



Visit ey.com/rapidgrowth

Find out more >

© 2014 EYGM Limited. All Rights Reserved. ED Home.

FINANCIAL TIMES

Home UK World Companies Markets Global Economy Lex Comment Management Personal Finance Life & Arts
 Columnists || Analysis || Opinion || The A-List || Editorial || Blogs || Letters || Corrections || Obituaries || Tools || 

Highlights

The giant Chinese panda tries to hide

Don't expect China to devalue the RMB

Big institutions: heading into EM?

Latin America, the start-up continent?

China: the anatomy of a slowdown

Guest post: Ukraine's poor set of choices

May 12, 2014 4:58pm by guest writer

Tweet 6

Share 1

g+ Share 3

4



By Taras Kuzio of the University of Alberta

The controversial referendums held in Donetsk and Luhansk on Sunday will have repercussions inside and outside Ukraine. The country's next president, to be elected on May 25 or two weeks later if it goes to a second round, has three unpalatable options.

First, bolstered by electoral legitimacy, he or she (Petro Poroshenko or Yulia Tymoshenko, the two front runners) could increase the intensity of Kiev's Anti-Terrorist Operation in an attempt to defeat the separatists. This will inevitably lead to higher civilian casualties, which would lead to increased public support for separatism. If casualties mount, Russia would most likely militarily intervene to "protect" Russian speakers as it did in Moldova in 1992 and South Ossetia in 2008.

Second, the new president could accept the reality on the ground and grant wide-ranging autonomy, a free economic zone and decentralisation along the lines of a unitary France with an autonomous Corsica. Federalism has low support among Ukrainian leaders and the public at large. At the same time, long-overdue reform of the inefficient administrative-territorial system inherited from the Soviet era would take years to implement and would be only possible with help and advice from the Council of Europe. The formerly ruling Party of Regions, despite its name, never introduced any territorial reforms.

A third option – political suicide for a newly elected president but popular among western Ukrainians – would be to agree to the outcome of a second referendum planned in a week's time calling for Donetsk to unite with Russia. Without Crimea and Donetsk, Ukraine's pro-Russian lobby would become a minority, the Party of Regions (which has won the last four parliamentary and presidential elections) would be finished and Ukraine's parliament would have a perpetual pro-European majority.

Ironically, Russian President Vladimir Putin would have helped to reshape Ukraine's political system into a more pro-European profile.

Meanwhile, Russia and the Donetsk separatists will pursue three strategies.

First, they will use the referendums to pressure Kiev, although Ukraine's leaders would insist on implementing the Geneva accords, under which the separatists must disarm before any dialogue. The separatists, buttressed by the referendum, are unlikely to agree to this condition.

With such a negotiated option difficult to envisage, Russia and the separatists could transform Donetsk into a Ukrainian frozen conflict equivalent to Moldova's Transdnestr region. Donetsk would be *de jure* under Ukrainian sovereignty but *de facto* controlled by Russia. Such occupations can last decades as we know from Northern Cyprus, which has been a frozen conflict since the 1974 Turkish invasion.

A final option, if tensions escalate and there are more casualties, would be for Russia to pursue the same strategy as it did in Crimea by annexing Donetsk and Luhansk. Putin's distancing of himself from the separatists by calling upon them to not hold a referendum was always a sham, designed to back the spurious claim that Moscow did not control them. A secondary impetus was a desire to prevent a fresh round of tougher western sanctions.

In the last quarter of a century Russia and its allies have pursued a mix of policies towards its neighbours, including annexation (Nagorno-Karabakh, Crimea), frozen conflicts (Transdnestr) and recognition of independence (South Ossetia, Abkhazia). Russia can take its pick of policy options towards Donetsk and Luhansk. In contrast, the options available to Ukraine's leaders in Kiev are all poor ones that are difficult to implement.

Taras Kuzio is a Research Associate at the Centre for Political and Regional Studies, Canadian Institute for Ukrainian Studies, University of Alberta.

[Back to beyondbrics](#)

Related reading:

[Separatists urge Russia to annex Donetsk in wake of referendum, FT](#)

[The Swift way to get Putin to scale back his ambitions, Gideon Rachman, FT](#)

[Q&A: What now after eastern Ukraine's referendum? FT](#)

[Guest post: Putin's Russia and the inevitable tightening of the screws, beyondbrics](#)

Tags: [guest post](#) [Ukraine in crisis](#)

Posted in [Europe](#) [Russia](#) [Ukraine](#) | [Permalink](#)

[Share](#) [Clip](#) [Print](#) [Email](#)