To a large degree, the tragic events that unfolded in Ukraine in 2013-14 were driven by developments beyond Ukraine’s borders. Of course, domestic factors also played a crucial role, and Ukrainian political actors at all points across the political spectrum must share in the blame for what transpired. But it was Ukraine’s ambiguous geopolitical position, and the clumsy interventions of competing outside powers pursuing their own self-centred agendas, that pushed Ukraine’s log-jammed domestic politics over the brink into violent civil war.

The three main protagonists were Russia, the European Union, and the United States, in roughly descending order of importance.

The Evolution of Russia’s Relations with Ukraine since 1991

Moscow has had difficult, testy relations with Ukraine ever since the two countries split off from the Soviet Union in 1991. The relationship with Kiev is a sub-set of Russia’s problematic relationship with the outside world at large following the Soviet collapse. In 2014, Ukraine became the touchstone of two decades of Russian frustration and insecurity, with tragic consequences.

First Mikhail Gorbachev, and then Boris Yeltsin, wanted to be treated as an equal partner by the United States. However, the Soviet collapse meant that Russia was stripped of half its population, a third of its territory, and all its bloc of ideological allies and client states. In the 1990s, the loss of superpower status combined with economic collapse and an ideological vacuum created a profound identity crisis in Russia. Yeltsin was humiliated by his dependence on loans from the West, and by NATO’s decision to expand the alliance to include former Warsaw Pact countries. The bombing of Yugoslavia by NATO forces in 1999, in a bid to stop human rights violations in Kosovo, was a turning point. It underlined the geopolitical marginalisation of Russia, unable to protect Serbia – its traditional ally. In the 2000s, on the foundation of a growing economy (thanks to rising world oil prices) Vladimir Putin forged a new Russian identity – that of a great power, able to stand up to the depredations of the US, the world’s ‘sole superpower.’ The idea of Russia as a great power was something which resonated strongly with the Russian public, and which of course had deep roots in Soviet and Russian history (Mankoff, 2011; Trenin, 2014).

Ukraine was a litmus test of Russia’s resurgence. With 46 million people, it was by far the largest of the states that had split away from Moscow’s control in 1991, and it was strategically located between Russia and the West. Zbigniew Brzezinski famously argued that ‘without Ukraine, Russia ceases to be a Eurasian empire’ (Brzezinski, 1997, p. 46). Ukraine’s new leaders were keen to build a sovereign, independent country – even those who were
Russian-speakers and came from eastern Ukraine, such as Leonid Kuchma, president from 1994-2005. Ukraine joined the Commonwealth of Independent States, the loose association of 11 former Soviet states, but was wary of any closer military or political alliance with Russia. Ukrainians complained that Russia never fully accepted their existence as a sovereign nation. Putin himself reportedly told President George W. Bush in 2008 that Ukraine ‘is not even a country’ (Bohm, 2013). Ukrainians resented the policies of the Soviet era, which were aimed at suppressing Ukrainian culture – above all the 1932 famine (the Holodomor) that followed Stalin’s collectivisation drive. Traditionally, Russians treated Ukrainians as a ‘younger brother,’ with a language and culture that were rooted in the countryside, and that were but a pale shadow of Russian civilisation. Russia also objected to Kiev’s efforts to persuade the country’s Russian-speakers, who amount to half the population, to adopt the Ukrainian language, and its refusal to legally protect the rights of Russian-speakers.

On the other hand, the two countries continued to maintain close economic ties. Russia remained Ukraine’s largest trading partner, and much of Ukraine’s export industry (focused on steel and chemicals) was based on the supply of cheap energy (principally gas) from Russia (Balmaceda, 2013). Russia, in turn, was dependent on Ukraine for the transit of half its natural gas exports to Europe, and Russia’s defence industry relied on some crucial components from Ukrainian factories (such as the engines for ballistic missiles).

In the 1990s, Russia and Ukraine established a modus vivendi of sorts. Under the 1994 Budapest Memorandum, brokered by the US, Russia recognised Ukraine’s sovereignty and territorial integrity – in return for which Kiev gave up any claim to the former Soviet nuclear weapons which were still located on Ukrainian territory. In 1997, Kiev gave Russia a 20-year lease on the Sevastopol naval base in Crimea, home of Russia’s Black Sea Fleet. In the mid-1990s, Russian nationalists agitated for the return to Russia of Crimea, which had been given to Ukraine in 1954 to mark the 300th anniversary of Ukraine’s unification with Russia. However, Yeltsin refused to give any support to this campaign and it fizzled out.

Russia found itself bogged down in testy horse-trading with Ukrainian leaders over the course of the next two decades. Whether the leaders of Ukraine were ‘pro-Russian,’ such as Presidents Kuchma or Viktor Yanukovych, or ‘pro-Western,’ such as President Viktor Yushchenko or Prime Minister Yulia Tymoshenko, the issues remained the same – above all, hard bargaining over the price Ukraine paid for Russian gas. The fragile equilibrium between Moscow and Kiev was threatened by the 2004 Orange Revolution, which saw the electoral defeat of Viktor Yanukovych – Kuchma’s chosen successor and Russia’s favourite candidate – at the hands of his West Ukrainian rival, Viktor Yushchenko. A wave of ‘colour revolutions’ in Georgia (2003), Ukraine (2004), and Kyrgyzstan (2005) saw authoritarian leaders toppled by popular protests demanding fair elections. Putin saw this as an orchestrated campaign by the West to spread democracy – and pro-Western governments – into the post-Soviet space, and he took decisive steps to prevent this phenomenon from reaching Moscow, tightening restrictions on the opposition while creating pro-Kremlin popular movements.

The colour revolutions came against the backdrop of the eastern enlargement of the two key Western regional organisations – the European Union and NATO. Putin became convinced that Russia was subject to a deliberate strategy of encirclement and containment by the US. Russia’s relations with the US deteriorated after the invasion of Iraq in 2003, which Putin bitterly opposed. He was further angered by the Western recognition of the independence of Kosovo in February 2008. Things came to a head in August 2008, when Georgian President Mikhail Saakashvili sent his forces into the breakaway region of South Ossetia, killing several Russian peacekeepers in the process. Russia responded with a full-scale invasion, driving back the Georgian forces and going on to grant recognition to South Ossetia and Abkhazia. In retrospect, we can see Russia’s actions in Georgia in 2008 as setting a precedent for what would happen in Crimea in 2014: Moscow used military force to change internationally-recognised borders.

In 2009, the newly elected President Barack Obama tried to revive the partnership with Russia’s new president, Dmitry Medvedev, launching a ‘reset’ of relations with Moscow. This produced some positive results – a New Strategic Arms Reduction Treaty was signed in 2010 and the US started using the Northern Distribution Network across Russia to ferry troops and equipment into Afghanistan. However, relations deteriorated once more in the wake of the 2011 Arab Spring, which Russia saw as yet another example of America’s aggressive democracy promotion. Moscow was angered by the toppling of Muammar Gaddafi in Libya following NATO air strikes and, in 2012, vetoed
proposed UN action to halt the Syrian civil war. In September 2013, Russia scored a diplomatic coup by persuading President Bashar Assad to decommission Syria’s chemical weapons, allowing Obama to step back from his threat to attack Syria if chemical attacks continued. This showed that Russia and the US could still cooperate where areas of common interest were found.

**The US Position**

In the 1990s, the Clinton administration treated Russia as an emerging democracy, a friend and partner of the United States. Yeltsin was offered economic assistance to help with the painful transition to a market economy and, in 1998, Russia joined the G7 group of advanced industrial nations (which became the G8). However, Washington saw a security vacuum opening up in Eastern Europe in the wake of the Soviet collapse. It seemed logical to plug the gap by offering membership in the North Atlantic Treaty Organisation – a defensive alliance – to the newly democratic Central and East European countries that were eager to join. The victory of Vladimir Zhirinovsky’s nationalist party in the 1993 State Duma election was a wake-up call that Russia could ‘go bad’ and return to its imperialist ways. As early as 1994, President Clinton publicly supported the idea of expanding NATO membership. In order to join the alliance, applicants had to be democracies and willing to put their forces under NATO command (which meant learning English, buying compatible weapon systems, accepting NATO bases on their territory, and so on). In return, under Article V of the NATO charter, the alliance pledged to come to the defence of any member state that was attacked. Poland, Hungary, and the Czech Republic joined NATO in 1999, and seven other countries (Estonia, Latvia, Lithuania, Bulgaria, Romania, Slovakia, and Slovenia) entered in 2004. Croatia and Albania also joined in 2009.

Russia objected to NATO expansion, pointing out that the Soviet-led Warsaw Pact alliance had dissolved in 1991. NATO expansion meant that Russia was still seen as a potential enemy – although Western leaders insisted that this was not the case. Some steps were taken to create a special relationship between NATO and Russia. In 1997, the NATO-Russia Founding Act created a Permanent Joint Council in Brussels and, in 2002, the Rome Summit created the NATO-Russia Council. President George W. Bush was keen to enlarge NATO further east as part of his post-9/11 ‘Freedom’ agenda. However, at the April 2008 Bucharest Summit, NATO’s European members blocked Bush’s plan to offer Ukraine and Georgia a membership action plan (Stent, 2014, pp. 165-74). In consolation, they were told that the door was still open to NATO membership in the future – which redoubled Russia’s determination to prevent such a development.

After the 1994 Budapest Memorandum that led to the denuclearisation of Ukraine, US policy towards Ukraine was mostly subordinate to US policy towards Russia. Ukraine’s transition to democracy and a market economy suffered from the same ills as neighbouring Russia: the rise of a wealthy oligarch class who stifled competition, while colluding with a deeply corrupt political elite. There was a surge of optimism after the Orange Revolution in 2004, but that soon dissipated as the Yushchenko administration fell prey to the same kind of corruption and infighting that had dogged its predecessor. With the victory of the pro-Russian Yanukovych in more or less free elections in 2010, US strategy seemed to have reached a dead end. Washington effectively sub-contracted Western policy towards Ukraine to its partners in Brussels.

**The European Union’s Position**

The collapse of communism in Eastern Europe caught the European Union – and everyone else – by surprise. The EU itself was in the process of introducing deepening social and economic integration under the 1992 Maastricht Treaty, which renamed the European Community the European Union. The 1995 Schengen agreement saw the abolition of border controls between participating countries, and a common currency, the Euro, was introduced in 1999. In 1998, Brussels began accession talks with Central and East European applicant countries. Applicants had to be functioning democracies (‘Copenhagen criteria’) and harmonise their domestic legislation with the body of EU law (the 108,000 documents of the acquis communautaire). These conditions were more stringent than those for NATO membership; as a result, Central-East Europeans started joining NATO five to ten years before they joined the EU.
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The decision to enlarge the EU was controversial. The living standard in the former communist countries was less than half that of the EU, and massive investment would be needed to bring their infrastructure up to EU levels. Existing EU members feared an influx of cheap labour from the new states, and that all the regional development funds would be diverted to the East. Nevertheless, a political consensus for enlargement did emerge. Germany pushed for enlargement as a way to stabilise its relationship with neighbouring Poland – which accounted for 40 of the 76 million citizens in the new states. Britain and Denmark supported enlargement as an alternative to ‘deepening’ EU integration, figuring that it would be harder to agree on the creation of stronger federal institutions if there were 28 members instead of 15.

In 2004, 10 new members joined the EU: Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia, Hungary, Slovenia, Malta, and Cyprus. Romania and Bulgaria followed in 2007, and Croatia in 2013. Enlargement did contribute to a delay in deepening. A new draft EU constitution, introducing qualified majority voting, was rejected by referenda in France and the Netherlands in 2005. It was not until 2009 that a watered-down version, the Lisbon Treaty, came into effect. The EU’s eastern enlargement was a major advance for the cause of democracy in Europe. However, it came at a price. One problem was what to do with the countries lying outside the expanded EU. While there is still hope that the remaining countries in the Balkans (Bosnia, Macedonia, Montenegro, and Serbia) will eventually join the EU, it was hard to see Belarus, Moldova, or Ukraine joining anytime soon. They were even poorer than the new wave of member states, and they were far from democratic. Belarus was ruled by Alexander Lukashenko, ‘the last dictator in Europe,’ while Moldova was riven by the secession of the Russian-speaking republic of Transnistria. With 46 million inhabitants, Ukraine was too large and too politically unstable to be a serious candidate for EU entry in the foreseeable future, although some EU states, notably Poland, thought that an action plan for membership should be on the table.

In the meantime, in 2003, the EU launched a new European Neighbourhood Policy to provide a framework for cooperation with countries that were not going to be put on the membership track. The policy included 10 countries of North Africa and the eastern Mediterranean (the ‘Southern Neighbourhood’), in addition to Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine. The relationship with the post-Soviet states was formalised as the ‘Eastern Partnership’ at a summit in Prague in May 2009 (Korosteleva, 2012; Korosteleva, 2013). Russia was invited to join, but declined, preferring to keep its more privileged bilateral relationship with Brussels. The EU signed a Partnership and Cooperation Agreement with Russia in 1994, followed up with an agreement on four ‘Common Spaces’ in 2003. Since 1997, Russian and EU leaders have held biannual summits (suspended since January 2014).

The carrot offered to the Eastern partners was ‘association status,’ which carries some of the benefits of membership such as the lowering of trade barriers and possibly the lifting of visa requirements. The granting of such benefits was conditional on partner countries respecting democratic values and the rule of law, and bringing their policies into line with EU procedures. With the Schengen visa-free zone challenged by a flood of refugees from North Africa, Brussels urgently needed to maintain secure borders to the east. Visa waivers would be offered in return for cooperation in tighter border controls and agreement on the return of refugees to the country from which they entered the EU.

In 2011, Brussels re-launched the European Neighbourhood Policy, tying aid to benchmarks in economic and political reform – that is, more money for more reform and, presumably, less money for less reform (European Union, 2011). The EU spent 7 billion Euro ($10 billion) on the ENP for 2011-13, but two-thirds of the money went to the Mediterranean countries. Optimists argued that association status would stimulate states to improve their domestic governance. Cynics saw it as an empty gesture that had no real political or financial commitment from Brussels. One crucial factor that was largely ignored was Moscow’s determination to disrupt and prevent the efforts of its neighbours to reach association agreement status with the EU. While the EU insisted that its Eastern partnership policy was just about establishing good relations with neighbouring states, Russia viewed it through a geopolitical lens (Gretsky, 2014). Russian Foreign Minister Sergei Lavrov complained, ‘What is the Eastern Partnership, if not an attempt to extend the EU’s sphere of influence?’ (Pop, 2009).

The 2013 Crisis

The EU began negotiations for a free trade and association agreement with Ukraine in 2008. However, after Yanukovych won election to the presidency in February 2010, he moved quickly to centralise political power and
bring Ukraine back into Moscow’s orbit. In April 2010, Medvedev and Yanukovych signed a deal to extend Russia’s 1997 lease of the Sevastopol naval base for 25 years beyond 2017, in return for a 30% cut in the natural gas price. In June 2010, the Ukrainian parliament voted to abandon NATO membership aspirations. In October 2010, the Constitutional Court overturned the limits on presidential power introduced in 2004. In November 2011, former prime minister Yulia Tymoshenko was sentenced to seven years on spurious abuse of office charges (connected to the signing of the 2009 gas deal with Russia). In April 2013, the European Court of Human Rights declared Tymoshenko’s sentence illegal. Yanukovych’s actions left Brussels in a quandary. Some Europeans pushed for the introduction of sanctions on Ukrainian leaders and the suspension of talks on the creation of a free trade zone until Tymoshenko was released. Others argued that isolating Yanukovych would drive him further into the arms of the Kremlin. A similar tension between democratic principles and the logic of realpolitik dogged EU policy towards Belarus.

The EU’s plan to open up the Ukrainian economy brought it into conflict with Putin’s efforts to create a deeper economic union in the post-Soviet space. This was a priority for Putin, who was determined to forestall the expansion of EU influence and the presumed democratisation that would accompany it. In January 2010, Russia launched a Customs Union with Belarus and Kazakhstan, introducing tariff-free trade between the three countries. This was the precursor to the Eurasian Economic Union, launched on 1 January 2015. In September and December 2013, Armenia and Kyrgyzstan agreed to join the Union. Putin hoped to persuade Ukraine to join as well, but this would not be possible if Ukraine signed the free trade agreement with the EU.

The EU pressed ahead with its plans for Ukraine, despite misgivings over the state of democracy and the rule of law there. The association and free trade agreements were initialled in Brussels in July 2012, and were due to be signed at a summit in Vilnius on 29 November 2013. However, European parliamentarians were insisting on Tymoshenko’s release as a condition for final approval. In the course of the summer, Putin increased the pressure on Ukraine – for example, in July, Russia banned the imports of Ukrainian chocolates from the Roshen company (owned by the man who would later become Ukraine’s president, Petro Poroshenko). On 21 November, Yanukovych abruptly announced that he would not, after all, sign the association agreement in Vilnius, and the parliament rejected the EU’s demand to release Tymoshenko. Yanukovych’s refusal to sign the agreement triggered the Euromaidan protests, which spiralled out of control over the winter.

It is unclear whether Yanukovych refused to sign the agreement because of the Tymoshenko issue, or because he was conducting a bidding war between Russia and the EU. EU Enlargement Commissioner Štefan Füle said Yanukovych had been asking for $27 billion in aid to sign the agreement. On 17 December, Putin agreed to lend Ukraine $15 billion, and to cut the price of gas by a third (from $400 to $268 per 1000 cubic meters). However, by then it was too late to prevent Yanukovych’s loss of control of the situation on the streets.

International players (Russia, the EU, and the US) were heavily involved in the unfolding political conflict. Ironically, each accused the other of interference in Ukrainian affairs. The EU’s Catherine Ashton and the US Assistant Secretary of State, Victoria Nuland, encouraged Yanukovych and the protestors to reach a compromise – while Russia was pushing Yanukovych to hold firm. Russian propaganda portrayed Nuland as the architect of the protests, playing video of her giving out food on the Maidan square, boasting that the US had spent $5 billion on democracy promotion in Ukraine, and playing tapes of an intercepted 6 February phone conversation in which she discussed the composition of the future Ukrainian government. Putin’s advisor, Sergei Glazyev, opined that ‘the entire crisis in Ukraine was orchestrated, provoked, and financed by American institutions in cooperation with their European partners’ (Simes, 2014). The collapse of the 21 February agreement in the face of insurgent demonstrators and the flight of Yanukovych was seen by Moscow as the point of no return. They assumed the new government would sign the association agreement with the EU, apply to join NATO, and revoke the agreement granting Russia the use of the Sevastopol base. Putin responded with force and vigour – annexing Crimea and using surrogates to launch an insurrection in east and south Ukraine.

Putin’s decision to annex Crimea on 16 March caught the international community by surprise. Recognition of national sovereignty and the inviolability of borders are central to the international state system and, since 1991, the Russian Federation (like the Soviet Union before) had been an ardent defender of these principles. The EU and the
US responded swiftly with ‘smart’ sanctions, imposing asset freezes and travel bans on a few dozen politicians directly involved in the Crimean annexation. German industrialists doing business with Russia urged Chancellor Angela Merkel not to bow to US pressure to introduce broader sanctions. As the surrogate war raged in east Ukraine, on 16 July, the US introduced ‘sectoral’ sanctions on strategic corporations, barring them from long-term borrowing. The next day, separatists apparently shot down Malaysian Airlines Flight 17. This atrocity, and Russia’s seeming unwillingness to help bring those responsible to justice, caused a groundswell of support for tougher action, particularly in the Netherlands and Germany. On 25 July, the EU expanded its sanctions to an additional 15 top Russian government officials (though it was not until 12 September that they imposed sectoral sanctions). Putin responded on 6 August by introducing a one-year ban on imports of fruits and vegetables, dairy products, and meat from countries that had imposed sanctions on Russia.

The political association agreement with the EU was signed on 21 March 2014, and the economic chapters on 21 June. Implementation of the economic dimension was postponed for a year as an incentive to Russia to help bring peace to East Ukraine. Negotiations in Minsk, under the auspices of the OSCE, resulted in a shaky ceasefire on 26 August, but agreement on a permanent solution remained out of reach. Kiev refused to yield to Russian demands that Ukraine would abjure from NATO membership and would grant full autonomy to the secessionists in Donetsk and Luhansk. Russia had suspended gas deliveries through Ukraine in June, which was not an immediate problem since demand is low in summer and Ukraine had ample reserves. Negotiations continued over supplies for the next winter. On 31 October, Ukraine agreed to pay Russia $3 billion in arrears and $1.5 billion as prepayment for 2015 gas at a price of $378 per 1000 cubic metres.

Conclusion

Ukraine is a struggling, fragile, and poorly governed state that found itself torn apart by the forces of shifting tectonic plates. On one side was the shrinking ‘plate’ of the Russian state, and on the other side the expanding ‘plate’ of the Euro-Atlantic community. Cooperation between the rival parties was complicated by the fact that Russia was looking at the world through a military-strategic lens, focusing on issues such as NATO enlargement, missile defence, and protection of its hard power assets such as the Sevastopol base. In contrast, the EU is a post-modern entity that builds long-term relationships based on human rights and the free movement of goods and services.

The chances for miscommunication were high. The Western players underestimated the importance of Ukraine to Putin and his willingness to break the rules of the post-1991 international system in order to prevent what he saw as threats to Russia’s national interests. There was a mismatch between the incremental carrots being offered by Brussels and the big sticks being wielded by Moscow. As Andrew Wilson put it, the EU ‘took a baguette to a knife fight’ (Wilson, 2014).

Nevertheless, the US and EU stood their ground, and deployed economic sanctions to counter Putin’s use of not-so-covert military force. At the G20 meeting in Brisbane in November 2014, Merkel said that ‘old thinking in spheres of influence together with the trampling of international law must not be allowed to succeed’ (Lough, 2014). The collapse in the oil price in the second half of 2014 (it fell from $115 a barrel in June to $60 at year’s end) multiplied the impact of the financial sanctions, and plunged Russia into a currency crisis and recession. The baguette may yet prevail over the knife.

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