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IS UKRAINE GOING TO BREAK APART?

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Recent events in Ukraine have been depicted in many ways depending on who is narrating the story of the Euromaidan and what is his perception of the symbolic meaning of the actions under scrutiny: as a revolution against a corrupt political system, as a civil war, as a genuine proof of the Euro-dream for change of Ukrainian people who are ready to die defending their ideals, as a coup d'état and so on. While these definitions, tightly linked to different actors' interests, were at the centre of political analyses during the last months, another question is replacing them at present: Is the country risking a split between its Eastern (pro-Russia leaning) and Western (pro-EU leaning) regions?

Put it in a simplistic fashion, Ukraine's divide is commonly described as being between, on the one hand, its East and South, which are linguistically and culturally closer to Russia, and, on the other hand, its West, which has strong ties with Poland and historical roots in Austria-Hungary and was annexed to the Soviet Union in the course of and following the Second World War. Western Ukrainians have long criticised Yanukovich, whom they see as an unambiguously pro-Russian figure, dragging Ukraine back under Russian influence and control. Hence it is no wonder that Western Ukrainians have actively joined Kyiv protests. Yet the Western parts are also

less urban and less industrialised than the Eastern territories, where much of the economic might of the country lies. The capital Kyiv itself - nowadays the main battlefield but also a different story from the rest of the country - is not located geographically and historically in the West.

This division has been often oversimplified, well-exploited and to some extent even exacerbated during the dramatic events by both Western and Russian media in response to these actors' (geo)political and economic interests and lobbying. Despite the impossibility to predict future developments, the answer of the question above so far seems to be 'No' and its depends on the combination of three factors: Ukrainian people's requests, the interests of the new transitional government and the absence of any convenience for external actors to get involved in such a scenario. The only factor that may cause social unrest and escalation of the country's division are Ukraine's dire economic conditions.

Ukrainian people's requests

The EuroMaidan began as a peaceful protest against the corrupt and clannish system of political and economic/financial governance that former President Yanuko-



vich has been perpetuating instead of eradicating. Various politicians from different parts of the political spectrum have failed to deliver a single electoral promise and their links to local oligarchs have been publicly exposed. This system has led to a further impoverishment of the country and to its standards of living plummeting due to the economic crisis. Ukrainian people, living both in Eastern/Southern and Western regions are all united by their opposition to this system and a desire that the country is ruled in a qualitative new way. It is no wonder that often opposition leaders have been unable to control or fully represent the Euromaidan.

The uncertainty regarding a new government

During the two decades since it gained independence, Ukraine has struggled to build an independent nation but has not gone too far. The two main features of Ukraine's political developments so far have been its cyclical character of political regimes swinging between pro-liberal and more authoritarian orientations and, as a result, the fact that no President/Prime Minister succeeded to establish a broad-minded, independent and tolerant leadership uniting both parts of the country. On the contrary, all governments have emphasized and defended the interests of one part of the country to the detriment of the other. The country's geography, history, culture as well as economy and its people's sentiments make it impossible for Ukraine to become either fully pro-European or pro-Russian. Today, this situation repeats again. What makes the story different is that any transitional government faces already a number of serious challenges (from being legitimate, credible and stable to satisfying people's expectations) in a particularly complex moment. Any uncertainty associated with secessionist moves will complicate its existence and interests of those who stand behind the government. Nobody in the opposition has a convenience to find himself in such a situation. The solution should be rather to find a synthesis of these two vectors instead of breaking the country apart but this is a matter of time and political maturity.

Dividing Ukraine means a war that no international actor wants to wage against the others

The events in Ukraine are a domestic projection of a bigger geopolitical fight for regional influence which takes place between the West (EU and US) and Russia. If Ukraine could be drawn into an alliance with NATO or with Russia, this would present a challenge to the other actor (for example a NATO presence may jeopardize Russia's naval base in Sevastopol). Ukraine is also part of the transit route for Russian gas exports, so a predictable and friendly government in Kyiv serves to reassure European and American leaders on energy security. Moreover, due to the upcoming EU parliamentary elections, EU main attention is focused on its internal affairs and Brussels will not be able to devote neither much attention nor resources to the troubled Ukraine. Its stability thus becomes of a utmost importance for Brussels. Therefore it should come as no surprise that the US and EU have a vested interest in supporting Yanukovich's regime change.

However, despite rhetoric and flexing muscles, no one of these three actors is keen to be involved in a (military) secessionist scenario. When US President Obama's National Security adviser, Susan Rice, was asked on US television about the possibility of Russia sending troops to Ukraine, she replied: "That would be a grave mistake. It's not in the interests of Ukraine or of Russia or of Europe or the United States to see a country split. It's in nobody's interest to see violence return and the situation escalate". It is unlikely that the United States and its allies in NATO would risk an outright military confrontation with Russia (note that Ukraine is not a NATO member and currently it has a non-aligned status). Although Russia's Prime Minister Medvedev voiced his concern (or better warned) about the lives of Russian passport-holders residing in Crimea (a statement that reminds us of the war with Georgia in 2008), Russian President Putin and German Chancellor Merkel agreed that Ukraine's "territorial integrity" must be maintained. Russia is neither interested in a split Ukraine nor in initiating a Georgian scenario in Eastern/Southern Ukraine.



What is important for the Kremlin, is to preserve its influence in the country whoever comes in power. For both the EU and the US it is clear that Ukraine cannot maintain alone an equilibrium and equidistance between pro-Russian and pro-Western regions without Russia's accord. In other terms, Ukraine's future is linked to Russia's regional strategies and Russia, being an important political and energy partner for the EU and a geopolitical one for the US, succeeded to let any approach vis-à-vis Ukraine pass through its own perspective.

Conditions of Ukraine's economy

Unlike the previous three factors, the inability of politicians to unite the two unequally industrialized parts of Ukraine, the country's poor economic conditions, low quality of industrial production and extreme dependency on foreign investment coupled with high levels of corruption may represent a cause for further social unrest and possible separatism if the new government is incapable to control it. The damage to the economy, which had been stalling before the disorders began, may not be known for some time, but is certain to be rather severe. The state had less than \$18 billion in reserves at the end of January, and is reportedly facing \$13 billion in debt-servicing obligations in 2014. On February 25, 2014 the Standard & Poor's downgraded the credit rating of different regional authorities (in particular the cities of Dnipropetrovsk, Ivano-Frankivsk, Lviv, the Autonomous Republic of Crimea as well as of the capital Kyiv) signaling that not only national but also regional entities are subject and motive for the country's default. On February 24, 2014 the rating agency already lowered the credit rating of three Ukrainian banks to CCC following the lowering of Ukraine's foreign currency rating to CCC due to escalation of political turmoil. Kyiv had hoped

Russia would buy its Eurobonds to help it stave off bankruptcy but Russia's Economy Minister said Moscow was still undecided on the next \$2 billion installment and was awaiting clarity on the government in Ukraine. Meanwhile O.Turchynov, the acting Head of State, declared that the state is on the edge of bankruptcy and that the country urgently needs a financial aid of approximately \$35 billion (€25.5 billion) over the next two years and appealed for urgent assistance in the next one or two weeks. It even called for a donors' conference involving representatives of the EU, US and the International Monetary Fund (IMF). But while the EU may be able to provide just some smaller bilateral loans, the US is demanding that the assistance is subject to the formation of a legitimate transitional government and to coordination with the IMF. The problem is that the IMF is likely to require painful economic reforms that Ukraine is not ready to face ahead of its May presidential elections. All of this points once again to the crucial role of the Russian \$22 billion aid package - \$15 billion in loans and \$7 billion in gas price cuts. Whether social unrest based on the economic post-revolution hardship will break the country apart will depend on how the transitional government will cope with the situation and how credible it will be in the eyes of Eastern Ukrainian territories.

All in all, the situation remains fluid and extremely unpredictable. With no strong central authority, external actors play even a greater role. The scuffle is located outside of the country with domestic developments just signaling the (dis)agreements of those external actors. Whoever comes in power should take into account two facts: the split of the country is not a solution and that current events and demands by Kyiv occur in a very difficult moment for the external players that have been asked to help Ukraine.