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THE UKRAINIAN CRISIS:

prodrome to the third World War?

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FOREWORD

The aim of the third International Security Conference, held in Moscow from 23 to 24 May 2014, was to assess the events in the world and to share strategic opinions on the current and future international scenario.

Among others, the European Union, the USA and NATO participated in the conference scheduled to focus primarily on the prospects of settlement of conflicts in regions of the Near East, Middle East and South Asia as those creating serious risks for international security and stability.

Quite interestingly, the Russian point of view, expressed by its Foreign Minister, Lavrov, is that the acutest problems have remained in shadow of the Ukrainian crisis while Europe, which created two global military disasters in the past century, instead of demonstrating an example of peaceful development and broad cooperation to the entire world, draws the attention of the international community in terms of crisis settlement to itself again. According to Russia, Europe has thrown states in the post-Soviet space into a strict dilemma: the West or the East (with us or against us). Such pressure was sufficient for the fragile internal political situation in Ukraine to provoke a large-scale crisis of national identity in this country. To overcome such crisis Europe has to refrain, in its policy towards Ukraine, from the dangerous superiority complex which the former German Chancellor Helmut Schmidt recently called a "delusion of grandeur" or "megalomania". Instead, Europe and Russia should start practical implementation of equal and undivided security in the Euro- Atlantic region through the creation of a common economic and humanitarian space stretching from Lisbon to Vladivostok.

I do not believe proper and profitable, at this stage, to sustain or reject the Russian standpoint: Lavrov's speech does undoubtedly stress the unease of Russia that, after losing Eastern Europe and the Balkans, considers Ukraine the last barrier able to physically and geographically separate itself from Europe and NATO. The possible transition of Ukraine

in the "Western Orbit" (agreements in this regard have already been signed with NATO and the European Union) would surely intensify Russia's "encirclement syndrome".

However, the Ukrainian crisis does demonstrate how the global ship is in troubled waters without any control. What Ukraine also highlights is the degree to which recent 21st century transitions are not leading to a "new global order", but to a "new global disorder" coinciding with the "decline of the west" and the "rise of the rest": Brazil, Russia, India, China, and South Africa (BRICS) plus Argentina, Indonesia, South Korea, Mexico and Turkey. It is unlikely that any collective initiative will emerge. There has been nothing from the Shanghai Cooperation Organization (SCO), nor is probable that the 2014 "BRICS Summit" scheduled for July in Fortaleza (Brazil), will provide a hint of a new order. The emerging powers (with Brazil and India also pursuing permanent membership of the UNSC) have struggled to be at the global governance high table: but now that they are there, they have nothing to say. The silence on Ukraine corresponds to a broader, deeper and worrying syndrome.

UKRAINE: STARTING POINT TO THE 3RD WORLD WAR?

Wars start in the most unexpected of ways and places. As the 1st World War (WW) started almost accidentally (nobody looked willing to engage in such an endeavor), similarly Ukraine could trigger the same event. Nowadays the circumstances appear different even if human selfishness and quest for power remain all the same. Compared to the 1st WW and previous conflicts there are some differences: International Institutions are more numerous (UN, OSCE, NATO, EU, CoE, etc.) and theoretically able to negotiate and temper crises; society is better informed and politically active; direct dialogue is possible through telephone between leaders thus avoiding both ambassadors talking secretly without control and initiatives such as the Bismarck's Ems Dispatch which caused the Franco-Prussian War.

But, unfortunately, the West's attempts to solve the situation by means of negotiations, diplomacy and economic sanctions have not been effective.

The strategy chosen by USA and the EU focusing on the stigmatization and discrimination

of Putin calling on him to withdraw support for the separatists, and threatening further sanctions if he does not is bound to fail. It will not stop the killing. It will not deter Putin from continuing whatever role he is planning to play in this process.

It has also been proposed, to deter further aggression, that the West form an anti-Russia coalition and focus all available means and capabilities on taking practical military steps. These should in the first instance be the relocation and deployment around the territory of Ukraine (Poland, Slovakia, Hungary, Romania, Bulgaria, Northern Turkey) of a powerful NATO aviation presence, a carrier strike group in the Mediterranean and in the Black Sea and several airborne brigades — to establish reliable control over Ukraine's air and sea space in order to prevent Russia from building up additional forces and halt any possible invasion of Ukraine.

But is NATO willing and capable of engaging in such enterprise, with a possible follow-on conflict outside the territory of the Alliance, without an authorization from the United Nations Security Council? Will German, French, British and American troops commit to a conflict which would inevitably raise risks of escalation and in which each nuclear superpower (USA and Russia) remains capable of erasing the other from the map? I doubt it. Furthermore, continuous defense cuts in NATO budget make it hard to cope with Russia whose defense budget has increased by 80% in the last ten years. As for the USA, they have currently in Europe 66.000 soldiers (1/5 of the force available during the Cold War); furthermore, after the high death tolls in Iraq and Afghanistan, the American public opinion seems readier than ever to enjoy peace, rest and relax: a very large proportion of Americans suffer from war fatigue and want to see a future where they can cultivate their own garden.

The Ukrainian situation may turn nastier but, hopefully, it will not propel Europe into war. Europe has no longer the demographic, economic, military, political and geopolitical dynamics it possessed in the past. Europe has reached a post-modern stage where the possibility of going again to war is remote. The narrative of the 19th and 20th centuries were written in Europe, but the narrative of the 21st century will be written in Asia, from the Persian Gulf to the East and South China seas.

The Ukrainian crisis is not likely to be a harbinger of a new cold war or in any way a

return of Europe to global central stage. Rather, it provides a clear illustration of the fact that in respect to global governance the world is making a most chaotic transition to a new global disorder.

THE CURRENT SITUATION

Russia's annexation of Crimea followed by the West and Russia pitting their respective fingers in Ukraine has resulted in sanctions imposed by US and some EU countries on key players in the Russian government and economy. The biggest fear for Russia, though, is if the US imposes harder sanctions related to its oil and gas business, the heart of its economy. This is why, instead of imposing its own sanctions, Russia has countered this move by opening access to its resources, in an unprecedented way, to ExxonMobil, BP, Total, and Seadrill. The message is clear: "If I am going down, you are coming with me!" One of the things that makes punishing Russia so challenging is that Europe is incredibly reliant on its oil and gas to survive. If strict sanctions were imposed on Russian exports of oil and gas, it would likely hurt the European countries as much as Russia itself. Furthermore, it appears that in the past few weeks, just about every Russian oil and gas company (Rosneft, Gazprom, Lukoil and Novatek) has signed a major deal that further integrate it with the rest of the world: Rosfnet and BP; Lukoil and Total; Rosfnet and ExxonMobil; Novatek and China National Petroleum; Rossfnet and North Atlantic Drilling; Gazprom with ENI; Rosfnet with India National Oil Company and Italian tiremaker Pirelli.

So if US impose sanctions, it would significantly damage these companies as well. At the same time, deals with China and India are a hedge against sanctions because Russia could simply redirect supplies to these other energy-hungry nations and leave Europe out to dry. For those who may have a financial stake in any of the above companies, this likely means that the risk of losing potentially lucrative deals is significantly lower than it was some weeks ago. One thing is for certain: the US and Europe will have to take a real hard look at sanctioning Russia now that it has bound itself so tightly to the rest of the world's oil and gas market.

POSSIBLE SCENARIOS

It is likely that both US and NATO on one side and Russia on the other side are involved in a very complex decision-making process made up of military, intelligence, diplomatic, economic actions, and covert operations. And under such circumstances the possibilities of miscalculations, misjudgments and errors together with the danger of escalation are there.

The possible scenarios (or a combination of them) which can be envisaged at this stage are: maintenance of the status quo; peace breaking out (as outcome of the Geneva Agreement); Ukraine recovering forcibly the East; civil war; Russian invasion; conflict between US and Russia.

We are at a very dangerous crossroads with the confrontation between the two major nuclear powers, namely US and Russia. The worst case scenario remains WW III which hopefully will not occur but, for planning purposes, is not an abstract concept.

The risk is that Ukrainian forces conduct an all out war against the Russian-speaking communities, causing victims among the civilian population, thus creating more instability and chaos and forcing Russia to intervene in a war in which Russia is big enough and powerful enough to easily defeat Ukraine, as already happened in 2008 when selected Russian forces wiped out the Georgian military units trying to reconquer the secessionist territory of South Ossetia. In such event Ukraine could either entirely come under Russian control or be split in two blocks with the eastern part under Russian rule.

Hardliners believe that, if the West is unwilling or unable to oppose Russia, Putin could feel authorized, as Hitler did, to move ahead to other regions with Russian-speaking population such as Transnistria (in Moldova) and Latvia. But where Transnistria has the majority of Russian-speaking people and, like Ukraine, is not a NATO member, "only" 27% of Latvians are ethnic Russians (many of them have still an alien status). Is Putin going to send troops into Latvia? The simple fact that Latvia is a NATO member forces all other NATO members to "regard an attack upon one as an attack upon all". Coming to Latvia's rescue would inevitably raise risks of escalation between USA and Russia. But if Americans don't, there will be a collapse of the credibility of the US security guarantees

for Europeans, Japan, South Korea and others. This is why there is no likelihood of Putin attacking Latvia and risking a nuclear holocaust.

The Cold War never escalated to nuclear war because of Mutually Assured Destruction (MAD). Russia and USA perfectly knew and know that pushing the red button implies nuclear retaliation resulting into both countries annihilation.

Nuclear war has no winner: a USA – Russia nuclear war, fought with less than half of USA or Russian strategic nuclear weapons would wipe out mankind, along with all other forms of life.

CONSIDERATIONS

Kiev, emboldened by the election of Poroshenko, the new Ukrainian president, is conducting a bloody surge against separatists in the east, but Russia is planning to reduce the gas supply to Ukraine – and hence, to Europe – if Kiev fails to pay in advance for future gas deliveries, the price for which has been doubled as a result of the political crisis.

If this happen, an acute energy crisis in Ukraine is all but certain, causing the further impoverishment of the Ukrainian population notwithstanding the IMF money which is fictitious being already earmarked to pay back debts. The country will be going into a situation of an increased debt coupled with conditions such as the freeze of wages, austerity measures and so on. In other words, the scenario of economic collapse is already ongoing. The Ukrainian population will be impoverished beyond bounds as it already happened in 1994 when the reforms implemented were devastating. In the medium to long term, however, some hard decisions are to be made. So we could be back to 2006 and 2009 when Russia cut off gas supplies to Ukraine and Europe. This is why Poroshenko has to work with both Russia and Europe to secure new pricing for Ukraine while being mindful that its westward drift toward the EU is what led Russia to annex Crimea.

Russia will likely continue to use Russia nationalist movements in Eastern Ukraine to stir discontent, striving to keep Kiev off balance as Moscow works to use gas as a weapon to ensure a compliant Europe. Poroshenko is a highly pragmatic businessman, but the key

point is the appointment of a new energy minister knowing the West, Russia and enough about energy to do what needs to be done.

CONCLUSIONS

It is mandatory to prevent a chaotic and dangerous situation in Ukraine which alone neither the West nor Russia can bring under control.

While European leaders have little appetite for new sanctions against Russia (France is going ahead with its sale of Mistral-class assault ships to Russia; Germany is already exploiting Nord Stream, the pipeline under the Baltic Sea, connecting directly Russia and Germany), financial problems and the need to end the fighting will force Poroshenko to deal with Putin.

Putin thinks Europe lacks the will to inflict real economic pain on Russia, due to economic considerations (\$ 450 billion of Europe annual trade with Russia) and to the rise of far-right parties across Europe in recent elections.

On 29 May in Astana (Kazakhstan) Putin started the Eurasian Economic Union with Kazakhstan and Belarus; a few days before he signed a \$ 400 billion gas deal with China. Putin will push for Ukraine to drop or at least postpone any aspirations to join NATO while exploiting the insurgency in the east to stress the issue of the right of self-determination so as to achieve the maximum degree of independence/autonomy/decentralization for the Russian-speakers.

The violence of what Kiev is calling its "anti-terrorist operation" is hardening local sentiment with more civilian deaths and a sense of siege. Many of the fighters in Ukraine are not under Russia control and are not motivated by the sheer lust in fighting: the West should have recognized this fact long ago. It is necessary to deal with separatists, by establishing a working relationship with Russia.

The Ukrainian army alone cannot bring the country under control, and diplomatic efforts have not made real progress beyond a stream of telephone calls back and forth. There is the danger that instability could spread to all of Ukraine (Putin may want a weak Ukraine, but not a chaotic country divided by a civil war): there is therefore the need to resort to the

potentials of the agreement on strategic partnership signed between NATO and Russia (NATO-Russia Council). This could be achieved by resorting to methods successful in the past so as to avoid that a situation develops where Russia can do nothing but intervene militarily in order to stabilize the situation. A possible viable solution is a joint NATO-Russia Peace Keeping Mission, modeled on the UN-mandated international KFOR mission in Kosovo in 1999. The North Atlantic Council of NATO and the Political and Security Committee of the EU will hold a joint meeting on 10 June to discuss the situation in Ukraine. This event should trigger a common practical NATO-EU proposal to solve the crisis in Ukraine.

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