

Handout E: The Ukraine crisis

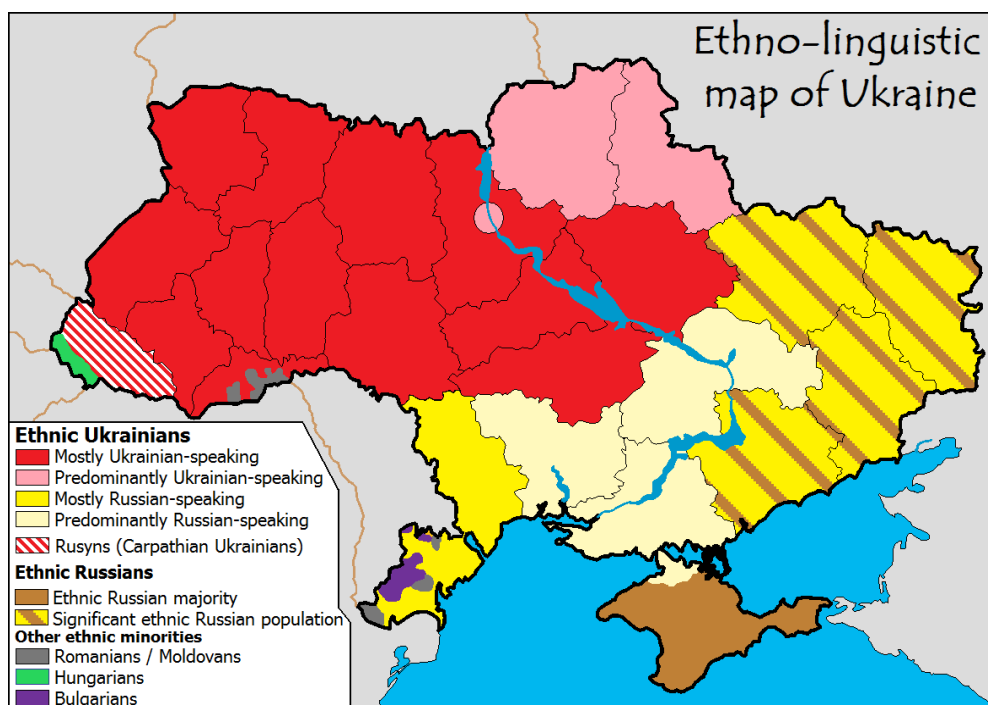
Overview of Ukraine's ties to Russia and to the EU and the roots of Euromaidan

The Ukraine crisis and the Euromaidan movement have a number of causes that must be studied in order to understand how the crisis unfolded.

The historical background is very important to the current crisis. In 1932-1933, the Holodomor, the famine exacerbated by Soviet collectivization and industrialization policies, caused between an estimated 2.5 million and 7.5 million Ukrainian deaths. In the aftermath, Soviet authorities replaced the population losses with the arrival of Russian migrants. The subsequent policy of Russification changed the ethno-linguistic map of Ukraine. By 1991, when Ukraine gained independence, several regions of eastern Ukraine near the Russian border (the Donetsk, Luhansk, Kharkiv and Zaporizhzhya regions) had significant Russian ethnic minorities, while the Crimean Peninsula had a Russian majority. These demographic and linguistic differences had even deeper historical roots from before the Soviet period. The people living in the predominantly Ukrainian-speaking areas of the country often considered themselves to be Europeans, as these lands had been part of the Polish-Lithuanian Commonwealth from the 14th to the 18th centuries and then of the Austro-Hungarian Empire until its dissolution in 1918. On the other hand, the predominantly-Russian speaking territory had been part of the Russian Empire since the 17th century. Furthermore, religious differences were present, with Greek-Catholicism practiced in the west and Orthodoxy practiced in the centre and the east. Therefore, the predominantly Ukrainian-speaking northwest had closer ties to other parts of Europe while the predominantly Russian-speaking southeast had closer ties to Russia.

Figure 1: An ethno-linguistic map of Ukraine

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This division had a huge impact on the political reality and foreign policy of Ukraine after the collapse of the USSR, when Ukraine became an independent state. During the 2004 and 2010 presidential elections, the electoral performance of pro-European and pro-Russian candidates mirrored the ethno-linguistic map of the country. Another factor to consider is trade and economics. Before 2014, Russia was Ukraine's biggest trade partner, and Ukraine depended on Russia for heavily-subsidized natural gas. On the other hand, trade with the EU was also significant and growing. Many in Ukraine believe that closer ties to the EU would be more likely to bring longer term prosperity and economic competitiveness for Ukraine as well as better prospects for liberal democracy, reduced corruption, and rule of law.

The Russian Federation has sought closer economic integration with Ukraine and the post-Soviet states since the dissolution of the Soviet Union. The first step towards this goal was the formation of the Commonwealth of Independent States (CIS) in 1992. In 2000, the Eurasian Economic Community was established by Russia and several members of the CIS, and Ukraine eventually became an observer member of that organization. Greater integration within the Eurasian Economic Community resulted in the Eurasian Customs Union in 2010, followed by the Single Economic Space in 2012. Finally, in 2015, the Eurasian Economic Union was officially established. However, Ukrainian leaders resisted Russian pressure to join the Customs Union and the Eurasian Economic Union, preferring instead to bolster ties with the EU.

The Euromaidan

Since independence, Ukraine has had to balance between two vectors of economic integration: towards Europe and the West, or towards Russia and its integration projects, such as the Eurasian Economic Union. Political divisions within the country have ensured that neither vector has been dominant for long, and any moves towards integration in either direction have been destabilizing. For example, after Ukraine's 2004 Orange Revolution, when pro-European protesters succeeded in overturning a fraudulent election, a new election followed which resulted in a more pro-Western president, Viktor Yushchenko, being elected. Nevertheless, reforms being pushed by the EU were only weakly implemented. In 2010 a new president, Viktor Yanukovich, was elected and he pursued a "balancing" policy that was somewhat more favourable to Russia.

On November 21, 2013, under Yanukovich's leadership, the Ukrainian government suspended preparations for signing an Association Agreement and a free trade agreement with the EU after a lengthy negotiation process. This decision was taken under heavy pressure from Russia, which took the form of trade sanctions and the offering of lucrative benefits to Yanukovich's government if it declined the EU agreement. Yanukovich's last-minute decision not to sign the EU agreement elicited significant public protests against him and his corrupt government until February 20, 2014. The government reacted strongly, using force several times to disperse the protesters, while pro-Russian groups organized counter-protests in support of the government. The climax of the protests occurred as riot police clashed several times with the protesters on February 18-20th, resulting in at least 79 deaths. On the night of February 21st, Yanukovich fled Ukraine for Russia, and Parliament removed him from office on February 22nd.

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Annexation of Crimea and war in Donbass

On February 27, 2014, soldiers, later identified as Russians, occupied the building housing the Supreme Council of Crimea, a region of Ukraine. That day, the Council voted to hold a referendum on the future status of Crimea on March 16th. The results of that referendum were overwhelmingly in favour of Crimea joining the Russian Federation. The Council formally declared independence and applied to join Russia on March 17th. The referendum was denounced as illegal, illegitimate, and neither fair nor free by the Ukrainian government, the European Union, the United States, and the Western media.

In order to understand the conditions of the Crimean annexation, it is essential to mention that Sevastopol, which is Crimea's largest city, was also a base for the Soviet and later Russian Navy Black Sea Fleet. According to the previous agreements signed during 1991-1994, and later re-signed in 2010, Ukraine allowed the presence of Russian soldiers in Sevastopol.

The situation in eastern Ukraine (the Donbas) was different. In two of the eastern regions of Ukraine that bordered Russia (Donetsk and Luhansk), pro-Russian protests that had erupted in response to the Euromaidan movement escalated into an armed insurgency pushing for greater autonomy. The rebels received Russian weaponry, munitions, and supplies. Attempts to impose a ceasefire upon the parties, most notably the Minsk Protocol agreements, have failed repeatedly.

The sanctions against Russia and economic crisis 2014-2016

The United Nations General Assembly condemned the Russian intervention, while NATO member states suspended the NATO-Russia Council. On March 17th, the EU, United States, and Canada imposed economic sanctions against Russia, with Australia and Japan. These sanctions were extended as the conflict intensified. In total, 41 countries have imposed sanctions upon Russia which targeted key individuals, companies, and economic sectors, most notably the Russian oil and gas sector. In response, the Russian government introduced its own counter-sanctions, including a ban on importing agricultural products from the EU, Norway, Canada, the United States, and Australia.

In addition to sanctions, the precipitous decline in oil prices has had a negative impact upon the Russian economy, given that energy exports constitute an important portion of the state budget. As a result, Russia has been hit with an economic crisis; with growing inflation, capital outflow, large budget deficits and the devaluation of the ruble, the economy that has slipped into recession.

Canada's involvement

With 1.2 million Ukrainians living in Canada as of 2011, the Ukrainian diaspora in Canada is the largest in the West and second only to Russia. A large part of this diaspora was highly critical of the Russian actions, ensuring that the sanctions imposed by the Canadian government in 2014 and 2015 in solidarity with Ukraine, the EU, and the US would receive a measure of popular support. Prior to the 2015 federal election, each of the three main parties voiced their support for Ukraine. Following the victory of the Liberal Party, two ethnic Ukrainians, Mary-Ann Mihychuk and Chrystia Freeland, became members of the current government.

The current situation in Ukraine

The political and economic instability caused by the Euromaidan movement and the conflict in eastern Ukraine may have helped voters to temporarily override the country's East/West division on the territory controlled by the Ukrainian government. Petro Poroshenko, a prominent opposition figure during the Euromaidan protests, won a majority of the vote during the first round of the presidential elections held in May 2014. However, conflict in eastern Ukraine continues, and sometimes takes the form of armed conflict.

Relations between Russia and the West are at their lowest point since the end of the Cold War. Perceptions of the conflict differ fundamentally between the parties involved. The Ukrainian and Western side interpret Russian involvement in the conflict in eastern Ukraine and the Russian annexation of Crimea as a violation of Ukraine's national sovereignty. The official Russian position is that there is a civil war in Ukraine between the nationalist, "far-right" government and the oppressed Russian-speaking population of eastern Ukraine. The Russian position argues that the people of Crimea have chosen to separate from Ukraine through a referendum vote and have joined the Russian Federation voluntarily, while the West sees the referendum as held under Russian military presence and in violation of the Ukrainian constitution.

The current situation in Ukraine is far from stable. Despite the pro-Western government in Kiev (Ukraine's capital) and the signing of the Association Agreement and the Deep and Comprehensive Free Trade Agreement with the European Union, implementing further reform has been difficult, and the political crisis has created a struggle for power between political factions. Corruption remains high and steps taken to address it have been ineffective, as Ukraine's powerful economic oligarchs have resisted any systemic political changes. In addition, there is a deep economic crisis due to ongoing instability in the east, political uncertainty, and deteriorating trade relations with Russia.

As of mid-2016, the best hope for a resolution of the Ukraine crisis lies in implementation of an agreement¹ signed by parties to the conflict and a representative of OSCE (Organization for Security and Cooperation in Europe) in February 2015. Known as the Minsk II Protocol, the agreement was achieved during negotiations involving Ukrainian president Petro Poroshenko, Russian president Vladimir Putin, and the German and French leaders, Angela Merkel and Francois Hollande. The protocol provides, among other things, for a ceasefire, an exchange of prisoners, granting of greater local control and free elections in the contested regions of eastern Ukraine, and returning control of Ukraine's external border to Ukrainian government forces. The agreement has only been implemented spottily, and hope is gradually fading that it will provide a successful resolution to the conflict. It is likewise unclear whether or when relations between the EU and Russia will return to a more cooperative basis.

¹ For the full text, see the *Financial Times*, Feb. 201, 2015, <https://next.ft.com/content/21b8f98e-b2a5-11e4-b234-00144feab7de>