

Crimea: Thaw in Tensions?

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President Putin's latest decision to pull back troops from Russia's western border and his declaration to employ armed forces in Ukraine only as a last resort is expected to temporarily reduce tensions in this rapidly evolving region. Putin's stand comes after a week of intense diplomatic standoff between Russia and Ukraine on one hand and Russia and 'West' on the other - wherein a direct military intervention in Ukraine's autonomous region of Crimea looked imminent. These developments raise some pertinent questions: How deep is the Russia vs. West fault-line? Will there be a military intervention in Ukraine? And will the American pressure tactics work against Russia?

Fault Lines

Russia views the overthrow of President Yanukovich's democratically elected government as being masterminded by the West and led by the US. This is interpreted as an attempt to impede Russia's geo-strategic and economic aspirations. At the heart of the issue lies a deep rooted mistrust about each others' capabilities and intentions.

The importance of a 'friendly' Ukraine is a matter of national security for Russia. Apart from shared civilisational ties, Ukraine offers Russia the geographical advantage of security buffer against Europe. Russia's Black Sea fleet is based in Sevastopol and majority of hydrocarbon pipelines to Europe pass through it. The success of President Putin's Eurasian Economic Union, designed at strengthening Russia's influence in the post-Soviet space depends on the inclusion of 46 million Ukrainians.

However, the increasing likelihood of Kiev's westward drift, with potential NATO membership and closer ties with EU, strikes at the core of Russia's national defence. The fault-lines have been further exposed with Russia's refusal to recognise the current government in Ukraine.

These developments are expected to bring about a review and transformation of Russia's relations with the West with both sides now directly vying for the same geopolitical space. A plausible outcome may well be Russia attempting to strengthen ties with China and emergence of anti-west sentiment domestically.

In fact, there has been a growing disillusionment in Russia with the West even before the Ukrainian crisis. The prolonged slowdown in Euro-zone had started to affect the Russian economy, since half its global trade is with the Union. The discovery of shale and Europe's energy diversification has as such reduced the leverage which Russia enjoyed earlier. Missile defence negotiations remain a contentious issue. The West has refused to accept Russia as an equal partner, buoyed by the assumption that its socio-economic growth has slowed and its power will eventually decline. There also exist fundamental differences on the global stage. All these factors have contributed towards Russia's desire to diversify and explore new synergies of partnership with countries of Asia-Pacific. This can indeed be the pivotal moment in Russia's foreign policy orientation.

Military Intervention?

While President Putin has conveyed the message of tough military action, it is highly unlikely that he will order his troops to invade the majority ethnic Russian region of Crimea. A military intervention is likely to lead to a civil war. There are vast sections of people like Tartars and ethnic Ukrainians who are opposed to Russian interference. The peninsula's separation from Ukraine will not only limit the prospects of Russia's future influence in the country but also make it difficult to justify it internationally. Russia is possibly looking at gaining concessions in the form of greater autonomy for Crimea and permanent naval base at Sevastopol to maintain its influence in the region.

These manoeuvres can suit all parties for the time being. The Kiev government may accept Crimea's increased autonomy short of independence in return for Russia's recognition of its legitimacy and cessation of hostilities. And the West will want to avoid a military confrontation in return for Russia not violating Ukraine's sovereignty.

Therefore, military brinkmanship can be seen as an attempt to force the West to include Russia as a partner in settlement of the crisis. It will also help reap domestic dividends for President Putin's image of standing up to the West.

Nevertheless, the one factor which may upset all calculations is the persecution of ethnic Russians by western Ukrainian nationalists for rendering their support to the secessionist movement. This may force Putin's hand to protect Russian 'brothers'.

But there are limits to Russia's military tactics. The possibility of even a short conflict spooked the markets and the stock index crashed by a whopping 11 per cent.¹ Russian pipelines carrying half of European hydrocarbon supplies pass through Ukraine. Any disruption will not only have huge economic repercussions for its energy dependent economy but also force EU to look for stable long term alternatives.

Apart from the military option, Russia holds the important leverages, from an interdependent economy to trade sanctions and control over gas supply and its prices, to influence developments in Ukraine. The dire economic conditions that forced Yanukovich to seek Russian aid remain the same. The Western support will not only be constrained due to the euro-zone crisis but also conditioned on Ukraine initiating painful economic reforms. With elections due in May and people's aspirations high after the 'revolution', the Ukrainian government will find it hard to sell this idea to the electorate. This can pave the way for renewed political churning in the country.

Will Sanction on Russia Work?

The US on its part has tried to pressurise Russia to de-escalate the crisis with threats of economic sanctions and global isolation. However, these measures are unlikely to succeed without EU's participation and may prove counter-productive. Europe is heavily dependent on Russian energy and Russian investors hold substantial Euro assets. In an era of slowing economic growth, EU exported goods worth US\$ 170 billion to Russia in 2012.² Therefore, getting the EU on board is necessary, but difficult challenge, for sanctions to work.

Moreover, even the US needs Russia's support when it comes to international mechanisms involving UN Security Council, Syria, Afghanistan, North Korea and Iran. It is the G20 and BRICS which hold more promise to Putin than the G8. A military conflict will push commodity and grain prices, Ukraine is one of the world's largest producers of wheat, which the global economy can ill afford.

¹ "Ruble Dives to Historic Low, Stocks Crash on Ukraine Fears", Rianovosti, March 3, 2014, <http://en.ria.ru/world/20140303/188042051/Ruble-Dives-to-Historic-Low-Stocks-Crash-on-Ukraine-Fears.html>

² "Congress set to take 1st steps on Ukraine, Russia", The Washington Post, March 6, 2014, http://www.washingtonpost.com/politics/congress/congress-rushing-to-put-in-place-russia-sanctions/2014/03/06/0212edde-a508-11e3-b865-38b254d92063_story.html

A military standoff in Crimea appears to have subsided for the time being with Russia holding all the important cards. But it has outlined deep divisions in its ties with the West. A renewed hostility is in the making which is likely to transform the global balance of power wherein the two sides will compete with each other on a much larger scale. However, the crisis also lays bare the limits of what they both can do vis-à-vis each other.

Views expressed are of the author and do not necessarily reflect the views of the IDSA or of the Government of India.