



# BULLETIN

No. 35 (630), 14 March 2014 © PISM

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## If Crimea Secedes: Consequences for Ukraine, Russia and Europe

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*Since 27 February, Crimea has been occupied by the Russian army. On 6 March, the Supreme Council of the Autonomous Republic of Crimea, dominated by pro-Russian politicians, decided in favour of the accession of the region to the Russian Federation. A referendum on 16 March is designed to confirm the legitimacy of this move. Russia, which is behind the actions of the Crimean separatists, will see its policy lead to a long-lasting crisis in Russian–Ukrainian relations. The European Union cannot accept Russia’s argument that Russians in Crimea have a right to self-determination, as it would open the way to further Russian territorial claims against neighbouring countries.*

**Fake “Colour Revolution.”** In response to the revolution in Kyiv, the Kremlin decided to carry out a coup in Crimea, the purpose of which appears to be the annexation of the region by Russia. Russia’s actions on the peninsula is an attempt to stage a “colour revolution,” allegedly carried out by local “self-defence” forces (a term analogous to the units formed at Maidan in Kyiv in response to attacks on protesters), but which are in fact Russian army troops without overt markings on their uniforms. Russian propaganda has tried to present the events on the peninsula as a spontaneous expression of the will of its inhabitants. The declaration by Crimea’s parliament of the peninsula’s independence and a referendum on Sunday on the autonomous republic’s accession to the Russian Federation have been planned in order to create a semi-coherent narrative and establish the legitimacy of the annexation of the region by Russia. In this manner, the Kremlin is attempting to create the impression that the secession of Crimea is an expression of the will of the inhabitants of the peninsula and that the territory that would be annexed by Russia does not belong to Ukraine but to an independent Crimean republic.

The Russian majority in Crimea indeed is dissatisfied with the fact that the peninsula remained within the borders of independent Ukraine after the breakup of the Soviet Union (although during a 1991 referendum, 54% of the population of Crimea voted “for” this status). Nationalist sentiment has also been fuelled by the stationing of Russia’s Black Sea Fleet in Sevastopol. Ukraine, which has been struggling with successive economic crises, is seen by the inhabitants of the peninsula as a poor country in comparison with “rich” Russia. The issue of Russian separatism in Crimea has not been crucial in Ukraine’s relations with Russia until now. Disputes concerning Russia in Crimea (i.e., related to the Russian base at Sevastopol and the delimitation of the maritime border in the Kerch Strait) have not been the most important factors in the relationship between the two countries and have largely been settled.

**Crimean Tatars.** So far, the only serious political conflict in Crimea has stemmed from protests by Crimean Tatars against policies of local administrators, which the Tatars claim represent mainly the interests of the Russian majority on the peninsula. The Tatars hold an extremely different political tradition from the rest of the inhabitants of Crimea. A large number of Crimean Russians were beneficiaries of the Soviet system. Thanks to the system in place during the time of the USSR, they received jobs and apartments on the peninsula. Within this group, a significant number were families of members of the army and security services (KGB). The Crimean Tatars were among the most discriminated groups in the USSR. Deported from the peninsula to Central Asia in 1944 for alleged massive collaboration with the Third Reich, they returned only in the 1990s. Since then, they have demanded compensation for property lost in 1944 in the form of real plots of land. This puts them in conflict with the rest of the inhabitants of

Crimea who consider the enfranchisement of Tatars to be unfair. Moreover, some in the Russian majority still consider the Stalinist regime's decision to deport the Tatar population to have been a good choice.

Mejlis, the Tatars' political organisation, supported the affiliation of Crimea to Ukraine, expecting in turn support from the government in Kyiv for their demands. Although successive Ukrainian governments have done very little to meet the expectations of the Tatar community, it has remained loyal to the country's central authorities. However, during the presidency of Viktor Yanukovich, the political tradition of Mejlis' alliance with the government in Kyiv was interrupted. The Party of Regions entered into an alliance with Russian nationalist groups in Crimea, and Tatar politicians remained in close contact with the opposition (Batkivshchyna).

**The Likely Effects of Crimean Secession on Ukraine.** The destruction of relationships built over the years with Ukraine *proper* will severely affect Crimea's tourism sector, which now forms the basis of the economy of the inhabitants of the peninsula (most of the holidaymakers have been Ukrainians), and it is difficult to expect a mass influx of Russian tourists to the unstable region. The dependence of Crimea on a rail line that runs through Ukraine and on water, gas and electricity from other Ukrainian oblasts will probably spark a conflict between the administration of the peninsula and the authorities in Kyiv.

If Crimea breaks off from Ukraine—regardless of whether it becomes part of Russia, or remains “independent”—would mean Ukraine would decrease in population by 5%, and it would lose the strategically important port of Sevastopol, its military bases on the peninsula and other facilities that belong to the central administration. The region, so far, has not been a source of significant income from tourism for the country as a whole, but certainly it had the potential to become a profitable resort centre. The annexation of Crimea would start a long-term Russian–Ukrainian conflict and pose a serious problem for Ukraine's political elites of how to deal with a neighbour that has committed such aggression and annexed part of its territory.

The loss of Crimea, however, also means the exclusion of a large group of supporters of integration with Russia from future elections. The inhabitants of the peninsula had a large impact on electoral processes in Ukraine. In 2010, the difference between the winner, Yanukovich, and his opponent, Yulia Tymoshenko, was 3.5 percentage points (in absolute terms, roughly as many pro-Russian voters as there were in Crimea). In the second round of the 2010 presidential elections, Crimea gave Yanukovich 78% of the votes, and in Sevastopol as much as 84%. In the elections to the Supreme Council of Ukraine in 2012, of the 10 districts in Crimea, nine elected representatives of the Party of Regions, and the other was a deputy from the Soyuz party who later joined the Party of Regions. In proportional voting, Yanukovich's party gained more than 50% of the votes.

The loss of Crimea, however, may in the short term help Ukraine's economy. The Autonomous Republic of Crimea covered only 34% of its own budget needs, and in Sevastopol, just 20%. Direct grants and subsidies from the state budget for the Autonomous Republic of Crimea in 2013 amounted to 227 million UAH (€17.7 million), and for Sevastopol, 147 million UAH (€11.5 million). Beyond those totals, there were other subsidies to the peninsula, such as financing of courts, prosecutors and police.

The future of the company Chernomornaftohaz, which imported oil and gas to Crimea and is a subsidiary of Ukraine's NAK Naftohaz, is unclear. It is also unclear how Crimean authorities will treat companies that belong to Ukrainian oligarchs (e.g., Dmytro Firtash's Crimean Titan or Andriy Kluyev's solar powerplants).

**The Consequences of Annexation for Russia.** Kremlin will most certainly have to face sanctions from the West and isolation on the international scene. Most important, by humiliating Ukrainian society and its political elites, Russia has created a hostile state on its western border. Ukrainians will not easily come to terms with the loss of Crimea. In turn, other former Soviet republics are watching Russia's actions in Crimea with great concern as their countries also have groups of ethnic Russians, which with the events in Ukraine may at any time serve as a pretext for Russian military intervention. The annexation of Crimea torpedoes Russia's plans to build the Eurasian Union. Even though Belarus, Kazakhstan and Armenia will formally join the organisation, they will likely sabotage any plans to deepen its integration in order not to strengthen Russia's role as a regional leader.

However, in Russia support for Vladimir Putin has strongly increased. According to a VCIOM public opinion poll, it has reached a record level for recent years (71.6%), and since mid-February his popularity has increased by 9.7 percentage points. This support for Putin may even increase further after Crimea's annexation. In the long term, however, after the isolation of Russia on the international arena, when economic problems resulting from the destabilisation of the region and sanctions from the West begin to hit the Russian economy, this trend may change.

**Conclusions for Poland and the EU.** European countries cannot accept the annexation of Crimea. Such recognition could mean further territorial claims by Russia on other Ukrainian regions or even in EU Member States (e.g., some regions of Latvia with a Russian-speaking population). It is necessary to impose sanctions on Russia, both personal (visa, financial), as well as economic. Separate sanctions should be imposed on Crimean politicians, who are supporters of the Russian aggression. The EU should lead with condemnation of Russia in the UN and other international organisations (e.g., the suspension of Russia's membership in the Council of Europe). Given the aggressive attitude of Russia, it is necessary to send an EU observation mission to the administrative border of Crimea and the Kherson oblast. Also, political support for Crimean Tatars and Ukrainians who remain on the peninsula after annexation is necessary to prevent acts of discrimination against them by the new authorities.