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## Dealing with the Ukrainian Crisis: Transatlantic Strategy Dilemmas

by E. Wayne Merry

### ABSTRACT

The Ukrainian crisis challenges Western governments and institutions in unprecedented ways. Europe and the United States are divided by their perceptions of the challenge and, even more, by their responses and objectives. Washington views Russian actions in a global perspective and seeks to contain and isolate what it sees to be a rogue regime in Moscow. Most European governments fear an expanding conflict within their continent, and want to limit the damage from this while maintaining engagement with Moscow. Russia perceives a threat to its vital national interests from the West, but paradoxically pursues policies of increasing self-isolation. Ukraine, the victim of the drama, seeks to sustain its sovereignty and to reform its failed and corrupted institutions, but not as a proxy battlefield between the West and Russia. Sanctions on Russia are robust in the US but fragile in Europe. NATO seeks to reassure its vulnerable Eastern members, but has little influence on Moscow or practical value for Ukraine, a non-member. The EU helped initiate the crisis and now has the primary responsibility to assist Ukraine. Transatlantic unity will likely erode if political solutions are not found for Ukraine and, perhaps, even if they are.

*Ukraine | Russia | NATO | OSCE | Transatlantic relations | United States | European Union*

keywords

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by E. Wayne Merry\*

### 1. The context: A redivided Europe

Today, no one but a satirist would speak of “Europe Whole and Free” or of “Europe from the Atlantic to the Urals.” A redivided Europe is a reality, most vividly in Ukraine. The dominant players remain the two great semi-European powers: Russia and the United States. Russia, now as in the past, regards itself as inherently European and part of European civilisation, but not as part of “the West,” which it perceives as alien and even threatening. The US, by contrast, sees itself as the centre of gravity of the contemporary West, but not as European. Most Europeans accept Russian high culture as part of their collective heritage, but reject Russian political culture. Europe watches with concern as the US moves away from its European roots in demography and policy orientation. While Russia and the US very much remain European great powers, neither is welcome at Europe’s common table. Yet they still define the European context, pulling Europe in conflicting directions, with Ukraine on the geopolitical fault line.

In the 1990s Moscow sought a new security architecture for post-Cold War Europe, to include North America but also Russia. It found none. Moscow was frustrated in its efforts to transform the Organisation for Security and Cooperation in Europe (OSCE) into a treaty-based pan-European security structure. NATO welcomed almost all potential applicants except Russia, increasing Moscow’s sense of isolation and vulnerability.<sup>1</sup> The EU’s Eastern Partnership created an EU “near abroad” that overlapped Russia’s own, threatening Russian influence in countries that were perceived in Moscow as of vital importance to itself.

<sup>1</sup> William H. Hill, *No Place for Russia. European Security Institutions since 1989*, Washington, Woodrow Wilson Center Press, 2016 (forthcoming).

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Post-Cold War tensions escaped their containment vessel in Ukraine. This failure was not inevitable, but was the result of policy choices. Post-Soviet Ukraine had maintained a Janus-like relationship with Europe and Russia for over two decades. While Ukraine suffered massive oligarchic misrule and political malfeasance, the fault did not lie in the country's multi-vector external orientation. Kyiv's foreign policies were wise in conception even if often corrupt in execution. Sadly, neither Moscow nor Brussels could leave well alone. Not content with maintaining its near-primacy in Ukrainian affairs, Moscow insisted that Kyiv reorient itself toward a Eurasian Economic Union that would severely hamper Ukraine's ability to develop ties with Europe. In parallel, the EU sought to impose on Ukraine its own framework of shared sovereignty (but without the prospect of eventual EU membership), challenging existing preferential relationships with Russia. Moscow judged EU policy to be a challenge to its vital national interests, while Brussels downplayed repeated Russian warnings, perhaps lulled by previous Russian inaction in response to EU and NATO expansions.<sup>2</sup>

### 2. United States: Containment redux

Washington views the Ukrainian crisis as it views everything: in global terms. Nothing differentiates the US from Europe on Ukraine more than this geographic perspective. US politicians, officials and commentators who previously might not have been able to find the Donbas on a map became preoccupied with Ukraine's destiny once it appeared threatened by a resurgent and expansionist Russia. Just as Afghanistan moved from obscurity to centre stage in the Cold War with the Soviet invasion, so Russian actions against Ukraine gave that country a salience in Washington that it had not previously enjoyed. Ukraine is currently high on Washington's agenda, but more in relation to Russia than for itself.

Washington has considerable experience with post-Soviet Ukraine, especially on denuclearisation issues,<sup>3</sup> and understands the need for deep and extensive reforms there.<sup>4</sup> This understanding has not yet been matched by much US generosity, reflecting both budgetary stringencies and concerns that funds reaching Kyiv may be wasted or stolen. Washington wants to work in tandem with the International Monetary Fund and the EU, and implicitly prefers that Ukraine – a European country – should be largely a European financial responsibility. The debate in Washington has been about the composition of military assistance – lethal or non-lethal – and not about a "Marshall Plan" for Ukraine, in which there is scant interest.

<sup>2</sup> Elizabeth A. Wood et al., *Roots of Russia's War in Ukraine*, Washington, Woodrow Wilson Center Press with Columbia University Press, 2015.

<sup>3</sup> Nadia Schadlow, "The Denuclearization of Ukraine: Consolidating Ukrainian Security", in *Harvard Ukrainian Studies*, Vol. 20 (1996), p. 271-287.

<sup>4</sup> Steven Pifer, "The Unending Saga of Ukrainian Reforms", in *Order from Chaos*, 23 September 2015, <http://brook.gs/1OwuBBd>.

Punishing Russia is a very different matter, on which Washington has taken the lead in the West, often more of a lead than its partners have welcomed. The United States pressed for expulsion of Russia from the G8 (and only reluctantly settled for suspension), and for the G7 statement of March 2014 condemning Russian actions, which pre-dated the insurgency in the Donbas. The US pressed its European partners and Japan to adopt extensive sanctions against Russia, later increased in response to Russian support for eastern Ukrainian separatism.<sup>5</sup>

Thus far, transatlantic cohesion on sanctions has been maintained, but underlying differences with Europe are real and likely to increase. While US commercial relations with Russia are by no means trivial – and important for some major US firms – the overall burden on the US economy from sanctions is modest. There is no energy relationship such as links Russia with Europe, nor had Washington sponsored trade and investment with Russia in the European fashion. Thus, commercial ties with Russia are expendable for broader geopolitical purposes.

The design and objectives of US sanctions on Russia differ sharply from those of its European partners. Sanctioning Russia is one of the few policies enjoying near-consensual political support in Washington, both between the major political parties and between Congress and the Administration. Sanctions policy is debated in terms of tactics, not justification. The sanctions are punitive by intent; importantly, they are not transactional. There is little that Moscow is likely to do (especially concerning Crimea) which could satisfy US requirements to revoke them. US sanctions were conceived as of long duration and, in some respects, are effectively permanent.<sup>6</sup>

US sanctions are part of a broad policy to contain and isolate Russia with the objective of regime change in Moscow, with the debatable expectation that a future Russian leadership would be more amenable to US purposes. Thus, Washington does not evaluate the effectiveness of sanctions only in terms of changes in Russian behaviour toward Ukraine. At the same time, it closely watches Moscow's efforts to escape the full impact of sanctions by developing ties with non-sanctioning economies (such as its BRICS partners and others). In addition, there is growing concern that the sanctions are pushing Russia more deeply into a junior partnership with China, which complicates US policy in the Asia/Pacific region. Again, it is important to remember that the US brings a global perspective to the question. A Russia weakened by sanctions but not thereby isolated may become more rather than less of a problem for Washington.<sup>7</sup>

<sup>5</sup> E. Wayne Merry, *Back to the G7: Russia's Expulsion from the Group of Eight and the End of the Post-Cold War World*, Washington, Center on Global Interests, May 2014, <http://globalinterests.org/?p=6577>.

<sup>6</sup> Suzanne Nossell, "It's Time to Kill the Feel-Good Myth of Sanctions", in *Foreign Policy Voices*, 9 June 2015, <http://t.co/yxKvysAprm>.

<sup>7</sup> Dahlia Peterson, "Russia Looks East", in *Berkeley Political Review*, 15 April 2015, <http://bpr.berkeley.edu/?p=3943>.

### 3. European states: Searching for consensus

Some European capitals may share the US policy orientation toward Russia, but most certainly do not. The extensive commercial ties linking Europe with Russia enjoy both economic and political value in the eyes of major European leaders, in the pursuit of a "Common European Home." Doing business with Russia is normative for most of Europe while it remains somewhat exceptional in the US. Geography and self-interest restrict European leaders from pursuing a genuinely punitive sanctions regime against Russia even if they wanted to, which most do not. In contrast to Washington, European capitals realistically cannot freeze relations with Moscow and wait for changes in the Kremlin.

Therefore, European sanctions on Russia are of limited duration and easily revocable by design. While sanctions in the financial sector parallel those of the US, European businesses can and do pursue long-term commercial deals with Russia of kinds that are forbidden to their US counterparts. European sanctions are transactional – in effect, a policy of engagement with Russia by other means – intended to influence Moscow's behaviour toward Ukraine. Thus, in their logic and expectations, European sanctions are almost the mirror image of those of the US.

Europe does not speak with a single voice in response to the Ukrainian crisis. The difficulty in achieving consensus in Brussels on any sanctions regime inevitably leads to sanctions that are weaker in design and in enforcement than those of the US. EU member governments range from intensely Russophobic to those where Moscow exercises considerable influence. Some political leaders frankly value ties with Russia more highly than those with Ukraine and are willing to accommodate Moscow in its "near abroad." A contributing factor is the retrospective debate over the wisdom of the Eastern Partnership for Ukraine. In an era of EU crises and economic austerity, the potential burden of supporting and reforming Ukraine is daunting for European governments.

Finally, many Europeans are concerned about Washington's approach to the crisis. They naturally think about Ukraine in European regional terms rather than as an element of global power politics. The impact of the Donbas on Moscow's ties with Beijing is of little moment in Europe. Europeans are well aware that the US has fewer economic equities at stake and is better positioned to protect itself from the costs of a long-term sanctions regime. In addition, many are disturbed by the bellicose tone coming from Washington. The last thing European leaders want is a renewed or expanded military conflict within their continent, with the potential to unleash yet another flow of migrants across their borders. Some European officials privately note that the US has walked away from other engagements which did not succeed, and they fear Europe could inherit the havoc caused by a militarised Ukrainian crisis. As a result, Germany and France have taken the lead on diplomatic efforts,

demonstrably keeping Washington more at arm's length than they do Moscow.<sup>8</sup>

### 4. NATO: Back to the future?

Before the Ukrainian crisis, the Atlantic Alliance had largely substituted out-of-area force projections for its treaty-based mission of collective security. The last active-duty US battle tank had departed the continent, while a new generation of US military came to think of Europe as a refuelling point en route to and from South West Asia. European governments exploited their post-Cold War peace dividend to the full, and their defence establishments fell well below NATO requirements. An alliance which had enjoyed a considerable strategic consensus during the Cold War evolved into three subdivisions: new members who wanted a US security shield in case of a resurgent Russia; Western European members who wanted to maintain their transatlantic security subsidy while actively engaging Russia; and a unipolar United States which viewed NATO (in Pentagon parlance) as a "toolbox" to augment US forces in operations far beyond the area of application of the 1949 Treaty of Washington.<sup>9</sup>

Russia's aggressions toward Ukraine forced NATO to return to its original purpose, but with acute dilemmas about action versus inaction. Ukraine is not a member state and does not enjoy an Article V guarantee; nor does it hold a Membership Action Plan. The political assurance of eventual membership given at the Bucharest Summit in 2008 committed the Alliance to no more in the way of tangible action than it accorded Georgia later that year during its own military confrontation with Russia. In sharp contrast to other out-of-area operations, a direct NATO role in Ukraine would risk potential conflict with an adversary quite capable of defending itself, ultimately with nuclear weapons. Russia is not Serbia. A complication is that Moscow adheres to the public fiction that its forces are not even engaged on Ukrainian territory. It carefully avoids actions which could justify an Article V response, while it just as carefully engages in a war of nerves with the Alliance's newer and more vulnerable members.<sup>10</sup>

What is an alliance to do when its proclaimed "values" are violated but the territory of its members is not? The first response was reassurance to anxious member states, in the form of political statements, modest force deployments (collectively, smaller than the "tripwire" units maintained in West Berlin alone during the Cold War) and the establishment of six Force Integration Units. At the Wales Summit in September 2014, members undertook to spend more to meet the challenge, though

<sup>8</sup> Author conversations with European officials.

<sup>9</sup> E. Wayne Merry, "An Obsolete Alliance", in *The Journal of International Security Affairs*, Spring 2008, [http://www.afpc.org/publication\\_listings/viewArticle/208](http://www.afpc.org/publication_listings/viewArticle/208).

<sup>10</sup> Leslie H. Gelb, "Russia and America: Toward a New Détente", in *The National Interest*, No. 138 (July/August 2015), p. 9-21, <http://nationalinterest.org/node/13077>.

some commitments barely survived the return trip to capitals.<sup>11</sup>

By its very nature as a security collective, NATO is not an effective sanctioning entity and requires consensus for any tangible actions it takes. The Alliance froze its cooperation programmes and major channels of dialogue with Russia; but these were atrophied already, while neither side wants to eliminate all communication. It is just as well that the Northern Distribution Network to Afghanistan through Russia had already largely fulfilled its purpose.

For Ukraine, NATO provides limited training and non-lethal equipment, building on Kyiv's previous extensive participation in the Partnership for Peace. However, there is no prospect of consensus in the North Atlantic Council for the Alliance to transfer weaponry to Kyiv. The largest recent NATO combined manoeuvres, Trident Juncture 2015, were ostensibly to impress Moscow with Alliance resolve but were conducted almost as far from Ukraine as feasible. NATO membership for Ukraine is also out of the question for the time being, given the views of many members.

Finally, NATO has a more immediate concern in Turkey, where a key Alliance member is engaged in a regional conflict which endangers its own territory. Despite tensions between Ankara and other Alliance capitals over Syria (and with EU capitals over migrant flows), it would be difficult to justify greater NATO solidarity on behalf of a non-member state such as Ukraine than it accords to one of its most stalwart members.

### 5. EU: Finding the limits of "Europe"

The EU possesses more means to respond to Russia than does NATO, but less cohesion in using them. There is an increasing awareness within EU capitals that its own Eastern Partnership helped create the crisis. The reasons for this policy failure remain the subject of debate. Some blame the inability of the left and right hands in Brussels to work together while the policy levels in capitals were otherwise engaged. Others think champions of the Eastern Partnership deliberately downplayed Russian concerns and assumed Moscow would peaceably acquiesce to loss of its predominant role in Ukraine. Others speak of Europe "sleepwalking" into a crisis as it did a century earlier.<sup>12</sup>

The EU is now torn at least three ways by the Ukrainian crisis. First, it is internally divided between states which want to embrace Ukraine and punish Russia and those reluctant to undertake a huge Ukrainian reform project and inclined to restore ties

<sup>11</sup> NATO, *Wales Summit Declaration*, 5 September 2014, [http://www.nato.int/cps/en/natohq/official\\_texts\\_112964.htm](http://www.nato.int/cps/en/natohq/official_texts_112964.htm).

<sup>12</sup> UK House of Lords European Union Committee, *The EU and Russia: Before and Beyond the Crisis in Ukraine*, 6th Report of Session 2014-15, 10 February 2015, <http://www.publications.parliament.uk/pa/ld201415/ldselect/ldeucom/115/115.pdf>.

with Russia. Second, it is divided by countervailing pressures from Washington to follow the more activist US lead and from Moscow to resolve the crisis with terms that are amenable to Russia. Third, EU sanctions on Russia are inherently double-edged, with costs for European businesses and taxpayers but little of obvious value achieved in the short term. Predictably, the EU has engaged in a policy of damage limitation and of non-bold steps.

Unlike NATO, the EU is not a security institution. Despite rhetoric about values, the EU's purposes are first and foremost economic; it is judged by its voters on the prosperity it provides, not the external burdens it assumes. Since the opening of the Berlin Wall, the dilemma of European integration has been how far east to expand; in other words, how much "Europe" are Europeans willing to sustain? The EU has already reached one limit in Turkey, despite an association agreement with Ankara signed over four decades ago. The parallel agreement for Ukraine contains no promise of membership, but it encouraged the Ukrainian people to expect rapid entry into "Europe." Having provoked those expectations – and bloodshed on the streets of Kyiv – the EU cannot now turn away from Ukraine. However, while actively engaging in some reform efforts in Kyiv, the EU has offered tangible assistance far short of Ukraine's requirements.

The EU also adopted a broad programme of sanctions on Russia. However, as already noted, these sanctions were always intended to be temporary and transactional, to produce results. What if they do not? What if Moscow holds firm on Ukraine and engages in further counter-sanctions? Sanctions were initially agreed by leading EU states within the Group of Seven without reference to the full EU membership, some of whom want to restore economic ties with Russia rather than demonstrate solidarity with Ukraine. How long can the inherent conflict between the European and US rationales for sanctions be managed within the EU? How much, or little, Russian compromise in the Donbas will be enough to justify a significant easing of sanctions for Brussels or, more to the point, for individual EU members?

It is true that EU governments were genuinely shocked by Russian actions, both the near bloodless annexation of Crimea and the bloody insurgency in the Donbas. Given adherence to European "values" and the principle of shared sovereignty prevailing within the EU, Moscow's moves appeared in Europe as a violation of the "rules" of post-War and post-Cold War Europe. Thus, a lesson from the crisis for Europe and its leaders is that EU rules lack consent and hence enforcement beyond EU borders.<sup>13</sup>

<sup>13</sup> William H. Hill, *No Place for Russia*, cit.



## 6. OSCE: The poor relation among the institutions

Both NATO and the EU are genuinely committed to the preservation of peace in Europe. Each sought to formalise its peaceful relationship with Russia, in the NATO-Russia Council and the EU-Russia Agreement of 1997. Unfortunately, both enshrined the permanent exclusion of Russia from those institutions while NATO and the EU pursued enlargement to the east, with Ukraine a prize on the horizon for both. The resulting conflict has brought to the fore the role of the OSCE, as well as the “what might have been” questions of post-Cold War Europe.

As we mark the twenty-fifth anniversary both of the opening of the Berlin Wall and of the OSCE Charter of Paris, it is worth remembering this third major Euro-Atlantic institution, the only one which included rather than excluded Russia. The OSCE has a record of achievement little acknowledged on either side of the Atlantic, but it remains the go-to mechanism during a crisis, whether in the Balkans or in Ukraine. It is ironic that this crisis has given the OSCE a new lease on life for on-the-ground monitoring and communications and as a venue for diplomatic efforts to resolve (or at least ameliorate) the conflict.

Russia had hoped the OSCE could provide the basis for a post-Cold War security architecture from the Atlantic to the Urals. Moscow sought a new treaty-based structure of pan-European security, incorporating the political obligations of various OSCE documents. These efforts encountered almost no serious response from Western governments. Washington always opposed elevating the OSCE from the political to the treaty level and much preferred NATO as its primary channel of interaction with Europe. Most European governments saw NATO as the means to preserve their low-cost transatlantic insurance policy. The EU favoured the existing division of functions between itself and NATO, believing EU “soft power” could accommodate Russian concerns. No post-Cold War equivalent of the Congress of Vienna was even attempted to discuss a genuinely inclusive structure for European peace. Washington and its European allies preferred their comfortable Cold War institutions, counting on long-term Russian weakness to smooth over any inconsistencies.

In time, Moscow also lost interest in a revitalised OSCE, in part because of the non-ratification of the Adapted CFE Treaty and the advent of “colour revolutions.” By the time of the Ukrainian crisis, Russia was much more an obstacle than an advocate within the OSCE, and had reoriented its external policy to the creation of Russiacentric Eurasian structures. Worse, by its military actions in Ukraine, Moscow has violated key elements of the Helsinki acquis and even of the original Helsinki Final Act.

The Ukrainian conflict, however, reinvigorated the OSCE as the only acceptable mechanism for on-the-ground conflict monitoring and for communication between parties to the conflict and their sponsors. This rather thankless task – which the UN, NATO and the EU could not fulfil – demonstrates the continuing

need for pan-European structures. Despite the broad scepticism toward the OSCE on both sides of the Atlantic, the organisation continues to perform vital functions, limited (as is true of any multilateral organisation) by the tolerance and wishes of its member states, which blame the institution for the deficiencies they impose on it. Any resolution of the Ukrainian crisis, or even viable long-term management of a new so-called “frozen conflict,” would likewise require a central role for the OSCE similar to the one it performs in the western Balkans.<sup>14</sup>

### 7. Russia: Drawing a red line or self-isolation?

Unlike Washington or any EU capital, Moscow views events in Ukraine in near-existential terms. Russian perceptions of Ukraine as a “fraternal” society run deep; that it is the birthplace of the Russian nation itself, and hence not a truly separate or independent state. These attitudes reflect a pervasive condescension and ignorance in Russian elites that are fraught with dangerous misperceptions of Ukrainian realities. Most of Moscow’s blunders in this crisis ultimately stem from its inability to comprehend, and accept, the national legitimacy of its Ukrainian neighbour.

Russia’s ruling elites are also committed to the maintenance of their country as the hegemonic great power in central Eurasia, exercising suzerain authority within its “near abroad.” This view is enhanced by the rapid growth of Chinese power to the east, of Islamic radicalism to the south, and by the exclusion of Russia from European and Atlantic structures to the west. The perception of threat from all sides produced Moscow’s scheme for a Eurasian Economic Union centred on Russia as a redoubt among these external forces. For scale and strategic depth, Moscow strongly favoured the inclusion of Ukraine in this redoubt, although without much appreciation of Ukraine’s complex geography and demography. The EU’s proposed Association Agreement would not only prevent Kyiv from participation in a Eurasian Economic Union but would, in Moscow’s view, lead inexorably to Ukraine entering a Western orbit, to culminate in the NATO membership promised at Bucharest in 2008. After repeated Russian warnings were disregarded in Brussels, Moscow interpreted the collapse of its surrogate regime in Kyiv as the product of EU and US diplomacy and subversion. It responded with military means, in which it possessed a huge comparative advantage, to draw an unmistakable red line with the West.<sup>15</sup>

Russia thereby damaged its own standing and influence in Ukraine in ways neither the EU nor NATO could have done or, indeed, sought to do. Any Ukrainian government now has a constitutional responsibility to seek restoration of its territorial integrity. The experience of war has alienated Ukrainians, especially the

<sup>14</sup> Stefan Lehne, “The OSCE from Confrontation to Cooperation and Back Again”, in *Judy Dempsey’s Strategic Europe*, 29 July 2015, <http://carnegieeurope.eu/strategieurope/?fa=60877>.

<sup>15</sup> Elizabeth A. Wood et al., *Roots of Russia’s War in Ukraine*, cit.

young, from Russia while throwing them of necessity into the arms of the West. In addition, such a gross violation of the post-Cold War “rules” damaged Moscow’s relations with all Western governments and provoked sanctions which, once in place, tend to take on a life of their own.

However, even before the Ukrainian crisis the Russian state had been turning inward on itself for some time. The ensuing combination of sanctions and counter-sanctions accelerated a tendency toward self-isolation and the pursuit of autarchy, which is a dead end in a globalised world. Indeed, the Kremlin’s counter-sanctions may be more damaging to average Russians than the targeted sanctions of the West. Combined with the unrelated sharp fall in global hydrocarbon prices and the deep structural shortcomings of its economy, Russia faces reduced economic growth, higher consumer prices, cuts in public services such as health care and education, and a commitment to a military build-up instead of improving productivity and competitiveness. The role of Western sanctions in this mix is difficult to quantify, except that foreign actions will certainly be blamed by the Kremlin for domestic stringencies.<sup>16</sup>

The day is long past, however, when the West was the only external option for Russia. Moscow actively pursues other alternatives, both multilateral (SCO, BRICS, G20) and bilateral, some of which share Moscow’s anti-Western bias. Still, while these trading partners provide Russia with markets for its exports and alternative sources for consumer goods, they cannot replace the financial services of the West nor the sophistication of its technologies. Thus, Russian autarchic policies actually tend to reinforce Western sanctions. It is now an open question whose policies contain and isolate Russia more, Washington’s or Moscow’s.

### 8. Ukraine: Seeking sovereignty, avoiding proxy war

Unfortunately, the political debate in the West focuses more on how to influence, constrain or punish Russia than on how to assist, reform or restore Ukraine. In part, the techniques of the former are more available and better understood than the latter. In part, also, previous Western experience in Ukraine discourages optimism and action. “Ukraine fatigue” can be a self-fulfilling expectation of failure. While understandable, this attitude is false on at least three counts. First, the Ukrainian crisis is not going away; whether solved or managed, the problems of Ukraine will be on the West’s agenda for the foreseeable future. Second, things can get worse – much worse – in Ukraine if tangible improvements in the economy and in governance are not forthcoming. The recent outbreak of polio in south-western

<sup>16</sup> Oleg Buklemishev, “Myths and Realities of Sanctions in Russia”, in *Eurasia Outlook*, 13 August 2015, <http://carnegie.ru/commentary/?fa=61005>; Stratfor, “Russia Begins to Buckle Under Sanctions Pressure”, in *Stratfor Geopolitical Diary*, 16 September 2015, <https://www.stratfor.com/geopolitical-diary/russia-begins-buckle-under-sanctions-pressure>; Peter D. Feaver and Eric B. Lorber, “The Sanctions Myth”, in *The National Interest*, No. 138 (July/August 2015), p. 22-27, <http://nationalinterest.org/node/13110>.

Ukraine, far from the war zone, should alert Europe that its own interests are at stake. A flow of migrants from Ukraine could join those from Syria and elsewhere if people do not see a better future at home. Third, if political and economic reforms fail in their promise again, Ukraine could turn back toward Russia; or, even worse, the country could fracture. Nostalgia for the days of secure Soviet lifestyles is potentially seductive if the turn to the West disappoints.<sup>17</sup>

Despite its strong display of national unity in reaction to Russian aggression, Ukraine retains important regional identities. The lure of "Europe" is not persuasive everywhere, while Western-designed reforms demand deep and extensive austerity. Popular distrust of ruling political and economic elites is nigh universal. The patriotism engendered by the national struggle can degenerate into the soldier's perception of a "rich man's war and poor man's fight." There is now the precedent in Kyiv for the violent overthrow of a constitutional government with electoral legitimacy; it could be repeated. The so-called Maidan Revolution initiated important movement in social, political, institutional and economic reforms; but it did not create self-sustaining reform momentum. The achievements of the "second Maidan" could emulate those of the "first Maidan" (also known as the "Orange Revolution"), when reforms stalled and even reversed. If frustrated in their hopes again, the Ukrainian people could turn against the West, following the recent examples of Turkey and Hungary.<sup>18</sup> Happily, thus far there is little prospect of a "third Maidan." Perhaps the greatest strength of contemporary Ukraine as it struggles with external threats and internal reforms is that the basis of national identity is civic, rather than ethnic, linguistic or religious. The preservation of this inclusive Ukrainian identity is crucial to meeting its myriad challenges.

To date, both sides of the Atlantic have been more generous with words than with resources for Kyiv and more forthcoming with negative policies toward Russia than positive options for Ukraine. This neglect could engender a sense of betrayal within Ukrainian society and a perception that it is being used by the West in a proxy struggle with Russia. Since independence, Ukraine has sought to become a bridge between Europe and Russia and to avoid the fate of a cordon sanitaire. Those remain reasonable and rational aspirations.

### Conclusion: What is to be done?

The transatlantic policy gap in responding to the Ukrainian crisis is real and likely to widen, reflecting substantive differences between the US and Europe in perceptions of the problem, in economic interests and in willingness to damage relations with Moscow for years to come. Ironically, a political settlement between Kyiv and Moscow could even widen the gap between Washington and its allies, especially

<sup>17</sup> Elaine Moore, Roman Olearchyk and Neil Buckley, "Ukraine: Costs of Conflict", in *The Financial Times*, 2 September 2015.

<sup>18</sup> Author conversations in Ukraine, 28 September-5 October 2015.

if brokered with European participation. Other gaps also exist, within NATO and within the EU, and even within some European governments. Washington is unusual in its present internal unity.

Gaps within Russia's ruling elites may be greater than is outwardly apparent. Moscow is united in what it does not want – Ukraine falling into a European or, worse, US orbit – but perhaps not so much united behind the policy options taken thus far. Moscow still possessed immense political influence within Ukraine after the fall of the Yanukovich government, but did not use it. Rather, the Kremlin opted for a hasty resort to military means. The annexation of Crimea was a near-bloodless victory, but the effort to detach "Novorossiia" from Ukraine was a major policy failure, and likely to be a very costly one for Russia for years to come.

There are also gaps within Ukraine, the victim of this East-West tug of war. The crisis has greatly enhanced Ukrainian national identity and patriotism, but internal reforms remain more promise than programme. Wartime tends to foster corruption rather than fight it, as well as encouraging a winner-take-all political competition. The growth of truly representative institutions and the rule of law needs peace and social cohesion. The widest gap may be between what Ukrainians believe they deserve from the West and what Western governments and institutions are prepared to provide.<sup>19</sup>

The United States and Europe opted for sanctions on Russia in part to avoid the consequences of stronger measures. NATO is doing what it can, but that is quite limited on behalf of a non-member state: it is struggling to restore confidence in collective security among its more vulnerable members, and engaging in low-level reciprocal sabre-rattling with Russia. The developing crisis over Syria prevents an exclusive focus on Ukraine. Thus, in late 2015 and under German pressure, the Alliance prepared to restore senior-level contacts with Moscow through the NATO-Russia Council.<sup>20</sup> The EU could impose effective sanctions on Russia, but certainly will not do so unless there is renewed Russian-sponsored military aggression in Ukraine. Indeed, existing sanctions are very likely to be weakened in the months ahead. Again in response to Berlin, the EU is considering accommodations to Moscow in light of the EU's enhanced trade relationship with Kyiv coming into force.<sup>21</sup> In contrast, Washington is hunkered down for long-term tensions with Moscow and is unlikely to relax its sanctions, short of abandonment of sanctions altogether by Europe. However, a Russia policy centred on containment, isolation and regime change is encountering increasing criticism in the broader US foreign

<sup>19</sup> International Foundation for Electoral Systems (IFES), *Two Years After Maidan: Ukrainians Committed to Democracy, Disappointed with Unmet Aspirations*. Key Findings from a September 2015 IFES Survey in Ukraine, October 2015, <http://www.ifes.org/node/11770>.

<sup>20</sup> Alex Barker, "NATO Prepares to Revive Russia Contacts", in *The Financial Times*, 2 December 2015.

<sup>21</sup> Alex Barker, Stefan Wagstyl and Roman Olearchyk, "Germany Pushes EU-Russia Deal to Avert Ukraine Trade Pact Tension", in *The Financial Times*, 2 December 2015.

policy community.<sup>22</sup>

The effective impact of sanctions on Russia is difficult to separate from other economic factors, particularly world prices for hydrocarbons. Sanctions seriously isolate Russia's financial sector and inhibit the import of Western capital and technology for the country's development. However, economic costs do not necessarily produce the desired political change. Almost to illustrate this point, Moscow imposed draconian sanctions on Turkey in response to the shooting down of one of its aircraft in disputed circumstances, despite the huge economic and political importance of Turkey for Russia. If Russia has demonstrated anything over many generations, it is stubbornness under external pressure and a capacity to endure. To be effective, Western sanctions may need years, perhaps more time than is available to Ukraine.

What the US and Europe can do is assist Ukraine both in sustaining its damaged sovereignty and in reforming its economy and governance. Even without the conflict in the Donbas, Ukraine's needs are huge.<sup>23</sup> Supporting Kyiv may not be as gratifying as smiting Moscow, but it is more likely to yield positive results. However, both sides of the Atlantic need to learn from their earlier mistakes in this crisis. A heedless effort to attach Ukraine to the EU or to NATO can do more harm to that country than good. By history, geography and demography, Ukraine lies between Russia and the West, engaging both. It was the EU's effort to pull Ukraine into its embrace which triggered the Russian response, and Ukraine is much more the victim than is Europe. A policy of generous assistance not conditioned on Ukrainian adherence to European or transatlantic structures may – just may – constitute a Western response to Russian aggression for which Moscow will have no effective reply.

*Updated 28 December 2015*

<sup>22</sup> Nikolas K. Gvosdev, "Why Waiting for Russia to Collapse is a Terrible Ukraine Policy", in *The National Interest*, 1 September 2015, <http://nationalinterest.org/node/13750>; Henry Kissinger, "The Interview: Henry Kissinger", in *The National Interest*, No. 139 (September-October 2015), p. 12-17, <http://nationalinterest.org/node/13615>.

<sup>23</sup> Judy Twigg and E. Wayne Merry, "Ukraine's Real Crisis: A Demographics and Health Time Bomb", in *The National Interest*, 15 December 2014, <http://nationalinterest.org/node/11851>.

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