



# A Rude Awakening

Ramifications of Russian Aggression Towards Ukraine

Niklas Granholm, Johannes Malminen and  
Gudrun Persson (eds)

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Cover: TT Nyhetsbyrå, Marko Djurica, Reuters

The muzzle of a Ukrainian military vehicle is seen in front of a Ukrainian flag at a checkpoint outside the southeastern port city of Mariupol May 11, 2014. Rebels pressed ahead with a referendum on self-rule in east Ukraine on Sunday and fighting flared anew in a conflict that has raised fears of civil war and pitched Russia and the West into their worst crisis since the Cold War. REUTERS/Marko Djurica.

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Godkänd av Maria Lignell Jakobsson

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# 1 Aim and Scope

The main purpose of this study is to examine the wider implications of Russia's aggression against Ukraine with a broad analytical perspective. The focus is on events from late 2013 up until May 2014. While the effects of the crisis in the region of Crimea and eastern Ukraine have received much attention, there has so far been less analytical focus on the effects beyond the region and on the possible ramifications for the international system. In this study, we put forward the proposition that there is no way back to a *status quo ante*. The contours of a new situation in strategic affairs can be clearly discerned, but the long-term impacts and effects are yet to be seen.

The need for a more comprehensive analytical effort is clear. The fragmented and at times chaotic information environment, forms part of the challenge for analysis of an ongoing crisis. Unlike the FOI study<sup>1</sup> on the Russian-Georgian war in September 2008, we do not have the advantage of studying a conflict where the military operations have clear start and end points framing the analysis in time and topics. This crisis is unfolding while the work is going on.

Events may unfold that could turn the analytical work on its head, rendering parts of the study moot. In spite of these apparent risks, it is our view that even an incomplete study will contribute to the furthering of future analysis. These circumstances limit the ambitions of our study. Even though the time-frame was short we were able to include many topics of significance.

The secondary aim is thus to create a set of analytical jumping-off points that can contribute in focusing future research, analysis, studies and debate on the relevant issues.

The study can be read in several ways. The first chapter summarises some of the possible effects of the crisis and asks to what extent we are facing a systemic shift in world affairs. The rest of the study is divided into two main parts. Part one: Setting the Scene gives a background and analysis the underlying factors and drivers of the crisis from a Ukrainian, Russian and EU perspective. Part two: Implications, firstly analyses Russian

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1 Larsson, Robert (red.) (2008), *Det kaukasiska lackmustestet: konsekvenser och lärdomar av det rysk-georgiska kriget i augusti 2008* (Stockholm: FOI), FOI-R--2563--SE.

military operations in Crimea, followed by consequences for the Ukraine. A thematic approach, in the areas of international law, economy, energy and sanctions, follows. The next chapter explores the security policy and strategic consequences. Lastly, we analyse some global implications for key actors, regions and conflicts.

Each chapter has one principal author, with others having contributed specialist writing and advice. The draft chapters were reviewed by the project manager and two co-editors, Dr. Gudrun Persson and Dr. Johannes Malminen both at FOI. Dr. Richard Langlais reviewed the updated texts. This was followed by a final seminar, where Mr. Johan Tunberger, former Director of Studies at FOI, cast a reviewing eye on the chapters. Mr. Per Wikström designed maps and charts. Ms. Sanna Aronsson, Ebba Lundin and Heidi Askenlöv kept the progress of the work on track and gave invaluable support in a million other vital details that helped the work process run smoothly.

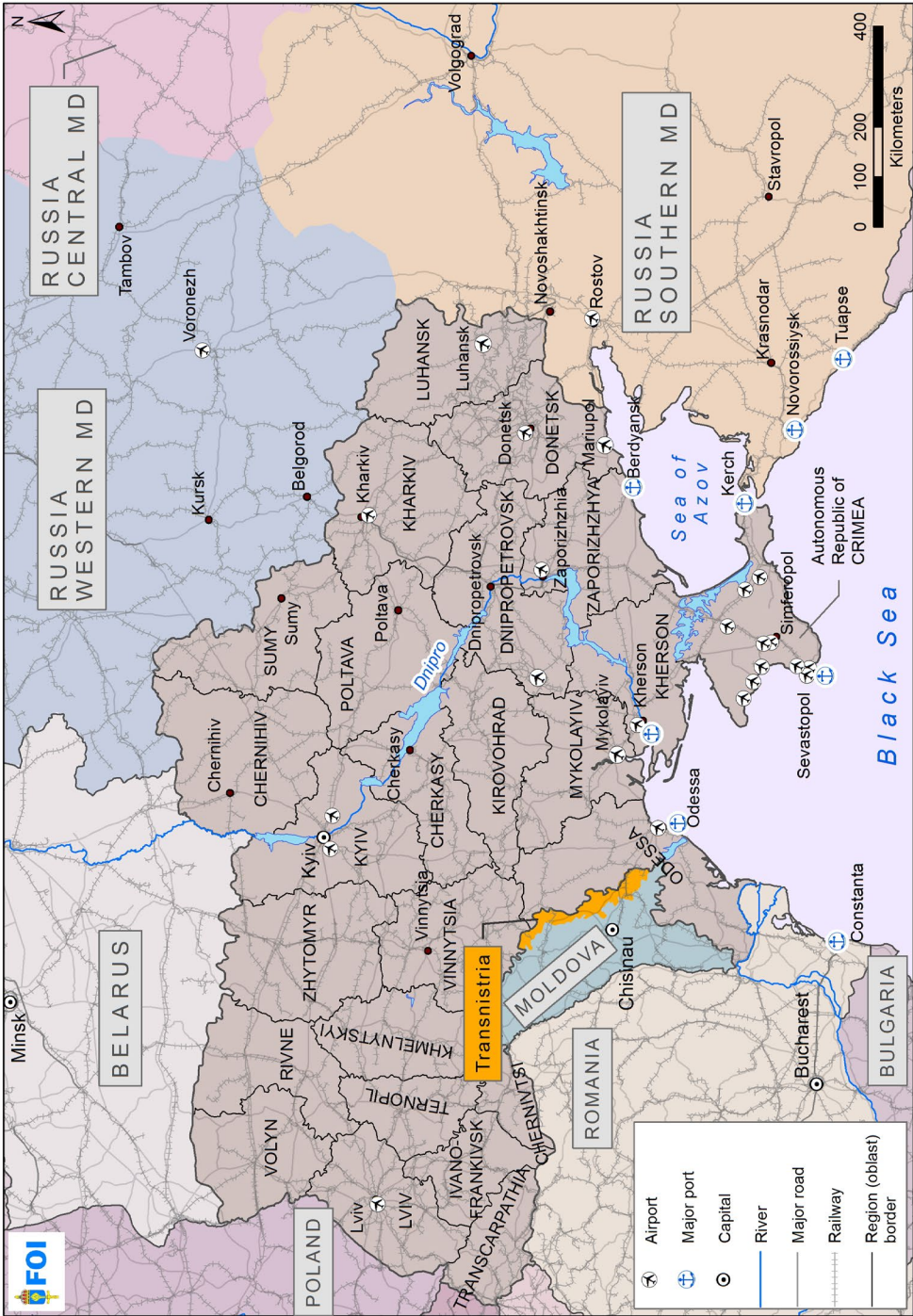
Hopefully, the result of our efforts during the winter and spring of 2014 will be of use in the further analysis of a complex of fast-moving developments that will most likely prove to be a strategic game changer.

Stockholm in June 2014

**Niklas Granholm**  
Editor and Project Manager







## 2 A Strategic Game Changer?

Niklas Granholm and Johannes Malminen

*The Russian aggression towards Ukraine in the spring of 2014 was a rude awakening. 'Little green men' popped up and suddenly an illegal annexation of Crimea had taken place. Meanwhile, the rest of the world had only a limited and initially feeble response to offer. In the short term and on the tactical level, Russia appears to have succeeded in its endeavours to illegally annex a part of another country, despite the international norms and rules to which it had signed up. In the longer term and on the strategic level, the outcome is far from certain. A number of knock-on effects are now in motion and have yet to settle down again. Some of the issues that the West will have to deal with are how to solve the acute dependency many countries have on Russian energy, what the adequate military strategic set-up and force dispositions are, how much defence spending is sufficient after years of underinvestment, what the effects on the multilateral relationships, institutions and international law are and, lastly, how is the world order going to change?*

We are still in an ongoing crisis. Nevertheless, it is clear that the crisis in Ukraine has already gone so far that there is no way back to the *status quo ante*. The implications will be far-reaching and go on for many years to come. In this study, we argue that the scope of possible outcomes is wide and that the crisis will have local, regional and global effects. Forecasting the outcome is difficult, primarily because the logics and dynamics set in motion vary and interact. For example, financial markets react instantaneously, while adjustment of energy infrastructure and dependencies take years.

This makes analysis of a developing crisis kaleidoscopic in nature and presents a level of complexity that is a challenge for politicians, diplomats and analysts alike. Seemingly and usually disconnected factors may suddenly interact in unforeseen ways and with different internal logics and speeds, complicating prediction and analysis. However, capabilities, infrastructure, cultural patterns and past experiences change more slowly and shape and develop the situation in ways that may narrow the scope of possible future outcomes.

### **WHAT DOES IT ALL MEAN? AN ATTEMPT AT A SYNTHESIS**

The breach of trust and clashing interests between an increasingly authoritarian Russia and the West, with its own complicated interrelationships and problems, is profound and cannot be easily mended.

How Russia acts in global economics and security affairs must be considered in combination. Russia has an interpretation of its strategic interests where military security is the dominant paradigm; economic affairs is subordinated. The current political leadership acts as though the country can go it alone and take advantage of, or even abuse, international economic interdependencies to achieve security. Russia builds its own multilateral institutions, such as the Eurasian Customs Union. The goal is for Moscow to be in the centre, with former Soviet republics as dependent satellites.

Internationally, there has been a strong belief in economic interdependence as a tool for peace for a long period of time. It has been seen as an important vehicle for integrating Russia in the international community after the Cold War. However, Russia has been reluctant to be integrated on globalised terms and chosen a path with state capitalism and a high degree of centralism. This has led to growth from the extraction of natural resources, but limited innovation and growth in other sectors. During the present crisis, arguments for Russian autarchic policies have been voiced in order to limit Russia's exposure to economic sanctions and dependence on the global economy.

In security affairs, Russia maintains a zero-sum view of the world. Absolute security is the goal, which if successful would mean absolute insecurity for everyone else. The belief in the military instrument is strong, and Russia has focused on rebuilding its military capability in the last decade. Use of force against smaller neighbours and illegal annexation is a part of the policy. There are no signs that this policy is about to change. In the Crimea operation, Russia used a combination of tried and tested measures in order to achieve operational success. For the last few years, it has been clear that new operational concepts have been under development based on strategic thinking in the Russian general staff. However, it is debatable whether the operation constitutes anything new. Also, the circumstances in Crimea were highly particular: a limited and well-defined geographical area, with an ethnic Russian majority and established Russian military bases in close proximity to Russia.

A repetition elsewhere will not necessarily be as militarily successful. Moreover, the element of surprise has been lost.

With Russia choosing a path of 'strategic solitude', its behaviour in international affairs will reinforce and in time bring about a higher degree of isolation from the rest of the world. The breach of trust brought on by Russia's actions against Ukraine will take a very long time to rebuild.

For the EU member states, this rude awakening presents a serious challenge in how to cooperate and coordinate policies and actions internally and externally. Speed is of the essence in a crisis. How can the 28 members ensure that a fast and coherent response will be forthcoming? A measured response has to weigh short and long-term interests if it is to be credible. The EU project has been so successful that open inter-state conflict between member states has been ruled out. In the last decade or so, military modernisation has focused on conflicts outside of the EU, while the territorial defence has been put on the back burner and defence spending has gone down. Internal success has influenced views on security and the EU is now suddenly facing a qualitatively different perception of security in its dealings with an authoritarian Russia. A different 'dialect' on security issues has suddenly presented itself to the EU members. What was once written off as part of history has returned with a vengeance. Speaking different security 'dialects' poses political, ideological and economic challenges in EU-Russian relations.

The US has for a number of years tried to normalise relations with Russia. Some time after the Russian-Georgian war in 2008, the Obama administration pursued the 'Reset Policy'. This policy could also be seen against the backdrop of the earlier US interventionist policies. With the outcome of the Afghanistan and the Iraq II wars, US priority was on rebalancing to Asia as China's rise in world affairs gained momentum. Russia was not the focus for US policymaking.

In the aftermath of 9/11, the US has spent blood and treasure on interventions with meagre results. The outcome is a reluctance to intervene militarily. The current approach is put into question by the present crisis. Can forces in Europe be scaled back further? Will European NATO members shoulder a bigger responsibility for security and territorial defence in their own neighbourhood? An old debate on transatlantic burden-sharing has returned to the agenda. NATO had to a large extent transformed its force structure towards out-of-area operations and crisis management abroad. US military forces and assets

based in Europe were primarily thought of as a forward-basing for engagements elsewhere. How fast and to what extent will this change? What are the implications and will the US be willing to shoulder the expense, given its long-term strategic priorities and commitments in Asia?

The events in Ukraine have further clarified that there are different perspectives on military security in the US and the EU. The US has a global perspective and security commitments worldwide, while EU member states at most have a regional perspective with the main interest to keep the US committed to Europe. The EU's NATO members are strategically dependent on the US for their military security. Amongst themselves, they are still insufficiently coordinated in their military posture to project stability, and they remain focused on their own national security issues.

The crisis will have an impact on the European security architecture. With the end of the Cold War, the European security architecture has to a large extent focused on crisis management and peace support operations abroad. Gradually, structures and institutions have developed to address these tasks. Two pillars of the European security architecture during the Cold War, NATO and the OSCE (Organisation for Security and Cooperation in Europe) managed to adjust to a post-Cold War world. NATO went out-of-area in order not to go out of business, while the OSCE had a mission to help with the transition and build confidence after the end of the Cold War. The task of the OSCE remains unchanged, but the institution has been starved of resources and political attention in the past decade. NATO has been a key player in transforming nationally-oriented defence forces to be interoperable in a multilateral setting with a focus on out-of-area operations. The crisis will force NATO to reassess and refocus its defence posture. To what extent will the territorial dimension matter again? And what is a proper level and force posture given the circumstances? For the OSCE, confidence and security-building measures might be back on the agenda. What is the scope for the OSCE to take on these tasks? Both institutions will again have to refocus and adjust in order to stay relevant.

The EU has the most to lose from the effects of Russian aggression towards Ukraine. While many basic values are shared within the EU, its internal cohesion is being put into question, its military capability is insufficient or non-existent in many areas, and it is unsure of what it stands for in external affairs. Russia has had plenty of success in bi-lateralising its relations

with many EU member states, while the EU has been late to raise the issue to the multilateral level. For example, it took a long time for the EU to deal with its dependency on Russian energy in a coordinated fashion. Russia is likely to continue with its bilateral approach.

With 28 member states, it generally takes a long time for the EU to coordinate a response. However, when its member states come to decision, what has been lost in the decision-making process is made up for in legitimacy. In many ways, the EU stands out as the weakest link in establishing a cohesive and timely response, while the US has many other priorities on the agenda. Then, what are the prospects for a coordinated, effective and long-term transatlantic response to Russian aggression?

The events in Ukraine have implications globally as well. The aggression presents China with a number of problems. First, to what extent can China trust Russia in international affairs? As Europe over the medium to long term is likely to diversify its energy mix and import from more countries than it does today, Russian energy will be available for others. To what extent will China dare to make itself dependent on Russian energy resources given the major gas deal in Shanghai in May 2014? Second, on the grand strategic level, China depends on the global liberal economic world order for its development and rise as a global power. If Russia is seen as an unreliable actor and spoiler rather than a trusted partner, China may have to change its policies and its approach towards the US as the primary upholder of this order. Despite the so-called pivot to Asia, Chinese-US relations might benefit from Russia's current behaviour. Third, on the tactical-operational level, Russian aggression towards Ukraine might provide an example for Chinese actions in its perceived sphere of interest. To what extent is this case applicable to problems in the South China Sea or elsewhere? Fourth, the Chinese Communist Party sees the developments in the perspective of regime survival. On the one hand, interference in internal affairs must be avoided in the international system. On the other hand, interventions can serve Chinese interests. If Europe unites in response to Russian actions, stands up for human rights and attaches conditions to economic affairs, China may have two different problems at hand; a more assertive West with one set of policies and a Russia with a completely different approach to economic relations. This is contingent on success in the free trade negotiations between the US and Europe, and between the US and Asian partners (Transatlantic Trade and Investment Partnership and Trans-Pacific Partnership).

In the Middle East, the effects can already be seen. The ongoing war in Syria has deepened over the last few months and its resolution seems even more remote. The modicum of agreement between the US and Russia has evaporated and a negotiated solution is now less likely. The prognosis is for continued instability and open conflict. This will affect the wider Middle East. The power balance in the Black Sea region has shifted and Turkey's aspirations to be a regional great power may trigger an overreaction. The domestic politics of Turkey, with an increasingly authoritarian leadership, push it away from European integration, while increasing tensions with its southern and eastern neighbours.

Iran's nuclear policies have been a problem for the international community for many years. The possibility of a settlement has improved with Rouhani's leadership. However, the current tensions between the US and Russia may prompt Russia to stall or attempt to scuttle the negotiations. Iran may also try to extract a better deal in this situation. The outcome of this process, be it positive or negative, will affect regional security among the Gulf states and Iran and have implications for the Syrian conflict as well.

Russian aggression towards Ukraine will have implications not only for individual states, but also for the international system. One key issue concerns reform of the United Nations (UN) and by extension the capability of the system to manage international affairs. The UN saw a revival after the end of the Cold War and was able to function for a while as originally intended. Nevertheless, there is now a debate on the relevance of the organisation, given its post-World War II structure. The organisation needs reform to address pressing issues and better reflect the present distribution of power. Several states aspire for a seat on the UN Security Council (UNSC) and reform has been on the agenda for some years. With Russia and other 'former' great powers among the permanent members of the UNSC, any reforms seem unlikely for the foreseeable future. While Russia might see an expanded UNSC in its interest, its veto power is not up for negotiation. Other members of the permanent five, such as the UK and France, are probably also in favour of status quo. Relevant and properly functioning multilateral institutions are key for the effective management of international conflicts. The case of Russia and Ukraine has made this abundantly clear.



Given its actions towards the Ukraine and the subsequent legal motivations used, Russia has thrown out much of the rule book on international law and violated the norms underpinning the system. Short-term gains have taken priority over long-term adherence to universally established principles in international law. Rather than applying the law thoroughly and objectively, a twisted and selective application of legal precedence has been used to legitimise political preference. This renders Russia's arguments invalid. The law has been used as an instrument for political power and the international community has lost confidence in Russia. Over the longer term, the ramifications of this are hard to assess. To what extent will Russia's actions in the legal field set a precedent in the practice of international law?

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Although Russia's aggression towards Ukraine came as a surprise to many, it had been in the works for many years. Has Russia overplayed its hand? Will the aggregated effect of Russian misbehaviour in international affairs galvanise a cohesive and coordinated response from the international community? Russia's actions will continue to shape debates and research agendas for years to come.

Russia has shown that it is a force to be reckoned with in the international system. We are most likely only at the beginning of a long process of structural changes that will have an impact on the local, regional and even the global level. Among other things, the wider developments challenge regional cooperation around the world, the design of the European security architecture, the level of defence expenditures, the robustness of energy policies, and great power relationships in Europe, Asia and the Americas. The crisis has acted as a catalyst and speeds up the process of transformation of the international order. Adjustment becomes qualitatively different when regularly incremental changes are disrupted by an environment where several factors change both quickly and simultaneously.

Last but not least, the crisis has triggered intense soul-searching on what it means to be European and what a globalised world stands for. We may have a new ideological rivalry brewing, where the global liberal world order stands against an authoritarian, state-capitalistic model.



# 3 Ukraine – A Background

JAKOB HEDENSKOG

*This chapter outlines Ukraine's history, from independence up to the recent events of EuroMaidan, Russia's illegal annexation of Crimea and the following unrest in eastern Ukraine. The chapter shows that the increasingly problematic Ukraine-Russia relationship has recently spurred conflicts within Ukraine, despite the fact that Ukraine has simultaneously witnessed a process of consolidation.*

## **FROM INDEPENDENCE TO THE ORANGE REVOLUTION**

Ukraine is a country of great internal diversity both geographically, ethnically and socially. Although ethnic Ukrainians made up 77.5 per cent of the total population according to the latest census from 2001, substantial parts of the population belong to ethnic minorities, particularly Russians (17.2%).<sup>1</sup> Large Russian communities exist only in Crimea and the Donbas (Donets Basin), but substantial groups of Russians also live in major cities all over Ukraine, not least in the capital, Kyiv. Another particular circumstance is that given the priority that the Russian language and culture had in the Soviet Union, a substantial number of the Ukrainians as well as the ethnic minorities in the country have Russian as their first language and often have only rudimentary knowledge of their ethnic language. According to the same census, 29.3 per cent of the total population claimed Russian as their native language. According to a recent survey almost 40 per cent claimed that they spoke Russian at home, and almost everyone in Ukraine switches between Ukrainian and Russian without any problems.<sup>2</sup>

Given this diversity, it is important to stress that at the time of its independence from the Soviet Union, support for independence had come from all over the Ukraine. The Supreme Soviet of the Ukrainian SSR adopted the act of independence on 24 August 1991, in the aftermath of the coup attempt

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1 Other minorities include Moldavians/Romanians, Belarusians, Bulgarians, Poles, Hungarians and others. Most minorities are to be found in the border regions close to their native countries.

2 There is also the Ukraine-specific language phenomenon called Svrzhyk, a type of speech based on the Ukrainian language and featuring strong influence from the Russian language, and which has formed as a result of a long-term co-existence of the two languages. According to sociologists, Svrzhyk is used daily by 16-18 per cent of the population of Ukraine.

in Moscow, on 19 August, when conservative Communist leaders had tried to restore central party control of the USSR. On the same day, the Ukrainian Supreme Soviet called for a referendum supporting the Declaration of Independence. When the independence referendum was eventually held, on 1 December 1991, the people of Ukraine expressed widespread support for independence, with more than 90 per cent voting in favor, out of a participation of 82 per cent of the electorate. Although the support was strongest in the Western and Central Ukrainophone regions, even in more Russophone regions in Eastern and Southern Ukraine, the support was still more than 80 per cent. Even in Crimea and the city of Sevastopol, the only two regions where the Russians constituted (and constitutes) the ethnic majority, the support for Ukrainian independence was more than 50 per cent.

Although support for independence had been widespread, Ukraine had never experienced independence before, and the political leadership lacked the experience for the task. Unlike in the Baltic States, the People's Movement, often referred to as Rukh ('the Movement,' in Ukrainian), and founded in 1989, was too weak after the fall of the Communist Party of Ukraine to shoulder power on its own. The political and economic power in the country came to stay in the hands of the former Communist party elite and with the mighty directors of the former state mining and industrial industries in the Eastern regions, (the so-called 'red directors').

Ukraine's first president, the former Chairman of the Supreme Soviet of the Ukrainian SSR, Leonid Kravchuk, took over many elements of the national agenda of Rukh, those concerning language and the 'Ukrainianess' of the new state. He also tried to develop contacts with the West and resisted pressure from Russia, but failed to reform the economy. His major achievement was the establishment of Ukrainian state structures and the agreement, in December 1994, with Russia, the USA and the UK, on the surrender of the Soviet nuclear weapons on Ukrainian soil, in exchange for security assurances and economic support – the so-called 'Budapest Memorandum'.

Shocked by the economic depression in the unreformed Ukrainian economy and the growing tensions with Russia, voters of industrial and predominantly Russian-speaking southeastern Ukraine supported Kravchuk's rival in the presidential election of 1994, Leonid Kuchma, the former head of a missile factory in Dnipropetrovsk. Although Kuchma promised closer ties to Russia and to make the Russian language the second official

language of Ukraine, he eventually followed Kravchuk's policy on the national agenda. During Kuchma's first presidential term, relations with Western partners—USA, NATO and EU—intensified, in parallel with a normalisation in the relationship with Russia, the co-called 'multivector policy'. In 1997, Ukraine and Russia agreed on both a Cooperation and Partnership Agreement, and on an agreement on the terms of the 20-year basing of the Russian Black Sea Fleet in Sevastopol. In both agreements, Russia committed itself to respect Ukraine's territorial integrity, including the Ukrainian supremacy over Crimea and Sevastopol.

Kuchma's second term in office was overshadowed by scandals, increasing authoritarianism and corruption of his regime, and the growing power of big business oligarchs from Donbas. This made him more vulnerable to economic and political pressure from Russia. By the end of the Kuchma period, Russia had substantially strengthened its grip on Ukraine.

#### **FROM THE ORANGE REVOLUTION TO EUROMAIDAN**

In the presidential elections of 2004, the Prime Minister, Viktor Yanukovich, former governor of the Donetsk region, was chosen as 'Russia's candidate' and Kuchma's crown prince. The years of corruption and misgovernment, however, had created a strong political opposition in the *Verkhovna Rada*, the Ukrainian parliament, and within the lively civil society in Ukraine. The opposition's candidate was Viktor Yushchenko, a former Prime Minister and former head of the National Bank. The election campaign was marred by fraud, massive corruption and even violence by the authorities, including the notorious dioxin poisoning of Yushchenko, which almost took his life.

The result in the second round of the election on 21 November 2004, between Yushchenko and Yanukovich, was declared in favor of the latter, this despite opinion polls and exit polls that showed a clear advantage for Yushchenko, which in turn triggered the Orange Revolution. After several weeks of daily protests by hundreds of thousands of supporters at the *Maidan Nezalezhnosti*, Independence Square, in Kyiv, as well as in many cities all over Ukraine, the Orange Revolution succeeded. The results of the original run-off were annulled, and Ukraine's Supreme Court ordered a new vote, to be held on 26 December 2004. Under intense scrutiny by domestic and international observers, the second run-off was declared to be 'free and fair,' and Yushchenko was sworn in as president in January 2005.

Neither the leadership of Russia nor Yanukovich, accepted the outcome of that election, perceiving the Orange Revolution to be the work of Western intelligence. This together with the conflicts over gas deliveries and Yushchenko's pursuit of NATO membership and staunch support for Georgia during the Russian-Georgian War of 2008, led to a serious deterioration in Ukraine-Russia relations.

The absence of political and economic reforms and the constant power struggles within the orange camp also disappointed Ukrainians. This gave Yanukovich the chance to make a comeback. He won the February 2010 presidential election by a narrow margin over Prime Minister Yulia Tymoshenko, the former 'Princess of the Orange Revolution.' This time, the election was judged by international observers from the OSCE to be honest and transparent.

Once in power, Yanukovich began a radical change of the political system in the country, seeking to consolidate power around himself and his Party of the Regions. On a non-constitutional basis, a new parliamentary majority was formed, that re-installed the Constitution of 1996. This restored the presidential system. Some of Yanukovich's political opponents, Tymoshenko among them, were sentenced to prison terms on political grounds. A tougher climate for media, and restrictions on democracy, confirmed Ukraine's path to authoritarianism. In 2010, Yanukovich signed an agreement with Russia on the extension to at least 2042 of the Russian Black Sea Fleet's basing in Sevastopol, in exchange for cheaper gas.

Yanukovich's decision on 21 November 2013, to pause negotiations on signing the Association Agreement and Deep & Comprehensive Free Trade Agreement with the EU, was met with strong protests from pro-EU demonstrators in Kyiv. Again, thousands of protesters crowded the *Maidan Nezalezhnosti* in a new wave of protests, which came to be known as EuroMaidan. After a police force met demonstrators on the night of 29-30 November, the protests increased and the demonstrators' main demand shifted to the president's resignation and a repeal of the country's corrupt and authoritarian regime. Although the bulk of the protesters of EuroMaidan were ordinary citizens, there were also radicals and extremists as in any revolutionary situation. These groups, in particular, the Right Sector (*Pravyi Sektor*), draw their inspiration from the radical Ukrainian nationalist movement in the 1940s – Union of Ukrainian Nationalists (UON) and its military wing, the Ukrainian Insurgent Army (UPA). The fact that the radicals formed self-defence forces at Maidan and many of them died in defence of Maidan in fights with the Berkut riot police. This earned them the respect from the moderate majority of the Maidan.

When Yanukovych and President Putin signed an agreement that gave Ukraine a 33 percent discount on gas and US\$15 bn in credit, it became obvious that he had not been serious about negotiations with the EU, but rather used them to pressure Russia to concessions.

After three months of constant protests and repeated, deadly fights in Kyiv, between Maidanists and the Berkut riot police, which culminated in the shooting by snipers of more than a hundred protesters, Yanukovych was forced to seek an agreement with the political opposition, on 21 February 2014. Under the supervision of the foreign ministers of Poland, Germany and France, as well as Putin's special envoy, this agreement reinstated the Constitution of 2004, limiting the powers of the President, and announced early presidential elections. That same evening the Ukrainian president left the capital, only to reappear a week later in Russia. By failing to comply with the agreement's first paragraph, that within 48 hours after its establishment the Constitution of 2004 would be reinstated, and leaving the country, Yanukovych had forfeited his legitimacy as the country's president. The new Speaker of the parliament, Oleksandr Turchynov, took over as acting president and an interim government headed by opposition leader Arseniy Yatseniuk was formed, supported by the new majority in the Parliament.

### **THE RUSSIAN ANNEXATION OF CRIMEA AND THE UNREST IN THE SOUTHEAST**

Unfortunately, one of the new parliamentary majority's first decisions was to withdraw a controversial language law from 2012, which had given the Russian language the status of a regional language in 13 of Ukraine's 27 regions. Even if the new acting president repealed the decision, the damage was already done in the primarily Russian-speaking regions of Ukraine. On the night of 26-27 February, the building of the Supreme Council of Crimea and building of the Council of Ministers in the Crimean capital of Simferopol were taken over by pro-Russian groups. Within days the whole peninsula was captured by Russian regular forces based in Crimea together with military personnel without insignia and nationality identification deployed from Russia.

On 16 March, the new pro-Russian separatist authorities in Crimea organised an unconstitutional 'referendum' on independence, and two days later Crimea was annexed by the Russian Federation. The *de facto* loss of Crimea was a serious blow for Ukraine. Within a few weeks, the country had lost two million of its citizens, the region with the biggest potential for international tourism, all its 193 military bases and installations on the peninsula, including its only two naval bases, all the potentially rich gas fields in the Sea of Azov, and all state companies in Crimea. Besides, it had also lost the income from the

Russian lease of the Sevastopol base (US\$ 97 million per year), as Russia unilaterally terminated the agreement on the Russian Black Sea Fleet. As a consequence, Ukraine's military strategic position in the Black Sea became more exposed.

Ukraine's decision to keep its military and naval forces on its bases on Crimea, in order to avoid bloodshed, further raised doubts as to whether Ukraine was prepared to defend its country militarily. On 6 April, pro-Russian separatists, again likely supported by Russian special forces, started occupying official buildings in Donetsk and Luhansk. Local politicians in Donbas started to raise the issue of federalisation of Ukraine. After some weeks of refraining from answering the violence perpetrated by armed groups of separatists, Kyiv launched a half-hearted anti-terrorist operation.

### **CHALLENGES AHEAD**

There are few grounds within Ukraine for ethnic tensions and violent separatism of the kind that have been going on in Crimea and the southeastern regions. Firstly, more than 20 years of independence, including a unitary educational system, modernisation and westernisation, have thinned out the differences between the regions. According to the 2001 census, the Russian minority had already decreased from 22.1 per cent in the last Soviet census of 1989, to 17.2 per cent in 2001. This big decrease, of some three million people, cannot be explained only by emigration, but also by a strengthened national identity in an independent Ukraine. This gathering around the concept of Ukraine can also be noticed in voting patterns in the national elections. The sharp line noticed during the first decade of independence, between western and central Ukraine, which had voted for national-democratic parties, and southern and eastern Ukraine, which had voted for the oligarchic parties, is now almost gone. Today, there is practically no difference in the voting pattern as almost all of Ukraine votes for national-democratic parties, with Donbas as the only exception.

Secondly, even as late as March 2014, during and immediately following Russia's illegal annexation of Crimea, a majority of the local population in Ukraine's southeastern regions did not feel any pressure or threat that had to do with the language they spoke. According to a survey carried out by the International Republican Institute in March 2014, only 12 per cent (eastern regions) and 16 per cent (southern regions) would have supported the decision by the Russian Federation to send its army 'to protect Russian-speaking citizens of Ukraine', as it claimed in its public statements.

Furthermore, according to another survey carried out by the respected Kyiv International Institute for Sociology (KIIS), in April 2014, the



support for Ukraine's territorial unity and unitary political system was also strong in the southeastern regions. Federalisation and language issues are not a priority for residents of Ukraine's southeast. About 70 per cent of the local population did not support the idea of secession from Ukraine. More than 64 per cent of the local population believed that Ukraine should be a unitary state, and only 11.8 per cent viewed federalisation as a way to preserve the country's unity. An even smaller number (6.5%) of the residents of the southeastern regions were concerned about the issue of having one language forced upon them, and about 11 per cent claimed that they would like Russian to become the second official language. Thus, even during a period of increased pro-Russian separatist activism in eastern Ukraine, the actual support from the local population remained rather limited. Given this, it can be assumed that the separatist tensions and the idea of federalisation and secession of regions from Ukraine were largely imports from Russia.

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Ukraine's challenge is to withstand Russian pressure to dismantle the country further, following Russia's illegal annexation of Crimea. Although ethnic Ukrainians dominate in the rest of the country, pro-Russian separatism has taken root in Donbas, spurred by the increasing number of victims of Kyiv's anti-terrorist campaign and effective Russian propaganda. The question is whether Russia is going to annex Donbas or create a quasi-state like Transnistria. Russia might also continue to destabilise the rest of eastern Ukraine and possibly also the south.

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## 4 Setting the scene – The View from Russia

Gudrun Persson and Carolina Vendil Pallin

*The world is entering an era of dramatic changes  
and possibly even shocks.*

President Vladimir Putin, 12 December 2012

*Russia has been explicit with its world view for years. The policy of strategic solitude with a focus on Russian interests has long been in place. On the domestic scene, the political system had become increasingly authoritarian. Yet, the speed with which Crimea and Sevastopol were incorporated into the Russian Federation came as a surprise to all. This chapter analyses the underlying factors in Russian domestic policies, foreign policy, and military strategic thinking that led to the current situation.*

On 18 March 2014 Crimea and Sevastopol were illegally annexed by Russia. Again, Russia had demonstrated that it does not refrain from using military force to achieve its objectives. Furthermore, Russia had broken against the principle of non-interference in other countries' internal affairs – previously a foundation in Russian policy.

Russia's objectives are two-fold. On the one side is geopolitics: Ukraine belongs to the Russian sphere of interest. It is hoped that Ukraine will eventually join the Economic Eurasian Union. The naval base in Sevastopol is of military strategic importance to Russia. On the other side is domestic policy: Vladimir Putin wants to unite the country around traditional values, raise his popularity and to make it clear that no Maidan-style demonstrations would ever be tolerated in Russia.

So what were the reasons for this aggressive behaviour from Russia?

The Russian leadership has a geopolitical view of the world, which influences the current foreign and security policy. Influence in the world is seen as a zero-sum game, where 'you win, I lose' characterises the mind-set.

At the strategic level Russia chose the path of strategic solitude years ago, with an increased focus on Russia's national interests

with regard to its foreign relations. The Russian political leadership increasingly viewed the EU with apprehension and as closely associated with NATO. Furthermore, Europe was considered weak and decadent, as it had failed to play a dominant role in the world. From Moscow's horizon, a Ukraine closely collaborating with the EU, would soon enough drift into the sphere of Nato.

In the period since Vladimir Putin returned to the presidency in 2012, some modifications to Russian security policy can be discerned. The anti-American line became more pronounced than before and it became more authoritarian at home. The objective for Russia 'is to be strong and to increase its authority in the world', as Putin claimed when the new Foreign Policy Concept was launched in 2013. An implicit fear of the break-up of the Russian Federation colours the threat assessment. It shows that the trauma of the fall of the Soviet Union is very much alive.

The Russian leadership sees Russia as surrounded by enemies approaching its borders. The Chief of the General Staff, Valerii Gerasimov, has observed that the Arab Spring might be an example of how wars are fought in the 21st century. In Ukraine, according to this line of military thinking, Russia has struck back against an aggressive West, using many of the same weapons—information warfare, political, economic means—as the West and the USA have used for the past fifteen years.

Furthermore, the focus of Russia's policy has been on Russian interests and ethnic Russians. With its actions in Ukraine, Russia has established an ethnic Brezhnev Doctrine (sometimes referred to as the Putin Doctrine). Now it is ethnic Russians who need to be protected, not socialist states.

The Military Doctrine from 2010 stipulates that it is legitimate to use the Armed Forces to 'ensure the protection of its citizens located beyond the borders of the Russian Federation'. President Putin's mandate to use the Armed Forces in Ukraine, secured on 1 March, goes further in that it covers the so called compatriots as well as the personnel of the naval base in Sevastopol. The mandate covers the whole of Ukraine and is not limited to Crimea only, and does not have a specific time frame other than 'until the socio-political situation has been normalised'. In explaining Russia's actions in Crimea, military interests are important. Sevastopol is the base of the Russian Black Sea fleet and constitutes the easiest access for the Navy into the Mediterranean. It is an excellent location, which facilitates the

protection of naval ships and conceals their activity. This is one of the most important reasons why it is superior to the new naval base in Novorossiisk on the Russian Black Sea coast, which has a more open location and, therefore, cannot protect the ships and disguise activity to the same extent.

The importance of Sevastopol was highlighted by president Putin in his speech on 18 March. He stated that a Ukrainian NATO membership and an increased naval presence by the alliance on Crimea would pose a threat to Southern Russia. It is in the Southern strategic direction that Russia experiences most challenges, primarily from the Caucasus.

### **THE DOMESTIC SCENE**

The foreign- and security policies have largely been determined by the domestic political situation. The room for manoeuvre has become more limited as regime survival is a top priority for the Russian political leadership. The anti-regime demonstrations in 2011–12 rattled the political leadership, who saw a concrete threat to political stability. After the re-election of Putin to the presidency, in March 2012, Russia's political system became increasingly authoritarian. There is little or nothing left of democratic institutions. More and more spheres of society are affected, a trend that has accelerated as events in Crimea unfolded.

The freedom of the few free media outlets that had still been active became restricted or came under threat in 2013–14. For example, the ownership structure for the liberal radio station Ekho Moskvy changed, and the editor-in-chief for lenta.ru was fired. A number of media outlets were targeted by so-called Ddos attacks. The Service for Supervision of Communications, Information Technology and Mass Media (Roskomnadzor) was instrumental in closing down news outlets under different pretexts—everything from 'inciting riot' to spreading information harmful for children. The most noticed victim of the new media policy became the television channel Dozhd. Under the pretext that Russia's television providers did not want to cooperate with the channel, the channel was in effect closed down in February 2014.

At about the same time, different initiatives to curb freedom on the internet were suggested and adopted. Bloggers that had more than a certain amount of readers were categorised as media outlets with all of the responsibilities that this entails; the possibilities to donate money over the internet were restricted; and the Federal Security Service (FSB) can intercept and

eavesdrop without having to present a court order. Everything from libel laws and the law on terrorism have been used to close down websites critical of the political leadership (by contrast, libel laws have so far not been used to close down websites that list authors and bloggers along with their names and pictures as ‘national traitors’ and ‘fifth columnists’). The founder of the social network *vKontakte* left Russia with no intention to return, in April 2014, after having refused to hand over to the FSB the personal information of the organisers of the group on *vKontakte* called ‘*Evromaidan*.’

Earlier, the freedom of assembly had been subject to restrictions, and by 2012 Russia was a country with political prisoners, most notably the people in custody for participating in the meetings on Bolotnaia Square in Moscow, on 6 May 2012. Eight of the people charged with participating in mass riots and using violence against representatives of the state received their sentences, four years in prison, during the unfolding crisis on Crimea. The blogger and anti-corruption activist Aleksei Navalnyi has been charged with embezzlement and libel and is today under house arrest awaiting further trials and is forbidden to post blogs.

Freedom of speech and expression is thus under attack. A draft law proposed by a Duma deputy would make it an administrative offense to encourage Russophobia and another Duma deputy from United Russia in May has suggested that deputies in the Duma who voted the ‘wrong way’ should be deprived of their seats in parliament. This is in conjunction with Putin’s speech, on 18 March 2014, where he branded those who opposed the Russian policy on Crimea as ‘the fifth column’ and ‘national-traitors,’ which creates an atmosphere where the freedom of speech is at peril.

Earlier, non-governmental organisations involved in political activities that received money from abroad were demanded to register as ‘foreign agents.’ This could also apply to think-tanks and research institutes in the near future.

The next sphere of society that feels the heavy weight of increased control and reduced freedom of action is the cultural sector. The famous Taganka Theatre in Moscow has come under attack from a senator in the Federation Council for staging a performance that was termed decadent and unpatriotic. New rules prohibiting the use of swearwords threaten to further undermine artistic freedom.

The tendency towards increased control, and ever-clearer borders for what are permissible views and ways of expressing them, is clear. In parallel with the creation of an increasingly authoritarian political system, the political leadership is actively promoting Russian nationalism under the name of patriotism.

As is usually the case, promoting a feeling of 'us' is accompanied by pointing out who is the enemy. The enemy, according to Russia's political leadership, is the morally depraved West that in every way seeks to undermine Russia and deny it influence in the world. Consequently, on 18 March, Putin talked of how the orchestrated orange revolution and later Maidan were directed against Ukraine and Russia. It has become popular to refer to Europe (Yevropa in Russian) as Gayropa on the internet. Inside Russia, not only the enemies, but also militant islamists, homosexuals and illegal immigrants, are branded as national traitors.

### **'THE RUSSIAN WORLD'**

In relation to national security, the search by the political leadership for a national identity plays an important role. The policy of patriotism and the focus on 'traditional values' show that Russia has chosen a path of its own, not one dictated by the West. This policy underpins much of the thinking behind the aggressive policy towards Ukraine.

In defending Russia's actions, Vladimir Putin mentioned on 18 March that the areas involved were Russian 'historical territories.' He mentioned Kiev, Donetsk, and Kharkov. Later, he specified the areas as Novorossia, and named Odessa, Nikolaev, Kherson, Donetsk, Lugansk, Kharkov. These regions had been conquered under the reign of Catherine II at the end of the 18th century.

The use of history has become an increasingly important strategy for nation-building in today's Russia, and the victory in the Great Patriotic War (1941-45) is being given an exceptional place. History is a subject of Russian national security. For instance, the 2009 National Security Strategy stipulates that '...attempts to revise the history of Russia, her role and place in world history...' have a negative influence on Russian national security. In the 2013 Foreign Policy Concept, one of Russia's objectives is to '...strongly counteract ... attempts to rewrite history by using it to build confrontation and to provoke revanchism in global politics, and to revise the outcomes of World War II.' A law was passed, in April 2014, that makes it a criminal offense to 'rehabilitate nazism,' with a possible prison sentence of up to five years.

Russia is trying to come to terms with its Tsarist and Soviet past. Russian nation-building today rests on three pillars—a strong state, strong armed forces, and a strong Orthodox Church—under the banner of patriotism. The Soviet period is partly seen in a nostalgic light. At a meeting with the Presidential Council for Human Rights, in 2012, Putin celebrated the Soviet notion of the ‘new historical community—the Soviet people,’ and encouraged ideas that would promote something similar in contemporary Russia.

The theme of national identity was discussed at the Valdai Club 10-year celebration conference, in September 2013. Putin linked the need to create a national identity to ‘economic-technological competition and competition of ideas,’ and to the fact that ‘the military-political problems are sharpening.’

He noted that two Russian empires had collapsed during the last century, in 1917 and 1991. On both occasions, a devastating blow had been given ‘to the cultural and spiritual code of the nation.’ In 1917, according to Putin, the Bolsheviks had delivered the blow. In 1991, ‘there was an illusion that the ideology of development was to be the new national ideology.’ The forces in the 1990s, he noted, were based on an ‘alien experience.’ The Soviet period was a good example to follow regarding its nationality policy, Putin thought.

A sinister part of this identity-seeking concerns Putin’s views on Russian patriotism, and what it means to be a Russian. Putin claimed, on 17 April 2014, that a people that lives on a territory, has a common culture and history, and a certain climate, develops certain distinct traits. A Russian, according to Putin, is characterised by being focused not on himself, but on the greater good. ‘We are spiritually more generous,’ he claimed, and therefore different from the West. He said that, in the Russian world, death is beautiful, and to die for one’s friends, one’s people, the Fatherland is beautiful. This is one of the foundations of our patriotism, he stated.

The encouragement of such thinking, with elements of racism, is, however, a dangerous path. It might feed extremist tendencies within Russia of xenophobia, as well as religious tensions, including anti-Semitism, which will be difficult to control.

#### **THE VIEW OF THE PEOPLE**

Against this background, the annexation of Crimea received overwhelming support among the Russian population. According to an opinion poll by the Levada Center in March



2014, the majority of the population was convinced that the Russian media reported events objectively. They had furthermore drawn the conclusion that radical nationalists had come to power in Kiev, or that there was no united political leadership in Ukraine. The Levada Center is the most reliable opinion pollster in Russia. According to the same poll, a majority also believed that it was legal to use Russian troops on Crimea and other regions of Ukraine. Out of this majority, 65 per cent said it was legal because these were essentially Russian territories. Of possible solutions to the conflict, a majority believed that Crimea and the eastern regions should become independent and possibly annexed to Russia (43 per cent) or were in favour of a far-reaching federalisation of Ukraine (21 per cent).

Previously, only during Kosovo in 1999 and Georgia in 2008, have a majority of Russians had a negative attitude towards the US. Now, the majority is even more solid; well over 50 per cent were negative in March 2014, according to opinion polls conducted by the Levada Centre. Even more striking was the change in attitudes towards the EU. Up until 2014, a majority (60–70 per cent) were positive to the EU. By March 2014, less than 50 per cent of respondents were positive to it, while the share that was negative had increased from around 20 per cent, in 2012, to over 40 per cent, in March 2014. Moreover, a majority of Russians, well over 50 per cent in 2014, according to the Levada Center's opinion polls, believe that there is an external military threat to Russia.

Russians also appear to have picked up the trend of an increasingly authoritarian political system. In the 2000s, Russian respondents had become increasingly concerned about a return to mass repression. The trend now is towards less tolerance for homosexuals, and the slogan, 'Russia to the Russians,' in 2013 received full-hearted support by over 20 per cent of respondents, while over 40 per cent supported it 'within reasonable limits.'

To summarise, Russia is authoritarian and riding on a nationalistic wave. The domestic political scene has changed. Tolerance of dissenting views is diminishing swiftly, at the same time as far-reaching expectations of future Russian assertiveness and national grandeur have been created among the Russian public. The mix is potent.

### **MILITARY THINKING**

At the strategic level, the Russian political and military leadership sees an encircled Russia. It views the West and the

USA with increasing apprehension and hostility. Russia's actions in Ukraine can be said to be the mirror-image of its perceptions of Western behaviour in Iraq, Afghanistan, and North Africa. The issue of missile defence is one of the thorniest in the relations between Russia and NATO, and Russia senses that its voice is never listened to. The demand for 'legal guarantees' that the system is not to be directed against Russia was written into the Foreign Policy Concept. Thus, the room for manoeuvre and compromise narrowed.

From a military-strategic perspective, this poses new challenges. The Chief of the General Staff, Valerii Gerasimov, in a speech in February 2013, pointed out that there are important lessons for 21st century warfare to be learned from the recent conflicts in North Africa and the Middle East. He noted that the rules of war have changed dramatically. Non-military means are now much more effective than the power of the gun in achieving political and strategic objectives. In Gerasimov's view, the use of political, economic, information, humanitarian and other non-military means has influenced the 'protest potential of the population.' In Ukraine, all these means were applied by Russia.

Figure 1 illustrates Gerasimov's speech, regarding the role of non-military methods for future conflicts. It is a telling illustration of how the military leadership sees modern conflicts. In addition, it shows what message the military leadership wants to send to its Armed Forces: the world has changed and non-military means must be brought into the equation. The figure shows an awareness of the changes in warfare and does not confirm a picture of Russian military thinking as lagging behind. To complete this discussion, the operational side of events is analysed in chapter six, The Crimea Operation.

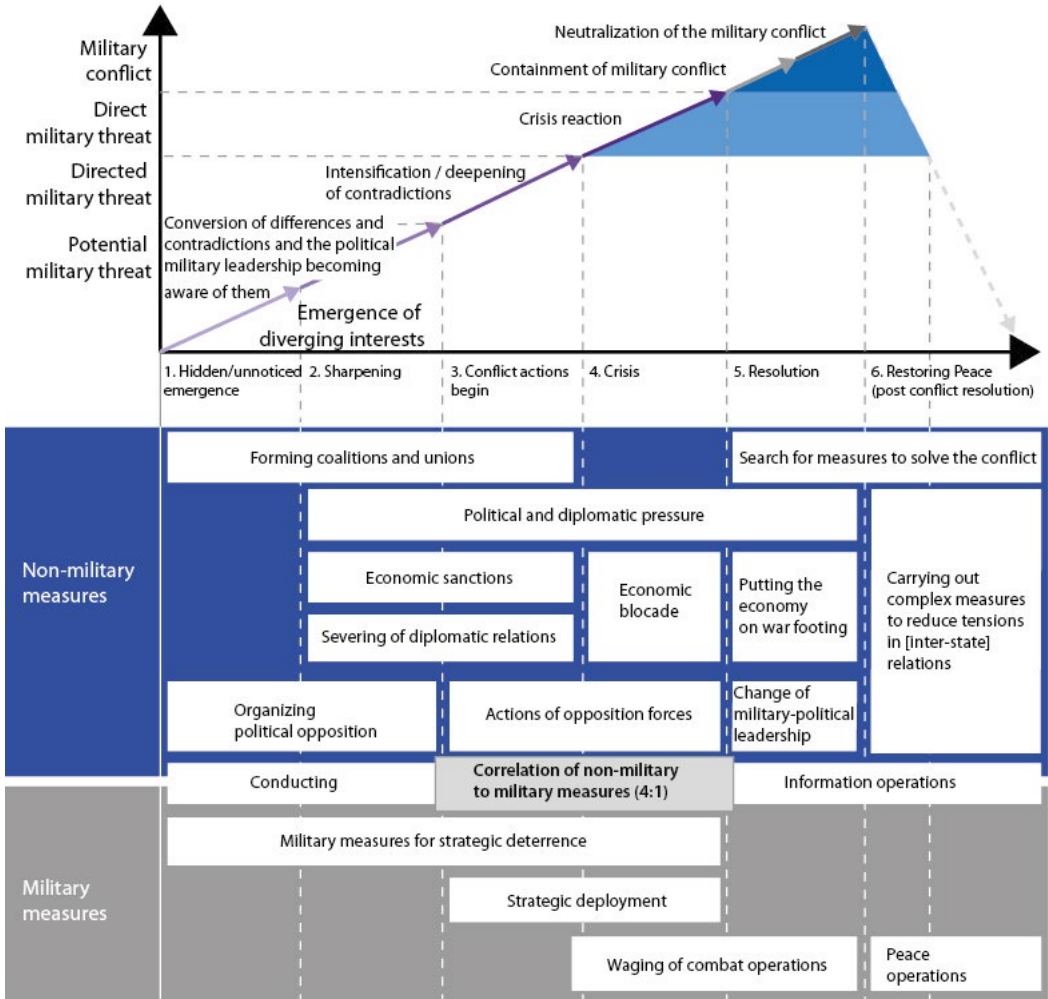
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Russia has been explicit about its world view for years. In doctrines and in key speeches the political and military leadership has stated its intentions. In 2008, Russia demonstrated that it was willing to use military force to achieve its policy goals in a neighbouring country. The policy of strategic solitude to a large extent reflects the leadership's thinking about whether the rest of the world listens to it or not. The Russian political system had grown increasingly authoritarian in the previous two years. The speed with which Crimea and Sevastopol were incorporated into the Russian Federation came as a surprise to all; the underlying world view and mind-set of the political leadership should not have.

Figure 1.

### The role of non-military methods in inter-state conflict resolution

Main conflict development phases (stages)



Source: Voenno-Promyshlennyi Kurier, No 8, 27 February, 2013

Design: Per Wikström

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# 5 An EU Perspective

Anna Sundberg and Johan Eellend

*Disagreement on Ukraine's future relationship with the European Union was the actual trigger for the present conflict. While a free trade agreement with Ukraine was not a core issue for the EU, it proved to be a red line for Russia's willingness to accept western expansion into what Russia considers its area of influence. This chapter gives a short overview of EU's relations with Russia and Ukraine. Prior to the crisis, the European and Russian perspectives on international affairs were different, without the EU member states fully realising it. The crisis has made the EU members acutely aware of Russia's perspective on the world, and although the EU does not accept Russia's worldview, the latter has become a necessary factor to consider. Since the Russian illegal annexation of Crimea, the EU and its member states have had to react to Russia's policies and actions. The crisis may accelerate joint European efforts to manage Russia and the Eastern Partnership.*

*The lack of a proactive stance is a result of the EU's difficulties in agreeing on a common approach to Russia. This is due to the specific economic and political ties of the member states to Russia, and their differing focus on trade and security. Furthermore, the lack of a common standpoint on EU-Russia relations has lowered EU's ambitions towards the countries in the Eastern Partnership. A signing of the full Association Agreement, including the free trade agreement, would not only serve as an expression of the EU's commitment to Ukraine, but it can also be seen as an indication of the continued development of the Eastern Partnership as a whole.*

## **EU AND RUSSIA**

The EU's relationship with Russia has two strands; the European Neighborhood Policy (ENP), which is focused on EU's southern and eastern neighbours and the Partnership and Cooperation Agreement (PCA), which is focused on Russia. Due to a number of diverging national interests and different historic relations to Russia among the EU member states, the Union has found it difficult to come to a common position on Russia. It is notable that Russia was initially a part of what the EU first called Wider Europe, that was later replaced with ENP in 2004. However, Russia refused to join ENP with reference to its great power status and demanded a special partnership with the EU. Russia decided in 2008, together with six other non-EU countries surrounding the Black Sea, to join the Black Sea Synergy initiated by the EU.<sup>3</sup> The Black Sea Synergy is part of ENP, but aims

3 Armenia, Azerbaijan, Georgia, Russia, Turkey and Ukraine, [http://www.ceas.europa.eu/blacksea/index\\_en.htm](http://www.ceas.europa.eu/blacksea/index_en.htm).

at developing cooperation in the region, not rapprochement to the EU.

Since the late 1990s, EU-Russia relations have developed within PCA. The cooperation covers four policy areas (common spaces) and political dialogue ranging from external security to research and education. In 2008, negotiations on a new EU-Russia Agreement were launched. These talks have now been suspended by the EU with reference to Russian aggression in Ukraine.

The character of EU actions is largely due to the stance of its most influential member states. The three biggest member states, Germany, France and the United Kingdom all have different profiles in their relations with Russia.

Many EU member states expect Germany to take the lead in developing EU-Russia relations due to Germany's role as the key state during the economic turmoil in the EU and its deep ties to Russia. This position has also suited the ambitions of the current German government, which has expressed its intentions to pursue a more active foreign policy, awaken EU's common security and defence policy (CSDP) and strengthen the Franco-German relationship. This has caused Germany, together with France and Poland, to take the lead in negotiations with Russia and Ukraine.

German relations with Russia have followed the path that was set by the German *Ostpolitik* towards the Soviet Union and the Eastern bloc in the 1970s and 1980s. According to these policies, trade and cultural exchange as well as high level relations were believed to create so much economic interdependence and interaction between the nations that conflicts and war would be impossible. After the end of the cold war, the high point for these policies occurred during the chancellorship of Gerhard Schröder. The belief in these policies has slowly faded during Angela Merkel's time as chancellor: firstly the German power elites have come to realise that Russia is becoming less democratic, despite trade and contacts; secondly, the Russian-Georgian war of 2008 proved Russia's willingness to use force in international relations; and, finally, German trade with Russia has not increased as expected, while corruption restrains prospects of growth. However, Germany has maintained its economic relations and understanding attitude towards Russia. A special concern for Germany is its dependence on Russian gas, oil and raw materials. Germany claims that this does not make the country vulnerable in the long run, as most of the imports are replaceable. Germany believes that Russia is more dependent on German technologies than Germany is on Russian energy.

This attitude is similar in France. Historically, Russia and France have had a special relationship in a variety of ways, from economy to culture. In recent years the two have seriously diverged on key issues, including the Syrian conflict and energy strategy. France's trade with and direct investments in Russia, as well as dependence on Russian energy, are less than Germany's. Still, a large part of its business community has, like Germany's, continued to argue for not letting the crisis in Ukraine influence economic relations. A special concern for France has been its sale of two modern naval ships to Russia. Other large European countries, such as Spain and Italy, which are still struggling to escape the Eurozone crisis, are also guarded when it comes to far-reaching economic sanctions.

The United Kingdom has taken a rhetorically firm position on the crisis, while acting cautiously in imposing sanctions on Russia. The UK-Russia relationship is particularly complex due to events such as the Iraq war and a number of intelligence-related issues, but also because of the UK's special relationship with the US. UK's trade with Russia is insignificant, but the financial sector in London is a considerable hub for Russian investments. Moreover, the UK's position in the EU has been weakened as a result of the British government's EU policy. Opening up for a referendum on the UK's EU membership is more in line with the UK's domestic eurosceptic opinion than it was before, but makes it difficult for the country to play a key role.

Poland appears to be the negotiator on behalf of EU that has proved to be most willing to make its own political and economic sacrifices to block Russia. For some years, the relationship between Russia and Poland has improved as a part of the progress in German-Polish relations, but Poland's close ties to Ukraine, its political investments in the Eastern Partnership, as well as its deep scepticism towards Russia, have currently brought these improvements to a halt.

The different priorities and interests among the leading European states as well as EU's internal problems make it difficult to agree upon a common EU policy on Russia. Moreover, the economic crisis in Europe has created a hotbed of eurosceptic political parties and movements in the member states. The increasing influence of these parties in national politics and in the European Parliament can become a future obstacle for the consolidation of EU and its common foreign and security policy. In addition, many of these movements share values with Putin's Russia, and have proved willing to defend Russia's standpoints over Ukraine. This may affect both EU's engagement in the eastern parts of Europe and future prospects for enlargement. However, most European states have an interest in good relations with Russia and will try to balance their

security concerns and economic interests. The question is rather how interested Russia will be in keeping good relations with Europe? The answer is most likely that their interest for EU is low, while Russia will try to maintain good bilateral relations with key countries in order to prevent a more coherent EU policy.

## **EU AND UKRAINE**

Ukraine is a partner country of the EU within ENP and the Eastern Partnership. Cooperation such as this is a source of friction between the EU and Russia, since it touches upon the geopolitical future of Ukraine.

The ENP was established in 2004, after the enlargement of the EU with ten new member states. The aim was to avoid new dividing lines between countries inside and outside the EU, and to bring the EU member states and their eastern and southern neighbours closer together. Currently, 16 countries participate in ENP.<sup>4</sup> This is mainly a bilateral policy between the EU and each partner country. It is strengthened by three regional and multilateral initiatives: the Euro-Mediterranean Partnership, the Black Sea Synergy, and the Eastern Partnership.

The Eastern Partnership, which is a part of ENP, was launched in 2009 on the initiative of Poland and Sweden, after the Russian-Georgian war the year before. Six countries participate in the Partnership: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. The aim is to accelerate and support the political and economic cooperation of countries in Eastern Europe and the South Caucasus with the EU. In practice, the EU backs their political, institutional and economic reform processes, and promotes trade facilitation and enhanced mobility between the EU and the countries in question. Furthermore, there is a clear security dimension to the Eastern Partnership, as the EU hopes to contribute to the stability and security of the region by closer and more effective cooperation. This is consistent with the original ideas behind European integration and the EU as a peace project for Europe. Today it seems obvious that the EU did not fully realise the geopolitical significance of the Eastern Partnership. At the same time it must have been clear from the start for at least some EU members that EU's intentions collided with Russian interests in its 'near abroad'.

There is an uncertainty about what the EU members want with the Eastern Partnership and a perception that the EU lacks a long-term strategy for its commitment to the countries of the Eastern

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<sup>4</sup> Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria and Tunisia in the South, and Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine in the East.



Partnership. A key issue for the EU and the partner countries, as well as for Russia, is whether the Eastern Partnership is to be perceived as a substitute for full membership in the Union, or if it is a first step towards the same. Several EU members, such as France and Germany, are sceptical about further enlargement, while others, like Poland, are more favorable. On 10 December 2013, the EU and the partners stressed the sovereign right of each partner freely to choose the level of ambition and the goals to which it aspires in its relations with the European Union.

In 2013, Ukraine's right to choose its own future came to a head over an updated agreement with the EU. Since 1998, the PCA between the EU and Ukraine has provided the framework for cooperation in a number of reform areas. Between 2007 and 2011, a new Association Agreement (AA), including a Deep and Comprehensive Free Trade Area, was negotiated. The AA was expected to be signed at the Eastern Partnership summit in Vilnius, on 28-29 November 2013. However, one week prior to the meeting, the Ukrainian government announced that it did not intend to sign the AA with the EU. At the summit, then-President Viktor Yanukovich refused to sign the agreement. Following this decision, massive protests from pro-EU demonstrators erupted in Kyiv, which was the beginning of the end of the Yanukovich presidency.

The EU has, in strong wording and on several occasions, expressed its political support for the new Ukrainian government and has condemned the unprovoked violation of Ukrainian sovereignty and territorial integrity.<sup>5</sup> The EU also prepared sanctions in a three-step approach, threatening to impose further sanctions if there was no sign of Russian 'de-escalation.' Another measure is that the EU members also provide financial support for Ukraine.

In March 2014, the EU and the new Ukrainian government signed the political provisions of the November 2013 AA. According to Herman Van Rompuy, President of the European Council, speaking on 20 March 2014, the signature is 'a concrete sign of the European Union's solidarity with Ukraine. It will help the country on its path of reform, giving its people a prospect of a European way of life they deserve.' However, the remaining parts of the Association Agreement, concerning a Deep and Comprehensive Free Trade Area, are still to be signed. This might take place as early as 27 June 2014 at the next meeting of the European Council. The disassociation of the political chapters from the economic chapters of the EU-Ukraine AA has faced some criticism and there has been speculation about the reasons why. Officially, the EU position is that every AA is a bilateral

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5 Foreign Affairs Council, EU condemns Russia's actions in Ukraine, calls for dialogue and remains ready for further measures, 3 March 2014.

issue, but some critics argue that the EU wants to be prudent for the sake of its own relations with Russia. At the EU-Russia summit in January 2014 the EU promised to pursue bilateral consultations with Russia on economic consequences of the AA's. Since then, the EU has suspended bilateral talks with Russia on visa matters and economic issues.

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Russia has challenged the EU. The question is whether the EU will rise to this challenge. What will the response look like? In any case, the issues at hand will have to be addressed in a new international security climate.

## 6 The Crimea Operation: Implications for Future Russian Military Interventions

Johan Norberg (ed.), Ulrik Franke and Fredrik Westerlund

*What can Russia's operation in Crimea say about future military interventions? Our main conclusion is that it is feasible for Russia to, again, intervene or even illegally annex territory in neighbouring states. Most vulnerable are those bordering Russia and where Russia has military assets in the country. Several commentators have claimed that Russia displayed new military capabilities in Crimea. It did not. Russia has used special forces, proxies and propaganda before. The Crimea operation illustrates Russia's ability for strategic coordination of military and non-military means, but not Russia's military capability in terms of war fighting. Moreover, many factors favoured the Russian operation in Crimea.*

On 22 February 2014, Ukraine's president Yanukovich fled Kiev. As a new government formed itself, tensions in Crimea rose. On 26 February, Russia's Armed Forces began a major readiness exercise in the country's Western and Central Military Districts (MD). The stated size of the exercise, 150 000 servicemen, was big enough to be a plausible invading force and a threat to the new Ukrainian government. It also worked as a military diversion, since Kyiv had to pay attention to it and was consequently less able to focus on events in Crimea.

At the same time, infiltrated Russian special forces in Crimea assaulted key objects, while military intelligence officers probably organised the 'self-defence' units that undermined Kyiv's control. Reinforcements came in the shape of airborne forces inserted from Russia and Russian naval infantry units already deployed in Crimea. After these spearheading lighter forces had taken control of key objects, the territory was secured by Russia moving in heavier regular infantry units with support units facilitating both defensive and offensive operations. Meanwhile, the Russian Black Sea Fleet and next door Southern MD could provide air defence for the operation. As of May 2014, the pattern of special forces operations and local pro-Russian 'self-defence' units was being repeated in eastern Ukraine, but this is not discussed further here.

As shown in chapter 4, many Russians support the goal of the current political leadership to restore Russia as a great power. In that

light, Ukraine is crucial for Russia's strategy of Eurasian integration and as a buffer against NATO. After Russia's interventions in the Georgian territories, Abkhazia and South Ossetia, seizing control of Crimea is a step in a piecemeal approach to assert Russian influence in former Soviet territories using both military and non-military means. In Russia's view, this is merely doing what the West has done elsewhere. This and other aspects of Russia's wider military thinking as well as its domestic driving forces are analysed in chapter four, *The View from Russia*.

The speed and determination of Russia's Crimea operation took both Ukraine and the international community by surprise. Russia managed to get inside the decision-making loops of both the Ukrainian government and the outside world. The swift and unexpected operation and the heavy use of propaganda have prompted many to claim that it was a new generation of Russian warfare. However unexpected the operation was, we ask: What was actually new concerning Russia's capabilities? Can Russia do it again and, if so, where? This chapter will address these three questions.

#### **WHAT WAS NEW ABOUT THE CRIMEA OPERATION?**

A closer look at military means, propaganda and political-military coordination reveals what was actually new. Russia used its military in four ways: to threaten Ukraine, for diversions, to facilitate local forces taking power and to actually take and hold Crimea, that is to enable an illegal annexation. Russia's Armed Forces certainly beat most international expectations as to what they could do, given the general perception that their capabilities have declined since 1991, and the criticism of their performance in the 2008 war against Georgia. With five years of increased defence spending and more exercises for its forces, Russia's military capability is clearly growing. Did the operation reveal anything new about the equipment or personnel of Russia's Armed Forces? As for personnel, the spearheading light forces have a higher share of contract soldiers, are disciplined and well-trained, also for operations abroad. Their limitations include endurance and the ability to hold territory in regular warfare. In Crimea, they were gradually replaced by regular infantry units largely manned by one-year conscripts less likely to show the same morale and discipline. Having high-quality units with more contract soldiers is the result of a well-known choice in the reshaping of Russia's Armed Forces.

The reorganisation of Russia's Armed Forces since 2009 resulted in fewer military districts, regionalised command of operations and a brigade-based structure. In the ground forces, the biggest branch of the services and a key tool for operations beyond destabilisation, much of the equipment remains old and one-year conscripts make

up a fair share of the soldiers. This limits the range of novelties that can be implemented. In addition, it appears that no new major equipment system played a key role in the operation. Arguably, the Crimea operation provides few new conclusions about Russia's military capabilities, but does illustrate a comprehensive approach for dissuading an opponent from resisting.

For many, Russia's brazen and persistent propaganda created a sense of novelty. Despite the media image of a military operation, the centre of gravity was not territory, but Ukraine's will to resist. The information environment was key for enabling political propaganda and subversion for creating favourable military operational conditions. A key aim was to control both information content and transmission infrastructure. Russian soldiers secured infrastructure, such as TV and radio stations, as well as mobile phone operators. Journalists were harassed. It was crucial early on to project the image of Crimea as a done deal militarily and politically. Target audiences included both civilians in Crimea ('Join us!') and Ukraine's forces in Crimea ('Resistance is futile!'), as well as the Ukrainian government and the world ('Crimea is lost').

Another audience was Russia's own population ('Russia is a great power'). Moscow needed to legitimise the operation for Russia's public. Russia's dominating state-controlled media demonised the Maidan movement and the new Kyiv government. Russian authorities actively sought to control the information environment, for example, by manipulating the social network VKontakte. The FSB ordered it to deliver intelligence on pro-Ukrainian groups. Later, the Federal Service for Supervision of Communications, Information Technology and Mass Media ordered the VKontakte to shut the pro-Ukrainian groups down.

Many in the West initially wasted days wondering why Russia was blatantly lying: 'We are not interested in Crimea' (Russia later annexed it); 'They are not our soldiers' (Putin later acknowledged that they were). Spreading recordings of Western diplomats' eaves-dropped cell-phone conversations in the (social) media landscape added to confusion and indecisiveness among foreign leaders. This simply showed that Russia was in war mode. Military maskirovka (diversion) is not a new feature in Russia, nor is political propaganda.

Russia's leaders skilfully handled the known problems in coordinating strategic information operations in the diplomatic, information (intelligence and media), military and economic dimensions (DIME). Preparations probably included both war games and exercises, but were obviously kept secret. The well-planned and executed operation's political and military co-ordination appeared

to work smoothly, both top-down—from Moscow to Crimea—and between units and agencies in the area of operations. The operation's execution showed good awareness of their forces' strengths and limitations. The military delivered. No soldier behaved badly in front of a camera to ruin the operation. Having contract soldiers, rather than conscripts, probably facilitated this. This has rarely, if ever, been observed on such a scale. This was the only aspect that qualifies as new.

Skilful use of propaganda and light forces say little about the capability of Russia's Armed Forces as a whole, though, especially about fighting power in regular warfare. They met no military resistance. If Russia's military capabilities were underrated before, there is a risk they will be overrated now. Many factors in Crimea were very favourable for Russia, some within its control, others external.

#### **CRIMEA RELATED FACTORS THAT FAVOURED RUSSIA**

Among the Russia-controlled factors, the key military element was surprise, both on the strategic and tactical levels. Russia chose where, when and how. Russia also had quality forces able to operate in Crimea's unstable environment. Non-military DIME resources, clearly more forceful than those of the new Ukrainian government, allowed Russia to dominate any escalation. Good co-ordination facilitated strategic and tactical synergies as well as quick decisive action.

Another key Russian military advantage was having a major military base in the operational area, the Black Sea Fleet base in Sevastopol. Its ground force unit, the 810<sup>th</sup> Naval Infantry Brigade, facilitated taking the military initiative on land. Naval units could protect against air and sea attacks, especially during the vulnerable early phases of the operation, and blocked the Ukrainian navy in port. With forces already in the area, fewer units had to be moved from Russia. The base also made infiltration of light forces easier.

Three other factors that favoured Russia were, however, external. First, Crimea's size made it a doable operation for Russia's forces. A peninsula naturally delimits the area of operations. The number of administrative and military facilities, roads, harbours and airports to control is limited. Once taken, Crimea is fairly easy to defend especially from an attack over land. Moreover, Crimea was a clearly defined administrative and geographical entity in Ukraine. This made the annexation easier.

Second, proximity mattered. Russia is close to Crimea and has a land border with eastern Ukraine. Russia could, on its own territory,

move sizeable military assets close to Ukraine and close to the Crimean peninsula (east of the Kerch strait), making the invasion threat credible. Forces in Russia were available for diversion and for reinforcing Crimea. The proximity facilitated supplying both the forces and the population in the peninsula. Its ethnic and cultural proximity (including language) to Russia also mattered. It made operations easier. Russian soldiers could talk to ordinary citizens, and to Ukrainian military and civilian officials, without interpreters. Many ordinary citizens and officials in Crimea were pro-Russian, susceptible to Russian propaganda and less likely to oppose intervention. Sentiment is not all, though. Russian agents set up and led 'self-defence' movements, reinforced by young men transported to Crimea from Russia. The ethnic proximity allowed these men to blend in more easily. This became a complement to Russian military forces.

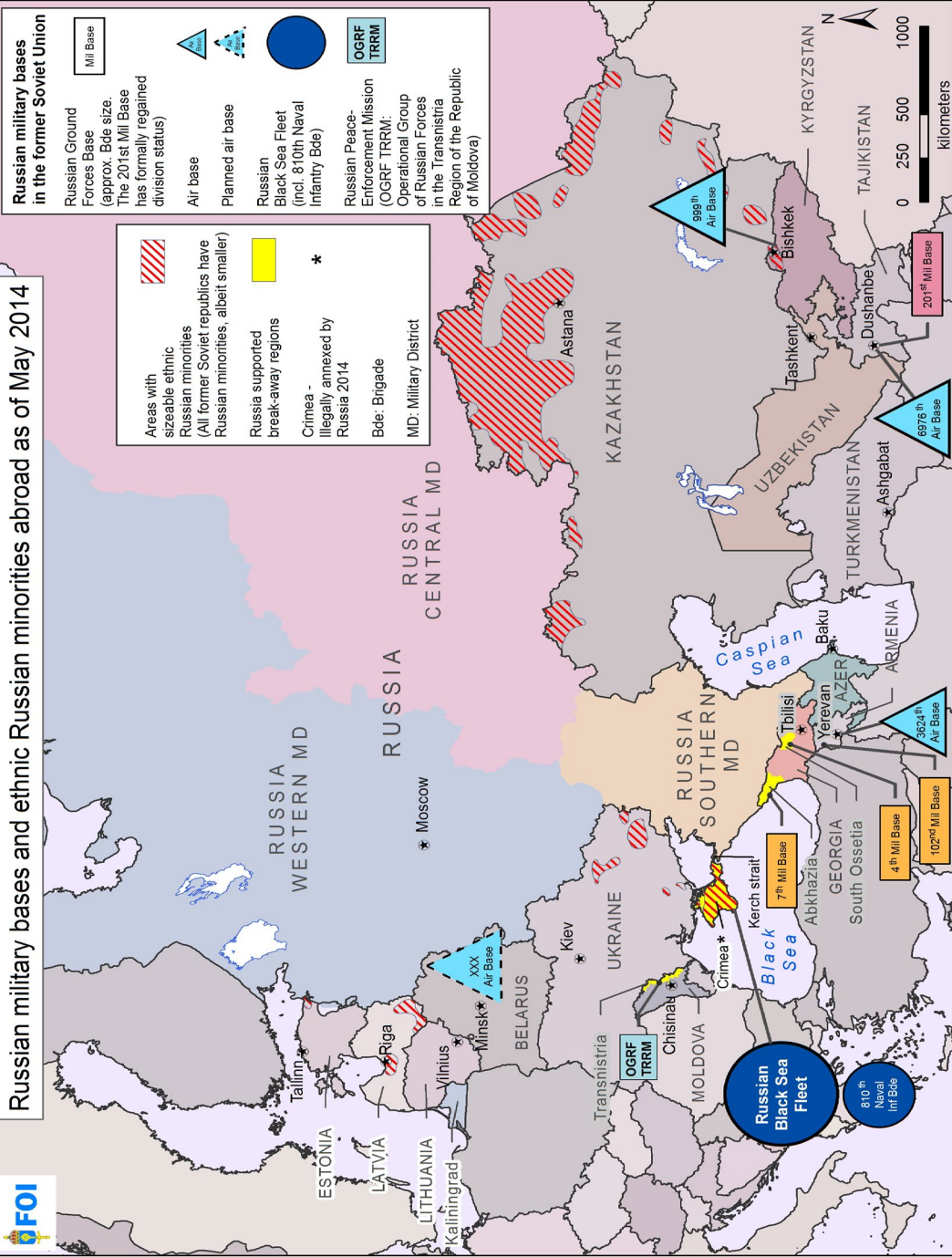
Third, Russia's success was facilitated by the opponent's weakness. Politically, the new, inexperienced government had to handle a collapsing economy and a barrage of criticism from Russia. Militarily, Ukraine's Armed Forces had for decades lacked adequate funds, training and functioning equipment. Therefore, both the Ukrainian government and the military units in Crimea were passive and disorganised. Russia could seize and retain the initiative with relative ease. Some Ukrainian forces even sympathised with Russia and switched sides.

### **WHERE ELSE COULD RUSSIA INTERVENE?**

Given the favourable factors outlined above, where else might Russia repeat the destabilisation of a country by promoting 'independence movements' and take military control of territory in order to enable illegal annexation? For now, the element of surprise is gone. The intervention in Ukraine and annexation of Crimea cost Russian resources and attention, reducing the chances of successfully repeating the same type of operation elsewhere, at least not until Russia's aggressive intervention in Ukraine is over.

Moscow still has sizeable DIME assets and can use them again where and when it chooses. Russia's Armed Forces can repeat the good planning and execution of operations, the use of high quality light forces and close political and military co-ordination. However, the central national coordination of DIME resources may be limited to one direction at a time, since it absorbs the attention of the highest military and political decision-makers. Furthermore, the number of available key special forces units may also limit operations to one direction at a time.

# Russian military bases and ethnic Russian minorities abroad as of May 2014





As for the key success factor, the availability of Russian forces in or near the area of operation, Moscow has the advantage of a military base in each of several former Soviet republics, with an air base in Belarus being added to those in Armenia, Kyrgyzstan and Tajikistan (see map). In Moldova's separatist region, Transnistria, Russia has a peace-enforcement force and encourages militias. Russia has brigade-size ground forces bases (some 4000 men each) in Armenia (102<sup>nd</sup> Military Base), Georgia (4<sup>th</sup> in South Ossetia and 7<sup>th</sup> in Abkhazia) and Tajikistan (201<sup>st</sup>). These countries are the most vulnerable militarily, especially when bordering Russia. The ground forces bases favour intervention, but none of them are as big as the Black Sea Fleet base in Sevastopol (some 12 000 before Russia's invasion, with the base agreement allowing for twice as many), and none can do both air, land and sea operations. Among countries without Russian bases, Azerbaijan, Kazakhstan and mainland Ukraine have long borders with Russia. Russia lacks both borders with and bases in Turkmenistan and Uzbekistan.

Of the three external factors, the first, that an area is 'doable', size-wise, applies only partially to former Soviet states. All countries with Russian bases have smaller DIME assets than Russia and may thus seem 'doable', in particular Georgia and Belarus, which directly border Russia, thus enabling partial or full annexation. Armenia and Moldova are small enough, but lack borders with Russia, making annexation difficult. For these two countries, Russia would also need secure transport of any additional forces through Azerbaijan, or Georgia, and Ukraine, respectively. The same goes for Kyrgyzstan and Tajikistan, which are also probably too large and mountainous to control with available Russian forces. Azerbaijan and, especially, Kazakhstan and mainland Ukraine are too big to control militarily with available forces, but could still be destabilised and become subject to annexation of border areas. Turkmenistan and Uzbekistan are big and distant, making annexation impossible and destabilisation difficult. Few areas are as delimited, geographically and administratively, as Crimea.

The second factor, again, is that geographical, cultural and ethnic proximity matters. Ex-Soviet republics are close to Russia and often host pro-Russian sentiments and people whom Moscow can define as theirs to protect. Examples include Transnistria, Abkhazia, South Ossetia and, as seen recently, in southern and eastern Ukraine. Pro-Moscow movements are likely to be seen as tell-tale signs indicating possible Russian intervention. Visiting Russian separatists could be used again among Russian minorities elsewhere (see map). The cultural and political proximity aspect may be weaker in former Soviet areas where another nationality dominates.

As for the third factor, the weakness of the opponent, most former Soviet republics would have difficulty organising both military and political resistance, if Russia chooses to intervene Crimea-style. Most are already vulnerable and volatile, and Russia could probably easily destabilise them further. The focus of many leaders is regime survival and some may even welcome Russian military interventions. With stable democratic systems and as members of the EU and NATO, the Baltic States are less vulnerable to annexation, but not necessarily to Russia-orchestrated destabilisation.

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Former Soviet republics with Russians, or Russian military assets, nearby may come into Moscow's sights, especially if perceived by Moscow to stray out of Russia's orbit. Russia can destabilise any of them. With forces in or near a relatively small area, cultural and geographical proximity and a weak opponent offering no military resistance, taking Crimea was, arguably, uniquely simple for Russia. Each future case will, however, have unique conditions, both physical (time of year, distance, terrain) and political (cultural proximity to Russia, size of Russian minority, cohesion and determination of the opponent). One country at a time is likely, since top-level political and military coordination is needed. Furthermore, any on-going operation absorbs DIME-resources that cannot be used elsewhere. Azerbaijan, Belarus, Kazakhstan and mainland Ukraine—all bordering Russia—risk (partial) illegal annexation. Georgia's South Ossetia has, for all practical purposes, already been annexed by Russia. Russia can also move forces closer on its own territory. Georgia and, soon, Belarus, also have Russian military bases on their territories and are consequently more exposed. Both are fairly small and hence more 'doable' than bigger countries such as Kazakhstan and Ukraine. Armenia and Moldova are also relatively small and have a Russian military presence, but Russian acts will be hampered by the lack of direct borders. Mountainous Kyrgyzstan and Tajikistan are also isolated and have difficult terrain.

With nuclear weapons and sizeable conventional forces, Russia has always had a hammer. The skilful use of military and political means in Crimea shows it also has tools for operations other than conventional warfare, such as destabilisation. This was unexpected and was therefore perceived by some observers as something new. However, that reflects a failure of imagination rather than novel Russian military capabilities.

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## 7 Ukraine– Challenges for the Future

Jakob Hedenskog

*The young Ukrainian state is contested. By annexing Crimea, Russia broke international law and a number of bilateral and international agreements, including the UN Charter, the Helsinki Declaration's Final Act, the Budapest Memorandum, the Partnership and Cooperation between Russia and Ukraine, and the Black Sea Fleet Agreement. The reactions from the international community were not strong enough to prevent Russia from trying to destabilise the Donbas as well, complete with all the same elements diversion, occupation of official buildings, proposals on referendums of independence and, not least, the threat of military intervention by Russian troops.*

*Eastern Ukraine, however, is not Crimea. The proportion of the Russian population in those regions is much smaller and the territory is much larger. The support for separatism is much weaker than in Crimea, although it has the potential to increase, if the situation does not calm down. Still, opinion polls from the region indicate that the people of southeastern Ukraine prefer to live within a united Ukraine rather than independently, or, even less, in the Russian Federation.*

### **INDEPENDENCE OR DISINTEGRATION?**

Ukraine is in the midst of forming a new political leadership. Russia has not changed its mind about the current political leadership in Kyiv. Since the Kremlin, at least formally, still considers Viktor Yanukovych to be the legitimate president of Ukraine, and the EuroMaidan is perceived as a 'Western-sponsored fascist *coup d'état*,' it logically does not recognise the current leadership in Kyiv. After the launch of the antiterrorist operation in eastern Ukraine, Russia has labelled the leadership in Kyiv a 'junta.'

Although the post-revolutionary leadership in Kyiv behaved in a mostly responsible manner, given the tense situation, it was weak and questioned in the east of the country. With the 25 May early presidential elections, Petro Poroshenko, winning 54 per cent of the votes in the first round, received a broad popular mandate to consolidate the country and promote relations between Ukraine and the EU. The elections were implemented in a democratic and transparent way, in itself not an easy task,

given the diversity and conflicts in Ukraine, Russia's multiple opportunities for obstructing the process through provocation and its support of separatism. Since Russia did not recognise the interim leadership in Ukraine, it did not recognise its decisions either, including the proclamation of the pre-term presidential elections.

Nevertheless, only by having a democratically elected leadership that carries out a responsible policy, can Ukraine get the legitimacy and the support it needs from its own people, as well as from the international community. A legitimate leadership will increase the price for Russia for its provocations and destabilisation. Its actions towards Kyiv will have to subside, and be replaced by more constructive policy. With the new legitimate leadership there are better chances than before to stabilise the situation in Kyiv and in Ukraine as whole. If the new leaders fail, as the previous have, Ukraine will continue to be one of the most misgoverned and corrupt states; and that path will only lead to further disintegration.

#### **DECENTRALISATION OR FEDERALISATION?**

A key element of Russia's policy towards the new government of Ukraine, concerns demands for a constitutional reform that would transform the country from a unitary into a federal state, in a way that would considerably privilege the eastern and southern regions. Such a change in Ukraine's administrative system would enable Moscow to put pressure on Ukraine's central government via the regions. In order to achieve its objectives, Russia has been pressuring Kyiv to establish a constitutional assembly in a form that would guarantee the endorsement of solutions dictated by Russia. In other words, Russia has been demanding, in what is practically an ultimatum, that Ukraine give up one of the fundamental sovereign rights of a state, the right to freely determine its system of government.

There seems to be a growing consensus in Ukraine that the centralist model of state governance is no longer a feasible alternative for Ukraine, and that the country needs reform, greater decentralisation and self-governance for the regions. Through dialogue with the regions, and with the support of the international community, Ukraine has to find a way to carry out decentralisation, regionalisation and reforms within its current structure and territorial division. The alternative, again, will be further disintegration, separatism and, in the end, the loss of sovereignty.

### **ALIGNMENT OR NONALIGNMENT?**

The start of the political crisis and upheaval in Ukraine was former president Yanukovich's decision to 'pause' the process towards the signing of the Association Agreement with the EU in November 2013. After the EuroMaidan, in March 2014, the new government signed the core elements of the political Association Agreement. However, more substantial parts of the agreement, concerning free trade were postponed until after the 25 May early presidential elections.

Ukraine's democratic development is firmly connected to its association with Europe and potential future membership in the European Union. In the presidential elections of May 25, 2014, some 75 per cent of the votes accrued to presidential candidates with a clear pro-EU and Western-oriented message, this makes Ukraine more pro-EU than most of the countries that are members of the union. Compared to the EU Parliamentary election held in the same day, there was a manifested lack of support for right-wing extremist parties in Ukraine. The two most prominent right-wing candidates, *Freedom's (Svoboda's)* Oleh Tyahnybok and *Right Sector's (Pravyi Sektor's)* Dmytro Yarosh, together received less than two per cent, which refutes the Russian narrative about 'fascism' taking over in Ukraine.

In order to prevent further disintegration within Ukraine, more effort has to be made to inform about the benefits of integration in Europe. An association with Europe does not exclude close relations with Russia. Ukraine should not have to choose between the Association Agreement with the EU and a free trade zone with Russia and the CIS, only between the customs union with the EU and the customs union, or the proposed Eurasian Economic Union, with Russia, Belarus and Kazakhstan.

NATO membership for Ukraine is not on the agenda for now. It is too controversial a question, not only for Ukraine but for Russia and NATO itself.

### **DEMOCRACY OR 'MAIDANOCRACY'?**

More than three months after the resignation of Yanukovich, Kyiv's *Maidan Nezalezhnosti* and the city's main street, Khreshchatyk, remain occupied by military tents and barricades. Hundreds of the most militant Maidan veterans, many dressed in uniforms and organised in paramilitary units, continue to live in the square. Maidan has turned into a city within the city of Kyiv, following its own rules. The legal authorities of the city and the Ukrainian state have few possibilities to interfere. For

the veterans and hard-core nationalists, Maidan is ‘the Masada of Ukraine’ the last bastion to fall before the end.

The first serious attempts from the authorities to clear the streets and allow the city to return to normality were taken just before the Presidential inauguration on 7 June, although the April 17 Geneva Joint Statement had stated that ‘all illegally occupied streets, squares and other public places in Ukrainian cities and towns must be vacated.’ Within the Maidan movement, there is a split between those groups that regard themselves as being ‘truly independent’ and those that are more aligned with the government. The former see Maidan protests as a means of influencing the government and believe it should be continued, in order to press the new leadership not to forget about the Maidan’s ideals.

Maidan is an uncontrollable force which can mobilise its dissatisfaction with the current policy of any authority. Any attempt by the new leadership to challenge Maidan may result in a backlash. In addition to the acute tasks of retaining the territorial integrity of the state, ending Russian-sponsored separatism and avoiding state bankruptcy, breaking with ‘Maidanocracy’ is a huge task for the new leadership of Ukraine. Nevertheless, tackling it is paramount in order to move Ukraine forward.

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Ukraine’s challenges could not be greater: to keep the remainder of the country together, independent and democratic, despite severe pressure from Russia and maintaining the ambition to integrate with Europe. This task is too big for Ukraine itself. It will need financial and political assistance from Western countries for a long time to come. Given the seriousness of the situation, and the result of the pre-term presidential elections, there is a chance that Ukraine will have a true reformist government. The events since November 2013 have shown that a truly independent Ukraine’s future is within Europe. ‘Multi-vector’ policy à la Kuchma, as discussed in chapter three, is not an option due to Moscow’s openly hostile attitude towards Kyiv and its disrespect for Ukraine’s territorial integrity.



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# 8 Security Policy and Strategic Consequences

Mike Winnerstig (ed.), Märta Carlsson, Jakob Hedenskog,  
Anna Sundberg and Carolina Vendil Pallin

*This chapter considers the likely primary consequences of the Russian aggression against Ukraine. For Russia, they likely amount to decreasing interaction with the West and increasing interaction with Asian countries. In the process, the Russian economy might suffer substantially. For Ukraine, the de facto loss of Crimea is a huge blow. The loss of more territories in the east and south of the country would mean that a very different Ukraine emerges. For the West, i.e. the EU, NATO and the US, the crisis over Ukraine will mean a much more adversarial relationship to Russia, where traditional geopolitical considerations will pose a major challenge to the liberal, rules-based international order in Europe and beyond.*

## **CONSEQUENCES FOR RUSSIA AND UKRAINE**

Russia has intervened militarily in Ukraine, but is also undergoing change at home as a direct result of this. The speech on Crimea that Vladimir Putin delivered to parliament on 18 March 2014 had all the formal and dramaturgical trappings of a programme speech. Putin appealed openly to Russian nationalist sentiments, accused the West of attempting to undermine Russian stability and branded those who dare criticise the takeover of Crimea as fifth columnists. According to opinion polls, the Russian population overwhelmingly supports this new policy line. A majority thinks that Putin has returned Russia to greatness; a majority also either wholly or in part supports the slogan, 'Russia to the Russians' and takes a negative view of the US and, for the first time, also of the EU.

The domestic political scene has changed and it will be costly—not to say highly risky—not to deliver on the nationalist expectations that have been created. Nationalism and strong enemy images coupled with an increasingly authoritarian rule, as was shown in chapter four, The View from Russia, will limit Russia's foreign policy choices. Increasingly, Russia will find itself looking to the east for trade and other forms of cooperation. Already in April 2014, Russia's political leadership appeared to have consigned itself to this reality. Dmitrii Medvedev's annual address to the parliament made this clear. He stated that Russia

could modernise on its own and in spite of sanctions and lack of cooperation with the West.

In April, one of the most visible economic consequences of the illegal annexation of Crimea was the reduced value of the rouble and therefore higher prices on foreign goods in the shops. Capital flight and investors turning elsewhere is also a major problem. However, in a long-term perspective, the greatest threat is that Russia's reliability as a trading partner and more specifically as an energy provider to Europe is undermined. If Europe increasingly turns elsewhere for its energy imports, Russian economic growth will decrease even further. The Russian state budget is still highly dependent on incomes from energy exports. Reduced energy incomes will make it difficult to deliver on promises, for example, to raise pensions and benefits, and to provide better health care and education. These are important concerns for a large section of Putin's electorate.

For Ukraine, the *de facto* loss of Crimea was a huge blow. Further losses of territory would mean that a very different Ukraine emerges. Although genuine pro-Russian separatism is still not widespread in the eastern and southern regions of Ukraine, the pro-Russian minority, particularly in Donbas, is more motivated than the majority who are loyal to Ukraine. Those loyal to Ukraine have been threatened and frightened enough not to show their preferences. However, although the idea of a united Ukraine is currently dominant, if the situation in the east continues to destabilise and turn extremely violent, then the risk increases that the western and central regions will start to consider the separation of Ukraine as not necessarily being a bad thing. If the eastern and perhaps even the southern regions leave Ukraine, the national electoral preferences of the central and western regions will completely dominate in the rest of Ukraine. Even with only the loss of the Crimean electorate, given its over-representation of ethnic Russians, pensioners and retired naval officers, the Communist Party of Ukraine will most likely not be represented in the next *Verchovna Rada*, the Ukraine parliament.

A difference between the Orange Revolution of 2004-2005 and the recent EuroMaidan was that the former was driven by the opposition parties and the latter by civil society. There was a logical ending to the Orange Revolution – the annulment of the fraudulent second round of the election, the new vote, the victory of the opposition leader Yushchenko and his subsequent installation as president. But EuroMaidan has no such logical ending. Tents and barricades can be removed, but Maidan will continue to be a power to count on.

## **CONSEQUENCES FOR THE UNITED STATES-RUSSIA RELATIONSHIP**

During the last 25 years, the United States has pursued several different policies towards the Russian Federation, ranging from the 'Russia first' policy of the early Clinton years, in the 1990s, to the openly hostile attitude of the George W. Bush administration, after the 2008 Russian-Georgian war.

In 2009, however, the Obama administration tried to mend relations by launching its so-called 'reset' policy, which included a new set of policies promoting US-Russian cooperation in a number of areas, primarily nuclear disarmament, Iran, and Afghanistan logistics. In these areas, the administration could claim considerable progress – in particular in the case of the so-called Northern Distribution Network that allows transportation of goods to and from Afghanistan through Russia. However, the 'friendliness' of the Obama administration towards Russia went so far that some worried about 'US disengagement' from its European allies. Some of them connected the Obama administration with a policy of 'off-shore balancing,' suggesting a complete withdrawal of US military engagement in Europe. At the same time, the US administration and many US analysts essentially argued that Russia was no longer a global superpower, but merely a regional power.

When the civil war in Syria intensified, in the summer of 2013, the signs of a change in the Obama administration's policy towards Russia became obvious. US frustrations with the Russian support for the Assad regime in Syria aggravated the general relationship, and this continued through the initial phases of the crisis over Ukraine.

The US administration's reactions to the Russian overt and covert actions in Crimea and eastern Ukraine have been highly critical. Russia has been portrayed as an adversary, if not an outright enemy. This was not the planned course of events for US-Russian relations, neither from the perspective of the administration, nor the Republican opposition; Russia was supposed to be a partner, not an enemy. Unfolding events, though, will most likely lead to a lasting adversarial relationship between the two countries; enough hard words – and some actions – have already been in play for a sufficiently long time. In this sense, the US-Russian relationship will follow the same logic as the general Russian-Western relationship: the logic of the negative spiral.

The United States is the central reference point in Russian foreign policy. The state of their relationship affects the actions of Russia in the international arena and how it prioritise relations with other countries. Russia wants to be acknowledged by the United States as a great power and an important partner. The fact that the United States does not do this constitutes a fundamental problem in their relationship. Russia opposes the dominance of the United States in international affairs, since it sees itself as being marginalised, and instead promotes a multipolar world order. The UN Security Council holds a special place in Russian foreign policy, partly because it is one of the few forums where Russia is on par with the United States and can veto its initiatives. Russia disapproves of the United States' circumvention of the UN Security Council and its unilateral actions, in, for example, the invasion of Iraq. Outside involvement in its sphere of influence, i.e. the Commonwealth of Independent States (CIS), is a sensitive issue for Russia. It views the 'colour revolutions,' from 2003-2005, and the prospect of a NATO Membership Action Plan (MAP) for Georgia and Ukraine, in 2008, as steps by the United States to encircle Russia and expand its influence at the expense of Russia.

Consequently, the Russian relationship with the United States has gradually deteriorated since 2003. Also adding to this was, from a Russian perspective, the lack of appreciation by the United States for its contributions in 'the war on terror,' the invasion of Iraq, the Balkans, missile defence and NATO enlargement. On another level, when the United States adopted the Magnitsky law, targeting Russian officials suspected to be involved in the death of the lawyer Sergey Magnitsky, Russia enacted a law that prevented American couples from adopting children from Russia.

The renewed engagement of the United States in Ukraine makes a rapprochement unlikely, from a Russian perspective; a continually problematic relationship can be expected. This does not bode well for bilateral relations, but will most likely influence multilateral contexts as well. For example, the UN Security Council could become an arena for antagonism and impede conflict resolution. Difficult relations between the countries could become noticeable on issues where Russian cooperation would be essential, for example in the negotiations with Iran on its nuclear programme and in finding a solution to the civil war in Syria.

## **CONSEQUENCES FOR THE EU AND NATO**

Since the late 1990s, the EU has promoted itself as a crisis manager with a unique mix of instruments, which include civilian and military operations, diplomacy, and development aid. During the crisis in Ukraine, the EU has also frequently stressed its special responsibility for peace and security in Europe and the EU3 – France, UK and Germany – has emphasised EU's primary role in finding a solution. There is, however, a clear risk that EU's credibility as a crisis manager will be further questioned, in that the present situation is a crisis in Europe where the impact of EU measures taken is, or might be seen as, negligible. Rhetorically, EU3 has condemned Russia's actions. However, beneath the surface the different national relations with Russia affect their views of what the next step of the EU should be.

The Ukraine crisis may affect the EU in several other ways. Energy policy is certainly not new on the EU's political agenda, but the Ukraine crisis is increasing interest in the issue. The geopolitical dimension of energy demonstrates in a concrete way the vulnerability and dependence that many EU countries have on energy imports from Russia. This has already led to various initiatives that more or less directly aim at finding alternatives to Russian energy.

Furthermore, for several years there has been a discussion about the lack of long-term direction and strategy in the EU's foreign and security policy. Those who require an updated version of the European Security Strategy (ESS) could now find new arguments for their cause. It can, however, be argued that the Ukraine crisis exposes the different approaches of the member states, making it even more difficult to agree on a common strategic direction. Against this, it is sometimes claimed that the first ESS was born out of EU members' disagreements over Iraq.

In light of the Ukraine crisis the defence issue will take up more space on the EU's agenda. This can manifest itself in an increasing interest in the implementation of the conclusions from the latest European Council on Defence and in capability development programmes. A renewed discussion about the Common Security and Defence Policy (CSDP) could also be on the agenda. Pertinent questions will most likely be whether the CSDP is better suited for civil-military operations outside Europe than for a crisis inside Europe, and how or whether the CSDP can contribute to European security.

Finally, the Ukraine crisis will lead to a reassessment of the relationship with the countries in the Eastern Partnership that, in addition to Ukraine, include Armenia, Azerbaijan, Belarus, Georgia, and Moldova. There is an obvious need to review the program and the EU's long-term planning in the region. However, this would produce yet another challenge for the EU. There is no consensus on whether the Eastern Partnership and the Association Agreements are replacements for or the first step towards a full membership in the Union.

During the last 20 years, NATO has focused on operations abroad, often in faraway places. Therefore, the weight of NATO's traditional *raison d'être*, actual defence planning for the defence of the member states, has been very light during the same time-frame. Although the alliance adopted new defence plans for the Baltic States and Poland in 2010, this was done somewhat reluctantly and several member states – Germany in particular – went to great lengths in reassuring Russia that these plans were not meant to portray Russia as a potential enemy.

The crisis in Ukraine has changed all this. Currently, updating NATO's defence plans – especially for the member states bordering Russia – is a key and ongoing task for the alliance. This means that other issues such as international operations and partnerships with countries like Sweden and Finland will see their significance reduced. Furthermore, NATO's Baltic air policing mission has been expanded substantially and swiftly. This has coincided with numerically limited, but politically highly significant bilateral US-Baltic exercises on the ground, in Poland and the Baltic states. The US has also augmented its air force detachment in Poland in the same context. The pattern of the US quickly moving its forces to the assistance of threatened or vulnerable allies, followed later by NATO decisions on the same course of action, is likely a template for future contingencies in Europe. This underlines the importance that the continued US military presence in Europe has for its European allies and partners.

These developments are most likely to continue. High-ranking NATO officials have already been talking about a need for the permanent stationing of allied troops in countries close to Russia, as a tripwire force rather than as a defence force. This indicates a potential solution to the dilemma that NATO faces: the substantial, defensive troop levels needed for defeating an attack against, for example, the Baltic states, could be considered a direct military threat by Russia, and thus provoke pre-emptive actions. A small force of US troops under a NATO



umbrella could not really defeat an attack, nor pose a real threat against Russia, but might be highly effective as a deterring tripwire force. If the current trajectories continue, there will probably be some kind of permanent NATO military presence in primarily the Baltic States and Poland, although this might be based on rotational units, as with the current air policing mission.

Russia might perceive such a development as provocative and that it will increase tensions between NATO and Russia.<sup>6</sup> The views might be reconciled in the long-term, but they are reinforced by other controversies, such as the NATO/US missile defence system, different arms control treaties, such as Conventional Forces Europe (CFE) and Intermediate-Range Nuclear Forces Treaty (INF), and similar issues. Therefore, a continuation of very tense or directly adversarial NATO-Russian relations is highly likely, at least until a fundamental political solution of the crisis in Ukraine is reached.

### **CONSEQUENCES FOR THE EUROPEAN SECURITY ORDER**

The major consequences of Russia's illegal annexation of Crimea and aggression in eastern Ukraine for the European security order can be summarised in the following way: geopolitical struggle has returned with a vengeance and will not go away. In a direct way, this presents a fundamental challenge to the permanent formation of a liberal, rules-based security order in Europe. This has been at the center of political efforts in Europe during at least the last quarter-century.

What has happened, as an immediate consequence of the crisis over Ukraine, is that geopolitical struggle and traditional balance of power issues have been brought out into the security policy daylight again. This may influence the European security order in a long-term perspective.

What is actually most likely is that the current antagonism between, on the one hand, Russia, and on the other, the United States and most of Europe, generates several forms of negative spirals. First of all, the military situation on the ground in and around Ukraine will generate its own action-reaction logic. This will in turn lead to a much more divisive and acrimonious political relationship between Russia and the Western world. Such an unfriendly, or downright hostile, political relationship might likely drive new arms build-ups on both sides, leading to a new military situation. Finally, this might affect global

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<sup>6</sup> Russia often argues that the NATO countries 'promised' that they would not accept new members after the fall of the Soviet Union. The NATO view is that such promises were never made.

relationships. What happens in Europe is also noted among distant countries, especially those that are also allies of the United States – or Russia.

Essentially starting after the first eastward enlargement of NATO in 1999, the interaction between the West and Russia has been framed by two very different security policy languages. The one of the West has been liberal and values-based, emphasising the right of all countries to choose their own destinies, in terms of alliance memberships and other fundamental issues. The language of Russia has been traditionally geopolitical, indicating that great powers are special and not 'normal' powers, and that they have certain prerogatives such as 'spheres of interest,' where they prefer to have no interference by outside powers. The current events in Ukraine mean that a geopolitically-inspired discourse has collided with a liberal discourse, and that the former will probably have a great impact on the future lingua franca of European security.

## 9 Some Legal Aspects of the Illegal Annexation of Crimea

Carina Lamont

*Russian officials have used legal rhetoric to legitimise Russian activities in regards to Crimea. Each aspect of law raised, either through events or through rhetoric, is complex and can be held to constitute a separate scientific field of law. Therefore, this chapter does not embark on a thorough analysis of the legal aspects of the events leading up to the illegal annexation of Crimea. Rather, this chapter briefly addresses some of the legal concerns triggered. The analysis reveals that Russia has utilised law as a tool for power, and thus violated established principles of international law.*

### **SOVEREIGNTY OF STATES**

Ukraine gained independence from the former Soviet Union on 24 August 1991. Ukraine thereby obtained both legal and factual sovereign rights as a state. Sovereignty has been defined as the existence of rights over territory and entails both rights and obligations, such as rights to exercise jurisdiction over its territory and over its permanent population, and the duty not to intervene in internal affairs of other states. The Budapest Memorandum on Security Assurances, signed by Russia, included provisions to respect the independence and sovereignty and the existing borders of Ukraine. It also included assurances against the threat or use of force against the territorial integrity or political independence of Ukraine. Thereby, the sovereign rights of Ukraine are recognised both through established principles of international law, and through the Budapest memorandum.

The non-intervention principle, notably, is a fundamental principle in international law that is closely related to the sovereignty of states. A provision of the inadmissibility of intervention has been included in a number of legal instruments, and United Nations General Assembly (UNGA) resolution 2131 stipulates that

*[n]o state has the right to intervene, directly or indirectly, for any reason whatsoever, in the internal or external affairs of any other state. Consequently, armed intervention and all other forms of interference or attempted threats against the personality of the State or against its political, economic and cultural elements, are condemned.<sup>7</sup>*

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<sup>7</sup> United Nations General Assembly resolution 2131, 21 December 1965, para 1.

Arguably, the non-intervention principle has come under increased pressure in the 21st century. The Kosovo crisis, in 1999, in which the NATO bombing campaign was conducted without United Nations Security Council (UNSC) authorisation and as such outside the premises of international law, raised the question of legitimacy of humanitarian intervention in certain situations. Although there was no formal endorsement of the NATO action in Kosovo, there was also no condemnation. In conclusion, the doctrine on humanitarian intervention was neither enabled nor condemned by the UN, but it received meagre support. The debate on the concept of humanitarian intervention, however, continued, and most prominently through the rise of the concept Responsibility to Protect (RtoP). The existing doctrine on humanitarian intervention today, RtoP, is limited to situations entailing serious and specific atrocities. It also requires that any action taken by individual states or as collective action is authorised by the UNSC, and undertaken in accordance with the United Nations Charter (UNC) and applicable international law.<sup>8</sup> Thereby, the legal parameters for the use of force remain the same. The non-intervention principle thus stands firm in the international arena, despite the Kosovo crisis in 1999, and despite the debate on humanitarian intervention that followed.

### **PROHIBITION OF THE USE OF FORCE**

The prohibition of the use of force, stipulated in the United Nations Charter (UNC) article 2 (4), constitutes a fundamental principle in international relations. The principle is also considered as customary in nature, and it is as such binding on all states. Article 2 (4) prohibits *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*. The prohibition also includes a ban on organising, instigating, assisting, or participating in civil strife or terrorist acts in another state, as well as of the encouragement or formation of armed bands for incursion into another state's territory.

An agreement between Russia and Ukraine permits Russian armed forces on Ukrainian territory and military training activities within specific training centres and position areas. Russia has reportedly transferred a large number of military troops and vehicles into Ukraine, an act which arguably does not benefit from consent from Ukraine. As such, the activities by Russian armed forces in Ukraine are in material breach of the agreement. The, action therefore constitutes a violation of article 2 (4) of UNC, and possibly an act or a crime of

aggression. Provided that the situation amounts to an *armed attack*, it also triggers the right to self-defence for Ukraine as per article 51 of UNC.

Notably, the activities undertaken by Russian authorities have involved military actors operating on the Ukrainian territory of Crimea by taking control over governmental buildings and organising self-defence groups. Thereby, the activities can arguably be held to constitute one or more of the prohibited actions: to *organise, instigate, assist* or *participate* in civil strife inside the sovereign state of Ukraine. In addition, the prohibition of the use of force establishes that it is illegal to use force against a state. That may consequently necessitate a distinction between using force in a state, and using force *against* a state. The *purpose* of the force is thus central to establish legality of the force used. The purpose of the activities by Russian actors in Crimea was reportedly to instigate a referendum and to enable an annexation of Crimea to Russia. Thereby, the activities undoubtedly constitute force *against* rather than *in* the state of Ukraine. Such acts can be held to constitute a violation of the territorial integrity and political independence of Ukraine, and may, provided that the situation on the ground reaches the legal threshold in terms of gravity, constitute a *crime of aggression*,<sup>9</sup> or an *act of aggression*.<sup>10</sup>

Moreover, there are credible indications that the activities involving take-over of government buildings and arming of ‘self-defence’ groups in Crimea were orchestrated by Russian government officials. If there is a factual relationship between individuals engaging in a certain conduct, and a State, the conduct may be attributable to the State. As stipulated in *Responsibility of States for Internationally Wrongful Acts*, article 8, ‘the conduct of a person or group of persons shall be considered an act of the State under international law if a person or group of persons is acting on the instructions of, or under the direction or control of that State in carrying out the conduct.’ Thereby, the take-over of government buildings and

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9 According to Amendments to the Rome Statute of the International Criminal Court on the crime of aggression, ‘crime of aggression’ means the planning, preparation, initiation, or execution, by a person in a position effectively to exercise control over, or to direct the political or military action of a State, of an act of aggression which, by its character, gravity and scale, constitutes a manifest violation of the Charter of the United Nations

10 An *act of aggression* is defined in article 3 (e) in the *Definition of Aggression* as ‘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’

arming of ‘self-defence groups’ may be attributable to Russia as a state under international law.

### **THE LAW OF OCCUPATION**

The illegal Russian activities in Crimea trigger the question of the relevance and applicability of the law of occupation. According to that law, an occupation exists when a state exercises effective control over a territory on which it has no sovereign title, and without consent.<sup>11</sup> It holds that the occupant state does not obtain sovereign rights over the territory, and it requires the occupant state to respect the laws in force in the occupied territory; it also prohibits forced enlistment, confiscation of property, and so on. Although this chapter does not specifically analyse the applicability or the effect of the law of occupation on the situation in Crimea, it is important to note that the law of occupation does affect the legality of the actions taken by the occupying force. Examples of actions affected are the holding of a referendum and decisions regarding annexation. The referendum and decision on annexation may therefore be illegal and thus invalid.

### **THE RUSSIAN RHETORIC OF SELF-DEFENCE AND INTERNATIONAL LAW**

Russia has used a rhetoric involving self-defence arguments during the course of events leading up to both the illegal occupation and the illegal annexation of Crimea. Self-defence is a right afforded to states through article 51 of UNC, but it is limited to very specific situations. The Russian rhetoric has seemingly focused largely on protecting Russian ‘compatriots’. The term likely refers to the Russian-speaking population of Ukraine, Russian nationals, or ethnic Russians. Irrespective of the definition of the term ‘compatriots,’ however, the rhetoric used raises the question of whether or not a legal right to use force to protect national interests abroad, and without consent of the host state, exists.

There are obvious divisions, both between states and between scholars, on the question of the existence of a right to extraterritorial self-defence for the purpose of protecting nationals. States that have argued in support of the existence of such a right have often referred to the right to self-defence stipulated in the UN Charter, article 51. That article does not entail explicit support for the existence of a right to extraterritorial self-defence. There is thus no clear-cut answer to the question

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<sup>11</sup> The Hague Convention (1907), article 42 holds: ‘territory is considered occupied when it is actually placed in the authority of the hostile army’.

of whether or not such a right exists. Notably, however, most cases in which extraterritorial force has been used with the express purpose of protecting nationals were in fact pretexts for intervention, and can therefore not be considered legal, for that reason. As the course of events on Crimea has shown, the purpose of the Russian activities in Crimea was to instigate a referendum and enable annexation of Crimea to Russia. There were also no credible signs of widespread or systematic threats being posed against Russian nationals, ethnic Russians, or the Russian-speaking population in Crimea. It can thus be concluded that Russian activities were not, in fact, aimed at protecting nationals, but rather constituted a pretext for other aims. Thereby, irrespective of the legality of extraterritorial use of force for the purpose of protecting nationals in international law, the activities undertaken by Russian forces in Crimea must be considered illegal under international law.

### **SELF-DETERMINATION**

Self-determination has been held by President Putin to constitute a valid and legal reason for the annexation of Crimea. The principle of self-determination is reflected in key positions in many international legal instruments, such as UNC article 1 (2). The principle is a fundamental yet enigmatic principle of international law. It has often been described as a basis for peace and friendly relations and as a prerequisite for human rights. However, instruments that include reference to the right to self-determination focus on the obligation of states not to refuse or suppress such rights by force, and has explicitly avoided wording that awards national liberation movements the right to use force.<sup>12</sup> The 1974 Definition of Aggression states that any struggle to obtain self-determination must be pursued in accordance with the UNC. In contemporary legal doctrine, there is no support for the right to use force to attain self-determination outside the context of decolonisation, or illegal occupation. There is also even less support by states for the right of ethnic groups to use force to secede from existing states. However, there is seemingly some support for the stance that when claims to secession are met by forcible suppression, the case for self-determination may be strengthened. Consequently,

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12 See the United Nations General Assembly Resolution 2625 (1970), *Declaration on Principles of International Law concerning Friendly Relations and Co-operation among States in accordance with the Charter of the United Nations*, A/RES/25/2625, 24 October 1970; United Nations General Assembly, resolution 3314, *Definition of Aggression*, A/RES/29/3314, 14 December 1974; United Nations General Assembly, *Declaration on the Inadmissibility of Intervention and Interference in the Internal Affairs of States*, A/RES/36/103, 9 December 1981.

irrespective of the nationality of the actors, the violent takeover of government buildings, and the taking up of arms and the subsequent threat, or use, of force in Crimea is illegal under international law.

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In the context of the Russian rhetoric regarding Crimea and Ukraine, it is of importance to note that law must be applied thoroughly and objectively to render validity. Legal rhetoric that is applied selectively and used for the purpose of legitimising political preferences is consequently invalid. Russia has arguably been both selective in the choice of legal references, and used the law with an aim to support political objectives. Thereby, Russia has used law as a tool for political power. This contrasts with rule of law principles which are universally accepted pillars of international law, and as such guiding principles for the utilisation of law on the international arena. Hence, and as the analysis above has shown, the legal arguments put forward by Russian officials are legally invalid, and the manner in which international law has been applied contrasts with established principles of international law.



# 10 Economy, Energy and Sanctions

Tomas MalmLöf (ed.), Bengt-Göran Bergstrand, Mikael Eriksson,  
Susanne Oxenstierna and Niklas Roszbach

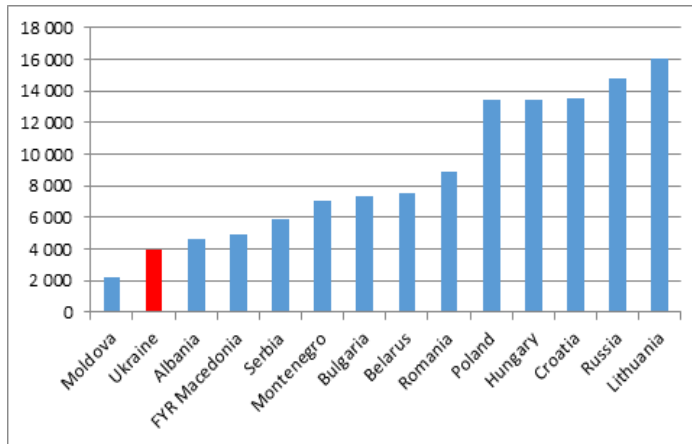
*The crisis over Ukraine has already put further strains on the Russian and Ukrainian economies. It might also have a profound impact on transnational economic relations, as it challenges the predominant paradigm of economic cooperation as a model for building peace and security. In particular, the European energy markets will be affected. This chapter explores the economic consequences of the crisis for the Russian and Ukrainian economies. It also discusses the impact on the European energy markets and points to the role of sanctions as a crisis-solving tool.*

## **ECONOMIC ASPECTS OF THE UKRAINIAN CRISIS**

According to IMF figures, Ukraine is the only former Soviet Republic that has a lower GDP today than it did when it became an independent country in 1991. Despite preconditions to be prosperous, Ukraine has one of the lowest per capita incomes in Central and Eastern Europe – under US\$4000 in 2013, despite its preconditions to be prosperous (Figure 1). Economic reforms have never taken off and the post-Soviet political leaders have been part of oligarchical groups more interested in enriching themselves than in stimulating economic growth. In 2013, Transparency International's Corruption Perception Index ranked Ukraine as 144th on its list of 177 countries; a position lower than that of any of its neighbours.

As a result of mismanagement during two decades, in May 2014 the Ukrainian economy had a current balance deficit of 9 per cent and a budget deficit of 10 per cent of GDP. In addition, the country has unpaid gas debts to Russia of about US\$3.5 bn and Russia announced a doubling of the gas price to US\$480 per thousand cubic meters in the initial phases of the negotiations. Ukraine needs radical economic reforms to improve its economy, involving increasing competition, scrapping of energy subsidies to domestic users and structural loans. The loan package put together by the IMF in the spring of 2014 amounts to around US\$17 bn. Ukraine received another IMF financial support package, in 2010, which was frozen when the government did not follow through with the reforms.

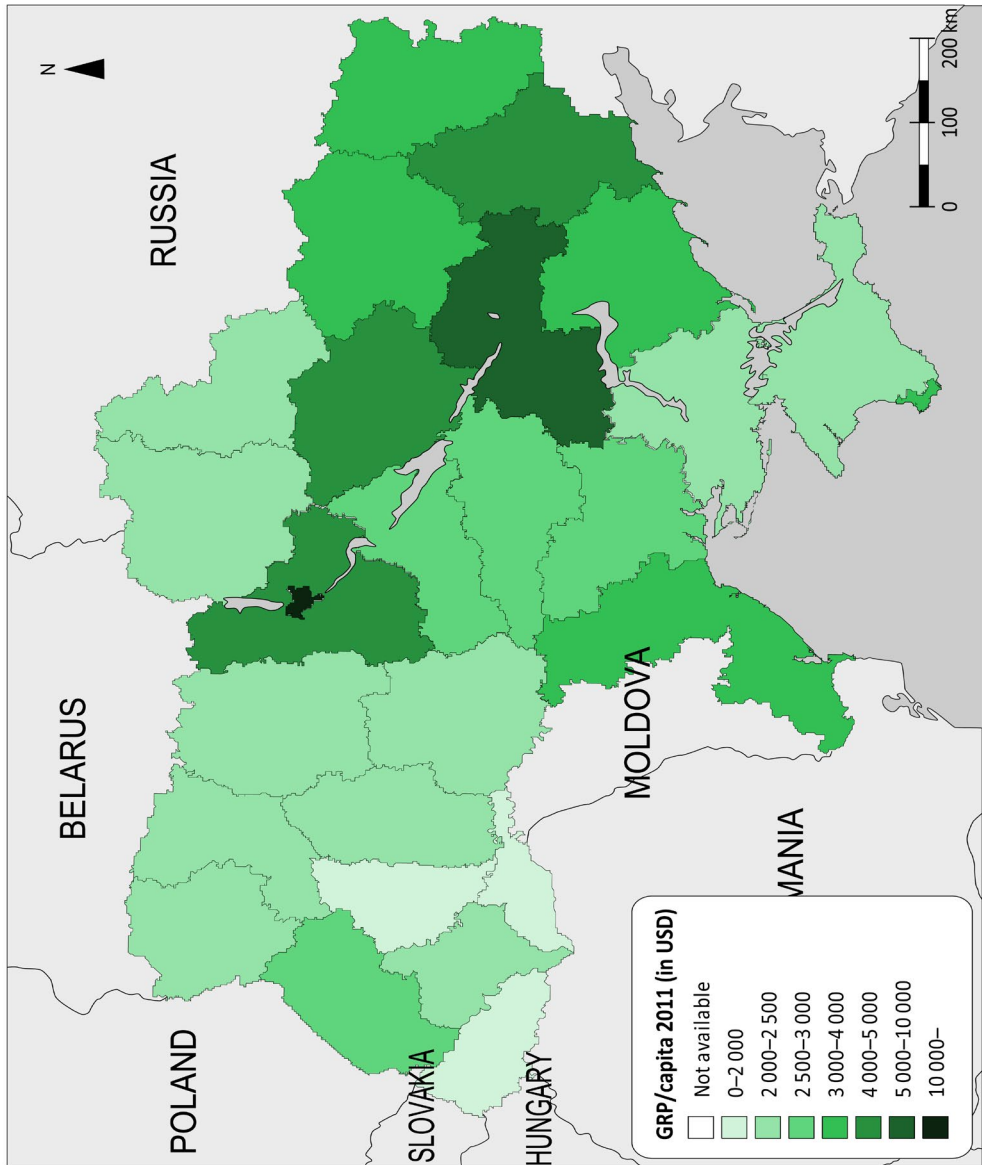
**Figure 1. GDP per capita 2013, US\$**



Source: IMF World Economic Outlook, April 2014, [www.imf.org](http://www.imf.org)

The polarised political situation has its parallel in the economic landscape. The Ukrainian economy is divided into a predominantly agrarian West and a heavily industrialised East. The ‘Orange revolution’ of 2004 was supported by the western regions, which at the time had a lower standard of living and a high dependence on transfers from the state budget (with the exception of Kiev and Lviv), while the eastern regions that supported former President Yanukovich were relatively richer. The present crisis shows a similar political divide although the pattern is less sharp after the 2009 economic crisis when Russian GDP contracted by 8 per cent and Ukraine’s GDP by 15 per cent. The standard of living in terms of gross regional product (GRP) per capita is still higher in the industrial eastern regions than in the west (Figure 2). Dnipropetrovsk, and Donetsk are the strongest regions economically and key centres for the nuclear, arms and space industries. They are located in the Donets Basin, a vast geographical area that has coal deposits, metallurgy and other heavy industry. The link between eastern Ukraine and Russia is underpinned by strong industrial cooperation and interdependence, not least in the defence sector. The south-east regions have lost in relative standard of living after the economic crisis.

Figure 2. Gross regional product per capita in US\$ (2011)



Source: FOI, based on State Statistics Service of Ukraine, [www.ukrstat.gov.ua/operativ/operativ2008/vvp/vrp/vrp2008\\_u.htm](http://www.ukrstat.gov.ua/operativ/operativ2008/vvp/vrp/vrp2008_u.htm), [last accessed June 2014]

For the EU, more trade and cooperation with Ukraine is plausible, but enlargement is hardly an option due to the high costs involved. It is also questionable from an economic perspective if Russia would be interested in taking on the eastern regions. Some regions are relatively richer than in western Ukraine and some are at a similar level, but the standard of living is considerably lower than in Russia. The population of the leading eastern regions of Donetsk, Dnipropetrovsk, Kharkiv and Luhansk amounts to a third of Ukraine's population, almost 13 million persons. The heavy industry of Ukraine is at least as inefficient and obsolete as it is in Russia and it would not survive competition with the West. While western Ukraine looks west and sees more dynamic European countries with higher growth and less corruption, eastern Ukraine instead looks to Russia.

The crisis over Ukraine has not only hurt political and diplomatic relations between Russia and the West, but also economic contacts. Good business relationships need mutual trust and this will take time to rebuild after Russia's annexation of Crimea. The uncertainty created by the crisis will do serious long-term damage to Russia's economy, while the sanctions implemented so far will have only a limited effect on the Russian economy.

Financial markets have reacted instantaneously to the crisis over Crimea. Capital flight out of Russia has risen rapidly during the last few months; in March, Goldman Sachs, a leading investment bank, estimated that the total this year may reach US\$130 bn, or more than 5 per cent of the Russian GDP. In late April, Standard & Poor's, a major rating agency, downgraded many Russian stocks and bonds to a rating just above 'junk status' due to the higher risk and the Moscow Stock Exchange (MICEX) had fallen substantially.

The economic setbacks have not yet sufficed to make President Vladimir Putin revise his policy on Ukraine. At least in the short term, he will be able to blame Western sanctions for Russia's gloomy economic prospects. Up to the outbreak of the global economic crisis in 2008, Russian GDP increased at an annual average rate of around 7 per cent and Putin managed to take credit for this development. However, the last few years have seen both lower and gradually decreasing rates of growth. In late April, the IMF decreased its forecast for Russian economic growth in 2014 from 1.3 per cent to only 0.2 per cent, with the caveat that further downward revisions could not be ruled out. The bleak economic outlook for the Russian economy will be a challenge for Putin.

The high rates of growth in the 2000s enabled a rapid increase in Russian military expenditure, and several programmes of military modernisation have been launched. With military expenditures

around US\$90 bn in 2013, Russia is the World's third largest military spender after the United States and China. Ukraine, by comparison, spent US\$5.2 bn on defence in 2013, having increased its military expenditure, in real terms, by 17 per cent in 2012, and 16 per cent in 2013.

According to plans, Russian military expenditure will rise in the coming years. Without revisions to these plans and with a stagnating and perhaps even shrinking economy, the burden of military expenditure will increase even further. While the Russian people presently supports Putin's policies on Ukraine, it is more doubtful whether they will continue to do so when the full cost of these policies becomes apparent.

### **ENERGY INTERDEPENDENCY**

The present crisis over Ukraine puts the spotlight on European energy security. It challenges both Russian security of demand and European security of supply. The way Europe and Russia solve this energy conundrum will influence the structure and operation of European energy markets, and ultimately, global energy flows. However, Russian energy leverage might still be used to stymie efforts to improve European security well into the next decade. If Russia drastically reduced or cut off gas exports to Europe, it would be a shock to the European economy.

Most European countries are dependent on imported energy and for many of them, Russia is a significant supplier. Regarding the EU, one-third of its imports of both crude oil and coal comes from Russia, as well as one-fourth of its natural gas. In terms of European energy security, import of Russian oil and coal is not an issue. There is a global market for these resources. One supplier can be substituted by another within only a few weeks or months. However, natural gas distribution is limited to pipelines and, accordingly, markets tend to be local or regional. When one supplier cannot easily be replaced by another, there are incentives for monopolistic behavior as experienced in previous conflicts between Russia and Ukraine.

Western European countries have until recently considered Russia to be a reliable energy supplier: oil and gas revenues contribute to around one-half of Russia's national budget; 70 per cent of its gas exports go to the EU; and it is all based on major Russian investments in pipeline infrastructure, from western Siberia to Europe. Even during some of the frostiest years of the Cold War, imports of Russian gas flowed continuously to western Europe.

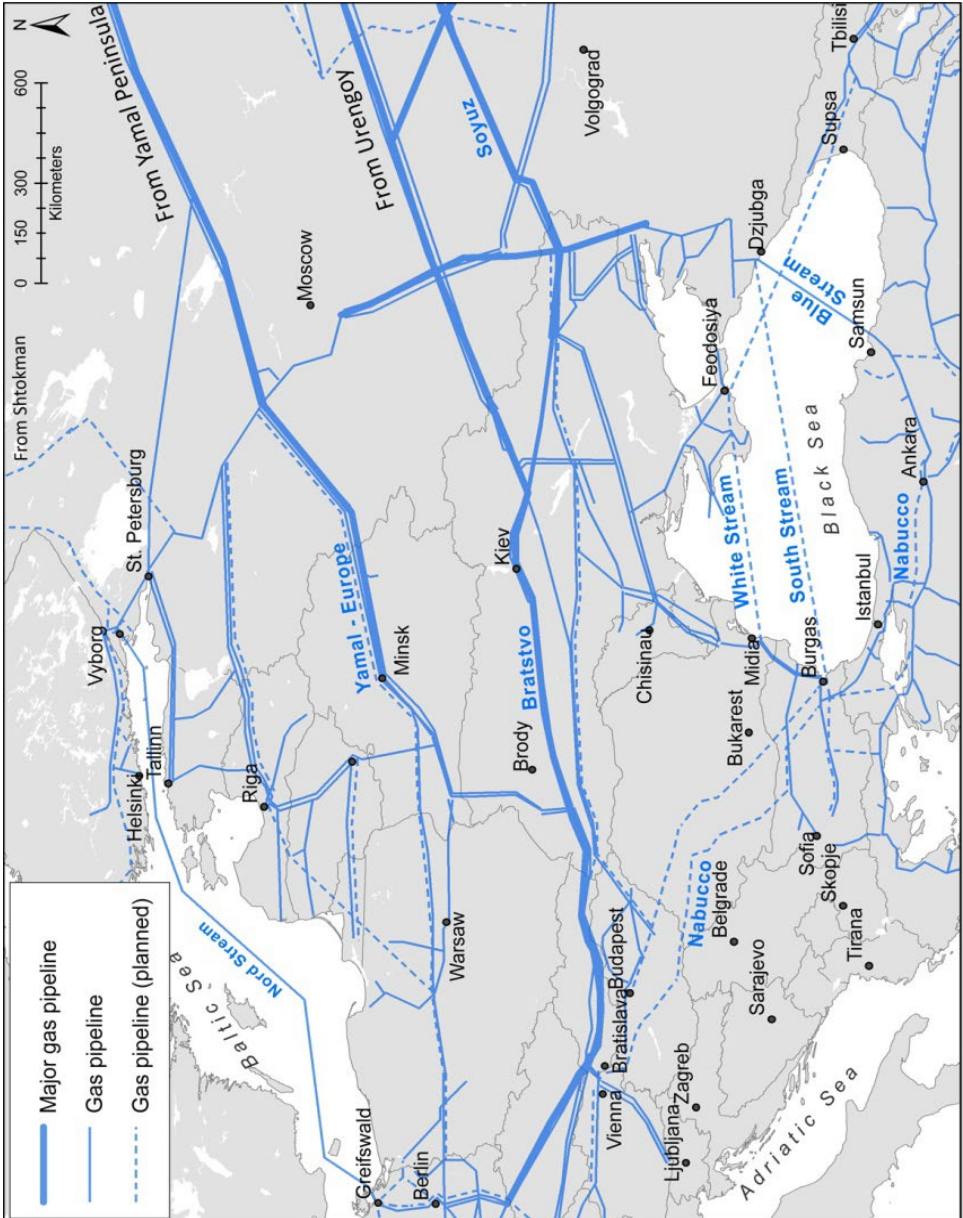
The situation is different in central and eastern Europe. Most countries are heavily dependent on Russian gas for large parts of

their overall energy needs. The interdependence of energy trade is highly asymmetric and to Russia's advantage. In these parts of Europe, Russia has taken advantage of the energy leverage in its bilateral relations. For example, Russia has used differentiated and discriminatory price policies, raised the prospect of investments in new pipeline infrastructure and threatened with actual reduction or interruption of gas flows, either to pit European countries against each other, or to achieve other foreign policy goals.

Previous Russia-Ukraine gas disputes, especially the supply disruption of 2009, became a watershed in EU energy policy, given that half of Europe's gas supply from Russia – 80 bn cubic meters – passes through Ukraine. Several EU members were hit in 2009, which paved the way for the EU's third energy package. Its purpose is to deepen EU integration in the energy sector, increase intra-EU trade and diversify access to suppliers and sources of energy. Fully implemented, it will mitigate Russian influence on the European gas market. Until now, implementation has been awkwardly slow. There are European business interests in the energy sector that benefit from the present situation. A fully-implemented third energy package is important. In April 2014, President Putin addressed 18 European leaders in a letter and warned that there could be a reduction in future deliveries to Europe, if Ukraine failed to pay its gas bills on time. Thus, Russia officially renounced its role as a reliable energy supplier to Europe. Clearly, Russia is using the export of natural gas as a strategic weapon to further its own interests.

In parallel, Russia has tried to enhance its security of demand and increase its freedom of action vis-à-vis its European customers. It has done so by pursuing a gas deal with China. This shows Russia's approach to solve the present distrust and clash of interests between Russia and Europe as regards energy security. However, Russia's reorientation has been slow and without obvious benefits. The 30-year gas supply contract with China that Russia secured in May 2014 saw agreement first after ten years of negotiation. The immediate impact of the deal is actually small, even if the deal is estimated to be valued at US\$400 bn and has been communicated by Russia as a break-through in Sino-Russian energy relations. The 38 bn cubic meters Russia plans to export to China is just a fourth of what Russia exported to Europe in 2013 and roughly corresponds to the present gas export to Ukraine. Russia will also have to find the means to pay to build the pipeline infrastructure to China, and gas will only be transported from 2018. It is likely that China received concessions on price as the price has been a major obstacle in the negotiations and China has other options. Thus, Russian exports to China will not replace the revenue that Russia gets from its European customers. It is thus more probable that Russia makes itself more dependent on China than vice versa.

**Figure 3. Russian gas pipelines to Europe**



Source: FOI, based on World Energy Atlas 2009, The Petroleum Economist Ltd, London, U.K.

If the present crisis results in drastic reductions or a cut-off by Russia of its gas exports to Europe through Ukraine, the short-term impact on most EU members would be less than in 2009. This is because of the expansion of interconnecting gas pipelines that allow the reversal of gas flows between European countries. As long as a gas cut-off by Russia is limited to the transit through Ukraine, the North Stream pipeline, transporting Russian gas to Germany through the Baltic Sea and thus circumventing Ukraine, could replace some of the loss. The North Stream pipeline is not yet at the capacity it was designed for. Storage capacity for natural gas has increased somewhat since 2009, but current market conditions eliminate the financial motive for keeping gas in store and developing storage capacity further. Consequently, Europe would be vulnerable in just a few months' time. Residual Russian gas as well as stored gas and available liquefied natural gas (LNG) will not be sufficient to replace imports, even if they are combined with other energy sources such as coal.

Persistent gas shortages would be a challenge to European solidarity and the EU's efforts to improve its energy policies. To some extent, shrinking gas production within the EU countries and decreased imports from Russia, could be compensated for by pipeline gas from Norway, Algeria, or the Caspian basin. Yet, these alternatives have their own constraints. Furthermore, developing effective transatlantic energy security will take time. The proposed Transatlantic Trade and Investment Partnership (TTIP) could make it easier to import American LNG in the future. However, capacity for LNG trade across the Atlantic is limited, not least due to growing Asian demand, lack of ships for LNG transport and suitable infrastructure.

The EU members have different perspectives on energy security and would not suffer to the same extent in a crisis. The successful management of the challenges to European energy security could be a problem similar to the Eurozone crisis. Diversification is necessary to improve European energy security. The continuous growth of global and European energy demand makes energy security hard to achieve.

#### **WHAT ROLE FOR SANCTIONS?**

Sanctions are a key tool for states reluctant to use military power to uphold their geopolitical interests. However, the use of sanctions is not a measure that is easily adopted. In fact, an important trend in contemporary use of targeted sanctions is the increasing sensitivity of the sender to the expected costs. Until now, the imposition of sanctions, in general, has been cheap and easy to adopt, but the expected or unintended costs to the sender from enforcing sanctions are becoming an increasingly important factor. Historically, sanctions have been applied less frequently. Presently, the many sanctions regimes at work and their regulatory impact on politics and markets cause friction in the global economy.



During the spring of 2014, the EU and the US initiated and strengthened sanctions against Russia over its intervention in Ukraine. These sanctions have focused on freezing assets and banning travel. A number of Russian officials, as well as pro-Russian actors in Ukraine, have been subjected to sanctions. Notably, few companies, nor entire economic sectors, have been designated.

So far, though, the economic cost for the West has been acceptable and based on solidarity action. However, the enforcement of broader, sectorial sanctions against Russia may come at a much higher price and burden for individual EU member states and specific companies.

In addition to the self-inflicted harm of preventing trade, there is also a cost factor relating to the target's counter-actions, especially if it retaliates. Sanctions could easily backfire. For instance, the potential harm would be profound to European economic interests in the case of a retaliatory Russian cut-off of its gas exports.

In recent years, both these factors have contributed to increasing concern by Western governments about when and how to adopt sanctions, as well as to what degree. Although recognising the value of sanctions in various conflict contexts, governments are cautious and reluctant to widen sanctions that harm their own business interests.

While the EU applies sanctions on Russia, individual member are more sceptical towards sanctions. In order to take a position on sanctions, EU member states have had to make a domestic political and economic cost-benefit calculation. One of the staunchest critics of the use of sanctions in the EU-Russia conflict is Germany. Given that around 6 200 German companies (e.g., Siemens, Volkswagen) are active in Russia – more than for the rest of the EU combined. There is considerable domestic lobbying of the German government to refrain from adopting far-reaching sanctions. In fact, according to the German government, if the country's trade relations with Russia were to break down, this could cost as many as 300 000 German jobs. Coupled with the growth and employment dimensions, it is also worth noting that Germany derives one-third of both its gas and oil from Russia. Meanwhile, the UK has considered the implications for its financial sectors in light of the assets freeze measures and France has had to consider the implications given its trade relations with Russia, in sensitive areas such as arms sales.

Economic warfare will be waged in different ways depending on, for example, interests, economic and political costs, and actual geopolitical stakes and counter-actions. The costs of sanctions over Ukraine look very differently across Europe's capitals and that will shape the contours of western sanctions policy for years to come.

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# 11 Fallout in the Wake of the Crisis: Impact on Key Actors, Regions and Conflicts

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*Russia's illegal annexation of Crimea and the crisis over Ukraine have direct political repercussions and implications for states, security dynamics in different regions, and on-going armed conflicts, both near and distant from the European landmass. While geographical proximity is a variable influencing the potential severity and impact of the conflict's political fallout, Russia's role as a globally influential political actor and great power implies that its actions in one area create significant ripple effects in others. In other words, it is a local crisis with global impact. This chapter highlights and discusses how the crisis over Ukraine, not least Russia's occupation of Crimea, impacts key state actors, regions and conflicts. While the character of the consequences may differ, events and Russian actions in Ukraine have strategic implications for Russia's neighbours and former Soviet Republics, and also for issues such as multilateral negotiations surrounding the Iranian nuclear programme, the war in Syria, and the great power politics of China and India.*

## **IMPLICATIONS FOR EAST AND CENTRAL EUROPEAN STATES**

The reactions to the crisis in Crimea and the developments in Ukraine from those European states that border Russia and that have been a part of the Soviet Union, or the Eastern Block, differ. Most reactions mirror a balance between a fear of the long-term political consequences of Russia's actions, and the short-term political and economic consequences of their economic and energy dependence on Russia, coupled with the sanctions imposed by the West.

From the perspectives of Estonia, Latvia, Lithuania and Poland, the Russian policies and actions are of a kind that have been expected for quite some time. They want to respond firmly. To do so, these states have advocated strong economic sanctions against Russia and have also declared a willingness to pay the economic price that comes with a decrease in trade, or import of gas and oil, from Russia. To underline their experience of

the Russian threat, Poland and Lithuania have called for consultations in accordance with NATO's article 4, and have demanded, together with Estonia and Latvia, the permanent deployment of NATO forces on their soil. All four states have also declared that they intend to increase their defence spending. Estonia and Poland have also decided to accelerate their defence reform programmes, which in the latter case includes a missile defence system.

It is most likely that Poland and the Baltic states will take the opportunity to continue to emphasise the need for territorial defence within NATO and for NATO to play an active role in the region. According to these states, the reactions from the EU have been too weak and slow, while NATO has shown its value. That assessment will most likely cause these states to tone down the importance of EU's common foreign and security policies, and emphasise the role of NATO. For the same reasons, an increased American military presence in Europe will be considered to be of great importance, while the trust in Germany as a local security provider or framework nation might be questioned.

Just as the Russian-Georgian War in 2008 had negative short- and long-term influence over the direct and transit trade between the Baltic States and Russia, the conflict in Ukraine will most likely also bring a similar result. In the long run, the already established economic relations between Russia and the Baltic States – as well as many other European states – will continue, but new investments in Russia will be made cautiously, or not at all. In the energy sector, the intention of becoming independent from, or finding alternatives to, Russian supplies will be accelerated.

Most of the concerns and actions of the Baltic States and Poland are also true for Romania, with its border with Ukraine, and fears for a similar development in bordering Moldova.

The Visegrad group of Central European states has likened the events in Crimea to the Soviet Army's crackdown on the Budapest uprising in 1956 and to the Warsaw Pact's invasion of Czechoslovakia in 1968. Both the Czech and Slovak Republics are dependent on Russia for their gas and oil and have stopped short of calling for sanctions. The conflict between Russia and Ukraine has highlighted a split in Bulgarian society, with its historical ties to both East and West. Responses range from sympathy for the Russians to fear of Putin's power games. Bulgarian dependency on Russian energy and the income

brought by Russian tourists has dampened the reactions from Sofia. It is not likely that these countries will be pushing for an increased NATO presence, but that they will follow the core NATO and EU members in search of improved security and alternatives to Russian energy supplies.

### **CENTRAL ASIA, THE CAUCASUS, MOLDOVA AND BELARUS**

Russian pretexts for intervening in Ukraine concern many former Soviet republics. Similarly to Ukraine, all have Russian minorities and most are weak states. Russia has military assets in Tajikistan, Kyrgyzstan, Armenia, Georgia, Moldova (Transnistria) and Belarus. Moscow is clearly prepared to use force. By ignoring international law and explicit commitments, most notably, the 1994 Budapest memorandum, where Ukraine gave up nuclear weapons in exchange for a binding agreement of territorial integrity, Moscow has made it clear that no-one is safe. Importantly, the Ukraine crisis has prompted discussions in both Kazakhstan and Ukraine about the two countries' approach to nuclear weapons.

Many of these countries keep a low profile on Ukraine so as to avoid provoking Russia. Ukraine's loss of territory has raised the price for any overtures to the West. At the same time, Russian assertiveness will promote both anti-Russian feelings and domestic political unity. Russia's Ukraine approach likely undermines Moscow's Eurasian integration project, economically, politically and with regard to security. Treading carefully, most countries will integrate only when necessary. Furthermore, Russia's ability to uphold its ambitions to ensure stability by military means in volatile Central Asia and the Caucasus decreases as forces are committed to handle Ukraine.

Russia's preoccupation with Ukraine reduces its ability to compete for influence elsewhere, creating opportunities for other forces to strengthen their positions. For example, Central Asia increasingly turns to Asia, with growing economic activities in the region by China, Japan and South Korea. The region's evolving Islamic identity also includes radical militant elements, a cause for concern in Russia, with its 15-20 million Muslims.

Kazakhstan, Russia's key Eurasian integration partner, has regions, like Crimea, with many Russian inhabitants. Uzbekistan's rather independent-minded foreign policy could become more careful. Relatively isolated Turkmenistan remains vulnerable to intervention, while unstable Kyrgyzstan and Tajikistan have no choice but to rely on Moscow for security.

In the Caucasus, Azerbaijan may seek more Turkish and Western support, if international acceptance of Crimea being Russian becomes a precedent for international acceptance of Armenian control over disputed Nagorno-Karabakh. Growing geopolitical rivalry could, however, make balancing between the West and Russia more difficult. Armenia is poorer and militarily weaker than Azerbaijan and will remain dependent on Russia for security. Before Russia's aggression against Ukraine, Georgia's leadership signalled that it wanted to avoid being a problem for the West's relation to Russia. One way was to tone down demands that its separatist regions Abkhazia and South Ossetia should be on the EU-Russia political agenda. This approach may come into question as Russia does not prioritise good relations with the West. Minority protection may not prompt Russian intervention, but closer Georgian relations to the EU and NATO might. Moscow's levers include military forces stationed in and near Georgia and a possible illegal annexation of South Ossetia.

For Moldova, the main problem remains pro-Russian separatism in Transnistria and Gagauzia. The weak government promotes ties to the West, but faces elections in late 2014. Political instability and a weak economy will make it hard to counter Russia's political and military influence. Belarus' political leadership, while initially critical of Russia's actions and declaring support for Ukraine's territorial integrity, focuses on regime stability and will remain closely allied with and dependent on Russia. While a 'Maidan' in Minsk is unlikely, it might even prompt an invitation for a Russian intervention.

#### **IMPLICATIONS FOR TURKEY**

The crisis over Ukraine presents Turkey with significant challenges. While clearly aligned with its European and NATO allies, Turkey's political will to directly challenge and confront Russia over its actions in Ukraine is limited. Ankara instead assumes a pragmatic approach to the crisis in its northern neighbourhood. Two key reasons are Russian energy, and Black Sea security coupled to the Montreux Convention, which guarantees Ankara legal sovereign control over the Turkish Straits and regulates naval access by non-littoral states to the Black Sea.<sup>13</sup>

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13 The Montreux Convention, signed in 1936, states for example that non-littoral states may only maintain naval assets in the Black Sea for a maximum duration of 21 days, once Turkish authorities have approved their transit through the Dardanelles and the Bosphorus. Moreover, the Convention strictly limits the total tonnage of the naval force that non-littoral states may maintain in the Black Sea, making it impossible for, e.g., non-Black Sea NATO members to freely amass a large naval presence there.

First, Turkey is highly dependent on Russian energy. Turkey has few viable options in the short term to diversify its energy sources and decrease its dependency on Russia so as to mitigate Moscow's political influence. Second, the Ukraine crisis places Ankara in an awkward and unwanted diplomatic position. Ankara will seek to keep any international political debate on the Montreux Convention off the agenda. The centrality of the Convention to Turkey's security, sovereignty and Black Sea policy underscores Ankara's unwillingness to accept any challenge to the Convention's legitimacy, highlighting a balancing act regarding its implementation. Turkey will not undermine the Convention in order to acquiesce to either Russian complaints or NATO's need for operational freedom of action in the Black Sea, unless of course the alliance is collectively at war. But instability in the Black Sea region exacerbates this Turkish dilemma and has already produced undesirable Russian criticism against its hitherto resolute implementation of the Convention.

Pragmatism, with an emphasis on self-interest and stability, prevails in Turkey's approach to events in Ukraine, partly also due to Turkey's current domestic political insecurities and approaching elections during the course of 2014-15. However, rapid crisis escalation and severely heightened tensions between the West and Russia will pull Ankara into closer alignment and coordination with its partners in Europe and allies in NATO. The NATO alliance remains a key pillar of Turkey's defence policy, and Turkey has far from forgotten its Cold War role and position as NATO's southern flank. Turkey still maintains the second largest armed forces in the alliance. While the context is now different, Russian action in Ukraine is another confirmation for Turkish defence planners and politicians that they are right, for many reasons, to maintain and make long-term investments in the defence sector and armed forces.

### **IMPLICATIONS FOR IRAN AND THE NUCLEAR NEGOTIATIONS**

The recent developments in Ukraine underline the question of whether Russia's deteriorating relationship with the West could affect Iran and the nuclear negotiations. The short answer is yes, although it is unlikely. Historically, there is little love lost between Iran and Russia. But they share a common critique of the current world order, and their strategic interests sometimes coincide. The relationship is not characterised by trust, but by pure pragmatism. Iran's nuclear dossier has previously functioned as an arena where Russia has sometimes played the intermediary between Iran and the US. A common Iranian

viewpoint is that Russia has used Iran as a pawn and that its policy mainly has benefitted Russia itself. This is illustrated by the discrepancy between Russian rhetoric, which defends Iran's nuclear rights, and Russian actions, for example in the UN Security Council, and its backtracking on the agreement to sell the S-300 surface-to-air missile system. With the introduction of direct US-Iran talks, Russia's influence has been diminished.

There is, however, a slim chance that Russia's actions in Ukraine could change that, due to the existence in Iran of two competing views on Ukraine. One is that Iran should refrain from taking sides between Russia and the West, because previous experience shows that Iran's interests will be of little importance on the day of rapprochement. The other is the hardline view that Ukraine presents the perfect excuse for Iran to sabotage the nuclear negotiations by siding with Russia and getting Russia to honor the deal on the coveted S-300s. Presently, the former view is prevailing, but it is possible that that could change if Iran's conservative camp decides that negotiations are not worth pursuing. A question for the future is whether Russia would be willing to support the Iranian conservative camp in order to deny the Obama administration of an important diplomatic victory.

#### **WAR-TORN SYRIA – WORSENING PROSPECTS FOR PEACE**

The Syrian war has always had its own inner logic. International involvement, headed on the one side by Russia and Iran, and on the other by the US, Europe, Turkey and the Gulf Cooperation Council (GCC), has influenced the timing and pace of military operations in Syria. Will deteriorating relations with Russia have any consequences for how the war is fought and negatively influence prospects for bringing an end to the Syrian war?

Russian-brokered deals to rid Syria of its chemical weapons stockpiles are underway as spring moves into summer in 2014, but the process is delayed and the Assad regime may use the shifting of international attention towards the Ukraine to delay it even further. This would be in the regime's interest. The process by which their removal was agreed has for the time being bought the regime legitimacy and immunity from direct foreign attacks. The process was also portrayed as a victory for 'great power Russia.' Finally, it dented US credibility in the Middle East writ large, as Washington decided not to militarily after chemical weapons were used in August 2013. The regime has everything to win from delaying and sustaining that current balance, and Russia nothing to lose as it diverts attention away from Syria. Meanwhile, talks between the Syrian regime and a



sizable part of the rebel opposition have stalled. Efforts to revive them may not succeed, but with the US and Russia unable to work candidly on the process, they are even less likely to resume anytime soon.

The civil war in Syria has been intertwined with regional and superpower politics from its inception in 2011. Russian and Iranian support for the Assad regime on the one hand and Western and GCC support for the rebel cause on the other has ensured the US-Russia linkage to the conflict. Backers of the Assad regime have looked to Russia as a leading actor for protection. Already in 2011 rebels turned to the US in the hope that it would back decisive interventions to topple the regime, as was done in Libya that same year. Russia vehemently rejected what it saw as a dishonest use of the UN mandate in order to support regime change in Libya. Moscow's position on Syria reflected this, as did its veto of any UN action that could be used to justify intervention.

The mosaic of conflicting parties in Syria will be less affected by great power politics. Indeed, the Ukraine crisis has led to diminishing Russian, American and European ability to focus on the Syrian crisis. Having fewer actors interested in a resolution to the civil war means that the war is more likely to escalate. Support from local actors—Iran, Saudi Arabia, Turkey and GCC countries—with stakes in the war will become more important. None of these believe that the conflict can be solved politically. Rather, the outcome on the battlefield will be decisive. More support to fighting parties will flow in, the conflict will become even more entrenched and the Syrian situation will deteriorate further. This is only marginally an effect of the Russian intervention in the Ukraine, but one that may have long-term implications for talks and negotiations geared towards finding a solution for a stable Syria in the future.

### **IMPLICATIONS FOR THE GREAT POWERS IN ASIA: INDIA AND CHINA**

The crisis over Ukraine is unlikely to change India's strategic outlook and security policy in the short-term. However, if the crisis results in significant and lasting changes in the great power relations between China, Russia and the US, New Delhi's strategic calculus and behavior could change in the long-term.

India has responded to the events in Ukraine by refraining from criticising Russia and by not supporting sanctions. The former Indian national security advisor, Shivshankar Menon, has stated that Russia has 'legitimate interests' in Crimea. India obviously

does not want to upset Moscow, since the relations with Russia are of strategic importance. First, India is the world's largest importer of military equipment, of which about 80 per cent are imported from Russia. Russian weapons, technology and assistance are crucial for the modernisation of India's armed forces. Second, Moscow has long been an 'all-weather-friend' of New Delhi and has often supported India in multilateral fora. India relies on the Russian veto in the UN Security Council to block initiatives with regard to the Kashmir issue, partly since existing UN resolutions are perceived to favor Pakistani interests. In short, India has much to lose in its relationship with Russia by taking a tough stand on its role in Ukraine. Moreover, the May 2014 election of Narendra Modi as the new Prime Minister is unlikely to change India's strategic calculus vis-à-vis Russia in the short and medium term.

In the longer term, India's strategic interests could force India to rely less on Russia and more on the West. The strategic relationships with the US and other Western states have gradually deepened. Military imports from and co-operation with the West are increasing. Moreover, India and the US have converging interests in balancing China's military rise, as well as in expanding economic relations. Both states thus view each other as important strategic partners in the future, primarily on the basis of the China challenge. If the outcome of the Ukraine crisis is the return of Cold War dynamics between the West and Russia, and if this, combined with other factors, results in closer relations between China and Russia, India is likely to gravitate increasingly towards the West. The trend of deepening relations between India and the US is then likely to accelerate while the importance of Russia in the Indian strategic calculus would decline. However, the preferable Indian option is Nehruvian non-alignment and keeping good relations with Russia, while expanding the ties with the West.

The Ukraine crisis, as of May 2014, has had little direct effect on China's security policy, economy or energy imports. Chinese core interests have not been threatened. However, larger principles related to territorial disputes and economic sanctions policy have. Indirectly, Crimea presents China with political dilemmas that are likely to have implications in the short, medium and long term. Unease about the military intervention and meddling in the internal affairs of Ukraine is in conflict with how Beijing values its special relationship with Russia. Neighbours and great powers alike carefully watch how Beijing handles itself, as China is also well aware of the symbolic and normative impact any reaction to the crisis will have.

The policy of non-intervention has been a cornerstone of Chinese policy for decades. It is closely coupled to the territorial integrity of China and the status of Taiwan, Tibet and Xinjiang. Lately, it has also included other areas, such as the South China Sea. These issues are highly sensitive, as they are linked directly to the legitimacy of the Communist party. China's grievances from colonial times reinforce the importance of its non-intervention policy, as does the strategic competition with other East Asian powers centred on territorial disputes.

The strategic partnership with Russia continues to be a useful tool for China. It is a proven way of managing and limiting geostrategic tensions in Asia. Russia is also a partner in pushing for a US-critical, multi-polar agenda. In a sense, China's reaction to Ukraine is an indicator of how much it values this partnership. China's official comments at the UN have underlined its commitment to non-intervention, urging restraint and abstaining from voting for a Security Council resolution, thus choosing to refrain from taking sides. Still, officially sponsored comments in state media have blamed the West for making incursions into Russia's sphere of interest and thereby triggering the current dynamics. Crimea, so the argument goes, presents a special historic circumstance that the West does not understand and respect. According to these views, Crimea is a special case and it will not be copied and applied elsewhere.

The successful Russian use of politico-military means is likely to become a case that will be intensely studied by political and military planners. China's neighbours are worried that Beijing in the future may seek to employ similar methods against them. These worries triggered official American warnings to China in April 2014.

For the moment, China has managed to pursue its diplomatic approach without drawing heavy critique. If the use of force continues and Russia occupies more parts of Ukraine, China will become hard-pressed to find a balanced reaction. This is especially true should the separatist movement in Ukraine become a more potent force. A series of recent high-profile attacks in China, coupled to Xinjiang, has increased China's sensitivity towards separatist movements. Thus, de-escalation of Ukraine-Russia tensions is definitely in China's interest, as is supporting a strong UN role.

Short-term Chinese concerns in the wake of the crisis relate to disrupted trade flows and energy dynamics. China's opposition

to sanctions against Russia highlights Beijing's main concern that sanctions may hurt the economy, with a direct impact on China. This is an issue that China observes carefully. The energy sector is also closely monitored. This is a sphere where China seems to benefit from continued tension between Russia and the West in the short to medium term. The closing of the gas deal between Russia and China in May 2014 is a sign of China capitalising on the crisis while Russia wants to diversify its energy exports.

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Russia's illegal annexation of Crimea and the crisis over Ukraine convey considerable political and security implications for a wide range of actors and on-going conflicts around the world. Geographical distance is not necessarily an insurance against increased political and systemic uncertainty. While, for example, the consequences and implications for China are different from those experienced by Moldova, Turkey or Iran, all are still affected by the events in Ukraine. Finally, Russian aggression will have long-term strategic implications, manifested in different ways and to varying degrees, for Ukraine and beyond.

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The main purpose of this study is to examine the wider implications of Russia's aggression against Ukraine with a broad analytical perspective. While the effects of the crisis in the region of Crimea and eastern Ukraine have received much attention, there has so far been less analytical focus on the effects beyond the region and on the possible ramifications for the international system.

In this study, we put forward the proposition that there is no way back to a status quo ante. The contours of a new situation in strategic affairs can be clearly discerned, but the long-term impacts and effects are yet to be seen.

The study can be read in several ways. The first chapter summarises some of the possible effects of the crisis and asks to what extent we are facing a systemic shift in world affairs. The rest of the study is divided into two main parts. In *Setting the Scene*, a background to the crisis from a Ukrainian, Russian and an EU perspective explains some of the underlying factors and drivers behind the crisis. Part two, *Implications*, firstly analyses Russian military operations in Crimea, followed by consequences for the Ukraine. A thematic approach, in the areas of international law, economy, energy and sanctions, follows. What specific consequences for defence and security affairs might ensue is outlined in the next chapter. Lastly, we analyse some implications for key actors, regions and conflicts outside the region.