the Ukrainian Parliament. Its constituency was mainly concentrated in the South and East of Ukraine, where, as opposed to Central and Western regions, pro-Russian orientation was rather pronounced; this (along with other factors) caused the ruling party and country's leadership to try to carry out the so-called "multivector policy" in the area of geopolitical integration for as long as possible.

Thus, on 31 May 2013, the countries signed the Memorandum "On Deepening Cooperation Between Ukraine and the Eurasian Economic Commission", according to which Ukraine agreed to "adhere to the principles set forth in the documents [...] of the Customs Union".¹² It was also planned to sign the Memorandum on harmonisation of technical regulations of Ukraine and the Customs Union, which in essence tied Ukraine to this union and, consequently, was in conflict with the line of European integration.¹³

On the other hand, on 18 September 2013, Ukrainian Government passed a resolution on the preparation for the signing of the EU Association Agreement. However, after two clandestine emergency meetings of Presidents of Russia and Ukraine on 27 October and 9 November, the government of M. Azarov, on 21 November, made the decision to "suspend the process of preparation for signing the EU Association Agreement", and on 29 November, at the EU summit in Vilnius, V. Yanukovich refused to sign the Agreement, stressing Ukraine's intention to sign this document "in the near-term", and, as it was apparent from his speech at the summit, – on condition of EU providing Ukraine with significant financial and economic assistance.¹⁴

Almost immediately after this "integration turn" of Ukraine towards the East, based on behind-the-scenes agreements with Russia and made behind the back of the Parliament and the general public, a package of Ukraine-Russia agreements was signed on 17 December 2013, in particular, – on giving Ukraine the short-term loan of \$15 bln. and lowering the price for Russian gas. *De facto*, this was Kremlin's payoff for Kyiv's renouncing its European integration line.¹⁵

This decision led to mass protests in Ukraine – organisation of "Euromaidans" in many cities and settlements, protests against the "suspension" of European integration. The situation severely deteriorated after a brutal crackdown on "Euromaidan" protesters in Kyiv on 30 November 2013, which caused a sharp negative response both in Ukraine, Europe and in the world, and in the end, led to a military confrontation between the citizens and government, overthrowing of the Yanukovich regime and his fleeing from Ukraine on the night of 21 February 2014.

On 22 February 2014, the Verkhovna Rada approved a Resolution "On self-withdrawal of the President of Ukraine from performing his constitutional duties and setting early elections of the President of Ukraine", elected the representative of the united parliament opposition, O. Turchynov, the Head of Parliament, set the snap Presidential election for 25 May 2014, and assigned to O. Turchynov the obligation to carry out presidential responsibilities until the election. On 27 February, the Verkhovna Rada appointed A. Yatsenyuk (also a representative of parliamentary opposition) the Prime Minister of Ukraine.

Ukrainian events of November 2013-February 2014 were named the Revolution of Dignity and taken by the global community as the evidence of European aspirations of Ukrainian society and the new Ukrainian government.

1.2. RUSSIA'S AGGRESSION AGAINST UKRAINE

The Ukrainian revolution of 2014 destroyed Russia's plans for integration. Moscow did not recognise the new Ukrainian leadership, announced the revolution an "armed seizure of power", a "coup d'etat" and resorted to force in order to block Kyiv's line of European and Euro-Atlantic integration.¹⁶ Russia's military aggression against Ukraine has been taking place since the end of February 2014; it has started with annexation of Crimea and is currently going on in Eastern Ukraine.¹⁷

Annexation of Crimea. Just in three weeks, – from 1 March (when the Federation Council allowed the Russian President to use Russian Armed Forces on the territory of Ukraine¹⁸) until 21 March, the peninsula was occupied, Ukrainian military units and fleet, as well as transportation infrastructure, – blocked, a pseudo-referendum was conducted, Crimea's independence act and the decision on its accession to Russia – approved. Thus, this was a broad-scale, quick and well-planned in advance special military and political operation.¹⁹ It should be noted

¹² See: *Ukraine: Time for Choice*. – Kyiv, Razumkov Centre, 2014, p.11.

¹³ On 15 January 2014 the Government of M. Azarov approved the Cooperation Programme with the Customs Union Member States until 2020 by the Resolution of the Cabinet of Ministers of Ukraine "On approval of Ukraine's Cooperation Programme with the Member States of the Customs Union of the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation for the period until 2020". – Website of the Cabinet of Ministers of Ukraine, http://www.kmu.gov.ua/control/uk/publish/article?art_id=246977822&cat_id=244276429.

¹⁴ In his speech at the summit, V. Yanukovich stated: "... Already now, we need our European partners to take decisive steps towards Ukraine in the development and implementation of the financial and economic assistance programme using all available mechanisms and resources of EU institutions and member-states". – Official website of the President of Ukraine, <http://www.president.gov.ua/news/29616.html>.

¹⁵ Back on 2 December 2013, the First Deputy Prime Minister of the RF, I. Shuvalov, clearly defined Russia's position: "I think that no one, except Russia, can give Ukraine the necessary resources so fast and in such volume... We can also provide a loan. But we will not help them for no special reason, without any responsibilities on their part... Of course, Ukraine understands that by signing up to its responsibilities in the Customs Union, it can get a different price for gas, other conditions regarding its liabilities and tariffs." See: The RF does not want to "save Ukraine for no special reason" with cheap gas and loans. – UNIAN, 2 December 2013, <http://www.unian.ua>.

¹⁶ On 4 December 2014, the RF President in his Address to the Federal Assembly stated: "Yes, we have condemned the coup, the violent seizure of power in February of this year. And what we currently see in Ukraine, the tragedy in the South East, fully confirms the validity of our position". See: Presidential Address to the Federal Assembly. – Official website of the RF President, <http://kremlin.ru/news/47173>.

¹⁷ In Ukrainian and international discourse different terms are used to determine the Russia-Ukraine conflict – "asymmetrical warfare", "undeclared war", "hybrid war", "non-linear war", "covert war", "military conflict", etc. According to Razumkov Centre study results, the majority of Ukrainian experts believe that Russia and Ukraine are in the state of "undeclared war". See article "The Russia-Ukraine conflict: Expert Assessments" in this journal.

¹⁸ Resolution of the Federation Council of the RF No.48SF dated 1 March 2014. – Legal Information Portal "Garant", <http://base.garant.ru/70601716>.

¹⁹ Attention is drawn to the fact that from January to July 2014 V. Putin has held 19 meetings of the RF Security Council, 17 of which were entirely or partially devoted to Ukraine. See: The work of Security Council in 2014. – Kommersant, 23 July 2014, kommersant.ru/doc/2530924.



that in the opinion of a popular Russian expert A. Illarionov (in 2000-2005, an advisor to the Russian President), Russia has been preparing for the war with Ukraine for the last 10 years, at least since 2003.²⁰

At first, Russian President denied military occupation of Crimea, but later – admitted that Russian Armed Forces participated in annexing the peninsula (Box “*Certain Statements by President V. Putin ...*”). Currently, he continues denying participation of the Russian Armed Forces in combat operations in Eastern Ukraine.

Crimean events have drastically changed the situation in Ukraine-Russia relations. In fact, the entire previous system of “strategic partnership”, the legal framework of agreements and accords on friendship, neighbourhood and partnership, conceptual foundations of the “brotherhood of peoples”, – all have been cynically and brutally

destroyed. Ukraine and Russia became enemies, with a lasting undeclared war between them.

On 20 March 2014, the Verkhovna Rada adopted a Declaration “On the struggle for the liberation of Ukraine”, which stressed that “Ukrainian people will never and under no conditions give up the struggle for the liberation of Crimea, not matter how hard and lengthy it may be”.²¹ On 15 April, came into effect the Law “On ensuring rights and freedoms of citizens and the legal regime in the temporarily occupied territory of Ukraine”, which declared Crimea a temporarily occupied territory “as a result of military aggression from the Russian Federation”.²² Thus, the issue of Crimea has become a “deep divide” between Ukraine and Russia, which will be determining the content, character and nature of relations between Ukraine and Russia for a long time in the future.

CERTAIN STATEMENTS BY PRESIDENT V. PUTIN ON RUSSIA'S ACTIONS REGARDING CRIMEA

Vladimir Putin replied to journalists' questions on the situation in Ukraine¹ (4 March 2014)

By the way, almost the same thing that I am now talking about, about this unity, is also happening in Crimea. Indeed, note, that, thank God, there are no shots fired there and no victims, except a crowd congestion in a square, which happened, I think, a week ago. But what had happened there? People came, blocked armed units, military divisions, and negotiated with them that they should submit to the demands and the will of the people, who live in this territory. There had been no clashes, no one had ever fired a shot, not a single shot.

Thus, the tensions in Crimea, connected with the potential use of the Armed Forces, they just exhausted themselves, this was not necessary. The only thing that was necessary and that we did was to strengthen the protection of our military facilities, because they kept receiving threats, and we saw that militants from nationalist organisations were being brought into the territory of Crimea. We did this, and we did it right and with good timing...

Question: The people, who carried out the blocking of military bases of the Ukrainian Army in Crimea wore the uniform that looked very similar to Russia's military uniform. Were they Russian soldiers, were they Russian military?

V. PUTIN: Go take a look at the post-Soviet space. There is a ton of clothes that look like uniform... Go to a store in our country, and you'll be able to buy any uniform.

Question: But were those Russian soldiers or not?

V. PUTIN: Those were local defence forces...

Question: Can I make the question more specific then? Did we participate in the preparation of self-defence forces in Crimea?

V. PUTIN: No, we did not.

Question: And how do you see the future of Crimea? Is the option considered of its accession to Russia?

V. PUTIN: No, such option is not considered. And I do believe that only the citizens living in a given territory, in conditions of freedom of expression, in a secure environment, can and should determine their future...

Address of the President of the Russian Federation (18 March 2014)

Russian Armed Forces did not enter Crimea, they were already there in accordance with the international treaty. Yes, we have strengthened our group, but at the same time, and I want to emphasize this, so that everyone knows and hears, – we did not even exceed the limit of our Armed Forces regular staffing numbers in Crimea, and this number is defined as 25 thousand people; this just wasn't necessary...

I will say this straight: if the local defence forces of Crimea had not taken the situation under control in time, there could have also been victims there...

In this connection, of course, other ideas arise. We are told about some Russian intervention in Crimea, about aggression. It is strange to hear such things. I do not remember a single intervention in the history of mankind that took place without a single shot and with no casualties.

Live Phone-In with V. Putin (17 April 2014)

V. PUTIN: ...I have already said in my recent speech in the Kremlin, that Russia has never planned any annexations or any military action in Crimea, never. On the contrary, we worked based on the assumption that we shall build our bilateral relations with Ukraine on the basis of current geopolitical circumstances...

...Basically, I have already said this, and said repeatedly, maybe in a muffled way for the general public. But in conversations with my foreign colleagues I did not hide the fact that our objective was to guarantee the conditions for free exercise of choice of Crimean citizens... **Therefore, of course, behind the backs of Crimean self-defence forces stood our troops. They acted in a very reasonable manner, but as I already mentioned, also in a very decisive and professional one.**

Vladimir Putin's Interview to Radio “Europe-1” and TV Channel TF1 (4 June 2014)

V. PUTIN: ...So, Russian Armed Forces were in Crimea in accordance with the international treaty on the presence there of a Russian military base. **And Russian troops did help the residents of Crimea to hold a referendum on their independence and their desire to join the Russian Federation.**

Meeting of the International Discussion Club “Valdai”

(24 October 2014)

...I will not hide this, – we used our Armed Forces to block the Ukrainian military units stationed in Crimea, but not to make anyone attend the election. And it is impossible, you're all grown-up people, you should understand. How? Would we bring people to the election at gunpoint? People went to the election as they would go to a celebration, and everyone knows it, and they voted, even the Crimean Tatar population...

Interview to a German TV Channel ARD (17 November 2014)

...I am deeply convinced that Russia made no violations of international law. **Yes, and I am not hiding this, of course, this is a fact, we were never hiding it, that our Armed Forces, let's put this straight, blocked Ukrainian Armed Forces stationed in Crimea,** but not to make anyone attend the election, it's impossible to do this, rather – to avoid the bloodshed, to give people an opportunity to express their stand on how they want to define their future and the future of their children.

¹ Hereinafter are cited the fragments of shorthand notes of speeches, interviews of the RF President, published on his official website. Bold font – *ed.*

²⁰ See article by A. Illarionov “How to Stop the War?” in this journal.

²¹ See: Declaration of the Verkhovna Rada of Ukraine “On the struggle for the liberation of Ukraine”. – Website of the Verkhovna Rada of Ukraine, <http://zakon1.rada.gov.ua>.

²² The Law “On ensuring rights and freedoms of citizens and the legal regime in the temporarily occupied territory of Ukraine”. – Ibid.



The international community did not recognise the Russian annexation of Crimea and introduced a number of sanctions against Russian and Crimean authorities.

Conflict in Eastern Ukraine. In March 2014, mass riots took place in Donetsk and Luhansk oblasts, caused by many external and internal factors, among which are the following:

- instigation and support by Russia of separatist sentiments in Donbas, direct participation in anti-Ukrainian campaigns of Russian citizens (“tourists”, “volunteers”, “green men” – i.e. people in military uniform, but with no identification marks);
- massive information campaign in the Russian media, and a powerful political and psychological impulse for Crimea’s accession to Russia, – which greatly intensified the traditional pro-Russian orientation among a large share of Donbas residents and their rejection of the “new Kyiv government”;
- mistakes and misjudgements of the country’s leadership at the time (for example, an attempt to abolish the so-called “Language Law” by the Verkhovna Rada in its first session on 22 February 2014 after the Revolution of Dignity – caused public outrage and was used as an excuse (one of the excuses) for intensification of separatist revolt in the South and East of the country).

In April, the unrest in Donbas escalated to takeover of public buildings, and military operations began, – military units seized Slovyansk, Kramatorsk, Artemivsk and other cities in Eastern Ukraine. On 7 April, establishing of the so-called “Donetsk People’s Republic” (DPR) was announced, and in Luhansk – an ultimatum was set forth demanding a referendum on region’s self-determination; in case of failure to follow the ultimatum, establishing the “Lugansk People’s Republic” (LPR) was planned.²³ Russian soldiers covertly took active part in these events. Just recently, Russian soldier I. Hirkin admitted: “It was I, who pulled the trigger. If our unit had not crossed the border, eventually, everything would have ended as in Kharkiv, as in Odesa. There would have been several dozen people killed, those, who suffered burns, were arrested... **But, actually, the wheel of war that is still going on, has been set in motion by our unit...** From the very beginning, we were waging a serious war...”²⁴

On 7 April, the Head of Ukrainian Parliament and acting President O. Turchynov announced establishing the anti-crisis headquarters, on 14 April – signed a Decree on the enactment of Ukrainian National Security and Defence Council decision of 13 April “On urgent measures to overcome the terrorist threat and to preserve the territorial integrity of the country”. This act, *de facto* started the anti-terrorist operation (ATO) in Donbas that, despite the initial lack of preparation of respective forces for



combat, already in June took a turn for the offensive, which allowed to localise the conflict and limit it to a rather small territory of certain parts of Donetsk and Luhansk oblasts.²⁵

Against the background of these events, Ukraine was making diplomatic efforts to settle a rapidly deteriorating conflict. Thus, on 17 April, in Geneva a meeting between foreign ministers of the US, EU, Ukraine and Russia took place, where a certain agreement was reached on the initial steps to de-escalate tensions and ensure security of all citizens.²⁶

On 6 June 2014, the first meeting of presidents of Ukraine and Russia took place in the so-called Normandy format with participation of the President of France, F. Hollande, and the Chancellor of Germany, A. Merkel.²⁷ During the 15-minute meeting, as noted by the French President’s office, the Presidents of Ukraine and Russia “agreed to hold in the coming days negotiations on a ceasefire between Ukrainian armed forces and pro-Russian separatists in Eastern Ukraine”.²⁸

However, these negotiations, during which it was hoped that conflict settlement mechanisms would be determined, never took place.²⁹ Quite the opposite, at the end of August, the active offensive of Ukrainian ATO forces was stopped by bringing Russian Armed Forces units into the territory of the conflict. Direct military intervention of Russian Armed Forces and tragic miscalculations of ATO command resulted in loss of the lead and a forced truce achieved with participation of third parties.

Thus, on 5 September 2014, in Minsk, in the format of the Tripartite Contact Group comprising representatives of Ukraine, Russia and OSCE and with participation of representatives of “certain parts of Donetsk and Luhansk oblasts” a preliminary protocol to the ceasefire agreement was signed that outlined 12 conditions for de-escalation

²³ Establishing of “LPR” was proclaimed on 28 April 2014.

²⁴ “Who are you, Shooter?” – *Zavtra*, 20 November 2014, zavtra.ru/content/view/ktotyistrelok. Bold font – ed.

²⁵ More information on the course of March-May 2014 events, see: Yu. Butusov. This is how the war started: interview with Oleksandr Turchynov. – *Censor*, 24 October 2014, <http://censor.net.ua>.

²⁶ Statement following the results of talks in Geneva: full text of the resolution. – LIGAnet, 17 April 2014, <http://news.liga.net>.

The meeting was attended by representatives: from the US – U.S. Secretary of State John Kerry; from Russia – Minister of Foreign Affairs of the Russian Federation S. Lavrov; from Ukraine – Acting Minister of Foreign Affairs of Ukraine A. Deshchytsya; from the EU – High Representative of the Union for Foreign Affairs and Security Policy C. Ashton. The meeting of these representatives was named “the Geneva Format”.

²⁷ The meeting took place in the town of Bénouville in Normandy (France) as part of commemoration of the 70th anniversary of Operation Overlord – when Anti-Hitler Coalition participants landed in Normandy (the so-called “opening of the Second Front”).

²⁸ Poroshenko and Putin met in Normandy. – *Ukrainian Week*, 6 June 2014, <http://tyzhden.ua/News/111687>.

²⁹ The following meeting in the “Normandy format” took place only in October 2014 in Milan, but neither there were the parties able to reach any substantial agreements.



of conflict in Eastern Ukraine.³⁰ Among other things, it called for both sides to cease the use of weapons, permit regular monitoring by OSCE on the Ukraine-Russia border, release all hostages, withdraw all illegal armed groups from the Ukrainian territory, as well as for:

- “decentralisation of power (including through adoption of the Law of Ukraine ‘On temporary order of local self-government in certain parts of Donetsk and Luhansk oblasts’)” (p.3 of the Protocol);
- “adoption of the law on prevention of prosecution and punishment of individuals with regard to the events that took place in certain parts of Donetsk and Luhansk oblasts” (amnesty law) (p.6 of the Protocol);
- “ensure snap elections to local government bodies according to the Law of Ukraine ‘On temporary order of local self-government in certain parts of Donetsk and Luhansk oblasts’” (p.9 of the Protocol).³¹

Pursuant to the provisions of the Protocol, Ukraine, already on 16 September, adopted laws “On special order of local self-government in certain parts of Donetsk and Luhansk oblasts”³² and “On prevention of prosecution and punishment of individuals, who participated in the events on the territory of Donetsk and Luhansk oblasts”.³³ In particular, the first one made provisions to: “set snap elections of deputies of regional, city, city district, urban-type settlement, and village councils; village, urban-type settlement, and city heads in certain parts of Donetsk and Luhansk oblasts for Sunday, 7 December 2014”.

On 19 September 2014, contact group participants signed a Memorandum on implementation of Protocol provisions, which stipulated, inter alia, ceasing the use of weapons and offensive action, fixing the line of armed forces confrontation as of 19 September 2014, and withdrawal of heavy weapons 15 km from both sides of the determined line, which would “allow for establishing a ceasefire zone not less than 30 km wide (security zone)”³⁴.

Unlike Ukraine, that pursuant to the Minsk Agreements adopted the above laws, the other party to the conflict has not implemented a single provision of the Protocol or the Memorandum.

Instead, active “state-building” processes have been initiated on the territories occupied by the separatists.

On 28 April, in Luhansk, establishing the so-called LPR was announced (declared back on 7 April). On 11 May, the independence of these “republics” from Ukraine and their “state sovereignty” was proclaimed following the so-called DPR and LPR “referendums” and allegedly on the basis of their results. In the “republics”, a process of creating “governments”, “parliaments” and “constitutions” was initiated. On 24 May, the “republics” signed a document on unification as members of “Novorossia”, however, the status of this union remains undetermined, even though the “parliament of Novorossia” was created, headed by the former people’s deputy of Ukraine from the Party of Regions, O. Tsaryov, and the first session of this parliament took place on 26 June 2014. At this session, the “Constitution of the Union of People’s Republics” was ratified.³⁵

On 2 November 2014, contrary to the Law of Ukraine “On special order of local self-government in certain parts of Donetsk and Luhansk oblasts”, elections of heads of “republics” and deputies of “people’s councils” were held. The so-called DPR was headed by O. Zakharchenko, LPR – by I. Plotnitsky.³⁶

These processes of building “separatist statehood” were taking place with large-scale military, financial and informational support and coordination from Russia.

Today, Russia’s military aggression in Donbas is still going on. According to Ukrainian estimates (State Security Service of Ukraine, Ministry of Defence, National Security and Defence Council, Border Guard Service), domestic and international experts, NATO, Russian human rights activists, there are 3-15,000 Russian soldiers fighting on the side of separatists in Eastern Ukraine. According to the estimates of NATO specialists, in September 2014, there were approximately 3,000 Russian soldiers and officers fighting in Donbas.³⁷ The Head of Ministry for Internal Affairs, A. Avakov, estimated the head count of Russian military formation at 4-7,000 people.³⁸ At the same time, the Committee of Soldiers’ Mothers of Russia named much higher numbers of Russian soldiers in Donbas – 15,000 people.³⁹

At the end of November, according to the State Security Service of Ukraine, Russian military contingent in Eastern Ukraine comprised approximately 7,500 of

³⁰ The full name of the contact group: the tripartite contact group on joint steps for the implementation of the peace plan of the President of Ukraine Petro Poroshenko and the initiatives of the President of Russia Vladimir Putin. Contact group participants: from the OSCE – Ambassador H. Tagliavini (Special Representative of the OSCE Chairperson-in-Office); from Ukraine – second President of Ukraine L. Kuchma; from Russia – Ambassador of the Russian Federation in Ukraine, M. Zurabov. “Representatives of certain parts of Donetsk and Luhansk oblasts” – O. Zakharchenko and I. Plotnitskiy, respectively. In signatures to the Protocol (and further – the Memorandum of September 19) their status is not specified.

³¹ All provisions of the Minsk agreement regarding Ukraine have become known: the OSCE published the protocol signed in Minsk on September 5. – *Kommersant*, 7 September 2014, <http://www.kommersant.ru>.

³² Law No.1680VII. – Website of the Verkhovna Rada of Ukraine, <http://zakon1.rada.gov.ua/laws/show/168018>.

³³ The Law was not signed by the Chairman of the Verkhovna Rada and, consequently, not sent to the President of Ukraine to sign. The failure of the other party to abide by the Protocol prevented it.

³⁴ The OSCE published the Memorandum (document) signed in Minsk. – *Radio Liberty*, 20 September 2014, <http://www.radiosvoboda.org/content/article/26597039.html>.

³⁵ The Parliament of the Novorossia ratified the Constitution of the Union of People’s Republics. – *Russia Today*, 26 June 2014, <http://russian.rt.com/article/38293>.

³⁶ Commenting upon the election results, the Chairman of the “DPR central election commission” said: “Kyiv has to come to terms with the idea that Donbas is no longer a part of Ukraine... We have made our choice.” Russian MFA recognised the elections as successful. See: Aleksandr Zakharchenko was elected Head of the DPR, LPR will be headed by Igor Plotnitsky. – *NEWSru*, 3 November 2014, <http://www.newsru.com>.

³⁷ The number of Russian troops in Ukraine has gone down. – Website *liga.net*, 11 September 2014, <http://www.liga.net>.

It can be added that according to the estimates of representatives of the Ministry for Internal Affairs and the National Security and Defence Council, A. Herashchenko and A. Lysenko, at the end of August, in Eastern Ukraine there were 15-20 thousand pro-Russian and Russian militants. – Website *tsn.ua*, 27 August 2014.

³⁸ Avakov announced the number of Russian troops in Ukraine. – *Ukrainian News*, 6 September 2014, <http://ukranews.com>.

³⁹ “There is no information, because no one writes from there, no one passes any information from there... According to expert estimates, I think that about 15 thousand are now there for sure, in some capacity. How many of them do not have their military documents, but rather have, for example, broken contracts, or, as officers, are on the long leave, or some other nonsense, is hard to say.” See: Valentina Melnikova, the Committee of Soldiers’ Mothers: “Sign the contract, and we will send you to Luhansk. Do not sign – I will sign it for you.” – Interview to the TV channel “Dozhd” (“Rain”), 27 August 2014, <http://tvrain.ru>.



military.⁴⁰ In December, according to the General Staff, there were 32,400 militants fighting against ATO forces in Donbas, of them, 6-10,000 – soldiers of Russian Armed Forces.⁴¹

This data corresponds to the latest estimates of the Ukrainian National Security and Defence Council (NSDC). As of mid-January 2015, according to NSDC Secretary O. Turchynov, **a military formation of over 36,000 militants was deployed in the occupied territory of Donbas, of whom 8,500 are regular Russian troops' soldiers.** These military groups were armed with 542 tanks, about 990 armoured combat vehicles, 694 artillery pieces, 4 Tochka-U rocket complexes, 57 units of anti-aircraft missile complexes.⁴²

At the same time, according to the data published by the Russian human rights group “Cargo 200 from Ukraine to Russia” in January 2015, in the aftermath of military operations in Donbas, over 5,500 Russian soldiers (excluding the missing ones) had already died. Also, the leader of the group, O. Vasylyeva stressed: “Russian military always blame me that I underestimate this figure. Even if we said 7,500 people, this number would still be lower than the actual Russian losses”. According to the human rights group data, just in December 2014, approximately 7,000 Russian military crossed the Ukrainian border and are now in Donetsk and Luhansk regions. O. Vasylyeva also noted: “Great numbers [of military] are being brought [into Ukraine] inside the humanitarian convoy”.⁴³

Clearly, the estimates of Russian troops and their losses in Ukraine are rather tentative, – taking into account the secrecy of military operations, regular rotation of fighters, absence of control on the state border. However, they give some idea about the scale of Russian military invasion on the territory of Ukraine.

Russian leadership (as in the situation with Crimea) denies participation of Russian armed forces in the military conflict in Eastern Ukraine, claiming that “Kyiv authorities lead a punitive operation against peaceful population of Donbas”, and the “rebels” are protecting local population from the “nationalist battalions of Kyiv junta” (Box “Russia’s Perspective on the Situation in Eastern Ukraine”, p.10).

At the same time, summarising data of Ukrainian intelligence agencies and military experts, as well as international observers, we can state that the Russian side:

- **organised in different regions of Russia mobilisation centres for stationing and training contractors that participate in the military operations in Eastern Ukraine;**



- **deployed on the territory of Donbas mobile sabotage-reconnaissance groups;**
- **created military training centres for local separatist groups;**
- **united and ensured coordination of separate military separatist formations;**
- **established large-scale financial and technical support of militants, including regular supplies of weapons and means of communication via the so-called “humanitarian convoys”⁴⁴ (at this time, 12 humanitarian convoys have been dispatched to the Donbas territory, – none of them approved or controlled by the Ukrainian side or the Red Cross);**
- **organised formation of sabotage groups and their entry into other regions of Ukraine;**
- **initiated construction on the territory controlled by the separatists of companies that repair heavy military equipment.**

These actions demonstrate that Russia intends if not to escalate, then to “freeze” the conflict for a long period of time. As noted by the Secretary General of Amnesty International S. Shetty: “The evidence that we have indicates that **Russia is fuelling the conflict through direct intervention**, as well as through support of separatists in the East of Ukraine”.⁴⁵

Russia’s military aggression costs Ukraine enormous human, territorial and economic losses. The gravest and irreparable one – the loss of people. Currently, it is the thousands of dead soldiers and civilians, including children.⁴⁶ According to the UN information published on 23 January 2015, the total number of victims of the fighting in Donbas exceeded 5,000 people. “However, says the statement by the official representative of the Office

⁴⁰ There are 7.5 thousand Russian military in Ukraine. – UNIAN, 26 November 2014.

⁴¹ There are 32 thousand militants fighting in Donbas: of them, up to 10 thousand are RF soldiers – General Staff. – Ukrayinska Pravda (Ukrainian Truth), 4 December 2014.

⁴² National Security and Defence Council is considering two scenarios of future events in Donbas... – Interfax, 15 January 2015.

⁴³ Over 5.5 thousand of Russian soldiers have died in Donbas – human rights activist Vasilieva. – Ukrainian News, 6 January 2015, <http://ukranews.com>.

⁴⁴ In particular, 7th Russian convoy (20 vehicles, 100 ton of cargo) on 16 November 2014, according to information of Luhansk Oblast State Administration (LOSA) representatives, brought to the territory occupied by the separatists only military supplies: boxes of ammunition, mines, shells. See: Seventh Russian humanitarian convoy contained only military supplies – LOSA. – UNIAN, 17 November 2014.

⁴⁵ Amnesty International presented evidence of war crimes and RF interference. – *Ukrayinska Pravda* (Ukrainian Truth), 7 September 2014.

⁴⁶ Conflict parties cite different figures of their own losses, as well as enemy’s losses. It is known that during the war opposing sides tend to exaggerate enemy’s losses and underrate their own. Therefore, according to reserve Major General P. Harashchuk: “We will find out the truthful information on how many soldiers really died in Ukraine only years later.” See: How many militants and Russian soldiers died in Donbas during the ATO. – Website Liga.net, 23 January 2015, <http://news.liga.net>.

RUSSIA'S PERSPECTIVE ON THE SITUATION IN EASTERN UKRAINE

Live Phone-In with V. Putin¹ (17 April 2014)

K. Kleimenov: How would you comment on the statements that are voiced in the West and in Kyiv that Russia is behind the operations in the East of Ukraine, literally, “the hand of Moscow”, and that Russia organises and finances it? Moreover, it is argued that there are some Russian units operating there.

V. PUTIN: This is nonsense! There are no Russian units in the East of Ukraine, no intelligence agencies, no trainers. All of those people are locals. And the best proof of this, is that people, as they say, literally took off their masks.

Press statements and answers to questions from journalists following the meeting with the President of Switzerland, the incumbent OSCE Chairperson-in-Office Didier Burkhalter (7 May 2014)

V. PUTIN: ...Now in the part of what will be fine with Russia, and what won't. It is not us, who are the parties to this conflict, we are not a party to this conflict, the parties are inside Ukraine.

We were repeatedly told that our troops at the Ukrainian border are a concern. We withdrew our troops, currently they are not at the Ukrainian border, but in places, where they conduct their regular trainings – at training ranges.

Vladimir Putin's Interview to Radio “Europe-1” and TV Channel TF1 (4 June 2014)

Question: ...But, Mr. President, the US and the White House are saying that they have proof that Russia interfered with the situation in Ukraine, sent there its armed units and supplied weapons. They have proof. Do you believe this?

V. PUTIN: If they have proof, let them present it. We saw, and the entire world saw the Secretary of State of the United States demonstrate at the UN Security Council the proof that there were weapons of mass destruction in Iraq, waving a test-tube with some detergent. In the end, the United States troops came into Iraq, Saddam Hussein was hanged, and then it turned out that there had been no weapons of mass destruction in Iraq. You know, saying is one thing, but having the actual proof – is quite the other. I'm telling you once more: there are no Armed Forces of the Russian Federation...

Question: So the Americans are now lying?

V. PUTIN: They are lying. **There are no Armed Forces, not even Russian trainers in the South-East of Ukraine. There haven't been any and there aren't now.**

Question: You do not want to append Ukraine to Russia and have never tried to destabilise the situation there?

V. PUTIN: We have never engaged in such activity and are not doing it now. Ukrainian authorities today need to establish a dialogue with their own people, and not with the help of guns, tanks, airplanes and helicopters, but through the process of negotiations...

Russian President V. Putin addressed the rebels of Novorossia (29 August 2014)

It is obvious that the rebels have reached significant results in curbing Kyiv's military operation, which represents a mortal danger for the population of Donbas and which has already caused enormous casualties among civilians.

Meeting of the International Discussion Club “Valdai” (24 October 2014)

V. PUTIN: It started with Maidan, at first they decided to overthrow Yanukovich by force, they were successful, which drew to the surface this foam of nationalism, then it all transformed into some nationalist squadrons. Then, when the people in the South-East of Ukraine did not like it, they started attempting to elect their own bodies of power

and administration, and they started to get arrested in the night and be taken to a prison in Kyiv. Then, when the people saw it, they took up their arms, and instead of stopping, finally starting a peaceful dialogue, – the government sent troops, tanks, planes... There are no such words now, such phrases as “disproportionate use of force”. After all, they are using cluster bombs, they are using tactical weapons...

Another thing is that the history of formation of Ukraine in its present borders is a rather complicated process. Did you not know about this? Do you not know, that in 1922 a part of the territory that you now name... **was, really, always historically named Novorossia. Why? Because, in essence, this was all one region with the centre in Novorossiysk, this is why it was called Novorossia. This was Kharkiv, Luhansk, Donetsk, Mykolayiv, Kherson, Odesa oblast. This territory was given from Russia to Ukraine in the 20s, in years 1921-1922, at the time of founding of the Soviet Union.** The communists' rationale was simple: in order to raise the percentage of proletariat in Ukraine.

Interview to a German TV Channel ARD (17 November 2014)

H. Seipel: The question that arose today, more precisely, it was the statement of Kyiv authorities that Russia supports the separatists with weapons and sends there its soldiers...

V. PUTIN: ...Where did they get armoured vehicles and artillery systems from? In the modern world, people who are fighting and who consider this fight a fair one from their point of view, will always be able to find weapons...

V. Putin's press conference (18 December 2014)

R. Tsymbalyuk: The first question is regarding the punitive operation that you have organised in the East of our country, mainly against the Russian-speaking population. It is no secret that there are Russian soldiers and Russian militants fighting there, who create all of this. Question: how many Russian soldiers did you send there? How many units of combat equipment did you send there? How many of them died in the territory of Ukraine? What would you, as the Supreme Commander-in-Chief, say to the families of dead Russian soldiers and officers?

V. PUTIN: ...**All the people, who answering the call of their heart, carry out their duties, or voluntarily take part in any military operations, including in the South-East of Ukraine, are not contractors, because they do not get money for this.**

In our public consciousness, what is happening in the South-East of Ukraine, is indeed a punitive operation, but it is conducted by today's Kyiv authorities, and not vice versa. It is not the rebels of the South-East, who sent their troops to Kyiv, on the contrary, Kyiv authorities brought their armed forces to the South-East, they are using the volley fire systems, artillery and combat aircraft.

Meeting with students at the Mining University (26 January 2015)

V. PUTIN: You have brought up a very painful topic – difficult, tragic events in Ukraine. In fact, there is a civil war going on. And, in my opinion, many people in Ukraine already understand it.

Unfortunately, the official Kyiv authorities refuse to follow the path of peaceful settlement, do not want to solve this through political means...

We often say: “Ukrainian army, Ukrainian army.” Who is fighting there in reality? Indeed, a part of it is the official units of the armed forces, but largely it is the so-called volunteer nationalist squadrons. In fact, it is not even an army – it's a foreign legion, in this case, NATO foreign legion, which, of course, does not pursue the national interests of Ukraine. They have very different goals, connected with achieving the geopolitical goals of containment of Russia, which goes absolutely to the contrary with the national interests of Ukrainian people.

¹ Cited are the fragments of speeches, interviews of Russian President, published on his official website, <http://president.kremlin.ru>. Bold font – ed.



of the UN High Commissioner for Human Rights, R. Colville, – we are afraid that the real number might be much higher”.⁴⁷ (The UN justly includes in the number of victims of the war in Eastern Ukraine those who died in a crash of the Malaysian Airlines aircraft shot down by the Russian missile).

As a result of annexation of Crimea and military operations in Eastern Ukraine, 44 thousand sq. km of Ukrainian territory with over 5 mln. residents has been occupied. According to the UN data, as of 9 January 2015, the number of internally displaced persons and refugees exceeded 1.2 mln. people.⁴⁸ Also, according to UNICEF, the fighting in Donbas has in different ways affected 1.7 mln. children.⁴⁹

In the territory of Donbas, significant destruction affected both communal and social, as well as industrial infrastructure. Back at the end of September 2014, 11,325 buildings were destroyed in the region, among them, 4,500 residential buildings, 217 educational establishments, 45 healthcare facilities, 4,733 energy, water and heating supply facilities, 51 culture and sports facilities, 1,551 – transportation and communication, 132 industrial facilities.⁵⁰ According to preliminary aftermath of 2014, the decline in industrial production in the Donetsk oblast was 31.5%, in Luhansk oblast – 42%.⁵¹

The total losses from annexation of Crimea, by preliminary estimates, made up over UAH 1 trillion, losses from military operations in the East of the country – almost UAH 12 bln.⁵²

In 2014, due to military operations in the region, the Ukrainian budget was UAH 13.2 bln. short of tax revenues. At the same time, Ukraine’s daily expenses for the ATO make up about UAH 100 mln.

1.3. NON-MILITARY COMPONENTS OF THE RUSSIA-UKRAINE CONFLICT

The Russia-Ukraine conflict (in addition to the annexation of Crimea and military operations in Eastern Ukraine) also involves other aspects of relations. Namely, its components are: political and diplomatic confrontation, economic discrimination, energy sector conflict, humanitarian aggression and information war.

Political and diplomatic confrontation. Ukraine-Russia communications at different levels are mainly conducted either at a distance or in the multi-lateral format (Geneva, Normandy, Minsk formats). Traditional public bilateral contacts – the exchange of profile delegations (at the intergovernmental,

interparliamentary, interministerial, regional levels), mutual visits of senior officials – have become impossible. The work of the Ukrainian-Russian Intergovernmental Commission has also become impossible – a number of its structural departments, taking into account the current events, have lost their meaning.⁵³

In general, the character and atmosphere of the dialogue can be characterised as hostile. The tone of statements at the diplomatic level, in particular, the exchange of notes between the foreign ministries of the two countries, is very negative. Russian President’s statements regarding the leadership of Ukraine require no comment. The level of mistrust and recriminations is unprecedented.

Destruction of the legal framework of bilateral cooperation and the system of institutional interstate relations. Russia’s military invasion on the territory of Ukraine essentially ruined the fundamental Treaty on Friendship, Cooperation, and Partnership between Ukraine and the Russian Federation of 1997. (This refers primarily to Art.2 of the Treaty, according to which, the parties “respect each other’s territorial integrity and confirm inviolability of borders existing between them” and Art.3 on “non-interference in internal affairs”). In fact, The Declaration on the Content of Ukrainian-Russian Strategic Partnership (July 2012) ceased to be in force. The State Duma denounced the Agreement on the Black Sea Fleet in Crimea; the so-called “Kharkiv Accords” and other bilateral acts were cancelled.⁵⁴ Therefore, the legal framework of bilateral relations in over 370 documents must be revised.

It should be noted that **Russian leaders V. Putin and D. Medvedev have publicly questioned the validity of the whole system of contractual and legal relations with Ukraine.** Thus, at the press conference on 4 March 2014, President V. Putin, while assessing the situation in Ukraine, said: “And if this is a revolution, what does this mean? I then find it hard to disagree with some of our experts, who believe that another state emerges on this territory. Just as it happened after the collapse of the Russian Empire, after the revolution of 1917, a new state emerges. And **with this state and in regard to this state we have not signed any binding documents**”.⁵⁵

In his turn, on 20 May 2014, Russian Prime Minister D. Medvedev, in his interview to the Bloomberg agency, while answering the question, whether Moscow can guarantee that Donetsk and Luhansk oblasts will not become a part of Russia, but will remain a part of Ukraine, said: “**We are not obliged to guarantee anything to anyone, because we have never assumed any responsibility regarding this.** Rather, we come from the fact that the main task is to pacify the situation on the territory of Ukraine, not to guarantee anything to anyone, but to pacify this situation...”.⁵⁶

⁴⁷ The number of fallen in Donbas – over 5 thousand people – UN. – Website *News24UA*, 23 January 2015, <http://news24ua.com>.

⁴⁸ The number of refugees and displaced persons in Ukraine has exceeded 1.2 mln. people – UN. – RIA News Ukraine, 12 January 2015, <http://rian.com.ua>. Obviously, this data is incomplete, because of limited access to information about the situation in the occupied territories.

⁴⁹ During the military operations in Donbas, 5,187 people have died – UN. – Website TVI, 27 January 2015, <http://tvi.ua>.

⁵⁰ See: Analytical report of the National Institute for Strategic Studies for the extraordinary address of the President of Ukraine to the Verkhovna Rada of Ukraine, p.99. – http://www.niss.gov.ua/public/File/2014_book/Dopovid_Prezident.pdf.

⁵¹ The fall in industrial production in December increased to 17.9%. – Interfax, 19 January 2014.

⁵² Losses from the conflict in the Eastern Ukraine, according to preliminary estimates, constitute UAH 11,888 bln. – Deputy Prime Minister Groyzman. – UNIAN, 12 September 2014.

⁵³ For example, the Subcommittee on the RF Black Sea Fleet operation and deployment on the territory of Ukraine, the Subcommittee on cooperation between the armed forces of the Russian Federation and Ukraine, the Subcommittee on Azov-Kerch settlement and many other structural subdivisions of this committee.

⁵⁴ The Law “On termination of the agreements governing the presence of the Russian Federation Black Sea Fleet on the territory of Ukraine” adopted by the RF State Duma on 31 March 2014 and signed by the RF President on 2 April 2014.

⁵⁵ See: Vladimir Putin replied to journalists’ questions on the situation in Ukraine. – Website of the RF President, <http://kremlin.ru/transcripts/20366>.

⁵⁶ Medvedev: Russia cannot and will not guarantee the integrity of Ukraine. See: RIANews, 20 May 2014, <http://ria.ru/politics/20140520/1008486355.html>.



In fact, these statements of high officials can be interpreted as a *de facto* withdrawal of the Russian side from the international document – Memorandum on Security Assurances in connection with Ukraine’s accession to the Treaty on the Non-Proliferation of Nuclear Weapons (The Budapest Memorandum), according to which the signatories – including Russia – “reaffirm their obligation”, in particular “to refrain from the threat or use of force against the territorial integrity or political independence of Ukraine”.⁵⁷

Economic discrimination.⁵⁸ Russia continues implementation of unilateral trade and economic restrictions in the most vulnerable areas of Ukrainian exports, dependent on the Russian market, in order to destabilise the socio-economic situation in Ukraine. We can remember the trade blockade implemented by Russia in August 2013, a number of discriminatory measures that followed, – prohibitions or restrictions in supplies of dairy, meat, pastry, vegetable, industrial products to Russian markets. Total losses of Ukrainian exports to Russia in 2014, compared to 2011, can amount to \$10 bln., which has a significant effect on the overall negative tendency of the Ukrainian economy.

The Russian side executes selective destabilising measures in different economy sectors, – in particular, in trade, export of services, banking, production and production cooperation, currency circulation and currency exchange rate, etc. Meanwhile, they also implement an active policy of import substitution, foremost in the areas of greatest dependence on Ukraine; cooperative delivery agreements are being suspended.

Energy sector confrontation. Russia has been exploiting Ukraine’s critical energy dependence to achieve its political goals. At this time, energy resources and infrastructure of their supply are one of the key instruments for waging the war against Ukraine. Thus, the Russian side resorted to complete cessation of gas supplies to Ukraine (since June 2014). There has been a decline in transit

volume of Russian gas through the territory of Ukraine: the volume of its supply directly to European countries and Turkey has reduced by 29%, compared to 2013.

Because of military operations in Donbas, in 2014, Ukrainian coal production has gone down by 22% – to 65 mln. ton, which led to a failure to accumulate its necessary reserves for using during the heating season. Also, we should not exclude the possibility of Russia attempting to intervene with Ukraine’s foreign trade operations to procure the necessary energy resources, in particular, coal and petrochemicals. We can assume that Russia will try to prevent Ukraine from restoring control over Donbas coal mining areas, and will block international contracts of Ukrainian companies with international partners on the import of necessary energy resources. Terrorist groups led by the Russian military deliberately destroy energy infrastructure in Donbas – mines, power lines and transportation routes. Also, Russia uses all available means for blocking sources of fuel supply diversification in Ukraine, this primarily concerns reverse gas supplies from the EU.⁵⁹ Therefore, we can acknowledge **that Russian leadership has set a target to implement an energy blockade of Ukraine in order to cause economic chaos and political instability in the country.**

Humanitarian (socio-cultural) aggression and information war.⁶⁰ Russia has been purposefully conducting information (and, later, general humanitarian) expansion in Ukraine for the last 10-15 years. But the most active phase of the media war was started by the Russian media in the fall of 2013, shortly before the Vilnius summit. It was then that the concept of the “Russian world” until then actively promoted by Russian media, was superseded by the campaign “against fascism” that was allegedly rapidly gaining popularity in Ukraine, and also by the campaign for compromising “Western pseudo values” and the plans of official Kyiv to sign the Association Agreement with the EU. Brutal attacks against Ukraine gained such proportions that at the end of 2013 even the then-President V. Yanukovich had to negatively comment on the position of Russian media regarding Ukraine.⁶¹

After the Maidan events of January-February 2014, a broad-scale anti-Ukrainian information expansion of the Russian state propaganda machine and controlled private media was started in order to discredit the new Ukrainian government (“anti-constitutional armed rebellion”, “Kyiv junta”) and the European integration of Ukraine.

In the annexed Crimea, a powerful campaign was immediately launched under the slogans of “sacred value of Crimea for Russia” – “Crimea is our Jerusalem”. At the beginning of June 2014, the Crimean branch of the Russian Historical Society was opened, in July – a regional branch of the Russian Military Historical Society.

⁵⁷ Memorandum on Security Assurances... – Website of the VR of Ukraine, zakon.rada.gov.ua/go/998_158.

⁵⁸ For more information, see article by V. Sidenko “Degradation of the Ukraine-Russia Economic Relations: What is Next?”, in this journal.

⁵⁹ In 2014, Ukraine has imported certain volumes of gas from Slovakia, Poland and Hungary.

⁶⁰ For more information, see: L. Shanghina, Humanitarian policy of the Russian Federation: the information component of the “hybrid war” against Ukraine. – Website of the Razumkov Centre, <http://www.uceps.org/ukr/article.php>.

⁶¹ Humiliation of Ukraine in the Russian media is not graceful of Russia, – Yanukovich. – 25 September 2013, <http://podrobnosti.ua/power/2013/09/25/932163.html> Statement by V. Yanukovich was made after the comment of TV presenter D. Kiselev, in which he said that “Ukraine resembles a liner that fell into a tailspin”, and its alleged intentions to withdraw from Russian markets are “assisted death” for the country.



Their aim is to promote in Crimea the Russian understanding and view on the history of Crimea, because, as it is known, history is one of the foundations for the development of civic identity. In November, a Crimean history textbook published by the Russian Military Historical Society was presented to senior students of Crimean schools.

Along with this, the full capacity of Russian media was used for active informational-ideological support of separatist movement in Eastern Ukraine. In the areas controlled by separatists, Ukrainian TV channels went off air, Ukrainian print media were prohibited – thus, the Ukrainian side was deprived of any opportunity to convey their position and objective information, in particular, on the progress of the ATO to the residents of these territories.

This information expansion had a powerful devastating effect, taking into account the strong presence of Russian media in the Ukrainian media space: at the beginning of 2014, 69 Russian TV channels were on the air in Ukraine, 1,176 Russian periodicals were printed on its territory. Just in September, 35 representatives of Russian media were prohibited from entering Ukraine, broadcasting of 15 Russian TV channels over regular and cable networks was stopped, demonstration of some modern Russian films and a number of Russian TV shows, which portray Russian force structures as heroes was prohibited on Ukrainian TV channels.

The fact that Russia is conducting a massive information war against Ukraine has been admitted, inter alia, by the international organisation Freedom House. In its annual report, it is noted: “Ukrainian media had to face... massive information attacks... due to propaganda and misinformation from the Russian government and Russian media outlets”.⁶²

At the same time, it should be noted that the dirty means that Russian media resorted to (a large-scale use of fabricated information) have significantly lowered the level of trust among Ukrainian citizens in Russian media. It is telling that this primarily concerns the residents of regions that were traditionally considered pro-Russian – South and East, as well as Donbas. Thus, if in December 2013, Russian media were trusted by 47% in the South, and completely distrusted – by 18%, in December 2014, these numbers were 9% and 36%, respectively. In the East, the level of trust plummeted in a year from 32% to 9%, and the level of complete distrust grew almost four times, from 13% to 50% of residents.

In Donbas, in 2013, the Russian media were trusted by 40% of residents, completely distrusted – by 16%. In December 2014, a certain level of trust was noted by less people in the region – 21%, as opposed to the number of people, who completely distrust Russian media, which grew from 16% to 29% (Diagram “How much do you trust...?”, p.14).

However, despite the current decline of trust in Russian media, the information war started by them has critical negative consequences – dramatic changes in the minds of citizens of both countries.⁶³ Thus, Russian aggression caused persistent heavily negative attitude of most citizens of Ukraine to the Russian state and its top officials and structures; citizens also consider current relations between Ukraine and Russia to be “hostile” (Box “Public Opinion”).⁶⁴

Public Opinion

According to results of an opinion poll conducted by the Razumkov Centre (October 2014), 57% of Ukrainian citizens think that current relations between Russia and Ukraine are hostile. 58% are convinced that Russia's policy towards Ukraine is “openly unfriendly”. **83% of respondents think that in the last year relations between the people of Ukraine and Russia have deteriorated.** Notable is the negative attitude to the leadership of the Russian Federation – 72% of respondents have a negative attitude to the President of Russia, 69% – to the Government of Russia and the State Duma.

On the other side, Russian media have created in the minds of Russian citizens an image of Ukraine as the enemy. Thus, only in the period of February-May 2014, the number of Russian citizens with positive attitude to Ukraine decreased from 66% to 35%; instead, the number of those with critical attitude grew from 26% to 49%. Almost the majority – 69% of Russian citizens are ready to support its leadership in a military conflict with Ukraine.⁶⁵

It can be argued that these mental changes are profound and long-term (if not irreversible). They have created a “confrontational divide” between the two countries, the critical “traumatic experience”. It is this unprecedented by its scale alienation of the two nations that will be determining the character and nature of their bilateral relations for a long time in the future.

CONCLUSIONS

Today Ukraine and Russia are *de facto* at war unleashed by the Russian annexation of Crimea and Russia's participation in the conflict in Eastern Ukraine. Political and diplomatic relations are at a standstill, confrontation in the trade and economic sphere is increasing, relations in the energy sector present a grave conflict, broad-scale anti-Ukrainian information expansion of Russia is growing.

As a result of the conflict, Ukraine is suffering massive human, territorial and economic losses.

A critical consequence of Russian aggression is the traumatic experience received by societies of both countries, the growing alienation between Ukrainians and Russians, which will be determining the content and nature of their bilateral relations for a long time in the future.

The latest events, Russia's support for rapid “statehood” building in separatist formations – the so-called DPR and LPR, demonstrate that there is a tendency for conflict escalation or its “freezing”. In any case, the current state of relations with Russia poses a real threat to Ukraine.

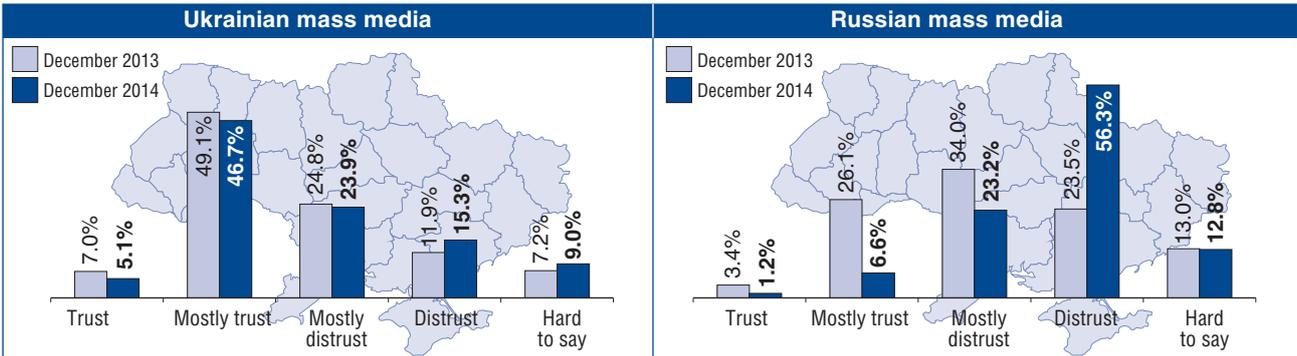
⁶² Freedom House admits that Russia wages a massive media war on Ukraine. – UNIAN, 6 December 2014, <http://www.unian.ua>.

⁶³ Russian leadership also recognises this, which, nevertheless, does not in any way impel it to stop the aggression, as it blames the alienation of the nations on the Ukrainian side. So, on 14 October 2014, at the meeting of the Council for Civil Society and Human Rights, V. Putin, while characterising the events in Ukraine, said: “...The main tragedy is the alienation of the Ukrainian and Russian nations. This is the biggest tragedy.” See: Meeting of the Council for Civil Society and Human Rights. – Website of the RF President, <http://president.kremlin.ru/transcripts/46786>.

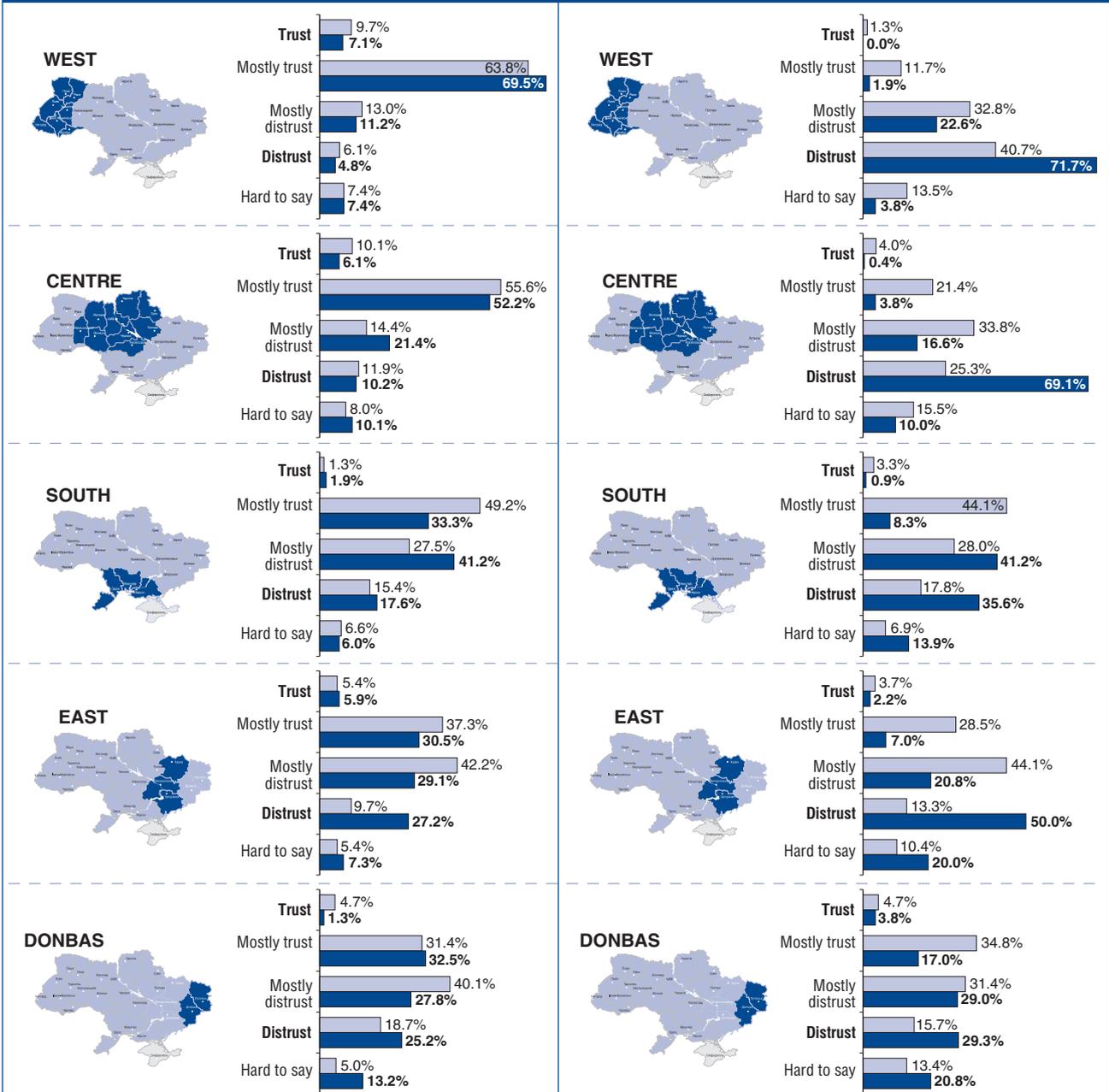
⁶⁴ For more information, see “Challenges and Perspectives of Ukraine-Russia Relations: Public Opinion” in this journal.

⁶⁵ According to results of the joint sociological study by Kyiv International Institute of Sociology and Levada-Center (Moscow) in Ukraine and in the RF. See: Hostility between Ukrainians and Russians has greatly increased in the last three months. – Dzerkalo Tyzhnia (Mirror Weekly), Ukraine, 17 June 2014, <http://zn.ua>.

How much do you trust the following mass media?*
% of citizens polled



REGIONS**



* The survey was conducted by the Razumkov Centre in cooperation with the Ilko Kucheriv Democratic Initiatives Foundation on 20-24 December 2013 in all regions of Ukraine and on 19-24 December 2014 in all regions of Ukraine except Crimea. 2010 and 2008 respondents aged 18 years were interviewed. Theoretical sampling error does not exceed 2.3%.

** The territory is divided into the following regions: **West:** Volyn, Zakarpattya, Ivano-Frankivsk, Lviv, Rivno, Ternopil, and Chernivtsi; **Centre:** Kyiv, Vinnytsya, Zhytomyr, Kirovograd, Poltava, Sumy, Khmelnytsky, Cherkassy, and Chernihiv; **South:** (AR Crimea – in 2013), Mykolaiv, Odessa, and Kherson; **East:** Dnipropetrovsk, Zaporizhia, and Kharkiv; **Donbas:** Donetsk and Luhansk.

2. INTERNATIONAL ASPECTS OF THE RUSSIA-UKRAINE CONFLICT

Russian aggression against Ukraine has drastically changed the situation in Europe and in the world, has become a challenge to the global security system, for which there has not been found an adequate response yet. The efficiency of international mechanisms for prevention of nuclear weapons proliferation (the Budapest Memorandum) has been impaired, mutual trust has been lost and acute political and diplomatic confrontation between the West and Russia has developed.

Actions of the Russian Federation not only threaten to create another “frozen conflict” on the European continent, but also create a precedent for using force in solving arguments between the countries, which is very dangerous, as this example is being set by the country that is a permanent member of the UN Security Council, member of the global “nuclear club”, guarantor of security, territorial integrity and sovereignty of countries that voluntarily renounced possession of nuclear weapons.

The international community has not recognised the annexation of Crimea, has condemned the actions of the Russian side in Donbas, and has made practical steps to demonstrate their solidarity with Ukraine. Foreign support is crucially important for Ukraine, which, being in a different “weight class” compared to Russia, has limited internal resources to counter Russian aggression.

2.1. INTERNATIONAL SOLIDARITY WITH UKRAINE IN COUNTERING RUSSIAN AGGRESSION

From the very beginning of the Russia-Ukraine conflict, the global community, the majority of countries and global international organisations sided with Ukraine, providing active political and diplomatic support of its territorial integrity, independence and sovereignty, giving it significant financial-economic, material-technical support and, at the same time, implementing various constraining political and economic sanctions against the aggressor state.

Political and diplomatic support of Ukraine. The international community has condemned the annexation of Crimea and the further Russian aggression against Ukraine. Thus, already on 27 March 2014, UN General Assembly adopted a resolution expressing support for “sovereignty, political independence, unity and territorial integrity of Ukraine within its internationally recognised borders”.¹ The UN resolution was supported by 100 countries of the world, 58 – abstained. Eleven countries voted against the resolution: Russia, Armenia, Belarus, Bolivia, Cuba, North Korea, Nicaragua, Sudan, Syria, Venezuela and Zimbabwe.

Ukraine was also supported by G7 members.² In particular, in the statement on 12 March 2014, G7 countries called on Russia “to cease all efforts to change the status

of Crimea contrary to Ukrainian law and in violation of international law”.³ Later, at Brussels summit on 4 June 2014, leaders of G7 condemned the violation of the sovereignty and territorial integrity of Ukraine by Russia. In the joint statement it is noted: “Russia’s illegal annexation of Crimea, and actions to destabilise Eastern Ukraine, are unacceptable and must stop”.⁴

OSCE Parliamentary Assembly (9 April 2014)⁵ and NATO Parliamentary Assembly (25 November 2014)⁶ have also adopted resolutions that condemn Russia’s aggression against Ukraine.

Active support for Ukraine was expressed by governing EU institutions – the European Council, the European Parliament, the European Commission. In particular, the European Parliament adopted a series of resolutions with demands to stop Russia’s aggression, to ensure the territorial integrity of Ukraine, and to introduce more strict sanctions against Russia. Leaders of the EU countries have repeatedly appealed to the international community with statements regarding supporting Ukraine and ensuring its sovereignty and territorial integrity. Thus, on 1 September 2014, they approved “Conclusions of the European Council on the situation in Ukraine”, which decisively condemned “the illegal annexation of Crimea... infiltration of militants and weapons from the territory of Russia into Eastern Ukraine, and the aggression of Russia’s armed forces towards the Ukrainian territory”.⁷

¹ United Nations General Assembly on 27 March 2014. Resolution 68/262. Territorial integrity of Ukraine. – Official United Nations website, <http://daccessddsny.un.org/doc/UNDOC/GEN/N13/455/19/PDF/N1345519.pdf?OpenElement>.

² G7 (Group of Seven) – regular meetings of leaders of seven major advanced economies: Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States.

³ G7 threatens Russia. – Ukrayinska Pravda (Ukrainian Truth), 12 March 2014.

⁴ Leaders of G7 countries have put forward four conditions for Russia. – NBN, 4 June 2014, <http://nbnews.com.ua/ru/news/123356>.

⁵ For more information, see: Analytical report of the National Institute for Strategic Studies for the extraordinary Address of the President of Ukraine to the Verkhovna Rada of Ukraine “On Ukraine’s domestic and external situation in the area of national security”, p.25. See: NISS website, http://www.niss.gov.ua/public/File/2014_book/Dopovid_Prezident.pdf.

⁶ NATO Parliamentary Assembly Resolution 411 on Supporting Ukraine’s Sovereignty and Democracy. – NATO official website, <http://www.natopa.int/default.asp?SHORTCUT=3600>.

⁷ Conclusions of the European Council on the situation in Ukraine dated 1 September 2014. – Website of the Delegation of the European Union to Ukraine, eeas.europa.eu/delegations/ukraine/press_corner/all_news/news/2014/2014_09_01_01_uk.htm.



Statements in support of Ukraine were made by leaders of international organisations – President of the European Council H. Van Rompuy, Head of the European Commission J.M. Barroso, Secretary General of the Council of Europe T. Jagland, Secretary General of NATO J. Stoltenberg, heads of world's leading countries – the US, Canada, Japan, Australia, other countries of the world.

The main initiator and integrator of the international campaign for support and protection of Ukraine became the US. In 2014, the American Congress adopted a number of resolutions for the support of Ukraine in the events of February-September 2014.⁸ In November, a bill was introduced to the Congress to provide military assistance to Ukraine. US President B. Obama, Vice President J. Biden, Secretary of State J. Kerry, Assistant Secretary of State for European and Eurasian Affairs V. Nuland rendered active political and diplomatic support of official Kyiv, initiated a large-scale campaign of solidarity with Ukraine in the world, conducted regular dialogue with Ukrainian government, urged European partners to take more action in the Ukrainian direction, used political and diplomatic pressure on Russia, etc. In particular, at the G20 summit in Australia (16 November 2014), leaders of the US, Japan and Australia decided to join their effort in order to help settle the Russia-Ukraine conflict. On 3 December 2014, B. Obama stated it is necessary to keep pressuring Russia, according to his words, “people have to see that we were able to unite Europe in the issue of implementing sanctions and punishment against Russia for its actions”.⁹

Such political and diplomatic actions of the West are creating a negative atmosphere around Russia, causing political and psychological pressure on the Kremlin leadership. Coordinated position of Western countries and international organisations certainly has a significant constraining effect. An indicative and rather resonant example of unified rejection of Russia's policy towards Ukraine was the extremely cool reception of V. Putin at the G20 summit in Australia.

However, at this point, one cannot talk about complete isolation of Russia in the international arena, due to position of Russia's ally countries in the CIS and the Eurasian Union, the BRICS group countries.

Along with political and diplomatic support of Ukraine, leading Western countries initiated multilateral negotiations for settlement of the Russia-Ukraine conflict. As noted above, there was a series of talks and meetings in various formats – in Geneva (Ukraine-EU-US-Russia), Normandy (Ukraine-Germany-France-Russia), Minsk (Ukraine-OSCE-Russia). At this time, the attempts to find political ways of resolving the conflict have been futile, but global players continue to strive hard for success in this direction.

Western sanctions against Russia. An important response to the challenge presented by Russia are

the sanctions imposed against it by Western countries and certain international organisations. These are:

- **Russia's restricted / suspended participation in some international organisations.** PACE dispossessed Russian delegation of voting rights and removed Russians from all governing bodies. Russia was excluded from the G8, Russia's accession to the Organisation for Economic Cooperation and Development, International Energy Agency, etc. was blocked;
- **targeted sanctions** were imposed by the leading countries of the world (EU member-states, US, Japan, Canada, Australia) against Russian government officials, parliamentarians, politicians, businessmen (travel ban, asset freezes in banks of these countries);
- different **financial and economic restrictions** were implemented for a large group of Russian banks and business structures (in particular, EU sanctions are in action against 32 Russian companies and banks, US sanctions – against 36, Canada – 46, Switzerland – 20, Australia – 11);¹⁰
- a number of **sectoral sanctions** took effect. This includes limitation / termination of cooperation in the oil and gas sector, banking – e.g., the most powerful US company ExxonMobil has terminated 9 out of 10 projects in Russia, the EU has blocked financing of three of Russia's leading fuel and energy companies. Also, a number of Western countries introduced restrictions or stopped cooperation with Russia in the areas of high technologies, finance, agriculture, space, military. NATO ceased all joint programmes with Russia (Annex 2 “Sanctions by Western Countries and International Organisations ...”, p.25).

Sanctions have a significant impact on the financial, economic and social situation in Russia. According to the Minister of Finance A. Siluanov, because of Western sanctions, in 2014, Russia lost \$40-50 bln., and together with the effects of falling oil prices, the losses amount to approximately \$200 bln. At the same time, due to deteriorating international disposition towards Russia, net capital outflows abroad, according to Russian Central Bank estimates, made up \$150 bln.¹¹

The investment climate is deteriorating. Thus, on 26 January 2015, international agency Standard & Poor's lowered Russia's credit rating to level “BB+” with a negative forecast of further deterioration. Agency's analysts also noted that the flexibility of monetary policy is limited, and the prospects for economic growth have been weakened. Earlier, international rating agency Fitch Ratings also downgraded Russia's credit rating.¹²

This is associated with dangerous negative processes in the banking system, which is rapidly losing its economic viability: currently, every fifth bank in Russia is unprofitable.¹³ Quite expensive is the forced process of import substitution – for example, just the five-year

⁸ Resolutions dated 11 February, 11 March, 18 September 2014.

⁹ Obama believes that only sanctions can force Moscow to change its policy. – Interfax, 4 December 2014, interfax.com.ua.

¹⁰ The situation as of December 2014. From time to time, countries of the world supplement the lists of Russian banks and companies, against which they impose sanctions.

¹¹ See: Korolev Ye., Naberezhnov G. Russia's economy has lost \$200 bln. due to sanctions and the drop of oil prices. – RBC, 31 January 2015, <http://www.rbc.ru/rbcfreenews/54caa4e29a7947a87ff5ba45>.

¹² The credit rating of Russia fell to the “junk” level, – Fitch. – Website Espresso.TV, 10 January 2015, <http://espresso.tv/news>.

¹³ Russia's banking system is rapidly losing its economic viability – every fifth bank is unprofitable: The main reason for such developments – Western sanctions. – UNIAN, 21 October 2014, <http://economics.unian.net>.



programme of import substitution in the area of agricultural business will cost Russia's budget 625.7 bln. rubles.¹⁴ (Also noteworthy is the large Crimean budget deficit – 56 bln. rubles, which will be met through transfers from federal sources).

Thus, the socio-economic situation in Russia is notably deteriorating. The exchange rate of dollar against ruble reached its historical maximum – in December 2014 the 80 ruble per \$1 mark was crossed. Food prices have increased, inflation accelerated – the annual rate of inflation in the RF will be over 9%. This affects the social wellbeing of Russian citizens. Russian Prime Minister D. Medvedev acknowledged that there is “a number of negative trends” in the Russian economy and stressed the possibility of revising the budget for 2015.¹⁵ According to Russian banking analysts, a three-year recession is awaiting Russia – in 2015 GDP will decrease by 1.3%, in 2016 – by 1%, in 2017 – by 0.5%. Only in 2018, the growth of GDP will be 0.3%.¹⁶ Western analysts' forecasts are more pessimistic. Thus, the mentioned above Fitch Ratings agency forecasts a 4% drop in Russia's economy in 2015.¹⁷

Clearly, Western sanctions against Russia have a significant “constraining” effect, which the Kremlin leadership cannot ignore. However, as we evaluate their impact on the Russian Federation, at least several important circumstances should be kept in mind.

Firstly, the sanctions do not have an instant cumulative effect – a significant portion of them are designed as short- and mid-term. The leaders of the countries that initiated implementation of these sanctions admit this fact.

Secondly, it must be remembered that Russia has a rather strong margin of safety. First of all, the enormous potential of oil and gas sector and significant gold and forex reserves are meant. The forced support of ruble could lead to rather noticeable, but not catastrophic losses in foreign exchange savings. At the same time, it should be noted that the reduction of gold and forex reserves of the Central Bank (CB) of Russia is happening slightly faster than forecasted. Thus, according to forecasts of the Fitch Ratings agency, gold and forex reserves of the CB of Russia until 2015 were expected to go down to \$400 bln.¹⁸ In reality, according to the CB of Russia, as of 2 January 2015, the reserves made up \$386.2 bln., and as of 23 January – \$378.1 bln.¹⁹ (total reserve losses in 2014 amounted to \$124.3 bln.).

Thirdly, Russian leadership rather effectively uses external sanctions as an ideological propaganda tool to strengthen the ruling regime and increase the anti-Western attitude of Russian citizens. Thus, on 4 December 2014, V. Putin in his annual Address to the Federal Assembly stated: “By the way, about the sanctions. This is not just

a nervous reaction of the US or their allies to our position in relation to the events and the coup in Ukraine, and not even in connection with the so-called “Crimean spring”. **I am convinced, that if it was not for all of this... they would have thought of another reason to restrain Russia's growing possibilities, influence it, and what is even better – use it to their own advantage...** The so-called sanctions and external restrictions are an incentive for more efficient, rapid achievement of the set goals”.²⁰

Sanctions against Russia have a great moral and psychological value for Ukraine, the Ukrainian society, given the fact that they have a significant negative impact on the economy of Western countries, which are connected with Russian markets and Russian supplies of goods and raw materials, especially energy resources. Besides, in August 2014, Russia has implemented a number of retaliatory sanctions against several Western countries, which also has a negative influence on their national economies.²¹

Financial and economic assistance of Western countries and international organisations for Ukraine. Ukraine has received considerable financial and economic, humanitarian, expert, consultative assistance from the countries of the West and international organisations.

The largest was the help of the EU. In March 2014, the European Commission approved the plan of assistance for Ukraine, which foresees allocation until 2020 of €11.175 bln. (incl., €8 bln. – long-term loan from the European Investment Bank and the European Bank for Reconstruction and Development). Ukraine has already received four tranches of macro-financial assistance in the volume of €1.36 bln. At the same time, the EU has opened up its market for Ukrainian goods, having implemented unilateral trade preferences for them. As a result, export of goods to the EU, within the 9 months of 2014, has grown by 12.3% compared to the same period in 2013.²² This gives Ukraine additional gain of about €500 mln. The EU also implements a number of humanitarian and technical assistance projects, projects to support Ukrainian reforms in various areas (support of regional policy, reform of the judiciary system, public prosecution service, police, etc.). In December 2014, the EU mission on civil security sector reform has started working in Ukraine.

Significant assistance is provided by international financial institutions. In particular, the IMF opened a two-year \$16.7 bln. credit line (*stand-by*) to restore macro-economic stability – \$4.5 bln. has already been received. The World Bank has provided a \$3.5 bln. loan, out of which, as of September 2014, Ukraine received \$2.5 bln. The bank also finances a number of socio-economic projects (increasing energy efficiency, development of urban infrastructure, modernisation of social safety nets, etc.). The European Investment Bank and the European

¹⁴ Logistics vs. retaliatory sanctions. – Gazeta.Ru. 6 October 2014, gazeta.ru.

¹⁵ Due to a drop of oil prices Russia will revise its 2015 budget. – UNIAN, 10 December 2014.

¹⁶ A three-year recession has started in Russia. – Nezavisimaya Gazeta (Independent Newspaper), 21 November 2014, http://www.ng.ru/economics/2014-1024/1_russia.html.

¹⁷ The credit rating of Russia fell to the “junk” level...

¹⁸ Fitch: Russia can lose up to 15% of its gold and forex reserves due to sanctions. – Vedomosti, 26 September 2014, vedomosti.ru/finance/news/33906541/rossiya-pomenyaet-valyutu-na-rubli.

¹⁹ Central Bank of the Russian Federation: International reserves of the Russian Federation. – Website of the Central Bank, http://www.cbr.ru/hd_base/default.aspx?Prtd=mrf_7d.

²⁰ Address of the RF President to the Federal Assembly on 4 December 2014. – Website of the RF President, <http://kremlin.ru/news/47173>.

²¹ On 6 August 2014, V. Putin signed a Decree, which prohibits state authorities, local government bodies, and legal entities or restricts their implementation of foreign transactions involving import into the RF territory of certain types of agricultural products, raw materials and food products from the countries that have introduced sanctions against Russia. See: Decree “On implementation of certain special economic measures in order to ensure security of the Russian Federation”. – Website of the RF President, <http://kremlin.ru/acts/46404>.

²² This helped to partially offset the decline in the volume of trade with Russia.



Bank for Reconstruction and Development have made a commitment to give Ukraine loans of €1 bln. each. Other international structures also plan to finance a number of projects in Ukraine (Eastern Europe Energy Efficiency and Environment Partnership Fund, Clean Technology Fund, Northern Technologies International Corporation, etc.).

A number of countries of the world have decided to assist Ukraine in the form of financial guarantees, loans, credits, grants, technical assistance, etc. In particular, US (\$1.3 bln.), Japan (\$1.5 bln.), Canada (over \$240 mln.), Switzerland (over \$22 mln.), Norway (\$15 mln.). In addition, Ukraine is receiving humanitarian aid shipments from different countries (protective equipment, uniforms, means of communication, equipment, vehicles, medicines, tents, food rations). Training programmes for Ukrainian soldiers have been developed.

An important step made by the US was adopting the Ukraine Freedom Support Act of 2014, which expands the channels of cooperation with Ukraine in various fields (politics, economy, energy, security) and opens up a possibility to supply military aid to Ukraine for the total sum of \$350 mln.

Within the UN World Food Programme, \$17 mln. was allocated for helping the internally displaced persons from Crimea and Donbas, 40 ton of food sets were purchased.²³ (For more information, see Annex 1 “Financial and Economic Assistance ...”, p.21.)

External financial and economic assistance is extremely important for Ukraine in countering Russian aggression. But it is clear that such assistance will only have the desired effect on condition of implementation by Ukraine of immediate and efficient reforms and, above all, – implementation of immediate and efficient anti-corruption measures, as its massive scale practically nullifies the external financial support.

In this context it should be mentioned that Ukraine remains one of the most corrupt countries in the world. In the Transparency International rating of 2014 Ukraine comes 142nd among 175 countries of the world, next to Uganda and Comoro Islands.²⁴

Currently, encouraging is the fact that the country’s leadership is aware of the problem. Thus, President

P. Poroshenko in the speech during his extraordinary Address to the Verkhovna Rada on 27 November 2014, noted: “And speaking of the key domestic challenge, in my opinion, it is still corruption. I would like to also mention poverty in this context, however, it is clear, that the origin of the extremely low standard of living of the majority of Ukrainians is the total corruption of public administration, the sphere of public services”.²⁵

2.2 GLOBAL CHALLENGES AND THREATS OF THE RUSSIA-UKRAINE CONFLICT

Annexation of Crimea and the war in Eastern Ukraine have changed the security situation in Europe and in the world at large, brought out a number of critical issues.

Both, the global security system (the United Nations) and the European one (OSCE) turned out to be unable to adequately and effectively respond to Russia’s aggression. The main security mechanism of the international community – the UN Security Council – has been blocked. (Russia blocked several Council decisions: on non-recognition of Crimean referendum; situation in Ukraine; Malaysian Airlines plane crash; elections in the so-called LPR and DPR, etc.). OSCE turned out to be lacking effective mechanisms for conflict resolution between Ukraine and Russia. PACE sanctions also did not have a noticeable effect on the position of Russia.

On 13 December 2014, in the interview to an Australian TV channel ABC, the President of Ukraine P. Poroshenko stated: “...The conflict in the East of Ukraine has demonstrated the inefficiency of the post-war global security system, including the UN Security Council. And this happened because one of its permanent members, who has the veto right, is the aggressor”.²⁶

Ukrainian experts, surveyed by the Razumkov Centre, among the global challenges posed by the Russia-Ukraine conflict, single out in the first place “destruction of the regional and global security system” (Box “Global Challenges of the Russia-Ukraine Conflict ...”).²⁷

GLOBAL CHALLENGES OF THE RUSSIA-UKRAINE CONFLICT IN EXPERTS ASSESSMENTS

In experts assessments the main challenges that the Russia-Ukraine conflict poses are the following:

- **destruction of the regional and global security system (79%);**
- **increased likelihood of the use of force in resolving disputes between countries (59%),** origination of another “frozen” conflict in Europe (45%);
- **increased political and economic confrontation between the West and Russia (36%);** decreased effectiveness of international mechanisms to prevent nuclear weapons proliferation (27%).

At the same time, the majority (73%) of experts think that **Russia’s military expansion in Ukraine can spread to other countries.**

• **Russia has implemented a model of instigating separatism and a hybrid war, which can be used on the European continent in the future.** “The Crimean Syndrome” threatens to provoke a chain reaction, first of all, in the areas of “dormant” or “frozen” conflicts. (It should be noted that in February 2014, a referendum took place in Gagauzia (Moldova), in which the majority of its residents voted in support of joining the Customs Union, and in April 2014, the Parliament of Transnistria turned to Russia to recognise its independence).

²³ UN member states allocated nearly \$17 mln. for assistance to the displaced persons in Ukraine. – Information agency Forum, 20 November 2014.

²⁴ In 2013, Ukraine was 144th out of 177 countries. See: Ukraine was recognised as a more corrupt country than Russia – Transparency International. – UNIAN, 3 December 2014.

²⁵ Extraordinary Address of the President of Ukraine to the Verkhovna Rada “On Ukraine’s domestic and external situation”. See: Official website of the President of Ukraine, <http://www.president.gov.ua/news/31656.html>.

²⁶ Poroshenko: the conflict in Ukraine demonstrated the ineffectiveness of the UN Security Council. – UNIAN, 13 December 2014.

²⁷ For more information, see article “The Russia-Ukraine Conflict: Expert Assessments” in this journal.



We cannot exclude the possibility that using its experience of actions in Ukraine, Russia will continue the policy of “hybrid” protection of its citizens abroad. Thus, on 1 July 2014, in his speech at the meeting of ambassadors and permanent representatives of Russia, V. Putin stated: “Our country will continue to vigorously defend the rights of Russians, our compatriots abroad, and will use for this purpose the entire potential of available means: from political and economic – to the foreseen in international law humanitarian operations, the right to self-defence”.²⁸

The international legal system is at risk. Russian aggression has destroyed a number of bilateral and multilateral agreements and treaties. In the documents, approved by the Verkhovna Rada of Ukraine it is noted that Russia has violated the fundamental norms of international law, as determined by the United Nations Charter, Statute of the Council of Europe, CSCE Final Act (1975), Agreement Establishing the CIS (1991), Memorandum on Security Assurances in connection with Ukraine’s accession to the Treaty on the Non-Proliferation of Nuclear Weapons (1994), Treaty on Friendship, Co-operation, and Partnership between Ukraine and the Russian Federation (1997).²⁹

Questions have been raised about the effectiveness of international mechanisms to prevent nuclear weapons proliferation. Ukraine, having given up the world’s third largest nuclear weapons stockpile with international guarantees (the Budapest Memorandum), became the aim of aggression of the country that provided these guarantees. On 24 March 2014, at the Nuclear Security summit (the Netherlands), UN Secretary-General Mr. Ki-moon said that “In Ukraine’s case, the security guarantees were a fundamental condition of Ukraine’s accession to the Treaty on the Non-Proliferation of Nuclear Weapons”, and now the reliability of these guarantees “has been seriously undermined” by the events in Crimea.³⁰ Russia has categorically refused to participate in the consultations between the signatories of the Budapest Memorandum. On 30 August 2014, Russian MFA sent a note to the Ukrainian side, in which they noted that “Russia sees no reason for consultations in the framework of this Memorandum”.³¹ Thus, an extremely dangerous precedent for “international legal nihilism” has been created on the part of a nuclear state.

Political and economic confrontation between the West and Russia is increasing; this confrontation is characterised with unprecedented loss of mutual trust and can lead to the new “cold war”. Along with this, increasing polarisation (formation of blocks) is observed at the Eurasian continent. The forcefully created Eurasian Economic Union and CSTO acquire the new confrontational content. Russia mobilises its allies in the format of regional integration for geopolitical confrontation with the West.

It turned out that the EU and NATO did not adequately evaluate the processes that were taking place in Russia, and were not developing sufficient preventive responses, and as such, a military, authoritarian and aggressive nuclear power with unpredictable foreign policy was gradually formed. The EU and NATO currently demonstrate “split-level solidarity” in countering the Russian challenge. It is possible that contradictions between the “old” and the “new” Europe will grow (this was particularly apparent during implementation of the new package of EU sanctions on 30 August 2014).

EXPERT OPINION

CERTAIN ASPECTS OF EXECUTION OF RUSSIA'S RESPONSIBILITIES UNDER INTERNATIONAL LAW



Pavlo KIRYAKOV,
Ambassador-at-large
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Ambassador Extraordinary
and Plenipotentiary

Actions of Russia in regard to occupation of the AR of Crimea and the city of Sevastopol, destabilising eastern regions of Ukraine, financing and supporting operation of terrorist organisations LPR and DPR, taking hostages, discrimination of Ukrainian and Crimean Tatar population in the temporarily occupied territories of Ukraine, violation of international humanitarian law standards demonstrate the systemic nature of Russia’s international delinquency.

This legal qualification permits to talk about Russia’s violation of its international legal obligations under international treaties of Ukraine and other norms of international law.

Currently, Ukraine has all reasons to raise the issue of Russia’s responsibility under international law for its military aggression, illegal annexation of the AR of Crimea, other violations of international law, and require for termination of such offence, restoration of Ukraine’s violated rights (restitutions), compensations and redress.

Determination of future areas of execution of Russia’s responsibilities is associated with identifying the list of international agreements, which stipulate dispute resolution procedure compulsory for Ukraine and Russia, and, potentially, allow to achieve the expected goals. The available resources, evidential basis and prospects for a decision on the legal classification of Russia’s acts should also be taken into consideration.

The main goal of execution of Russia’s responsibilities has to become a decision, which will create legal foundation for raising the issue that Russia discontinues occupation of a part of Ukrainian territory, terminates the illegal annexation of Crimea and the city of Sevastopol and returns them to Ukraine, stops its military aggression, as well as financing and support of illegal terrorist organisations in the East of Ukraine, assumes its responsibility in connection with the Malaysia Airlines MH17 airplane crash, as well as compensates for the damage caused by its illegal activity in Ukraine.

Obligatory jurisdiction of judicial and arbitration bodies in dispute resolution is determined by a number of international conventions:

- International Convention for the Suppression of the Financing of Terrorism, 1999
- International Convention on the Elimination of All Forms of Racial Discrimination, 1966
- Convention on International Civil Aviation, 1944
- United Nations Convention on the Law of the Sea, 1982
- United Nations Convention against Corruption, 2003
- Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, 1984
- International Convention against the Taking of Hostages, 1979
- International Convention for the Suppression of Terrorist Bombings, 1997

The most efficient means of achieving the above goal are to initiate an appeal to international judicial and arbitration bodies in the framework of the International Convention for the Suppression of the Financing of Terrorism and the International Convention on the

²⁸ Meeting of ambassadors and representatives of Russia. – Website of the RF President, <http://kremlin.ru/news/46131>.

²⁹ Declaration of the Verkhovna Rada of Ukraine “On the struggle for the liberation of Ukraine” dated 20 March 2014 – Website of the Verkhovna Rada of Ukraine, <http://zakon1.rada.gov>; the Law of Ukraine “On ensuring rights and freedoms of citizens and the legal regime in the occupied territory of Ukraine” dated 15 April 2014. – Ibid.

³⁰ UN Secretary-General: Nuclear powers violated the obligations to Ukraine. – Ukrayinska Pravda (Ukrainian Truth), 24 March 2014.

³¹ Russia rejects consultations by the signatories of the Budapest Memorandum. – Ibid, 2 September 2014.



Elimination of All Forms of Racial Discrimination, – which, however, does not mean that the mechanism of execution of Russia's responsibility in the framework of the Convention on International Civil Aviation and the United Nations Convention on the Law of the Sea cannot be applied.

Based on the analysis of provisions in international treaties of Ukraine, which are subject to compulsory jurisdiction of the International Court of Justice and taking into account the recommendations of experts in international court, the **least efficient means** are international treaties, which do not make Russia liable: Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, International Convention against the Taking of Hostages and International Convention for the Suppression of Terrorist Bombings.

Efficient means of implementing Russia's responsibility for torture and taking of hostages is an appeal to the European Court of Human Rights in the framework of the International Convention on the Elimination of All Forms of Racial Discrimination.

Results of analysis of Russia's liabilities according to the presented list of international treaties demonstrate that initiating an appeal to international judicial and/or arbitration bodies without the corresponding preparation is extremely perilous. An appeal without adequate evidential basis, corresponding legal justification and without complying with the mandatory pre-trial settlement procedures can have extremely negative consequences, including court decision not to initiate proceedings. A negative decision, even on the basis of formal procedural requirements, will yield substantial political and legal benefits for Russia, and can be used by Russia in the future as an argument that all disputable matters with Ukraine have already been solved in court according to *Res Judicata* *ra Collateral Estoppel*.

Article 24 of the International Convention for the Suppression of the Financing of Terrorism establishes the following order of pre-trial settlement:

- formation of a dispute between two or more States Parties concerning the interpretation or application of the Convention;
- settling the dispute through negotiation within a reasonable time;
- submission to arbitration, which is to be organised within six months.

So, at the first stage, the compulsory requirement is formation of a dispute between the parties concerning the interpretation or application of the Convention. At the second stage, the settlement of the dispute is to take place through negotiation within a reasonable period of time. In the third stage, Ukraine has to offer Russia to submit the dispute to arbitration.

If, within six months from the date of the request for arbitration, the parties are unable to agree on the organisation of the arbitration, Ukraine may refer the dispute to the International Court of Justice, by application, in conformity with the Statute of the Court (Article 24 of the Convention).

Dispute resolution mechanism under the International Convention on the Elimination of All Forms of Racial Discrimination, procedural and timing requirements are generally similar to the previous one, with one exception: in this case, there is an alternative way to dispute resolution through appealing to the Committee on the Elimination of Racial Discrimination.

The subject-matter of dispute, according to the Convention, is interpretation or application of its provisions. Key responsibility that States Parties undertake under these Conventions is employing all possible methods of action against racial discrimination manifestations, as well as criminal prosecution of persons involved in it.

Ukraine has already started work on protecting its rights and interests in the framework of the Convention on the Elimination of All Forms of Racial Discrimination, has initiated a dispute resolution procedure concerning violations by Russia of its obligations under the International Convention for the Suppression of the Financing of Terrorism.

At the same time, **preparing an appeal to international judicial and arbitration bodies requires effective coordination of work of state authorities. At this stage it is important to focus on creating an appropriate evidential basis, preparing Ukraine's strong legal stance and the implementation of the pre-trial settlement procedure.**

The war in Eastern Ukraine with a high degree of probability may transform into another “frozen conflict” – the source of instability and threat to Europe, and a staging area for Russia's further expansion. It is useless to believe that Ukraine will fulfil the function of a buffer zone, or an “airbag” for Europe.

The Russia-Ukraine conflict threatens with growing probability of the use of force in resolving disputes between countries.

The Russia-Ukraine conflict, which has become a challenge and a threat not only to Europe, but also to the international community, brought out the problems and contradictions in the systems of global (the United Nations) and regional (OSCE) security. The leading countries and international organisations have responded to Russia's aggression by not recognising the annexation of Crimea and condemnation of Russia's actions in Donbas.

Ukraine has received considerable political and diplomatic, financial and economic support, “restraining sanctions” have been introduced against the aggressor. However, these actions, despite their importance and high value for Ukraine, were unable to stop the conflict, which is currently aggravating.

So, these measures are rather a beginning, a prerequisite for finding ways to create the new security architecture on the continent and in the world at large, to create reliable mechanisms of preventing the use of forceful means to settle international disputes. The problem of security is the key issue on the global community's agenda.

CONCLUSIONS

The Russia-Ukraine conflict has caused severe confrontation between Russia, on the one hand, and Western countries and international organisations, on the other. The West has not recognised the annexation of Crimea, has condemned Russia's actions in Donbas. The leading countries (EU member-states, US, Japan, Canada, Australia), influential international organisations (UN, NATO, EU, PACE, OSCE) have demonstrated their solidarity with Ukraine, their active support of its sovereignty and territorial integrity.

Highly important is the financial and economic assistance provided to Kyiv, taking into account the different economic and military potential of Ukraine and Russia. However, this assistance will only bring the desired results on condition of immediate implementation by Ukraine of internal reforms and radical measures against corruption.

A significant effect has the implementation of restraining political, financial, economic, and sectoral sanctions against Russia. These measures have a noticeable impact on the socio-economic situation in Russia, what cannot be ignored by the Kremlin. At the same time, sanctions have a “postponed result”, in particular due to Russia's considerable financial and economic resilience potential.

The Russia-Ukraine conflict poses global and regional challenges and threats. Currently, European and global security systems do not have an adequate response to Russian aggression. By violating the Budapest Memorandum, Russia has put under threat the international mechanisms for prevention of nuclear weapons proliferation. There is a high degree of probability that the war in Eastern Ukraine will transform into another “frozen conflict” – the source of instability and threat for the countries of Europe and the global community at large.


**FINANCIAL AND ECONOMIC ASSISTANCE BY WESTERN COUNTRIES
AND INTERNATIONAL ORGANISATIONS FOR UKRAINE** (as of December 2014)

Annex 1

International organisations, countries	Assistance
EU	<p>The overall plan of EU assistance to Ukraine, approved on 6 March 2014, stipulates provision in 2014-2020 of €11.175 bln., incl., €1.565 bln. in development assistance (grants), €1.610 bln. in macro-financial assistance (loans), up to €3 bln. in European Investment Bank loans and €5 bln. in European Bank for Reconstruction and Development loans.</p> <p>1. As of 8 December 2014, four tranches in the framework of two macro-financial assistance programmes have been allocated: in May – €100 mln., in June – €500 mln., in November – €260 mln., at the beginning of December 2014 – €500 mln. €250 mln. more are to be received by the spring of 2015 (subject to Ukraine’s implementation of promised reforms). The allocated funds are intended for support of important structural reforms that include improving state administration, sustainable development and legal harmonisation with the EU, particularly in such areas as public finance management, anti-corruption efforts, trade, taxation, energy sector development and financial sector reform. Currently, the European Commission has launched preparation of the third programme of additional macro-financial assistance for Ukraine, which may be adopted if Ukrainian leadership demonstrates the willpower to conduct reforms.</p> <p>2. Assistance is also being provided in the framework of the new “State Building Contract” programme with the total value of €355 mln., which is supplemented by the civil society support programme (€10 mln.) announced on 29 April 2014. Corresponding financial agreement regarding the “State Building Contract” was signed by the Prime Minister of Ukraine A. Yatsenyuk and the President of the European Commission J.M. Barroso on 13 May 2014. This mechanism aims to assist the Government of Ukraine in the process of stabilising the economy and preparing for reforms in the context of the Association Agreement and the Deep and Comprehensive Free Trade Agreement, which require improvement of state administration, anti-corruption efforts, judicial reform and administrative reform.</p> <p>On 13 June 2014, the European Commission has allocated the first tranche under this programme; the second tranche (€105 mln.) can be allocated in 2015, subject to progress in anti-corruption efforts, reforms in public finance management, state administration, judiciary and constitutional reforms, reform of electoral legislation.</p> <p>3. Besides, on 23 April 2014, the EU has granted Ukraine unilateral trade preferences at the expense of temporary (before implementation of free trade agreement provisions) import tariff reductions for Ukrainian exports to the EU, which gives Ukraine an additional financial gain amounting to €500 mln., out of which €400 mln. is in agricultural products sector.</p> <p>Export of goods to the EU has grown in the 9 months of 2014, as compared to the same period in 2013, by 12.3%, or by \$1,459 mln. According to information of the State Statistics Committee of Ukraine, the volume of animal and vegetable fats and oils shipments has increased by 55.6%, grain crops – by 35.4%, mechanical machinery – by 22.6%, electrical machines – by 11.4%, clothes and accessories, textiles – by 5.3%.</p> <p>4. On 27 November 2014, the agreement was signed on funding the Sector Policy Support Programme – Support to Ukraine’s Regional Policy. This will allow to receive from EU €55 mln. of assistance (with €50 mln. – as the funds of sector budget support and €5 mln. – as a technical assistance), which will be directed to: improvement of normative-legal framework of the regional policy; stable and predictable funding for regional development; strengthening of the financial independence of local authorities; introduction of an effective system of monitoring and evaluating the effectiveness of execution of the regional policy; strengthening of the competitiveness of Ukrainian regions; improvement of the economic, social and territorial cohesion of the regions. The funds of the sector budget support will be transferred to the state budget in tranches (starting from 2015 and until 2020).</p> <p>EU Advisory Mission on reforms for support of the Common Security and Defence Policy of the EU was sent to Ukraine with the total budget of €2.68 mln. (implementation of judiciary, prosecution, police reforms, etc).</p> <p>Projects were developed and implemented in humanitarian support, providing non-lethal aid, technical assistance projects, reform development in various fields.</p>



International organisations, countries	Assistance	<i>Annex 1 (Continued)</i>
International Monetary Fund	<p>In April 2014, the IMF opened a two-year stand-by credit line for the total amount of SDR 11 bln. (Special Drawing Right)¹ (about \$16.7 bln.) to restore macroeconomic stability: as of 8 December 2014, two tranches have been received for the total amount of almost SDR 3 bln. (\$4.5 bln.).</p> <p>Currently, negotiations are in process for allocating for Ukraine in the nearest future the funds of the third and fourth tranches combined, with the total volume over SDR 1.8 bln. (over \$2.7 bln.).</p> <p>Currently, there are calls to review the IMF assistance programme for Ukraine towards its substantial increase, due to significant complexity of the economic situation in conditions of a protracted armed conflict with Russia and its satellites in Eastern Ukraine.²</p>	
World Bank	<p>In March 2014, the World Bank announced a package of support measures for Ukraine providing it up to a \$3.5 bln. loan by the end of 2014, including a billion dollar budget loan, financing or guarantees for projects in the sphere of water supply and disposal, energy sector, road infrastructure.</p> <p>As of mid-September 2014, the total allocated amount from this sum was \$ 2.5 billion.</p> <p>The current programme of investment and guarantees projects of the World Bank in Ukraine, as of 22 May 2014, amounted to approximately \$3.7 bln., including:</p> <ul style="list-style-type: none"> • <i>International Bank for Reconstruction and Development (IBRD)</i>: \$1.96 bln. in 8 current investment projects, aimed at increasing quality of basic public services in water supply, disposal, energy and road infrastructure. • <i>International Finance Corporation (IFC)</i>: \$1.06 bln. in projects in the area of industry, agricultural business and associated services, financial markets and infrastructure. • <i>Multilateral Investment Guarantee Agency (MIGA)</i>: guarantees for the sum of \$750 mln. <p>In May 2014, a number of new World Bank projects in Ukraine were approved:</p> <p>On 22 May 2014 – investment projects up to 2020 – “Improving District Heating Energy Efficiency in Ukraine” (\$332 mln.) and “Second Urban Infrastructure Project” (\$330 mln.). Also, the first loan in the framework of development policy has been provided (\$750 mln.).</p> <p>On 16 June 2014, assistance was approved for the National Commission for Regulation of Communal Service to support regulatory reforms in district heating (\$2.23 mln.).</p> <p>On 17 June 2014, Social Safety Nets Modernisation Project (\$300 mln.).</p> <p>On 7 August 2014, first loan for support of Ukraine’s financial sector in the volume of \$500 mln.</p> <p>On 2 October 2014, provision of advisory services and technical assistance was approved to Naftogaz and the Government of Ukraine on the reform of the natural gas sector (project cost \$1.16 mln.).</p> <p>Up to the end of 2014, a multi-sector development loan was to be provided in the amount of \$250 mln.</p> <p>In 2014, overall new World Bank commitments to Ukraine in 5 projects amounted to \$1,384.73 mln., in 2015 – in 3 projects – \$801.16 mln., while in 2013 this number was \$466.35 mln. in 4 new projects.</p> <p>In general, as of 31 October 2014, Ukraine received from the IBRD in 40 current crediting projects \$5,639 mln., and another \$1,589 mln. are to be paid in the future.</p>	

¹ Standard unit of account of IMF loans. Has a corresponding US dollar equivalent.

² American financier G. Soros in an article titled “Wake Up, Europe!” published on the website of the New York Review of Books magazine on 23 October 2014, urged IMF to immediately allocate for Ukraine not less than \$20 bln. According to him, \$4 bln. will be spent to cover budget deficit, \$2 bln. – would be assigned to repairing the coal mines in Eastern Ukraine that remain under the control of the central government, and \$2 bln. – would be earmarked for the purchase of additional gas for the winter. The rest, in his opinion, would replenish the currency reserves of the Central Bank. The financier notes that the IMF also has to help Ukraine transform its Eurobond debt, which totals almost \$18 bln., into long-term, less risky bonds, which would lighten Ukraine’s debt burden. Earlier, in its September review the IMF predicted that in the worst-case scenario Ukraine will suffer a decrease in the volume of reserves, relative to the baseline development scenario, of about \$19 bln. (IMF Country Report No. 14/263). In the review of 14 October 2014, specialists from the Bank of America – Merrill Lynch also insisted that the volume of assistance for Ukraine must be reviewed – with additional allocation of about \$10 bln. primarily to cover the gap in foreign payments (EEMEA FI & FX Strategy Watch, 14 October 2014).



International organisations, countries	Assistance	<i>Annex 1 (Continued)</i>
European Investment Bank (EIB)	<p>The EIB undertook a commitment to provide to Ukraine in 2014 €1 bln. in loans.</p> <p>On 19 May 2014, EIB allocated a loan of €55 mln. to finance construction of a new railroad tunnel (1.8 km) within the framework of Eastern Partnership network development and improving transportation between Ukraine and the EU.</p> <p>On 17 October 2014, EIB provided €50 mln. to Astarta-Kyiv company, which is a leading agricultural producer in Ukraine.</p> <p>On 18 November 2014, the project was approved (€108 mln.) for financing construction and repairs of educational, research and associated structures, with a special emphasis on measures to increase energy efficiency, in seven Ukrainian universities (Chernihiv State Technological University, National Technical University “Kharkiv Polytechnic Institute”, National Pedagogical Dragomanov University in Kyiv, Lviv Polytechnic National University, Poltava National Technical Yuriy Kondratyuk University, Sumy State University and Vinnytsia National Technical University). Investments are also intended for renovation and modernisation of research laboratories, purchase and installation of research equipment.</p> <p>On 1 December 2014, agreements were signed to provide Ukraine with loans:</p> <ul style="list-style-type: none"> • for modernisation of infrastructure of gas transportation through the Urengoy-Pomary-Uzhgorod pipeline (€150 mln.), incl., replacement of several sections (119 km) and two gas compressor stations (total project cost €355 mln.); • for modernisation of infrastructure of agricultural products storage and food industry (€85 mln.), incl., construction of two grain storages, fodder production plant and sunflower seed crushing plant. <p>The following projects are being developed:</p> <ul style="list-style-type: none"> • support for export-import trade financing (€400 mln.); • support of investment in restoring regions affected by the Donbas conflict and the main infrastructure that serves the needs of internally displaced persons, incl., energy facilities, water supply and disposal, industrial capacities and general infrastructure (€200 mln.); • financing of projects implemented by small businesses and businesses with a medium-sized capital, with a focus on priority areas as defined by the EIB, – local private sector development, reduction of climate change impact, development of social and economic infrastructure (€400 mln.). <p>Currently, Ukraine is the biggest recipient of EIB lending among all Eastern Partnership countries (accumulated volume of signed loans – €2.1 bln.).</p> <p>Besides, the country is also using other assistance mechanisms, thus, on 4 December 2014, EIB launched Eastern Partnership Secondment Programme for professionals from both the public and private sectors, with support by the EIB’s Eastern Partnership Trust Fund (EPTATF).</p>	
EBRD	<p>The total amount that the EBRD allocated for Ukraine in 2014 is €1 bln.</p> <p>From March to 11 November 2014, the EBRD signed agreements on the start of implementation of 4 new projects (2 in the area of agricultural business, 1 – in the sphere of district heating, 1 – in the sphere of insurance); 3 (in the sphere of processing industry and agricultural business) were approved by the EBRD Board of Directors (including corporate business development project “Nibulon”, the cost of which is up to \$400 mln.); 6 more were under consideration, including project for financing increased energy efficiency in residential housing sector (cost: \$100 mln.), development of thermal energy sector in Poltava (cost: €28.5 mln., EBRD loan – €15 mln.), gas production from municipal wastewater in Lviv (cost: €31.5 mln., EBRD loan – €15 mln.), and modernisation of transmission pipelines of NAK Naftogaz (cost: \$600 mln., 2/3 will be financed by International Financial Institutions, incl., EBRD – in the amount of \$200 mln.).</p> <p>Overall, as of August 2014, the portfolio of the EBRD in Ukraine comprised 329 projects with aggregate net worth of bank investments €9.2 bln. and cumulative appropriated funds in the amount of €6 bln. 28% of EBRD investments are intended for industry, trade and agricultural business sectors, 24% – for each, energy sector, financial institutions and infrastructure development.</p>	
Eastern Europe Energy Efficiency and Environment Partnership Fund (E5P)³	<p>Provision of a number of grants is expected for Ukraine, in particular, for district heating development in Lutsk (€4 mln.) and Poltava (€5 mln.), gas production from municipal wastewater in Lviv (€7.5 mln.).</p>	

³ The Fund with the total size of €95 mln. is administrated by the EBRD and is intended for advancing energy efficiency investments in Ukraine and other Eastern Partnership countries. E5P contributors are the EU, Sweden, Ukraine, USAID, Denmark, Norway, Finland, Poland, Estonia, Iceland, Lithuania and Latvia.



International organisations, countries	Assistance
Clean Technology Fund, the Trustee of which is the World Bank⁴	Joint financing with EBRD is expected for district heating development projects in Lutsk (Fund's share is €3 mln.) and Poltava (€4 mln.).
UN Countries	UN countries allocated \$17 mln. of assistance to internally displaced persons in Ukraine. Within the food programme, 40 ton of food sets were purchased and assistance was provided for over 120 thousand of IDPs.
Nordic Environment Finance Corporation (NEFCO)⁵	<p>Joint financing with EBRD is expected of the project for gas production from municipal wastewater in Lviv (cost: €31.5 mln.), where the Corporation's share can amount to €5 mln.</p> <p>On 25 September 2014, NEFCO made a credit contract with Zhytomyr for €3.5 mln. for implementation of energy efficiency measures in 19 public sector buildings in the city.</p> <p>The overall credit portfolio of NEFCO in Ukraine comprises 45 current projects in different spheres, including 35 municipal projects for increasing energy efficiency.</p>
Australia	During the visit of the President of Ukraine to Australia on 11 December 2014 it was announced that Ukraine will be given financial aid of \$100 mln. by the IMF, as well as assistance to the Ukrainian army for the amount over \$2 mln.
Canada	<p>Canada allocated over \$220 mln. of assistance to Ukraine, besides, \$9.2 mln. was provided for implementation of joint democracy development projects in Ukraine.</p> <p>Ukraine was also given non-lethal aid for the sum of \$11 mln., intended for purchasing protective gear, winter uniforms, communication equipment, explosives neutralisation equipment, etc.</p>
US	<p>The total amount of assistance that Ukraine received from the US this year amounted to over \$320 mln.:</p> <ul style="list-style-type: none"> • \$46 mln. was allocated for security sector support, \$116 mln. in the form of equipment for security forces, \$7 mln. – given to humanitarian organisations for assisting people from the East of Ukraine affected by the conflict; • \$1 bln. of financial guarantees and technical assistance package; • assistance to Armed Forces in the form of equipment (bullet-proof vests, helmets, vehicles, night vision equipment, heavy engineering equipment, radios, patrol cars, rations, tents, first aid kits);⁶ • training programmes were developed for Ukrainian soldiers; packages of financial and technical assistance to Ukrainian ministries and departments; plans for cooperation in the fields of security, economy, energy, which include consultations by strong teams of foreign experts; • in the United States House of Representatives operates a cross-party group for support of Ukraine, which drafts bills on assistance to Ukraine.
Switzerland	Ukraine was provided financial assistance in the amount of over \$22 mln. in the framework of support for Government initiatives to reform the economy. Also, packages of technical and humanitarian cooperation programmes between the countries were developed.
Japan	<p>On 24 March 2014, Japan made the decision to provide assistance to Ukraine in the amount of \$1.5 bln. to support a number of programmes, including loans, credit lines for trade insurance, grant and technical assistance programmes, as well as international cooperation education programmes.</p> <p>On 18 July 2014, as part of this package, an agreement was made on the 10 bln. Yen loan (about \$100 mln.).</p> <p>Also, over €800 thousand was allocated for restoring stability in the East, 500 of which was intended for support of OSCE monitoring mission in Ukraine.</p>

⁴ Founded in 2008, is a leader in innovative investment in the fields of clean technologies, renewable energy, sustainable forestry and climate-friendly development. 14 countries guaranteed investments in this fund for the total sum of \$7.6 bln., which, it is expected, will allow to mobilise \$57 mln. more from other sources. The Fund is a partner in a number of multilateral development banks, including the World Bank, EBRD, Asian Development Bank, Inter-American Development Bank and the African Development Bank Group.

⁵ International finance institution established in 1990 by the five Northern European countries: Denmark, Finland, Iceland, Norway and Sweden. NEFCO provides loans and investment capital for the purpose of improving the environment of the Nordic region. NEFCO finances a wide range of environmental projects in Central and Eastern European countries, including Russia, Belarus and Ukraine. Priority areas are projects that reduce greenhouse gas emissions, improve the environmental state of the Baltic Sea, or reduce toxic pollution. Currently, NEFCO's portfolio comprises nearly 400 small and medium-sized projects spread across different sectors. Cooperation with Ukraine is conducted on the basis of the Framework Agreement ratified by the Verkhovna Rada of Ukraine in 2010.

⁶ Financial assistance, humanitarian supplies, payment for medical treatment of the military was provided for Ukraine by, among others, Great Britain, Sweden, Norway, Australia and other countries.


**SANCTIONS BY WESTERN COUNTRIES AND INTERNATIONAL ORGANISATIONS
AGAINST RUSSIA¹ (as of December 2014)**

Annex 2

International organisations, country	Content of sanctions
EU	<p>Three rounds of sanctions against Russia were introduced. 119 individuals were prohibited from entering the EU territory, their assets in European banks – frozen. Economic sanctions are in action against 32 Russian banks and companies.</p> <p>Negotiations on visa-free regime with Russia were suspended.</p> <p>Russia's accession to the Organisation for Economic Co-operation and Development (OECD) and the International Energy Agency (IEA) was called off.</p> <p>Sectoral EU sanctions include a ban on arms supplies to Russia and export of weapons from the RF, "as well as materials associated with them", a ban on the supply of "dual-use goods and technologies" to Russia, which can be used for military purposes; a ban on providing Russia with innovative technologies for the oil extracting industry. The EU introduced a licensing regime for export to Russia of goods and technologies suited to the oil industry.</p> <p>Restrictions in financial services were introduced: EU citizens are prohibited to buy or sell bonds, shares and new similar financial instruments issued by large Russian state banks, development banks, their branches or establishments acting on their behalf whose period exceeds ninety days.</p> <p>Sanctions against Crimea were introduced (since 31 July 2014), which include a ban on new investment in Crimea and Sevastopol in the transport infrastructure, telecommunications, the energy sector, and oil, gas and mineral resources extraction. The sanctions prohibit not only direct and indirect investment, but also the provision of guarantee services for any projects in these spheres, as well as intermediary services in transactions between the Crimean companies and third (non-EU) countries, and transit of goods for such countries. Furthermore, provision of any type of technical assistance for these projects is also banned.</p> <p>The list of Crimean goods prohibited for importation was approved. It includes minerals and their derivatives, hydrocarbons, as well as the equipment for their extraction (the list includes over 250 trading positions).</p> <p>Embassies and visa centres of EU countries on the Russian territory were prohibited to issue any kinds of European visas, including Schengen, to Crimeans.</p> <p>EU travel companies are not allowed to offer tourism services in Crimea, and EU cruise ships may no longer call at ports in the Crimean peninsula.</p> <p>Debt financing for three fuel and energy companies – Rosneft, Transneft, Gazprom Neft – was banned, and a restriction was implemented on trading their bonds with maturity dates over 30 days, as well as on participating in issuing such securities. The sanctions also affected defence concerns.</p> <p>Restrictions were introduced on providing loans and investment services to five Russian banks – Sberbank, VTB, Gazprombank, VEB and Rosselkhozbank (Russian Agricultural Bank).</p> <p>13 leaders of the so-called LPR and DPR were banned from entering EU countries and their assets were frozen, also assets of a number of public associations, which took part in elections on the territory of these so-called republics on 2 November 2014, were frozen.</p> <p>A number of EU countries (Great Britain, Netherlands, Germany, France, etc.) ceased cooperation with Russia in the defence sector.</p>
PACE	<p>On 10 April 2014, PACE deprived Russian delegation of its voting rights and suspended Russians from all governing bodies till the end of 2014.</p> <p>Russian delegation was banned from participating in elections as observers.</p>
NATO	<p>All joint projects with Russia were suspended, including summits, conferences, forums, bilateral cooperation programmes. Possibilities for diplomatic dialogue were limited – Russian diplomats have been expelled from the NATO territory (incl., Great Britain, Estonia, Germany, Poland, Romania, Czech Republic, etc.).</p>
G8	<p>In a joint statement at the Brussels summit on 4 June 2014, G7 leaders (Canada, France, Germany, Italy, Japan, the United Kingdom and the United States) condemned the Russian Federation for violating the territorial integrity of Ukraine, and suspended Russia's participation in G8 due to its military aggression against Ukraine. G8 summit scheduled in June 2014 in Sochi was cancelled.</p>
OECD	<p>OECD suspended the procedure of Russia's accession due to its actions against Ukraine.</p>

¹ Materials from the following websites are used in the table: Russian News Agency "TASS" (itar-tass.com/mezhdunarodnaya-panorama/1055587?page=2); National Anti-Corruption Portal (antikor.com.ua/articles/5494-sanktsiji_protiv_rossiji_jak_tse_pratsjuje_infografika); Korrespondent (korrespondent.net/ukraine/politics/3417899-obnarodovan-polnyi-spysok-novykh-sanktsiy-es-protyv-rossiy); Observer (obozrevatel.com/politics/64317-novyie-sanktsii-protiv-rossii-gotovy-vvesti-vse-19-stran-g20.htm).



International organisations, country	Content of sanctions	<i>Annex 2 (Continued)</i>
Australia	<p>Financial sanctions were introduced, as well as a ban on entry to the country for 50 individuals and 11 legal entities that “play a key role in determining Russia’s policy, which threatens the sovereignty and territorial integrity of Ukraine”.</p>	
Canada	<p>Canada’s sanctions include freezing bank assets and a ban for issuing visas to enter the country for 116 Russian and Ukrainian individuals, who “contributed to violation of Ukrainian sovereignty and territorial integrity”, as well as restrictions for 46 Russian banks and companies.</p> <p>Sanctions affect “a broad circle of companies in Russia’s defence industry complex, as well as in financial and energy sector”.</p> <p>The country not only stopped military cooperation with Russia, but also expelled from its territory nine Russian soldiers, who were there as part of bilateral exchanges.</p> <p>Canada included in its list of sanctions activists of the so-called DPR and LPR, banking and legal structures operating in their territory, and their representatives.</p>	
US	<p>US President B. Obama signed the bill adopted by the Congress that authorises sanctions on individuals and entities responsible for violating the sovereignty and territorial integrity of Ukraine, and also specifically on “individuals in the Russian Federation involved in large-scale corruption or responsible for it”. These prohibitions are in force also for business partners of such persons, and for the members of their families. The sanctions include freezing the assets under US jurisdiction, a ban of issuing US entry visas.</p> <p>Sanctions were introduced against 56 individuals (citizens of Russia and Ukraine) and 36 Russian companies and banks, as well as the so-called DPR and LPR.</p> <p>Military contacts with Russia were frozen. The Pentagon suspended joint exercises, bilateral meetings, port visits and planning conferences.</p> <p>The agreement on cooperation in the nuclear sector was cancelled, according to the US Department of Energy (official reason – annexation of Crimea).</p> <p>Russia-US anti-drug cooperation was suspended.</p> <p>Restrictions on exports to Russia of military and dual-use products were introduced.</p> <p>Cooperation with Russia in space sector was suspended.</p> <p>Cooperation in energy sector was restricted (in particular, US oil company ExxonMobil put 9 out of 10 of its projects in Russia on hold).</p> <p>Requirements were changed for export license applications for any technological products that can strengthen Russia’s military capacity, existing export licenses were revoked.</p> <p>Russia’s trade benefits under the Generalized System of Preferences were revoked.</p> <p>Exports of goods, services and technologies to Crimea were prohibited.</p>	
Switzerland	<p>Sanctions were introduced against 87 individuals and 20 legal entities, who were restricted to conduct financial transactions on the territory of the country.</p> <p>Negotiations with Russia on signing the agreement on the free trade zone were suspended.</p> <p>Issuing permits to export military use products to Russia was stopped; Switzerland cancelled implementation of Russian military training programmes.</p> <p>Switzerland cancelled the Russian Knights group fly at the Air 2014 airshow in commemoration of the 100th anniversary of Swiss Air Force.</p> <p>Operating restrictions are constantly updated in order “to avoid the use of Swiss territory for the circumvention of sanctions”.</p> <p>A number of restrictions were introduced on placement of long-dated securities of five Russian state-owned banks, on which sanctions had been imposed.</p>	
Japan	<p>Consultations with Russia concerning visa regime were suspended; Japan froze the start of negotiations on the possible agreements for investment cooperation, space cooperation and for the prevention of dangerous military activities.</p> <p>Sanctions were imposed on 40 individuals and 2 companies, who “participated in destabilisation of situation in Ukraine and annexation of Crimea by Russia”.</p> <p>Restrictions were introduced on securities transactions, including a ban on their emission, of Sberbank, VEB, VTB, Gazprombank and Rosselkhozbank, as well as on export of weapons and related technologies to Russia.</p> <p>Import of a group of Crimean products was prohibited.</p> <p>Additionally, sanctions were introduced against 26 persons and 14 organisations related to the so-called DPR and LPR.</p>	

3. PROSPECTS OF UKRAINE-RUSSIA RELATIONS: CONCEPTUAL APPROACHES AND PRACTICAL STEPS

As previously noted, Russian aggression against Ukraine has led to crucial changes in their bilateral relations. Previous ideologies of “strategic partnership, neighbourhood, brotherly countries, mutual respect for sovereignty and territorial integrity” as defined by the mutual agreements and accords, have lost their value.

The situation at this moment requires a new evaluation and revision of the foundations and principles of the entire system of relations with the Russian Federation, taking into account the fact that the current ruling regime of Russia is the main threat for Ukraine.

Ukrainian authorities have to formulate a clear, transparent, and balanced neighbourhood policy with Russia – a country, with which Ukraine shares common border, and has numerous financial and economic, cultural, human, and historical ties. Obviously, this policy should be integrated in the regional and global security systems (in a broad understanding of this term), take into account approaches and views of Western partner-countries, and international organisations that support Kyiv in the course of the Russia-Ukraine conflict.

Obviously, the new format of co-existence of Russia and Ukraine will not start “with a clean slate”, but rather from a mark on the negative scale. This relationship should be based on the fact, that the format of co-existence is not with Russia per se, but with the current Putin’s regime, i.e. with “Putin’s Russia”.

This chapter discusses options of further development of the Russia-Ukraine conflict and, thus, contains specific conceptual approaches and practical steps for Ukraine in relations with Russia.

3.1. PROSPECTS OF UKRAINE-RUSSIA RELATIONS: DEVELOPMENT SCENARIOS

The situation in the Ukraine-Russia relations is critical and unpredictable. Further developments depend on many internal and external factors: dynamics of political, social and economic situation in Ukraine and Russia; actions of Western countries and international organisations to settle the conflict between Moscow and Kyiv (including effectiveness of multilateral negotiations), developments along the West-Russia axis; future plans of the Kremlin regarding Ukraine (in particular, personal ambitions of V. Putin); geopolitical and geo-economic situation in the region and the world, etc.

At the same time, taking into account and summarising the current tendencies, we can single out three short-term (2-3 years) scenarios for the development of relations between Kyiv and Moscow.

(1). Gradual minimisation of the Russia-Ukraine conflict. This option is unlikely for the following reasons.

Firstly, Moscow continues its aggression against Kyiv, conducts a large-scale information war, implements economic sanctions, applies pressure in the energy sector, unravels humanitarian and information expansion. All available leverages are being used to destabilise the social and economic situation in Ukraine, destroy its statehood and subordinate it to Russia’s interests. There is no reason

to believe that in the near future the nature and content of Russia’s policy will change for the better. This is also confirmed by a number of concepts presented on 4 December 2014 in the annual Address of Russian President to the Federal Assembly. (The Address emphasises strategic importance of the accession of Crimea to Russia, yet again condemns the “violent seizure of power in Kyiv”, negatively assesses the European integration of Ukraine, and accuses the West in attempting to “restrain” Russia).¹ It is obvious that the Kremlin will continue its aggressive policy, and will try to destabilise the situation in Ukraine using all possible means.

Secondly, at this time minimising the Russia-Ukraine conflict is prevented by the presence of a number of “red lines”, i.e. problems, where a compromise is impossible, and for solving which there are currently no corresponding conditions and mechanisms.

- At this moment, no political, economic, international legal and other solutions to the problem of annexed Crimea have been found.

- For Russia, the Euro-Atlantic integration of Ukraine is unacceptable. Ukraine has refused its non-bloc status and defined on the legislative level its aspiration to join NATO in the future. On 23 December 2014, the Verkhovna Rada has approved the Law “On amending

¹ See: Address of the RF President to the RF Federal Assembly. – Website of the RF President, <http://kremlin.ru/news/47173>.



certain laws of Ukraine on Ukraine's refusal to implement non-bloc policy", which stresses the need for "deep cooperation with the North-Atlantic Treaty Organization in order to reach criteria necessary for acquiring membership in this organisation".² Simultaneously, the new Military Doctrine of the Russian Federation, approved, incidentally, in 2014, says that the main external threat to Russia is "the desire to endow the force potential of the North Atlantic Treaty Organization (NATO)... to move the military infrastructure of NATO member countries closer to the borders of the Russian Federation, including by expanding the bloc".³

- Russia views European integration of Ukraine as a challenge and a threat to its own geopolitical plans in the CIS. The signing of the EU-Ukraine Association Agreement and its simultaneous ratification on 16 September 2014 by the European Parliament and the Verkhovna Rada of Ukraine renders impossible participation of Kyiv in Eurasian integration processes, upon which the Kremlin insists.

- Kyiv will neither agree to recognise the so-called LPR or DPR (even as a party in negotiations), nor will it agree to the Russian plan of Ukraine's federalisation.

Declaration of the Verkhovna Rada of Ukraine "On the struggle for the liberation of Ukraine" dated 20 March 2014.⁴ "...Ukrainian people will never recognise the annexation of an integral part of their territory – the Autonomous Republic of Crimea, seized by Russia with gross violation of the fundamental rules of international law and universally recognised principles of co-existence of countries".

President of Ukraine P. Poroshenko

"There will be no compromise in the issue of Crimea. There will be no compromise in the issue of national interests of Ukraine. There will be no compromise in the issue of territorial integrity of Ukraine, its sovereignty, in the issue of Ukraine's independence there will be no compromise".⁵

Thirdly, in the foreseeable future, it is unlikely that we will be able to overcome negative repercussions of the Russia-Ukraine conflict, including psychological ones. As noted above, Ukraine has suffered huge human, territorial, and economic losses. Ukrainian society has received unprecedented "traumatic experience". A deep alienation has been established between the citizens of Ukraine and Russia.

The expert community is also sceptical about the prospects of conflict minimisation in the foreseeable future – the overall majority (95%) of experts surveyed by the Razumkov Centre are convinced that in the nearest future (1-3 years) there will be no changes for the better in Russia's policy towards Ukraine.⁶

(2). Conservation, "freezing" of the conflict. Such a scenario is very likely for the following reasons.

Firstly, Russia, while stressing the fact that it is not a party to a conflict in the East of Ukraine, and denying the presence of its armed forces there, is actively trying to legitimate the so-called DPR and LPR, in particular, as a party in negotiations with Ukrainian government. On the diplomatic level, Russia has positively assessed the referendums in Luhansk and Donetsk oblasts on 11 May, as well as the election in the so-called DPR and LPR on 2 November 2014, and has urged the official Kyiv to lead a dialogue with self-proclaimed republics.⁷ This is the underlying principle of Russia's policy to resolve the crisis in Eastern Ukraine, which has been stressed repeatedly by the Russian President V. Putin. Indicative is also the recognition of the so-called DPR and LPR by Kremlin's satellite, the self-proclaimed (and recognised by Russia) Republic of South Ossetia.⁸

Secondly, the Ukrainian government's peace initiatives are being blocked by Russia and ignored by the leadership of the so-called DPR and LPR. In particular, this concerns the militants' build-up of military activity in response to a unilateral ceasefire by the ATO forces, blocking President Poroshenko's peace plan, failure to perform obligations according to Minsk Agreements. Thus, on 23 January 2015, "the head of the DPR" O. Zakharchenko stated: "There will be no more attempts to talk about peace on our part... We will fire, until we reach the border of Donetsk oblast".⁹ On 30 January, at the meeting of the Tripartite Contact Group, the representatives of the so-called DPR and LPR have disrupted the discussion of the plan for implementation of Minsk Agreements.¹⁰

² Law No. 35-VIII – Website of the Vekhovna Rada of Ukraine, <http://zakon4.rada.gov.ua/laws/show/35-19>.

³ Military Doctrine of the Russian Federation. – Website of the RF President, <http://news.kremlin.ru/media/events/files/41d527556bec8deb3530.pdf>.

⁴ Declaration – Website of the Vekhovna Rada of Ukraine, <http://zakon1.rada.gov.ua/laws/show/1139-18>.

⁵ Poroshenko: There won't be a compromise on the issue of Crimea, on the issue of gas – there will. – Ukrayinska Pravda (Ukrainian Truth), 1 August 2014.

⁶ For more information, see article "The Russia-Ukraine conflict: Expert Assessments" in this journal.

⁷ In particular, in the Russian MFA commentary dated 12 May 2014 it is stated: "Preliminary results of ballot counting provide strong evidence of the real mood of Donetsk and Luhansk oblast citizens to have the right for independent decision-making on issues that are of vital importance for them. We believe that implementation of referendum results should take place within the framework of a dialogue between Kyiv, Donetsk and Luhansk". See: Official website of the Russian MFA, http://www.mid.ru/brp_4.nsf/newsline/689302E9CA440EAA44257CD6005711A4. In the Statement of the Russian MFA dated 3 November 2014 it is noted: "We respect the will expression of the residents of the South-East. The elected representatives received a mandate to solve practical tasks of restoring normal life in the regions. ... It is extremely important to take active steps to establish a stable dialogue between the central Ukrainian government and representatives of Donbas." See: Official website of the Russian MFA, http://www.mid.ru/brp_4.nsf/0/64C03E1336C1B4D3C3257D85002792D8.

⁸ South Ossetia recognised DPR and LPR because of the war against civilians. – RIA News, 3 July 2014.

⁹ Zakharchenko threatens with a full-scale war – they want to seize the entire Donetsk oblast. – UNIAN, 23 January 2015, unian.net/politics/1035369-zaharchenkobudembitdohporpokanevyiydemnagranitsudonetskoyoblasti.html.

¹⁰ See: The meeting in Minsk failed because of militants' leaders – Kuchma. – UNIAN, 31 January 2015.

Thirdly, a number of decisions of Ukrainian authorities suggest an involuntary turn to continuous (at least, in the short- and medium term) settlement of the conflict in Eastern Ukraine. Thus, according to the decision of the Ukrainian National Security and Defence Council of 4 November 2014, Ukraine ceases “operation of state enterprises, institutions and organisations, their branches (affiliates), representations” in the area of the ATO. Evacuation of the judiciary, state criminal-executive service bodies, universities is enacted. Bank servicing is stopped for accounts, including card accounts opened by the economic entities of all forms of ownership and the general population in the area of the ATO.¹¹ On 7 November 2014, the Government has approved a Decree, according to which “...Expenditures from the state budget, the Pension Fund of Ukraine and budgets of other funds of compulsory state social insurance are made only after the return of the said territory under the control of state authorities”.¹² So, in reality, these are the means of long socio-economic isolation of areas not controlled by the government.

Thus, there are signs of “freezing” the conflict in Eastern Ukraine – i.e. creating for a certain period of time of a pro-Russian enclave not controlled by Kyiv, which will be Russia’s tool and staging area for political, socio-economic, and information expansion, ruining of Ukrainian statehood. We can assume that Russia hopes that the “frozen” conflict will gradually exhaust Ukrainian economy, dramatically worsen the social situation, slow down (stop) Kyiv’s European and Euro-Atlantic integration.



its optimism and absolute confidence in the rightfulness and correctness of its actions. Concealed or open use of military force by Russia, as well as the threats of its application in the Russia-Ukraine conflict remain the most effective instruments of Russia’s foreign policy towards Ukraine.

Secondly, all previous international efforts to appease the aggressor were insufficiently effective to change Russia’s policy. The attempts of the West to avoid direct military confrontation with Russia, the rejection of the possibility of using military instruments of deterrence, coercion of Ukraine to negotiate with “LPR” and “DPR” have only added confidence to the leadership of the Russian Federation in their own power and impunity.

Thirdly, the limited economic and military potential of Ukraine, compromise and alleviation in its policies addressing the situation in the East, “reserved” readiness of the West to support Ukraine instigate Russia to active action. Some influential Western politicians emphasise the possibility of easing sanctions against Russia and restoring dialogue with Putin’s Russia. At the same time, against the background of the difficult economic situation in the world, other critical events (including, in the Middle East), political and financial “fatigue” from the Russia-Ukraine conflict are growing noticeably stronger.

The mentioned scenarios generally correspond with the forecasts aired by National Security and Defence Council Secretary O. Turchynov in his speech in the Verkhovna Rada on 15 January 2015, in which he described two scenarios of further developments: “The first one – enemy’s resumption of large-scale hostilities and an offensive with active participation of Russia’s armed forces, possibly resulting in a full-scale continental war. The second scenario involves Kremlin’s attempts to prevent stabilisation in Ukraine..., to transform the confrontation into a long-standing armed conflict with the depletion of economic, military, moral and psychological potential of Ukraine”.¹⁵

**Public and Expert Opinion:
Prospects of Ukraine-Russia Relations**

The majority (60%) of Ukrainian experts predict conservation of the conflict in the nearest future with the following period of confrontation without the use of arms. At the same time, a quarter of them insist on the possibility of further conflict escalation, its transition to a large-scale, “hot” phase.

The relative majority (45%) of Ukrainian citizens think that in the following years the relations between Ukraine and Russia will deteriorate, 19% are convinced that these relations will remain unchanged. At the same time, the majority (57%) of citizens think that Ukraine needs to either reduce its cooperation and Russia’s influence on Ukraine (34%), or cease cooperation with Russia (23%).¹³

(3). Further conflict escalation – large-scale military aggression.¹⁴ Possibility of this scenario is based on the following factors.

Firstly, the main goals of the Kremlin and personal ambitions of V. Putin are realised only in part. On their agenda remains the project of creating “Novorossia” on the territory of South-Eastern oblasts of Ukraine. As earlier, the official Kremlin continues to demonstrate

¹¹ Decree of the President of Ukraine “On the Decision of the Ukrainian National Security and Defence Council of 4 November 2014 “On urgent measures to stabilize the socio-economic situation in Donetsk and Luhansk oblasts” No.875 dated 14 November 2014. – Website of the President of Ukraine, president.gov.ua.

¹² Resolution of the Cabinet of Ministers of Ukraine “Some issues of financing budget institutions, paying social benefits and providing financial support to individual enterprises and organisations in Donetsk and Luhansk oblasts.” No.595 dated 7 November 2014. – Website of the Cabinet of Ministers of Ukraine, <http://www.kmu.gov.ua/control/uk/cardnpd>.

¹³ See results of expert and national surveys in this journal.

¹⁴ In the analytical report by the NISS (November 2014) it is stated: “We can not exclude that at the possible next stage of aggression against Ukraine Russia will use its powerful naval forces and military aviation... Russia’s intention to create in Crimea a cutting edge military unit pose a real threat of Russia’s continued military aggression against Ukraine, the aim of which can be creating of a land corridor from Crimea through the mainland Ukraine to Russia, and then from Russia to Transnistria.” – Analytical report of the National Institute for Strategic Studies for the extraordinary address of the President of Ukraine to the Verkhovna Rada of Ukraine “On Ukraine’s domestic and external situation in the area of national security”, p.21-22. – NISS website, http://www.niss.gov.ua/public/File/2014_book/Dopovid_Prezident.pdf.

¹⁵ National Security and Defence Council is considering two scenarios of future events in Donbas: assault of RF troops and a full-scale war, as well as a long-standing armed conflict aimed at exhaustion. – Interfax, 15 January 2015. – <http://interfax.com.ua/news/general/244664.html>.

Currently, no signs are observed of the Russia-Ukraine conflict settlement – Russian aggression in Donbas is still going on. The Russian side continues and strengthens its aggressive policy towards Ukraine. Multilateral negotiations on Donbas conflict resolution have not yet brought the desired results.

So, based on current reality, we can assume that the most likely scenario is transformation of the situation in Eastern Ukraine into a long-lasting “frozen” conflict. This scenario was used as the basis for developing the proposals below.

However, we cannot exclude further massive escalation of the Russia-Ukraine conflict.

3.2. CONCEPTUAL APPROACHES AND PRACTICAL STEPS IN RELATIONS WITH THE RUSSIAN FEDERATION

The first section of this report describes the state and dynamics of the Russia-Ukraine conflict, in particular, the annexation of Crimea, Russia’s military expansion in the East of Ukraine. In this situation, Ukraine, being in a critical political, financial and economic situation, without an effective government, has for a long period of time functioned in the mode of delayed, inefficient and inadequate responses to Russia’s aggression. Ukrainian leadership lacked strategic and tactical approaches in relations with Russia, which is also noted by the experts of the Razumkov Centre (Box “*Expert Assessments*”).

Expert Assessments

Experts rather critically assess the strategy and tactics of Ukrainian leadership in relations with Russia. The majority (61%) of experts think that the leadership does not have an action strategy in relations with Russia. Concerning tactics, 39% of respondents are convinced that there is none, 35% – think that the leadership of the country does have tactics.

Along with this, the majority of experts (65%) are convinced that Moscow has a strategy in relations with Ukraine, 88% – have the same opinion regarding the tactics of Russia’s actions in regard to Ukraine.

At the same time, it should be noted that lately, the development and gradual introduction of certain changes in the regulatory and ideological paradigms of bilateral relations has been started. The evidence of this is publishing

of a number of legal acts (several laws of Ukraine have been adopted, appeals of the Verkhovna Rada have been approved, Presidential decrees have been issued, which enact the corresponding decisions of the National Security and Defence Council).¹⁶ Certain conceptual provisions on Ukraine-Russia relations are also included in the election programmes of political powers that came to Parliament after the elections of October 2014. These provisions define the nature and content of the present Parliament’s work in the context of relations with Russia. (See Annex “*Foreign Policy Focus...*”, p.39).

As previously noted, on 27 January 2015, the Verkhovna Rada of Ukraine adopted the Resolution “On the Appeal of the Verkhovna Rada of Ukraine to the United Nations, European Parliament, Parliamentary Assembly of the Council of Europe, NATO Parliamentary Assembly, OSCE Parliamentary Assembly, GUAM Parliamentary Assembly and national parliaments of the countries of the world on the recognition of the Russian Federation as an aggressor state”.¹⁷

In general, these regulations define only certain general approaches and practical actions in some segments of Ukraine-Russia relations, and are a part of the overall comprehensive policy in relations with Russia.

The need for urgent development and implementation at the national level of conceptual approaches and practical steps in dealing with today’s Russia is dictated by two factors. First – the previous system of bilateral relations has been destroyed by Russian aggression. Second – it is necessary to develop comprehensive counter-measures towards Russia, given that the current leadership of Russia will continue to use political, economic, energy, information, and humanitarian leverages in order to destroy Ukrainian statehood.

Conceptual approaches to future relations with Russia should be based on the following principles:

- Russia is the aggressor country that annexed a part of the territory of Ukraine and continues to carry out acts of aggression in the form of a “hybrid war”;
- the goal of present-day Russia’s policy is to destroy the independence and sovereignty of the Ukrainian state, turning Ukraine into Russia’s satellite state;

¹⁶ Declaration of the Verkhovna Rada of Ukraine “On the struggle for the liberation of Ukraine” dated 20 March 2014; the Law of Ukraine “On ensuring rights and freedoms of citizens and the legal regime on the temporarily occupied territory of Ukraine” dated 15 April 2014; President’s speech at the National Security and Defence Council meeting on 16 June 2014; Decree of the President of Ukraine “On the Decision of the Ukrainian National Security and Defence Council of 28 August 2014. “On urgent measures to defend Ukraine and strengthen its defence capacity” No.744 dated 24 September 2014; Extraordinary Address of the President of Ukraine to the Verkhovna Rada of Ukraine “On Ukraine’s domestic and external situation in the area of national security” dated 27 November 2014. Decree of the President of Ukraine “On the Decision of the Ukrainian National Security and Defence Council of 12 September 2014 “On the complex of measures for strengthening the defence capacity of the country and proposals for the draft Law of Ukraine “On the State Budget of Ukraine for 2015” in articles that contain provisions for ensuring national security and defence of Ukraine” No.842 dated 3 November 2014; Decree of the President of Ukraine “On the Decision of the Ukrainian National Security and Defence Council of 4 November 2014 “On urgent measures to stabilise the socio-economic situation in Donetsk and Luhansk oblasts” No.875 dated 14 November 2014; the Law “On amending certain laws of Ukraine on Ukraine’s refusal to implement non-alignment policy” dated 23 December 2014.

¹⁷ It should be noted, that actions of the RF that it committed in Crimea and in the East of Ukraine meet the criteria of aggression according to the UN General Assembly Resolution 3314 (XXIX) “Definition of aggression” dated 14 December 1974. Article 3 of the Resolution qualifies the following as an act of aggression: a) The invasion or attack by the armed forces of a State of the territory of another State, or any military occupation, however temporary, resulting from such invasion or attack, or any annexation by the use of force of the territory of another State or part thereof; c) The blockade of the ports or coasts of a State by the armed forces of another State; d) An attack by the armed forces of a State on the land, sea or air forces, or marine and air fleets of another State; e) The use of armed forces of one State which are within the territory of another State with the agreement of the receiving State, in contravention of the conditions provided for in the agreement or any extension of their presence in such territory beyond the termination of the agreement; g) The sending by or on behalf of a State of armed bands, groups, irregulars or mercenaries, which carry out acts of armed force against another State...”. See Definition of Aggression: Conventions and Agreements. – UN website, http://www.un.org/ru/documents/decl_conv/conventions/aggression.shtml.

- normalisation of bilateral relations is impossible in the short-term (during the rule of Putin's regime) and is unlikely in the midterm perspective (lack of democratic internal changes in Russia);
- due to geographical, historical, and geopolitical circumstances, high levels of economic, and energy dependence, only minimisation is possible, but not complete neutralisation of Russia's negative influence on the national security;
- effective opposition to the Russian threat is only possible through collective international action (allies, partners);
- the threat is the policy of the current leadership of the Russian Federation. Russia, as a country, should not be viewed as enemy, but the future possibility of the threat coming from it should be considered. Possible channels of communication should be maintained (experts, society, business) as the basis for future normalisation of bilateral relations;
- Russia's model of state and political development is unacceptable for Ukraine;
- Ukraine will not take part in any integration associations under the auspices of the Russian Federation in the post-Soviet space. European integration of Ukraine is irreversible and has no alternative;
- currently, the wordings "brotherly countries, friends", "strategic partnership" are unacceptable as basic principles of state and political relations;
- current Ukraine-Russia relations are burdened with a number of issues, where a compromise is not possible (in particular, the issue of Crimea, Ukraine's European integration).

Below are some generalised approaches and practical steps for contacts with Russia in the field of foreign policy, security, economy and energy sector.

(1) Foreign policy

Conceptual approaches. On the diplomatic level, the political leadership of the country has to solve a difficult task of developing decisions, which would focus on the national interests, as well as coordinating them with the partners. The difficulty lies in certain differences of views on the conflict in Eastern Ukraine and the ways of its settlement, which is to some extent determined by geographical, historical, political and economic factors. An active multilateral and bilateral dialogue must be maintained in order to expand the circle of partner countries, which are ready to fully support Ukraine in its conflict with Russia, or at least – in order to weaken the pro-Russian lobby in the Euro-Atlantic camp.

Ukraine's policy in the global arena, its diplomatic effort must be aimed, foremost, at ensuring the best favourable external conditions for:



- ensuring strong protection for Ukraine's independence, sovereignty and territorial integrity, its constitutional order, security, human rights and freedoms, civil society development;
- implementation of drastic diversification of international trade and economic contacts in order to get rid of excessive dependence on Russian markets;
- decreasing (in the future – getting rid of) current critical energy dependence on the Russian Federation.

Foreign policy must be focused on the key issue of strengthening and expanding international political and diplomatic solidarity with Ukraine in countering Russia's aggression, broadening the circle of partner countries and allies, attracting financial and economic, scientific and technical, expert assistance.

Ukraine's policy towards Russia has to be balanced, ultimately pragmatic, centred around protecting its own interests and countering Russia's influence. Top- and high-level contacts must be transparent and public, without covert agreements, and in line with European norms and principles. Ukraine's partner countries and international organisations should take active part in the process of negotiations with Russia.

In the context of relations with Russia, Ukraine should aim at the format of co-existence, "limited partnership". In particular, this means a radical review of contacts in different spheres and areas with regard to current events, tough assertion of national interests with reasonable compromise. It is necessary to formally define a package of issues, where compromise is absolutely impossible (the issue of Crimea, Ukraine's European integration, its political system, etc.).¹⁸

Expert Assessments

The "limited partnership" model and a tough stand on national interests in relations with Russia are supported by two-thirds (67%) of experts surveyed by the Razumkov Centre.

At the same time, a quarter (24%) of experts stress the need for a more radical option – ceasing of cooperation, breaking contacts with Russia as an aggressor country, implementation of the "hostile co-existence, restraining Russia" regime. *De facto* – the state of "cold war".

Notably, no one from the Ukrainian expert community thinks it may be possible to return to the earlier declarative strategic partnership practices.

¹⁸ Such model of "limited partnership" was supported by 67% of Ukrainian experts. See: expert survey results in this journal.



Practical steps in relations with Russia:

- Based on international solidarity, using UN General Assembly resolution 377 (V) dated 3 November 1950 “Uniting for Peace”, work on the issue of addressing the UN General Assembly with the initiative to recognise Russia as the aggressor country. This could overcome Russia’s blocking the decisions of the UN Security Council on Ukraine (Box “*On foreign policy measures of forcing Russia to peace*”).
- Intensify cooperation with the EU in the field of security (the EU Common Security and Defence Policy), incl., in the framework of implementing the Association Agreement (Section 2, p.7). Extend cooperation with European security institutions, including the European Defence Agency.
- Within the framework of existing bilateral agreements and mechanisms (Annual National Ukraine-NATO Programmes), deepen cooperation

ON FOREIGN POLICY MEASURES OF FORCING RUSSIA TO PEACE

This refers to increasing the role of the UN Security Council in this process, which is currently limited by Russia’s right to veto draft resolutions of the Security Council directed against it. It is proposed not to initiate any UN reforms (this is a lengthy and controversial procedure), but rather to employ the available means stated in the UN Charter.¹

Art. 27 of the Charter says:

*3. Decisions of the Security Council on all other matters (besides, procedural matters discussed in p.2, Art. 27 – ed.) shall be made by an affirmative vote of **nine** members including the concurring votes of the permanent members; provided that **a party to a dispute shall abstain from voting**...*

So the main problem is to recognise Russia as a party to the conflict. Essentially, for this to be done, Ukraine must make an appeal to the UN Security Council to recognise the fact of Russia’s aggression. However, using its right to veto, Russia keeps blocking the conduct of the proceedings on the Russia-Ukraine conflict, as well as any decisions of the UN Security Council containing at least hints on charges of aggression against Russia. In its turn, instead of the UN Security Council, Ukraine can make an appeal to the General Assembly of the United Nations. In this case, Russia can also try to prevent the reformatting of conflict hearings (by the General Assembly rather than by the UN Security Council), referring to Article 12 of the UN Charter:

*While the Security Council is exercising in respect of any dispute or situation the functions assigned to it in the present Charter, the **General Assembly shall not make any recommendation** with regard to that dispute or situation **unless the Security Council so requests**.*

However, in this case, there is a procedure (as well as precedents, for example, in the Israeli-Palestinian conflict, when the US used its veto right) of UN General Assembly approving draft resolutions vetoed by the Security Council. This procedure is defined by Resolution 377 (V) of the UN General Assembly “Uniting for Peace” of 3 November 1950:²

*... if the Security Council, because of lack of unanimity of the permanent members, fails to exercise its primary responsibility for the maintenance of international peace and security in any case where there appears to be a threat to the peace, breach of the peace, or act of aggression, the General Assembly shall consider the matter immediately with a view to making appropriate recommendations to Members for collective measures, including in the case of a breach of the peace or act of aggression the use of armed force when necessary, to maintain or restore international peace and security. If not in session at the time, the General Assembly may meet in emergency special session within twenty-four hours **of the request therefore**. Such **emergency special session shall be called if requested by the Security Council, on the vote of any seven members, or by a majority of the Members of the United Nations**.*

Thus, the action required from Ukraine, as the victim, is the legislative recognition by Ukraine itself of Russia as the party to the conflict (for which action are also ready many other countries). The Verkhovna Rada has done this on 27 February 2015, having adopted a corresponding appeal calling for the international community to “recognise the fact of aggression against Ukraine and the occupation of its territory, and to step up demands related to the return to internationally recognised borders, thus preventing the creation of a dangerous precedent in the form of a gross violation of the world order and security system that emerged after the Second World War”.

This is an important, yet insufficient measure. Ukraine must make a targeted appeal to the UN General Assembly with a call to convene an emergency special session, the agenda of which is to include **recognising the conflict as an internal internationalised, inspired by Russia, and such that is going on with its participation** (providing the irrefutable evidence of Russia’s guilt). After a positive decision is approved – for which purpose the President, MFA and other state and civil Ukrainian institutions will have to work hard, – UN General Assembly and Security Council will have good reasons to implement against Russia adequate measures (up to military measures, according to Chapter VII of the UN Charter), regarding which Russia has no vote.

¹ Hereinafter the UN Charter is cited. – Official website of the United Nations, <http://www.un.org/ru>. Bold font – ed.

² Website of the United Nations General Assembly. – <http://daccess-dds-ny.un.org/doc/RESOLUTION/GEN/NR0/062/19/IMG/NR006219.pdf?OpenElement>.

with NATO for the effective use of trust funds, increasing combat readiness of the Armed Forces of Ukraine, provision of military and technical assistance by Alliance countries, countering Russian information expansion and cyber-threats.

- As a priority, develop and expand political, diplomatic, and economic relations with partner countries that actively supported Ukraine and condemned Russia aggression (EU, US, Canada, Australia, Japan, etc.) with the purpose of strengthening international solidarity, and creating a permanent international group of allies in confrontation with Russia.
- Intensify contacts with the US. Provide conditions for implementation of the “Ukraine Freedom Support Act”, which expands the channels of cooperation with Ukraine in various fields (politics, economy, energy, security) and opens up a possibility to supply military aid to Ukraine. Initiate the renewal and improvement of the US-Ukraine Charter on Strategic Partnership (2008) in order to determine the content, objectives, parameters and mechanisms of this partnership in current conditions.
- Improve the mechanisms on involving the EU, US, OSCE, UN and other international institutions in taking part in the Ukraine-Russia dialogue. Initiate continuation of negotiations in the existing multilateral formats.
- Increase regional cooperation. Promote the “resuscitation” of GUAM, expand contacts within the Eastern Partnership programme, implement the new format of cooperation between Ukraine and the Visegrad Group, develop contacts with the Baltic Assembly.

(2). Security policy (military and military-technical cooperation)

Conceptual approaches. An important aspect of developing a comprehensive strategy for restraining and neutralising Kremlin’s aggressive policy is developing a clear position of Ukraine on the format of bilateral relations with Russia, incl., in the sphere of military departments and defence industry. Military and military-technical cooperation with Russia has always been too vulnerable and dependent on political factors, and has never been smooth,¹⁹ and in the current situation of a *de facto* military conflict – it is these relations that require a thorough review. The following conceptual approaches are viewed as reasonable.

- **In the short-term it is impossible to continue or resume full-fledged traditional formats of cooperation that have been used in the previous**



period (meetings of department heads; joint trainings; resolving border issues; defence industry cooperation; joint anti-drug and anti-smuggling operations, operations to counter organised crime; cooperation in disaster relief, etc.)

- **It is necessary to find an optimal balance between the ultimate limiting of cooperation with the aggressor country and the need to keep communication channels to be able to address immediate needs, and preserve possibilities of restoring the minimal confidence in the future.** Along with this, with great caution should be taken any “cooperation” initiatives coming from the Russian side, which main goal is to imitate readiness for a dialogue and distract attention from the true intentions. An example was the decision to establish a “Joint Coordination Centre for Ceasefire Monitoring” (involving Russian military), the operation of which, in terms of its declared objectives, proved ineffective, but helped Russia to create the image of a peaceful state.
- If at the beginning of the conflict the rationale for the reduction of military-technical cooperation with Russia was still debated (due to financial losses of defence industry enterprises, possible destabilisation of the socio-economic situation in the industrial regions, problems with components etc.), **today, fully justified is the requirement for complete cessation in the short-term perspective of trade with the aggressor state in the sphere of military and dual-use goods.**²⁰
- Due to the lack of timely action of certain Ukrainian defence industry enterprises and the management of the department for diversification of sales markets and cooperation ties with Russia, the withdrawal from reciprocal shipments of goods

¹⁹ For more information, see: Security Dimension of EU-Ukraine-Russia Relations. – National Security and Defence, 2012, No.45, p.40; Ukraine-Russia military cooperation. – National Security and Defence, 2006, No.5, p.28-32.

²⁰ Until recently, Russia, according to Ukroboronprom (Ukrainian Defence Industry), was one of the largest importers of Ukrainian defence products – approximately 11% of total Ukrainian exports of military products for the amount of over \$200 mln. (including dual-use goods – up to 40% for the amount of \$1 bln.). Export of military and dual-use products from Russia to Ukraine in 2013 amounted approximately to \$700 mln.

will cause certain technological and financial losses for Ukraine.²¹ The inevitable loss of Russian orders and, thus, jobs can become an additional factor of destabilisation of the situation in the regions, where the corresponding enterprises are located (Dnipropetrovsk, Zaporizhzhya, Kharkiv). **This requires the Government to promptly implement countervailing measures, – in particular, through seeking new markets and state defence order for production and repairs of weapons for the ATO.**

Reference

In 2013, the defence industry cooperation involved 79 Ukrainian and 859 Russian enterprises. Ukraine's withdrawal from military and technical cooperation with Russia will affect such industrial spheres as rocket and space ("Yuzhmash", "Khartron"), aircraft manufacturing ("Antonov"), production of aircraft engines ("MotorSich"), ship propulsion systems ("ZoryaMashproekt"). The critical area for Russia is servicing intercontinental ballistic missiles standing guard in Russian Strategic Missile Troops (KB "Pivdenne", "Pivdenmash"). The annual losses from the profits not received due to ceased cooperation can amount to: for Ukraine – approximately \$600 mln., for Russia – at least \$2 bln.²²

Despite different opinions, there was no alternative to reducing the defence industry cooperation with Russia (just as now there is no alternative to stopping it). Under the pressure of Western and Ukrainian sanctions, Russia plans to use import substitution measures, which will just accelerate the declared back in the mid-1990s policy for introduction of closed loop operation of Russia's military industrial complex. Today, out of 206 product categories imported from Ukraine (according to other data – over 3,000) Russia can substitute only 58, and is planning to find substitutes for the rest until 2020, which will require approximately 50 bln. rubles.²³

- **Despite the universally accepted idea that it is impossible to resolve the conflict by military means, it should be admitted that without a strong military component in the "toolbox" this conflict has real prospects of transforming into a "hot spot" or Russia's staging area for destabilisation of regional security.** It is, therefore, necessary to plan an operation for liberating the territory from illegal armed groups and Russian troops. For this, sufficient military capabilities must be accumulated in order to accomplish the task in the shortest possible time and with minimum casualties.

Specific steps. In order to settle the conflict and protect Ukraine from Russian aggression, the following steps must be taken:

- provide conditions for the liberation of areas captured by the terrorists, establish a temporary administration followed by a planned restoration of constitutional order and the normal life of the population;

- restore effective control on the Russia-Ukraine part of the state border of Ukraine involving international observers;
- create a buffer zone on the border with Russia, involving mobile surveillance groups with participation of OSCE and other international organisations' representatives;
- apply international legal means to stop the illegal annexation of Crimea and restore Ukraine's sovereignty;
- impose sanctions against physical and legal entities in the Russian Federation, whose actions pose a threat to national security, sovereignty and territorial integrity of Ukraine and promote terrorist activity.

Besides the complex of military measures, it is necessary to build up efforts to consolidate international efforts for the purpose of putting a stop to Russia's aggression and strengthening external security guarantees in the following areas:

- continue the dialogue with the European Union and the G7 countries to coordinate the policy of sanctions against the aggressor state;
- further the initiative of calling an international conference of the Budapest Memorandum signatories with the purpose of confirming their obligations in relation to security guarantees for Ukraine;
- contribute to the consolidation of political, financial, and military-technical support of Ukraine from the EU and the North-Atlantic Alliance;
- involve the support of the North-Atlantic Treaty Organization and the European Union to reform the security sector.

Expert Assessments

Assessing the possible measures to strengthen security guarantees for Ukraine (on a five-point scale: 1 – no impact, 5 – maximum impact), experts surveyed by the Razumkov Centre gave the first place to strengthening and modernisation of the Armed Forces of Ukraine and other defence and law enforcement agencies, ensuring strong security at borders – 4.7 points.

The next important measure, according to experts, is successful integration into the EU (4.4).

Then follow – effective system of information security in Ukraine (4.2) and initiating the process of accession to NATO (3.7).

The highest degree of scepticism is attributed to the option of official recognition of military neutrality of Ukraine and providing corresponding international guarantees to it (1.8).

Thus, in the opinion of Ukrainian expert community, the key components to strengthening national security are reinforcement of own armed forces and effective European and Euro-Atlantic integration.

²¹ "According to estimates of Media and Consulting Company Defense Express, in case military and technical cooperation between Moscow and Kyiv is completely terminated, Ukraine's shortcoming in annual revenue will amount to about \$600 mln. Russia's losses for the same period will amount to above \$2 bln." See: Samus M. Breaking cooperation with Russia is a chance for Ukrainian defence industry...

²² Samus M. Breaking cooperation with Russia is a chance for Ukrainian defence industry – Forbes Ukraine, <http://forbes.ua/ua/opinions/1375935-rozriv-kooperaciyi-z-rosiyyu-shans-dlya-ukrayinskoyi-oboronki>.

²³ Putin will be presented a plan of substituting Ukrainian products in defence industry. – INTERFAX.RU, 28 July 2014, <http://www.interfax.ru/business/388096>; Russia estimated the cost of substituting Ukrainian defence industry products at 50 bln. rubles. – UNIAN, 11 August 2014, <http://economics.unian.net/industry/949685-v-rossii-otsenili-zameschenie-ukrayinskoy-produktsii-dlya-opk-v-50-mlrd-rublej.html>.



(3). Economic relations

Radical changes in political relations between Ukraine and Russia and the ruining of trust necessitate a **fundamental review** of strategic principles of Ukraine's economic policy towards Russia. **Russia cannot any longer be treated as Ukraine's partner in development and expansion of integration relations. Bilateral relations with it should be based on pragmatism and commitment to principles binding for the member states of the World Trade Organization.**

The strategic goal of Ukraine's relations with Russia should become finding a solution for the dual task: on the one hand – **to decrease the level of reliance of Ukrainian economy on Russian markets and sources of supply of critically important energy resources and raw materials** based on the fact that the current high dependency is not justified from the economic point of view (not based on adequate consideration of potentially possible comparative advantages objectively characteristic of Ukraine) and is contrary to the principles of economic development security.

On the other hand, Ukraine has to implement a policy of preserving possibilities for future effective cooperation with Russia, its certain regions (foremost, borderline ones), companies and entrepreneurs, in the forms and volumes that **pose no threat to the economic security of Ukraine and do not allow for using economic ties as a tool for political pressure.**

The priorities in establishing economic relations between Ukraine and Russia at this stage (up to the time, when major changes take place in Russia, which will bring this country back on the path of observance of international law standards) are presented below.

- **Active policy of restraining arbitrary and illegal actions of Russia in trade and economic sphere**, which involves ultimate employment for this purpose of statutory provisions of key international organisations, as well as submission of claims to international courts with demands to compensate Ukraine for the losses it suffered due to Russia's illegal actions. Registering complaints with the WTO regarding Russia's violation of its commitments undertaken at the time of its accession to this organisation, can play an important role.
- **Implementation of a strategically oriented policy of restructuring Ukrainian industrial sphere** with the purpose of decommissioning technologically obsolete production means that consume excessive energy resources and increase Ukraine's dependence on Russia's energy supplies.
- **Implementation of comprehensive measures to promote diversification of markets, sources of raw materials, material and technical provision of Ukrainian enterprises**, considering that, as a rule, it is undesirable for one country to exceed a 30%-share in either export or import.



- **Implementation of focused policy of reorientation in the development of scientific-technical and industrial cooperation** towards the priority of inclusion in the programmes for cooperation and development of innovation, cooperative systems and production clusters of the European Union.
- **Implementation of measures to preserve certain elements of trade and economic relations with Russia**, which are appropriate, based on *pragmatic* considerations and possible prospects of renewal of more active cooperation in the period after overcoming the acute crisis stage in Ukraine-Russia relations. Priority should be given to tripartite or multilateral cooperation formats, that involve participation of third countries or international institutions in implementation of large-scale development projects with participation by Russian companies and organisations, in particular, in the sphere of transportation and energy infrastructure, communications, scientific and technical cooperation, ensuring the greening of economic development.

Practical steps:

- Officially initiate, in the framework of the WTO, consideration of the issue of systematic violation by Russia of its commitments undertaken at the time of its accession to this organisation, which was especially repeatedly manifested in Russia's discriminatory trading actions in respect of Ukraine that violate the WTO rules and damage international trade.
- Facilitate provision of assistance by the institutions of EU and other WTO member states to individual representatives of Ukrainian business in initiating and conducting procedures of dispute resolution, including training of Ukrainian specialists in international trade law and methods of protection from discrimination and unfair trade practices, as well as providing advice in hearings of specific trade disputes.



- Initiate consideration of the issue on providing technical and financial assistance from EU and other WTO member states organisations to individual representatives of Ukrainian business in the development and implementation of measures of advancing Ukrainian companies into new foreign markets, diversifying the structure of exports, with a purpose, inter alia, to facilitate re-orientation of Ukrainian enterprises' exports to other markets, alternative to the Russian one.
- Ensure targeted priority provision of technical and financial assistance to those Ukrainian companies, which really demonstrate their desire to adapt to European conformity assessment systems for agricultural and industrial products.²⁴
- Ensure the focus of financial aid programmes for Ukraine on the issues of faster and easier implementation of structural reforms (under strict international control over the proper use of funds), in particular, in the framework of:
 - implementation of the programme for trade capacity development (Aid for Trade Initiative) from the World Trade Organization;
 - improving conditions for the development of entrepreneurship and competition, overall development of entrepreneurship, small and medium businesses (loans from the World Bank and the IFC);
 - development of public administration, public finance management, introduction of modern information technologies in public administration (loans from the World Bank, the UN and the EU);
 - partnership programmes for improving the National programme for the development of competition in Ukraine (United Nations Conference on Trade and Development (UNCTAD));
 - improvement of investment policy, mechanisms to finance small and medium enterprises, implementation of the OECD Eurasia Competitiveness Programme (EU and OECD).
- Develop and implement a long-term strategy for consolidating Ukrainian banking sector (with assistance of the EBRD), with a view of the following:

...institutional strengthening of the banking sector in Ukraine based on Basel Standards;

....advanced adaptation of operating conditions of Ukrainian banks to the EU regulations;

...assurance of competence of Ukrainian judicial system regarding creditor protection;...significant reduction of market risks

in banking (which would allow to reduce Ukraine's loan interest rates to average rates for the new EU member states);

...development of modern banking products to support domestic exporters, which would include, in particular, short-term loans with lower interest rates to cover the shortage of working capital, longer periods of delayed payments, special factoring conditions.

- Provide financial support for the development and restructuring of the industrial sector of Ukraine, which would increase the level of its readiness for full-fledged international competition. Provision of aid for Ukraine in this area from the EU and other international financial institutions under the strict control over the proper use of funds. In this context, renew the OECD project "Ukraine: Sector Competitiveness Strategy" implemented in Ukraine since 2009.
- Initiate in the European Commission consideration of the issue on the possibility of involving Ukrainian enterprises in certain **interstate cooperation projects** implemented in the framework of the EU, in order to find a real alternative to working with Russian partners in terms of cooperation.
- Further the development in Ukraine of modern transport and communication networks, transportation, logistics and communication centres – in order to strengthen Ukraine's position as a transit country in "East-West" and "North-South" directions. Possibly, initiate the process of developing **a targeted state programme for ensuring security at strategic transport and energy routes** involving interested partner countries on the regional and subregional levels, incl., in the Black Sea region.

In general, effort should be focused on implementation of measures for domestic institutional development and structural improvement of Ukrainian economy, ensuring market competitiveness of Ukrainian goods and services, and facilitating the entry of Ukrainian exporters into new markets.

(4). Energy sector

Conceptual approaches. The main conceptual approach in energy relations with Russia is the quickest possible minimisation of dependence on energy sources. The main goal should be not the development of relations with Russia in the energy sector, but their transformation to the level that is safe for Ukraine and does not create the critical dependence effect.

- In legal terms, most important is implementation and compliance with EU energy legislation in Ukraine, which should be viewed as protection

²⁴ In agriculture this has to be combined with gradual expansion of the volume of tariff quotas for Ukrainian exports to the EU market.



from non-transparent schemes and approaches imposed by Russia. Energy imports from Russia should be minimised.

- Creating strategic reserves of oil products, gas, coal, and nuclear fuel has to become a key task, in order to increase Ukraine's resilience to Russia's energy blockade.
- Because energy resources (gas) have become an instrument in Russia's hybrid war against Ukraine, and energy infrastructure (pipelines, mines, energy generating capacities) have come under the threat of destruction, it is necessary to create a complex of measures to minimise the negative effects and asymmetrical responses.
- An important task is to review contractual arrangements regarding the supply of Russian gas to Ukraine, the asymmetry of which allows for financial weakening of the state and for preserving Ukraine's dependence on Russian gas. In this matter, Ukraine and the European Commission have to take a consolidated stand in relations with Russia. Ukraine's demand to return the illegally alienated oil and gas assets in Crimea and in the shelves of the Black Sea and the Sea of Azov has to remain unchanged.

Practical steps:

(1) Comprehensive diversification of energy resources supplies. To achieve this, it is necessary to:

- Continue reverse gas supplies from the EU, ensure maximum use of flow capacities of transit corridors through Poland, Slovakia and Hungary;
- Organise commercial supply of imported coal considering the needs of energy sector and resources that will provide the most favourable commercial conditions;
- Reach an agreement with the Westinghouse company regarding nuclear fuel supplies to Ukrainian NPP, intensify cooperation with the US in diversification of nuclear fuel sources;
- Work on the issue of using Floating Storage Regasification Unit – FSRU (floating unit for storage and regasification of natural gas) for LNG supply to Ukraine from the Black Sea direction.

(2) Energy conservation, energy efficiency, and substitution of gas:

- Conduct an independent audit of hydrocarbons production sector (transparent public inventory of all production wells and publication of information on their owners, data on wells and well rates on the special government portal website);
- Establish total accounting and control of movement and use of gas according to the principle “from the well to the burner”;
- Discontinue illicit and unaccounted for extraction of energy resources;

Proposals for the European Union

Energy export is a vulnerable place for Russia, as its primary focus is on the EU markets, and this is where Russia receives the major part of its inflow of foreign currency from.²⁵ So the EU has a possibility to use the increased dependence of Russia on the European market as an element of pressure on Moscow in response to its aggressive actions.

In this context, the EU could make the following steps:

The EU can make a decision to reduce and substitute the imports of Russian gas, oil, petroleum products and coal.

The European Commission has a possibility to consider the question of freezing (under the pretext of further study) all construction projects of NPP units of Russian design on the territory of EU member states.

A comprehensive inspection can be conducted at Russia's state companies, such as “Rosneft”, “Gazprom”, as well as private trading companies with offshore registration, which have been founded involving Russian owners and handle Russian energy resources, in order to examine their work in the EU market for compliance with EU legislation.

The EU and the US, using joint effort (incl., in the G7 format), as a condition for the lifting of sanctions, can manage to have Russia approve the following provisions:

- admit international monitoring group experts to borderline gas-measuring stations in order to control the movement of gas flows intended for export to the EU and Energy Community countries;
- demonopolise Russia's gas sector, allow independent Russian gas producers to enter foreign markets;
- ensure freedom of transit of Central Asian gas to the EU through Russia;
- transition to the system of delivering Russian gas to European consumers at the eastern border of Ukraine, which at the same time is the eastern border of the Energy Community Treaty;
- forced return of Russia to the format of the Energy Charter Treaty.

Under the auspices of the IEA, it is reasonable to develop a draft of a multilateral agreement on the mechanism of early gas crisis warning using bi-parametric system of data sharing on the movement of transboundary gas streams.

- Implement projects to reduce consumption of natural gas: provide regulatory support; use tariff policy instruments; implement projects of CHP conversion to the use of alternative energy sources;
- Implement measures to reduce energy consumption in households. This means: increase thermal resistance of frame structures in buildings (thermal insulation of walls, roofs and basements, replacement of windows and doors), replacement and/or installation of energy efficient equipment, replacement of light sources, replacement and/or installation of energy efficient household appliances;
- Ensure implementation of measures to reduce energy consumption in district heating systems: maintenance and modernisation of heat-generating equipment; replacement of pipes with preinsulated ones; waste heat recovery; technological processes heat recovery at industrial enterprises; modernisation of heat supply stations.

²⁵ According to Russian Federal Customs Service, in 2012, the exports of energy products paid Russia 69.8% of its total export revenues – \$366 bln. out of the total amount of \$524.7 bln. Oil exports paid \$180 bln., petroleum products – \$100 bln., gas – \$63 bln., coal – \$13 bln., electricity – \$1 bln.

(3) Reforms and administrative measures:

- eliminate cross-subsidies in electric power and natural gas markets, perform gradual transition to market gas prices for all consumers with execution of provisions of the Energy Community Memorandum of Understanding on the Social Issues regarding protection of socially vulnerable consumers; separate electricity sales and distribution functions;
- integrate Ukrainian gas transportation system (GTS) into the European energy security system. Involve (according to legislation) European and American system investors in Ukrainian gas transportation system management, including underground gas storage facilities (UGS). Implement provisions of the EU Third Energy Package: reform NAK Naftogaz of Ukraine and ensure establishing operating companies for GTS and UGS. Make agreements with EU member states regarding transit of Russian gas through the territory of Ukraine with the following relocation of gas delivery point to the eastern border of Ukraine;
- transform NAK Naftogaz of Ukraine from the company that combines commercial operation with state management functions into a holding with functions limited to the level of organisational powers to hold shareholders meetings and prepare annual reports; transfer all commercial and industrial functions to subsidiaries;
- liberalise the regulatory framework in natural gas extraction; cancel unreasonable restrictions in uranium mining;
- ensure preferences in providing gas, electricity and heat to population ahead of industrial enterprises, create a differentiated (depending on significance for national security of the country) list of industrial facilities, which will have limited or no supply of energy resources in critical energy supply situations during the heating season.



CONCLUSIONS

Given the dynamics and prospects of the Russia-Ukraine conflict, the proposed “limited partnership” format implies fundamental changes in various spheres of possible contacts with contemporary Russia, which carries out an aggressive anti-Ukrainian policy. In particular, this means changing the format, nature and mechanisms of action regarding Russia, especially in foreign policy, trade and economy, energy and security fields. These changes should be formalised in corresponding laws and regulations and should determine the work of government bodies, businesses and other Ukrainian parties in relations with Russia.

At the same time, it should be understood that this format is not final and permanent. It is designed for a certain (possibly, long-term) period of co-existence with such political regime of Russia that poses a real threat to Ukrainian statehood, its sovereignty and territorial integrity. Possible reasons for the change of format in the future would be changes of Russia’s political regime, democratic reforms, changes in Russia’s foreign and domestic policy, respect and strict observance of bilateral and multilateral international commitments of Russia.

Necessary conditions for improvements in relations between Kyiv and Moscow should be the following: Russia ceases its aggression against Ukraine, returns occupied territories and compensates for losses caused by the annexation and military operations, stops the information and humanitarian expansion, and terminates its practices of interfering in Ukraine’s internal affairs, recognises Ukraine’s right for European and Euro-Atlantic integration, as well as for independent decision-making in domestic and foreign policy.

Thus, in shaping the policy of relations with Russia, it should be considered that currently Russia is the aggressor state, but for the future – this is a neighbouring state, with which we should establish peaceful relations.

It is also important to work on the humanitarian and information sector in order to prevent further mutual alienation of societies in both countries, as well as increased mutual hostility between the people. Political regimes may go away, while interpersonal relationships will always last. Russian society has to remain the audience for Ukrainian media, has to be informed about the point of view of both Ukrainian state and Ukrainian society on the current events, as well as on the prospects for humanitarian, cultural and social relations between the two countries. So, it is necessary to review the principles of realisation of state information policy with regard to Russia. The primary task is protection of the national information space, but of no less importance is also creating the information channels for influencing Russian society, Ukrainian diaspora in Russia, residents of Crimea.

So, while shaping the policy in humanitarian and information sphere, it is necessary to see the strategic goal of restoring mutual trust between the two societies, their interest in peaceful co-existence, civilised relations on the basis of recognition of each society’s right to determine its own political system and the vector of its civilizational development.



FOREIGN POLICY FOCUS IN THE ELECTION PROGRAMMES OF POLITICAL PARTIES¹

Annex 3

Party	Foreign Policy Issue in the Election Programme
<p>Party “PETRO POROSHENKO’S BLOCK”</p>	<p>In foreign policy, the priority for our party is Ukraine’s full-fledged membership in the European Union, in order to live in the “new, free family”. The way to the EU for us is an instrument, an incentive to change the country and introduce European standards of living in it.</p> <p>The most effective protection against external aggression is when people unite as patriots in the struggle against invaders. Let us not allow the discord in society and opposition on the basis of language, ideology and religion. Let us together protect each village and city, each family from the enemy’s aggression.</p> <p>Our priority is political and diplomatic struggle to return temporarily occupied Crimea and preservation of territorial integrity of Ukraine.</p>
<p>Political party All-Ukrainian Union “Batkivshchyna” (“Motherland”)</p>	<p>The independence of Ukraine is under immediate threat of military aggression of the Russian Federation. For a long time now, in Donbas, we have had a real war, and not an anti-terrorist operation.</p> <p>In order to stop the aggressor, we have to become much stronger and more decisive. Any peace negotiations may be conducted only from the standpoint of preservation of territorial integrity and sovereignty of Ukraine, its European and Euro-Atlantic integration.</p> <p>We do not have the right to concede an inch of our land. Our heroes did not die for this.</p> <p>Currently, we have two ways: either victory, or shameful surrender to the aggressor. Our path to restoring peace is to conduct negotiations from a position of strength.</p> <p>It is necessary to:</p> <ul style="list-style-type: none"> Return to the “Geneva” format of negotiations with Russia. Cancel Putin’s laws that transfer a part of Donbas territory of the Russian Federation and pardon terrorists. Implement our own sanctions against Russia, achieve its recognition as an aggressor state and the sponsor of terrorism, and DPR, LPR – as terrorist organisations. Start the programme of returning Crimea, make Russia pay compensations for the losses Ukraine suffered due to occupation of the AR of Crimea and the part of Donbas, through international courts. <p>NATO – ALL FOR ONE, ONE FOR ALL</p> <p>NATO is a system of collective security, democracy, successful reforms and increased investments. This is freedom and peace for the people, reliable protection against Kremlin’s trespassing. Our goal is Ukraine’s accession to NATO.</p> <p>We must:</p> <ul style="list-style-type: none"> Hold a National referendum on joining NATO on the day of the snap parliamentary election on 26 October 2014. Adopt a law with a clear plan and schedule for reforms to transform Ukraine into a potential member of the Alliance. Ensure public control of its implementation. Regenerate the Armed Forces of Ukraine and ensure their re-equipment on the basis of the national military-industrial complex in line with NATO standards. <p>EUROPEAN CHOICE</p> <p>Ukrainians gained their right to a European future during the Maydan events and today rose to protect this future with arms in hand. Our goal remains unchanged – Ukraine has to become an integral part of united Europe.</p> <p>Our tasks are:</p> <ul style="list-style-type: none"> To ratify and immediately put in effect the Association Agreement with the EU. No delays and postponements. To strengthen cooperation with the EU in the sphere of Common Security and Defence Policy. To complete all procedures for the introduction of the visa-free regime with EU. To achieve Ukraine’s full membership in the European Union.
<p>Political party “People’s Front”</p>	<p>OUR GOAL IS EUROPEAN UKRAINE</p> <p>The main instrument are system reforms according to the Association Agreement between Ukraine and the European Union.</p> <p>The party views as its key task the restoration of Ukraine’s territorial integrity, its liberation from terrorists, foreign troops and mercenaries, establishing proper control over the state border.</p> <p>Legislative renewal and implementation of strategic course of Euro-Atlantic integration.</p> <p>The roadmap for reforms is determined by the Association Agreement with the EU. At the same time, Ukraine has to independently define its “points of economic growth”, based on the characteristics of its geopolitical and geo-economic situation, its natural and human resources.</p>
<p>Political party “Samopomich Union” (“Self-Help”)</p>	<p>Today, the duty of every Ukrainian is to protect the independence and the integrity of his state. Ukraine’s refusal to implement the non-bloc policy.</p>
<p>Political party “Opposition Bloc”</p>	<p>Attest our country’s intention to preserve neutrality and implement the non-bloc policy.</p> <p>Conduct active negotiations with Russia with facilitation of the EU, US and other countries in order to establish stable conditions for peace in Eastern Ukraine. The remaining problem issues are to be eliminated from the scope of these negotiations.</p> <p>Reduce the negative consequences of ratification of the Association Agreement with the EU through the approval of the State programme for domestic producers support.</p>
<p>Radical Party of Oleh Lyashko</p>	<p>The goal of the Radical Party is to create the society of equal opportunities and general well-being. In order to do this, first of all, we need to win the war.</p> <p>The entire country must support the Eastern Front, through which Russia wishes to destroy Ukraine.</p> <p>Association with the EU will help us sell our products in Europe. We will expand production, and construct facilities closer to the EU border, will create new jobs.</p>

¹ Citations from election programmes registered by political parties before the snap parliamentary elections of 2014. We present programmes only of those parties that got into the Parliament. The programmes are taken from the official Central Election Commission website. – http://www.cvk.gov.ua/vnd_2014.

UKRAINIAN AND FOREIGN EXPERTS ON KYIV-MOSCOW RELATIONS

It is customary for the Razumkov Centre to conduct interviews on foreign policy issues. These interviews, held in October 2014, were dedicated to the challenges and prospects of the Ukraine-Russia relations.

14 authoritative experts from 12 world countries (from Spain to Japan) shared their assessments, opinions and forecasts regarding the Russia-Ukraine conflict.¹

In particular, experts on international issues analyzed the current state and nature of relations between Kyiv and Moscow, assessed the actions of their governments in resolving the Russia-Ukraine conflict, and expressed their opinions on how to reduce confrontation between the two countries.

All interviews showed concern for the events in Eastern Ukraine and the need to resolve the conflict as soon as possible. It should be underlined that the experts analyzed the situation in October 2014. Clearly, certain assumptions and assessments have with time become irrelevant. However, this in no way reduces the value of the experts' observations, opinions and forecasts. In some aspects, the further course of events has proved their opinions were accurate, competent and objective.

The interviews represent a wide range of opinions, from moderately careful to radically critical and provide an insight into the overall nature and scope of international discourse regarding the situation in Ukraine and the world's attitude to the Russia-Ukraine conflict. At the same time, special attention should be paid to the proposals expressed on the ways and means of its settlement.

THE CONFLICT COULD BE RESOLVED BY THE UKRAINIANS AND RUSSIANS ONLY



Anton BEBLER,
Professor of the University of
Ljubljana, Faculty
of Social Sciences

– How would you describe the current state and nature of Ukraine-Russia relations?

They are bad, with faults on both sides. The war of sanctions hurts both economies, the Ukrainian much more than the Russian one and does not solve Ukraine's problems. The counterproductive Western sanctions have raised unrealistic hopes among the leading Ukrainian politicians and in fact reduced the possibility of or, at least, delayed a peaceful resolution of the conflict in Eastern Ukraine.

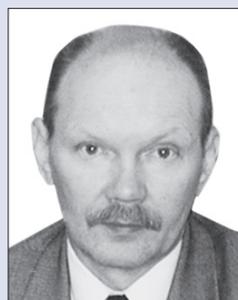
– How do you assess the efforts of the government of Slovenia in resolving the conflict between Russia and Ukraine?

There have been no such particular efforts and rightly so. The conflict could be resolved by the Ukrainians and Russians only.

– What are the ways and means of settling this conflict?

A compromise with the Russian insurgents in Eastern Ukraine, the federalisation of Ukraine and the adoption by it of a neutralist international stance similar to that of Finland, but unlike Finland with a special arrangement with EU, short of membership. A similar arrangement with EU, however for different reasons, would be appropriate also for Turkey. ■

IT IS TIME TO TAKE REAL STEPS IN PURSUING EUROPEAN INTEGRATION, ENSURING SOCIAL AND ECONOMIC RECOVERY, AND STRENGTHENING NATIONAL UNITY AND RESPONSIBLE GOVERNANCE



Andriy VESELOVSKY,
Ambassador-at-Large,
Ministry of Foreign Affairs
of Ukraine

– How would you describe the current state and nature of Ukraine-Russia relations?

When making decisions, a great country (and Ukraine is definitely a great country!) has always to consider the public as well as the expert community. Here is what we can hear.

¹ Among the participants were the experts from Armenia, France, Germany, Great Britain, Greece, Japan, Netherlands, Slovenia, Spain, Ukraine and US.

The Ukraine-Russia relations have always been and are the most complicated yet the most important component of Ukraine's external relations (the term comprises foreign political, economic and security relations). Political shortsightedness and state immaturity of the Ukrainian government and politicians as well as and the corrupt nature of the national business environment have, throughout the whole history of independence, turned these intergovernmental relations into a set of schemes, spheres of influence and arrangements implemented by a narrower or wider (depending on the capacity of the governing centre) range of stakeholders, groups, parties, and family clans.

This impoverished and weakened Ukraine, its economic potential and citizens, and had a ruining, though not a disastrous, effect as long as Russia pursued this policy and supported similar environment. With the shift of power in 2000, Russia gradually adopted a re-imperialisation policy, which, with time, strengthened Russia amid further degradation of Ukraine, and resulted in the annexation of Crimea and occupation of some Eastern Ukrainian regions. As a result of Russian aggression, Ukraine has, apart from the above material losses, been deprived of its freedom of choice in terms of security (an option to choose a security system) and restricted in its freedom of action in economy and trade for a mid-term perspective, which makes fundamental reforms, social and economic recovery and national consolidation utterly complicated.

In 2013-2014, the Ukraine-Russia relations developed in a maximally open international context, starting, on the one hand, from Russia's outspoken pressure on Ukraine to refuse to sign the Association Agreement (AA) in summer-autumn 2014, involvement of Russian forces in suppressing the Maidan, consistent support and concealment of the Yanukovich clan and further armed aggression and, on the other hand, EU's encouraging Ukraine to follow the course of European integration, participation of leading European diplomats in the immediate talks between the government and the Maidan, economic concessions regarding the AA, and assistance in the negotiations in view of the Russian aggression. The internationalisation of these relations (with involvement of the US and international organisations) helped Ukraine find a counterbalance to Russian actions. Ukraine has *de facto* become the object and subject of the EU Common Foreign and Security Policy and a factor in the relations between all subjects of the international politics and Russia. The Ukraine-Russia relations have, for the most part, lost their bilateral dimension, which serves the interests of Ukraine.

Despite the aggression, occupation and pressure, Ukraine and Russia have formally preserved their previous relations at the political, diplomatic, economic, and humanitarian levels. Meetings of country leaders and ministers of foreign affairs have taken and will take place, no bi- or multilateral agreements (with the participation of the parties) have been revoked, passenger services are in place, and the prevailing majority of contracts between public and private institutions have been preserved. Prohibition of Ukrainian exports is within the trend initiated by Russia in the late 1990s and has been intensified for the last 2-3 years. The recall of the Ukrainian ambassador from Moscow (without adequate measures on the part of Russia), heated anti-Russian rhetoric among both the politicians and the society, the public campaign "do not buy Russian products" that had no substantial effect on Russian imports, a possibility of sanctions against Russian producers and citizens, restricted access to Ukraine for a certain category of citizens, prohibition on broadcasting a number of propaganda TV channels and a certain decrease in passenger traffic are a few indicators of changes

in the relations between the two countries. According to opinion polls, somewhat more than a half of the Ukrainians, unlike Russians, now consider Russia a friendly country or at least not an enemy.

The Ukrainian government, being aware of the threat of further aggression, has announced the change of Ukraine's National Security Strategy and Military Doctrine by defining a new (non-amicable) status of the Russian Federation, and a probable revision of the legal and contractual array with the Russian Federation (as of October 2014, there were 377 contracts, agreements, protocols, memoranda, etc.). It has been announced that the budget and the government agenda will contain financial and economic modifications aimed at gradual distancing from all kinds of dependency and life defining cooperation with Russia with due regard for the interests of Ukraine. It is essential that special efforts should be taken to explain the reasons for such actions and substantiate the restrictions imposed on relations with Russia and the perspectives of European integration, which is currently not the case.

– How do you assess the efforts of Ukrainian government in resolving the conflict between Russia and Ukraine?

It should be taken into account that, formally, there were two (in fact, several) leading groups in Ukraine in February-October 2014, each of them having its own approach to resolving the conflict and its own methods of counteraction. Additional complications arose when there appeared two or even three decision-making centres with various groups and structures that either competed or ignored each other, or an extensive public initiative in the form of the half-spontaneous "pressure groups", volunteer battalions, civic movements (Mothers, Journalist Environment, etc.) that had a significant influence on decision-making and on the speed and quality of decision implementation.

The Verkhovna Rada as an institution has, for the second time over the decade, saved the country from falling into anarchy and self-destruction. But at the same time, it slowed down implementing quick progressive decisions aimed at clearing the government and rebooting all other institutions. In its richest segment, the business environment (which is, in view of its lobby nature in Ukraine to be covered by the term "governance") split up into rational highly professional patriots (Kolomoysky and others), momentary improvident compradors (Akhmetov, Kolesnikov, etc.), and runaways or outspoken betrayers (Arbuzov, Klyuev, Yefremov, etc.). **The government, in the person of the Prime Minister, Deputy Prime Minister and the Minister of Finance, has preserved organisational and financial stability and held a fruitful dialogue with international institutions, but failed to implement the expected radical reforms** (except perhaps for outlining its intentions, which is obviously not enough in this situation).

The President of Ukraine, elected in the first round with an unprecedented level of trust, demonstrates high professionalism, energy, approachability and mobility. However, he is being criticized severely for poor staffing decisions and not being ready for more frequent open public consultations. The actions of Ukrainian secret service, border guard service and ATO leaders, who missed the counteractions of Russian forces, did not take into account the information from the cities, went on thinking and planning the operations in the outdated World War II categories (Ilovaisk, Mariupol, the border line in Luhansk and Donetsk regions) and took no awareness-building or counter-espionage efforts for the army, are an obvious failure.

The Ukrainian government did not lose the first round in the collision with Russia and its government thanks to people's support and unprecedented self-sacrifice, despite its mistakes, miscalculations, fear of reforms and, first of all, of taking measures against corruption that exists all its levels. The share of non-professional leaders, hasty or corrupt decisions strikingly contrasted the expedience, which was, in particular, re-executives replaced within seven months.

At the same time, the fact is that at the end of February 2014, the country and practically all institutions (except for the transport, power, diplomatic, customs and, partially, IT) were uncontrolled, materially destroyed, demotivated and lacked initiative. **The initiative at various executive levels enabled the government not to take erroneous decisions, make the required real-time adjustments, and learn from mistakes, including making life-saving decisions.** However, it would be fair to mention that the erroneous evaluation by the Russian government of the political realities in Ukraine, its strategic miscalculations as to the response of the global community to the events in Ukraine, the position of the key world countries, and self-confidence of its intelligence and consultancy political structures contributed to a relatively successful outcome for the Ukrainian government.

Bottom line: This is not a defeat; this is just a knock-down (Crimea and other), with many rounds ahead and a motivated and professional rival.

– What are the ways and means of settling this conflict?

In general, the current Ukraine-Russia relations can be compared to those prevailing in Europe between a number of countries after World War I, when its participants signed peace treaties having in mind a quick return to the battle field (as Marshal Foch said in 1918, what was signed in Compiègne was not peace but ceasefire before the next war). The length of ceasefire based on the outcome of Geneva (April 2014), Normandy (April 2014), Minsk (September 2014), and Milan (October 2014) agreements² will depend on the dynamics and adequacy of actions taken by the Ukrainian politicians from November 2014 to March 2015. For this period, it will be necessary at least to form a new architecture of Ukraine's Verkhovna Rada and a coalition government, to make fundamental changes to tax, electoral, law enforcement, defence, and judicial laws and implement them, in particular in terms of budget and institutional decentralisation, strengthen and secure the Armed Forces of Ukraine (strategic reserve+), supplement the National Guard, solve the problem of the volunteer battalions, strengthen the diplomatic service and the diplomatic corps, publish the results on investigating the Maidan events (February 2014) and those in Odessa (May 2014), hold a regional (for the ATO zone), national (for Ukraine in general) and international donor conferences, start implementing the EU Association Agenda, conduct a lustration (professional and political attestation) of the officer corps in all military and law enforcement structures,

stop the inflation, provide the declared benefits for all ATO participants, develop a plan of action for uncontrolled territories in the Donetsk and Luhansk regions, provide resources and initiate implementation working together with international structures, and ensure implementation and regular reporting (ideally once a month) on the progress of the Anti-corruption Package. By the way, no staffing is expected for this purpose.

If the above objectives are attained, Russia is likely to stop its armed forces from recommencing any active offensive and refuse sending its sabotage groups to Ukraine, which will make it possible to take real steps in pursuing European integration, ensuring social and economic recovery, and strengthening national unity and responsible governance (including eliminating corruption).

Closed-door consultations should go on with Russia to maintain communication in addressing such critical issues as security, borders, diplomatic relations, customs, trade, and power supplies.

Efforts should be taken to maintain the “Normandy format” and the Ukraine-Germany-Russia pressure line. The open mode agenda includes such issues as stopping fire in the ATO zone and withdrawing the heavy armament; pulling out foreign troops and their weapons from Ukraine; releasing all hostages, including Nadiya Savchenko; re-establishing Ukraine's sovereignty across all its borders, restoring the frontier regime and the work of the checkpoints and customs posts under OSCE monitoring; recognizing the 26 October 2014 elections to Verkhovna Rada on as the only legitimate nationwide elections, and the 7 December 2014 elections as the only legitimate local elections within the ATO territories; entering into an effective gas supply and transit agreement between Ukraine, EU, and Russia.³ Other matters can also be discussed; however, the above seem mandatory and must not be subject to any changes or exclusions as they are unconditionally supported and officially declared by the US.

In case of a complete or substantial success, the EU-Ukraine relations might develop at a relatively quick rate, and in case Ukraine meets the Association Agenda, it might be treated as a candidate for EU. Only after that, open talks on returning Crimea to Ukraine can be initiated.

Too many “ifs”, but, yet again, everything depends on the nation's ability to elect a responsible government, control its actions, and break away from the 350-year vicious circle of lost opportunities.

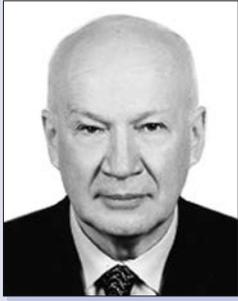
Which way of development is chosen will depend on the President's decrees and resolutions passed by the Cabinet of Ministers.

Ukraine's advantages are support from the international community, nationwide European choice, falling oil prices, relentless pragmatism of China, and people's initiative. Among the disadvantages are corruption, internal controversies, disbalanced institutions, post-Soviet mentality nourished by the neighbour's demolishing actions, and the government's excessive self-confidence. ■

² The Milan meeting provided a unique chance to structure the Ukraine-EU-Russia relations and to set a problem solving algorithm. The Ukrainian party failed to do this: it missed Russia's “gas step” that won over EU, and the issue of sovereignty and territorial integrity faded into insignificance.

³ In his report on 14 October 2014, US Secretary of State John Kerry said that, “shooting around Donetsk airport and other parts of East Ukraine has to stop. Foreign forces and weapons need to be withdrawn. Hostages – all hostages – need to be released, and that includes the pilot, Nadiya Savchenko. Sovereignty has to be restored along the Ukrainian-Russian international border, and that border needs to be closed and held accountable. The restoration of the Ukrainian border and checkpoints under OSCE monitoring and a pullback of heavy weapons, as outlined in the Minsk Agreements can improve the situation provided that the OSCE is able to implement this plan as soon as possible. The only legitimate elections in Ukraine are the October 26th elections to Verkhovna Rada and the 7th December elections of local authorities in the Donbas special status zone. In my view, any efforts to hold independence referenda in Luhansk and Donetsk within that timeframe would be a violation of the Minsk Agreements, so the results would not be recognized by Ukraine and by the international community. And, the last but not the least, finalizing the EU-Russia-Ukraine gas talks as soon as possible”.

THE COMPLEXITY OF THE SITUATION REQUIRES THAT UKRAINE DEVELOPS A NEW STRATEGY OF ITS RELATIONS WITH RUSSIA



Volodymyr HORBULIN,
Advisor to the
President of Ukraine,
Director for the
National Institute for
Strategic Studies under
the President of Ukraine

– How would you describe the current state and nature of Ukraine-Russia relations?

We see the next phase of the protracted war on many fronts in the best traditions of hybrid warfare and special operations. It differs from what is usually associated with the word “war”. The schizophrenia and double thinking have reached their apogee. To illustrate, according to the Russian ideology, the “closest brotherly nation” attitude is combined with accusations of genocide of the Russian-speaking population and constant violations of human rights. Also, despite the participation of Russian military forces in the armed conflict in Eastern Ukraine, Russia insists that the neighbour country is having a “civil war”.

For Ukraine, **the fear of staying one-on-one with the aggressor and the pressure on the part of its allies prevent the top political leaders from shaping a single position while adhering to the paradigm of reaching peace through negotiations**, which is contrary to the reality of the actual military actions in Donbas and their perception by the public. These relations are hanging between the unambiguous war and political uncertainty, which gives scope for a political manoeuvre and flexibility on the one hand, but restricts the possibility of decisive actions and communication with people, on the other.

After interrupting the direct attack, there is an intention to freeze the conflict in Donbas in the Transnistria format with a view to recommencing it at a proper time. From Russian perspective, non-recommencement of military actions is only possible on condition of returning to and expanding special relations with Russia. This would cover the traditional objectives of establishing a non-bloc status, interrupting European (not to mention the Euro-Atlantic) integration, recognizing the Russian language as the second state language, strengthening the Moscow patriarchy, changing the state structure towards federalism, supporting cultural and media expansion, and, of course, recognizing the annexation of Crimea and Sevastopol.

At the same time, **Russia directs its efforts aimed at instigating internal splits in Ukraine having a military coup d'état in view, spurs pro-Russia forces to illegal elections and sabotage, excites separatism both in the regions neighbouring the ATO zone and in Western Ukraine, and continues information attacks**. Finally, Ukraine experiences pressure on its foreign policy and economic blackmailing. It is expected to tumble, being pushed into default and collapse. That is why, even if

military actions are not recommenced, it will be extremely hard for Ukraine to preserve its territorial integrity and independence. Putin has to be stopped, not just interrupted.

– How do you assess the efforts of Ukrainian government in resolving the conflict between Russia and Ukraine?

The key factor here is to understand that Russia's policy towards Ukraine does not correlate with Kyiv's immediate actions but derives from the strategic interests and goals formulated by the Russian leaders. Therefore, in terms of adjusting the Russian policy, even the most venturesome innovations of the Ukrainian government will have a limited effect.

The current foreign policy pursued by Russia is largely aimed at reformatting the post-Soviet space, the area of Russia's prevailing interests according to the 2008 Foreign Policy Concept, and reinforcing its own dominance here by any means, including force. Moreover, the aggression against Ukraine became practically possible after the 2008 Russian-Georgian war showed that the West was not really willing or able to interfere with such conflicts in the post-Soviet space.

For Russia, a “window of opportunities” regarding its territorial expansion and re-establishment of influence in the Central and Eastern Europe will be closed in the near future both from the perspective of internal opportunities (decreased recruiting reserve due to demographic problems, dissipation of money earned from energy trading), and the expected evolution of foreign political environment.

Therefore, despite the deteriorating economic and political situation resulting from the imposed sanctions, serving rather as instruments of a limited long-term influence, **we should expect Russia to continue attacks on all fronts in the short-term and mid-term perspectives**. In this regard, important is the tone of the statements made by the key players of the Russian political community before and after the Milan negotiations crowned with the statement of Sergey Lavrov that no western sanctions would make Russia change its policy, and more military expenditures in 2015 at the background of *ruble* devaluation and lower oil prices only serve to support this tendency.

The decision of the Ukrainian government to focus on the Normandy format and draw Russia's traditional allies, France and Germany, over to our side with the help of our traditional allies, Poland and the US, may be considered interesting as well as rather successful. This decision has already borne some, though limited, fruit: we can see a joint European-Ukrainian front to patch up the conflict with Russia.

However, the negotiations in the Ukraine-US-EU-Russia format might additionally strengthen this configuration without too much swaying for the benefit of Russia. There is a lack of collaboration with the Central European countries involved in the reverse gas supply and frankly suffering from Putin's pressure as well as the indecisiveness of their West European partners. More specifically, **the bilateral relations with Russia lack precision and strategic vision and have too many situational decisions**, which is dangerous for such challenging issues.

At the same time, it should be taken into account that turning the conflict into negotiations or backstage

arrangements, and the pressure of western partners to reach peace at any cost, are also fraught with dangers. Through the Berlin, Minsk, and Milan negotiations, Russia tries to legitimate the causes and mechanisms for getting involved in Ukraine's internal affairs. In particular, Russia has practically managed to procure the status of a negotiation party for the Association Agreement and to declare its clear intention to make changes to its economic part, thus actually bringing it to nothing.

– What are the ways and means of settling this conflict?

A serious asymmetry in forces and capabilities as well as high involvement of external players, make it impossible to settle the conflict up on a bilateral level. Therefore, for the sake of a positive outcome, the situation is to be held in the widest possible international context with a focus on the overall threats to the global security. This key point has paled into insignificance against the background of an amicable settlement.

However, the example of Ukraine, which refused its third largest nuclear weapons stockpile in the world and now suffers from one of the guarantors under the Budapest memorandum, with the overall passivity of other guarantors, is an encouragement for other countries to gain and expand their nuclear potential. This, in turn, will lead to an uncontrolled and utterly dangerous mass arms race and numerous regional conflicts, let alone the legitimacy of force policies, establishing areas of influence, etc. From this perspective, Crimea issue may not be excluded from the agenda or made the subject of secret agreements.

The conflict has actually proved the worthlessness of the basic mechanisms within the broken system of international security, both for UN (Security Council veto power) and for OSCE (consensus decision-making). The annexation of Crimea and the aggression in Eastern Ukraine have disavowed the UN statutory documents, Helsinki Accords of 1975 for security and cooperation, let alone the Budapest memorandum or the Great Treaty with Russia of 1997.

An extensive discussion is required regarding new international security parameters, including for Ukraine, which must include not only declarations or memoranda, but also clear guarantees of security, territorial integrity, inviolability of borders, etc., with transparent mechanisms of their implementation. Ideally, Ukraine must have access to material, organisational, and information resources of western security structures.

Finally, the complexity of the situation requires that Ukraine develops a new strategy of its relations with Russia, being aware that today and in the nearest future, Russia is an immediate military and political adversary, and **a bad strategy of relations can cost Ukraine its territorial integrity, sovereignty and independence.** The multivector pressure on the part of Russia dictates the necessity of the same multivector strategic response implying the involvement of external partners, but not limited to the diplomatic level only.

This is a multidimensional strategy for the government, private sector, key economic players, and public initiatives. It is essential to revise the cooperation programmes, first of all, those of military and industrial cooperation, the regulatory and legal framework of bilateral relationships, the system of trade and economic relations, energy cooperation, and relations in the areas of culture, science, etc. ■

DIPLOMATIC METHODS CAN ONLY BE USED AS ADDITIONAL TOOLS FOR WORKING WITH RUSSIA TODAY



Stepan GRIGORYAN,
Chairman of the Board,
the Analytical Centre on
Globalisation and Regional
Cooperation (ACGRC)
(Yerevan)

– How would you describe the current state and nature of Ukraine-Russia relations?

There are many reasons why the Ukraine-Russia relations are almost at the point of military confrontation. (I think now one can find only a few idiots in Europe who believe that in Crimea and East Ukraine were the processes similar to self-determination of nations or peoples). Moreover, the initiator of this war is Russia. Why did it actually happen? There are several reasons here, and I would like to name some of them.

Firstly, this is the nature of any rigid authoritarian regime which is sometimes obsessed with implementation of delusions. Indeed, Vladimir Putin really believes in the possibility of restoring the former USSR (and maybe even the former Russian Empire, including Poland and Finland), and since today Russia cannot offer its neighbours at least a somewhat attractive model of political and economic integration, it is using “hard power”.

Secondly, in any rigid authoritarian regime, the best way to maintain the image of the authorities is nationalism and direct expansion against neighbours (this is done under various pretexts – for example, in the case of Putin's Russia, the pretext is to protect the interests of the “Russian world”).

Thirdly, of course, current Russian elite fear any aspiration of the Ukrainian elite for European integration and building a democratic state with the rule of law, which operates under the principle of the separation of powers, and enjoys a high level of political and economic freedoms. This certainly destroys all the hopes of V. Putin to create the Eurasian Union, and, furthermore, a successful democratic model of development of Ukraine may become contagious for the Russian society.

Fourthly, the identity factor. Indeed, the Russian society believes that today's Russia began with the Kyivan Rus (i.e. the 19th century) rather than the Grand Duchy of Moscow of the 12th century. This factor also should not be dismissed because it is very popular in the Russian society and helps Vladimir Putin maintain high ratings in the country.

Of course, I can keep listing the reasons of Russian aggression against Ukraine of global, regional, and local nature but it is quite obvious that in the case of Russia now, the international community is facing a serious challenge. Besides, it is totally obvious that the US and the EU were not ready for the course of events which we have seen this year in Ukraine and in Ukraine-Russia relations.

Unfortunately, I should note that today there are threats to an independence of Ukrainian statehood coming from the East.

– How do you assess the efforts of the government of Armenia in resolving the conflict between Russia and Ukraine?

I think Armenia is not involved in resolving the conflict between Russia and Ukraine. There are many reasons here but the main one is that **official Yerevan has taken a pro-Russian position**. This showed, for example, during the voting in the UN and the Council of Europe, when Armenian delegations voted against the Ukrainian resolutions condemning the annexation of Crimea (actually, in the Council of Europe, only Russia and Armenia were against the Ukrainian resolution).

Official Yerevan considers this exercising the right of people to self-determination, similar to the Nagorno-Karabakh conflict. My opinion, which I have repeatedly voiced, is that in Crimea, there was an aggression (bringing in Russian special forces, which V. Putin has later admitted), with further official registration of this aggression (a referendum “at gunpoint” in Crimea and decisions of the Russian government agencies on the accession of Crimea to Russia), which is already called annexation.

It is hard to say why Armenian authorities have taken this position. Maybe, they remember that during the active phase of the war between Azerbaijan on one side and Armenia and Nagorno-Karabakh on the other, Ukraine was on the side of Baku.

Maybe, this is due to the low level of freedom which Armenia’s current authorities have. **Unfortunately, thanks to the Russian media**, which are freely available in Armenia, it is quite obvious that **the Kremlin’s interpretations of the events taking place in Ukraine dominate in Armenia**.

– What are the ways and means of settling this conflict?

Major resources with which the conflict between Ukraine and Russia should be resolved are, first of all, creating a strong Ukrainian army, tougher sanctions of the US, Canada, Australia, Japan, the EU and other countries against Russia as well as reforms, consistent implementation of lustration, and the fight against corruption in Ukraine. Diplomatic methods also should not be dismissed but they can only be the additional tools to deal with Russia today. ■

MUCH WILL DEPEND ON THE INTERNAL DEVELOPMENT VECTORS OF RUSSIA AND UKRAINE



Tatiana KASTUEVA-JEAN,
Head of the Russia and Newly Independent States Centre,
French Institute of International Relations
(Paris)

– How would you describe the current state and nature of Ukraine-Russia relations?

Of course, today’s relations are characterized by an exceptional degradation in all their aspects, from the

energy sector to purely human perceptions. It is for the first time that the Ukraine-Russia relations have reached such a negative level. In fact, the severity of the crisis and the rate at which the relations degraded in 2014 prove that they were far from smooth. Gas supply and transit problems have already arisen in the history of relations between these two countries. Economic and trade sanctions have more than once been imposed as levers. The crisis has become an acute manifestation of the whole range of problems existing in relations between Russia and Ukraine.

In particular, it revealed that, in **Moscow’s perception, the “brotherly” Ukrainian nation has no right to an individual political and economic existence independently from Russia**; Moscow was willing to support the corrupt though relatively loyal regime, with loans and gas prices used to retain Ukraine under its influence. In this respect, today’s crisis is a burst of all deepest problems and contradictions that have accumulated for years.

Further, the development vectors of the two countries are likely to diverge more and more if Ukraine continues to pursue the European line of development and Russia follows the course of self-isolation from Europe and the West. Presently, Ukraine rejects the Russian influence on the course of its national development, and has initiated “de-Sovietisation” processes (the symptoms are lustration and destruction of Lenin monuments).

It is still too early to talk about what new relations between Russia and Ukraine will be like. Russia will find a kind of *modus vivendi* with President P. Poroshenko: diplomatic relations are not actually broken, the Treaty of Friendship (1997) has not been denounced by either party, the presidents repeatedly meet and talk over the telephone, gas talks continue with the participation of the EU. But there will be no real “rebooting” of relations in the coming years.

– How do you assess the efforts of the government of France in resolving the conflict between Russia and Ukraine?

It should be remembered that the previous President of France, Nicolas Sarkozy, played a crucial role as an intermediary in the 2008 Russian-Georgian crisis. President François Hollande is obviously striving for a similar diplomatic role and success on the external diplomatic field, and France is trying to be at the forefront in settling the crisis. The representatives of Germany, France, and Poland contributed actively to signing of the 21 February agreement, but were taken by surprise by V. Yanukovich’s escape and further events.⁴

Assessing the French policy from the Ukrainian perspective, three factors need to be taken into account. *First*, unlike Germany, France’s geographic priority has always been the south of Europe, the countries of Maghreb, Africa, and Middle East, rather than its Eastern neighbours. It is the southern direction that has always been the primary target of its diplomacy and strategic

⁴ The agreement for settling the political crisis in Ukraine was signed by Viktor Yanukovich and the opposition leaders on February 21, 2014 with the mediation of Poland, Germany, France, and Russia. – Ed.

planning. The French White Paper on Defence and National Security (2013) only has a few lines related to Ukraine.

Secondly, France traditionally has strong historic relations with Russia, while the post-Soviet countries have been and to a large extent are only perceived through the Russian prism. Russia reserves an unspoken or sometimes open right to exercise and protect its interests in that area. As to the wide public circles, it seems that they are only now “opening” Ukraine as a country independent from Russia. **Currently, Ukraine is sympathized with. It is crucial not to lose this sympathy**, and the only way is to be consistent in carrying out reforms, fighting corruption, and renewing the elite.

Third, weak political governance, economic challenges, difficulties of overcoming the crisis, and many aspects of social and migration policy in France led to such negative phenomena as anti-Americanism, anti-globalism, anti-liberalism, and Euro-scepticism. This is confirmed by the success at municipal and European Parliament elections of the extreme right-wing parties adhering to those positions. Today, the National Front leader, Marine le Pen, has real chances to go forward to the second round of the following presidential election. Her party is the best friend of Russia in today’s France. It shares Russia’s traditional conservative values and approves of Putin’s foreign political efforts.

The contract of selling Mistrals, the French helicopter carriers to Russia has crystallized the multidirectional tension that the foreign policy of France might experience. In one of his articles in May 2014, Laurent Fabius, French Minister of Foreign Affairs, formulated the goals of the French foreign policy. In case of the Mistrals, at least two of the principles come into conflict: ensuring peace and international security, on the one hand, and improving the economic situation in France, on the other. To cancel the supply of Mistrals to Russia means economic losses, jeopardizing the jobs at Saint-Nazaire dockyards, losing the Russian arms markets and possibly that of other countries. In view of the economic crisis and a very sensitive issue of unemployment in France, such decision will not add popularity to President Hollande. Moreover, the French military budget, which depends on the export of weapons, will suffer. However, supplying Mistrals means a *de facto* contradiction with the obligations of a NATO member that provides security guarantees to such countries as Poland or the Baltic States.

So France has to choose between a bad and a very bad option. This explains the delay and procrastination in making a decision in hope that the situation will improve or clear up. For now, the situation in Eastern Ukraine is to some extent frozen by the ceasefire agreement and the law on special local governance in some districts of the Donetsk and Luhansk regions. With no drastic changes or crucial events that might swing the scale, both options remain open. Ukraine has to be ready for the possible delivery of Mistrals to Russia. And this would definitely have an adverse effect on the French-Ukrainian relations and the image of France for Ukraine.

– *What are the ways and means of settling this conflict?*

First of all, the parties need to comply strictly with all the agreements reached. Today, it is obvious that the ceasefire is constantly violated, which means that it can be denounced at any time by either party. In September, Ukraine proved its good will and agreed to, perhaps, maximum possible concessions by establishing special local governance for the mutinous Donbas regions and postponing the implementation of a free trade zone with the EU for one year.

It can hardly be hoped that the conflict in Ukraine will be settled soon. It is quite probable that it will be frozen similar to the Transnistria scenario to be activated by Russia at any time, which would prove once again Russia’s influence on Kyiv. In fact, **much will depend on the internal development vectors of Russia and Ukraine**. Will Ukraine be able to prove its success and competence despite all the hardships?

Will Russia change its internal vector and stop perceiving a successful Ukraine as a threat to Moscow? If the relations between the parties affected by the conflict degrade, there will unfortunately be no fast solution, and Ukrainians will need much courage, diplomatic skill, consistency, and will power. ■

GARNERING INTERNATIONAL POLITICAL AND ECONOMIC SUPPORT FOR UKRAINE IS VERY IMPORTANT



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(Tokyo)

– *How would you describe the current state and nature of Ukraine-Russia relations?*

In the practical sense it is perfectly possible to see the current state of Ukraine-Russia relations as a *de facto* war, although it may not be a war at all in a formal and legal sense. The situation in East Asia is also, to a certain extent, very similar to the situation in Eastern Ukraine. It may be interesting to compare Ukrainian situation to the security situation in East Asia.

In both cases, the **international order is on the brink of falling into a deep abyss and international law itself is at a grave stake**. If we lose the basis for this critical global common, we may not be able to return to the world in which we enjoy our peace and order.

In addition to that, responses by regional countries also vary a great deal depending on respective policy of those countries. There is a certain shade of grey in each case. However, the engagement of the external powers in each region may slightly differ. In case of East Asia including Japan, there is a hub and spoke system of the alliance with US effectively set in place and it functions as

good deterrence against potential threat. However in case of Ukraine, it is not a member of NATO or EU. It is very much different in that particular point.

Additionally, it can be said that in East Asia, a number of countries are already enjoying fully blossomed democracy and sound nationalism in one way or another for many years while in Ukraine the situation is somewhat different. Ukraine has enjoyed its independence a little bit over 20 years and is struggling with developing its own democracy.

– How do you assess the efforts of the government of Japan in resolving the conflict between Russia and Ukraine?

The Government of Japan has been calling upon relevant parties to resolve the crisis through peaceful means as we do the same in East Asia. The call for a peaceful resolution based on the rule of law is very much essential to any kind of conflicts in this modern world.

Japan calls on all the concerned parties to behave in a cautious manner with self-restraint and responsibility, and sincerely hopes that the situation in Ukraine will be normalized through diplomatic dialogues.

Japan has also consistently emphasized respect for Ukraine’s sovereignty and territorial integrity. Japan expressed its grave concern for Russia’s continuous actions which violate the sovereignty and territorial integrity of Ukraine, such as the annexation of Crimea.

For instance, on 17 October, Prime Minister S. Abe, who was visiting Milan to attend the Asia-Europe Meeting (ASEM 10), held a meeting with President P. Poroshenko. Prime Minister S. Abe expressed his respect for the leadership the Ukrainian President is displaying under difficult circumstances. He said Japan recognizes that this is an issue that involves the whole international community, including Asia, and will coordinate with other G7 members to firmly support the stability of Ukraine.

He also expressed on that occasion his concern over the situation in the eastern part of Ukraine even following the ceasefire agreement. He said Japan places importance on coordinating with other G7 countries to encourage a constructive response from Russia, and has taken the step of imposing sector-based sanctions. Prime Minister Abe at the same time expressed his hope that, there will be an effort to stabilize the situation and resolve the problem, including through the complete fulfilment of the ceasefire agreement, and to pursue nation-building from a mid- to long-term perspective.

– What are the ways and means of settling this conflict?

First, a return to rationality in Ukraine after the revolutionary fervour is very much essential at this juncture in order to avoid any miscalculation. In this point, I would like to congratulate a successful outcome of the parliamentary election on October 26 and a strong leadership being exercised by President Poroshenko in the past months.

Second, garnering international political and economic support to Ukraine is also very important. I should stress on this particular point that political and economic assistance by EU and European partners to Ukraine should be done in a more robust manner if EU thinks it is critical to maintain peace and order in Europe.

It is very much noteworthy that Japan takes a long-term view to the issues faced by Ukraine somewhat from

the perspective of nurturing sound economy and development. It is precisely because without sound foundation of economy, any political solution in the short-term is not so viable in the long-term.

In this respect, Japan is committed to steadily implement economic support to Ukraine of up to approximately \$1.5 billion, which it has already pledged, along with a decision to provide humanitarian assistance for internally-displaced people that was made recently, as new support toward restoring Eastern Ukraine, which is an urgent challenge facing the country.

Japan is currently considering implementing a total of approximately \$6 million of support for two regions in Eastern Ukraine to begin with. Japan is also planning to implement a total of approximately \$1 million of assistance in the medical field.

Japan will continue to play a proactive role in diplomatic solution of the issues surrounding Ukraine through Japan’s efforts including assistance to the Council of Europe and the Organisation for Security and Co-operation in Europe (OSCE).

Last but not least, I would like to render my personal support to Ukraine in building a prosperous and peaceful democracy. All of us, in Japan, a country of cherry blossoms, stand by Ukraine called “a small house with the garden of cherry trees” as described by a great 19th century Ukrainian poet, Taras Shevchenko. ■

THERE MUST BE A REAL DIALOGUE BETWEEN MOSCOW AND KYIV



Steven PIFER,
Director for the Arms Control and Non-Proliferation Initiative, Brookings Institution (Washington), Ambassador Extraordinary and Plenipotentiary of the US to Ukraine (1998-2000)

– How would you describe the current state and nature of Ukraine-Russia relations?

The Ukraine-Russia relationship took a dramatic turn for the worse this year. Since the collapse of the Soviet Union in 1991, Moscow has taken a deep interest in Ukraine and sought to affect developments there – in particular to keep the country close to Russia. But from 1991 up until this year, Moscow generally abided by its international commitments to respect Ukraine’s sovereignty and territorial integrity.

That changed in late February. President Yanukovich’s decision to flee Kyiv and the appointment of an acting president and acting cabinet who favoured drawing closer to the European Union by signing the association agreement clearly caused anxiety in Moscow. Russian military and security service personnel – in Russian uniforms without identifying markings (“little green men”) – quickly seized Crimea.

Russia has a historical case to make for Crimea and Sevastopol, founded to be the home of the Black Sea Fleet. But the states that emerged from the wreckage of



the Soviet Union understood that trying to redraw borders would open an impossibly complex can of worms; they thus recognized states in their 1991 borders. President Yeltsin accepted Ukraine's sovereignty and territorial integrity, including Crimea, and he committed Russia to support that in the 1994 Budapest Memorandum of Security Assurances and 1997 Ukraine-Russia Treaty on Friendship and Cooperation. President Putin clearly has a different view.

Prior to seizing Crimea, Russia had two main interests on the peninsula: ensuring that ethnic Russians were not mistreated, and ensuring access to the port facilities and other bases used by the Black Sea Fleet. Despite the political turmoil in Kyiv at the beginning of the year, nothing suggested that either of the Russian interests were threatened.

The illegal occupation and annexation of Crimea clearly did not satisfy Moscow's goals. Soon, "little green men" began to occupy government buildings in Donetsk and Luhansk. Local pro-Russian separatists took part, but it is difficult to believe that the separatist actions would have lasted as long or been as extensive without critical support from Moscow. When Ukrainian military and security forces began to make progress against the separatists, Russia escalated, providing heavy arms and in late August intervening directly with Russian troops.

These actions suggest that the **motives of the Kremlin and Mr. Putin are to destabilize Ukraine, with the goal of making it more difficult for Kyiv to draw closer to the European Union and to address its many domestic challenges.** If this assessment is correct, finding a resolution to the conflict in Donetsk and Luhansk will be difficult. A settlement should promote peace and restoration of normalcy, but that would make it hard for Moscow to use the situation in Eastern Ukraine as a means to pressure the government in Kyiv.

Indeed, Russia appears to have done little to implement the September ceasefire agreement; for example, as of late October, it has done nothing to secure the Ukraine-Russia border and permit OSCE personnel to monitor the border. Unfortunately, actions by Russia (and the separatists) suggest instead that the goal is creation of a new frozen conflict.

– How do you assess the efforts of the US government in resolving the conflict between Russia and Ukraine?

As a co-signer of the 1994 Budapest Memorandum on Security Assurances, the United States has an obligation to engage on the crisis. The US leaders have publicly condemned Russia's illegal occupation and annexation of Crimea and Russian efforts to fuel the conflict in Eastern Ukraine.

Washington deserves high marks for its political support of Kyiv since late February. President P. Poroshenko visited Washington in September, and there has been a steady stream of high-level US visitors to Kyiv, including two visits by Vice President J. Biden, to bolster the Ukrainian government diplomatically.

The US government has provided economic support, including a one billion dollar loan guarantee. The IMF programme that Ukraine received in the spring

was front-loaded in terms of giving Kyiv earlier access to significant credits than in most IMF programmes, and that may well reflect behind-the-scenes intervention by American (and European) officials. Ukraine may require additional financial support in the future – though US receptivity to such a request will be affected by the progress that Ukraine makes on needed economic reforms. **The US government** has also provided technical assistance, for example, **to help Ukraine develop its critical energy sector and better use its domestic energy resources.**

The United States has supplied or is supplying \$116 million in non-lethal military assistance to Ukraine. This is an area where Washington can and should do more, including provision of lethal assistance. The US officials worry that arming the Ukrainian military could trigger escalation by Russia. Giving Ukraine defensive arms, such as light anti-armour weapons, however, could have the opposite effect. It would increase the Ukrainian military's ability to deter further military action by the Russians. The Ukrainian army does not and will not have the capacity to defeat the Russian army, as was made clear in August, so it likely will not reinitiate major hostilities. But the ability to inflict greater costs on the Russian military could help deter new fighting and bolster the fragile prospects for a settlement. The US government hopefully will reconsider its position on this question.

In addition to supporting Ukraine, **Washington in coordination with the European Union has imposed economic and financial sanctions on Russia.** The initial sanctions targeted individuals, but subsequent sanctions now apply to wide sections of the financial, defence and energy sectors of the Russian economy. The United States and European Union were not particularly artful in the way they applied the sanctions, but the sanctions now are having a serious economic impact.

For example, capital flight from Russia this year will almost certainly exceed \$100 billion; the *ruble* is hitting all-time lows against the dollar and euro; the *ruble's* defense is costing the Russian Central Bank billions of dollars; economists continually downgrade projections for Russian economic growth in 2014, 2015 and 2016; and Russian companies are turning to their government for tens of billions of dollars in credit financing that they no longer can obtain in the West. Moreover, there likely are only few, if any, chief executive officers of large US or European companies who are now going to their board of directors with proposals for major new investments in Russia. That will negatively affect investment in Russia in the years to come.

The sanctions may be having something of a moderating effect on Russian policy. Interestingly, after announcing counter-sanctions following earlier rounds of Western sanctions, Moscow has done nothing in retaliation for the US and EU sanctions announced in September. That said, **the sanctions have not yet achieved their desired political goal: to bring about a change in the Kremlin's policy so that Russia becomes part of the solution rather than the core of the problem.**

Some argue that sanctions will not achieve the desired objective but that Mr. Putin will use them to rally the Russian people against the West. Perhaps, but it remains important that the West maintain the sanctions and signal

Moscow that there can be no business as usual. Otherwise, the West runs the risk that the Kremlin will conclude that its aggression against Ukraine had manageable costs and that it can adopt similar tactics elsewhere.

The US focus currently is on promoting a settlement in Eastern Ukraine. While it receives less attention now, Washington continues to reject Russia's annexation of Crimea. That policy of non-recognition will continue until such time as Kyiv regains sovereignty over the peninsula or otherwise reaches a settlement on Crimea's status.

Given areas where US-Russian cooperation is in the interests of both countries – Iran's nuclear programme, Afghanistan, counterterrorism, strategic arms control – the US administration would like to have a better relationship with Moscow. The US officials thus have spoken regularly of the importance of leaving a diplomatic path open for Russia. But much depends on how the Kremlin chooses to deal with Ukraine. If Russia does not alter its course, Washington appears prepared to continue the economic sanctions.

– What are the ways and means of settling this conflict?

Ultimately, there must be a real dialogue between Moscow and Kyiv. The separatists in Eastern Ukraine are players in this, but there is little doubt that, if the Kremlin wants a settlement to the conflict, Russia could deliver the separatists.

A settlement must meet Kyiv's minimal requirements, which presumably include restoration of sovereignty over Donetsk and Luhansk (the Ukrainian government has indicated that Crimea will be an issue to address in the longer term). A settlement must also be acceptable to Moscow; if the Russian government is not satisfied, it has multiple levers – military, energy, economic – to make life very difficult for the Ukrainian government and keep Ukraine from returning to a degree of normalcy. **The United States and Europe can play supporting roles in a political process, but the onus for finding a solution rests with Kyiv and Moscow.**

President Poroshenko in the summer laid out ideas – such as decentralisation of political power, official status for the Russian language, and no pursuit of a deeper relationship with NATO – that could have provided the basis for a settlement. Unfortunately, there have been no signs that Moscow was inclined to engaged on these ideas to find a political solution.

The problem remains that it is not clear that the Kremlin seeks a genuine settlement that would allow Ukraine to restore sovereignty over the Donbas. There is little evidence to suggest that Moscow has pressured the separatists to implement the terms of the ceasefire, and Russia has done little itself to implement them. **The actions of Moscow and the separatists to date suggest the Russian goal is not a settlement but creation of a frozen conflict.**

Should Moscow adopt a more constructive approach, the United States and European Union should do what they can to facilitate a positive dialogue – and they almost certainly would. The West has no interest per se in a more confrontational relationship with Russia.

But if Moscow does not adopt a constructive approach and instead seeks a frozen conflict in Donetsk and Luhansk, the Russia-Ukraine crisis will simmer for a long time to come. The United States and the West will need a sustainable policy to continue to support Ukraine and maintain the sanctions on Russia. ■

THE CONFLICT BETWEEN RUSSIA AND UKRAINE CANNOT BE SOLVED OR SETTLED THROUGH ANY INTERMEDIARIES OR MEANS



Andrei PIONTKOVSKY,
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– How would you describe the current state and nature of Ukraine-Russia relations?

I assess the current state and character of the Ukraine-Russia relations as unprecedented in the world history.

Russia has for over a year fought an intensive hybrid war against Ukraine using major regular Russian army units, sending saboteurs and terrorists to Ukraine, occupying and retaining a significant part of the Ukrainian territory, resorting to the methods of economic, information and psychological war as well as nuclear blackmail. Both parties have lost thousands of people.

At the same time, Russia and Ukraine preserve official diplomatic relations and discuss economic issues actively, such as Russian gas supplies, mutual debt claims, Ukrainian supplies to the territories occupied by Russia. The leaders of both countries regularly meet and exchange compliments and friendly congratulations. Just imagine, for instance, Molotov and Ribbentrop having lively discussions of the Soviet-German trade relations at their regular meetings in October-December 1941.

Western countries play a key role in supporting this Kafkaesque “not to call the war a war” absurd by chorusing the mantra “the conflict has no military solution” and thinking that what they are doing is peace-keeping.

– How do you assess the actions of the Russian government in resolving the conflict between Russia and Ukraine?

I view the actions of the Russian government as an international aggression and crime against humanity falling within the jurisdiction of the Hague tribunal.

– What are the ways and means of settling this conflict?

The conflict between Russia and Ukraine cannot in principle be solved or settled through any intermediaries or means.

This is a conflict between the existence of Ukraine as an independent sovereign state and its non-existence.

This is a conflict between Putin's victory inspiring him to go on with fulfilling his ambitions "to reach Vilnius, Riga, Tallinn, Warsaw, and Bucharest in two hours" while threatening with nuclear weapons, **and his defeat** incompatible with his further political life.

This is a conflict between a humiliating capitulation of the West to the criminal gang of the "Russian World" (criminals like *Motorolla, Bes, Strelkov, Babai, Mikhail Ivanych, Gangrena*) and a historical return of the Kyivan Rus successors, Russia and Ukraine, to the family of European nations after the centuries of the Horde and communism, putinism being the highest and final form of the bandit capitalism in the post-Soviet space. ■

UKRAINE SHOULD MOVE AHEAD WITH IMPORTANT ECONOMIC AND POLITICAL REFORMS



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– How would you describe the current state and nature of Ukraine-Russia relations?

Russia's leadership has killed relations with Ukraine which is now at rock bottom. Given that Russia describes Ukraine as its "Kin" and the close historical ties between the two countries it was unimaginable that Russia could have invaded Ukraine; annex its territory and that the Russian armed forces could kill Ukrainians; that Russia could purposely undermine the stability and security of its neighbour, with the aim of creating a failed state. The actions of Russia's leadership and the fact that a large percentage of Russians have supported it have turned millions of Ukrainians against Russia; created feelings of hostility and animosity that did not exist before; trust has evaporated. However, at the same time **Putin has done more to strengthen the Ukrainian identity than any Ukrainian leader since the country's independence.** He has helped strengthen Ukrainian statehood and unite the country. It will take a very long time to undo the damage the Putin has done and rebuild ties.

– How do you assess the efforts of the British government in resolving the conflict between Russia and Ukraine?

The UK has not played a key role in resolving the conflict although Prime Minister D. Cameron was one of the earlier supporters of tough sanctions – despite the large amounts of Russian investment in London – and he maintains a strong position on keeping the sanctions while

Russia does not adhere to the ceasefire agreement unlike some other states which are very keen to have them lifted as soon as possible. Unlike some other EU countries the UK is used to Russian bad behavior as there have been many difficulties between Russia and the UK over the last decade or so. Hence Downing Street is hardly the most liked EU leadership from a Russian point of view. Furthermore the fact that Russia views the real leadership of the EU to be Germany and France means there was not much room for the UK to do more.

Germany is the key player in this conflict from the EU side. However, I would say the picture of the conflict given in the UK media and the role of Russia was much better and accurate than in some other member states. Following the downing of the Malaysian Airlines plane, there was a significant number of well researched articles and television documentaries about Russia, the role of Russian oligarchs in the UK and their links to Putin as well as bringing back memories of the dreadful murder of Alexander Litvinenko several years ago which I think helped to paint a much clearer picture of the sort of leadership Russia has and why it is so important to have a tough and uncompromising approach.

– What are the ways and means of settling this conflict?

The optimal solution to this conflict will fully restore the territorial integrity of Ukraine, however in my opinion this is very unlikely to happen. Ukraine seems set to have unrecognized entities on its territory that are going to be supported by Russia, unless Ukraine concedes and makes substantial concessions which Kyiv will not do. Hence I foresee prolonged negotiations ahead of us, during which Russia will continue to say Ukraine needs to deal with separatist leaderships and not with Russia – as it does with South Ossetia and Abkhazia. The most important thing Ukraine can do is move ahead with important economic and political reforms to build a strong and prosperous and democratic state. This will not be easy and Ukraine will need a lot of support from the EU.

It will be very costly for Russia to keep supporting the separatists and the living conditions will be far from ideal. Furthermore there is unlikely to be any significant international financing to rebuild Donetsk and Luhansk as long as no solution is found. Hence there is every chance those living there will become increasingly fed up and look back towards Kyiv. Yet this will require patience because it may be a long road and if relations with Russia remain acrimonious it will be even more difficult. ■



ACHIEVING A CONSENSUS ON THE RULES WHICH WILL GOVERN THE EUROPEAN REGIONAL ORDER IN THE FUTURE



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– How would you describe the current state and nature of Ukraine-Russia relations?

Extremely bad. The two countries are *de facto* at war with one another. Even if there are some local actors (in addition to Russian ones) fighting against the Ukrainian army and the volunteer battalions in the Donbas, the conflict has more characteristics of a war between two states than of a civil war. This is especially true because the war would not have occurred if the Russian political leadership had not provoked it, not only through Russia's actions in the Donbas but also through the illegal annexation of Crimea.

If you look at the deterioration of the relationship over the past few years, it is on the one hand astonishing, but on the other a logical outcome of Russia's attitude toward the post-Soviet space in general and Ukraine in particular. **On the one hand, hardly anyone outside of Ukraine** (or inside, as far as I understand it) **believed it** at all likely that **Russia would invade Ukraine militarily and even appropriate some of its territory by means of an illegal annexation.**

On the other hand, Russia has shown very often in recent years that it is willing to use a wide variety of types of leverage (including military action) to exercise its influence in post-Soviet countries and even to coerce them to act in certain ways. So from this perspective Russian actions with regard to Crimea and Donbas are simply a more extreme form of this approach, which is also connected to domestic developments within Russia itself.

Because of this Russian attitude, there was always an element of tension in the Ukraine-Russia relationship. This tension was higher when Viktor Yushchenko was president than under Leonid Kuchma or Viktor Yanukovich, because Yushchenko emphasized a number of issues anathema to the Russian side and made it clear that he was not willing to accept the Russian approach of treating Ukraine as its subordinate. Under Kuchma and Yanukovich there was more of an attempt to keep Russia pacified in order to gain certain concessions and avoid difficult conflicts. Now the tension has escalated to an extremely high level, because Russia has apparently decided that Ukraine was coming dangerously (from the Russian perspective) close to a substantial level of integration with the EU – which could imply an impending NATO membership as well, or so the Russian elite believes – and Russia refused to tolerate this. In fact, if Yanukovich had signed the Association Agreement in Vilnius in November 2013, it is highly unlikely that there would have been any significant implementation of it while he was still in power,

so very little in the EU-Ukraine relationship would have changed in the short-term. Nonetheless, Russia believed its interests were seriously jeopardized even prior to Vilnius, and after the Maidan occurred and actually succeeded in forcing Yanukovich out, the Russian leadership decided that desperate measures were necessary. This decision was taken in part because the Russian elite sees the Maidan as externally controlled – in particular by the United States – and thus interprets the success of the Maidan as a victory for Western actors and a corresponding defeat for Russia.

All these developments have led to a situation in which Ukraine needs to find some *modus vivendi* for its relationship with Russia in order to continue existing as a state. However, achieving some kind of compromise is an enormous challenge for Ukraine in its weakened condition and confronted with a neighbour which obviously does not accept its sovereignty and is interested in undermining its progress in the political, economic and security spheres.

What is also of great concern is that attitudes of ordinary Russians towards Ukraine have significantly worsened, and many Ukrainians report that it is virtually impossible to remain in touch with their friends and relatives in Russia due to the influence of Russian propaganda on the population. Therefore the **conflict also has a societal dimension**, which could have negative long-term consequences for the dense network of personal ties between the two countries.

– How do you assess the efforts of the government of Germany in resolving the conflict between Russia and Ukraine?

Germany's efforts are embedded in the overall EU approach to the crisis, which essentially consists of three components: sanctions against Russia, financial support for Ukraine, and a search for negotiation formats to deal with certain aspects of the conflict. Germany has been active on the sanctions front and has come down somewhere in the middle of the EU member states, strongly supporting sanctions but also attempting to contribute to creating conditions in which they can be lifted in the future (via the third component of the approach, see below).

Regarding support for Ukraine, **Germany has clearly been in favour of significant financial assistance.** However, the support currently on offer is not going to be sufficient to ensure that major reforms in Ukraine occur, mainly because resistance to many aspects of reform is still strong in the **Ukrainian elite and Ukrainian public administration structures are obsolete and inefficient**, not to mention corrupt.

A more interactive and coordinated approach by Germany and the EU would be necessary to weaken these obstacles to reform, but such an approach is not likely to be forthcoming, considering that the EU has many problems to deal with beyond supporting reform efforts in Ukraine. Germany could potentially play a key role (e.g. together with Poland) in strengthening this component of the EU approach.

Germany has been especially active with regard to the third component of the approach, which involves efforts to find negotiation formats which bring together actors capable of discussing, and hopefully reaching, solutions to certain aspects of the ongoing crisis, in particular the situation in the Donbas. Some efforts have been made in the format of the Weimar Triangle (Germany, France, and Poland), or bilaterally with the French government. Germany has also strongly supported the work of the "Contact Group" under the auspices of the OSCE. This reflects Germany's position that the various aspects of

the conflict need to be resolved by diplomatic means, as well as the German penchant for multilateral formats.

Germany's position represents a significant departure from previous German policy towards Russia, Ukraine and the post-Soviet region in general. Germany's policy during the chancellorships of Gerhard Schröder and Angela Merkel has drawn heavily on the premises of Ostpolitik pursued by Willy Brandt and Egon Bahr in the 1970s. It has been strongly focused on Russia, and based on the assumption that through engaging Russia in various formats and on a variety of levels, it would be possible to positively influence processes of political and economic liberalisation and modernisation within Russia. Such processes were seen from a German perspective as being virtually inevitable given the domestic problems Russia is currently facing and its need to attract foreign investment and technology. Many German politicians and policymakers also believed Russia could be a partner for the EU in the so-called "common neighbourhood".

With Russia's annexation of Crimea and its destabilisation of the Donbas, and given Russia's obvious failure to modernize, many members of the German political elite (in particular the Social Democrats) have been compelled to revise their attitudes towards Russia. Even those parts of the German business sector with strong interests in Russia have recognized the primacy of political concerns at this juncture and have not attempted to prevent or sabotage the sanctions. Even if numerous political and economic actors in Germany still hope for a "normalisation" of relations with Russia in the near future, there is a good chance that German policy towards Russia and the Eastern neighbourhood will emerge from the crisis phase in a significantly revised form. This is mainly because previous trust in the relatively benign intentions of the Russian leadership has been shattered as a result of Russian actions towards Ukraine.

– What are the ways and means of settling this conflict?

An acceptable outcome for the EU must in my opinion involve achieving a consensus on the rules which will govern the European regional order in the future. **The Russian position that Russia is entitled to a "sphere of influence", the countries of which only enjoy limited sovereignty, should not be tolerated.** However, since the EU and its member states are unwilling to use military instruments to reach a solution, a long-term strategy will be necessary.

The EU should continue to pursue the three components of its current approach. In addition, it should aim for less energy-related dependence on Russia in the mid- to long-term. Ukraine can best contribute to this strategy by enacting and implementing genuine and sustainable reforms. This will require both a change in political culture on the part of the Ukrainian elite and constant pressure combined with constructive inputs from Ukrainian (civil) society. **There are no signs that Russia will be willing to abandon its current line** unless no other option appears feasible and/or the socio-economic situation inside Russia becomes so untenable that the elite is forced to devote virtually all its attention to domestic developments.

Even then the new regional order may not be sustainable since Russia will have conceded only out

of weakness, not out of any conviction that the rules advocated by the EU are acceptable, much less desirable. It will take many more years to achieve the level of trust needed to create a broader Europe based on cooperation rather than confrontation, and there is no guarantee that this will indeed happen. ■

RECONCILIATION BETWEEN KYIV AND DONBAS LOOKS UNLIKELY



Dmitri TRENIN,
Director for
the Carnegie Moscow Center

– How would you describe the current state and nature of Ukraine-Russia relations?

Currently relations between Moscow and Kyiv are tense, even hostile. Russia treats the overthrow of former president Yanukovich as a *coup d'état*, and resents Kyiv's pro-western foreign policy orientation. Moscow has recognized both the Ukrainian presidential elections in May 2014 and the parliamentary ones this October, as well as their results, and communicates with new Ukrainian authorities including at the highest level. However, a number of prominent Russian politicians and state-controlled media refer to these authorities as "fascists" and even "Nazis". Many also call them fully dependent on the United States, with which Russia is in full-blown confrontation.

This view is backed by the bulk of the Russian population, who consider Ukraine an unfriendly country. By contrast, the incorporation of Crimea into the Russian Federation remains exceedingly popular. The sympathies of the Russian public are with the anti-Kyiv fighters in Donetsk and Luhansk, although the general attitude toward Donbas is markedly different from the attitude toward Crimea: the region is not widely considered to be part of Russia the way the peninsula has always been.

The Russia-Ukraine relations are also inherently unstable. Moscow will recognize the November 2014 elections in Donetsk and Luhansk, even if it will stop short of formally recognising their "people's republics". The Kremlin will probably be able to keep the Donetsk and Luhansk forces from attempting to "liberate" the rest of the two regions now under Kyiv's control. Yet, should Ukraine seek to mount another "anti-terrorist operation" in Donbas, it will have to count with overt and much stronger military response from Russia than last summer.

Russia is, hopefully, in the final stages of reaching an agreement of gas supplies to Ukraine, which will be paid for by the European Union. Moscow never planned to let Ukraine freeze in winter, and see it diverting Russia's gas shipments to Europe. It still needs Ukraine as

a transit country for around 50% of its gas exports to the EU. The gas issue, including the problems of price and debt, will remain front and center on the Ukraine-Russia agenda in the foreseeable future.

In the next few months, Moscow will probably have no active policy on Ukraine. Rather, it will wait and see the situation in Ukraine to develop. The expectation is that economic hardships will grow, political alliances will fray, and inter-oligarchical conflicts will resume. **The failure by the EU to provide enough financial relief to Ukraine will undermine pro-Western feelings in the country.** As a result, Ukrainian authorities will lose support inside the country, and Kyiv will have to turn to Moscow for assistance, which it may provide, but on its own terms.

– How do you assess the actions of the Russian government in resolving the conflict between Russia and Ukraine?

Russia's conflict-resolution policies have been focused on helping a national dialogue in Ukraine between Kyiv and the country's South-East. After the failure of the anti-Maidan and the start of the fighting in Donbas, these efforts were aimed at reaching a ceasefire which would keep Donetsk and Luhansk outside of Kyiv's control. **The Minsk Agreements of September 2014 were negotiated with Moscow playing a central role.** The Russian support for the elections in Donbas in November 2014 should give the Eastern Ukrainian representatives a democratic legitimacy on par with the representatives of the authorities in Kyiv.

– What are the ways and means of settling this conflict?

The crisis in Ukraine is ongoing. It is too early to foresee how it will end. At this point, reconciliation between Kyiv and Donbas looks unlikely. The ceasefire in the east may hold, but it will also progressively turn the line of contact into a *de facto* border. Crimea is non-negotiable. The larger Ukraine crisis between Russia and the US-led West will take a long time to resolve. The stakes are very high, for both parties. It is the survival of Russia's political regime, on the one hand, and the continuation of the US-dominated regional order, on the other. Given this, a compromise between the sides is improbable. ■

RELATIONS BETWEEN UKRAINE AND RUSSIA ARE DEFINED BY THE STATE OF RELATIONS BETWEEN RUSSIA AND THE WEST



Dimitrios TRIANTAPHYLLOU,
Director for the Center for
International and
European Studies (CIES),
Kadir Has University
(Istanbul)

– How would you describe the current state and nature of Ukraine-Russia relations?

A very recent publication by Carnegie Moscow and the Istanbul-based Global Relations Forum exploring the

state and prospects of Russian-Turkish Relations almost fails to mention Ukraine at all other than acknowledge that “tensions over Ukraine will inevitably cast a shadow over the bilateral relationship”. It also makes a quick reference to the fact that “Turkey has not recognized the Russian Federation’s recent incorporation of Crimea”.⁵ Another recent article in *Politico* suggests that the conflict between Russia and Ukraine “is no longer only about Ukraine” and that the “Vladimir Putin and his security establishment have used the fog of war in Ukraine to shroud the final establishment of his brittle imperialist dictatorship in Moscow”.⁶

In fact, the author’s assertion that as far back as 2008 Putin had asked then Polish Prime Minister D. Tusk to consider Ukraine’s partition infers that the grand ambitions of Russia’s ruling regime are motivated by the need for survival as “globalisation; the Internet and the rise of the middle class were eroding the foundations of his regime”.⁷

In fact, Vladimir Putin’s Valdai speech on 24 October this year is a tour de force justification of Russia’s annexation of Crimea and its continued involvement in Eastern Ukraine by blaming the United States for the conflict “by ignoring Russia’s legitimate interests in maintaining historic influence in the former Soviet region”.⁸ Thus, in their blunt op ed to the *Kyiv Post*, J. LeGasse and S. Konoplyov, correctly assert “Ukraine serves as a United States / European Union proxy for whatever leverage we can gain in our ongoing conflicted relationship with Russia”.⁹

On the intellectual front, the ongoing debates in *Foreign Affairs* between J. Mearsheimer, M. McFaul, and S. Sestanovich are also very telling.¹⁰ Irrespective of whose argument regarding the causes of Putin’s actions is more convincing, all three fundamentally agree that the Putin’s adventurism is rooted in the wider context of how Russia’s relations with the West have developed over time rather than within the narrow confines of Ukraine-Russia relations.

Thus given the aforementioned, I would tend to support the notion that relations between Ukraine and Russia are defined by the state of relations between Russia and the West (if not the rest of the world) and Russia’s perceptions of the impact of global trends such as globalisation upon the viability of its current regime. This is bound to continue to define relations between the two countries for a long time.

The victory of the pro-European, democratic and reformist parties in the 26 October elections will continue to make relations between the two countries prey to the Kremlin’s self-perception and its strategic imperatives, albeit the mandate of the Ukrainian people.

⁵ Memduh Karakulukçu and Dimitri Trenin, eds. *Exploring the Prospects for Russian-Turkish Cooperation in a Turbulent Neighborhood*. – Carnegie Moscow Center, September 2014.

⁶ Ben Judah, *Putin’s Coup*. – Politico, 19 October 2014.

⁷ *Ibid.*

⁸ Carol J. Williams, *Putin lashes out at US as warmonger that has “deformed” world order*. – Los Angeles Times, 24 October 2014.

⁹ Joseph LeGasse and Sergei Konoplyov, *How will Ukraine change?* – *Kyiv Post*, 18 October 2014.

¹⁰ Michael McFaul, Stephen Sestanovich, and John J. Mearsheimer, *Faulty Powers: Who Started the Ukraine Crisis?* – *Foreign Affairs*, November/December 2014.

– How do you assess the efforts of the government of Greece in resolving the conflict between Russia and Ukraine?

My country, Greece, has not played a major role in attempting to resolve the conflict between Russia and Ukraine. As an EU member state, Greece has been defining its positions within the context of the European Council and the EU Foreign Affairs Council. In fact during the Greek Presidency of the European Union in the first half of 2014, the Union worked hard at supporting Ukraine and going ahead with the signature of the remaining parts of the EU-Ukraine Association Agreement and supporting President P. Poroshenko's peace plan.

Greek concerns have basically focused on the plight of the citizens of Greek origin in Mariupol. This was expressed primarily by the visit of the Greek Foreign Minister to Mariupol in March 2014. Greece also briefly relocated its Consulate in Mariupol to Dnipropetrovsk in August in light of the deteriorating security situation there.

Other Greek concerns have had to do with the impact of the EU's sanctions on Russia on its exports of agricultural products to that country. As a result it was particularly active in seeking compensation for its exporters of fruit products to Russia as a result of the loss of the Russian market.

Greece has also been active to ensure that its supply of natural gas is not affected by the conflict between Russia and Ukraine and has thus sought to enhance its cooperation with Azerbaijan on that front as a viable alternative supplier of natural gas.

As a result, **Greece has not played a major independent role in the resolution of the conflict.** On the other hand, the continued tensions between Russia and the West have contributed in embedding the country further into western structures. The economic and financial crisis that Greece finds itself in since 2008 has in fact contributed to the country's resolve to remain within the Eurozone and within the EU albeit the fact that this position has been severely tested during the multitude of bailouts and negotiations with its creditors. The Greek Presidency's alignment with the EU consensus regarding Russia during and post Crimea annexation and its insistence on multilateral diplomacy are indicative of how embedded Greece is into the EU, its policies, its institutions, and its future. Its long-standing membership of some 33 years has had a "socializing" effect on its mindset and that of its elites as to where its priorities and orientation lie.

Thus, indirectly, the conflict between Russia and Ukraine has contributed even further to Greek support of EU policies of support of Ukraine's European perspective and the sanctioning of Russia.

– What are the ways and means of settling this conflict?

This question is undoubtedly the most difficult one to answer. This is in part due to the hard choices it entails. The solidification of what President P. Poroshenko identifies as a "democratic, reformist, pro-Ukrainian and pro-European majority" is paramount as a step forward. In their aforementioned article, LeGasse and Konoplyov ask the most appropriate question when they write: "So Ukraine, how are you going to change your value proposition from a proxy for US / EU-Russian military and economic counter-measures to a sovereignty that inspires other nations to support your efforts to join the

league of independent, progressive nations?" In other words, the persistence of the Soviet legacy needs to change from within. In fact, unlike the countries of Central and Eastern Europe that were committed to Westernisation and Euro-Atlantic integration the countries of the post-Soviet states (including Ukraine), facing an assertive Russia and unable to rid themselves fully of their Soviet legacies, have pursued a balancing act between Russia and the West. This has not necessarily led them closer to the West.¹¹ It is high time that Ukraine changes course from within and appropriately prepares itself for its clear identification as a reformed, democratic, pro-Ukrainian and pro-European state.

The European Union also needs to assess clearer its policies towards its eastern neighbourhood by adding a security dimension or component. This implies that the EU can help its neighbours, including Ukraine, transform themselves into open and accountable democratic countries where the principles of rule of law and good governance apply by making "sure there are proper state structures to deal with in the first place".

In other words, the **EU needs to help Ukraine "survive and consolidate"**.¹²

In other words, tough choices are ahead for both Ukraine in articulating an identifiable discourse with the support of its body politics as to where it belongs or wants to belong and for the European Union in targeting even more precisely its support to help about the institutional and societal transformation Ukraine needs from within. Only then can a negotiated settlement be found to end the conflict and rebuild the relationship between Ukraine and Russia on new foundations (as well as that between the EU and Russia). This, of course, has to take place in the context of continued dialogue with Russia.

The dialogue and engagement should evolve as one between equals. In order to move away from what is desired to what is achievable in terms of ending the conflict with Russia, Ukraine needs to clearly put into place the structures of what is desirable for it. ■

THE BEST WAY TO AVOID FURTHER RUSSIAN MILITARY ACTION IS TO SPEED-UP THE ENTRANCE OF THOSE STATES THAT WISH TO JOIN NATO AND/OR EU, WHICH ARE GEORGIA, MOLDOVA AND UKRAINE



Marcel de HAAS,
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Nazarbayev University (Astana),
Kazakhstan Senior Research
Associate of the Netherlands
Institute of International
Relations Clingendael
(The Hague)

– How would you describe the current state and nature of Ukraine-Russia relations?

The current situation between Ukraine and Russia is partly dictated by the earlier Russian invasion of Georgia in August 2008 and the response by the West. Then the

¹¹ See: Dimitrios Triantaphyllou, *The European Union and the Black Sea region in Search of a Narrative or a New Paradigm*. – Journal of Balkan and Near Eastern Studies, 16 March, 2014.

¹² Nicu Popescu, *First lessons from the Ukrainian crisis*. – EUISS Issue Alert, October 2014.

EU and NATO declared that they would not resume high-level talks with Moscow until the Russian forces – concurrent with the ceasefire agreement – would leave Abkhazia and South Ossetia. That withdrawal has never happened, on the contrary, the Russian military contingents in those separatist regions have only been reinforced. However, after a few months, the EU already picked up consultations again with Russia, and NATO was soon to follow.

Hence, the Kremlin knew that they could get away with this invasion of a sovereign (former Soviet) state. With this in mind, Moscow followed a similar path in Ukraine, first by taking Crimea and next by developing Eastern Ukraine into another “frozen conflict”, expecting a similar weak response from the West. The main reason for invading Georgia in 2008 was its upcoming NATO membership; for invading Ukraine in 2014, it was a closer relationship with the EU, instead of Moscow’s own creation of the Eurasian Union, a counterweight to the EU.

As to Ukraine, the Kremlin was not impressed by the initial soft Western sanctions as freezing assets and refusing visa, and was convinced that it once more could get away with the use of military force. Moreover, US President B. Obama made statements that offered a free hand to President V. Putin of acting in Ukraine, by mentioning that Ukraine and Georgia for the time being would not join NATO and that the US (and NATO) would not send any troops to support Ukraine. However, with growing evidence of direct Russian military involvement in Ukraine, as well as the downing of the Malaysian airliner, the sanctions of EU and US became much stronger, damaging Russia’s economy. Furthermore, other than in 2008, the break-up of relations between Russia and the West reached a structural or long-lasting level, no return to “business-as-usual” for the coming years.

The current state of affairs between Kyiv and Moscow – as also determined by relations between Russia and the West – is bad and structurally damaged. **The current external security policy of the Kremlin states Moscow as a returning (super) power, that has the right to interfere in other former Soviet republics. And which uses Russian minorities as an instrument to reach these objectives.** As long as this major policy line is continued, a dangerous relationship between Ukraine and Moscow will continue.

– How do you assess the efforts of the Netherlands in resolving the conflict between Russia and Ukraine?

The Netherlands hardly ever is a lonely player in the international realm. Also for the Russia-Ukraine conflict, The Hague usually follows the policy of NATO and EU. That immediately reveals weaknesses. Division within the EU and bilateral energy ties between EU states and Moscow prevent an effective punitive approach against Russia. For that reason for a long time, the EU member states were reluctant to announce economic sanctions, which were to damage their trade relations with Moscow. In addition, with a gas cut – which Vladimir Putin threatened to use – Russia could hurt the EU much more than the EU Russia (by stopping the payments). **This energy and trade dependence of Europe on Russia limits the EU’s political scope.**

The Netherlands itself has a large and intensive trade relationship with Russia. Especially in the area of energy.

The Hague participates in Moscow’s Nordstream pipeline project, in order that the Netherlands can make money out of its gas pipeline network after its own gas resources are gone. Moreover, energy companies such as Shell possess high-tech energy exploration equipment, which Russia needs to develop its Arctic energy resources. For these reasons, The Hague was never in the forefront of European countries to condemn Russia’s military actions in Ukraine. With the downing of the Malaysian airliner, killing some 200 Dutch citizens, the criticism on Moscow became stronger, albeit just temporarily.

– What are the ways and means of settling this conflict?

A grey area of states exists between Europe (EU) and Russia. Belarus and Armenia are part of Russia’s camp, as members of the military alliance Collective Security Treaty Organisation (CSTO) and of the impending Eurasian Union. However, Azerbaijan, Georgia, Moldova and Ukraine have a strong Western (EU, NATO) orientation. As mentioned before, Moscow – as successor state to the USSR – grants itself the right to interfere in the former Soviet area. As long as Azerbaijan, Georgia, Moldova and Ukraine are not a member of the Western institutions (EU, NATO), Russian interferences are likely to continue.

Then the question is what is more important to the EU / the West: trade ties with Russia, or borders with stable and sovereign states that are not subjected to the policy line of a big neighbour? The best way to avoid further Russian military action is to speed-up the entrance of those states that wish to join NATO and/or EU, which are Georgia, Moldova and Ukraine.

However, the possible admission of the aforementioned states into Western institutions does not mean that the relations between Moscow and the West will be restored. Until February 2014, NATO has always said – Russia is not an enemy for us anymore, Russia is a strategic partner of NATO. Nevertheless, currently, because Russia has annexed Crimea (and let us not forget what happened in the past to Abkhazia and South Ossetia) now NATO has concluded that Russia is not a partner anymore.

Moreover, and that is something that Russia does not want, NATO’s Article 5 – the collective defence clause, in this case, against the successor state of the Soviet Union being Russia – is now on the agenda again. Consequently, **what Russia did not want and what Moscow has always said was the case (but did not occur so far) is now reality – NATO is reinforcing troops in Poland and the Baltic states and NATO is putting collective defence against Russia again.**

It has not been on the agenda for the last 20 years, but now, due to its own actions, Russia is creating the NATO that they were allegedly afraid of and that they have always opposed. **Thus, Russia has created the threats that it feared.** Therefore, it will take a long time if and when a reasonable relationship between Russia and the West will be restored.

Nonetheless, certain aspects of cooperation between NATO and Moscow that have a global impact should be continued. Moreover, the cooperation between NATO and Russia on the future of Afghanistan – the post-2014 Afghanistan, when a larger part of NATO and the US forces are withdrawn. Even without trust between Russia and NATO / US, there is a clear necessity to cooperate

on Afghanistan. In the case of Afghanistan there are clear threats, which are imminent, valid for both parties involved – both for Russia and for the West. Both are facing, when the NATO-US forces withdraw, a threat of the Taliban and Al-Qaeda. The Taliban might regain power in Kabul. The other threat is the production of narcotics and trafficking. Russia is suffering heavily from Afghan drugs already. Therefore, in both cases – narcotics and Taliban / Al-Qaeda – the West and Russia are facing the same threats. Hence, there is a necessity for both parties in this case to cooperate, whether they like it or not, to go against these threats, because the danger goes beyond the current disputes that they have about Ukraine. In due course, a solid cooperation on Afghanistan could possibly also work as a confidence building measure, by diminishing the current distrust between Russia and the West. ■

SPAIN'S SUPPORT AND COOPERATION WITH UKRAINE SHOULD BE ENHANCED



Luis FRAGA,
*President of the World
Stability Observatory (WSO),
Senator in the Spanish
Parliament (1989-2011)*

– How would you describe the current state and nature of Ukraine-Russia relations?

The ongoing situation between Ukraine and Russia is a much serious conflict in Europe between two neighbouring and closely related countries which share a similar culture and mentality, religion and mythology, geographical space and history, and very similar traditions. A true European, a West European, as I am, can openly say this.

Fights within the family... Not a pleasant situation! But this family, Russia's and Ukraine's Slavic family, is also Europe's family. Both countries are in Europe. And our languages, the West European languages and cultures, and the Slavic languages and cultures, belong to the great Indo-European family of languages: from Latin to English, from German to Greek and, of course, Ukrainian and Russian...

After Yugoslavia, this is, sadly, the second armed conflict on European territory in the last 40 years. The roots and consequences of both conflicts are different, of course, but all Europeans should be worried and concerned about such a catastrophe on the European soil. In our European family.

Yes, a catastrophe. In September 2013, roughly one year ago, I publicly stated the following: "It shall be a catastrophe if Ukraine's Association Agreement with the EU would not be signed"! This statement was delivered in Kyiv during the International Conference "The Role of International Organisations in the National Security of Ukraine" organized by the Razumkov Centre on 17 September 2013 just two months prior to the scheduled 2013 Vilnius Summit where the Agreement should have been signed.

Now the first question is: could anyone, including the speakers who were participating in the September 2013 Conference, predict that just one year later, the situation in Crimea would turn out as it did, and that an armed conflict in Eastern Ukraine would kill thousands of people? Did any of us predict the catastrophe?

The answer is: nobody was considering that such a nightmare scenario would be possible. I repeat my main point: **the ongoing situation is a much more serious conflict between fraternal countries in Europe.** All Europeans should be worried about such a catastrophe.

Now, a second question: who loses and who wins in this conflict? The question might sound too simple and perhaps even naïve.

But, obviously, Europe is the main loser. First of all, of course, Ukraine; then, Russia. Not to talk about the adverse repercussions and negative effects for all the rest of the EU countries. Something to think about: since 1914, Europe does not seem to have learned the history lessons. And first lesson could be summarized as follows: no more wars on the European soil!

And here is where politics plays a key role. My good friend the late German author Ernst Jünger, who fought in World Wars I and II, and saw with his own eyes the Europe's 20th century suicide, used to say: "The main task of a politician is to avoid the catastrophe. And, when a catastrophe occurs, a politician's task is to face it and to diminish its repercussions". And here is where we are now.

Clear ideas, caution, understanding of shared interests, and avoiding emotion-driven moves shall be crucial to restore, on a solid basis, dialogue and cooperation between Ukraine and Russia. Between the EU and Russia.

– How do you assess the efforts of Spanish government in resolving the conflict between Russia and Ukraine?

Spain is a serious and reliable country with a clear and solid international position concerning separatism. Which is: we always have been against separatism, especially considering that our country has suffered separatist tensions for the last century. In other words: Spain (which is now a member of the UN Security Council) always shall defend and support the territorial integrity of any country, especially in Europe. That is why we will always support the territorial integrity of Ukraine.

Additionally, let us not forget that Ukraine and Spain are very similar countries. We share several similarities. A few of them should be pointed out:

- 1) Ukraine and Spain have roughly the same population;
- 2) We both have about the same territorial surface;

- 3) Spain and Ukraine are hinge, threshold countries which are part of two cultural and civilisation spaces. That is something that I must say out of my personal experience as the Chairman of the Latin American Committee of the Spanish Senate, a position which I held for twelve years.

This is, geopolitically, the reality: Ukraine is part of Europe, but at the same time Ukraine is part of the great Slavic culture and civilisation space which stretches from Kyiv to Moscow, from Vladivostok to Bratislava, Zagreb, Warsaw or Odessa. Spain is also part of Europe, but it is also the origin of the great Hispanic world from Mexico to Peru or Buenos Aires, from Barcelona to La Habana or Equatorial Guinea. Such unique circumstances enable

both our countries to play an important role in the world of the 21st century. Ukraine, same as Spain, has a unique geopolitical position. Both countries might share their experience on such key points.

4) Ukraine and Spain are countries where several languages are spoken. Different cultures coexist. But the main point is that, in both countries, the different territories (where several languages are spoken), are able to take part in the same national project. Four main languages are spoken in Spain: Spanish (Castilian), Basque, Galician and Catalan. And even seven languages if we also take into account Asturian, Aragonese and Aranese-Occitan. Mainly two languages are spoken in Ukraine: Ukrainian and Russian. **But any nation has just one national project. And one national destiny. The more attractive a national project is, the stronger shall be the unity of the country and its capacity to survive adversity in an increasingly complex world.**

5) Politically, both countries have a young democracy after long decades of authoritarian regimes: the Spanish Democracy was established (1975-1978) after General Franco's death; the Ukrainian democracy (1991), after the end of the Soviet Union. Institutional strengthening and capacity building for the civil society are central to consolidating a true democratic state.

All that significant similarities mean that the Spanish experience could be highly useful for Ukraine, *inter alia*, in the following areas:

- Respect for territorial integrity;
- Decentralisation for different territorial, ethnic and culture areas;
- Multivector opportunities for the foreign policy;
- Strengthening of institutions.

Moreover: Spain's support and cooperation with Ukraine should be enhanced. There are many political areas (not to talk about the commercial and investment cooperation), where Spain could increase its efforts supporting such a similar country as Ukraine. We shall always be a friend of Ukraine. And this is not a diplomatic friendly polite statement: it is based on the similarities I have just pointed out.

– What are the ways and means of settling this conflict?

As the Co-founder of the Bilateral Parliamentary Working Group (BPWG) between Ukraine and Spain in September 2011, I must express my best wishes to a lasting and solid resolution of the conflict.

I am sure that Ukraine shall find its own path to prosperity. It is a country with a great potential. And a country which is, in many ways, very similar to Spain, as previously explained.

Now: are these words just wishful thinking? It shall depend on Ukraine's elite. Obviously, the key factor of success for Ukraine could be to enhance and to strengthen its institutional framework. That is the primary goal – to construct an attractive national project which has enough political health to dismantle separatist delusions and to attract foreign investments. I am sure that Ukrainian elite shall work on that. For, in politics, the reforms which consolidate an attractive national project are the clearest way to avoid the catastrophe. For instance, to strengthen the Parliament, to enhance the efficiency of the civil service, to design a reasonable territorial

structure, to invigorate the rule of law, to set up fine education and health systems.

Second, having open and growing relations (economic, cultural, and political) with the rest of Europe and also substantial track record of the important partnership with the CIS countries could be an additional key factor of success in the long-run. Same as Spain has good relations with Latin America and with the rest of Europe. Again: let us not forget geopolitics!

Both factors might be, in any case, the great challenges for Ukrainian politicians nowadays.

But a different point is the role of the EU in the solution of the conflict. And this brings us to the main and last question: what does the EU want from Ukraine? There are mainly two ways to answer the question, each of them based on different assumptions.

First. The EU understands the importance of the continental geopolitics. In doing so, the EU certainly should be interested in Ukraine as an important geopolitical project within its neighborhood, and therefore in strengthening Ukraine as a necessary state, located between Russia and the EU, whose territorial integrity should be preserved and enhanced.

Second. Conversely, the EU's interest in Ukraine might just lie in cheap labour, cheap agricultural products, cheap energy transit and some natural resources and its derivatives (iron, manganese, titanium, etc.). Depending on how you answer the question, the EU policies toward Ukraine might be substantially different. And thus, the likelihood of success for the EU's contribution to a sustainable solution of Ukraine's current problems might go one way or another.

But such an analysis drives to the following six last fundamental questions:

1) *Does Brussels really know what we, Europeans and Ukrainians, really want?*

2) *Does Europe (and Ukraine, same as Western Russia, is also in Europe) understand its destiny and its global goals?*

3) *Are Brussel's bureaucrats (and their lobbies working also in all European countries) really interested in a strong European project?*

4) *Shall European main policy makers have the courage and the political will to defend the real interests of Europe, and also to do it in Ukraine?*

5) *Shall Europe ever be an ambitious project as we Europeans want it to be?*

6) *Is Ukraine the place where Europe, the EU, shall definitely show if it exists or if it is doomed to demise?*

Needless to say, after the 2014 October elections in Ukraine, a great effort should be done by the Ukrainian authorities and by all parts involved in the conflict, including, of course, the Russian Federation and the European leaders.

And the only way to succeed in that extraordinary situation shall be with clear ideas about what really is at stake, but also through a calm and clear negotiation based on common interests and common sense, rather than on emotions, on theories, or on interests and positions that might diverge from the European ones. ■

DIPLOMATS ON THE RUSSIA-UKRAINE CONFLICT*

The Russia-Ukraine conflict that has now lasted nearly a year is not a “peripheral” incident in relations between Kyiv and Moscow. The conflict has reached a regional and international dimension and become a threat to the international security system. The international community strongly condemns the annexation of Crimea and Russia’s military incursion in the Donbas.

At the same time, global diplomacy is trying to find ways and means of resolving the conflict. In April 2014, the talks were held in Geneva between in the Ukraine-EU-US-Russia format. Subsequently, the negotiations were held with participation of foreign ministers of Ukraine, Germany, France and Russia. In September 2014, representatives of Ukraine, OSCE and Russia signed the Minsk Agreement aimed at resolving the situation in Eastern Ukraine. Negotiations will continue in various formats.

In this context, the opinions and assessments by top diplomats from respective embassies in Ukraine is of particular importance. Ambassadors assessed the conflict between Ukraine and Russia, efforts of Western countries, and proposed ways for resolving the conflict.

WE WILL REMAIN STEADFAST IN OUR SUPPORT FOR UKRAINE



Simon SMITH,
*Ambassador Extraordinary and
Plenipotentiary of the United
Kingdom of Great Britain and
Northern Ireland in Ukraine*

– What conclusions should the international community draw from the Russia-Ukraine conflict?

That States who ignore international norms of behaviour and their international commitments will find themselves isolated in the international community.

– How would you assess the actions of the Western countries and international organisations in this situation?

The international community has been steadfast in their support of Ukraine throughout this crisis. Russia’s isolation, a direct result of their actions, is striking. Most recently the UN Secretary General, NATO, the OSCE, the EU and the US made clear that the separatist organised “so-called” elections on 2 November were illegitimate and undermined the Minsk Agreements. Russia alone has argued that the so-called elections had some legitimacy. Russia’s actions, including the illegal annexation of Crimea, have been condemned by the international community.

– What are, in your opinion, the ways and tools of resolving the conflict between Russia and Ukraine?

The British Prime Minister David Cameron has been very clear that there cannot be a military solution

to this crisis. We continue to urge all parties to engage constructively with the Government of Ukraine and to fulfil commitments made in the Minsk Agreements and elsewhere. Special responsibility rests with the Russian Federation. The UK continues to play a full and active role in efforts to achieve a diplomatic solution, working closely with the Government of Ukraine, the EU, and other international partners. The UK is committed to ensure that Russia continues to bear a cost for their actions. Since the start of the crisis the UK has made clear its support for Ukraine’s sovereignty and territorial integrity and the right of the people of Ukraine to decide their own future without outside interference. We will remain steadfast in this support. ■

THE SITUATION IN DONBAS MUST NOT TURN INTO A PROTRACTED CONFLICT



Cornel IONESCU,
*Ambassador Extraordinary and
Plenipotentiary
of Romania to Ukraine*

– What conclusions should the international community draw from the Russia-Ukraine conflict?

There are unfortunately a few signs indicating that the conflict is over. Therefore, I think that the main conclusions will only be drawn after the conflict is completely resolved. For now, the international community’s primary concern is not to allow the situation in Donbas to turn into a protracted conflict and not to let the crisis expand to other areas, such as power engineering, commerce, etc.

* The interviews were conducted in October-November 2014.

I can, however, assure you that the international community is interested in settling the conflict to overcome the destabilizing consequences of Russia's actions for Ukraine. The international community has already started to make conclusions, so security becomes of strategic importance for this part of Europe. This can also be seen in the Final Declaration adopted at the NATO summit this year.

The documents, enacted by Great Britain,¹ are rather important and show that the international community, at least the Euro-Atlantic union, whose member is Romania, has made the first serious conclusions with respect to the Russia-Ukraine conflict. In this context, I would like to say that our country has tried for many years to draw the attention of the international community to the issue of fragile security in the expanded Black Sea region that arouse, first of all, due to long-running conflicts (Transnistria, South Ossetia, Nagorny Karabakh).

– How would you assess the actions of the Western countries and international organisations in this situation?

I have been staying in Ukraine all this time and noticed that the analytical community in Kyiv has different opinions as to the actions taken by the Western countries and international organisations in the context of the conflict. Personally, as a representative of Romania, which has been consistently trying to help Ukraine over this period of time, I especially appreciate the efforts of the Western countries and international organisations. UN, OSCE, EU, NATO, and the Council of Europe have made right assessments of the conflict in accordance with the international assessment standards, and are taking efforts to resolve it by using all tools available.

I tend to think that without the support provided so far by the international community, the situation in Ukraine would have been more dramatic. In this context, I highly appreciate the solidarity demonstrated by most of the global community to help resolve the difficult situation in Ukraine.

– What are, in your opinion, the ways and tools of resolving the conflict between Russia and Ukraine?

The experience of protracted conflicts shows that there is no alternative to political methods and a comprehensive dialogue to resolve them. In this sense, Romania supports the implementation of the Minsk Agreements. However, consistency and political will remain an important factor in fulfilling these agreements by all key stakeholders. ■

DECISIONS CONCERNING UKRAINE'S FUTURE MUST BE MADE BY THE UKRAINIANS THEMSELVES



Juraj SIVÁČEK,
Ambassador
Extraordinary and Plenipotentiary
of the Slovak Republic
to Ukraine

– What conclusions should the international community draw from the Russia-Ukraine conflict?

The conflict showed that, in today's environment characterized by drastic social changes, economic

crisis, crisis of values, threats to human rights, terrorism, extremism, and other threats to peace and security, international law must be a highly important tool.

In today's polarised world, I look at it, first of all, from the perspective of small countries and their interests. We view international law as a tool for ensuring certain stability and a guarantee of predictability of international relations.

We wholly support the territorial integrity and sovereignty of Ukraine. The Slovak Republic considers unacceptable the annexation of Crimea and any other interference with Ukraine's internal affairs. Decisions concerning Ukraine's future must be made by the Ukrainians themselves.

– How would you assess the actions of the Western countries and international organisations in this situation?

We note and support the efforts taken by the Ukrainian leaders to build a modern, democratic and consolidated society with the rule of law and respect for ethnic, linguistic and religious groups. Slovakia, the Visegrád Group, and the EU countries expect that the new Ukrainian government to be formed after the extraordinary parliamentary election will uphold reforms and abide by the European values.

With the support of the new government majority in the Parliament, we expect the new Ukrainian government to not only prepare but also to implement certain reforms that will strengthen the country, modernise its economy, and reform the government apparatus. In my opinion, one of the most important aspects is an inclusive political process and an overall public consensus, especially in solving the thorny social and economic issues.

Together with our partners and allies, we are ready to make contribution to implementing reforms in Ukraine. This contribution will have clear rules and depend on structural reforms, modernisation, improved administration of public affairs, and fighting corruption.

Through joint coordinated efforts and in collaboration with our European partners, we are ready to provide help and share our experience of transformation and reforms.

– What are, in your opinion, the ways and tools of resolving the conflict between Russia and Ukraine?

Political resolution of the crisis must be based on maintaining independence, sovereignty and territorial integrity of Ukraine within its internationally recognized boundaries. Sanctions are though not a perfect but an indispensable instrument of influencing the actions of Russia to cooperate in overcoming the crisis in Ukraine. Russia is expected to make further efforts to mitigate the tension and reach stable peace.

At the same time, we are concerned about the serious consequences of the humanitarian crisis. Therefore, we exhort all parties to respect the international law, protect civilians, and ensure unimpeded access by humanitarian organisations.

We are ready to further support the people affected by the crisis and the efforts of the Ukrainian government. ■

¹ This refers to the documents adopted at the NATO Summit, held on September 4-5, 2014 in Wales (UK). – Ed.

RUSSIA-UKRAINE CONFLICT: EXPERT ASSESSMENTS

Regular expert polls conducted by the Razumkov Centre on foreign policy issues reveal experts' positions, opinions and assessments. In particular, since 2006, a number of expert polls have been conducted on the Ukraine-Russia relations. However, all previous polls are fundamentally different from the latest one.

Russian military aggression, which has cardinally changed the relations between Kyiv and Moscow, makes the issue of relations between the countries relevant in view of the current realia and urges Ukraine to redefine its previous approach towards Russia, try building a new vision of the future relations between the two countries, and determine practical steps and measures to counteract Russian expansion. This was the subject of the latest (October 2014) expert poll dedicated to the Russia-Ukraine conflict.¹

Today, there are no grounds to expect that the relations with Russia will come to normal soon. On the contrary, Moscow continues an undeclared war against Ukraine, and provides military, material, and information support for the separatist revolt in Donbas. So the situation in Eastern Ukraine poses a threat of turning into a "frozen" conflict and further military expansion to ruin Ukraine's sovereignty.

The positions, opinions and assessments of the expert community are essential to understand the reasons and nature of the Russia-Ukraine conflict, forecast further development of events and respond adequately to Russian threats. It should, however, be taken into account that the annexation of Crimea and the military aggression in Eastern Ukraine are not a local bilateral conflict. Russia's aggression has regional and global dimensions. In particular, these events have changed the character and atmosphere of the West-Russia relations. Thus, it is obvious that the perspectives of the bilateral Ukraine-Russia contacts will be to a large extent determined by the dynamics of relations between the key players – EU, the US, NATO, and Russia.

Experts were asked to assess the bilateral relations, the reasons and consequences of the conflict, and its influence on the world community, predict the further course of events, define possible ways of reaching a compromise, characterize the efficiency of actions taken by countries and international institutions in solving the conflict, and offer individual conceptual approaches to building relations with Russia. Of particular interest in this research are the experts' own answers to certain questions regarding the above issues.

The poll results provide grounds for further observations and conclusions.

REASONS AND CONSEQUENCES OF THE RUSSIA-UKRAINE CONFLICT

Most experts are convinced that Russia and Ukraine are now in a state of an undeclared war. Almost every fifth respondent views these events as a local armed conflict, and a small share of respondents characterize the current bilateral relations as yet another aggravation of contradictions.

At the same time, choosing "Other, please specify", the respondents, in particular, say that this is: a declared war; a planned Russian aggression towards Ukraine; an attempt to force Ukraine to submit to Russia's influence; the final parting and the beginning of a strategic competition; antagonism between various models of existence of Eastern Slavs that intensified before the war. Finally, it is mentioned that this is a war in which Ukraine is used

by Russia as means to attain its objectives.² Anyway, these are the variations of the opinion prevailing in the expert community: Russia and Ukraine are in a state of war. It should be noted that this perception of the relations between the countries influenced substantially the Ukrainian experts' opinions and assessments.

Experts think that the main reason for the conflict is Ukraine's desire to break free of the Russian influence as well as Russia's attempts to retain Ukraine and block its European integration course. In this context, it should be remembered that the Kremlin has long taken persistent attempts to block the EU-Ukraine Association Agreement and put pressure on Ukraine, which, in the long-run, led to President Yanukovich's refusal to sign the Agreement and, as a result, the overthrow of his regime in February 2014.

¹ The expert poll was conducted by the Razumkov Centre on October 20-31, 2014. The poll covered 75 experts – representatives of central and regional governmental authorities, public and non-governmental research institutions, higher educational establishments, independent experts, and mass media.

² The experts' answers in "Other, please specify" are provided in a summarised and abridged form.

Another important reason is that Russia does not recognize Ukraine as an independent, sovereign country with an independent foreign policy. Interestingly, personal ambitions of President V. Putin are ranked third in the list of reasons.

It is noteworthy that few respondents consider the infringements upon the Russian-speaking population's rights in Eastern Ukraine to be the reason for the conflict. (Remember that the so-called "infringements" were the ground for the Federation Council to entitle the Russian President to bring the troops to Ukraine and further justify and support the separatist revolt in Eastern Ukraine). Experts are also sceptical about the assumption that the reason of the conflict was the accession of Ukrainian nationalist forces to power.

Formulating their own reasons for the conflict, experts name different values professed by the majority of Russians and Ukrainians, revision of the "cold war" outcomes, Putin's fear of a possible revolution in Russia, a series of tragic errors made by all key players, the "wounded empire" syndrome, etc.

Experts believe that the most critical consequence of the Russia-Ukraine conflict is an increasing negative attitude of Russians and Ukrainians towards each other. It is hard to disagree in view of the cultural "watershed" aggravating between the nations of both countries as a result of Russia's information war against Ukraine. Among other negative consequences, a substantial share of respondents name ruined economic ties and deteriorating intergovernmental political and diplomatic relations. It is understandable that few respondents chose the "termination of military cooperation". In a state of war, this area of cooperation is impossible *a priori*.

Formulating their own answers to this question, experts name casualties and human tragedies, the impossibility of cooperation in addressing actual common problems, ruined contractual relations and the overall accumulated complex of ties in various sectors, as well as the "cold war" after the "hot" stage. It is mentioned that the Kremlin's aggression against Ukraine has ruined the bilateral relations for years ahead and they will remain such while the Putin-Medvedev tandem remains in power.

On the other hand, however, some of the experts note that the deteriorating relations should not be treated negatively, since this would enable Ukraine to build its relations with Russia to its advantage rather than for the benefit of Russia only. The negative consequences will pay off, speeding up Ukraine's course away from Russia. So, from a strategic point of view, this conflict is beneficial for Ukraine.

In its conflict with Russia, Ukraine pursues primarily geopolitical goals. This is the opinion of the majority of the experts. This thought is fully in line with the above reasons for the conflict caused chiefly by Moscow's geopolitical ambitions. Substantially fewer respondents mention ideological and domestic political objectives, and no experts name Russia's economic goals.

Most of the experts do not exclude the possibility that Russia might expand its military aggression to other countries. Only every sixth respondent is of a different opinion. Stressing the possibility of further expansion, the respondents, first of all, mention the Baltic States (primarily Latvia and Lithuania) and Moldova.

Next come Kazakhstan and Georgia. Other countries include also Belarus and Poland. Some respondents name all the neighbouring countries. So, in the experts' opinion, there is a threat that Russia's expansion might affect the neighbouring countries.

Experts express diverse opinions as to the tactics and strategy of Ukraine's efforts with respect to Russia. The respondents' opinions split as to whether the Ukrainian government has or does not have any tactics of action with respect to Russia. Considerably more respondents say that there is no strategy of action towards Russia.

Instead, the majority of experts are convinced that the Russian government has both tactics and strategy of action towards Ukraine.

Experts are rather sceptical about the immediate perspectives of the Ukraine-Russia relations. Most respondents forecast conservation of the conflict with a subsequent period of confrontation without weapons. However, a quarter of the respondents point out that the conflict will escalate and turn into a wide-scale "hot" stage.

Offering their answers, experts generally predict temporary conservation of the conflict (followed by undermining actions on the part of Russia) to accumulate forces for further escalation.

INTERNATIONAL DIMENSION OF THE RUSSIA-UKRAINE CONFLICT

According to the experts, the global challenges of the Russia-Ukraine conflict include a failure of the regional and global security systems, a higher probability of resorting to force in the settlement of contradictions between countries, and making it another "frozen" conflict in Europe. These opinions are hard to disagree with. The annexation of Crimea and Russian military expansion in Eastern Ukraine have changed drastically the situation in Europe and across the world. Ukraine has actually become the epicentre of the increasing West-Russia confrontation. The global (UN) and European (OSCE) security systems have proved incapable of responding to the Russian aggression in an adequate and efficient manner. The main security mechanism of the global community, the UN Security Council, is blocked by Russia. OSCE cannot offer any efficient mechanisms to solve the Russia-Ukraine conflict. The experience of the Georgian war is of no use.

At the same time, the situation in the East remains highly difficult and unpredictable: there is a probability of another "frozen" conflict being the source of instability and threat to Europe and the base of further Russian expansion.

In this situation, experts are rather reserved as to the efficiency of the Western sanctions imposed on Russia. It can be assumed that their opinions are affected by the following factors. *First*, despite a notable restraining effect, the Western sanctions are limited and are not sufficient, they have not changed Russia's position, and must therefore be extended as it is demanded by Ukraine. *Second*, the sanctions largely have a delayed effect, and their outcomes will not be seen at once. *Third*, Russia has a significant potential to oppose the Western sanctions (large gold and exchange reserves, natural resources, first of all, energy resources).

Assessing the efficiency of the actions taken by certain countries and international organisations, experts primarily distinguish the US, Canada, Germany, Great Britain, and the EU. These assessments are understandable in view of the political and diplomatic activities, intermediary efforts, and financial support for Ukraine suffering from the Russian aggression. The role of CIS in solving the Russia-Ukraine conflict is subject to most criticism. In this situation, CIS has obviously proved entirely unable to provide help in resolving the conflict between the two parties.

As regards Russia, the West is primarily governed by security considerations and economic interests. Such opinion is shared by the majority of experts. Considerably fewer respondents mention geopolitical interests and international legal standards. Few experts consider democratic principles to be the main motive of the Western policy towards Russia. It is obvious that in the West-Russia political and economic confrontation, both parties bear economic losses, which is sure to affect the positions of the Western countries and will largely define their future policy with respect to Russia.

Experts are convinced that the first step in ensuring security guarantees for Ukraine must include strengthening and modernisation of Ukraine's Armed Forces and other security structures, as well as adequate border protection. This is the most efficient way to ensure the country's security. At the same time, in the experts' opinion, the following measures are also essential: (a) successful EU integration; (b) efficient information security of the country; (c) initiation of NATO membership; (d) restructuring of international security mechanisms. The most sceptical attitudes are expressed with regard to official recognition of Ukraine's military neutrality by the global community and provision of respective guarantees. The experts mention that the so-called non-bloc status of Ukraine declared in 2010 did not in any way protect the country from the Russian aggression.

Answering these questions, the experts stress the importance of obtaining a special partner status with the US, entering into a new political agreement with Russia with the participation of EU, the US, UN and OSCE, changing the domestic and foreign policy, building a territory protection system according to the Swiss model, etc.



The respondents consider the Geneva model (Ukraine-EU-US-Russia) to be the most efficient format of political and diplomatic contacts with Russia. Many respondents also believe that the combined (mixed) format depending on the situation is the best one. An insignificant share (1.3%) supports the bilateral Ukraine-Russia contacts and no experts mention the trilateral Ukraine-OSCE-Russia model (evidently because of the failure to meet the Milan Agreements approved in this format).

The experts' own options are: any of the above formats plus the US; Ukraine-Germany-US-Russia; and Ukraine-EU-US-OSCE-UN-Russia.

WAYS OF SETTLEMENT

In the near future (1-3 years), there will be no positive changes in the Russian policy towards Ukraine. This is the opinion expressed by the absolute majority of the experts. No positive changes should be expected in a longer-term perspective (3-5 years) either, though every fifth respondent mentions a possibility of changes for the better. Most of the respondents believe that such changes are possible in 5-10 years. Obviously, the hopes for positive changes in Russia's policy are associated with potential changes in Russia's domestic policy, namely, its political leaders, in a mid-term perspective.

In the experts' opinion, there is a number of "red lines" that Ukraine cannot cross to solve the conflict with Russia. First of all, Ukraine cannot reject the EU Association Agreement, recognise the annexation of Crimea by Russia and independence of LPR and DPR, join the Eurasian Economic Union, share control of its gas transportation system with Russia, join the Collective Security Treaty Organisation, etc. Less categorical are the attitudes to the refusal to give the Russian language a constitutional status of the second state language. So, all the above steps are, in the experts' opinion, unacceptable for Ukraine.

At the same time, experts think that Moscow might resort to a compromise to settle the conflict with Kyiv. In particular, most of the respondents believe that Russia might withdraw its troops from the territory of Ukraine, revise the gas agreement with Ukraine on mutually beneficial terms, and cancel trade restrictions for Ukraine. However, for other important issues, such as Crimea, LPR and DPR, the prospects of Ukraine's accession to NATO, etc., a compromise with Russia is impossible.

So, it can be stated that a number of major challenges in the bilateral relations have no solution for now.

UKRAINE'S CONCEPTUAL APPROACHES AND PRACTICAL STEPS TOWARDS RUSSIA

At the current stage, the most optimum model of relations with Russia is "restricted partnership", which implies strict upholding of national interests and defining a set of issues for which no compromise is possible. This opinion is shared by most of the experts. One fourth of the experts, however, support a stricter scenario of curtailing the cooperation and contacts with Russia, restraining Russia, and maintaining a "cold war". At the same time, none of the respondents shares the idea of returning to the previous practice of declarative

strategic partnership. An insignificant share of the experts support a stage-by-stage resolution of the conflict and establishing a real strategic partnership in the future.

Noteworthy are the experts' own scenarios. They, in particular, offer military suppression in response to a possible escalation of Russia's military aggression and, simultaneously, building an efficient public crisis management system for situations of military origin, and maintaining an adequate defence system.

It is also proposed to continue the talks involving third parties and, simultaneously, imposing Ukrainian and international sanctions on Russia to make it stop supporting the separatists and waging information war against Ukraine.

Among the practical steps of minimizing the conflict with Russia, equal numbers of experts mention, first of all, modernizing and strengthening Ukraine's Armed Forces, as well as energy independence from Russia. According to expert assessments, it is highly important to ensure maximum involvement of third parties in the talks with Russia, diversify the international trade and economic contacts to break free of the dependence on the Russian markets, approve NATO integration course with joining it in the future, and develop a new negotiation process in line with European rules and standards.

It should be added that, in the experts' opinion, it is also essential to revise the Ukraine-Russia contractual and legal framework and institutional mechanisms of the bilateral relations. This seems reasonable because of the fact that the basic Ukraine-Russia Treaty of Friendship, Cooperation and Partnership is *de facto* ruined by the annexation of Crimea and Russia's aggression in Eastern Ukraine. At the same time, in the current realia, it is hard to imagine that the Ukraine-Russia inter-governmental commission will hold its meetings in the same format.

Wording their own opinions, the experts stressed the importance of strengthening strategic partnership with the US, technical equipment of the state borders, creating territory defence battalions, and disseminating information by Ukraine on the Russian aggression across Russia and beyond.

The experts agree that it is necessary to perceive and treat the actions of the current Russian government towards Ukraine as an aggression causing tremendous human, territorial, and economic losses in Ukraine. In their opinion, a new philosophy and a new approach to the bilateral relations are required to withstand the Russian influence. Among possible elements of such an approach, the experts distinguish, first of all, higher economic and energy independence of Ukraine, maximum pragmatism, upholding national interests, giving up the Russian model of state and political development, and irrevocability of European integration course. The respondents also agree with the importance of revising the principles of governmental and political relations with Russia.

Summarizing the above opinions, it should be stated that Kyiv-Moscow relations require a re-assessment that would include revising the nature, ideology and the overall institutional system of relations with Russia in key areas in view of the fact that the main threat to Ukraine's sovereignty is posed by the current Russian policy towards Ukraine.

CONCLUSIONS

First. In the experts' opinion, Russia and Ukraine are currently fighting an undeclared war. The main reasons for the conflict are Ukraine's desire to break free of the Russian influence and Russia's attempts to retain it; Russia blocking the European integration course of Ukraine and rejecting Ukraine as an independent sovereign country; as well as Vladimir Putin's personal ambitions. The most critical consequence of the Russia-Ukraine conflict is a growing negative attitude of Russian and Ukrainian nations towards each other.

Russia mainly pursues its geopolitical objectives. Russian expansion may also affect other countries. Experts are rather sceptical about the immediate perspectives of the Ukraine-Russia relations. It is expected that the conflict will be conserved and followed by a period of confrontation without weapons.

Second. The collapse of regional and global security systems, a higher probability of resorting to force in settling contradictions between countries, and making it another "frozen" conflict in Europe are the global challenges of the Russia-Ukraine conflict. Assessing the efficiency of actions taken by the countries and international institutions, experts, first of all, distinguish the US, Canada, Germany, Great Britain, and the EU. At the same time, the sanctions imposed by the West, being governed chiefly by security considerations and economic interests with respect to Russia, are not assessed as very efficient.

The experts are convinced that the first step in ensuring security guarantees to Ukraine must include strengthening and modernizing Ukraine's Armed Forces and other security structures, as well as an adequate protection of the borders.

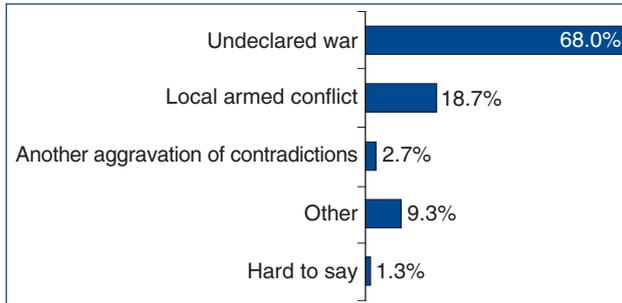
Third. In the near future (1-3 years), there will be no positive changes in the Russian policy towards Ukraine. In the experts' opinion, there is a number of issues for which a compromise with Russia is not acceptable. First of all, it is the Crimea issue, the situation in Eastern Ukraine, and European integration.

Fourth. At the current stage, the best model of relations with Russia is "restricted partnership", strict adherence to national interests and defining a set of issues for which no compromise is possible. Practical steps to minimize the conflict include modernizing and strengthening Ukraine's Military Forces, as well as energy independence from Russia. It is also essential to ensure a maximum involvement of third parties in the talks with Russia.

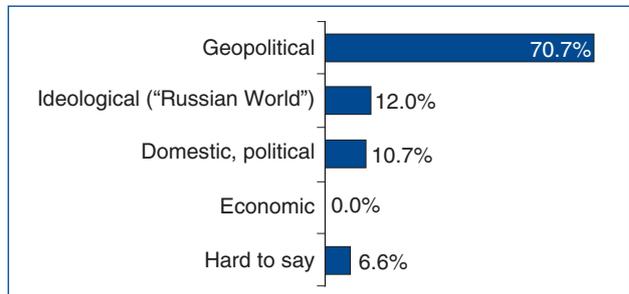
The experts are unanimous that it is important to treat the actions of the current Russian government towards Ukraine as an act of aggression causing tremendous human, territorial, and economic losses in Ukraine. In their opinion, a new philosophy of bilateral relations is required to withstand the Russian influence.

REASONS AND CONSEQUENCES OF THE RUSSIA-UKRAINE CONFLICT

How would you describe the current relations between Ukraine and Russia? % of experts polled



What is the nature of Russia's objectives in the Russia-Ukraine conflict? % of experts polled



What are the main reasons for the Russia-Ukraine conflict?*

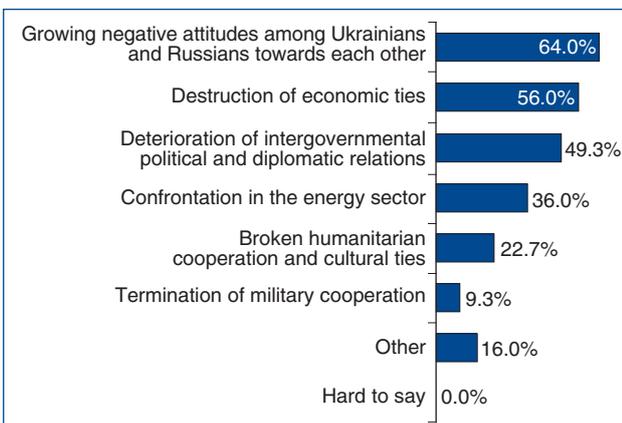
% of experts polled

Ukraine tries to break free of the Russian influence, while Russia attempts to retain Ukraine under its influence and block Ukraine's European integration	85.3
Russia does not recognize Ukraine as an independent, sovereign country with an independent foreign policy	74.7
President V. Putin's personal ambitions	57.3
Geopolitical competition between Russia and the US	44.0
Ukraine's potential membership in NATO is a threat to Russia	32.0
West-supported removal of Viktor Yanukovich's pro-Russian regime	10.7
Both countries are not ready to establish real neighbourly, equal and mutually beneficial relations	6.7
Accession of Ukrainian nationalist forces to power	4.0
Infringement upon the rights of the Russian-speaking population in Eastern Ukraine	2.7
Other	8.0
Hard to say	0.0

* Experts were asked to choose all acceptable options.

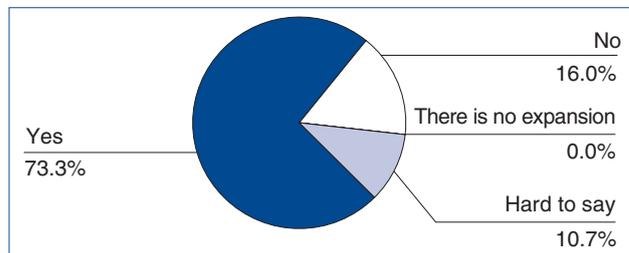
What are the most adverse consequences of the Russia-Ukraine conflict for the bilateral relations between the two countries?*

% of experts polled

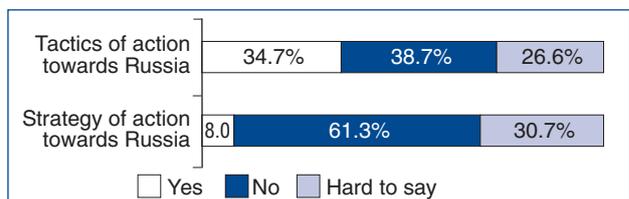


* Experts were asked to choose three acceptable options.

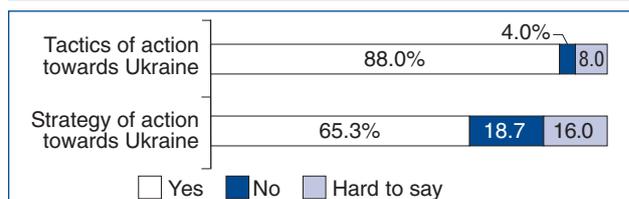
Can the Russian military expansion in Ukraine affect other countries? % of experts polled



Does the Ukrainian government have ...? % of experts polled



Does the Russian government have ...? % of experts polled



What is the most probable scenario of further relations between Ukraine and Russia in the immediate (one or two years) perspective? % of experts polled

Conservation of the conflict followed by a period of confrontation without weapons	60.0
Further escalation of the conflict turning into a wide-scale "hot" phase	26.7
Gradual settlement of the Russia-Ukraine conflict followed by neighbourly and partner relations	2.7
Other	8.0
Hard to say	2.6

INTERNATIONAL DIMENSION OF THE RUSSIA-UKRAINE CONFLICT

What are the global challenges of the Russia-Ukraine conflict?*
% of experts polled

Damage to the regional and global security system	78.7
Higher probability of using force to settle disputes between countries	58.7
Another “frozen” conflict in Europe	45.3
Intensified political and economic confrontation between the West and Russia	36.0
Lower efficiency of international mechanisms used to prevent nuclear proliferation	26.7
Intensification of separatist movements	20.0
New dividing lines in Europe	16.0
Russia building a powerful anti-West alliance	4.0
Other	2.7
Hard to say	0.0

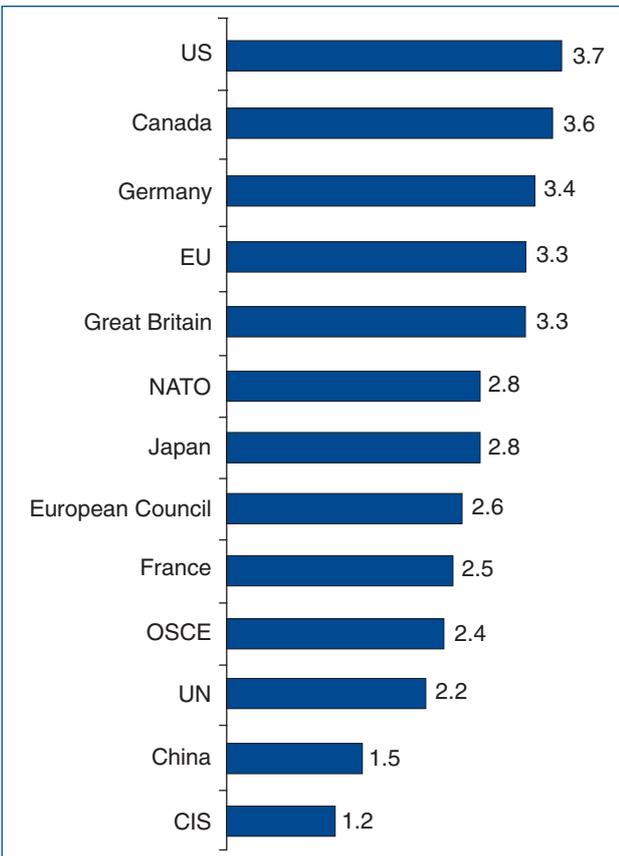
* Experts were asked to choose three acceptable options.

How do you assess the efficiency of the sanctions imposed by the Western countries on Russia to settle the Russia-Ukraine conflict?*
% of experts polled

Average score	3.2
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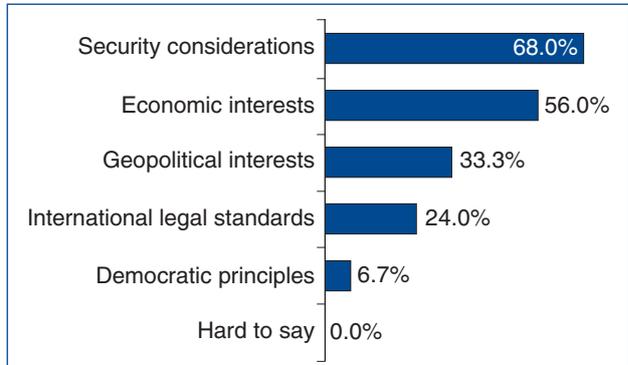
* Under a five-point scale from 1 to 5, where “1” means the sanctions are not effective at all, and “5” means the sanctions are highly effective.

How do you assess the efficiency of the actions taken by certain countries and international organisations to settle the Russia-Ukraine conflict?*
average score



* Under a five-point scale from 1 to 5, where “1” means the actions are not effective at all, and “5” means the actions are highly effective.

What motives prevail in the Western policy towards Russia?*
% of experts polled



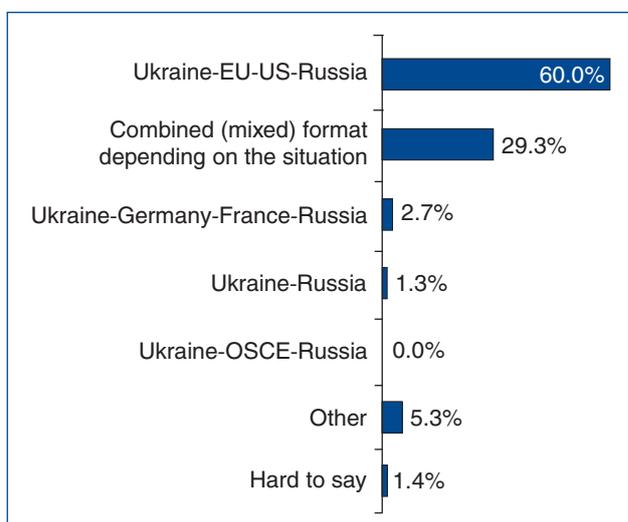
* Experts were asked to choose two acceptable options.

To what extent do the following measures strengthen the security guarantees for Ukraine?*
average score

Strengthening and modernisation of Ukraine’s Armed Forces and other security structures and adequate border protection	4.7
Successful EU integration	4.4
Efficient information security of the country	4.2
Initiation of NATO membership	3.7
Restructuring of international security mechanisms (UN, OSCE)	3.1
Entering into a new international agreement for security and cooperation in Europe	2.7
Renewal of Ukraine’s status as a nuclear state	2.4
Official recognition of Ukraine’s military neutrality by the global community and provision of respective international guarantees	1.8
Other	5.0

* Under a five-point scale from 1 to 5, where “1” means the measures have no effect at all, and “5” means the measures have the maximum effect.

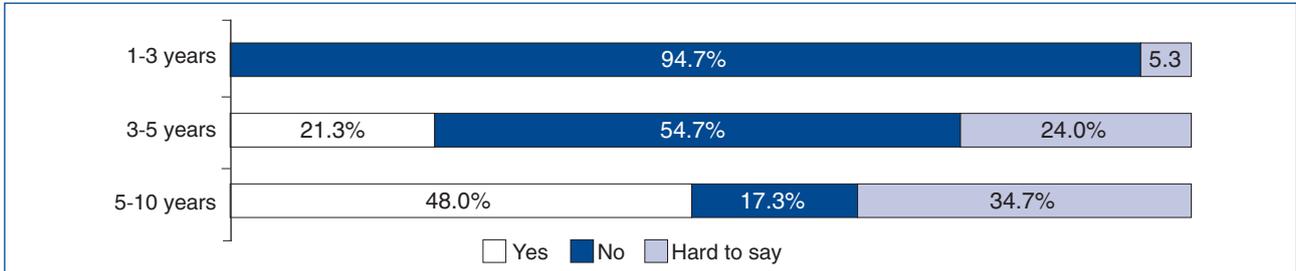
What format of political and diplomatic contacts between Ukraine and Russia is currently the most effective?*
% of experts polled





WAYS OF SETTLEMENT

Can Russia change its policy towards Ukraine for the better? % of experts polled



Can Ukraine resort to further steps to settle the conflict with Russia? % of experts polled

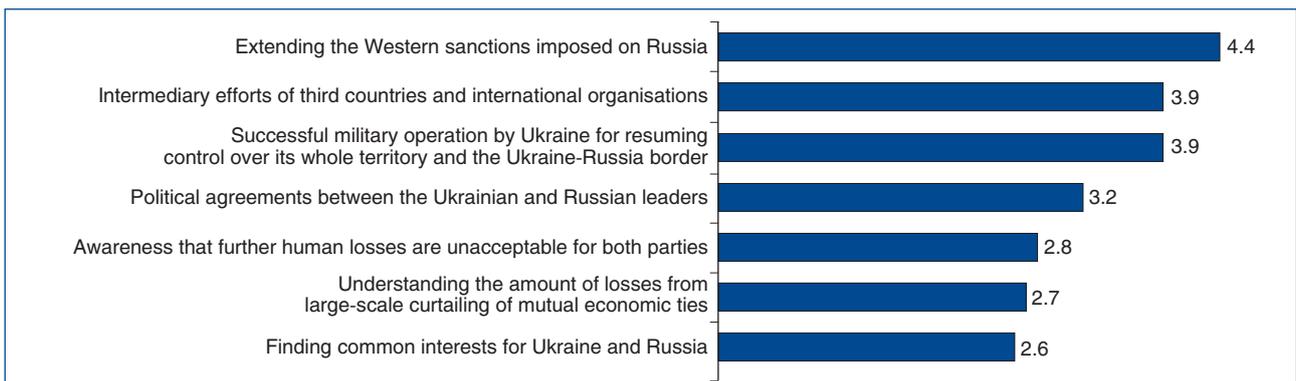
	Yes	No	Hard to say
Refuse entering into the Association Agreement with EU	0.0	100.0	0.0
Recognize the annexation of Crimea by Russia	4.0	93.3	2.7
Recognize the independence of DPR and LPR	2.7	93.3	4.0
Join the Eurasian Economic Union	2.7	92.0	5.3
Share control of its gas transportation system with Russia	4.0	89.3	6.7
Join the Collective Security Treaty Organisation	6.7	86.7	6.6
Establish a federal structure of Ukraine	10.7	78.7	10.6
Expand CIS membership	10.7	74.7	14.6
Recognize LPR and DPR as autonomous entities within Ukraine	17.3	73.3	9.4
Give the constitutional status of the second state language to the Russian language	24.0	69.3	6.7
Refuse its intention to join NATO	17.3	69.3	13.4

Can Russia resort to further steps to settle the conflict with Ukraine? % of experts polled

	Yes	No	Hard to say
Recognize Ukraine's right to join NATO	8.0	86.7	5.3
Stop the information war against Ukraine	10.7	81.3	8.0
Recognize the annexation of Crimea and agree to political and diplomatic settlement of "the Crimea issue"	13.3	80.0	6.7
Acknowledge the involvement of the Russian troops in the conflict in Eastern Ukraine and compensate the costs for Donbas reconstruction	10.7	80.0	9.3
Stop propagating the issue of protecting the rights of the Russian-speaking citizens of Ukraine	17.3	72.0	10.7
Stop supporting the DPR and LPR soldiers	32.0	57.3	10.7
Stop blocking the EU-Ukraine Association Agreement	41.3	49.3	9.4
Cancel trade restrictions for Ukraine	46.7	34.7	18.6
Withdraw the Russian troops from Ukraine	52.0	30.7	17.3
Revise the gas agreement with Ukraine on mutually beneficial terms	50.7	30.7	18.6

Which of the following measures can contribute to the settlement of the Russia-Ukraine conflict?*

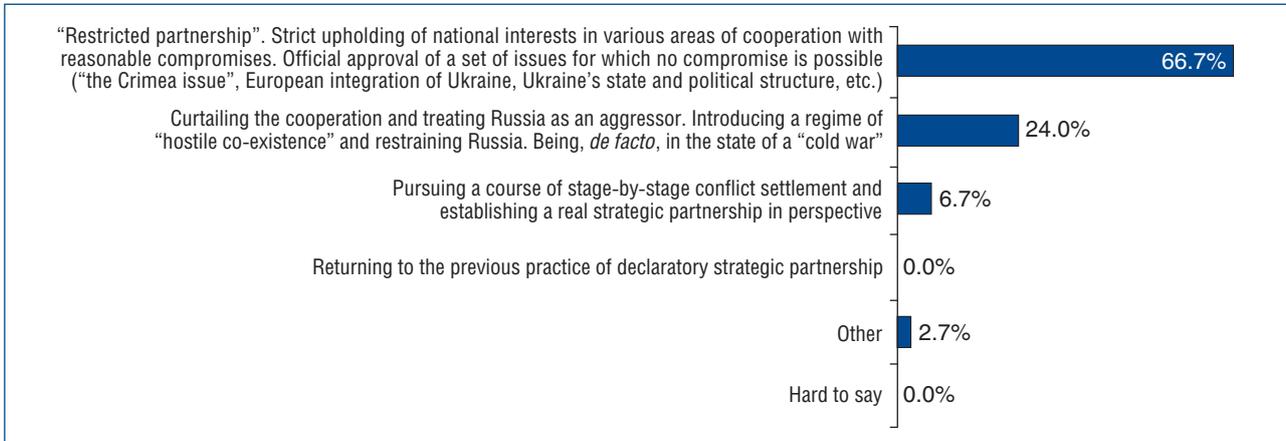
average score



* Under a five-point scale from 1 to 5, where "1" means no contribution at all, and "5" means maximum contribution.

UKRAINE'S CONCEPTUAL APPROACHES AND PRACTICAL STEPS TOWARDS RUSSIA

What model of relations with Russia is now the most acceptable? % of experts polled



What practical steps should Ukraine take to mitigate the Russia-Ukraine conflict?*

% of experts polled

Focus on breaking free of the energy dependence on Russia	88.0
Modernization and strengthening of Ukraine’s Armed Forces	88.0
Maximum involvement of third partner countries and international organisations in talks with Russia	77.3
Cardinal diversification of international trade and economic contacts in order to reduce its overdependence on the Russian markets	73.3
Approving NATO integration course with the perspective of further membership	72.0
Developing a new nature of negotiations based on transparency, openness, publicity, European rules, norms and standards, without any backstage arrangements	52.0
Revising the legal and regulatory framework between Russia and Ukraine in view of the current state of their relations	44.0
Revising the bilateral institutional mechanisms of the Ukraine-Russia relations	42.7
Efficient implementation of President P. Poroshenko’s peace agenda	32.0
Introducing a visa regime with Russia	30.7
Implementing “the Wall” project	29.3
Other	1.3
Hard to say	1.3

* Experts were asked to choose all acceptable options.

Do you support the following conceptual approach to developing relations with Russia? % of experts polled



* The aggregate of answers “Agree” and “Mostly agree”.

**The aggregate of answers “Disagree” and “Mostly disagree”.

CHALLENGES AND PERSPECTIVES OF UKRAINE-RUSSIA RELATIONS: PUBLIC OPINION

Monitoring public opinion is part of foreign policy research conducted by the Razumkov Centre. It reveals the dynamics of geopolitical orientations prevailing among the Ukrainians, and helps find out their opinions of Ukraine's relations with other countries and international organisations.

The relations with Russia are, of course, of the gravest concern. The countries are *de facto* in a state of an undeclared war with deformed intergovernmental political and diplomatic relations, broken economic ties and growing negative attitudes among Russians and Ukrainians towards each other. There are grounds to talk about a dramatic shift in public perceptions resulting from the information war initiated by Russia that will for long define the character and atmosphere of the bilateral relations.

The processes going on between Ukraine and Russia threaten the sovereignty, territorial integrity and the overall statehood of Ukraine.

Therefore, the issue of relations between Kyiv and Moscow is extremely important not only for Ukrainians, but also for other European countries and the world in general.

The latest research (October 2014) is dedicated to the challenges in Ukraine-Russia relations.¹ The respondents assessed the state of the Ukraine-Russia relations, the policy of Ukraine towards Russia and the Russian policy regarding Ukraine, the ongoing situation in Eastern Ukraine, made forecasts as to further development of the bilateral contacts, and expressed their opinions of Ukraine's foreign policy priorities.

The summarized results of research and individual comparisons with previous monitoring data provide grounds for further observations and conclusions.

UKRAINE-RUSSIA RELATIONS

People mostly assess the Ukraine-Russia relations as hostile. This opinion is shared by the majority of respondents. Lately, their share grew substantially (April-October 2014). Over a quarter of respondents characterize the relations between the two countries more carefully, as "bad", and almost nobody (a statistically insignificant share of 1.1%) as "good". These assessments are understandable in view of the annexation of Crimea in March 2014 and the Russian military aggression in Eastern Ukraine. The most negative responses about the bilateral relations are in Western Ukraine.²

Kyiv's policy towards Moscow and Russia's policy towards Ukraine are also subject to quite a lot of criticism. Assessing Kyiv's policy towards Moscow, most respondents chose "openly unfriendly policy", "uncertain and controversial", "desire to improve one's standing at the expense of the neighbour".

The dynamics of such comparative assessments is indicative of constant problems in relations. However, two factors deserve special attention.

First, from 2002 to 2012, the citizens mainly assessed the relations between the countries as "indefinite and controversial" with a substantial share of respondents considering it a pragmatic and mutually beneficial partnership. (An episodic splash of negative assessments was observed in March-November 2009, the time when the relations between Ukraine and Russia had aggravated). In 2014, however, an "openly unfriendly policy" prevailed. That is, the assessments changed for mostly negative.

Second, in 2014, the Russian policy was mostly subject of criticism – the majority of respondents consider it to be openly hostile. Only about a third of respondents hold similar opinion of the Ukrainian policy.

Regional differences are also noteworthy. In particular, the residents of Donbas have the most negative opinions of Ukraine's policy towards Russia and most positively assess Russia's policy towards Ukraine.

¹ The research includes the data of polls conducted by the Sociological Service of the Razumkov Centre from February 2000 to October 2014. The latest research was conducted on October 10-14, 2014 in all regions of Ukraine except the Crimea. Interviewed were 2,004 respondents of over 18 years. The theoretical sampling error does not exceed 2.3%.

The polls described here were conducted in all regions of Ukraine and Kyiv (except the Crimea in 2014) and are representative of Ukrainian adult population by the main social and demographic indicators. The theoretical sampling error does not exceed 2.3%.

² The territory is divided into the following regions: **West**: Volyn, Zakarpattia, Ivano-Frankivsk, Lviv, Rivno, Ternopil, and Chernivtsi; **Centre**: Kyiv, Vinnytsya, Zhytomyr, Kirovograd, Poltava, Sumy, Khmelnytsky, Cherkassy, and Chernihiv; **South**: Mykolaiv, Odessa, and Kherson; **East**: Dnipropetrovsk, Zaporizhia, and Kharkiv; **Donbas**: Donetsk and Luhansk.

RUSSIA-UKRAINE CONFLICT

According to the public opinion, the main reason for the Russia-Ukraine conflict is Russia's unwillingness to accept the fact that Ukraine pursues European integration and strives to break free of Russia's influence. Almost equal shares of respondents are convinced that this conflict arose because Moscow tries to block Kyiv's European integration course and to retain Ukraine within its influence. These things are obviously interconnected: Russia used all possible leverages (political, economic, energy, humanitarian, and information) to slow down the process of Ukraine's entering into the Association Agreement with EU, on the one hand, and to involve Ukraine into the Customs Union under the aegis of Russia, on the other. So, these geopolitical reasons are, in the respondents' opinion, the most crucial ones.

At the same time, almost just as many respondents point to another deep-rooted cause for the current Russia-Ukraine crisis, Russia's rejection of Ukraine as an independent, sovereign country with an independent foreign policy.

Among other reasons mentioned by respondents is Ukraine's desire to join NATO, which is viewed as a threat to Russia. At the same time, it is noteworthy that the smallest share of respondents tend to think that the conflict arose because of the infringement upon the rights of the Russian-speaking population in Eastern Ukraine, as Russian propaganda alleges.

The most negative consequence of the Russia-Ukraine conflict is the ruined economic ties between the countries. This opinion is shared by the majority of respondents. Then comes increasing negative attitudes among Ukrainians and Russians towards each other. (It should be added that the absolute majority of respondents are convinced that, over the last year, the relations between Ukrainians and Russians have deteriorated. The largest share of those who think so are from the Western region). Other consequences of the conflict include deteriorated intergovernmental political and diplomatic relations and confrontation in the energy sector.

So, the respondents are aware that this conflict has caused tremendous economic losses and is sure to affect the social standing of the citizens. At the same time, it is clear that it is the worsened human relations between Russia and Ukraine that largely determine the nature of relations between Kyiv and Moscow.

At the regional level, the assessments do not differ significantly.

SITUATION IN EASTERN UKRAINE

Eastern Ukraine is involved in a war between Russia and Ukraine. Such opinion is the most common one among the respondents. At the same time, the respondents say quite often that Eastern Ukraine is experiencing a separatist revolt supported by Russia. In general, these viewpoints have the main thing in common: Russia is carrying out a hostile policy of interfering with Ukraine's internal affairs by various means (direct aggression, providing help for separatists, etc.).

A substantially smaller share of respondents consider that Eastern Ukraine is suffering from a civil war, a conflict

between pro-Ukraine and pro-Russia citizens. The smallest share of respondents are convinced that Eastern Ukraine is fighting for the independence of Donetsk and Luhansk People's Republics.

At the regional level, the respondents' opinions differ cardinally. While in the West the majority is convinced that the East of the country is the epicentre of the Ukraine-Russia war, the respondents from Donbas view such actions mostly either as a fight for independence of DPR and LPR or as a civil war.

Russia is to blame for these events (the situation in Donbas). This opinion is shared by most respondents. At the same time, about a quarter of respondents blame both parties, and the smallest share is of the opinion that Ukraine is to blame. These positions generally correspond to the abovementioned public opinions (in particular, the opinions regarding Russia's policy towards Ukraine and the reasons for the conflict between Moscow and Kyiv, etc.). Regional differences are rather noticeable, too: in the West and Centre, most respondents blame Russia; the South mainly blames both parties; while in Donbas, most respondents are convinced that the only country to blame is Ukraine.

The attitudes to the ceasefire in Donbas are diverse. About a third of respondents have a positive opinion of the ceasefire introduced in Eastern Ukraine as a result of the Minsk Agreements, and almost as many have a negative opinion, while the rest are neutral or hesitant.

These assessments are understandable in view of the current situation in the East of Ukraine where military activities have been somewhat reduced following the Minsk Agreements; however, fights still go on with an escalating tendency.

There are notable regional differences: the West has mostly negative attitude to the ceasefire, while the Donbas citizens express positive attitude.

ATTITUDE TO POLITICAL LEADERS AND INTERNATIONAL ORGANISATIONS

In general, the attitude to individuals and international institutions correlate to a certain extent with the previous assessments and opinions. **Therefore, it is no wonder that the attitudes to Russian President Vladimir Putin, the Russian Parliament and the Government are generally negative.**

However, there are obvious regional differences: in Donbas, unlike in other regions, the respondents share a primarily positive attitude to V. Putin and Russian governmental authorities. The most negative attitude is in Western Ukraine.

At the same time, Russians are mainly treated positively or neutrally. Although, it should be mentioned that during April-October 2014, the respondents turned more negative in their assessment of Russians: the share of respondents with negative feelings towards them grew substantially, and the number of respondents with positive attitudes reduced correspondingly. This tendency will probably depend on further developments in the Ukraine-Russia relations.

The attitudes of Ukrainians to the leaders of Belarus, Germany, the US, and to the President of Ukraine are



absolutely positive. As for Olexandr Lukashenko, the attitudes of the respondents were evidently affected by his rather reserved position regarding the Russia-Ukraine conflict. And the attitudes towards the German and American leaders are driven by their active support for Ukraine in its opposition to Russia. This also determines the public opinion of international organisations: EU, IMF, and NATO have mostly positive attitudes, while the Customs Union generally receives negative responses.

PERSPECTIVES OF UKRAINE-RUSSIA RELATIONS

The respondents are rather sceptical about the perspectives of Ukraine-Russia relations in the coming years. The prevailing majority predict deterioration of relations. The smallest number of respondents expect an improvement in Kyiv-Moscow contacts, and a significant share have no definite opinion. It should be stated that the opinions expressed in October 2014 differ substantially from those in the previous years (2006-2012): back then the respondents were more optimistic and believed that Kyiv-Moscow relations would either improve or remain the same.

At the same time, the opinions as to the policy of Ukraine towards Russia have changed substantially. In 2002-2012 a stable majority of respondents favoured expanding cooperation with Russia. In October 2014, the opinions changed drastically: the respondents mainly spoke for distancing from Russia, either by minimising cooperation and Russia's influence on Ukraine or by curtailing cooperation with Moscow.

Quite predictable are the regional differences: the West is for reducing and curtailing cooperation with Russia, while in Donbas, the majority of respondents are for expanding relations with Russia.

UKRAINE'S FOREIGN POLICY PRIORITIES

Respondents generally support the European integration of Ukraine. As for choosing the ways and areas of regional integration, they demonstrate a clear pro-European orientations. Most of them support Ukraine's accession to EU and simultaneously oppose joining the Customs Union and creating a single allied state of Russia, Belarus and Ukraine, or Ukraine's accession to the Russian Federation.

In assessing the geopolitical orientations of the respondents, at least two important aspects should be

noted. *First*, the respondents mainly do not support the non-bloc status of Ukraine and see its future as a member of NATO rather than a party to the Tashkent Agreement. The attitudes of the respondents to Ukraine's withdrawing from CIS are also diverse. *Second*, choosing the European development vector, the respondents generally are not inclined to radical steps with respect to Russia. In particular, they mostly object to a visa regime with Russia, breaking diplomatic relations and a prohibition on Russian imports to Ukraine.

The relations with the EU countries are a priority for Ukraine. This opinion is currently most often expressed by Ukrainians. It should be noted that in previous years (2000-2012), the respondents traditionally preferred two foreign policy lines: relations with the EU countries and Russia as priorities of the country's foreign policy. At that time, the public demonstrated a stable positive attitude to developing contacts both with the European Union and Russia. The latest research, however, revealed maximum awareness about the importance of EU relations and minimum support for contacts with Russia.

CONCLUSIONS

First. In the respondents' opinion, relations between Ukraine and Russia are currently rather hostile. Russia pursues an openly unfriendly policy towards Ukraine. However, Kyiv's policy towards Moscow was also met with criticism.

Among the main reasons for the Russia-Ukraine conflict are Russia's unwillingness to accept the EU integration of Ukraine and its attempts to break free of the Russian influence. In general, Russia does not view Ukraine as an independent sovereign state.

Among the most negative consequences of the Russia-Ukraine conflict are the ruined economic ties between the countries, a deepening rift between the Ukrainian and Russian nations that is a growingly negative attitude among Ukrainians and Russians towards each other.

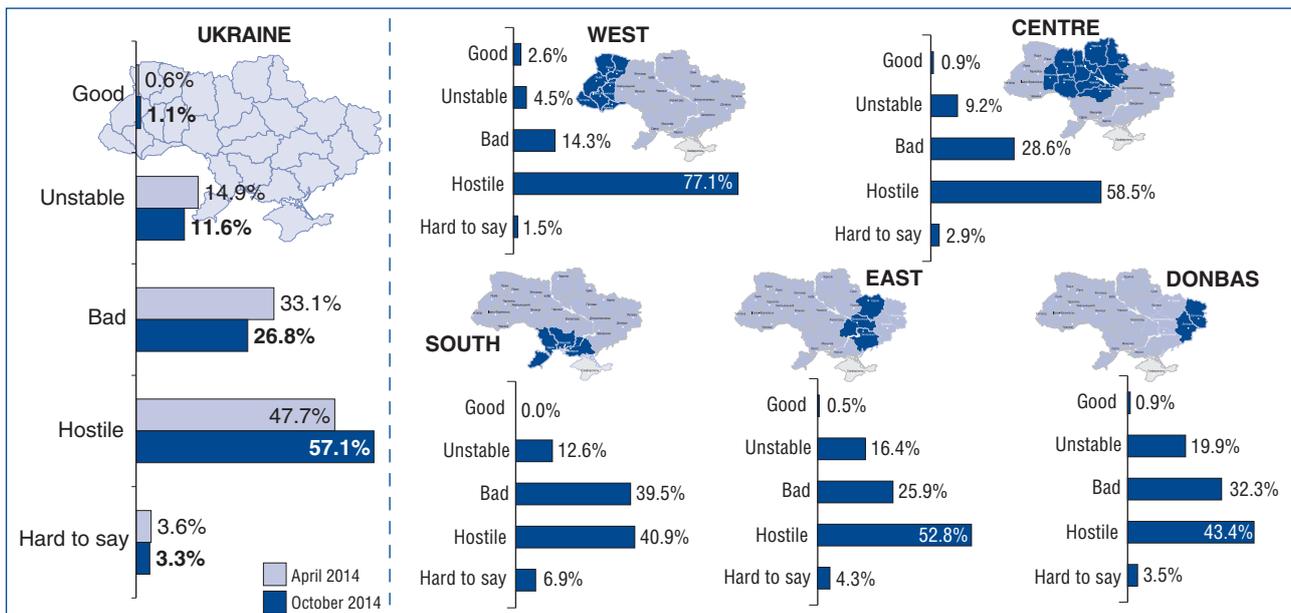
Second. Eastern Ukraine is involved in a war between Ukraine and Russia. Russia is implementing a hostile policy of interfering with Ukraine's internal affairs by various means. These events are the fault of Russia in the first place. Therefore, the attitude towards Russian President V. Putin, the Russian Parliament and the Government is generally negative. The attitudes towards the ceasefire introduced in Donbas as a result of the Minsk Agreements are diverse.

Third. The public is quite sceptical and worried about the perspectives of the Ukraine-Russia relations in the nearest future and expects their deterioration. The respondents mostly support distancing from Russia, either by minimising cooperation with Russia and its influence on Ukraine or by curtailing such a cooperation.

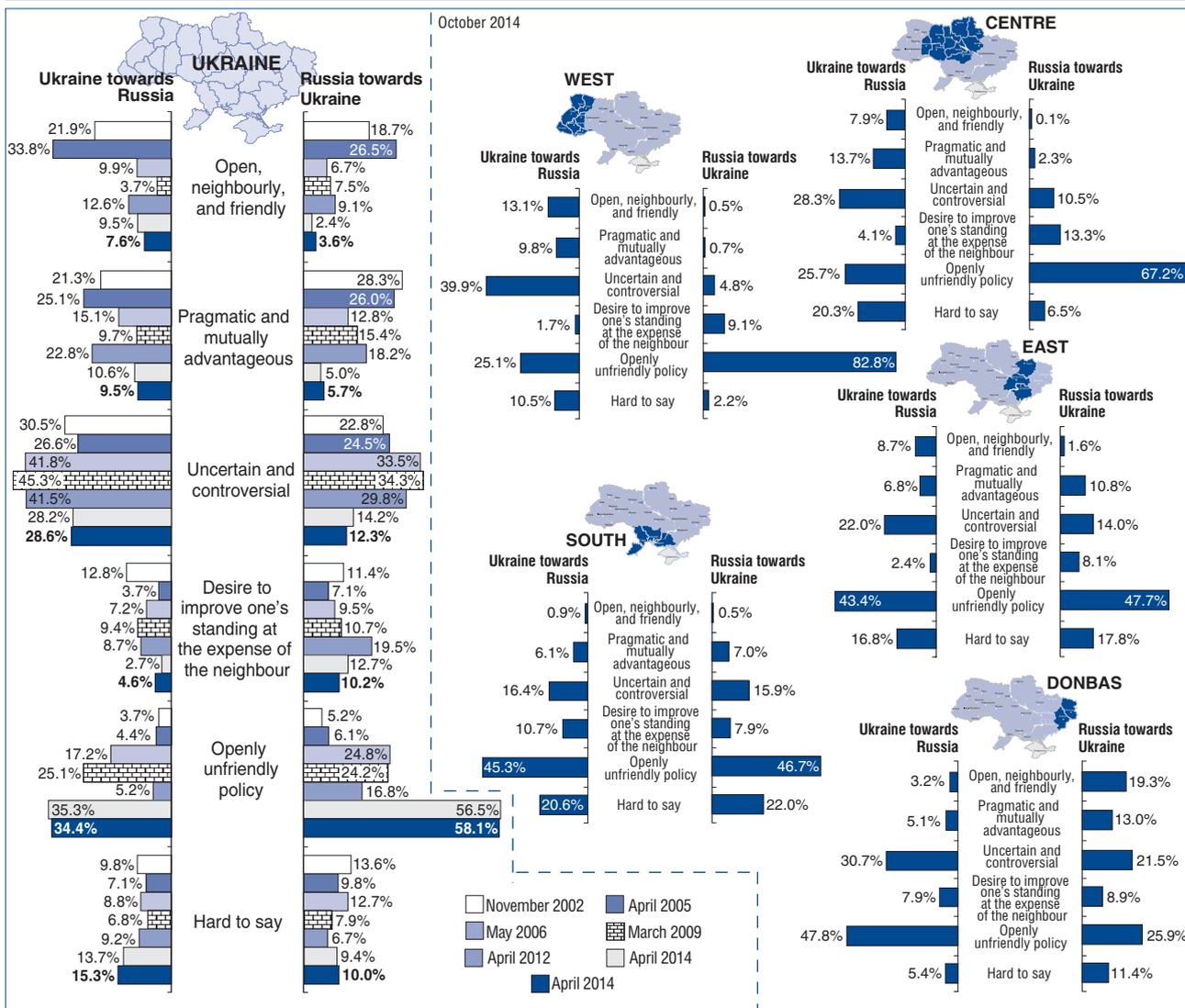
Fourth. The public demonstrates a wide support for Ukraine's European integration while rejecting post-Soviet integration within the Customs Union under the aegis of Russia. In the opinion of the respondents, Ukraine's priority is the relations with the EU countries.

CURRENT STATE OF UKRAINE-RUSSIA RELATIONS

How would you describe the current relations between Ukraine and Russia?
% of citizens polled

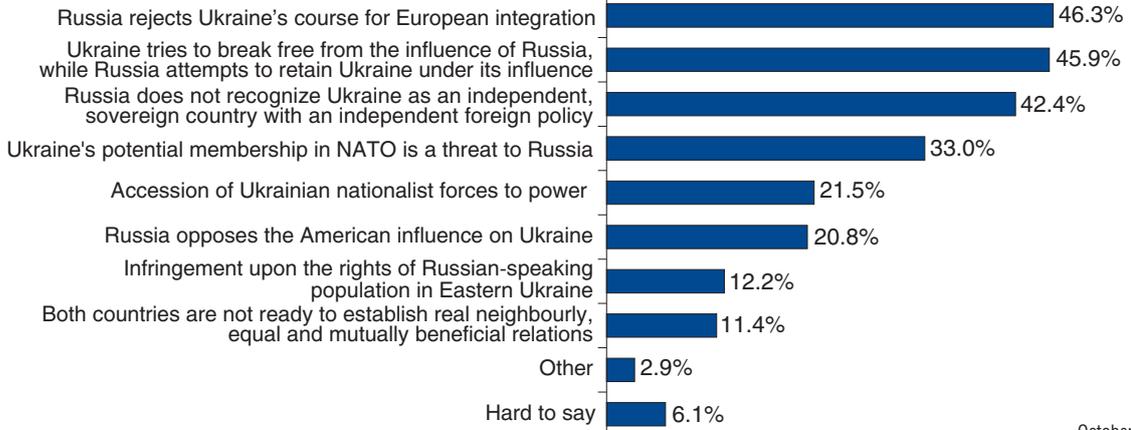


How would you assess the policy of Ukraine towards Russia and of Russia towards Ukraine?
% of citizens polled



RUSSIA-UKRAINE CONFLICT: ASSESSMENTS

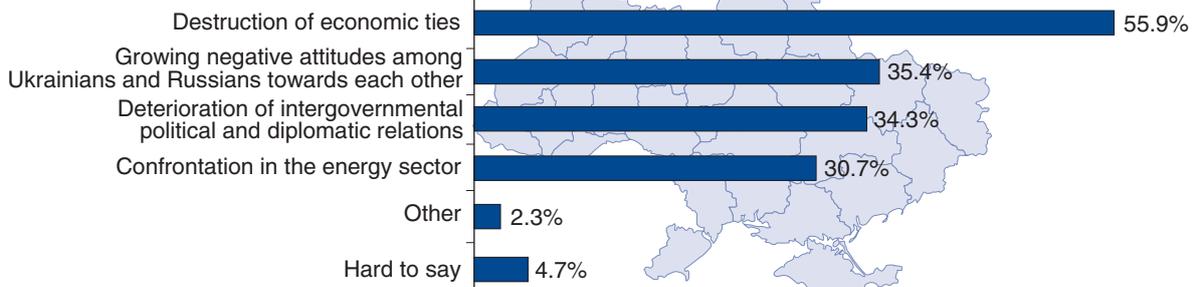
What are the main reasons for the Russia-Ukraine conflict?*
% of citizens polled



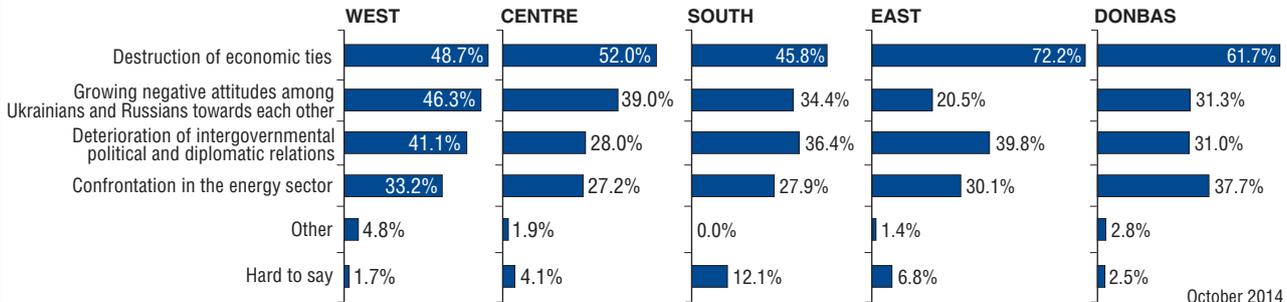
October 2014

* Respondents were asked to choose all acceptable options.

What are the most adverse consequences of the Russia-Ukraine conflict for the bilateral relations between the two countries?*
% of citizens polled



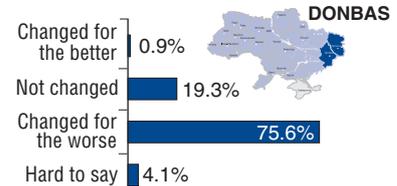
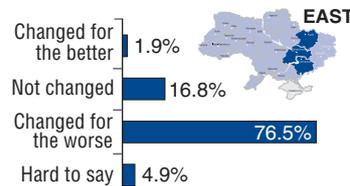
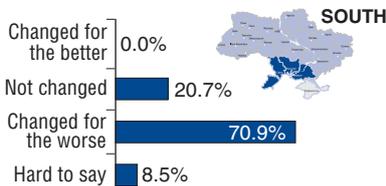
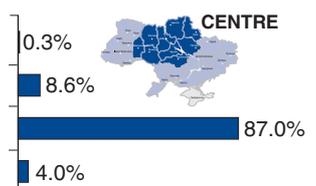
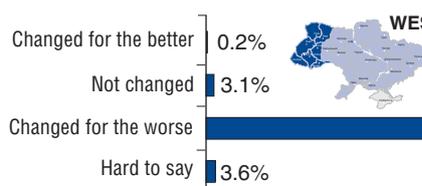
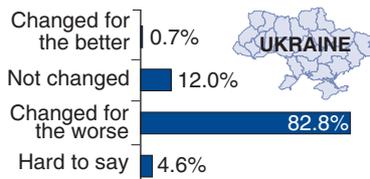
REGIONS



October 2014

* Respondents were asked to choose two acceptable options.

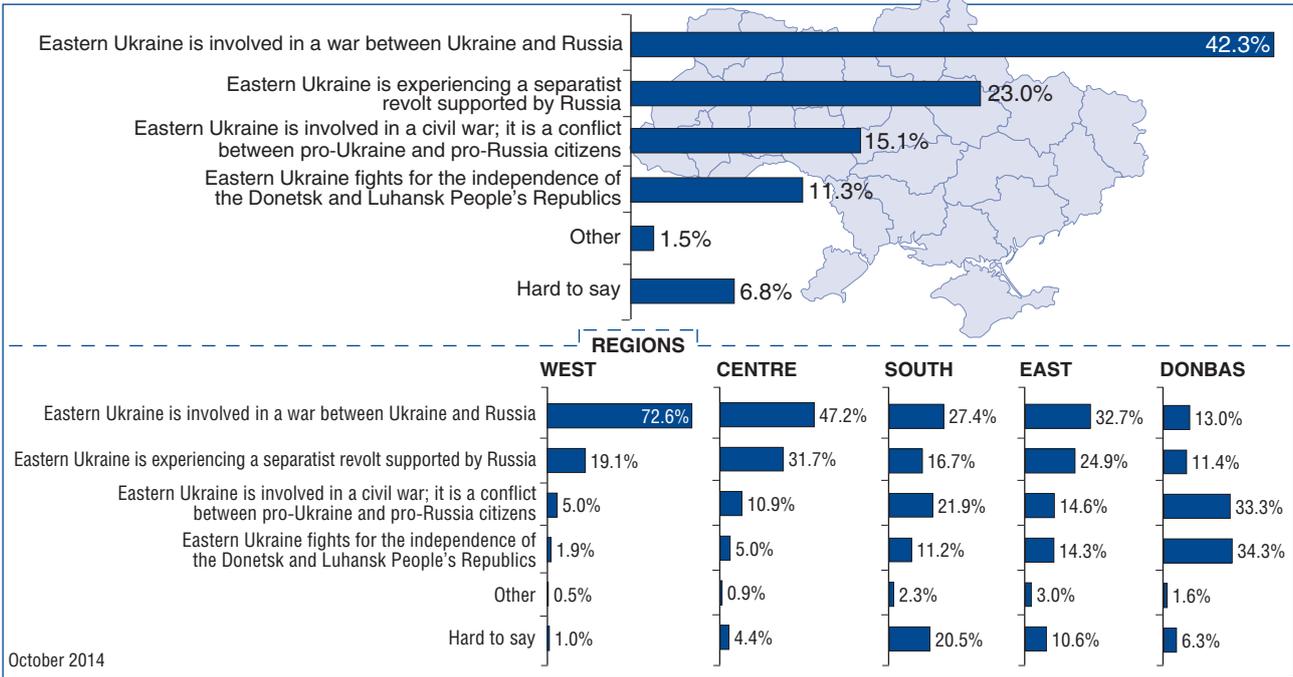
How have the relations between the Ukrainian and Russian nations changed over the last year?
% of citizens polled



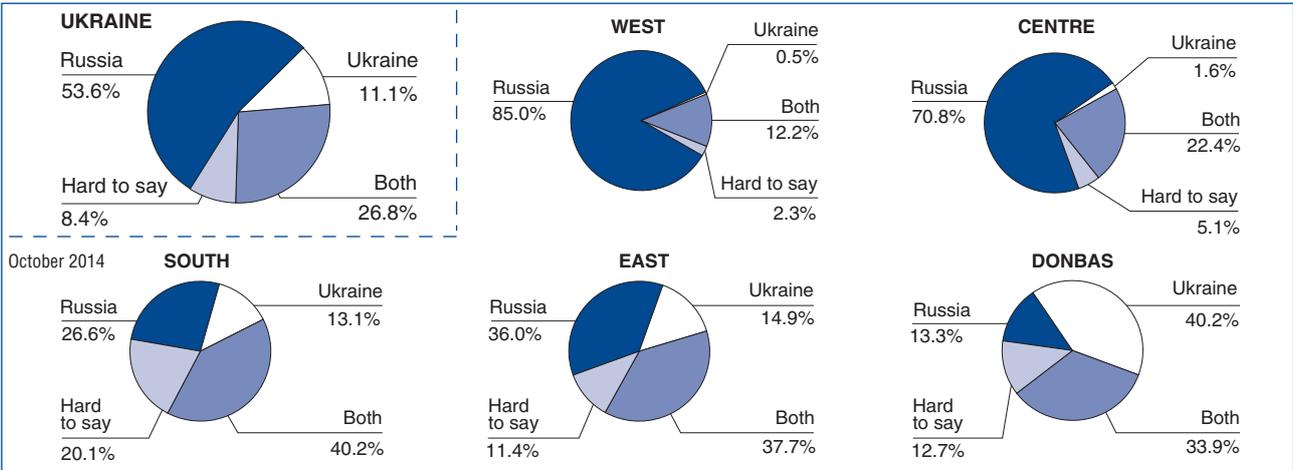
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SITUATION IN EASTERN UKRAINE

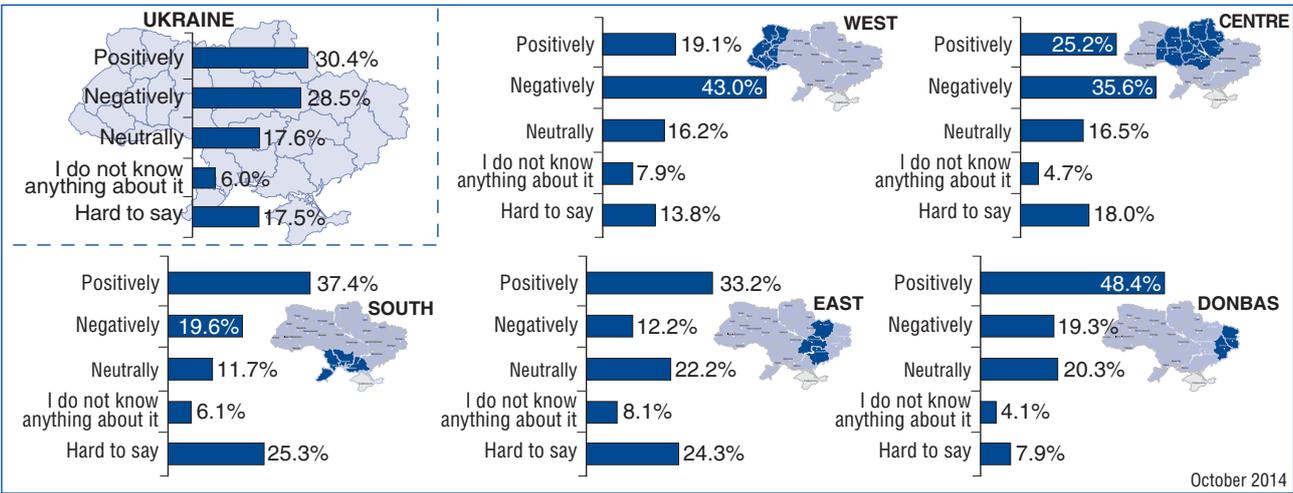
Which of the following statements about the situation in Eastern Ukraine do you support most?
% of citizens polled



Who is to blame for the events in Ukraine?
% of citizens polled

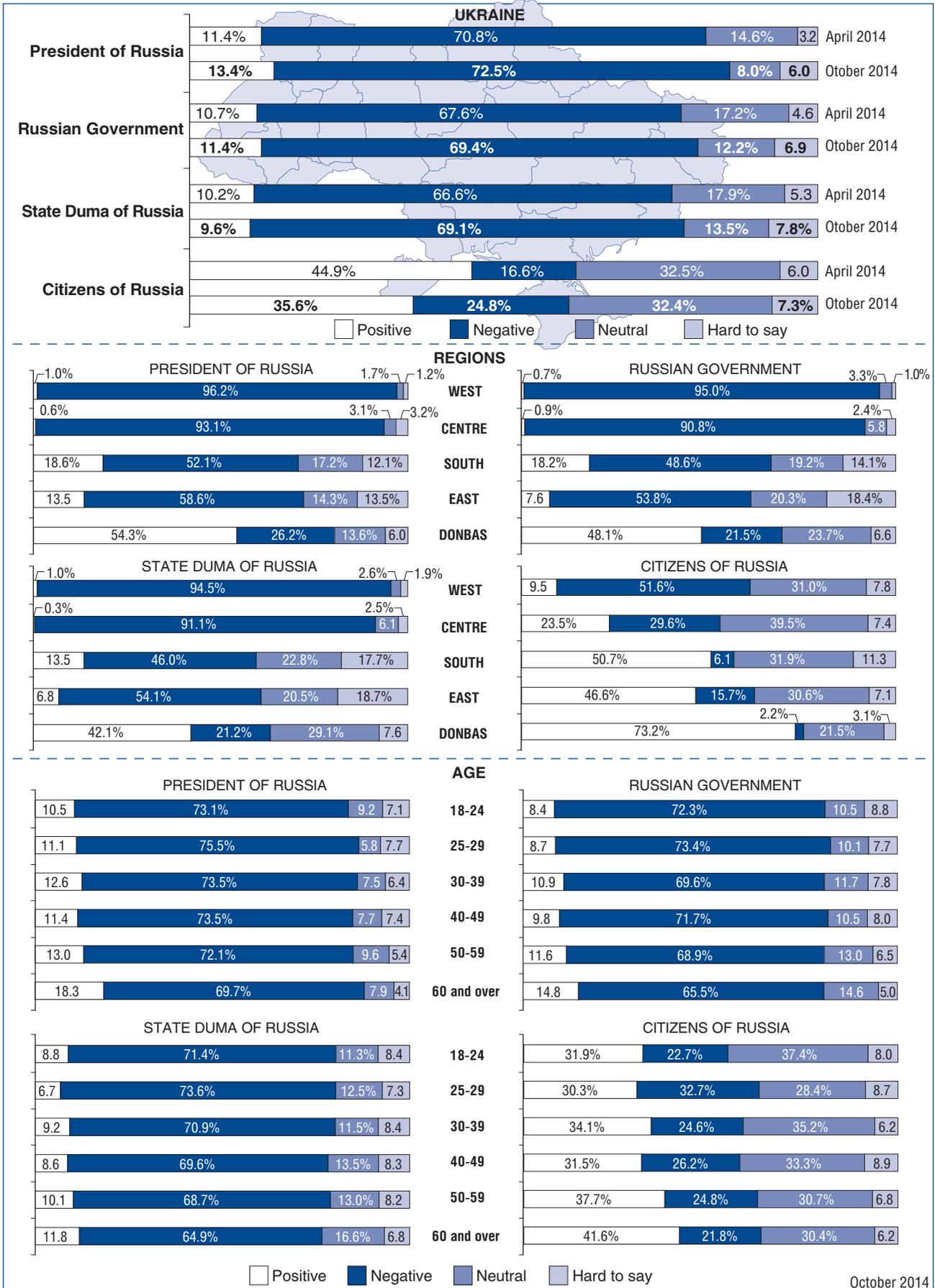


How do you assess the current ceasefire reached in Donbas as a result of the Minsk Agreements?
% of citizens polled



ATTITUDES TO POLITICAL LEADERS AND INTERNATIONAL ORGANISATIONS

What is your attitude to ...?
% of citizens polled



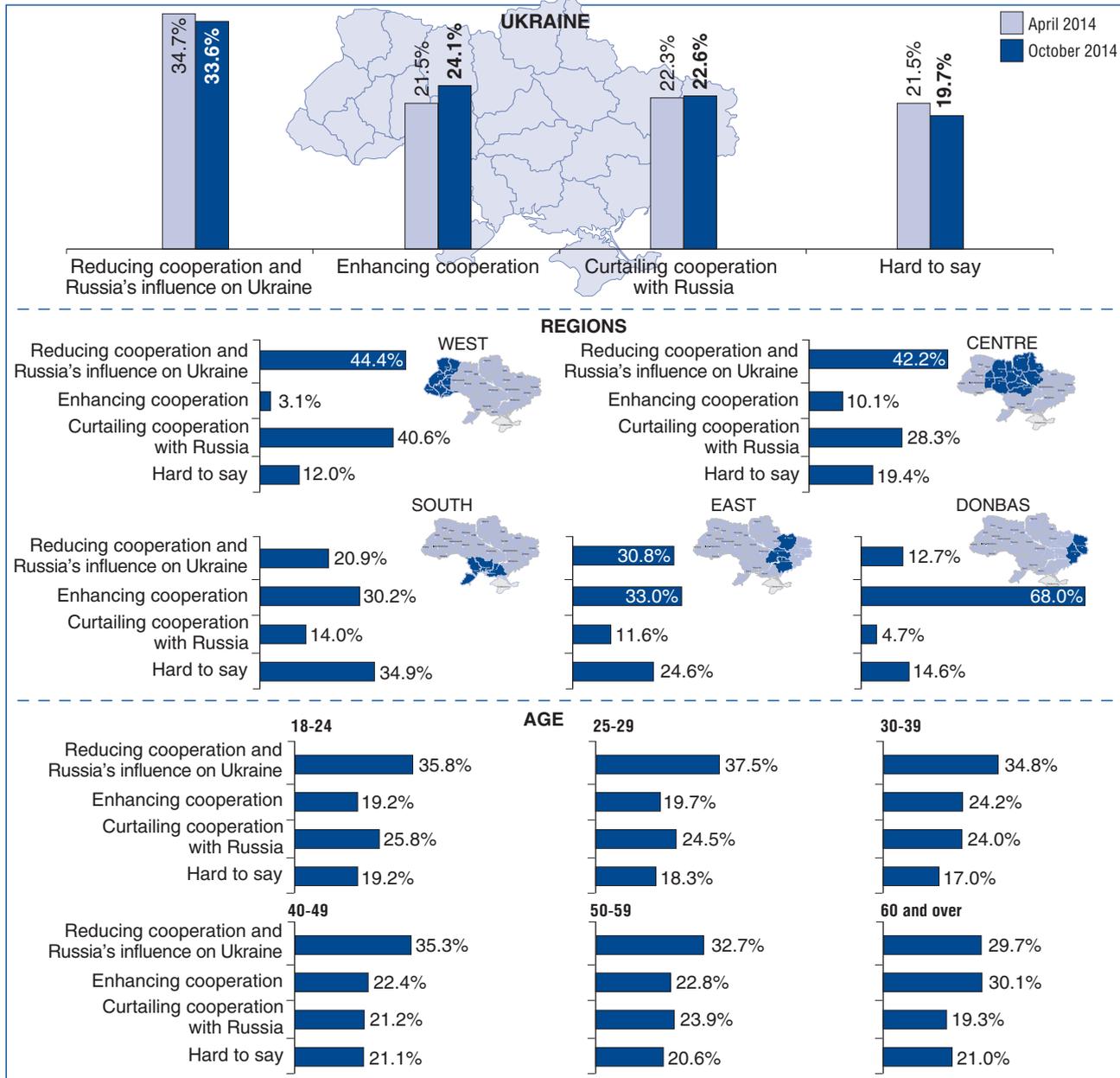
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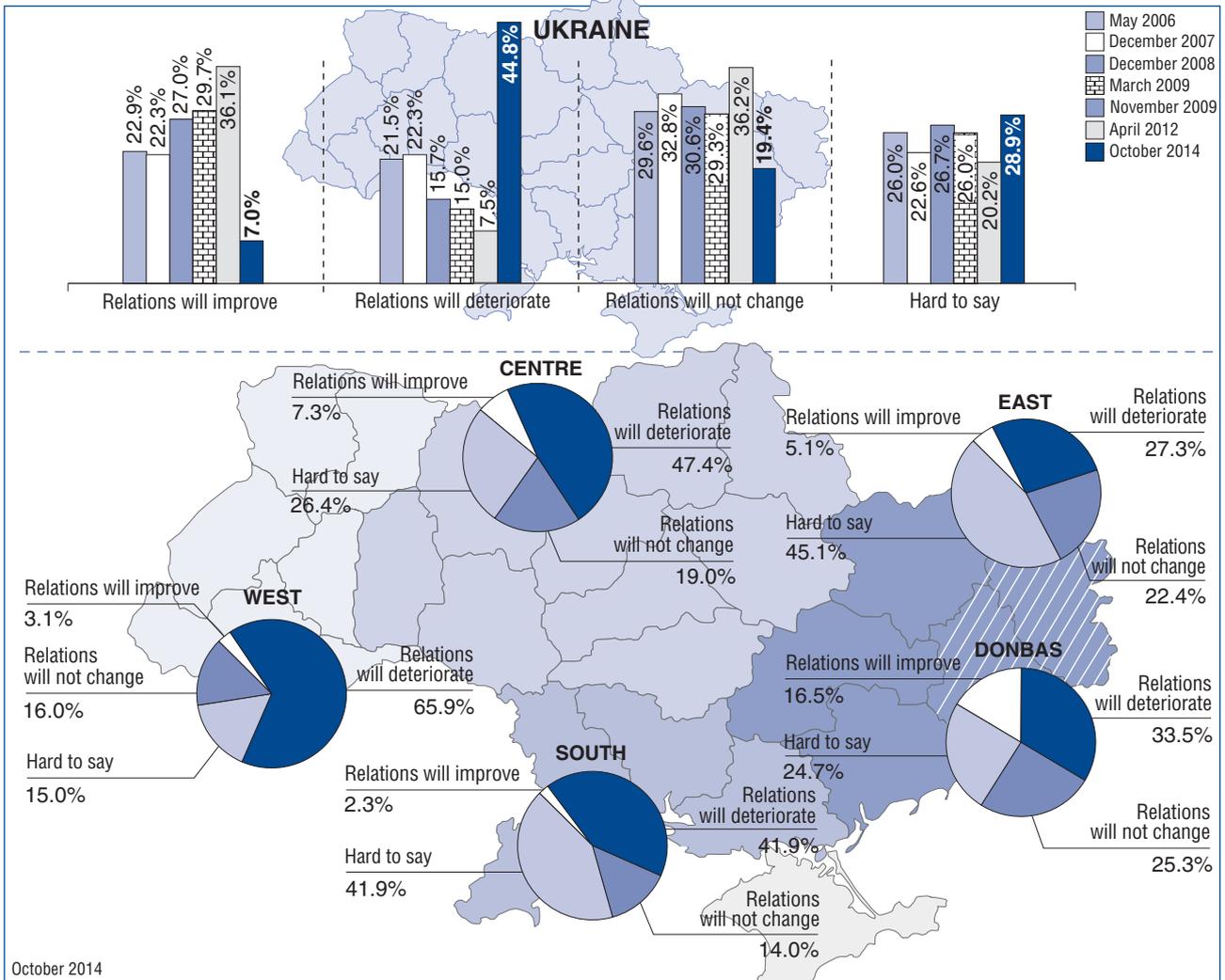
How positive or negative is your attitude to the following politicians, organisations and countries?
% of citizens polled

	Completely positive	Mostly positive	Mostly negative	Completely negative	Not known / Never heard	Hard to say
P. Poroshenko	24.8	40.5	12.6	12.4	0.0	9.8
O. Lukashenko	23.4	40.0	15.4	7.3	0.7	13.3
B. Obama	10.8	42.8	15.6	15.1	0.3	15.4
A. Merkel	9.4	39.7	19.7	11.9	1.2	18.1
V. Putin	6.0	9.5	14.7	59.6	0.1	10.1
European Union (EU)	15.0	46.1	15.3	10.4	0.2	13.0
NATO	13.2	35.8	13.1	21.5	0.5	16.0
International Monetary Fund (IMF)	6.9	35.1	17.1	13.8	0.7	26.5
Customs Union	6.7	20.3	25.0	28.3	0.3	19.3
Ukraine	51.2	35.0	4.5	2.7	0.1	6.6
US	11.2	42.3	14.7	14.4	0.1	17.3
Russia	7.2	16.1	19.5	44.4	0.2	12.6

FUTURE OF UKRAINE-RUSSIA RELATIONS

What should Ukraine's policy towards Russia be like?
% of citizens polled



Assessment of the relationship prospects between Ukraine and Russia in the nearest future, % of citizens polled

FOREIGN POLICY PRIORITIES OF UKRAINE

Today we hear different proposals regarding the developments of events in Ukraine. Which of the following proposals do you support?
% of citizens polled

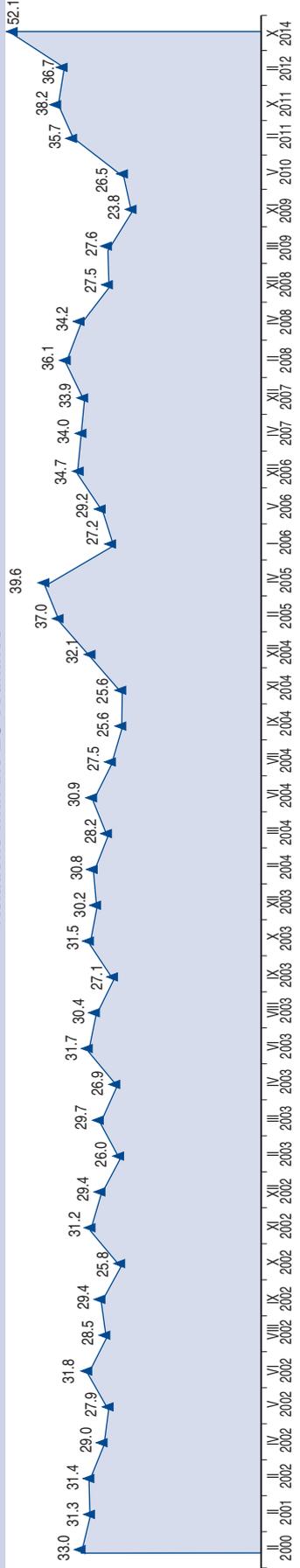
	Support	Do not support	Hard to say
Joining the European Union	62.6	24.7	12.8
Nationalisation of Russian-owned property and companies located in Ukraine and businesses linked to the Russian leadership	48.3	27.7	24.1
Joining NATO	45.2	37.3	17.5
Ukraine's exit from the CIS	42.6	36.8	20.6
Prohibiting import of all Russia-produced goods meant for sale in Ukraine	36.3	47.7	16.0
Introduction of visa regime with Russia	34.7	48.3	17.0
Preserving Ukraine's non-bloc status	29.5	44.8	25.7
Breaking all diplomatic links with Russia	25.0	56.4	18.6
Joining the Customs Union of Russia, Belarus and Kazakhstan	21.8	63.1	15.1
Creating a single allied state of Russia, Belarus and Ukraine	14.9	70.5	14.6
Joining the Collective Security Treaty Organisation (CSTO)	14.9	58.9	26.3
Becoming part of the Russian Federation	5.4	84.4	10.2

October 2014

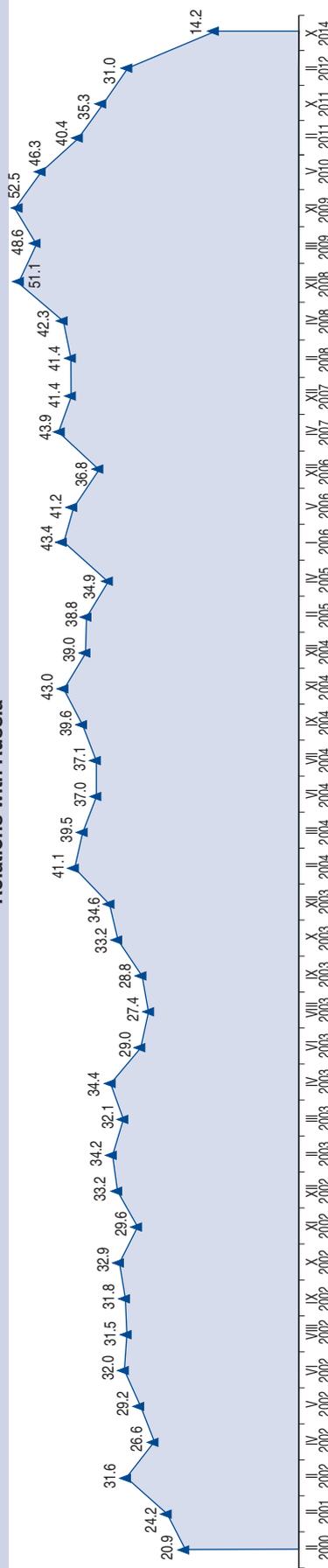
What direction of foreign policy is a priority for Ukraine?

% of citizens polled

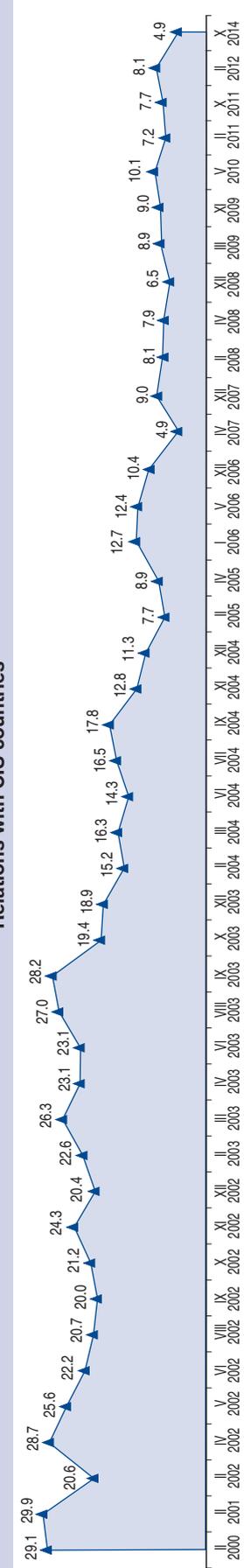
Relations with the EU countries



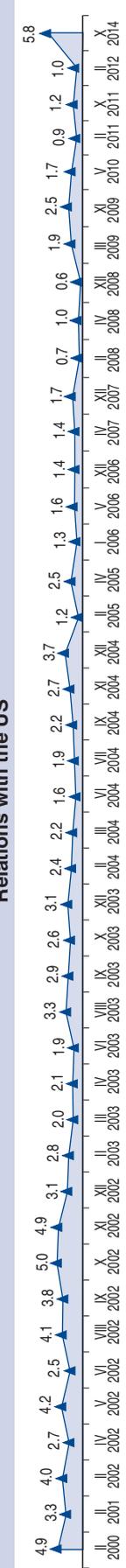
Relations with Russia



Relations with CIS countries

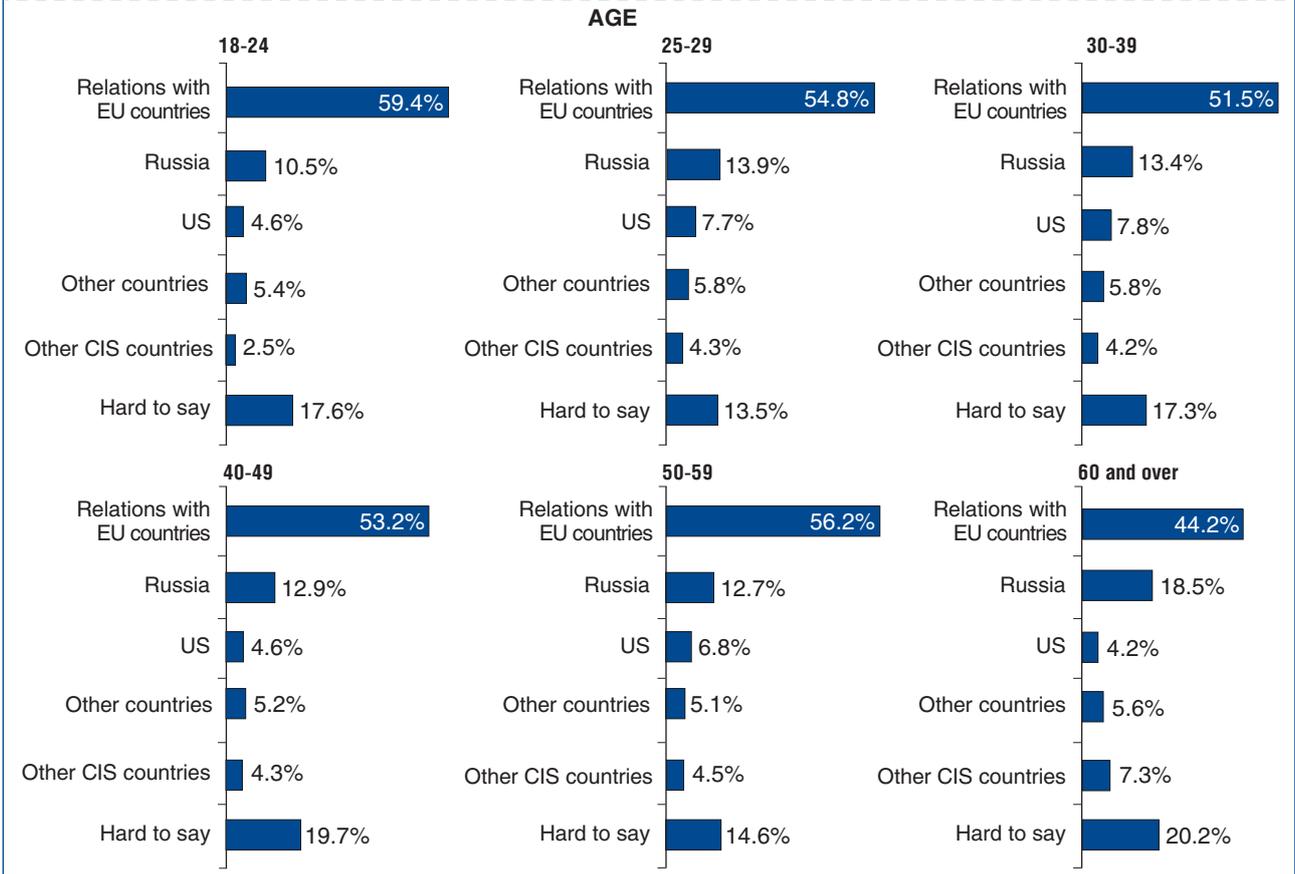
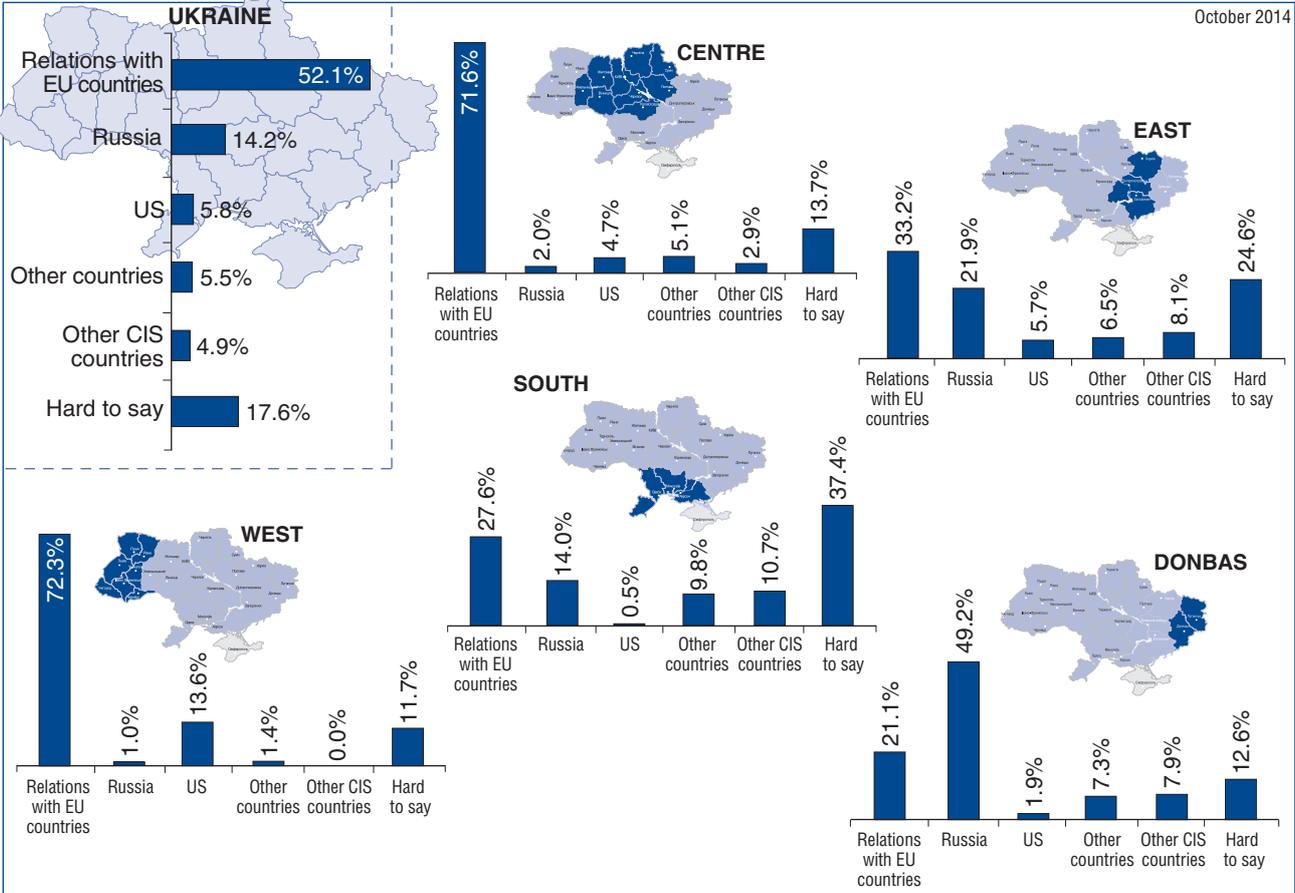


Relations with the US



What direction of foreign policy is a priority for Ukraine?
% of citizens polled (Continued)

October 2014



HOW TO STOP THE WAR?*



Andrei ILLARIONOV,
Senior Fellow, Centre for Global Liberty
and Prosperity Cato Institute (Washington)

The organisers of the hearings in the European Parliament have formulated the subject as “How to deal with Russia”. I shall take it upon myself to slightly reword it.

The question, in my opinion, lies, first and foremost, not so much in how to deal with Russia. The question is how to deal with *Putin’s Russia*, with *Putin’s regime* or, to be succinct, with “*Putinism*”. This is an important qualification, even though it is much simpler, of course, to just say “Russia”, rather than have to specify each time: “Putin’s Russia”, “Putin regime” or “Putinism”. Nevertheless, it seems to me of crucial importance to avoid using these notions interchangeably. You should not equate Putin’s regime with the people of Russia and Russian citizens.

We know that many Russians have become victims of a very effective bout of brainwashing by the current regime. It is possible that the much touted figure of “84% support” is an exaggeration; however, the fact remains that a significant number of Russians have succumbed to Putin’s propaganda and become, as they say, *effectively zombified*. The expedience with which this has been accomplished – with the worldview of millions and tens of millions of people being radically changed right before our eyes – may seem shocking.

However, something similar has already taken place in history: for example, in Germany during the 1930s and 1940s. Right in the heart of Europe, a civilised nation underwent indoctrination and got successfully zombified. Moreover, it was not alone. These nations, zombified by hate-mongering propaganda, adopted an aggressive policy towards their neighbours. Alas, something like that is now happening in Russia.

We must remember that the ruling regime in Russia is waging psychological warfare against its own people as well as against the peoples of other countries, neighbouring countries, the countries of Central and Western Europe, and many other countries. We must distinguish between peoples and regimes. A people can recover from temporary clouding of its consciousness and come out of its zombified state. And sooner or later, this will also occur with the Russian people, just as the German people, as well as some other peoples, went through this kind of recovery after World War II.

Secondly, I think the issue examined at our hearings should be worded more definitively. The subject of our discussion is not so much about how to deal with Putin’s regime, but about *how to stop the war unleashed by the Putin regime*.

What kind of war have we been drawn into?

The most important events of the last year have been mistakenly (but fortunately, less and less frequently) referred to as “the Ukraine crisis” or “crisis in Ukraine”. Of course, what we are facing is not the Ukraine crisis and not a crisis in Ukraine. This phenomenon has at least two distinct characteristics.

Firstly, if this is a crisis, it is first and foremost a *Russian crisis*. This Russian crisis has, at least, four

dimensions. It is an internal Russian crisis. It is a crisis in relations between Russia and Ukraine. It is a crisis in relations between Russia and other adjacent countries. Finally, it is a crisis in relations between Russia and most of the world.

Secondly, it is problematic to call what is happening at the moment a mere crisis. *This is a war*. “War” in the most direct and unequivocal sense of the word.

We all need to understand what kind of war we have been drawn into. Drawn into against our will. Citizens

* This article was prepared by the author based on the presentation given at the European Parliament hearing on “How to deal with Russia” on 19 November 2014.



of Russia, for the most part, did not want war with Ukraine; same as the Ukrainian people did not want war with Russia, and citizens of European countries and the United States did not want this war either. This war was imposed by the current Russian regime on all of us, including the Russian people. And all of us ended up being involved.

What is this war?

First of all, of course, this is a *Russian-Ukrainian war*. To be precise, this is *Putin's war against Ukraine*. Citizens of Russia can hold a wide variety of political views, but most of them do not accept the war against Ukraine. A lot can be said about Mr. Putin's personal war against Ukraine. The most obvious thing is that it is a *prolonged war*.

This classification of the war as long and protracted contains three main components.

First of all, it is a long war, because *this war has been in the making for at least ten years*. Its preparation reportedly began no later than 2003. Some aspects of the future war against Ukraine were being discussed by the Russian leadership already in the summer of 2003. At the time, it was impossible to imagine that the crazy ideas discussed then would eventually lead to an actual war. Nevertheless, the fact remains that the prologue of this war dates at least as far back as the summer of 2003.

In 2004, the following year, especially during the Orange Revolution, the possibility was considered of the Russian forces undertaking what was finally carried out only 10 years later: the occupation and annexation of the Crimea. Back then, in 2004, the attempt was put off due to the lack of preparedness of the operation.

In 2005, a flag of the so-called Donetsk People's Republic, the fact of whose existence remained unknown to the general public till 2014, was first hoisted at a youth camp on Lake Seliger. It should be noted that this is a camp of pro-Putin youngsters, which is regularly visited by Mr. Putin himself, who personally takes an active part in the brainwashing of Russian youth.

At the NATO summit in Bucharest in early April 2008, Mr. Putin claimed that Ukraine is an artificial state, half of whose territory actually belongs to Russia. This statement was made in the presence of then US President George Bush and leaders of other states.

In the same month of April of 2008, one of the versions of the plan for the Russian war against Ukraine was leaked to public. It was published in the *Russian Journal* in an article titled "*Operation 'Clockwork Orange'*". It outlined a rather detailed plan for conducting war against Ukraine, including combat missions executed by various types of troops: infantry, paratroopers, and armoured troops. Said text described schemes for capturing Crimea, as well as eastern and central Ukraine. The warfare plan provided for a nuclear strike against the Ukrainian troops southeast of Kyiv.

Starting in 2008, a huge number of books emerged in Russia all devoted to the "future war with Ukraine". Both their sheer multitude and the level of detail with which they developed this topic were quite striking.

Since 2009, Ukraine's Security Service registered an uptick in the preparation of subversions by the future (i.e. current) separatists in Eastern Ukraine.

As you can see, Mr. Putin's war against Ukraine had, in fact, been carefully prepared over a long period of time.

Secondly, the current war against Ukraine is a *long war, because it has already been going on for 17 months*. *De facto*, it was declared on 27 July 2013 in Kyiv in the speech that Mr. Putin gave on the occasion of the 1025th anniversary of the Baptism of Kyivan Rus. In it, Putin for the first time publicly denied Ukrainians and Belarusians the right to exist, calling them part of one Russian people, whose union must be implemented under one state roof. This date was the date of the beginning of the so-called *hybrid war against Ukraine, including information war*. Two days later, Mr. Onishchenko, the Chief Sanitary Doctor of Russia, began a sanitary war against Ukraine. Then, an economic war, financial, and diplomatic wars were also launched.

On 9 November 2013, trivial blackmail was added to the methods of hybrid war against Ukraine. Upon arriving in Russia, Mr. Yanukovich was brought to one of the Russian military bases and subjected to unprecedented pressure: namely, in the event of signing the Association Agreement with the EU, Mr. Putin promised to take away from Ukraine, first, Sevastopol and Crimea and then eight regions of southeast Ukraine. Two weeks later, the psychologically broken Yanukovich refused to sign an Association Agreement between Ukraine and the EU.

Conventional war against Ukraine (with conventional weapons) began in January 2014 with the killing of Maidan's activists. Officially, it was launched on 20 February 2014, four days prior to Mr. Yanukovich fleeing Ukraine. This date has been promulgated by the Ministry of Defence of Russia, which minted a medal "For the return of the Crimea", placing on it the dates of the military campaign against Ukraine: "20 February-18 March 2014". Thus, the conventional military campaign against Ukraine did not start after Yanukovich had fled, but rather when he was still a legitimate authorised President of Ukraine, two days before he signed the agreement with the three leaders of the opposition in the presence of the three European ministers and four days before Mr. Yanukovich fled from Ukraine on board of a Russian warship.

Consequently, the Russian military campaign against Ukraine was not a response to either the Maidan revolution or the Ukrainian president's escape. Let me reiterate: Russia's conventional military aggression against Ukraine began when Mr. Yanukovich still legally held the office of the President of Ukraine. This military operation was not carried out "for Yanukovich" or "against Maidan", and certainly not "in defence of Russian and Russian-speaking population of Ukraine". This was an operation against Yanukovich and against Maidan and against the Russian and Russian-speaking population of the country. This was a military campaign against the sovereignty and territorial integrity of Ukraine.

Finally, the war waged now is *a long war from the standpoint that a speedy end to it is, unfortunately, not anticipated*. Putin's goals in Ukraine have not yet been achieved. Judging by his words and actions, paired with the ongoing amassment of Russian troops in east Donbas, there is no indication that this war is drawing to a close. Evidently, this war will last a long time.

The international dimension of the Russia-Ukraine war

It should be emphasised that this war is Putin's war not solely against Ukraine. It is not only possible, but imperative to examine it from other angles.

First of all, it is a direct continuation of the *Russian-Georgian war*. The "hot" phase of the war began in 2008. But it still cannot be considered finished, since large areas of Georgia are still occupied by foreign troops and not controlled by the Georgian government. In the processes presently taking place in Georgia's political life, it is also easy to see traces of the Russian intervention, including in the past few weeks.

Such traces are visible, alas, not only in Georgia.

Just over a year ago, as a result of the monstrous pressure and blackmail on the part of Mr. Putin, **Armenia** was forced to abandon its intention to sign an Association Agreement with the European Union. Currently, the Russian authorities are rapidly building the Avar-Kakheti highway from Tbilisi to Makhachkala: work is being done around the clock with no interruption. The project cost is estimated at \$1.5 billion. The highway cuts through the Main Caucasus Range and comes out on the south side of it, going into the valleys of the Kura and Alazani rivers, a strategically important area on the border of Georgia and Azerbaijan, in the vicinity of Tbilisi, Armenia, and Nagorno-Karabakh. Once the construction of the highway is completed, Russian motorised and armoured units will be able to push through it in order to establish a land corridor between Russia and Armenia. In this case, not only Azerbaijan, but the entire energy-rich Caspian and Central Asian region, will be cut off from the world market, losing its access to it through the currently available Georgian-Turkish "bottleneck". The construction of the highway is scheduled to be completed in March 2015.

It is also worth mentioning the problems of **Moldova**, including its **Transnistria** region, as well as potential complications with **Kazakhstan**. On 29 August 2014, Mr. Putin stated that Kazakhstan has historically never possessed statehood, that Kazakhstan as the state was forged only through President Nazarbayev's efforts. This statement was widely interpreted as a heavy hint that Kazakhstan may lose its present statehood once Mr. Nazarbayev is no longer the head of Kazakhstan.

The Baltic countries comprise another area of the Putin regime's aggressive ambitions. In the autumn of

2014, attempts were reported in Latgale (Eastern Latvia) to distribute literature campaigning for the region's secession from Latvia to joining Russia. The majority of the area's inhabitants are ethnic Russian and Russian-speakers. Said provocations followed a scenario similar to that employed in the spring of 2014 in the Crimea and Eastern Ukraine. If a few months ago, Russian aggression in Latgale and northeast Estonia were seen as hypothetical possibilities, by now these provocations have made the prospect of such aggression very real. If such quasi-formations as the "People's Republic of Narva" or "People's Republic of Latgale" are proclaimed in eastern Estonia and eastern Latvia, then the question haunting Europe in the late 1930s – "*Are Europeans prepared to die for Danzig?*" – may be brought back in a new wording: "*Are Europeans prepared to die for Narva, Latgale, and Daugavpils?*"

Finally, it is a war against **Russia**, against Russian citizens. This is a *Russian civil war*. It is an organised by the Kremlin regime war of a part of the Russian people with the pro-Soviet, lumpenised, and criminalised mentality against the progressive part of Russian society. The "hot" phase of this civil war is now underway in the Ukrainian Donbas; its "warm" phase began in Russia.

A challenge at hand is a challenge not only to the states that emerged in the **post-Soviet space**. This is a major challenge to **the European Union and NATO**. So far, these organisations are not ready to respond to these challenges.

Thus, we are dealing with *revanchism, revisionism, and aggression* not only on the territory of the former Soviet Union – such as in the case of Ukraine – as some of us may have thought only a few months ago. We are dealing with a threat faced by the whole of Europe, the European Union, and NATO.

We cannot discard the possibility that one of the aggressor's ideas is to use the territories of Estonia and Latvia as a lever of destabilisation and move on to blackmail European economic, political, and military institutions, thereby trying to demonstrate their inadequacy and thus undermining the entire security system built in Europe during the post-war decades, especially after the Berlin crisis of 1961 and the Cuban missile crisis of 1962.

But that is not all. On 24 October 2014, Mr. Putin gave a speech at a meeting of the so-called Valdai Club in Sochi, which should be correctly referred to as the *Sochi speech*, rather than the Valdai one. The significance of this presentation can hardly be overestimated; given its contemporary and historical contexts, the speech and the answers to the questions that followed should be scrutinised by every European politician, political leader, and political analyst.

Some observers, taking the Kremlin propaganda bait, fishhook and sinker, hastened to name it the *new Fulton speech*. Such a comparison is fundamentally fallacious.



Putin's speech has nothing in common with the Fulton speech by Winston Churchill – neither in its content, nor the site of its delivery, nor the nature of its author. But this Sochi speech does have a striking historical counterpart. It is Adolf Hitler's missives from Berchtesgaden dated 23 and 25 August 1939. Sojourning in "Eagle's Nest", his favourite resort in the south of Germany, Hitler then sent two letters to British Prime Minister Neville Chamberlain. In them, the German Führer went far beyond his demands of the Anschluss of Austria and the accession of the Sudetenland. He proposed to Chamberlain new rules of international relations, as well as division of the world between the German Reich and the British Empire.

A side-by-side comparison of Putin's Sochi address and Hitler's two letters from Berchtesgaden reveals at least 25 textual matches – almost word for word, sentence for sentence, idea for idea. Mr. Putin proposed to Mr. Obama the new ground rules for international relations and the actual re-division of the world, predicated on the recognition by the West of Putin's *sphere of privileged interests*.

If in April 2014 Mr. Putin was still playing with building plans of a new "Russian world", which involved pooling compatriots and their descendants under one roof of the Russian state, six months later, these plans began to look somewhat obsolete. By now, the stakes of the Kremlin confrontation with the world have been upped sharply. These days, Putin proposes to change the entire world order, the entire world system that has developed after World War II, enshrined in the Charter of the United Nations and numerous other documents, based on the principles of non-use of force, inviolability of borders, the sovereignty of states, and the sovereign right of nations to join international unions of their own accord.

Thus, today we are dealing not just with a regional problem, no matter how important and dangerous the problem of Putin's war against Ukraine might be. Today, we are dealing not only with Putin's war (in part already real, in part still prospective) against Russia's other neighbours in the former Soviet space. Today, we are dealing with – no matter how beastly this may sound – not even with the threat of a major war in Europe. Today, we are faced not only with revanchism. What we are faced with today is **a policy of revision of the entire system of international relations and global security; it is an attempt to change the current world order, formed during the seven post-war decades.**

Kremlin propagandists summarise the essence of the actions of the Russian regime quite coolly: *this is World War IV*. In their reference system, the Cold War was World War III, whereas they refer to the currently unfurled military action as "World War IV".

Asymmetry and the "willpower" factor

The ambitious plans set forth by Putin propel us to touch, at least briefly, upon a very important question: *how realistic is the achievement of the goals set by Putin?* Is it plausible for a revisionist power to enact a change in

the global rules of the game, provided that the resources at its disposal are considerably lesser than the resources of the NATO in particular and the West in general? How can one go about achieving these ambitious goals in relatively straitened circumstances? Most analysts believe such intentions to be unrealistic, unreasonable, and even ludicrous. Comparison of demographic, economic, military, and other resources at the disposal of the two opposing camps demonstrates beyond a shadow of a doubt a considerable advantage of the West. It would seem absurd to believe that with such lag in resources anyone could seriously hope for success in a real confrontation.

To answer these questions, one should refer to military theory and practice. Along with such tags as "hybrid war", "unconventional warfare", and "nonlinear war", commonly used to describe the present war, there is yet another important characteristic: "asymmetric warfare". In the standard analysis of a military conflict, the two sides have at their disposal comparable resources and comparable "willpowers". However, there are situations in which one party, compared to its opponent, has more resources, but less willpower. And the opponent has fewer resources and a stronger will. In this case, the party with fewer resources and a superior willpower may win. History provides many examples of more aggressive, more consistent, and more decisive parties to the conflict succeeding despite fewer resources at their disposal.

Furthermore, during such critical confrontation, at least two other important elements must be kept in mind at all times. One of these elements has already been mentioned. *It is information, or rather misinformation, war*. This war is being waged against Russia and against the other post-Soviet states, as well as all around the world. The dissemination of information (misinformation) has no boundaries. Full-scale misinformation war is waged not only in Russian, but also in English, French, German, Spanish, and other languages. Across the many social networks of various countries, *numerous soldiers and officers of misinformation troops* at the service of the revisionist regime are operating in a coordinated fashion in the respective national languages. These misinformation troops work on creating a distorted narrative, a bogus picture of the world, falsifying representation of various events. It should be acknowledged that in this regard they have achieved notable success, not only in Russia, but in other countries. It is worth remembering that *a society unable to withstand the misinformation aggression is a lot more likely to fall victim to conventional aggression*.

Moreover, the success of misinformation war can serve as a substitute for a victory on a physical battlefield.

Another element of the *new confrontation is nuclear blackmail*, one of the most hazardous components of a new war. Any responsible political forces in Europe, North America, and other regions of the world are prepared to do virtually anything in their power to avoid a nuclear conflict. The Kremlin's revanchists and revisionists

understand this full well and cynically exploit it. The deal offered to the West in Putin's Sochi address, as well as in his other speeches, is stated quite clearly: either the West accepts the new conditions of the world order, spheres of influence, and new borders or faces the threat of the use of nuclear weapons by a revisionist "superpower". Thus far, the civilised world has no ready answer to this kind of blackmail.

What can be done?

There are three possible responses to this question.

The first response is to surrender. That is, to accept Mr. Putin's proposals. To allow the establishment of new rules of conduct for the world community, the formation of a New World Order based on the right of the strong to impose its will on the weak within its *zone of privileged interests*.

The second response is to try to find a compromise. This kind of scenario is suggested by some Russian politicians, "*Yes, maybe we (Russia) have crossed the line in annexing the Crimea and intervening in Eastern Ukraine. But nothing can be done to change that now, so you need to accept the situation for what it is and acknowledge the new state borders, spheres of interest and influence, and the new status quo*". Such a compromise, in my opinion, is not much different from the first one – surrendering.

The third response is to oppose and resist the aggressor. If we opt out of discussing the options of the civilised world capitulating to the aggressor, we arrive at the third option: *resistance*. I shall outline the most important elements of this third response. These include measures taken in at least *seven spheres across five theatres*.

The seven spheres of activity

Firstly, we should explore and fully fathom the *nature of the problem – neo-revisionism and neo-revanchism –* conducting an in-depth analysis of it.

Secondly, it is necessary to *inform and educate* both political leaders and the general public regarding the findings.

Thirdly, we must mount and maintain a campaign of *counter-misinformation resistance*, because it is impossible to attain victory in the atmosphere of total disinformation. Ukraine had to create special organisations engaged exclusively in exposing anti-Ukrainian misinformation: dealing with how such misinformation is created, fabricated, and distributed. This is a serious job, which calls for seasoned professionals, as it requires expertise, resourcefulness, and tenacity.

The fourth point resides in the *sphere of international law*. The existing definitions of aggression, the wording of the principles of sovereignty, non-aggression, and so on do not correspond to the new realities. In the context of a hybrid war, aggression takes the form that evades the standard definitions developed in completely

different conditions. For example, such dangerous form of aggression as misinformation does not fall under the definition formulated by the UN General Assembly. New types of aggression should be adequately reflected in the system of international law.

The fifth sphere of resistance lies in *economics*.

The sixth sphere of resistance is *energy*. Of particular note is a serious step recently taken by Lithuania. This Baltic country has built a new gas terminal, through which, starting in December, Lithuania apparently becomes the first European country completely free from the dependence on Russian gas supply. This is a serious step in the right direction.

Finally, we should pay close attention to the need for an adequate response in the purely military sphere. With all the attention drawn to non-traditional elements of hybrid warfare, in a conventional conflict, it takes more than humanitarian aid blankets, brilliant exposures of misinformation, and pitch-perfect resolutions of international forums to stop tanks, "Grads", and "Buki".

The five theatres of the resistance

Firstly, it is the so-called "*Old Europe*" (mainly the members of the EU).

Secondly, it is the "*New Europe*", in particular, the so-called "frontline states", directly adjacent to the aggressor (the Baltic states and Poland).

Thirdly, it is *Ukraine*, which now occupies the central position on the frontline. Ukraine is in need of practically all possible types of support: political, economic, technical, specialists, training, etc.

Fourth, it is all *other post-Soviet countries* that have already been, or may still become, victims of aggression.

And finally, the *fifth* one is Russia itself: *Russian citizens, Russian society, and the Russian people*.

We must bear in mind what constitutes the strategic goal of the *Resistance Movement* in the ongoing war. We did not choose the path of war; we did not want to fight; the war has been forced on us.

But we must win this war. All of us, including the free citizens of Russia, of the countries neighbouring Russia, of European countries, and the entire civilised world.

Strategically, this war can be won and the resistance movement can prevail only when Russia becomes a free democratic country. As long as Russia remains an authoritarian dictatorship, it will remain a threat to its citizens, its neighbours, and the world alike.

One of the most popular slogans of Europe after the Cold War was this: "*Europe must be free, democratic, united, and peaceful*". This noble goal can be achieved only if Russia becomes a free, democratic, and peaceful country, if it maintains stable peace with all of its neighbours within its internationally recognised borders. ■

UKRAINE: AN INEVITABLE CONFRONTATION OR AVOIDABLE CONFLICT?*



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The conflict in Ukraine begs many questions. To attempt answers requires a reconstruction of the elements and factors that make up the conflict; a kind of architecture that determines the character and substance. The elements can be defined as those aspects that are always present in any conflict; the factors may or may not be present. This is one method or approach to building a picture that will enable the identification of avenues in conflict management towards resolution.¹ However, no robust and objective analysis leading to recommendations for approaches to resolution of a conflict is any good unless there is a willingness to reach a peace settlement by parties to that conflict; this requires acceptance and compromise by all sides.

History and culture

In Ukraine, the element of history plays a significant role linked to the past and territorial ownership as well as ethnicity and language. One question relating to history is; “has history been used as a viable reason to resort to conflict or as a convenient excuse?”

The culture that evolved over centuries and endured war and tyranny has been put aside in the name of nationalist ideology driven by personality. However, culture remains an important element despite this because it is undeniably a shared element between the two countries. Russia and Ukraine share a cultural history and the position of Kyivan Rus is well known as a corner piece of Russian culture carrying with it the burden of history – emotion. As part of this cultural overlap religion has a passing importance; not just as a spiritual prop; but also as a propaganda tool and in a sense an absent player. “Where were the patriarchs?” Here there was a brotherhood that could have maintained communication between the warring parties in the absence of any other channel. They still could mediate, with one limitation; the church in Russia is not independent of the State or the President.

In any event history as an element in conflict always evokes emotions that are likely to spill over into violence if they are manipulated. The aspect of sharing as a positive feature has diminished; a recent survey by the Razumkov Centre shows how opinion has become polarised between Russians and Ukrainians in the Donbas and Luhansk regions, and how trust has diminished.² This is a critical observation as trust-building in the future is a crucial prerequisite towards any resolution. The manipulation of people’s thinking is detrimental to this process.

* The views and opinions expressed in this article are those of the author. The article was written in October 2014.

¹ <http://www.icra.uk.net>.

² <http://www.razumkov.org.ua/ukr/socpolls.php>.

Actors: personalities and organised bodies

Manipulation in conflict is in the domain of personalities and other actors who seek to influence events in their selfish interests seeking to achieve personal ambition through the exercise of power and influence. The direct interests of a population often suffer from selfishness among actors.

In Ukraine, the territorial ambitions of a personality-led more powerful neighbour has been very much in evidence. The opportunity to achieve the long held ambition of Vladimir Putin to re-establish influence over historical Russian territory was enabled not just by careful preparation of that territory by Russian state elements, but by a corrupt and weak government in Kyiv whose weakness was an enabler. The process was in some sense similar to the redrawing of the southern Russian border with Georgia in 2008. There the ground was prepared over time; a weak and nationalistic government was bound to over-react to provocation and so Abkhazia and South Ossetia gained their idea of self-determination and some distorted idea of independence.

Other actors have also played a part in bringing about the crisis. The West, described here as NATO, the US and EU, has consistently irritated the Kremlin by ignoring the sensitivity of Russian elites in the post-Cold War era. It was self-evident that following the collapse of the Soviet Union there would be a plethora of newly-independent states struggling to emerge in the former Soviet space that was governed from Moscow. This loss of territory was viewed as a kind of military defeat by the power structures (*siloviki*) and a simmering determination to regain territory remained below the surface. On the face of it NATO remained the same organisation that had existed in the Cold War; “why did it not disband or change into something else?” was the cry from the ministries in Moscow. The expansion in NATO membership taking members from the former Warsaw Pact countries and tempting others like Georgia and Ukraine to join the club



was further “provocation” that looked like an attempt to encircle Russia. Georgia’s loudly spoken desire to join NATO (and the EU) contributed to a complete breakdown in relations with its neighbour and trading partner, and eventually to war in 2008. The hope in Tbilisi that the US and NATO might help evaporated and the weakness of the Cold War adversary was exposed to Moscow.

NATO consistently declared from the mid-90s that any State who could meet the criteria of membership had a right to join the alliance. This was a “red rag to Moscow’s bull”. At first the Kremlin acquiesced to the first tranche of expansion; but as the process continued the response from Moscow became stronger.

The NATO-Russia Council (NRC) was the talking shop where joint projects could be discussed and disputes, including expansion, argued over. The impression for the Russians was that the NRC was a kind of second league organisation designed to make them feel good, but to deny them any influence. In the beginning there was enthusiasm and engagement; ideas like Theatre Missile Defence were first mooted by the Russian side in the NRC. This idea was argued against by the US and others who latterly installed their own version of missile defence in Europe without any Russian input.

President Putin knew that a robust, possibly military, response by NATO was off the cards. The war weary alliance extracting itself from Afghanistan and facing new challenges in the Middle East had no stomach for more than a diplomatic response. The same thing had been seen during the Georgia crisis in 2008. But the rhetoric from NATO HQ remained strident. Finally, the Russian military representative was withdrawn in the middle of the crisis in Ukraine and another door shut in an atmosphere of growing violence.

Violence: physical, psychological and economic

In Ukraine, the element of violence has been used in certain ways by all parties. Psychological violence has been as evident as physical violence; economic violence has also been used. The question here is “what effect has each species of violence had on outcomes?”

Physical violence and the use of military force by the government fighting its own people, separatists and allies from across the border has caused considerable collateral damage including the downing of a Malaysian Airlines passenger jet – Flight MH17. The use of high end weapon systems of the type that was probably used comes with a price; the people using the systems are unregulated and not controlled by international norms yet their action proven or unproven caused a complete loss of any international support for their cause. The Ukrainian military too has caused collateral damage; but this has had a different outcome – the loss of support from the population in the areas where fighting is taking place making political solutions more difficult to achieve.

Economics

The economic weapon has been employed in various ways. As winter approaches Russia pressurizes Kyiv on the issue of unpaid gas bills. The European Union (EU) and US introduced economic sanctions on Russian business interests and individuals. Although the sanctions regime was a response to Russian actions against Ukraine, it was also the only “weapon” available to the West that would have any impact in support of Kyiv. The impact on the Russian economy has been significant and may have played a part in bringing about Russian agreement to a ceasefire and a separation of forces.

There is another angle to the economic element in the conflict which is of creeping significance and is linked to

the aspirations of the Russian leadership to re-establish lost borders and therefore some national pride that was damaged at the end of the Cold War when the Soviet Russian economy was almost entirely contained within the borders of the Soviet Union; internal trade within the union was the dynamo; there was little in the way of trade outside the borders of soviet space; at least not in comparison with today’s trade volumes that exit, enter and transit Russia from across the globe. It is this aspect of Russian planning in and around its perimeter when trying to “recapture” its old area of influence that has seemingly been given too little attention by the Kremlin. The slowdown in global trade affecting Russia as a consequence of her actions has been at least as damaging to the national economy, which was already in decline, as EU sanctions.

The creation of the Customs Union has yet to show its effect across the region. However, it is another aspect that demonstrates thinking in the Kremlin that has a direct impact on the conflict with Ukraine. Most analysts would argue that this new economic bloc has been created as a buffer against the EU. This is despite the obvious imbalance in economic potential of both organisations. So, here again we can see that even trade and economics are being used to serve the crucible of Russian pride being held in the hands of the leadership, rather than to serve the future economic prosperity of the country. For Ukraine, given its geographical position between the two economic blocs, the position is unenviable.

Clearly an association with the EU in normal conditions without risking a punitive response from its largest, culturally and historically closest neighbour would have been the best course. But with the threat of punitive economic and military action, the choice for Kyiv was almost impossible. Added to this dreadful conundrum was the expressed view of economists and others that it is not possible to “belong” to two free trade blocs at once. Since the issue contributed to the motivation for the violence that ensued, perhaps this view should be re-visited in the light of subsequent events.

Geography: physical and human

Apart from Ukraine’s position between Russia, the West, and the EU and the Customs Union the geographical element in the conflict has presented some of the opportunities for those who seek to gain from it and also some of the impasses that make resolution difficult, including the economic tangle mentioned above and the legacy of history with its cultural overtones. The physical boundaries presented by rivers and the littoral are one issue.

The clear intention by Moscow to bring Crimea within its domain and thus take the port facilities of the Black Sea Fleet under full control has also removed the issue of the Kerch Straits from the list of disagreements and contentious issues. But the seizure of Crimea has also weakened Ukraine by removing an economically important point of access to the Black Sea. In this context it is to be hoped that Odessa remains under Kyiv’s authority and that the country retains at least one significant port. The consequences of losing this facility and, effectively consigning Ukraine to the status of a landlocked country, would further weaken the State and the economy. *Should Moscow be considering further military actions along Ukraine’s littoral, it should consider carefully the unintended effect this may have in terms of creating an economic area of instability on its western frontier; or maybe it does not care.*

Another geographical feature to be considered is the Dnieper river that creates a neat, or fairly neat, physical geographical boundary separating the Russian speaking areas in the east of the country from the heartland all the



way down to the Black Sea; a tempting borderline for the military-minded separatists and allies. Certainly military-thinkers in Moscow will view the Dnieper as a natural boundary should one need to be drawn.

In the west, Moldova's unresolved "frozen" conflict with its separatist region of Transnistria presents another potential pressure point on Ukraine to succumb to the aspirations of Russia. Like those east of the Dnieper the population in the separatist region is largely Russian-speaking and looks east rather than west. The presence of Russian troops and bases in the Transnistrian region allows Moscow to use the territory as a place to reinforce if it so wishes. And the upcoming Moldovan elections are seemingly centred on the choice between the Customs Union and greater association with the EU. All this resonates poorly with the crisis in Ukraine. *Should Moldova choose the Customs Union how easy would it be for Kyiv choose association with Europe in the future?*

The human geography of Ukraine is changing; there has been significant decline in the population. Government initiatives started in 2006 to reverse this trend that debilitated the economy exacerbated by rising wages and the global economic crisis, have been thrown into reverse by the conflict. A likely growth in the ageing population puts further pressure on the government.³ In the context of the conflict in Eastern Ukraine where pensions reportedly have been unable to be paid due to the violence and inability of the state to govern, the lack of care for the elderly and ageing resonates poorly for Kyiv and plays to the tune of the separatists and their ally.

Migration over time by young people seeking a better life in the West is another debilitating factor repeated throughout much of Eastern Europe, including Moldova. The conflict-sensitive aspect to the demographic element is that it will make recovery from "war" markedly more difficult for the country and will demand significant economic assistance from the outside.

Approaches towards resolution

It is hard to conceive of a resilient resolution process at this time. The fragile ceasefire is, like all ceasefires, temporary by definition. To allow the separation of forces agreement with accompanying ceasefire to be seen as some kind of conflict resolution would be to fall into the same trap as was seen in Georgia's conflicts with its separatist regions, Abkhazia and South Ossetia. The processes there which were encapsulated respectively in the Moscow and Sochi Agreements were allowed to become some kind of way of life without any real progress.

The kind of agreements that were instituted in Georgia and are now being replicated in Eastern Ukraine serve only as conflict management tools designed to keep violence in check while positive steps forward are designed, or while less well-intentioned parties draw breath. Without forward movement in conflict management the ceasefire is destined to collapse. Forward movement requires significant mediation and time leading to negotiation. To achieve this, it seems necessary that all the issues are on the table until significant trust has been built to allow some disarmament to take place; possibly to allow Russia to play a responsible role which may require a lifting or loosening of economic sanctions imposed by the EU; a lessening of anti-Russian rhetoric by NATO and some thinking on cooperation with Russia.

A critical problem is in the lack of forums where Russia can engage the West on these issues. In the past, having gone to the brink of conflict in the Cold War the military imbalances and threats in Europe were managed

through treaty systems such as the Conventional Forces in Europe (CFE) treaty. These mechanisms of control and transparency brought confidence and security to the region through well-tried and understood practices. Now the treaties have gone in all but name, leaving a vacuum in military dialogue and practice that is as dangerous as the numerical and technical imbalances themselves. And has been mentioned already, most recently as a reaction to recent events in Ukraine, the Russian representative to NATO, General Yevnevich, was withdrawn closing yet another avenue for dialogue.⁴

The Organisation for Security and Cooperation in Europe (OSCE) seems the only viable regional multi-national organisation with any possibility of constructing a dialogue between parties. Yet the poor relationship that Russia currently has with OSCE as a member does not bode well for this to work and the Black Sea region is becoming increasingly militarized.

Back to the future, or looking forward?

Has the crisis been "an inevitable confrontation or was it an avoidable conflict?" Hindsight could highlight many ways the conflict might have been avoided. There is no way of knowing if a more balanced relationship between the West and Russia could have prevented the outbreak of violence, seizure of territory, manipulation and general debacle. A debacle seemingly brought about in the name of personal ambition and fuelled by anger at an arrogant but militarily weaker West that is war weary from bruising conflicts in Iraq and Afghanistan.

The likelihood of economic sanctions somehow forcing the Russian leadership to forget its ambitions seems slim. There is a visible riposte by Moscow using the "energy weapon" to retaliate. Gas supplies to Ukraine are interrupted and verbal threats are being made to Europe concerning the possible interruption to Russian energy supplies going west through Eastern Europe. Logic would suggest that the damage to the Russian economy, already depressed, by sanctions and the loss of revenue from its western market could force the issue; but pride and national ambition are powerful drivers – possibly more powerful than economic prosperity.

Ukraine is the unfortunate casualty in both the economic game and the game of personal ambition vs. western arrogance. She can only hope that the character of the game that is being played over her head changes its tragic course towards more confrontation, and less engagement. The requirement for the parties to adopt a greater sense of responsibility without personal ambition and to reduce damaging rhetoric is vital. If not, the conflict has the potential to spread, and the World could return to its Cold War past and Russia's inevitable economic decline will worsen.

Against this pessimistic background there is now an urgency to take hard steps. The Ukrainian government can consider its position and possibly accept that Crimea is now part of Russia. Political negotiation over Eastern Ukraine requires major compromise and significant trust-building measures that going as far as "truth and reconciliation", should at least be discussed.

For its part the Russian government has at some point to recognise that the path the conflict is taking is not in its own long-term interest. And the West perhaps needs to consider how a qualitatively better dialogue with Moscow without loud rhetoric can be developed; this may mean negotiation over sanctions. It may mean standing back from further ambitions for NATO expansion. ■

³ euromonitor.com/2012/05/ukraines-population-in-rapid-decline.html.

⁴ Trans-Atlantic Partnerships and the South Caucasus: A Strategic Approach to Regional Security. – The Conference Materials. Yerevan: Center for Strategic Analysis, 2014. *Militarization in the Caucasus and Wider region*; pp.105-113, 125-135.

REFLECTIONS ON THE NEW EAST-WEST DISCORD



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Today we are not only witnessing a breakdown of common interests between Russia and the West, but the loss of a common perception of political reality. One would have to return to the late 1940s to find falsehoods and recriminations on a scale equivalent to those that now dominate political discourse. Nevertheless, even the leadership's honest perceptions reveal a cognitive framework very different from our own.

Seen through those lenses, events in Ukraine are not only significant in their own right. They are the pivot in a complex and long-term struggle over the future of the security order in Europe and beyond it. In this struggle, there are likely to be oases, moments of apparent accord and, for some, immunities and privileges. But until the Kremlin alters its premises about Russia's place in the world, we will face what Lenin in a different era called a "persistent struggle – bloody and bloodless, violent and peaceful, military and economic, educational and administrative" (or, as we might now say, informational and institutional).¹

This cognitive framework encompasses five reinforcing elements: a reconstitution of the regime and its legitimacy; a belief in the intrinsic hostility of the United States; confidence that Europe cannot sustain confrontation with Russia; faith in the inherent fragility of Russia's once sovietised neighbours, and a conviction that global trends support Russia's "civilisational" aims. The framework has a pseudo-normative underpinning, which gives it coherence and toughness. It is being tested as never before, but the more it departs from reality, the more tenaciously Russia's leaders cling to it.

Governance and legitimacy

The 2012 presidential elections served as a watershed for a process with deeper antecedents the reconstitution of the political system in a defensive and illiberal direction. Whatever one makes of the Medvedev interlude and its *leitmotif* of "modernisation", the roots of the illiberal system lie in the Orange Revolution of 2004 and possibly the "power vertical" itself. Well before 2012, the evolution of "dictatorship of law" into subservience of law (and money) to power was eroding the Putin system's initial strengths: its inclusiveness, its breadth of appeal across the socio-political spectrum and its ability to generate prosperity.

Since 2012, the Kremlin has performed a regime change upon itself. In this regard, the so-called *bolotnaya* protests were not without influence. The public manifestation of urban liberal (but also radical left and right) distaste for the manner of Putin's return to the presidency

came as a shock, which generated an ideological counter-offensive founded on traditional values and the credo that "Russia is not the West".

But a more powerful stimulant for change was economic: the realisation, shared by liberals themselves, that the Russian economy was exhausting its potential under the patrimonial model. The liberal choice – adoption of a competitive, rules-based system underpinned by property rights – was not a practical choice for the custodians of power in Russia, who have an unshakeable faith in the centrality of the state and their fitness to lead it. Instead they embraced "mobilisation". The circle of power has been narrowed, the tribunes of home-based (*otechestvenniy*) capital (hydrocarbons, railways, defence) rewarded and the base of mass support shifted to the conservative and non-metropolitan majority. Those whose interests and aspirations lie in European integration have been marginalised, and "national traitors" are being exposed.

¹ V. I. Lenin, "Left-Wing" Communism: an Infantile Disorder" (1920), Moscow: Progress Publishers, 1981, p.30.

It would be fundamentally un-Russian to ignore the foreign policy implications of such a change. During his first term in office, Vladimir Putin appealed to continental Europe on the basis of European culture: “a culture which has never known borders, which has always been our common asset and which has always united peoples”.² Today he demands respect for Russia on the basis of its “distinctive”, “civilisational” values and its “historically conditioned” relations with neighbours. It is no longer European culture, but the “Russian world” [*russkiy mir*] that is borderless. Rather than developing in concert with European culture, *russkiy mir* is a *riposte* to European post-modernism and “Western messianism”. In his seminal statement, “Russia: The National Question” (2012), Putin declared that “the choice of the Russian people has been confirmed again and again, not by plebiscites or referenda, but by blood”.³ During his March 2014 speech to the Federal Assembly welcoming Crimea’s “accession” [*prisoedinenie*], Putin boldly implied that language and ethnicity were the rightful criteria for demarcating the frontiers between states.⁴ These views only reinforce the point that Russian foreign policy seeks “the creation of an international environment conducive to the maintenance of [the] system of governance at home”.⁵

US hostility

The belief that the United States is determined to isolate and incapacitate Russia is not only psychological but, to quote a Western ambassador, “psychiatric”. Its focal point is not President Obama, but the US national security establishment. In the eyes of no less a figure than Nikolay Patrushev (Secretary of the Russian Federation Security Council), the American threat is “systemic” rather than political: an “undeviating course pursued over many decades, changing only in its forms and tactics”.⁶ The undeviating element is the pursuit of global hegemony and with it, military superiority and economic dominance. (Note that in this *grafik*, the once significant distinction between anti-Soviet and anti-Russian policy is erased).

The forms and tactics, which first emerged in the 1999 Kosovo war, have centred on the use of coercive diplomacy, “humanitarian” interventions, the “mythology” of Western values and “information struggle” to produce coloured revolutions and regime change in “problematic” states. That Russia is not exempt, indeed is a prime target of these changes in methods of struggle was confirmed by then President Medvedev in 2011, who drew a direct parallel between the “Arab spring” and “what they plan for us”. Even as sober a commentator as Fyodor Lukyanov declared in 2013 that “Ukraine has become an Arab country for us”.



One indication that this narrative is not guff and bluster is its reiteration in coded writings by the General Staff, as well as in summaries and leaks from meetings of the RF Security Council and from classified documents, such as the Defence Plan 2013.⁷ Many of the same themes emerge in open source (if limited circulation) documents, such as the MOD’s 2011 *Concepts of Russian Military Operations in the Information Space*.⁸ In most of these writings, US policy is at least the critical variable, if not the initiator, of objective changes in the nature of contemporary conflict and warfare. At the Annual General Meeting of the Russian Academy of Military Science of 25 January 2014 which drew up a “complex of measures designed to put the country on a wartime footing” (by implication, in preparation for military intervention in Ukraine), participants discussed interconnections between, *inter alia*, Greenpeace intrusions in territorial waters, events in Syria and the Ukrainian *Maidan*. Drawing upon authorisation provided by the RF Security Council the previous day they also “made provision for the coordination of activities of *all Federal organs of executive power* in the interest of defence readiness and security”.⁹ These powers are accompanied by institutional changes (e.g. the National Defence Management Centre of the RF, *NTsUO*, which became functional on 1 December 2014), the emergence of the MOD and General Staff as the lead agencies for defence and security, further complemented by the emergence of the GRU as the principal command element in Russia’s operations in Ukraine (and possibly elsewhere).¹⁰

There is no nuance in this narrative, and there is not meant to be. To the Russian mind, nuance is a form of obfuscation. Like the other elements that make up Russia’s cognitive framework, it can be robustly countered. But that is not to say it can be demolished. It has not been demolished yet.

² See Putin’s speech to the German Bundestag, 25 September 2001.

³ Vladimir Putin, “Russia: The National Question” [*Rossiya: natsional’nyy vopros*], *Nezavisimaya Gazeta*, 23 January 2012.

⁴ Address by President of the Russian Federation, 18 March 2014, Official Website of the President of the Russian Federation <http://eng.kremlin.ru/news/6889>.

⁵ James Sherr, *Hard Diplomacy and Soft Coercion: Russia’s Influence Abroad*, (Chatham House, 2013), p.96.

⁶ Interview with *Rossiyskaya Gazeta* [*Vtoraya Kholodnaya*], 15 October 2014.

⁷ Andrew Monaghan, *Defibrillating the Vertikal? Putin and Russian Grand Strategy*, (Chatham House Research Paper, October 2014), p.6.

⁸ *Kontseptual’nye vzlady na deyatel’nost’ vooruzhennykh sil Rossiyskoy Federatsii v informatsionnom prostranstve 2011 g.* (RF Ministry of Defence)

⁹ “General Staff is Granted Additional Authority, Prepares Plan to Transfer the RF to a Wartime Footing” [*Genshtab poluchil dopolnitel’nye polnomochia, podgotovil plan perekhoda RF na usloviya voennogo vremeni*], *news.ru.com.*, 25 January 2014.

¹⁰ GRU – Main Intelligence Directorate of the General Staff of the Armed Forces. – Ed.



Europe's weakness

Russia's course in Ukraine has been predicated in large part on a faith that resource poverty and the underlying national interests of key European states will reassert themselves and restore a reasonable accommodation to Russian interests in Eurasia and the European "near abroad". In Moscow's eyes, the EU imposed Phase 3 (sectoral) sanctions on 16 July (enhanced on 5 September) purely in response to US pressure. The synchronisation of timing and content between Brussels and Washington – which indeed had been expressing frustration with the EU for some weeks – only confirmed what Moscow believed it knew perfectly well. Nevertheless, the Kremlin's perception is askew.

Like a large number of critical observers in the West, the Kremlin has assumed that business interests defined national interests in Europe and would continue to do so in future. It has long viewed the EU as divided and divisible. It grasped at least as well as anyone in Brussels the precariousness of the eurozone's recovery and the growing weight of Euro-sceptic opinion. It understood far better than outsiders the scale of its own investment in corporate ties, lobbying structures, embittered and illiberal movements and a web of political partnerships (and intelligence penetration) unprecedented in scale. (In 2011, one Russian political analyst placed Silvio Berlusconi amongst the inner circle of the Kremlin elite). Russia's error lay in the conviction that these realities were immutable to change.

Its understanding of Germany has been particularly flawed. Germany's 20 year investment in "interlinking" relationships between civic, cultural, economic and political entities testified to its perception of "strategic partnership" as a normative project designed to embed Russia into the European family of interests and values. To the normative aspect of any European project, Russia has been deaf. What it saw was a business project. Although it viewed Angela Merkel's accession in 2005 as decidedly unwelcome, it concluded, correctly for a time, that she would be locked into a structure of trade and corporate interests (accounting for a €76.5 billion trade turnover in 2013) that had made the German-Russian economic relationship unique in Europe. The Kremlin failed to draw conclusions from Merkel's refusal to block adoption of the reviled Third Energy Package by the equally reviled European Commission. It singularly underestimated her conviction that commercial interests could not override Europe's core security interests and "the principles of international law": views she expressed in March 2014,

yet more forcefully in July and with ringing clarity after the November Brisbane G20 summit:

[O]ld thinking in spheres of influence together with the trampling of international law must not be allowed to succeed. [We will oppose such a policy] no matter how long it will take, however difficult this might be and however many setbacks it might bring.¹¹

More perilously still, the Kremlin has yet to perceive the sense of betrayal that has set in as the results of Germany's 20 year commitment to transforming Russia have become apparent. The architect of "interlinking", Hans-Walter Steinmeier is indignant that "[n]ot just any state, but a permanent member of the Security Council, Russia, has...unilaterally changed the existing borders in Europe".¹² The President of the German Federation of Industries now declares that sanctions will be worth the pain "if we can succeed in giving force to international law in Europe as well as our legal principles".¹³ Amongst ordinary citizens, the decline in Russia's image has been precipitous. In November 2009, 40 percent of respondents said they regarded Russia as a trustworthy partner; in February 2014, 18 percent did so.¹⁴

Far from being a solitary figure, Angela Merkel is a national leader presiding over a change of opinion in Germany, which coincides with a change of opinion in Europe. Nevertheless, Germany's influence has played a singular role, not only in the adoption of effective sanctions, but the derailing of the South Stream pipeline (confirmed at the Putin-Erdogan press conference on 1 December) and, as some have suggested, the recent curtailment of Hungary's realignment towards Russia.¹⁵

If the Kremlin remains impervious to these points, it retains its astuteness on others. It grasps better than most that economic interdependence is not politically neutral. It also understands that in any contest, the weak party is not the party with the most to lose, but the party most afraid of losses. There are those in Europe prepared to withstand the burden "however long it will take". But how long is that, and for how long will others agree? For how long will the EU and IMF be willing to underwrite Ukraine in the absence of Ukraine's determination to address the ills that its unreformed state imposes upon the country in peace and war?

Fragile neighbours

Since 1992, the Russian Federation has equated its own "vital interests" with the limited sovereignty of its neighbours. To Russia's leaders, the equation is self-evident. The USSR was as interdependent as a straightjacket. Its mechanisms of integration and cohesion re-established in modern, totalitarian form a set of "organic" relationships that the tsars regarded as part of

¹¹ Cited in John Lough, "Ukraine Crisis Prompts a Sea Change in Germany's Russia Policy" (Chatham House Expert Comment), 24 November 2014.

¹² "Cold War Thinking Decried at UN", 27 September 2014 (Deutsche Welle) <http://www.dw.de/cold-war-thinking-decried-at-un/a-17959729>.

¹³ John Lough, *Op.Cit.*

¹⁴ Hannes Adomeit, "Collapse of Russia's Image in Germany: Who Is to Blame? (Eurasia Outlook, Carnegie Moscow Center, 18 February 2014). Yet the downward trend started earlier. An autumn 2009 survey of foreign policy experts revealed that 74 percent did not regard Russia as a democratic constitutional state, and 92.4 percent believed that its government could not protect the rights and security of its citizens. Adomeit, *German-Russian Relations: Balance Sheet Since 2000 and Perspectives until 2025* (Paris: IFRI, 2012)

¹⁵ Zoltan Simon, "Hungary Retreats from Putin as Leader Rediscovered Germany", Bloomberg, 1 December 2014.



their patrimony. Given this inheritance, it is not surprising that even emphatic liberals, such as Gennadiy Burbulis (State Secretary to President Yeltsin), were confident that “there is a logic that will bring the republics back again our way”. The old maxim, *<samostoyatel’noy Ukrainiy nikogda ne budet>* [Ukraine will never be able to stand alone] re-emerges in today’s *cliché*, “Ukraine cannot live without Russia”. The maxim’s negative resonances in Ukraine, not to say Georgia and Kazakhstan, have not diminished its authority in Moscow.

Neither has defiance. For Yeltsin’s inner sanctum, states in the “near abroad” were progenitors of chaos against Russian compatriots residing on their territories, as well as formations of the ex-Soviet Army still located there. They posed threats to the integrated defence and security system that protected the USSR. It was feared that they also would become exporters of conflict to the territory of the Russian Federation itself. For Yeltsin it stood to reason (at the height of the Tajikistan civil war) that “the Tadjik-Afghan border is practically Russia’s border”.¹⁶ When Fedor Shelov-Kovedyayev wrote (in an official MFA report in 1992) that “Russia must be leader of stability and security on the former territory of the USSR”, he was criticised only for rejecting force as a tool of this policy. We forget today that these post-Soviet rationales for Russian primacy fell into place at a time when friendship with the West was the cornerstone of Russian policy.

The cornerstone collapsed even before Andrey Kozyrev’s departure from the MFA in 1996. By 1994, leading Western powers had begun to treat the ex-Soviet republics as entities in their own right rather than inconvenient by-products of the Soviet collapse. To Moscow, this was an anti-Russian policy. Fear of “chaos” receded. Fear of the near abroad becoming a Western *platsdarm* [bridgehead] mounted. Five years before NATO’s first eastern enlargement (and the Kosovo conflict, with which it fatefully coincided), Yeltsin warned the leadership of the SVR that “ideological conflicts are being replaced by a struggle for spheres of influence in geopolitics”, adding for good measure, “there are those abroad who would like to keep Russia in a state of controllable paralysis”.¹⁷

By now, these propositions are so deeply engrained as to be immutable to evidence or rational argument. In the Kremlin’s eyes, the first *Maidan* was a US special operation, as was the second. Poroshenko and Yatsenyuk are Western *stavlenniki* [placemen], whatever the OSCE’s view of the matter. Irrespective of their local standing or accomplishments on the battlefield, the volunteer battalions are Banderist formations acting in concert with Russia’s historic enemies. To Moscow, Ukraine is a theatre of conflict between Russia and the West, and the conflict will be resolved between Russia and the West. Towards Ukraine itself, Russia’s policy remains what is always has been: the exploitation of division and weakness.

Yet the objective has changed. For years, Russia made use of Ukraine’s weaknesses in order to diminish the West’s influence and increase its own. But from the time Yanukovich’s ouster was in prospect, Putin altered

the formula. If Russia could not control all of Ukraine, it would take what belonged to Russia and wreck the rest. Chaos in Ukraine would then be the West’s problem. In November 2013, an ideologist of Kremlin policy confided, “we are going to do you a great favour....we are going to give you this mess”.¹⁸ Although Russia’s historic policy has failed, its new policy is in play. Ukraine is weeks away from default. IMF money and Western goodwill are finite. Asked what they are doing to bring Ukraine’s economy out of the shadows or bring sanity to its energy markets, Ukraine’s leaders speak nobly about what they will do. In the West there are arguments about Ukraine’s capacity and determination. In Russia there is none. *Samostoyatel’noy Ukrainiy nikogda ne budet*. Or, in blunter terms put to the author by a prominent state intellectual in November 2014, “by next winter, there will be no Ukraine”.

Global trends

Under Putin, the Primakovian doctrine of a multi-polar world acquired sharpened ideological content. In Sergei Lavrov’s formulation, the emerging multi-polar order was becoming a world of “multiple values centres” challenging the West’s “monopoly of the globalisation process”.¹⁹ The accompaniment to Russia’s reassertion of its own “zone of privileged interests” was its resurrection as a global actor working in concert with others to check and reverse two decades of Western dominance. “Strategic partnership” with China, promotion of the BRIC association, the G20 and the restoration of a proactive policy in the Middle East became the cornerstones of a policy designed to reformat and “democratise” the international order. The global financial crisis extended this policy into the West’s hitherto uncontested domain, the European Union. The eurozone crisis generated cleavages between some of the oldest members of the EU, demonstrating that decades of integration had not eliminated major differences in economic culture. In Moscow’s eyes, this blow to the EU’s moral authority gave a dynamic and apparent cohesion to Europe’s discontented constituencies. It opened the gates to what is now all too apparent: alliances between the Kremlin and anti-EU parties of left and right.

Yet Russia’s new global structure consists of little more than scaffolding. Neither China nor India nor Brazil have devised an alternative to today’s imperfect global order in which the West remains, if not pre-eminent, more equal than others. Rhetoric aside, each of these countries finds the current setup conducive to the pursuit of their own visibly distinctive national interests. Over Ukraine, none have offered more than qualified rhetorical support and abstention from the sanctions imposed by others. China has drawn unsentimental conclusions from Russia’s estrangement from the West and its “turn to the East”. Its terms of trade with Russia are now some of the harshest on the planet. It offers tea and sympathy, but like Russia, it plays to win against partner and foe alike.

Even in the Near and Middle East might it would be difficult to argue that Russia has not damaged its interests or overplayed its hand. Over the years, these interests have been pursued toughly, consistently and on the basis of local knowledge, which its principal foil,

¹⁶ *Interfax*, 10 June 1993, cited in James Sherr, “Escalation of the Tadjikistan Conflict”, *Jane’s Intelligence Review*, 1 September 1993.

¹⁷ *ITAR-TASS*, 27 April 1994.

¹⁸ Private conversation with the author, St Petersburg, 26 November 2013.

¹⁹ Sergei Lavrov, “The Present and the Future of Global Politics”, *Russia in Global Affairs*, No 2, April-June 2007, http://eng.globalaffairs.ru/number/n_8554.



the United States, seems to have forgotten. It has, with marked success, persuaded the latter that, over Iran and Syria, it needs Russia's support even when it has provided none. Yet the countries of the region regard Russia an opportunistic actor. The restoration of its primacy in the Black Sea has impressed and unnerved them in equal measure. Russia has no policy, let alone vision, for the region as a whole. Its interests are confined to keeping *ihadists* out of power and the Americans at bay. To these ends, it will cooperate "pragmatically" with each country and its closest enemy. Yet for the same reasons, it has incurred the abiding distrust of Saudi Arabia, whose policy in OPEC displays no love of Russia.

Endgame or endless turmoil?

When the first "green men" appeared in Crimea, Western policy proceeded from the assumption that a combination of pressure and diplomacy would persuade Russia that it would only lose by maintaining an "intransigent" course. At every turn in the conflict, domestic critics of sanctions have called on their governments to recognise Russia's "legitimate interests" in Ukraine and help it find a "face-saving" way out of the crisis. The framework presented above depicts a very different view of the world than that which has motivated Western policy makers or their Western critics. Diplomacy has not narrowed this gap. Gradual awareness of this fact has deepened pessimism and stiffened resolve in Western capitals. Yet only recently have key Western actors entertained the possibility of a long-term struggle similar to that which Lenin described more than 90 years ago.

Russia's financial meltdown now puts all analytical frameworks in doubt. This writer's modest wager is that the Kremlin will seek to maintain a malign status quo rather than escalate or de-escalate it. But even the complete collapse of the Kremlin's gambit in Ukraine is unlikely to produce a re-examination of the dogmas that gave rise to it. Well before the rouble's tumble, Nikolay Patrushev reminded his interlocutors how these things happened before: how the US devised and implemented the strategy of "vulnerable points", how the CIA enlisted experts and practitioners in "business warfare" to target the "extreme dependency of the Soviet budget on the export of energy", depress world oil prices and bankrupt the USSR.²⁰ A similar result in 2015 is likely to be blamed on similar factors. Once again, Russia will have been defeated by an enemy stronger, more crafty and more

cynical than itself, not by its own aggressiveness and hubris. Russia is not the only country that believes its behaviour is the excuse, not the reason for the hostility of others. But until this chain of reasoning is broken, it will remain a problem for itself and its neighbours.

When Russia embarked upon open conflict with legal and treaty regime of post-Helsinki and post-Cold War Europe, it was unclear whether the West would respond adequately or whether Ukraine would summon the instinct and capacity for survival. Both Ukraine and its Western partners have passed these tests—with deficiencies and incongruities to be sure, but sufficiently to ensure that Russia can no longer win this conflict. Yet Russia has the means, and possibly the will, to ensure that Ukraine and others lose it. It has amassed a distinguished record of lose-lose outcomes over the decades and centuries. Nothing done *outside* Russia will prevent it from displaying this talent again.

This conclusion returns us to where we started: the pre-eminence of the internal factor. In a recent article on the rouble's fall for the *Financial Times*, Sergei Guriev observed:

...it showed Moscow's priority is not fighting inflation or stabilising the rouble but supporting Rosneft... Second, it demonstrated that the central bank is ready to use highly questionable tools... Third, it became clear that [there is] neither a strategy nor a clear understanding of how to deal with the present predicament.²¹

The asperity of these judgements shows why Guriev is no longer rector of the New Economic School in Moscow but professor of economics at Sciences Po in Paris. Amongst Western ambassadors to Moscow, a favourite talking point is whether three, four or seven individuals have direct access to the President. Supposedly, the Kremlin is "all knowing", but on the 30-member RF Security Council under Patrushev's stewardship there is only one economic official, the Minister of Finance.²² On the 19-member US National Security Council there are four. If the Kremlin is the eye of the hurricane, how much does it know about the hurricane? Is its knowledge advanced by the endless stream of Western business leaders, former ministers and celebrities happy to reiterate that Ukraine is a "failed state", that Russia's "legitimate interests" should be respected, that "there can be no European security without Russia"? The truth is that outside the bubble, nobody knows. What we do know is that Putin believes reform and trust in the country's enemies led to the USSR's collapse. What we can assume is that failure and adversity will enhance the need for enemies abroad and a firm edifice of power at home.

On this basis, we should prepare for abrupt changes in the "forms and tactics" of Russian policy, even for danger. We should enhance defence and deterrence inside as well as outside Ukraine. We should maintain and find ways to expand channels of communication with Russia. We should be alert to any signs of "new thinking" in the country. We should be taxing our minds with the contours of a diplomatic settlement that Russia might one day wish to honour. But we should predicate our policy on the likelihood of a "persistent struggle" and not imagine that we will escape from it anytime soon. ■

²⁰ Patrushev, *op. cit.*

²¹ Sergei Guriev, "Russia is heading into an economic storm with no captain", <http://www.ft.com/cms/s/0/15eb42e6-852e-11e4-ab4e-0144feabdc0.html#ixzz3MLCmRG92>.

²² See: The Security Council of the Russian Federation: Members. – The official website of the RF Security Council, <http://www.scrf.gov.ru/persons/sections/5>.

DEGRADATION OF THE UKRAINE-RUSSIA ECONOMIC RELATIONS: WHAT IS NEXT?



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For over two decades of Ukraine's independence, its economy has been closely tied to the Russian one in various aspects – trade, production, finance – but especially in mentality and humanitarian aspects, reflecting the long history of existence as one country. Ukraine relied strongly on Russia in trade and investments, although the overall technology and market dependence of the Ukrainian economy on the Russian economy demonstrated a lasting tendency for a certain estrangement. This trend was not a steady one, and there were certain ups and downs driven by changes in the political climate of the countries' relationship. Starting from 2011, however, the trend outlined itself more distinctly as a result of serious complications in the Ukraine-Russia relations in response to Ukraine's choice to integrate with the West (the EU) rather than the East (Eurasian structures).

Thus, while in 2011, when the volumes of trade between the two countries reached their peak, the Russian share in Ukrainian exports totalled 29%, in 2013 it dropped to 23.8%, and then fell even lower during the first 10 months of 2014 – to 19.1%. As for the imports, the Russian share decreased from 35.3% to 30.2% and 24.6%, respectively.

In the services market, the Russian share in Ukrainian exports also manifested a noticeable tendency towards reduction – from 40.9% in 2011 to 36.9% in 2013, and 32% as of the first 9 months of 2014. And only in Ukraine's import of services, the Russian share has not changed significantly: 15.3% in 2011 and 15.4% for the 9 months of 2014. This can probably be explained by the already relatively low level of trade dependence in this sector.

The growing crisis in the Ukraine-Russia economic relations: separate dimensions

Russia has been losing its value as a trade partner for Ukraine as a result of a significant decline in the absolute volumes of trade turnover. In 2011-2013, Ukraine's exports decreased by some \$4.8 billion, and may shrink by another \$4.4 billion by the year-end results of 2014. In 2014, the export of Ukrainian services may total \$3.7 billion, which is \$1.9 billion less than in 2011. Thus, in 2014, Ukraine is expected to lose over \$11 billion (43%) of its exports to Russia in comparison with 2011. Of course, it is a considerable amount, having a considerable effect on the overall negative dynamics of the Ukrainian economy.

Russia's all-encompassing attack on Ukrainian exporters is rather striking (the figures provided in the Table "Commodity groups in Ukraine's exports to Russia..." show the "contributions" of individual sectors to the reduction of Ukraine's exports to Russia).¹ Overall,

the commodities that currently account for one third of exports to Russia have decreased by 10-20%, those accounting for 40% of exports – by 20-40%, and the commodities with the 13.4% quota have virtually suffered market destruction: the losses have exceeded 40%. In general, overt or covert trade restrictions and reduced demand resulting from the latest political developments have affected, to various degrees, the commodity groups accounting for 87% of Ukraine's exports to Russia.

On the other hand, in 2011-2013, imports from Russia also reduced substantially – by \$5.9 billion – and may decrease by another \$7.9 billion in 2014. Thus, Russia's overall losses on the Ukrainian market will be even higher than those incurred by Ukrainian exporters. Still, Ukraine cannot regard such reduction as a positive outcome, as it entails scaling back on procurement of Russian energy products at the expense of drastically cutting back on power consumption. This will in its turn affect the growth potential of the Ukrainian economy, especially of a number of its power-intensive sectors.

¹ Source: According to the data provided by the State Statistics Service of Ukraine. Export-import of individual commodities by world countries in January-February 2014, <http://www.ukrstat.gov.ua>.



Commodity groups in Ukraine's exports to Russia that are most affected by Russia's discriminatory policy (January-October 2014)

Commodity group	Share in Ukraine's commodity exports to Russia in 2014 (%)	Export reduction compared to the same period in 2013 (%)
1. Significant decrease (10–20%)		
Various food products	0.8	10.0
Salt; sulfur; lands and stones	3.8	18.1
Mineral fuels; oil and refined products	1.6	18.9
Inorganic chemistry products	7.0	16.9
Various chemical products	0.4	19.0
Footwear	0.3	19.3
Glass and glass products	0.3	18.6
Nuclear reactors, boilers, machines	17.1	14.1
Optical and photographic devices and appliances	1.1	13.9
Total for Category 1	32.4	
2. Serious crisis (20–40%)		
Meat and fish products	0.2	22.7
Plastics and polymer materials	2.3	38.2
Caoutchouc and rubber	0.3	35.8
Wood and wood products	0.7	22.6
Paper and cardboard	5.8	21.3
Carpets	0.1	31.5
Textile clothing and clothing accessories	0.1	28.6
Other ready-made textile products	0.1	35.9
Products made of stone, gypsum, and cement	0.5	38.1
Ceramic products	1.3	31.4
Ferrous metals	14.6	32.4
Products made of ferrous metals	6.4	21.7
Copper and copper products	0.5	33.7
Aluminium and aluminium products	0.2	32.1
Tools and cutlery	0.1	30.4
Electric machines	6.7	31.6
Land transport vehicles other than railway transport	1.3	27.8
Total for Category 2	41.2	
3. Market destruction (over 40%)		
Meat and eatable by-products	0.7	56.2
Milk and dairy products, poultry eggs and natural honey	1.4	60.9
Flour and cereal products	0.1	55.4
Seeds and oil plant fruit	0.2	51.9
Fats and oils of animal or plant origin	0.3	44.4
Sugar and sugar confectioneries	0.2	70.7
Cacao and cacao products	1.3	59.1
Vegetable products	0.9	46.1
Alcoholic and non-alcoholic beverages and vinegar	1.0	43.5
Organic chemical compounds	0.4	52.4
Knitted clothing and clothing accessories	0.4	40.4
Railway locomotives	6.3	63.3
Watercrafts	0.1	76.4
Other	0.1	73.7
Total for Category 3	13.4	

Lately, Russia's share as an investor in the Ukrainian economy has also been decreasing: from 7.4% to 6.1% over the first 9 months of 2014, as compared to the beginning of the year, and by \$1,330.2 million (31%) in absolute terms – as a result of a significant *hryvnia* to US dollar devaluation.

Restricting measures in the Ukraine-Russia economic relations are now also extending to labour migration. Starting 1 January 2015, as part of the set of measures taken to regulate the employment of migrant workers, the Russian government has in fact deprived Ukrainian workers of a number of previously enjoyed privileges by applying to them general employment procedures based on their labour patents. Along with the intensified monitoring over compliance with the maximum length of stay in the Russian Federation of 90 days in any consecutive 180 days, this is sure to have a significant impact on the overall volumes of labour migration from Ukraine to Russia.² Thus, some experts anticipate a 20-30% decline in Ukrainian migration to Russia,³ and Russian Prime Minister D. Medvedev thinks⁴ that losses incurred by Ukrainians as a result of losing their wages in Russia might reach \$11-13 billion.

The potential of Russia's further destructive impact on Ukraine's economy

It should, however, be noted that despite losing some of its positions on the Ukrainian market, Russia retains a significant potential of impacting the processes occurring in the Ukrainian economy. This is due to the prominent position of the Russian capital in the financial sector. Over the recent years, Russian banking capital has gradually expanded onto the Ukrainian market ensuring the placement of four Russian-controlled banks among the 15 banks of the first group as classified by the NBU: these Russian banks account for about 18% of the total capital (equity and raised capital), almost 21% of the authorised capital, and over 20% of loans issued by the first-group banks.⁵ Over the course of just one year, despite the overall decline in trade relationships between Ukraine and Russia, the aggregate capital of these four banks grew by almost 25%, and the loans issued – by 31%.

Moreover, the Russian capital has a substantial impact on the Ukrainian stock markets, first of all because Ukraine's two major stock markets – PFTS and the Ukrainian Exchange – are subsidiaries of the Moscow Stock Exchange.⁶

Russia retains a significant level of control over the production chains in a number of key sectors of the Ukrainian economy, including the nuclear power industry (in particular, creation of nuclear fuel production facilities), as well as the aircraft and rocket engineering industries.

While the Ukrainian economy is experiencing serious difficulties exacerbated by the slow introduction of

² According to the Federal Migration Service of the Russian Federation, as of the end of 2013 over 1.6 million Ukrainians were working in Russia, earning \$27 billion for 2013 – See: Citizens of the Fraternal Country. *Russian authorities promise hard times to Ukrainian migrant workers.* – *Lenta.ru*, 30 December 2014, <http://lenta.ru/articles/2014/12/30/migrants>.

³ The flow of Ukrainians to Russia may reduce by 20-30%. – *Izvestia*, 30 December 2014, <http://izvestia.ru>.

⁴ Dmitry Medvedev. *Russia and Ukraine: Living by New Rules.* – *Nezavisimaya Gazeta*, 15 December 2014, <http://www.ng.ru>.

⁵ Estimated by the author based on the Ukrainian banks' financial statements submitted to the NBU. – <http://www.bank.gov.ua/control>.

⁶ PFTS – the First Stock Exchange Trading System; a stock exchange created in 1995.



systemic reforms, Russia's policy is likely to be aimed at selective stimulation of internal destructive processes that would further undermine the economic climate and social and labour spheres, thus giving rise to large-scale social protests as a stimulus for subsequent internal political destabilisation and a shift towards a pro-Russia political regime. Such selective efforts can first and foremost be expected in the following areas.

In **trade**, the above losses of Ukrainian exports to Russia resulted from a number of restrictive trade measures employed by Russia with regard to the most sensitive spheres of Ukrainian exports with an increased level of dependence on the Russian market. Such measures, in particular, include the ban on or "suspension" of the import of milk and dairy products (including cheeses), pork, canned vegetables and fish, juices, potatoes, sunflower, confectionery products by *Roshen*, *AVK*, and *Konti*, and *Obolon* and *Sun Inbev Ukraine* beer, as well as prohibition of transit through Russia for Ukrainian airlines.

At the same time, the said trade restrictions should be regarded only as a certain overture to larger-scale trade restrictions on the part of Russia. The latter have already obtained legal basis pursuant to the Resolution issued by the Russian government on 19 September 2014 on **excluding 174 commodity groups and items from free trade** (including foodstuffs, as well as products of light and chemical industries, ferrous metallurgy, machine building, and construction materials, etc.)⁷ and, respectively, applying to them most favourable promotion, i.e. general import tariffs set for WTO member states. New trade restrictions may take effect after the enactment of the Free Trade Area Agreement signed between Ukraine and the EU (which is currently postponed until the beginning of 2016) or in the event that the Russian government accuses Ukraine of taking steps towards the "practical implementation of this Agreement". Such wording enables to impose the above restrictions at any moment.

The restrictive measures may also apply to the sector of Ukrainian service exports, dominated by transport services. Russia is likely to intensify its policy of deploying bypass transit routes for gas and other goods, accusing Ukraine of being unreliable as a transit country.⁸

For the Ukrainian economy, the adverse consequences of such actions on the part of Russia can be significant and cause further economic destabilisation, including production stoppages for major companies, mass lay-offs or implementation of unpaid leaves, considerable external payment complications, and even the threat of default.

In the field of material production and production cooperation, Russia can facilitate further fall of Ukrainian real sector companies and a reduction of their market value, which will make it more probable that they will be absorbed by the Russian capital or ousted from the market by the Russian competitors. This goal may be attained through:

- imposing trade restrictions that reduce sales volumes and the return on economic activities;

- pursuing an import substitution policy, especially in the sectors with the highest dependence on Ukraine;
- suspending agreements for cooperative supply, which may disrupt the continuity of economic processes and force Ukraine to incur additional costs on changing its suppliers;
- controlling the mechanisms of financial markets and influencing the exchange quotes of various Ukrainian companies;
- delaying settlements under certain contracts, which would aggravate the financial standing of Ukrainian companies.

Furthermore, Russia will arrange for or encourage a transfer to Russian territories of a number of Ukrainian production facilities that are important for it from the standpoint of building cooperative production chains, in particular in military-industrial complex, aircraft production, etc. These measures have already been carried out in the occupied Ukrainian territories and may be further extended to other southern and eastern regions of Ukraine.

In the sphere of money management and currency relations, Russia retains a significant potential of influencing Ukraine. With an extensive network of commercial presence, subsidiary structures of a number of major Russian banks operating on Ukraine's territory, and control over the financial markets, Russia can influence the processes in the capital and money markets by formatting their demand, speeding up or slowing down settlements under commercial contracts, and creating various local deficits in order to provoke speculative market demand. A contributing factor here is Russia's significant influence on the Ukrainian information space where Russian-controlled mass media can disseminate rumours and statements of politically biased commentators to undermine the remaining trust towards the government and initiate disruptive market processes. The main purpose of such actions is to deepen people's distrust of the Ukrainian currency and to ensure a mass outflow of foreign currency. Further *hryvnia* devaluation may give rise to such price disparities that could lead to an uncontrolled collapse of the entire system of economic relations, since most market operations will become unprofitable.

Given the significant share of foreign wire transfers by Ukrainian migrant workers in Ukraine's payment balance, Russia may be expected to introduce procedures to complicate money transfers from Russia by migrant workers under the premise of enhancing control over foreign migration, counteracting the financing of international terrorism, etc.

Future developments in the Ukraine-Russia economic relations

It is clear that today's severe crisis in the economic relations between Ukraine and Russia is not a passing phenomenon to be followed by the restoration of the bilateral trade volumes of 2010-2011. These relations have **crossed a certain "point of no return"**: the political

⁷ Resolution of the Russian Government "On Introducing Import Tax Duties for Goods Made in Ukraine" No. 959 of September 19, 2014 – Official website of the Federal Security Service of the Russian Federation, <http://ips.pravo.gov.ru>.

⁸ D. Medvedev already frankly warned about it in the aforementioned article on "living by new rules".



climate of the Ukraine-Russia relations has changed drastically; any remaining trust has been forfeited; and cardinal differences in mentality and values between the civil societies of the two countries have come to the fore. By now, it is not only out of the question for Ukraine to engage in any forms of Eurasian integration. Hardly any partnership or cooperation is possible. That is, in a new political environment, Ukraine's economic relations with Russia may be built *beyond preferential economic treatment exclusively on the basis of generally accepted principles of international law and WTO standards*.

For Ukraine it is, in essence, *the end of balancing between the two vectors – West and East – which will involve a large-scale geo-economic reorientation of its national economy*. However, this process cannot occur overnight and will require some time. On the other hand, it would not be sensible for Ukraine to resort to the instruments of economic war against Russia or artificially set new borders in Europe and block mutually beneficial economic contacts based solely on political and ideological considerations. In view of these principle aspects, the key motivation behind the fundamental systemic changes in the Ukraine-Russia economic relations should involve the following.

First, Ukraine urgently needs to free economy of a number of elements formed in the past in a qualitatively different economic environment, which today *no longer reflect the evident comparative advantages of the national economy on an international scale*. For instance, a developed complex for the manufacture of power-consuming chemical products could have been justified at one time in view of the availability of guaranteed supplies of cheap gas from former USSR republics (first and foremost, Russia), but now it is a source of serious economic imbalances.

The above problem also has a more general dimension: the necessity to *substantially reduce the dependence of Ukraine's economy on external energy suppliers*, since the excessive dependence on energy imports has over the last years become one of the key factors contributing to the low competitiveness of the national economy. This challenge can only be addressed in the context of a long-term policy of enhancing the energy efficiency of technologies used by production facilities and households, as well as cardinal changes in the economy structure. In the event of considerable advances in solving this problem and approaching the energy efficiency level of, let us say, Scandinavian countries, Ukraine *could entirely forego importing costly Russian gas or at least be in the position to sway Russia to set reasonable prices for this natural resource*.

It should also be noted that the economy of the former USSR was formed with a focus on self-sufficiency supported by an extensive use of income and finance re-distribution mechanisms, as well as pricing beyond the normal market level (this was actually a concealed mechanism of cross-subsidisation of individual industries and production sectors). The shift to the market economy broke down most mechanisms of the former centrally planned economy, and those remaining (for example, centralised control over the financial flows, price subsidies, etc.) were fundamentally reformatted. All of these factors put together have dismantled the basis for maintaining

a considerable array of previously established economic ties. That is why they started to dwindle as early as 1990s, despite the slogans touting the "historical brotherhood of the nations" and the necessity to reintegrate into the new Eurasian community. And the lack of investments required to renew certain technologies further spurred on the progressing disintegration, since maintaining the long-established ties ceased to be conducive to renewal of production, at least to the extent required to maintain global competitiveness.

The acute political crisis in the Ukraine-Russia relations was only the *catalyst* of this process, rather than its basic cause. It only highly exacerbated the need to retire a number of obsolete ties. And the bold exhortations of the Eurasian integration proponents about a "joint leap into a high-technology future" lack persuasiveness, as they are deflated by more than modest indicators demonstrated by the member states in leading international ratings on innovation development and underwhelming outcomes of extensive high-tech revamping initiatives (for example, the Skolkovo phenomenon).

Second, the Ukrainian economy must be *structurally adjusted through mitigating the impact of those elements that pose significant security risks*. This motive also refers to the aforementioned challenge of reducing power consumption. However, it becomes even more relevant in view of the dependence of Ukrainian machine-building companies on their partners within cooperative production chains built in the former USSR not so much for economic efficiency, but rather for military security considerations (production cycles locked inside the USSR). Such dependence, as evident from the above analysis, has become a source of significant hazards for Ukraine while Russia resorts to artificial trade and economic restrictions. Yet, it is not only about the overdependence of production on delivering to the Russian market, exceeding, in many cases, half of the gross output. The fact that most major technology centres that have the ownership rights on technologies at the basis of some of transborder machine building production and cooperative systems are located in Russia (it especially refers to such strategically important sectors as rocket-and-space and aircraft complexes, other military defence facilities, and nuclear engineering) constitutes yet another problem. This makes certain manufacturers critically dependent on Russia's policy, which can easily block the development of certain production segments in Ukraine by restricting technology transfer and prohibiting the use of certain intellectual property related to joint production.

However, even if such restrictions are not imposed, further close cooperative ties between many of Ukrainian and Russian companies will still be problematic. The growing differences in technical regulation standards will, as Ukraine adapts to higher EU standards, deepen the gap between the countries regarding technical trade regulation, which will increase the barriers in mutual production relations. Such barriers may be reduced given positive dynamics in technical regulation within the Eurasian Economic Union for harmonisation with international standards, including the EU technical regulations.

Third, the modernisation of the Ukrainian economy is a strategically important objective that requires *substantial diversification of its potential trade and*



economic relations, development of new unconventional markets, and attracting new partners from among technology leaders in various business areas. Pursuant to the Association Agreement, Ukrainian participants will be granted new opportunities of joining European programmes for innovative development and cooperative and cluster production systems. Clearly, this is bound to have a certain restricting impact on the Russian-Ukrainian economic relations, given a number of outdated elements in their structure. At the same time, such policy may give rise to new opportunities for mutual economic relations to the extent of finding adequate forms of their incorporation into trilateral or multilateral scenarios with involvement of EU partners. Such opportunities exist both in developing the international infrastructure (transport, communication, IT) and in generating new knowledge and innovative solutions, in particular, in the context of new power engineering, environmental optimisation of development, etc.

At the same time, it is not realistic to expect that all the elements of Ukraine's existing production structure classified as high-technology will find international production alternatives to replace Russia. It is highly probable that the US and EU partners will not be sufficiently interested in developing Ukraine's potential regarding military defence or rocket-space and aircraft technologies or will demand full control over these segments through the acquisition of control packet of the relevant companies through TNCs. In this context, we can refer to the examples of countries of Central and Eastern Europe that experienced significant problems in the course of their EU integration, as they actually lost the majority of their high-technology production facilities (which had previously developed within the scope of international cooperation between the countries of the former Council for Mutual Economic Assistance) or transferred control over them to TNCs, maintaining standardised product manufacturing of the "second technology echelon".

Fourth, the Ukraine-Russia economic relations must be organically incorporated into a broader format of global and regional mechanisms regulating economic processes. The world has become too interdependent to rely on individual national political and corporate business considerations. Additionally, Ukraine's joining of a number of international organisations (namely, the WTO) was, among other things, dictated by its intent to have access to the mechanisms of risk reduction to facilitate development and build a more stable and predictable institutional business environment.

In this regard, it should be noted that Ukraine has so far failed to make an effective use of the regulatory options provided by leading international organisations in which Russia is also a member. In particular, *a number of questions arise as to Ukraine's failure to resort to the appropriate procedures provided by the WTO in the event of the violation by member countries of relevant agreements or obligations assumed upon joining*, considering that in its economic policy Russia has systematically broken and continues to break a number of key rules stipulated by the WTO. Yet, taking advantage of these opportunities evidently requires a certain amount of technical assistance on the part of more powerful and experienced WTO

members through applying the available mechanisms of reviewing the trade policy and settling trade disputes.

Apparently, Ukraine should activate its contacts with the Organisation for Economic Cooperation and Development by initiating a programme of preparing for future membership in this organisation, bearing in mind the fact that Russia has already initiated membership negotiations (which have, however, been suspended as part of the gamut of agreed upon actions taken by the West against the Russian aggression in Ukraine).

Fifth, probably the most important factor that will determine the future developments in the Ukraine-Russia relations is that Ukraine, even in the light of the aggravated political relations, has not been and will hardly ever be – despite the appeals of individual public figures and politicians – the initiator of artificial acceleration of truncating mutual economic flows. The extensive destruction thereof hardly meets Ukraine's strategic interests to have an economically and socially stable neighbour country for fruitful cooperation and mutually beneficial trade. ***And it would hardly be constructive to raze everything, incurring irrecoverable damages to one's own economy in the process, and then proceed to ponder how to restore the relations in an economic wasteland in the post-Putin period of Russia's development, which will inevitably come.***

In this respect, it is important to adhere to the *principle of reasonable sufficiency*. Certain destructive processes in the Russia-Ukraine economic relations must be brought into the format of a "creative destruction" policy, which implies creating conditions for a potential future deployment of considerably more productive and efficient ties with the new Russia that has overcome its current imperial syndrome.

Ukraine should be ready not only for decisive actions to limit the destructive influence of the Russian factor on the national economy, but also to operate in a hypothetical future scenario of "Russia's return to Europe", which may come after the country changes its course towards democratisation. In pursuit of Europeanisation, Ukrainians **are not interested in building a high wall between Europe and Eurasia, but rather strive to become a bridge that unites them.**

It should, however, be borne in mind that the outlined changes in the Ukraine-Russia economic relations **are only possible in the context of successful internal reforms** in Ukraine and its advancement on the path of Europeanisation. **It is the successful Europe-oriented reforms that may become a driving force behind the powerful motivating influence on the Russian public and propel it to cardinaly revise the current disruptive geopolitical expansion course pursued by Russia.**

On the other hand, a failure to implement the fundamental changes will already in the short term result in Ukraine going into a certain "political default". As a result, this may discredit Ukraine in the eyes of the EU and other western countries, which, in turn, might force the country to reanimate its course of November-December 2013, but in a substantially more gruelling format, or even challenge the integrity of its statehood. ■

REINTEGRATING CRIMEA: METHODOLOGICAL ASPECTS



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The methodology for analysing the opposition between Ukraine and Russia insofar as it concerns the Crimea should not be built on the state-centric understanding of the situation. Such understanding boils down to analysing the military presence and diplomatic success of the rivalling states, while factoring out any analysis of a society as an integral system and ignoring individuals' opinions in the context of their rights and interests. The institution of a state in this case is usually regarded as a "black box" exerting outward influence.

The importance of acquiring an integral view of the situation, particularly in the context of the state-society-individual triangle, is supported by the understanding that the roles of society and individual in Ukraine and Russia, respectively, are too egregiously different to ignore them as a potential factor of formation of competitive advantage of one party over the other. Similarly, deep understanding of the "black boxes" of state mechanisms may give a more adequate idea of the multifaceted reality. Such multifaceted projections can then be modelled using more flexible instruments than traditional diplomatic and military efforts.

This article will essay to illuminate certain aspects of the said subject.

State

It is obvious that Ukraine and the Russian Federation, despite any similarities in their state development after the breakup of the USSR, have gone down different paths of state building and achieved different results. Whereas the Ukrainian state went through a recurring existential crisis of reassessing itself, Russia with the advent of V. Putin established and solidified itself, using the words of V. Kononenko and A. Moshes, as a "network state", i.e. a state combining informal groups exerting their influence and formal state structures exerting control.¹ The Crimea's example illustrates these different vectors and clearly outlines their distinctions. Furthermore, a time gap of 23 years has been squeezed into a one-year transition period declared in Crimea.

The Ukrainian state in Crimea used to rely upon local elite, which lacked substantial business interests and political ties with the mainland Ukraine or Kyiv. Kyiv set no store by installing a unified organised force on the peninsula, which allowed for an internal struggle to take place there. The exception was a short period of V. Yanukovich's rule when the local elite was removed to appease the natives of Donbas. The structure and processes were primarily built around the mainland

component of corrupt liaisons and did not depend on particular personalities. This system allowed for rather transparent elections to the Crimean Parliament, as the Crimean public did not set forth any alternatives to the political projects that would question the system of the corrupt interdependence in place at the time. Therefore, the elections were usually held without substantial violations.

The Russian state changed the ground rules of the game in Crimea. *Firstly*, the Kremlin in 2014, after a period of uncertainty and seeking support, made its bid. The tandem of Aksyonov-Konstantinov was chosen from among other candidates to act as the main proxies of Moscow's interests in Crimea. Without going into the analysis of the reasons for this choice, it is worth noting that afterwards the other candidates were "removed" from the political "Olympus", which had never taken place in Ukraine prior to that. Subjected to this "removal" were some of the influential Crimean businessmen, including S. Donich, L. Islyamov, O. Melnyk, and R. Temirgaliyev. Despite the public support of the Russian government, the businesses of these persons were either nationalised or found themselves on the brink of bankruptcy.

¹ Vadim Kononenko. *Russia beyond 2012: the challenges of the network state.* – <https://www.opendemocracy.net>, 28 November 2011.

The ideological pursuit of the “detection of democracy and chaos”, persistently and expertly implemented by V. Putin over an extended period of time,² is now being vigorously implemented in the occupied Crimea. A harsh vertical power structure is being built. V. Konstantinov headed the Crimean regional division of the Kremlin’s “United Russia” party. S. Aksyonov headed its electoral list in the Crimea. The elections to the local Parliament had little to do with the criteria of transparency and democracy. Almost all off-system players who had failed to establish their subordination to the governmental tandem were either not admitted to voting³ or deliberately included in the lists of failing parties. Today total control and, therefore, the effect of “order” are expressly touted and contrasted against the events in Ukraine. S. Aksyonov has full support of the federal government and pro-Kremlin media, which is reflected in the stable growth of his popularity.⁴

Yet, we should not overestimate the stability of the hierarchy of the Russian vertical. Thus, the balance of power in relations between the Crimean FSS (headed by the obviously highly authoritative officer dispatched to Crimea) and Crimean law enforcement, appointed by the local government, particularly by the prosecutor’s office, remains uncertain. Repeated distancing of the Crimean officials from the operations of the federal security agencies, despite appearing demagogic, may have an actual practical basis.⁵ The role in the political situation of the North Caucasian elite, who has been pursuing its commercial interests in Crimea while intensifying its influence on the religious life of Crimean Tatars, is also ambiguous. S. Aksyonov openly expresses his affinity for the leader of Chechnya R. Kadyrov and in no way opposes the ideological and economic expansion of the North Caucasian element. It is unclear how this may progress in the situation of the escalating conflict between the Crimean government and Crimean Tatars, in case the factor of religious kinship may outweigh servile loyalty to the Kremlin. As one of the leading researchers of today’s Russia J. Sherr puts it, despite coming across as a rational player, Russia is in fact no such entity.⁶ This statement sounds furthermore substantiated with regard to the “perpetually transitioning” Crimea.

Society

Economic relations. Regardless of all flaws in the Ukrainian economy, we should take into account that before the annexation of Crimea, with its population of about 2.4 mln persons, had officially over 100 thousand self-employed entrepreneurs, which figure was above average for Ukraine. Furthermore, Crimea’s “business confidence” was rather high, evidenced by the peninsula placing first among all regions of Ukraine in the “Business

Optimism 2013” rating.⁷ Private enterprises in the service and food industries generated jobs for a considerable share of Crimean workforce.

Russian approach to conducting business is rather peculiar. V. Putin’s propensity for grooming industrial leaders and promoting market monopolisation, blurring the line between state and private forms of big enterprise ownership, the dominance of ex-security service agents who provide formal and informal support to certain businesses – all of this is new for Crimea. For Russia, economic relations based on connections, rather than the rules, is business as usual, whereas the judicial system is “despotic for those who are not connected, and negotiable for those who are”.⁸ The transition period in Crimea is inseparably connected with the active redistribution of property: state and utility enterprises of the same sector are combined into *state unitary enterprises*, heads of which are usually appointed from among former public officials.⁹ State authorities pass resolutions on the pricing of some of the goods that up until recently had been governed by the free market mechanisms.¹⁰ Furthermore, local and regional administrations are expanded by increasing the civil servants’ staff. Thus, the staff of a new Simferopol municipal administration numbers 422 employees,¹¹ which is only one person short of the number of staff in the Administration of the President of Ukraine, which numbers 423.¹²

The sudden implementation of regulatory measures thereto unknown to a Ukrainian entrepreneur has had a negative affect on the economic activity across the peninsula. For the lack of positive expectations, most of private businesses decided not to renew their registration under the Russian jurisdiction. Thus, as of the end of 2014, only 526 objects of the hospitality businesses out of about 3,000 in existence obtained Russian registration.¹³ Only 96 out of 3,000 Crimean mass media outlets renewed their registration as of the end of November 2014. Taking into account the slow process of formalising business relations with Russia, the registration period has been extended till 1 March 2015,¹⁴ but this will hardly make a difference.

The recently optimistic Crimean businessmen cannot help but be resentful of the “manual mode” of the state regulation of the economy. However, those aggrieved are usually either left unheard or, for the most part, keep quiet. O. Chaly, one of the heroes of the “Crimean spring” and, as of recently, head of the so-called Legislative Assembly of Sevastopol, may have been the only one to publicly express his dissatisfaction with the policy of the Russian government in Crimea, which resulted in an open conflict between him and Sevastopol’s governor S. Meniaylo, the Kremlin’s protégé, underscoring the fundamental

² See: Sherr J. *Hard Diplomacy and Soft Coercion: Russia’s Influence Abroad.* – Chatham House, the Royal Institute of International Affairs, Razumkov Center, Kyiv, 2013, p.5.

³ Zubkov extends an invite to the “funeral” of honest elections in Crimea. – Crimean News, 2 August 2014, <http://news.allcrimea.net>.

⁴ Sergey Aksyonov took the 2nd place in the media rating of Russian governors in 2014. – Information Agency “Crimea”, 16 January 2015, <http://www.c-inform.info>.

⁵ Accusations of the ATR management towards Crimean government are groundless - Polonskiy. – New Crimea, <http://www.newc.info/news/2647>.

⁶ See: Sherr J. *Hard Diplomacy and Soft Coercion...*, p.16.

⁷ Rating of Investment Attractiveness of the Regions: Report (full version), p.137. – Website of the Institute of Economic Research and Political Consulting, <http://www.csi.org.ua>.

⁸ Sherr J. *Hard Diplomacy and Soft Coercion...*, p.75.

⁹ See, for example: “Crimean Sea Ports” Headed by Ex-Deputy Minister of Economy Andrey Vasyuta. – Information Agency “Crimea”, 22 January 2015, <http://www.c-inform.info>.

¹⁰ See, for example: Crimean Speaker Described the Pricing Problem Using Apples. – Ibid, 9 December 2014.

¹¹ Head of Simferopol Administration Thanked Aksyonov for Support and Discussed the Structure of New City Administration. – Ibid, 14 January 2015.

¹² Administration of the President Initiates Resumption of the Council of Investors under the President. – Official website of the President of Ukraine, 11 November 2014, <http://www.president.gov.ua>.

¹³ 500 hotels and health centers went through re-registration in Crimea. – Crimean News, 9 January 2015, <http://news.allcrimea.net>.

¹⁴ The period of re-registration of legal entities prolonged to 1 March. – Kerch.FM, 8 January 2015, <http://kerch.fm>.



differences in mentality of local businessmen on the one hand and Moscow envoys on the other.¹⁵

Civil society. Throughout the years of independence, civil society in Ukraine was becoming more resourceful and dynamic, was getting more attention of mass media, substantial financial support, and real influence on decision-making by state authorities. Crimea was fully integrated in these all-Ukrainian processes: there was a number of civil society organisations, expert companies, and representative offices of international organisation, including UNDP Sub-Office in Crimea.

With the Crimea occupation by Russia the situation has changed drastically. International organisations ceased their activities for the obvious reasons of their non-recognition of the new jurisdiction they found themselves under. The “new government” loud declarations of the importance of the general public’s participation in the state decision-making resulted in creation of a so-called Public Chamber of the Republic of Crimea, which included apologists of the Kremlin’s policy. As of 15 January 2015, after over six months of its operation, this body’s sole resolution was to “plan building a dialogue with the government”.¹⁶ At the same time, many public activists and representatives of expert circles relocated to the mainland Ukraine.

Individual

As J. Sherr aptly puts it, “Russia appeals not to one’s values, but to one’s identity [...] and as identity is based more on familial kinship than on general appeal, its draw is often much more powerful”.¹⁷ And – true enough – in terms of working with people, Russia’s state policy, unlike that of Ukraine, distinctly articulates the importance of the ethnic kinship between Russia and the peninsula’s population. The efforts taken to actualise this “identity solidarity” are particularly apparent in the active support of Crimea by organised Russian tourists, although – once again – the boundary between these individuals’ free will and the exertions by the state inducing these tourists from above by providing them with free vouchers is somewhat blurred.¹⁸

Those ethnic Russians who find the Kremlin’s slogans appealing may feel comfortable within this paradigm of “identity affiliation”, but it may not apply a priori to ethnic Ukrainians and Crimean Tatars. Despite persistent popularisation of the myth about the brotherhood of ethnic Russians and ethnic Ukrainians, in practice this “identity solidarity” has not embraced local Ukrainians. In Crimea, the Russian state closed the only Ukrainian gymnasium and is persecuting Ukrainian Orthodox Church of the Kyiv Patriarchate. The situation with Crimean Tatars is quite similar. Even though, the state has repeatedly put out slogans proclaiming the restoration of their rights, in application, dissenters are being persecuted in Crimea (including killings, kidnappings, house searches, banning Crimean Tatar leaders and dissidents from entering Crimea, etc.);¹⁹ their languages are not supported, and religious issues are subject to speculation.

In general, a profile of an average resident of Crimea becomes increasingly similar to a profile of an average Russian citizen. The Council for Foreign and Defence Policy of the Russian Federation as far back as 2011

made a conclusion regarding the Russian public: “The public is experiencing a growing feeling of anxiety and distress, a feeling of insecurity [...] and lawlessness of the bureaucratic elite estranged from the general public. [...] Laws and property are not respected. Same as before, paternalistic sentiments run high. The level of political morality is decreasing rapidly; the meritocracy principles are spurned”.²⁰ It is safe to say that these moods have by now affected the Crimeans as well. An average student might be disgruntled by an inept consolidation of universities. A businessman’s optimism has declined. A voter loses her trust of election promises and becomes jaded. Only pensioners, civil servants, and military personnel are somewhat more satisfied. We shall state that this satisfaction has appeared to be a by-product of Ukraine’s objectively poor targeted work – both as a state and as a society – with these groups. It was not until 2014 that the role of some of these demographics started being re-considered.

CONCLUSIONS

There is no doubt that the topic tackled in this article warrants deeper and more comprehensive investigation. This article merely strives to illustrate methodological approaches towards analysing the Crimean situation in the context of the opposition between Ukraine and Russia when it comes to Crimea. A fundamental principle of such analysis is the stratification of Crimean reality into a number of components, which allows for an in-depth comparative analysis between the characteristics of this or that sphere of public life at the time of Crimea’s functioning under the Ukrainian jurisdiction versus under the current *de facto* control by Russia.

The division into the points of view (perspectives) of “state”, “society”, and “individual” is conditional, especially under the imposition of total state control on most spheres of life in Russia. Yet, it may be useful both for the theoretical accuracy of the study and for determining practical steps to change the situation in this or that sphere.

The preliminary results of this study disclosed in the article attest to the fact that Russia has achieved certain success in terms of state building in Crimea, as there are no significant differences between the Crimean system of government relations and those of an average Russian region. However, the questions of the liaising of law enforcement officials and the emergence of the North Caucasian factor remain indeterminate.

Transition periods in public life, particularly in the business and civil society sectors, are characterised by a relatively slow pace. Compressing of 23 years of distinct development patterns of the Ukrainian and Russian societies into a one-year transition period has evidently failed.

At the level of an individual, a lot hinges on the core of one’s self-identification. If it is “*Russian-ness*”, such a person is well-appointed to get comfortably integrated into the mental environment of today’s Russia. If the core of one’s self-identification lies elsewhere, e.g. “Ukrainian”, “Crimean”, “student”, “businessman”, then problems may arise, as to these communities the Russian government currently offers no ready paradigms for their integration into the “Russian world”. ■

¹⁵ For more details, see: G. Yarkov. The Kremlin’s Victory and Defeat in Sevastopol. - Crimea. Realities, 17 September 2014, ua.krymr.com.

¹⁶ Work plans include dialog with the government. – Website of the Public Chamber of the Republic of Crimea, 15 January 2015, <http://www.opcrimea.ru>.

¹⁷ Sherr J. Hard Diplomacy and Soft Coercion..., p.14.

¹⁸ Over five thousand aided persons from Sverdlovsk region visited health centers of Crimea in 2014. – Information Agency “Crimea”, 22 January 2015, <http://www.c-inform.info>.

¹⁹ See: 117 criminal cases on the disappearance of citizens are being investigated in Crimea. – *BSNews*, 9 December 2015, <http://www.blackseanews.net>.

²⁰ Quoted from: Sherr J. Hard Diplomacy and Soft Coercion..., p.99.

THE POINT OF NO RETURN



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Proposing the “Crimean test” of “Tell me who Crimea belongs to, and I’ll tell you who you are”, Ayder Muzhdabaev put his finger on the essence of the main issue in what is evidently the most important Russian debate at least since the collapse of the USSR.¹

The discussion he started is not only and not so much about Crimea.

And not only about Ukraine.

And not even about the Russia-Ukraine relations.

This is a discussion about Russia.

About what is to become of it.

About what kind of rules the contemporary Russian society may follow and what principles should guide the new Russian state, both internationally and domestically.

The three legal principles and the three main political forces in modern Russia

According to their responses to the Crimean test, Russian politicians and public figures have fallen into three distinctly different groups. Regardless of the finer points of their positions, their responses turned out to be founded on three distinct principles: both concerning their own behaviour and desired legal organisation of public life as well as their preferred action on the part of the nation state. These are the *three different principle of one’s attitude towards a crime*, whether potential, currently perpetrated, or already committed.

The first principle is the *principle of force not curbed by any law or morals*. “If I can do it, then I am free to do it”. “There is no such crime that cannot be committed if the opportunity presents itself. If you get a chance to attack, steal, pillage, occupy, annex, appropriate, rape, kill, then so you should”. This is the principle followed by the *mafia*. This principle is repeatedly exemplified by Vladimir Putin and the current Kremlin Corporation in their practical undertakings both inside and outside Russia, a principle widely popularised by advocates of the regime.

The second principle is the *principle of shamefaced populism, referring to unlimited (illiberal) democracy as its cover*. “We are free to do whatever the majority wants to do”. “I admit that all possible laws and regulations are being (have been) violated, that a crime has been committed; I agree that the crime committed is atrocious; I even go as far as to condemn this crime; but if the majority of the population is in favour of upholding the outcome of this crime, I will do nothing to stop it, defend the victim, return the spoils, and punish the offender”. This is the *principle of resignation to existing realities* that stem from the offense, the principle of subordination of one’s own actions to the crowd instinct. It is a principle endorsed by Alexei Navalny, Mikhail Khodorkovsky, Yulia Latynina – a principle that has gained support and numerous interpretations by their followers.

The third principle is the principle of the rule of law and liberal democracy. “We are only free to do that which does not violate the legitimate rights of others – in case of both individuals and states”. “If a crime is being (has been) committed, regardless of what people around me think about it, I will do everything possible to stop the crime, defend the victim, and punish the offender.

¹ Ayder Muzhdabayev – deputy editor of *Moskovsky Komsomolets* newspaper.

If need be, it is worth investing extensive time and energy into; it is even worth sacrificing one's own life". Crime is unacceptable. In the event it is committed, the victim must be defended, spoils returned, and the thief – let alone a robber, rapist, or murderer – should be imprisoned. This is the *principle of the rule of law*. It is a principle advocated, in particular, by Arkady Babchenko, Vitaly Portnikov, Boris Vishnevsky, Andrei Piontkovsky, Garry Kasparov, and many others, including the author hereof.

These three types of responses to crime, the three fundamental principles of personal conduct, basis of the legal regime, and the nature of actions of the state can be reduced, using Feodor Dostoevsky's terms, to three basic formulas: "Crime and its promotion", "Crime and its shamefaced acceptance", and "Crime and punishment". In the events of the late 1930s in Europe, these three principles were embodied in the actions carried out by three groups of prominent figures: Hitler, Mussolini, and Stalin, in the first case; Daladier and Chamberlain in the second; Churchill and de Gaulle in the third – representing, respectively, an act of aggression, appeasement of aggression, and resistance to aggression.

The three European (and universal) ways of development

In the light of the proclamation and regular reiteration by Putin, Navalny, and Khodorkovsky of their commitment to the so-called *European way of development*, it should be noted that all three of the above mentioned principles, these three types of actions are altogether European and quite contemporary. Such instances as the Sicilian mafia, Mussolini's and Hitler's *national mobilisations*, and the rule of law in the Anglo-Saxon, Scandinavian, and Continental traditions – are all thoroughly European phenomena. Therefore, in and of itself, a solemn declaration of the European choice does not exclude subsequent advancement down the paths of organised crime or national mobilisation, all quite European in their origin.

Moreover, all three of these choices are not only European, but also universal. Each of them can take on a variety of regional and ethnic incarnations: mafia may take the form of Neapolitan Camorra or Japanese Yakuza; national mobilisation can opt for the Italian / Mussolini, German / Hitler, or Argentine / Peron course; constitutional state can be found all over the world – from Canada and Iceland to Hong Kong and Taiwan. Therefore, in itself, a proclaimed commitment to the so-called *European way of development*, which may initially sound very appealing to many listeners, not only does not say anything about the essence of the proposed form of a society's evolution, but also serves as a convenient way of concealing it.

Whereas the immediate reaction to a crime falls into one of the three categories of possible responses (see above), the crime's inevitable effects on public life yield just two categories of possible outcomes. They are based on the two types of mutually exclusive answers to basic questions about the crime. Has the victim been avenged? Has the stolen property been recovered? Has the offender been punished? Yes or no? If the answer is "yes", then not only has justice been restored, but the



chance of a possible repetition of the offense has been reduced. If the answer is "no", then not only has justice been spurned, but a relapse is inevitable – in terms of both repeated crimes and new crimes, including ones with more grave consequences.

The main legal principles cultivated by human civilisation over thousands of years of its existence – from the Code of Hammurabi and the Russian Pravda to the criminal codes of all, without exception, modern states – is the inevitability of punishment for the crime committed. This principle has been engendered by various human societies, embodied in the wide range of epics of peoples of the world, enshrined in the sacred books of all religions, extolled and popularised in the literature and devotional works that have become part and parcel of national and universal culture and morality – from Akira Kurosawa's *Seven Samurai* and John Sturges's *Magnificent Seven* to every other Hollywood and Bollywood production:

The weak must be protected.

Evil must be punished.

The victim must be avenged.

Justice must be restored.

These are the universal principles of free and civilised (legal) human society.

The three components of the "non-return" ideology

The responses offered by Navalny, Khodorkovsky, and Latynina to the crimes already committed and still perpetrated by the Kremlin regime – the appropriation of Crimea, raiding of Donbas, and raping of Ukraine – constitute a recognition of these crimes and, at the same time, acceptance of their outcome, as well as a simultaneous failure of countering these atrocities and refusal to punish their perpetrators. "A sandwich can be returned, Crimea – cannot". "You cannot ungrind what has been ground". "The sandwich has already been digested". "You cannot turn an omelette back into an egg". "Only a dictator could restore Crimea". "I know Russian reality; it is impossible to return Crimea. I will not give it back".



What is the explanation for this position of the “non-returners”?

There are three options – the three components of the “non-return” ideology.

Firstly, it may result from adhering to the principle of the so-called *realism*. Khodorkovsky: “*I have a pretty good idea of what is realistic in Russia and what is not*”. Of course, this approach is not that of aggressors and the mafia.

This is the position of pushovers.

This is the attitude of slaves and serfs.

This is the stance of a genuflect peasant handing a thug his own harvested rice and barley, along with his wife and daughters.

It is coaxing of one’s self and others to *accept new realities*.

Crimea is taken – one cannot get it back.

Yukos is taken – one cannot get it back.

I am sitting under house arrest; my freedom has been taken – I cannot get it back.

Cities, media, and power have all been seized from us – we cannot get them back.

Our political and civil liberties have been taken away – we cannot get them back.

Our own country has been hijacked – we cannot get it back.

Someone else’s property has been taken, a neighbour’s territory annexed – they cannot get it back.

Migrants are being poisoned; “blacks” are being beaten; the Jews in concentration camps are being burned – we must come to terms with new realities.

This is the *philosophy of appeasement of mobsters, gangsters, and terrorists*. This is the point of no return for yesterday’s opposition.

Secondly, this may be an attempt to cover up their own imperial and chauvinistic views. If the “non-returners” will attempt to insist that the above examples, say, are incorrect; that it is totally wrong to assemble them all in the same list; that, say, it is only acceptable to take Crimea, but not Yukos; that, say, their one’s own liberty and property may not be taken, but taking the freedom and property of others is no problem; that, say, burning Jews is unacceptable, but as for poisoning Central Asian migrants, that is as good as God’s command – then this would all be evidence of pure, distilled imperial chauvinism. And also, this is a declaration of fundamental and profound spiritual kinship between the “Crimean non-returners” and Crimean aggressors. The only difference between them lies in the degree of hypocrisy they display: the mafia feel no need to justify their crimes, while the “realists” are trying to justify their imperial-chauvinistic appetites by harping on the “dominant opinion of the benighted people”, the “democratic vote of the majority”, the “results of a real and fair referendum”.

This is the mental point of no return for the former opposition.

A *third* explanation could be the commitment of the “non-returners” to so-called *democratic tyranny*, that is, recognition of admissibility of resolving any issue (including issues of territorial ownership) using the opinion (vote) of the majority. According to this principle, the question of not only public, but also private and personal life can be ruled by the opinion of persons who are not adequately authorised. Thus, if the neighbours decide to move another person into an apartment despite the objections of its owner, if the caucus does not grant a divorce to a husband and wife, if the vote has determined that the property seized by the authorities does not have to be returned, one has no choice but follow these decisions of democratic tyranny. If you happened to be in the presence of gang rapists while the gang is raping a victim, it makes absolutely no sense to protest: “*only a dictator could defend the victim*”, and “*I have a pretty good idea of what is realistic in a gang and what is not*”.

This is the moral point of no return for the former opposition.

No matter what kind of explanation for the “non-returners” position is closest to the truth – whether it is primarily their commitment to “realism”, imperial chauvinism, democratic totalitarianism, or some combination thereof – at any rate, one thing is certain – the position of “non-returners” has nothing to do with either liberalism, or the rule of law, or a strategic programme of cultivating the rule of law and liberal democracy in Russia. It must be no coincidence that in his epic discussion with Portnikov, Khodorkovsky made what may be his most important confession, which outweighs all of his other statements and declarations: “*Of course, I am no expert on the issue of constitutional state*”. Alas, this is true: in his numerous comments, Khodorkovsky has demonstrated that he really has no idea what a constitutional state and the rule of law are all about.

Should Crimea be returned?

As for the answer to the question that has become a direct trigger for a major national debate in today’s Russia – *Is it necessary to return Crimea?* – it is so simple and obvious, that it perhaps should have been deliberately invented to use in a crash course training of a number of Russian politicians in the basics of law.

The fact that Russia should return Crimea to Ukraine is indisputable.

And all arguments used by opponents of the return not only do not hold any water – they are simply irrelevant.

It does not matter in any way how exactly Crimea was transferred from the RSFSR’s jurisdiction to that of the Ukrainian SSR in 1954. In particular, because this event does not produce any arguments – not even the weakest ones – in support of “non-returnism”, since the entire transfer was executed based on the decisions of the supreme legislative bodies of the USSR, RSFSR,

and Ukrainian SSR, in full compliance with the legislation in force at the time. Besides, by 2014, Crimea had been part of the Ukrainian SSR and Ukraine for almost twice as long as it had been part of the RSFSR earlier (60 years versus 34 years).

No economic failures of Ukraine or Crimea (past, present, or imagined) have any relevance in the case of the Crimean Anschluss, and its return cannot hinge on the potential economic prosperity of Ukraine or Russia's pending economic turmoil. Just as in the case of changing the borders, no pertinence is given to the economic backwardness of the Kaliningrad region as compared to Germany's prosperity or economic squalor of Pechenga, Ladoga Karelia and the northern part of the Karelian Isthmus in comparison with the economic success of Finland.

The fact that most of the residents on the peninsula are ethnic Russians likewise does nothing to justify the Crimean Anschluss. Most of the residents of Narva, Daugavpils, and the North-Kazakhstan region are also Russian, but that is no basis for accession of these areas to Russia and does not give any arguments to the "non-returners" of Crimea. Similarly, the presence of the German-speaking majority in Austria and Switzerland did not provide any justification for accession of these countries or any part thereof to Germany.

The announced results of the "occupendum" of Crimea of 16 March 2014 have no bearing, even if they had not been falsified and if more than half the inhabitants of the peninsula had indeed voted for annexation by Russia. In 1938, more than 99% of the population of the Sudetenland and Austria voted for their Anschluss at what were actual unfalsified referendums. Nonetheless, in the end, the Sudetenland was returned to Czechoslovakia and Austria remained independent.

Likewise, of no relevance is the allegedly pro-Russian public opinion in Crimea, referred to by Boris Nemtsov, even if the majority of its population really would vote for the annexation. Moreover, public opinion polls in recent years had consistently showed supporters of Crimea's secession to Russia to comprise an absolute minority of the population of the peninsula – 25% to 41% of the votes.

Especially of no importance is what exactly the people of Russia think about the Anschluss of the Crimea and how they may vote on this issue.

The Crimean jurisdiction is not a Russian issue. It does not fall under the jurisdiction of either the Russian authorities or Russian citizens.

Neither is the Crimean jurisdiction an issue of the Crimean population. With the exception of the indigenous inhabitants of the peninsula, especially the Crimean Tatars, no other inhabitants of Crimea possess any authority in this matter.

The issue of Crimea's ownership does not belong to the sphere of "negotiations between Russia and Ukraine with the participation of the European Union", since neither Russia nor the EU has any power in regard to Crimea. In addition, the notion of negotiations between the robbed and the robber in pursuit of justice is

absolutely absurd – no negotiations can be started before the unconditional return of everything looted from the victim.

The issue of Crimea's ownership is the prerogative of only one subject of international law: the owner of the territory. The owner of the Crimean peninsula is the state of Ukraine. Only this subject, and no other, has the necessary powers to change the ownership of this area.

These powers of the Ukrainian state in regard to the jurisdiction of the Crimean peninsula are codified both by Ukraine ("Art. 134 of the Constitution of Ukraine. The Autonomous Republic of Crimea is an integral part of Ukraine.") and the Autonomous Republic of Crimea ("Art. 1 of the Constitution of the Autonomous Republic of Crimea. The Autonomous Republic of Crimea is an integral part of Ukraine"). Moreover, they are documented and repeatedly affirmed by all other subjects of international relations, including Russia.

The only situation in which a Russian political or public figure would be justified in supporting Russia's refusal to return Crimea to Ukraine is an abjuration by the Ukrainian state of its rights to Crimea, expressed in an explicit and unambiguous legal manner.

In all other cases, support of the refusal to return Crimea to Ukraine constitutes the approval by such a Russian political or public figure of some of the particularly grave international crimes committed by the Putin regime: aggression against Ukraine and Russia's annexation of Crimea. In all such cases, this figure immediately and unconditionally becomes a *de facto* ally of Putin's regime, regardless of any proffered reservations and qualifications concerning the complexity of the return procedure and references to the opinion of other citizens. In this regard, the *Echo's* reporter's remark is quite telling: "Navalny's interview came out, and yet, *Echo* acquired no new problems. Probably because the hero of the interview said something that pleased the powers that be. Or, conversely, did not say anything to displease them".

When and how will Crimea be returned to Ukraine?

Khodorkovsky believes that "only a dictator could return Crimea to Ukraine in the upcoming decades".

History does not corroborate his words. It provides various examples of ways of returning an annexed territory to its legitimate owner. Kuwait, annexed by Iraq, was freed from the occupation seven months after it began. Kuwait's sovereignty was recognised by the post-Saddam and non-dictatorial Iraq.

The Anschluss of Austria in 1938 was declared void after five years by the Moscow Declaration of the Allies on 30 October 1943. Austrian sovereignty was restored in 1945.

The Sudetenland, annexed by Germany, was returned to Czechoslovakia as a result of the Potsdam Conference seven years after its annexation. The retraction of claims to Austria and the Sudetenland was made not by a dictatorial, but by a democratic Germany.

East Timor, annexed by Indonesia, regained its independence in 1999, after 24 years of occupation.



The UN Charter:

Article 2

3. All Members shall settle their international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered.

4. All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations.

<http://www.un.org/russian/document/basicdoc/charter.htm>

Helsinki Accords (Conference on Security and Cooperation) of 1 August 1975:

II. Refraining from the threat or use of force

The participating States will refrain in their mutual relations, as well as in their international relations in general, from the threat or use of force against the territorial integrity or political independence of any State, or in any other manner inconsistent with the purposes of the United Nations and with the present Declaration. No consideration may be invoked to serve to warrant resort to the threat or use of force in contravention of this principle. Accordingly, the participating States will refrain from any acts constituting a threat of force or direct or indirect use of force against another participating State.

Likewise they will refrain from any manifestation of force for the purpose of inducing another participating State to renounce the full exercise of its sovereign rights. Likewise they will also refrain in their mutual relations from any act of reprisal by force.

No such threat or use of force will be employed as a means of settling disputes, or questions likely to give rise to disputes, between them.

III. Inviolability of frontiers

The participating States regard as inviolable all one another's frontiers as well as the frontiers of all States in Europe and therefore they will refrain now and in the future from assaulting these frontiers.

Accordingly, they will also refrain from any demand for, or act of, seizure and usurpation of part or all of the territory of any participating State.

IV. Territorial integrity of States

The participating States will respect the territorial integrity of each of the participating States.

Accordingly, they will refrain from any action inconsistent with the purposes and principles of the Charter of the United Nations against the territorial integrity, political independence or the unity of any participating State, and in particular from any such action constituting a threat or use of force.

The participating States will likewise refrain from making each other's territory the object of military occupation or other direct or indirect measures of force in contravention of international law, or the object of acquisition by means of such measures or the threat of them. No such occupation or acquisition will be recognized as legal.

<http://www.osce.org/ru/mc/39505?download=true>

Agreement on the establishment of the Commonwealth of Independent States of 8 December 1991:

Article 5

The High Contracting Parties recognise and respect each other's territorial integrity and the inviolability of existing borders within the Commonwealth.

http://www.worldcourts.com/eccis/rus/conventions/1991.12.08_Agreement_CIS.htm

Budapest Memorandum dated 14 January 1994:

... as soon as the START 1 Treaty enters into force and Ukraine becomes a non-nuclear State Party to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), Russia and the United States shall:

- affirm their commitment to Ukraine in accordance with the principles of the CSCE Final Act to respect the independence and sovereignty and the existing borders of the CSCE participating States and recognise that border changes can be made only by peaceful means and by agreement; and reaffirm their commitment to refrain from the threat or use of force against the territorial integrity or political independence of any state and that none of their weapons will ever be used except in self-defence or in any other manner in accordance with the Charter of the United Nations.

<http://www.lawmix.ru/abrolaw/12281>

"Big" Treaty of Friendship, Cooperation and Partnership between the Russian Federation and Ukraine of 30 May 1997:

Article 2

The High Contracting Parties, in accordance with the provisions of the UN Charter and obligations under the Final Act of the Conference on Security and Cooperation in Europe, shall respect the territorial integrity of each other and affirm the inviolability of their existing borders.

Article 3

The High Contracting Parties shall build relationships with each other based on the principles of mutual respect, sovereign equality, territorial integrity, inviolability of borders, peaceful settlement of disputes, non-use of force or threat of force, including economic and other means of pressure, the right of peoples to freely dispose of their own destiny, non-interference in the internal affairs, human rights and fundamental freedoms, cooperation between States, conscientious fulfilment of international obligations, and other universally recognised norms of international law.

Article 4

... Parties shall endeavour to resolve all contentious issues exclusively by peaceful means and cooperate in the prevention and resolution of conflicts and situations that affect them.

Article 6

Each of the High Contracting Parties shall refrain from participation in or supporting any act aimed against the other High Contracting Party.

<http://docs.cntd.ru/document/1902220>

The restoration of the sovereignty of East Timor was recognised by the democratic, not dictatorial Indonesia.

Estonia, Latvia, Lithuania, and Moldova, all annexed by the USSR in 1940, were once more recognised as independent states 51 years later not by the dictatorial Soviet Union, but the democratic Russia.

It is probably true that the way to Russia's retraction of the annexation of Crimea and its return to Ukraine will not be quick and easy. But that does not mean it will not happen. And it definitely does not mean that such a task should be (or can be) forsaken.

The path to creating a free democratic state in Russia is likely to be no less, but rather more difficult of a task

than the return of Crimea to Ukraine. But this does not mean that it will not happen. And it does not mean that in the light of the current or future challenges it is sensible (or acceptable) to abandon this goal. A refusal to solve a simpler problem, compared to a more complex one, points not to the impossibility of solving it, but to the mere fact of "refuseniks" and "non-returners" defecting from the opposition and passing their personal point of no return.

Once the problem of creating a free democratic state is solved in Russia, such relatively small by comparison problem as the return of Crimea to its rightful owner will be solved quickly and easily. ■