

## Franklin U.S. Opps Fund

franklintempletonmutualfund.in

Provides Exposure To The Best Of The U.S. Economy. Invest Now!



Ukraine

#### 1, OPINION, RUSSIA, UKRAINE

# UKRAINE: A NEW BALKANS IN THE HEART OF EUROPE? - OPED

MAY 24, 2014 | EURASIA REVIEW | LEAVE A COMMENT

By Eurasia Review

D

### By Dr. Bhaskar Balakkrishnan



The conflict in Ukraine has ignited a wider strategic confrontation between Russia and the US. The repercussions are being felt in many areas, from global markets, the efforts to bring peace to Syria, and Iran's nuclear programme. The Presidential elections in Ukraine on 25 May could provoke a further escalation of this already complex conflict in the heart of Europe.

Ukraine, a country of 45 million has passed through many conflicts and wars in its history. At various stages it has gained or lost territory from neighbouring countries such as Poland, Romania, Czechoslovakia, and Moldova. It has a relatively well developed economy with a strong agricultural sector, a large industrial base including advanced aerospace industries, and a highly skilled work force. It is a key transit country for natural gas supply from Russia to Europe, and it also has considerable potential for shale gas.

Ukraine's population comprises a Ukrainian speaking majority (78%) dominant in the West, and a large Russian speaking minority (18%) concentrated in its East. Its Eastern part is closely linked to Russia geographically and culturally while the Western part wishes to break free of Russia's orbit and join the European Union. This divergence lies at the root of the conflict compounded by the conflicting geostrategic interests of Russia and the NATO. Russia regards a neutral Ukraine as vital to its security. Ukraine's economy is heavily dependent on Russia. US strategists notably Zbignew Brzezinsky, the Polish-American former US National Security Adviser to President Carter have advocated spreading "geopolitical pluralism" into eastern Europe and expanding NATO influence eastwards to check the reemergence of a new Russian empire.

Crimea, in southeastern Ukraine, with a majority Russian speaking population has recently acceded to Russia. On 6 March, the Crimean Parliament voted to enter into the Russian Federation and in a subsequent referendum the people of these regions voted overwhelmingly to join Russia. Crimea and Sevastopol formally declared independence as the Republic of Crimea and requested that they be admitted as constituents of the Russian Federation. On 18 March 2014, Russia and Crimea signed a treaty of accession of the Republic of Crimea and Sevastopol in the Russian Federation.

The Ukraine, US, and Western countries disputed this process and the United Nations General Assembly voted in favor of a non-binding statement to oppose Russian annexation of the peninsula. However, Russia has pointed to a similar case of Kosovo, which held a unilateral referendum and broke away from Serbia and was quickly recognized by western countries. The Crimean peninsula is of geostrategic

importance for Russia as it provides access to the Black Sea.

Ukraine has managed a delicate transition to democracy since the breakup of the Soviet Union. Its democratic evolution has been punctuated by differences over the role of its parliament and the President. Ukraine's Parliament the 450 member Verkhovna Rada has been in continuous existence since 1938 firstly as the legislature of an autonomous region of the Soviet Union, and later as the legislature of an independent Ukrainian State. It has assertively reduced the powers of the Presidency by returning to the 2004 Constitution which gives it the power to appoint the Prime Minister. The Rada is a long standing political institution in the country, and the next elections are due in 2017. Five main political formations (or coalitions) dominate the Rada, covering the spectrum from extreme right to left.

In November 2013, President Yanukovitch decided not to sign the association agreement with the EU due to its severe reform conditions and relatively small financial support. In comparison Russia had offered a much bigger package of \$15 billion with no conditions except not to sign the association agreement. The decision not to sign the agreement sparked off protests which escalated into violent clashes. On 22 February the Rada voted by 328 out of 447 members (slightly less than 75%), to remove Yanukovitch from the office of President. The Constitution requires a 75% majority vote and a review of the decision by the Constitutional Court. Both these conditions were not met. The removal of Yaukovitch was therefore viewed as unconstitutional by pro-Russian groups.

The interim government in Kyiv has been quickly recognized by the US and Western countries, but not by Russia, which denounced it as an illegitimate coup. The IMF has extended a \$17 billion package to Ukraine, to be released in installments, subject however to severe austerity conditions which if imposed will cause more suffering to the population.

The leading formation in the Rada, the Party of the Regions which reflects the views of Russian minority, is not part of the interim government, while the centre right formation, Svoboda is. The extremist anti-Russian Right Sector with a distinct neo-Nazi tendency and armed militia has gained influence and power during the crisis. Another inflammatory move was the decision of the Rada to stop Russian language in government schools, which was however vetoed by the acting President. However the incident led to fears among the Russian speaking population about their future. In another move, the Communist Party has been expelled from the Rada, an undemocratic action.

After the disputed removal of President Yanukovitch in February 2014, the Rada appointed its Speaker as acting President and an interim Prime Minister. The next President is to be elected in elections to be held on 25 May. If no victor emerges in the first round with a majority, a second round will be held on 15 June among the two leading contenders to decide the winner. However, there is much opposition to holding the election in the eastern regions. Russia had urged postponing the elections but has now dropped its objections under pressure from Ukrainian big businessmen (oligarchs) who have close links with Russia and Europe. Russia has said it would respect the elections, in which front runner is the

wealthy oligarch Petro Poroshenko, dubbed the "Chocolate King".

The election is strongly opposed by pro-Russian groups, some of which have taken up arms in areas such as Donetsk and Luhansk and declared independence from Kyiv. Some 50 elderly Russian workers were burned alive or shot in a building which was set on fire in Odessa on 2 May. Far right Ukrainian elements are suspected to have participated in this incident. The climate of tension and violence has increased, and it is difficult to see how elections can be conducted under these circumstances, even with a large presence of international observers. A low voter turnout and voter intimidation will deprive the election of legitimacy. If violence is triggered during the elections, it would worsen the already tense situation.

There is a sense of impending violence in Ukraine, which could open up the prospects of a new Balkans in the heart of Europe. The surrounding border areas in Poland, Czech Republic, Slovenia, and Romania are some of the areas that could get destabilized. Reaction of the population of Russia to perceived violation of the rights of Russian speaking minorities in its neighbourhood would push the Russian government into a more aggressive stance. The economy of Europe, already struggling to recover would be dealt a major blow, especially is economic sanctions are imposed on Russia. A large segment of German industry has warned against sanctions which would be a double edged sword.

Russia's cooperation is essential for a solution to the crisis and for Ukraine's future. The present confrontation between Russia and the US needs to be cooled down. The best way ahead would be for a negotiated peaceful solution to the crisis in Ukraine, led by major European countries such as Germany, with the good offices of the OSCE, and Russia and Ukraine. A European led solution should be found before the situation worsens into a prolonged conflict. Big business interests which have much to lose would support such a solution. A peaceful, multicultural and stable Ukraine, with close relations with both Russia and the EU should be the objective.

**Dr. Bhaskar Balakrishnan** is a former Ambassador of India with special interest in European affairs.

### **Eurasia Review**



Eurasia Review is an independent Journal and Think Tank that provides a venue for analysts and experts to disseminate content on a wide-range of subjects that are often overlooked or under-represented by Western dominated media.

Despite the combined Eurasia and Afro-Asia areas containing over 70% of the world's population, analysis and news continues to be dominated by a U.S. slant, and that is where Eurasia Review enters the picture by providing alternative, in-depth perspectives on current events.