

Putin must be allowed to 'save face' over Crimea

✘ Responding to the street protests that have brought Ukrainian nationalists in power (not necessarily many 'democrats' there), Russia's President Vladimir Putin has ordered a general mobilization of the western military region west under the guise of 'emergency exercises'. Regardless of how the West perceives Vladimir Putin and of his indubitable interference in Ukrainian affairs – not that the European Union, NATO or the United States have been exactly passive – it is unthinkable and historically dishonest to even consider the notion of Crimea being separated from Russia.

The EU and the USA may demand Russia keep out of Ukrainian politics and the forthcoming elections, but, in return they must be willing to find an adequate (and by that is meant historically correct) compromise over Crimea. Henry Ford famously declared "history is bunk"; it happens that Russia also has important strategic and economic reasons for maintaining Crimea; reaching a compromise may be the only way to avoid a far bleaker scenario.

In little over 20 years, Crimea (a peninsula on the Black Sea, which a drunken Nikita Khrushchev of Cuban Missile Crisis fame signed it over as a gift to Ukraine – it didn't matter much, then, given that both were republics of the USSR) has seen its fair share of tension. The Russian speaking majority, encouraged by Moscow, have at times faced off against independentist Muslim Tatars. Crimea is, clearly, one highly strung geopolitical mess at the best of times. The port of Sevastopol serves as the headquarters of the Russian Black Sea Fleet, which oversees maritime operations throughout the Mediterranean. Russia has leased the Naval Base until 2042; the Russian fleet, according to the agreements between Russia and Ukraine, may remain in Crimea until then. The fleet

consists of 380 ships, 170 aircraft and 25,000 troops. Crimea and Sevastopol in Ukraine represent a powerful means to exert pressure against Moscow; vice versa, in what is a veritable chess match, Moscow uses this region as an indispensable strategic asset to remind Ukraine that it still needs Russia to survive – ironically – as an independent State.

What has Putin taught us?

Vladimir Putin fought the Chechen war to prevent the emergence of a Muslim state in the North Caucasus, offering money and regional autonomy. He blocked Georgia's NATO dreams through the vassal States, and pro-Russian, Abkhazia and South Ossetia after Georgian President Mikhail Saakashvili tried to make his own expansionist mark. Since the Orange Revolution of 2004, Putin has kept Ukraine and the Crimea of course from joining the EU and NATO's orbit. Putin's current military foray is none other than the continuation of these policies. Nobody at the US State Department or at any other Western ministry of Foreign Affairs should be at all surprised by the pre-emptive action in Crimea. Therefore, while it is important the world support an independent, undivided Ukraine, built by free elections and rule of law, and which might eventually be linked to NATO and the EU institutions; Russia is trying to maintain its influence in the post-Soviet era. From the perspective of Putin, his ministers and many ordinary Russians, Moscow cannot afford to be perceived as loser in this match at home or internationally. One very practical reason – and one which the West would come to regret – is that too easy a successful break from Russia, would inspire more "revolutions" in its neighborhood with unpredictable results, given the steady rise of Muslim fundamentalist movements in the former Soviet republics. It is far more convenient for the West to have an eager policeman in the region, keeping watch.

The majority of Russians would not forgive Putin, if he showed weakness in this situation. His sudden occupation has allowed him to take the largely pro-Russian Crimea and turn it into a

negotiating card. Putin does not necessarily want to annex the Crimea; more importantly, Putin does not want to occupy Ukraine not even temporarily by repeating the Georgia operation of 2008. This would likely trigger a civil war that would bog down Russia and nobody; least of all Putin's most loyal generals want this. At this point, Putin can play a role in Crimea's fate either encouraging secession from Ukraine or independence. Putin's calculus is that the West may even encourage the new Ukrainian authorities to negotiate – Yulia Timoshenko, former prime minister and member of the new government – is rumored to be visiting Moscow this week – with Russia. Ukraine, for all its independentist aspirations is in a financial mess. While holding Crimea 'hostage', Putin can remove all subsidies, aid funds and discounts on gas, favors amounting to some USD\$ 35-40 billion. After the EU's own defaults and interventions, no wise politician there will urge aid to buy out Ukraine's debts to Russia. And this is, much more than the tanks and the helicopters, Putin's most effective weapon. Indeed, it may all come down to gas.

In April of 2010, the freshly removed President Yanukovich signed an agreement with Russia to ensure a 30% discount on imports of Russian gas. There are some 40 thousand kilometers of gas pipelines in Ukraine and Kiev collects about three billion dollars a year from taxes on Russian gas transiting to the EU. In other words, the EU and Ukraine are dependent on Russian gas imports. This explains why Europe has tried very hard to strengthen its ties with Kiev and why Europe has few levers to pull to influence Putin. Faced with calls to eject Russia from the G8, German Chancellor Angela Merkel has refused to push this line. Meanwhile, Ukraine has fallen and all 'Ukraine's horses and Ukraine's men' have not been able to put it back together again. Ukraine has accumulated a debt equal to three-quarters of its GDP (176 billion dollars); it is close to deplete its reserves of foreign currency and even its exports – agricultural and military – have fallen sharply. Its national economy, rather than reflecting growth, is almost

on par to 1992, when it had just gained independence. The EU tried to get Ukraine into its sphere by exploiting this economic collapse, offering 15 fifteen billion dollars in aid that would have prevented collapse.

Putin is not completely impervious in Ukraine. Russia's own resource dominated economy has suffered recently and there are Russian industries and banks operating in Ukraine. And then there are its trade relations with the EU, which is the main buyer of Russian gas. Under threat of greater tensions, the EU could decide to import more North African gas. The West has not reacted yet; no doubt, threats will be made to intimidate the Russian president. However, Putin has been talking with his western counterparts and a German delegation is expected to visit Moscow to discuss the situation. What is important in ensuring a prompt solution – which will have to be a compromise, is to allow Putin to emerge from this incident without losing face. This means that Ukraine will have to make concessions over Crimea, offering credible assurances of the fate of the Russian population and of Russian naval bases. It will not be easy but there is still time to avoid a worst case scenario. It is pointless to blame President Obama for inaction, as some conservative commentators have done, or to accuse the EU of ineffectiveness. The fact is that there is little any one of these actors could have done much. Not even President Bush, beyond some words, did anything to stop Russia from invading Georgia in 2008.