CRIMEA IS JUST ONE EPISODE IN RUSSIA'S LONG GAME IN POST-SOVIET EURASIA

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Anyone with good knowledge of post-Soviet neighborhood and time to think things through should have guessed that Russia would have acted to prevent the interim government of Ukraine from decisively anchoring their country to the West.

The separation of Crimea is just one move in what Vladimir Putin rightly sees as a long game in post-Soviet neighborhood. Playing this game will not be without cost for Russia. It could result into isolation from the West in what would leave Russia with no choice, but to concede to a partnership of unequals with China.

However, while deterring Russia from further territorial gains and helping its post-Soviet neighbors to become viable states, the West should avoid entering a new Cold War with Russia, given the important role Moscow has played in advancing vital interests it shares with the West and Russia's enormous potential as a spoiler vis-à-vis Western countries.

Disastrous Lack of Foresight

It goes without saying that leaders both in Kiev and Western capitals must have displayed an astounding lack of foresight if they thought that Ukraine's interim government can steer the country toward the West

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and Vladimir Putin would do little in response, other than impose sanctions and rattle his sabre.

It was also short-sighted on the part of the interim government in Kiev to hope that of Russian-speaking population of eastern and south-eastern Ukraine would happily accept an outcome, in which a victorious coalition excludes their representatives, but includes ultra-nationalists; fires their governors, and passes a bill to cancel the status of their mother tongue.

The leaders of the interim government also failed to anticipate that Moscow would respond to ramblings in the south and east in ways that they would not be able to neutralize with or without support from Ukraine's Western partners.

Russian diplomats have been lately criticized for restoring the Soviet habit of "whataboutism," but I too cannot help wondering what would have been reaction of the Western governments if protesters had built barricades in downtown Brussels or Berlin or Washington and stayed there for months, battling police, throwing Molotov cocktails and shooting. Would Western leaders have recognized an outcome in which a legitimately elected president of a West European country is ousted by what some describe "rebels-protesters" rather than voted out or impeached? These are all rhetorical questions.

One also wonders how much Washington has been prepared to accommodate Russia's interests in Ukraine and whether US policy makers have made a serious effort to anticipate of Vladimir Putin's countermoves. If Assistant US Secretary of State Victoria Nuland's preparedness to accommodate EU's interests were "F… the EU," then you can imagine how little prepared she would have been to accommodate Russia's interests in Ukraine.

It was also surprising how quickly some of the Western government embraced the interim government after the deal that they themselves brokered between Viktor Yanukovych and opposition on February 21 collapsed, forcing the Ukrainian president (who, by the way, came to power in 2010 elections that observers of the Organization for Security and Cooperation in Europe found to be transparent and honest) to flee out of fear for his life.

Of course, Yanukovych discredited and incriminated himself through massive corruption, abuses and, use of deadly force against the protesters. And precisely because of these abuses he would have probably lost internationally observed early elections stipulated by the February 21st agreement and faced prosecution. As a result, the moderate opposition could have come to power peacefully in a democratic process that not only Western governments, but also Russia could live with.

But as much as the Western support encouraged Yanukovych's opponents, it is the latter that are ultimately responsible for prompting Russia's leadership to spring into action. Vladimir Putin had remained observant as long as the most likely scenario was that there would be an early election in which Viktor Yanukovych would compete against Yulia Tymoshenko. But once that scenario became improbable - after Yanukovych was forced out by a coalition, which excluded representatives of pro-Russian regions, but included anti-Russian ultra-nationalists -Putin felt compelled to act.

And the interim government's very first steps gave him an excuse, if not a plausible reason, to intervene. These steps did a lot to stoke worries of the Russian-speaking population of the eastern and southern provinces and noting to alleviate Moscow's worries that Ukraine might first integrate first into West's economic structures, and then eventually enter into a political-military alliance with the West.

Price That Russia Will Have to Pay for Absorbing Crimea May Include a Partnership of Unequals with China

Absorption will not be without economic and geopolitical cost for Russia and these costs could be very substantial in the longer-term, isolating Russia from the west and undermining its effort to modernize and diversify its economy, which is dominated by oil and gas, world prices on which Russia can neither predict nor control.

Violation of Russia's own commitments in the 1994 Budapest memorandum on security assurances for Ukraine undermines the supremacy of international law that Russia had been championing for so many years. More importantly, it sets yet another precedent of secession, which Russia may come to face if it weakens, reducing the cost of secession for some of its ethnic republics.

We have no doubts that Crimea's ethnic Russian majority wants to be part of Russia and so do many Russians, given the blood Russian soldiers spilled conquering and defending this peninsula over the course of centuries. It is no accident that Putin's popularity has soared in the aftermath of the recent events. But any surge in popularity might prove to be short-lived, if sanctions – that Western countries consider imposing on Russia – have a significant long-term impact on the Russian economy, which is already stagnating.

The immediate economic fall-out would not be very catastrophic for Russia. After all, Western Europe traded with Soviet Russia even during the original Cold War and there is no way European companies would want to buy more expensive gas elsewhere, including liquid gas from U.S., unless their governments are willing to subsidize their imports. As for the United States, its trade with Russia is too minuscule to make a difference.

But while declines in the volume of the Russian-Western trade may be not that drastic in the short-term, the quality of what Western countries agree to sell to Russia is bound to change. Western governments will most likely revive many of the Cold War-era restrictions on transfer of know-how and hardware that post-Communist Russia needs to modernize and diversify its economy, which remains dependent on exports of oil and gas.

Machinery and equipment account for 45 percent of Russia's imports from the European Union, according to the Russian government's own statistics, and these imports cannot be easily substituted. Nor would the U.S. government be exactly interested in encouraging transfer of technologies by its companies to Russia.

Given the cold shoulder in the West, Russia would have no choice but to increase imports of technologies and equipment from elsewhere. China, which is Russia's single largest trading partner, seems to be one obvious candidate. Machinery and equipment already account for 50 percent of Russia's imports from China, and the Middle Kingdom will be happy to sell more if Moscow's Cold War with Brussels and Washington becomes a reality.

China has made impressive strides in many technological fields, building the world's fastest supercomputer at one point and leading the world in manufacturing of solar cells and wind turbines. But, overall, the Middle Kingdom continues to lag behind the West technologically. Therefore, Beijing would not be able to compensate Moscow for setbacks that will be dealt to its modernization drive, if Western technological powerhouses are ordered by their governments to end their fledgling partnerships with Russian companies. And even while happy to increase its exports to Russia, China will probably continue to avoid

taking sides on the Crimean crisis, as support for the peninsula's secession could backfire for the Middle Kingdom, which continues to face Uighur separatists, while explicitly opposing Russia on the issue could damage Beijing's ties with Moscow. China's ambivalent attitude toward incorporation of Crimea into Russia became clear this weekend during a vote at the United Nations Security on a resolution introduced by its Western members to declare the Sunday referendum in Crimea unlawful. Russia had to veto that resolution alone as China abstained.

Nor can incorporation of Crimea by itself compensate for any serious decline in trade with EU countries, which collectively account for half of Russia's foreign trade. That trade exceeds $400 billion a year while Crimea's entire regional domestic product is roughly $5 billion.

Given all of the above, if the Western world decides to resume containing of Russia in a new Cold War, Moscow might have no choice, but to seek closer partnership with Beijing if only to prop up the Russian economy and avoid international isolation.

And this would not be a partnership of equals, I am afraid.

There are fewer people living in all 27 provinces that comprise Russia's Urals, Siberian and Far East federal districts than in Heilongjiang, just one of the four Chinese provinces bordering Russia. Neither are the economic comparisons of these border lands in Russia's favor.

The total regional domestic product of Russia's three eastern federal districts is 30 percent less than that of the aforementioned four Chinese provinces. These disparities will continue: China's GDP will exceed that of Russia by more than 4.5 times in 2018, according to IMF's January 2014 outlook.

Given these disparities, if isolated by the West Russia may have no choice, but to become a junior partner of the Middle Kingdom. That, of

course, would put an end to what Russia's 2013 foreign policy concept defines as "the unique role our country has been playing over centuries as a counterbalance in international affairs," a Russia might have to become. Such a geopolitical alignment would also the direct opposite of an independent pole in a multi-polar world on par with China, US and EU, that Russia seeks to play.

Nor should Russia count for China's full support in the case of Crimea, given Beijing's own problems with separatism. Beijing's ambivalent attitude became clear last weekend when China abstained during a vote at the United Nations Security Council on a resolution introduced by its Western members to declare the referendum in Crimea unlawful.

It goes without saying, of course, that a Cold War will also impose tangible costs on Western countries too, especially as they contemplate how to manage China's rise.

The swift separation of Crimea and its integration into Russia must have also impressed Moscow's own post-Soviet partners and not in a good way, albeit some of them, such as Kazakhstan and Armenia may simply have no other integration options, given Moscow's enormous leverage vis-à-vis them. In fact, Armenia's Serzh Sargsyan may be now congratulating himself privately for displaying foresight. We all now have a better idea of how Russia could have responded if Sargsyan had not decided last fall to suspend negotiating the association and free trade deals with EU and to agree enter Armenia in the Moscow-led Customs Union instead.

Neither of the leaders of Belarus and Kazakhstan, which are participating in Russia's Eurasian Union (EAU) are exactly thrilled. Both these two EAU states, which both have sizable Russian minorities, as well as their post-Soviet neighbors are, of course, all anxiously watching

Russia's moves in Ukraine as they contemplate their integration options.

Kazakhstan's Nursultan Nazarbayev has traditionally sought to maintain constructive relations with both Russia and West, but if a cold war redux erupts over inclusion of Crimea into Russia, Astana might be forced to take sides and therefore lose the opportunity to play great powers off each other. The same goes for Belarus' Alexander Lukashenka – who tends to make overtures to West – whenever he wants a major concession from Russia.

Economically, Crimea will be no gift either, given its regional domestic product of $5 billion and population of less than 3 million. In fact, even entire Ukraine would not add much in terms of GDP of EAU. Ukraine's GDP was $176 bn whereas Eurasian Union's $2,282 bn, so it would increase the alliance's GDP by less than 8%. Crimea's regional domestic product is $5.2 billion, so it is less than 0.3% of EAU's GDP. Nor would Crimea be a major market for either Belarus or Kazakhstan, given that it has a population of 2.4 million and GDP per capita of $2,170 compared to EAU's average of $8717.

An alternative scenario could be that Russia gives up on anchoring the whole of Ukraine and instead uses the Crimean tactics to take over eastern and southeastern provinces while letting the rest integrate into West. But that would add only 2.8 percent to EAU's GDP.

At the same time, loss of southeastern and eastern provinces would be would be disastrous for Ukraine. These account for almost half of Ukraine's population and GDP[1]. (See the table in appendix).

[1] At the same time, acquisition of these provinces would represent a substantial demographic boost for Russia, but not much of an economic gain. Eastern Ukraine's GDP equals 3.4% of Russian GDP, but its population equals 14% of Russian population. The social burden would not be as great given that the eastern Ukraine's GDP per capita is $3397 while Russia's GDP per capita is $4,037 in current dollars.

Also, a new cold war, even if redux, would be most probably accompanied by Western economic sanctions against Russia, which would also hurt the latter's economy in what will have negative impact on economies of Russia's EAU neighbors as well as its other partners, including Armenia, which is now vying for EAU membership.

More important, inclusion of Crimea into Kazakhstan sets a precedent, which all of Russia's neighbors – that have a sizeable share of ethnic Russians and/or people with Russian passports concentrated in certain areas – will be wary of, as said above. Ethnic Russians account for a quarter of Kazakhstan's population and many of them live in northern provinces, which border Russia.

Further down the road, if isolated by the West, Russia would have to seek closer partnership with China, as said above. While Belarus would not object to a Sino-Russian alliance, in which the Middle Kingdom plays a lead role, it would not be as beneficial for Kazakhstan, which as some of its Central Asian republics is wary of expansion of Beijing's influence in the region.

Russia Still Has Aces to Play Even Against a Crimea-Less Ukraine

Moscow could have avoided some of the aforementioned costs, if it had chosen to keep Crimea as an independent entity as it is the case with South Ossetia and Abkhazia.

But one way or another Moscow was bound to respond to developments in Kiev. And it should not have taken a rocket scientist to calculate that Russia has huge overt and covert leverage of non-military nature vis-a-vis Ukraine, which it would not hesitate to use it if antagonized.

Leonid Kuchma (who by the way used to be a rocket scientist) had his own serious flaws, but at least he understood the need to balance

between Moscow, Brussels, and Washington without committing to either and did so rather skillfully. Yanukovych at least tried to follow the same policy. He did it less skilfully than his mentor Kuchma (if only because he was blinded by greed of his and his retinue), but at least he tried. As for the leaders of the opposition that topped Yanukovych, they did not even try to pursue a balanced policy, antagonizing Moscow. So they should not be that surprised that the Crimea has slipped out of their hands.

And if these leaders think Russia would stop after separation of the Crimea, then they might be wrong. Yes, Putin did pledge in his Tuesday announcement that Russia does not plan to further split up Ukraine. But he also vowed to defend Russian speakers in Ukraine's east, if needed.

And Putin still has some aces, including pro-Russian moods in eastern and southeastern Ukraine and Ukraine's dependence on trade with Russia that he can play against a Crimea-less Ukraine, if given a reason (or a plausible excuse) to intervene.

For instance, if repeated on a larger scale and with greater violence, the recent clashes between local activists and pro-Western activists in eastern provinces of can prompt Russia to intervene there.

Russia can also curtail trade with Ukraine, consequences for the Ukrainian economy would be on a scale that no hikes in trade with EU would able to compensate for.

Russia is the source of half of raw materials that Ukraine imports[1] and supplies about 60% of its gas. Ukraine's metallurgical and chemical

[1] Russia accounted for $2,364 mn out $4,701 mn that Ukraine spent on imports of raw materials in 2011, according Ukrainian Trade Statistics 2012," available at http://ukrstat.org/druk/publicat/kat_r/publ10_r.htm

industries are the largest consumers of Russian gas[1]. Russia's also the largest client of these industries, which account for about one-third of Ukrainian GDP[2]. Russia is by far the largest importer of goods and services from Ukraine, according to the latest batch of foreign trade statistics available on Ukraine's government web site. Russia accounts for more than 35% of exports of Ukrainian goods and more than 45% of exports of services from Ukraine[3].

Putin would be more likely to play these economic cards against Ukraine if he concludes that a new Cold War is unavoidable and Russia will not lose much more from pursuing an even more expansive policy vis-a-vis Ukraine.

And the interim government in Ukraine is in no shape to stop Putin from playing these cards. The Ukrainian armed forces are in disarray with less than 10,000 troops being combat ready.

The country is also divided with fault lines running deep between pro-Western and nationalist population of central and western provinces and pro-Russian majority in eastern and southeastern provinces. The situation reminds one of what was happening in Poland several centuries ago. Poland was plagued by feudal strife to such an extent, that its nobility used to boast that "Poland's strength is in its divisions." But then a divided Poland got partitioned by its neighbors. It almost seems that Poland's eastern neighbor – Ukraine – has entered period of neo-medievalism under the same doomed slogan. At the moment,

[1] The two industries accounted for over 70% of industrial consumption of gas in Ukraine. http://first-drilling.com.ua/article/article_item/655

[2] http://www.kreditprombank.com/upload/content/512/Dynamics_of_the_Key_Industries_Development.pdfinvestukraine.com/sectors/metals-and-mining-in-ukraine

[3] The second largest importer of Ukrainian goods is Germany with 8% while the second largest importer of Ukrainian services in Switzerland with 6%. "Ukrainian Trade Statistics 2012," available at http://ukrstat.org/druk/publicat/kat_r/publ10_r.htm

Ukrainians' own assessment of their country's chances of becoming a viable state can be, perhaps, described by the opening their national anthem: “Ukraine is not dead yet.”

How Russia's red line in Ukraine got real

The Ukraine crisis is still raging, but it’s important to look back at events in recent years to try to understand why President Vladimir Putin sprang into action, first by taking Crimea and then by imposing a difficult choice on the interim government in Kiev: Either forswear membership in any Western military alliance and accept the federalization of Ukraine or risk losing more land.

One obvious explanation is that Putin’s hand was forced by the ascent of radical nationalist elements to power in Kiev after the collapse of the February 21 deal between Ukraine’s opposition and then president Viktor Yanukovych.

When the radical wing of the Ukrainian opposition refused to accept the February 21 deal and forced Yanukovych to flee, Putin had to act as he became seriously concerned that Russia would ‘lose’ Ukraine. After all, the Ukrainian radicals made no secret of their aversion to cooperation with Russia or their belief that Ukraine should pursue integration with the West.

But, if this explanation is true, then why didn’t Putin intervene back in the second half of the 2000s when Ukraine’s president Viktor Yushchenko was actively pushing for Ukraine’s membership in NATO, eventually winning a promise of membership in this alliance? In contrast to Yushchenko, the current interim government in Kiev has repeatedly denied having any ambition to seek NATO membership for Ukraine.

Now, it is true that the association agreement with the European Union, the signing of which has always been one of the prime goals of the anti-Yanukovych coalition, provides for military cooperation between Ukraine in the framework of the EU's Common Security and Defence Policy (CSDP). But you still would not hear the Russian president refer to the fledgling CSDP as a threat.

In contrast, Putin has issued plenty of unambiguous warnings that expansion of NATO to the post-Soviet republics (with the exception of the Baltics) would amount to the crossing of a Russian red line.

For instance, Putin asserted in April 2008: "The presence of a powerful military bloc on our borders, whose members are guided by Article 5 of the Washington Treaty, will be seen as a direct threat to our national security."

And, yet the Russian leadership did not intervene, even though Ukraine's then president Yushchenko was campaigning for NATO membership, ignoring warnings from Russia and results of opinion polls in his own country, which show eastern and southeastern Ukraine oppose such membership.

U.S. president George W. Bush lobbied hard for both Ukraine and Georgia to be given membership action plans at the 2008 summit in Bucharest, but Germany's Angela Merkel dug in her heels. Nevertheless, the April 2008 summit did promise to both Ukraine and Georgia that they would be in NATO one day.

Why didn't Moscow intervene back in 2008?

There are multiple reasons that explain why Putin didn't intervene in 2008.

Most important, Ukraine had a legitimate, functioning president and government in 2008. This meant the central authorities could not

have been dismissed as illegitimate and that Kiev could organize a better response if Ukraine's neighbors interfered in any of its provinces.

And, while Yushchenko was even more disinclined to honor Russia's wishes for protection of the Russian language in Ukraine than the current interim government, the streets of Ukrainian cities were more or less orderly during his rule. There were no violent clashes between pro-Western and pro-Russian activists that we have seen in Ukraine this year, and that Russian leaders described as a major threat to Ukraine's ethnic Russians, claiming Russia's responsibility to protect compatriots.

Nor was the power in the Ukrainian government and parliament so skewed with a third of the government's ministers and above hailing from Lviv and with only two members of the new government representing south and east, according to Foreign Affairs' recent analysis of disparities in the former Soviet republic.

Putin might have also thought at that time that Georgia's NATO ambitions represented a greater threat, especially as tensions escalated over South Ossetia and Abkhazia throughout the spring and summer of 2008, ultimately culminating in a war in August of that year.

The Western countries' efforts to punish Russia after August 2008 were half-hearted and short-lived. Had, however, Russia intervened militarily both in Georgia and Ukraine in the course of the same year, then Western countries would have been more likely to impose longer-term and more painful sanctions on Moscow.

Also, in spring 2008, Moscow might still have nurtured hopes that its European Security Treaty proposal, which would have essentially given Russia a right of veto in (what else) the continent's collective security issues, might end up being accepted. That draft treaty got eventually rejected, but, as time went by, Ukraine 'uncrossed' the red line.

Having beaten Yushchenko in the 2010 elections, Yanukovych took pains to accommodate Russia's concerns, announcing that Ukraine would not seek membership in NATO and extending the stay of Russia's Black Sea fleet in the Crimea for several decades. And last fall saw Yanukovych agree to suspend signing of the association and free trade deals with EU and began to make overtures to the Russian-led Customs Union.

All that changed when the militants, representing the nationalist wing of the opposition, forced Yanukovych out. Putin became increasingly concerned that the victorious nationalists would eventually win the ensuing battle for power among the factions of the opposition coalition and proceed to anchor Ukraine to the Western world, whose leader seemed oblivious to any crossing of the red line.

Indeed, if U.S. Assistant Secretary of State Victoria Nuland's alleged "F***k the EU" comment indicates that the United States was prepared to ignore the European Union's position as Washington contemplated how to influence the formation of a new Ukrainian government, then one can deduce how much some of the U.S. government officials were willing to accommodate Russia's interests in Ukraine.

And this time around, conditions were much more conducive for enforcing Russia's red line in Ukraine than they were when this line was almost crossed by Yushchenko in 2008.

The interim government – formed by the victorious opposition and featuring a strong representation of nationalists – proved to be unable to fully control the situation in the eastern provinces, where anti-Russian and pro-Russian activists clashed violently and repeatedly. A subsequent by the U.N. human rights office found that "although there were some attacks against the ethnic Russian community, these were neither systematic nor widespread."

But Russian leadership insisted that the threat was real and intervened in a way that both signaled to Kiev that Ukraine would lose more land if the national government tilts toward the West and allowed Putin to score big points at home, pushing his popularity to 80 percent.

Some pundits also assert that Putin might have believed that incumbent U.S. President Barack Obama is weaker than former President Bush who they believe would have responded in a more forceful way to Russia's intervention in Ukraine. My response to such assertions is that Putin was not particularly impressed by the Bush Administration's reaction to the August 2008 war either.

State leaders are often non-committal when introducing red lines. They prefer to maintain a certain air of ambiguity so as to be able to backtrack without losing face.

However, the red line becomes real once (and if) a leader becomes confident that he can enforce it in a way that would generate more benefits than costs. In such a situation, the leader could be expected to first signal his preparedness to retaliate for crossing of that line by issuing tougher-worded warnings as well as through diplomatic and quasi-diplomatic moves.

The trouble is, of course, that this leader's counterparts might dismiss these moves as bluffing without realizing that the red line just got real. This is what happened in Kiev when the then-opposition heard Putin's advisor Sergei Glazyev warn in late 2013 and early 2014 that Russia could intervene. Also, Yushchenko's success in securing a promise of NATO membership without intervention from Russia must have convinced Ukraine's opposition and their Western partners that Putin's red line in Ukraine was not quite real and they could make another incremental move toward integration of Ukraine into the West.

Should West wage a Cold War over Ukraine?

Western countries can facilitate the aforementioned transition and empowerment of Ukraine, but should not rush invite Ukraine to join NATO in the near future. NATO has already admitted quite a few weak states that are net takers rather givers of collective security. A Ukraine in NATO would incur more costs than benefits, given the weakness of its military and economy with the latter dependent on trade with Russia, which staunchly opposes expansion of the alliance.

Nor should Western countries wage a Cold War over Ukraine's loss of Crimea.

Some Western pundits have argued that the annexation of Crimea represents a game changer and NATO's Supreme Allied Commander Europe, Gen. Philip Breedlove has referred a "paradigm shift" in the alliance's perceptions of the Russian leader.

But we would argue that U.S. and its Western allies have too many common vital interests with Russia at stake, including counter-proliferation, nuclear security and counter-terrorism and prevention of failed states in Asia to return to full-blown containment of Russia. And those advocating a new Cold War in the West, should keep in mind Moscow's enormous potential as a spoiler that it won't hesitate to exercise if antagonized. See Appendix for the list of things an antagonized Russia can do to undermine U.S. vital interests.

Given Russia's enormous potential as a spoiler and important role it has played in advancing common vital interest with the US, a reasonable reaction to the Crimea crisis by the West should be to continue selective partnerships with Russia in spheres, where Washington, Brussels and Moscow share vital interests, combined with deterring Russia from land grabs and helping its neighbors in their efforts to become po-

litically cohesive, economically viable, neutral, but military capable and stable states, which Moscow would have neither reason nor excuse to intervene against.

Time for Kiev to Display Foresight or More Disastrous Losses

Leaders of the interim government in Kiev should finally start exercising some badly needed foresight or they will risk losing de facto control over parts of eastern Ukraine. Western countries would, of course, condemn such a loss as violation of international law and impose sanctions. But by now Kiev probably knows neither the United States nor its allies would enter a military conflict with Russian forces to restore Ukraine's territorial integrity.

Taking and holding a high moral ground in international affairs is important, but not as important as holding one's ground literally and that requires knowledge of others' redlines and what crossing of such redlines would entail.

If you cannot gauge how your powerful neighbor – that you know to have enormous leverage against your country – would react to your moves and hedge accordingly, then, maybe, you should not get into the business of running a nation-state in the first place.

There are a number of steps that Ukrainians can take to hold their home ground even without NATO membership. Codifying Ukraine's military-political neutrality, election of governors and status of the Russian language in the Constitution in the short-to-medium term and strengthening Ukraine's statehood, increasing independence of its economy and reinforcing capabilities of its military in the longer-term could be among those steps.

It would be as important for the Ukrainian elites and public both in short and long term to get accustomed to defeating their political opponents at polling stations rather than on streets. As the past Euro-Revolution has demonstrated a victory achieved in street battles would be Pyrrhic victory. Regardless of whether it is pro-Western or pro-Russian forces that gain upper hand, such a victory would not be accepted by the populace of the provinces on the losing side. They would wait for the next opportunity to challenge the outcome.

Whether choosing the direction of economic integration or the next president or parliament, Ukrainians should be able to decide these issues by casting ballots rather than throwing Molotov cocktails.

Each revolution (this was the third attempt to stage a revolution in post-Communist Ukraine) reduces chances that Ukraine will become a politically cohesive, economically viable, neutral, but militarily capable and stable state, which Russia would be less inclined and capable to intervene it.

May, 2014

Appendix

1. Ukraine's regions: population and economy

	GDP, bn,2011	Population, mn
Crimea and Sevastopol	$5.2bn	2.4 mn
Cherkasy	$2.9 bn	1.3 mn
Chernihiv	$2.3 bn	1.1 mn
Chernivtsi	$1.3 bn	0.9 mn
Dnipropetrovsk	$15.2 bn	3.3 mn
Donetsk	$17.5 bn	4.4 mn
Ivano-Frankivsk	$2.9 bn	1.4 mn
Kharkiv	$8.3 bn	2.8 mn
Kherson	$2.0 bn	1 mn
Khmelnytsky	$2.5bn	1.3 mn
Kiev and Kiev region	$31bn	4.5 mn
Kirovograd	$2.2bn	1 mn
Lugansk	$6.2 bn	1 mn
Lviv	$5.7bn	2.3 mn
Nikolaev	$3.0bn	2.5 mn
Odessa	$6.7bn	1.2mn
Poltava	$5.7bn	2.4mn
Rivne	$2.1bn	1.5mn
Sumy	$2.5bn	1.2mn
Ternopil	$1.9 bn	1mn
Transcarpathian	$2.0bn	1.2mn
Vinnytsia	$3.2bn	1.6 mn
Volyn	$2.0bn	1 mn
Zaporizhia	$5.2bn	1.8 mn
Zhytomyr	$2.5bn	1.3 mn
Ukraine	**$141.5 bn**	**45.6 mn**

2. Russia's potential as a spoiler vis-à-vis U.S.

A. Major damage to US vital interests:

Short-to-medium term:
Disrupting world energy markets:

- Reducing gas exports
- Reducing oil exports

Kicking US companies out of Russia's energy sector.
Propping up Iran militarily and economically:

Long-term:

- Adopting an aggressive strategic military posture.
- Disrupting global nuclear order
- Entering military-political alliance with China

B. Significant damage to US vital and very important interests.

Short-term

- Shutting down transit along the Northern Distribution Network from and to Afghanistan is doable.
- Military aid, including deliveries of air defense and other sophisticated weaponry, training and military bases to Syria, Venezuela and other foes.
- Blocking UNSCRs on issues, which affect very important, but not vital US interests, such as the Middle Eastern peace process.
- Stopping counter-terrorism cooperation.

Longer-term

- Destabilize former Soviet republics that are vying for integration into the West.

C. Minor damage to US interests:

- Reducing trade with US.
- Suspending cooperation in space.
- Suspending cooperation in fighting all types of trafficking.
- Countering major international initiatives US is leading or involved in, but which do not represent vital US interests, such as fighting climate change.