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COMMENT

Arkady Moshes
Programme Director
The Finnish Institute of International Affairs

Ukraine is bigger than the conflict in Donbas > Promoting reforms should be a Western policy priority

In order to really help Ukraine get back on its feet, the West should not just focus on the conflict in the eastern part of the country, but concentrate on much-needed reforms instead. If Ukraine is successful in carrying them out, it will also be much better able to find a solution for Donbas and Crimea.

Ukraine, until recently the focus of high politics, is now running the risk of becoming a bargaining chip in the diplomatic game. Some fear – while others hope – that in order to secure Russia's cooperation over Syria, the West can trade its support of Ukraine.

Meanwhile, the dynamics of the war in Eastern Ukraine and the situation in the country at large can be summarized as follows.

The conflict has not been frozen. The ceasefire may hold for the time being, but it is very fragile. Comprehensive implementation of the Minsk 2 agreements seems as distant today as it did last February, when they were signed. No one dares to predict when, or even if at all, Ukraine could re-establish its sovereign control over the border with Russia.

However, Moscow does not seem to be able to exploit the conflict to advance its vision of Ukraine's future. Confronted with a true national mobilization, Russia today has less influence over Ukraine's domestic and foreign policy than it ever had since the country's independence. The trade part of Ukraine's Association Agreement with the EU will finally enter into force next January, whereas the new security and military doctrines clearly orient the country towards

a future in NATO, a choice which is supported by public opinion. Even the Opposition Bloc, the heir to the Party of the Regions of the ousted president Viktor Yanukovich, keeps emphasizing that it cannot accept the annexation of Crimea by Russia.

Military escalation is possible, but it would be more risky than before. Major casualties for the separatists and new Western economic sanctions against Russia are inevitable if full-scale hostilities resume, whereas political rewards are not guaranteed even in the event of success on the battlefield.

Russian diplomatic tactics are currently aimed at resolving the conflict on the premise of the federalization of Ukraine and the special status of the separatist-controlled territories rather than at freezing it. The reason behind this is that the unrecognized republics are progressively becoming a liability rather than an asset in Moscow's hands.

The problem is that time is not necessarily on Kyiv's side either. Ukraine's economic situation is dramatic. The country's GDP shrank by 7.5% in 2014. This year it may lose another 12%, according to the most recent forecast by the World Bank, with inflation exceeding 50%. Standard and Poor's agency has recently downgraded Ukraine's

sovereign ratings to the level of SD – “selective default”. Corruption remains high. Oligarchs continue to play an enormous role in the country's media and politics. Sharp criticism regarding the performance of cabinet ministers comes not only from the opposition, but also from within the ranks as attested to by multiple invectives from Ukraine's possibly best-known reformer – the current Odesa governor and the former president of Georgia, Mikheil Saakashvili.

In this situation it would be rational for Ukraine's Western partners to use the pause in the conflict in order to persuade Kyiv to accelerate the reforms – at least those which are necessary for enabling bilateral free trade and visa-free movement with the EU. The latter should neither shy away from applying conditionality nor take “objective reasons” for non-compliance, such as war, for an answer.

Unfortunately, however, the West is continuing to focus most of its attention on the fate of the Minsk agreements and ideas on how to keep them alive after the original implementation deadline expires in December. For instance, the Ukrainian media and expert community are now actively and concernedly discussing the so-called

Finnish Institute of
International Affairs

Kruunuvuorenkatu 4

POB 400

00161 Helsinki

Telephone

+358 (0)9 432 7000

Fax

+358 (0)9 432 7799

www.fiia.fi

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“Morel’s plan” – a set of proposals named after a senior French diplomat participating in the ongoing talks but apparently representing the coordinated position of Berlin, Paris and Washington. Reportedly, the plan is centred upon the organization of elections in separatist regions with no actual control of Ukraine whatsoever, but technically in accordance with some specially-adopted legislation.

Needless to say, this would constitute that same special status for the separatist territories that Kyiv has always found unacceptable. Imposing these new concessions on President Petro Poroshenko could be highly destabilizing. In August, when the parliament was voting for a much softer constitutional amendment on the issue of decentralization, a requisite simple majority was gathered only thanks to the votes of the opposition. Three out of the then five ruling coalition factions did not support the amendment, and one left the coalition as a result. Forging the necessary two-thirds majority in the second reading is already akin to mission impossible.

Furthermore, people’s loyalty to the current government has always been conditional. When in Ukraine, one does not need to wait long before hearing the word *zrada* –

Ukrainian for “treason” – and to be reminded that in February 2014 the political opposition leaders actually signed an EU-brokered deal with Yanukovich turned down by the masses of Maidan. If this sentiment is coupled with frustration, caused by economic factors, radicalization will be difficult to avoid. And if Ukraine’s leadership has to use all of its political capital to give the impression that the implementation of the Minsk agreement is moving forward, it may not have the resources to push through the reforms.

When thinking strategically about Ukraine and the priorities of the Ukraine policy, the Western decision-makers should bear in mind the following common-sense assumption. If Ukraine succeeds with its reforms, it will also be much better able to cope with and eventually find a solution for the conflict in the east. If formally at peace, but constitutionally paralyzed, administratively dysfunctional, economically unattractive and endemically corrupt, not only will Ukraine be extremely vulnerable to outside pressure – it will not be worth the effort and the sacrifice already made to change it for the better.