



RUSSIA/UKRAINE: Black Sea Fleet dispute intensifies

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EVENT: On June 24, Ukraine's Foreign Ministry reiterated its demand that the Russian Black Sea Fleet (BSF) leave the Crimea by 2017.

Also available: [Russia to 2013: Syndicated Research](#)

SIGNIFICANCE: Russian-Ukrainian relations have seriously deteriorated over the last several months, in part due to entrenched disagreements over the fleet's status. Although the BSF has little military value, its symbolic stationing in Sevastopol -- coupled with Ukrainian fears that Russia will incite separatism in Crimea -- give the issue strong resonance in both Moscow and Kiev.

ANALYSIS: On May 21, Ukrainian President Viktor Yushchenko instructed the government to draft legislation outlining a phased timetable for the withdrawal of the Black Sea Fleet (BSF) over the next nine years. The decree was probably motivated by concerns over Russia's willingness to abide by a 1997 treaty granting the BSF the right to stay in Sevastopol until 2017, Russian rhetoric in support of maintaining the BSF in Ukraine indefinitely and recent threats to annul the treaty, which also recognised Russia's borders with Ukraine and granted Kiev sovereignty over Crimea and Sevastopol.

Ukrainian concerns. Ukraine's current ruling elites would not support an extension of the 1997 agreement precisely because of perceived challenges to Ukraine's territorial integrity, Russian interference in Ukrainian domestic politics and foreign policy (as in the 2004 elections) and threats to incite separatism. Russia's use of the base has also irritated Kiev, which has previously attempted to raise the annual rent for the fleet (fixed at 98 million dollars) to 'market prices' in response to Moscow's insistence that Ukraine pay 'market prices' for gas.

Russia has recently floated the idea of increasing its payment, in order to persuade Ukraine to extend the fleet's stay beyond 2017. Moscow and Kiev have also been mired in legal battles over the BSF's use of Crimean facilities, and the BSF has repeatedly neglected to inform Kiev of military exercises outside Sevastopol (see [UKRAINE/RUSSIA: Fleet base is pawn in power play - February 2, 2007](#)).

Russian strategy. Russia is using the dispute to play on deep divisions in Ukraine's fractious 'Orange coalition', while also trying to delay or prevent Ukraine from acceding to NATO (see [UKRAINE/NATO: Kiev's bid to join presents dilemma - January 28, 2008](#)). Senior Russian officials, such as Dmitry Rogozin, Russia's representative to NATO, have threatened to block Ukraine's drive to join NATO by suggesting that Ukraine could only join the alliance if it gives up sovereignty over Crimea. Crimean Communists and Russian nationalists claim to have collected over a million signatures in support of giving the BSF a permanent base in Sevastopol.

Implications. The BSF dispute is linked to three other flashpoints in bilateral relations:

- **Borders.** Russia's recognition of its border with Ukraine has been enshrined in numerous bilateral and multilateral treaties. However, Moscow has challenged the legitimacy of these borders, notably in autumn 2003, when Russia began building a dam from the northern Caucasus to the Ukrainian island of Tuzla.
- **Crimean sovereignty.** Russia has asserted that Sevastopol was never included in the 1954 transfer of Crimea to the Ukrainian Soviet Socialist Republic. Controversial Moscow Mayor Yuri Luzhkov has raised the Sevastopol question on many occasions, most recently during a May visit to the city. On June 4, Luzhkov successfully lobbied the State Duma (lower house of Russian parliament) to adopt a resolution that supported Russia's abrogation of the 1997 treaty if Ukraine joins NATO.
- **NATO opposition.** Russian Foreign Minister Sergei Lavrov has said Moscow will do anything to prevent Georgia and Ukraine joining NATO. In addition to raising the prospects of separatism, Russia has suggested targeting nuclear weapons on Ukraine, cutting bilateral military-industrial ties, introducing a visa regime and warning that Ukrainian soldiers would be sent to participate in NATO combat operations.

Poor prospects. Four other challenges worsen the prospects that the two sides will find a mutually acceptable solution for the BSF:

- **Gas prices.** Russia has announced it will double the price of gas charged to Ukraine in 2009 to 359 dollars per 1,000 cubic metres. Ukraine is threatening to retaliate 'asymmetrically' in the charges paid by Russia for transit and storage. Moscow and Kiev will almost certainly engage in their annual round of energy brinkmanship later this year (see [RUSSIA/UKRAINE: Internal rivalry could undo gas deal - February 19, 2008](#)).

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- **'Orange Revolution' ripples.** Moscow perceived Ukraine's 2004 Orange Revolution as part of a US and NATO grand strategy to weaken Russia by surrounding it and reducing its sphere of influence in the CIS. Nearly four years afterwards, Yushchenko's victory and the subsequent flight of Ukraine's former authorities to Moscow continue to colour Russia's views of Ukraine.
- **Regional competition.** Pro-Western leaders including Yushchenko have contributed to the increasing impotence of the CIS as an institution for extending Russian influence in the former Soviet Union. Russia, meanwhile, seeks to undermine the pro-NATO GUAM (Georgia, Ukraine, Azerbaijan, Moldova) group.
- **'Ukrainianisation'.** Russia has expressed concern over the status of the Russian language in Ukraine as well as Kiev's emphasis on creating a Ukrainian national historical narrative. Ukraine's sometimes critical attitudes towards Soviet history have clashed with Russia's increasingly positive portrayals, with the gulf especially large over views of Stalinism. Yushchenko's campaign to obtain international recognition of the 1932-33 artificial famine as 'genocide' has been condemned by Russia.

Outlook. Current discussions surrounding the BSF's withdrawal from Ukraine cannot foresee who will be in power in Kiev in nine years. Russia's strategy is to extend discussions in the hope that supposedly Moscow-friendly forces will control the Ukrainian government in 2017 and will agree to extend the basing agreement.

However, Russia may be overestimating the depth of its perceived Ukrainian allies' loyalty. The Party of Regions' opportunism is stronger than its pro-Russian leanings, and the lure of an EU-Ukraine free trade agreement is more tempting than the CIS Single Economic Space.

Ukraine's constitution also forbids the stationing of any foreign bases on Ukrainian territory. Even assuming that Russian-leaning forces are in power in Kiev in 2017, they would need to command a parliamentary supermajority if they wanted to change the constitution.

Russia may also be overestimating its ability to use energy to influence political decision-making, such as the status of the BSF, in Ukraine. Energy corruption does divide Ukrainian elites in their negotiations with Russia, and the presence of an opaque and controversial intermediary, RosUkrEnerg, has thus far increased Russia's influence over Ukrainian power-brokers. RosUkrEnerg has allies in both Yushchenko's and former Prime Minister Viktor Yanukovich's camp, while current Prime Minister Yulia Tymoshenko has consistently opposed its intermediary role.

However, Ukraine's pipeline system transports 80% of Russian gas to Europe and is an important source of leverage against Russia. Russia's long-term strategy of seeking control of Ukraine's pipelines by transferring them to a joint venture, as in Belarus, or through a multi-national venture, has been blocked by large parliamentary majority votes. No Ukrainian government is likely to transfer control of the pipelines to Russia, ensuring that a crucial bargaining chip remains in Kiev's control for the foreseeable future.

CONCLUSION: Ukrainian-Russian relations will probably continue to deteriorate, and the status of the BSF will be a key irritant in the bilateral relationship. Regardless of which party or coalition holds power in Kiev, Russian and Ukrainian strategic interests will continue to diverge, and Russia will find itself with fewer levers of influence to maintain the BSF's presence in Sevastopol.

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