

Putin Scores a New Victory in the Ukraine

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It is freezing cold in Kiev, legendary city of golden domes on the banks of Dnieper River – cradle of ancient Russian civilisation and the most charming of East European capitals. It is a comfortable and rather prosperous place, with hundreds of small and cosy restaurants, neat streets, sundry parks and that magnificent river. The girls are pretty and the men are sturdy. Kiev is more relaxed than Moscow, and easier on the wallet.

Though statistics say the Ukraine is broke and its people should be as poor as Africans, in reality they aren't doing too badly, thanks to their fiscal imprudence. The government borrowed and spent freely, heavily subsidised housing and heating, and they brazenly avoided devaluation of the national currency and the austerity program prescribed by the IMF. This living on credit can go only so far: the Ukraine was doomed to default on its debts next month or sooner, and this is one of the reasons for the present commotion.

A tug-of-war between the East and the West for the future of Ukraine lasted over a month, and has ended for all practical purposes in a resounding victory for Vladimir Putin, adding to his previous successes in Syria and Iran. The trouble began when the administration of President Yanukovich went looking for credits to reschedule its loans and avoid default. There were no offers. They turned to the EC for help; the EC, chiefly Poland and Germany, seeing that the Ukrainian administration was desperate, prepared an association agreement of unusual severity.

The EC is quite hard on its new East European members, Latvia, Romania, Bulgaria et al.: these countries had their industry and agriculture decimated, their young people working menial jobs in Western Europe, their population drop exceeded that of the WWII.

But the association agreement offered to the Ukraine was even worse. It would turn the Ukraine into an impoverished colony of the EC without giving it even the dubious advantages of membership (such as freedom of work and travel in the EC). In desperation, Yanukovich agreed to sign on the dotted line, in vain hopes of getting a large enough loan to avoid collapse. But the EC has no money to spare – it has to provide for Greece, Italy, Spain. Now Russia entered the picture. At the time, relations of the Ukraine and Russia were far from good. Russians had become snotty with their oil money, the Ukrainians blamed their troubles on Russians, but Russia was still the biggest market for Ukrainian products.

For Russia, the EC agreement meant trouble: currently the Ukraine sells its output in Russia with very little customs protection; the borders are porous; people move freely across the border, without even a passport. If the EC association agreement were signed, the EC products would flood Russia through the Ukrainian window of opportunity. So Putin spelled out the rules to Yanukovich: if you sign with the EC, Russian tariffs will rise. This would put some 400,000 Ukrainians out of work right away. Yanukovich balked and refused to sign the EC agreement at the last minute. (I predicted this in my report from Kiev full three weeks

before it happened, when nobody believed it – a source of pride).

The EC, and the US standing behind it, were quite upset. Besides the loss of potential economic profit, they had another important reason: they wanted to keep Russia farther away from Europe, and they wanted to keep Russia weak. Russia is not the Soviet Union, but some of the Soviet disobedience to Western imperial designs still lingers in Moscow: be it in Syria, Egypt, Vietnam, Cuba, Angola, Venezuela or Zimbabwe, the Empire can't have its way while the Russian bear is relatively strong. Russia without the Ukraine can't be really powerful: it would be like the US with its Mid-western and Pacific states chopped away. The West does not want the Ukraine to prosper, or to become a stable and strong state either, so it cannot join Russia and make *it* stronger. A weak, poor and destabilised Ukraine in semi-colonial dependence to the West with some NATO bases is the best future for the country, as perceived by Washington or Brussels.

Angered by this last-moment-escape of Yanukovich, the West activated its supporters. For over a month, Kiev has been besieged by huge crowds bussed from all over the Ukraine, bearing a local strain of the Arab Spring in the far north. Less violent than Tahrir, their Maidan Square became a symbol of struggle for the European strategic future of the country. The Ukraine was turned into the latest battle ground between the US-led alliance and a rising Russia. Would it be a revanche for Obama's Syria debacle, or another heavy strike at fading American hegemony?

The simple division into "pro-East" and "pro-West" has been complicated by the heterogeneity of the Ukraine. The loosely knit country of differing regions is quite similar in its makeup to the Yugoslavia of old. It is another post-Versailles hotchpotch of a country made up after the First World War of bits and pieces, and made independent after the Soviet collapse in 1991. Some parts of this "Ukraine" were incorporated by Russia 500 years ago, the Ukraine proper (a much smaller parcel of land, bearing this name) joined Russia 350 years ago, whilst the Western Ukraine (called the "Eastern Regions") was acquired by Stalin in 1939, and the Crimea was incorporated in the Ukrainian Soviet Republic by Khrushchev in 1954.

The Ukraine is as Russian as the South-of-France is French and as Texas and California are American. Yes, some hundreds years ago, Provence was independent from Paris, – it had its own language and art; while Nice and Savoy became French rather recently. Yes, California and Texas joined the Union rather late too. Still, we understand that they are – by now – parts of those larger countries, ifs and buts notwithstanding. But if they were forced to secede, they would probably evolve a new historic narrative stressing the French ill treatment of the South in the Cathar Crusade, or dispossession of Spanish and Russian residents of California.

Accordingly, since the Ukraine's independence, the authorities have been busy nation-building, enforcing a single official language and creating a new national myth for its 45 million inhabitants. The crowds milling about the Maidan were predominantly (though not exclusively) arrivals from Galicia, a mountainous county bordering with Poland and Hungary, 500 km (300 miles) away from Kiev, and natives of the capital refer to the Maidan gathering as a "Galician occupation".

Like the fiery Bretons, the Galicians are fierce nationalists, bearers of a true Ukrainian spirit (whatever *that* means). Under Polish and Austrian rule for centuries, whilst the Jews were

economically powerful, they are a strongly anti-Jewish and anti-Polish lot, and their modern identity centred around their support for Hitler during the WWII, accompanied by the ethnic cleansing of their [Polish](#) and [Jewish](#) neighbours. After the WWII, the remainder of pro-Hitler Galician SS fighters were adopted by US Intelligence, re-armed and turned into a guerrilla force against the Soviets. They added an anti-Russian line to their two ancient hatreds and kept fighting the “forest war” until 1956, and these ties between the Cold Warriors have survived the thaw.

After 1991, when the independent Ukraine was created, in the void of state-building traditions, the Galicians were lauded as ‘true Ukrainians’, as they were the only Ukrainians who ever wanted independence. Their language was used as the basis of a new national state language, their traditions became enshrined on the state level. Memorials of Galician Nazi collaborators and mass murderers Stepan Bandera and Roman Shukhevych peppered the land, often provoking the indignation of other Ukrainians. The Galicians played an important part in the 2004 Orange Revolution as well, when the results of presidential elections were declared void and the pro-Western candidate Mr Yuschenko got the upper hand in the re-run.

However, in 2004, many Kievans also supported Yuschenko, hoping for the Western alliance and a bright new future. Now, in 2013, the city’s support for the Maidan was quite low, and the people of Kiev complained loudly about the mess created by the invading throngs: felled trees, burned benches, despoiled buildings and a lot of biological waste. Still, Kiev is home to many NGOs; city intellectuals receive generous help from the US and EC. The old comprador spirit is always strongest in the capitals.

For the East and Southeast of the Ukraine, the populous and heavily industrialised regions, the proposal of association with the EC is a no-go, with no ifs, ands or buts. They produce coal, steel, machinery, cars, missiles, tanks and aircraft. Western imports would erase Ukrainian industry right off the map, as the EC officials freely admit. Even the Poles, hardly a paragon of industrial development, had the audacity to say to the Ukraine: we’ll do the technical stuff, you’d better invest in agriculture. This is easier to say than to do: the EC has a lot of regulations that make Ukrainian products unfit for sale and consumption in Europe. Ukrainian experts estimated their expected losses for entering into association with the EC at anything from 20 to 150 billion euros.

For Galicians, the association would work fine. Their speaker at the Maidan called on the youth to ‘go where you can get money’ and do not give a damn for industry. They make their income in two ways: providing bed-and breakfast rooms for Western tourists and working in Poland and Germany as maids and menials. They hoped they would get visa-free access to Europe and make a decent income for themselves. Meanwhile, nobody offered them a visa-waiver arrangement. The Brits mull over leaving the EC, because of the Poles who flooded their country; the Ukrainians would be too much for London. Only the Americans, always generous at somebody’s else expense, demanded the EC drop its visa requirement for them.

While the Maidan was boiling, the West sent its emissaries, ministers and members of parliament to cheer the Maidan crowd, to call for President Yanukovich to resign and for a revolution to install pro-Western rule. Senator McCain went there and made a few firebrand speeches. The EC declared Yanukovich “illegitimate” because so many of his citizens demonstrated against him. But when millions of French citizens demonstrated against their president, when Occupy Wall Street was violently dispersed, nobody thought the

government of France or the US president had lost legitimacy...

Victoria Nuland, the Assistant Secretary of State, shared her biscuits with the demonstrators, and demanded from the oligarchs support for the “European cause” or their businesses would suffer. The Ukrainian oligarchs are very wealthy, and they prefer the Ukraine as it is, sitting on the fence between the East and the West. They are afraid that the Russian companies will strip their assets should the Ukraine join the Customs Union, and they know that they are not competitive enough to compete with the EC. Pushed now by Nuland, they were close to falling on the EC side.

Yanukovich was in big trouble. The default was rapidly approaching. He annoyed the pro-Western populace, and he irritated his own supporters, the people of the East and Southeast. The Ukraine had a real chance of collapsing into anarchy. A far-right nationalist party, Svoboda (Liberty), probably the nearest thing to the Nazi party to arise in Europe since 1945, made a bid for power. The EC politicians accused Russia of pressurising the Ukraine; Russian missiles suddenly emerged in the western-most tip of Russia, a few minutes flight from Berlin. The Russian armed forces discussed the US strategy of a “disarming first strike”. The tension was very high.

Edward Lucas, the *Economist's* international editor and author of [The New Cold War](#), is a hawk of the Churchill and Reagan variety. For him, Russia is an enemy, whether ruled by Tsar, by Stalin or by Putin. He [wrote](#): “It is no exaggeration to say that the [Ukraine] determines the long-term future of the entire former Soviet Union. If Ukraine adopts a Euro-Atlantic orientation, then the Putin regime and its satrapies are finished... But if Ukraine falls into Russia's grip, then the outlook is bleak and dangerous... Europe's own security will also be endangered. NATO is already struggling to protect the Baltic states and Poland from the integrated and increasingly impressive military forces of Russia and Belarus. Add Ukraine to that alliance, and a headache turns into a nightmare.”

In this cliff-hanging situation, Putin made his pre-emptive strike. At a meeting in the Kremlin, he agreed to buy fifteen billion euros worth of Ukrainian Eurobonds and cut the natural gas price by a third. This meant there would be no default; no massive unemployment; no happy hunting ground for the neo-Nazi thugs of Svoboda; no cheap and plentiful Ukrainian prostitutes and menials for the Germans and Poles; and Ukrainian homes will be warm this Christmas. Better yet, the presidents agreed to reforge their industrial cooperation. When Russia and Ukraine formed a single country, they built spaceships; apart, they can hardly launch a naval ship. Though unification isn't on the map yet, it would make sense for both partners. This artificially divided country can be united, and it would do a lot of good for both of their populaces, and for all people seeking freedom from US hegemony.

There are a lot of difficulties ahead: Putin and Yanukovich are not friends, Ukrainian leaders are prone to renege, the US and the EC have a lot of resources. But meanwhile, it is a victory to celebrate this Christmastide. Such victories keep Iran safe from US bombardment, inspire the Japanese to demand removal of Okinawa base, encourage those seeking closure of Guantanamo jail, cheer up Palestinian prisoners in Israeli prisons, frighten the [NSA](#) and CIA and allow French Catholics to march against Hollande's child-trade laws.

What is the secret of Putin's success? Edward Lucas said, in an interview to the pro-Western *Ekho Moskvy* radio: "Putin had a great year - Snowden, Syria, Ukraine. He checkmated Europe. He is a great player: he notices our weaknesses and turns them into his victories. He is good in diplomatic bluff, and in the game of Divide and Rule. He makes the Europeans think that the US is weak, and he convinced the US that Europeans are useless".

I would offer an alternative explanation. The winds and hidden currents of history respond to those who feel their way. Putin is no less likely a roguish leader of global resistance than Princess Leia or Captain Solo were in *Star Wars*. Just the time for such a man is ripe.

Unlike Solo, he is not an adventurer. He is a prudent man. He does not try his luck, he waits, even procrastinates. He did not try to change regime in Tbilisi in 2008, when his troops were already on the outskirts of the city. He did not try his luck in Kiev, either. He has spent many hours in many meetings with Yanukovich whom he supposedly personally dislikes.

Like Captain Solo, Putin is a man who is ready to pay his way, full price, and such politicians are rare. "Do you know what is the proudest word you will ever hear from an Englishman's mouth?", asked a James Joyce character, and answered: "His proudest boast is *I paid my way*." Those were Englishmen of another era, long before the likes of Blair, *et al*.

While McCain and Nuland, Merkel and Bildt speak of the European choice for the Ukraine, none of them is ready to pay for it. Only Russia is ready to pay her way, in the Joycean sense, whether in cash, as now, or in blood, as in WWII.

Putin is also a magnanimous man. He celebrated his Ukrainian victory and forthcoming Christmas by forgiving his personal and political enemies and setting them free: the Pussy Riot punks, Khodorkovsky the murderous oligarch, rioters... And his last press conference he carried out in Captain Solo self-deprecating mode, and this, for a man in his position, is a very good sign.

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