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Russia's 'carrot and stick' policy on Ukraine

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In recent weeks, Russia has stepped up its diplomatic activity on Ukraine. Moscow is still putting pressure on the West, and is trying to persuade the US and European Union countries to insist that Kyiv acknowledge Russian demands concerning broad autonomy for the Donbas and constitutional reform in Ukraine. From Moscow's point of view, maintaining the *status quo* in the breakaway 'republics' is not beneficial; this situation does not allow Russia to influence the domestic situation throughout the country, and will not stop Ukraine from moving closer to Western structures. Moscow is also incurring considerable losses from the sanctions imposed by the West, and could also find itself bearing the costs associated with supporting the separatist 'republics'. To achieve its objectives, the Kremlin is trying to blame Kyiv for not complying with the Minsk agreements signed on 12 February; it is also escalating the tension surrounding the conflict in Ukraine, while continuing its diplomatic efforts and moderating its anti-Western rhetoric.

'De-escalation' on Russian terms

Contrary to the Kremlin's calculations, the Minsk agreements of 12 February and their selective implementation by both parties to the conflict have not achieved Russia's goals for Ukraine. Moscow has failed to prevent internal reforms in Ukraine, or discredit Ukraine's leaders and the idea of the Maidan. Contrary to Russian aspirations, it has also failed to prevent limited rapprochement between Ukraine and the West. Russia is thus using its instruments of diplomatic, military and economic pressure to force Ukraine to implement the Minsk agreements unilaterally, and to persuade the West to put pressure on Kyiv to uphold Russian demands.

If the conflict is frozen at the present stage (i.e. the *de facto* separation of the Donbas from the Ukrainian state), this will not satisfy Moscow. In the future such a solution would mean Moscow has to bear the high costs of supporting the Donetsk and Lugansk 'People's Republics'. The objectives of Russian policy towards Ukraine remain unchanged: Moscow is trying to prevent Ukraine's integration with Western structures, and hopes that the failure of Ukrainian reforms will pave the way to restoring its influence. To this end, Moscow is working for the internal destabilisation of Ukraine, and to use the Donbas to impose a political system on the country which would ensure that forces loyal to Russia would have a political right of veto on key decisions concerning the whole country.

The diplomatic offensive towards the West

In recent times, diplomatic relations between Russia and the West have become more intensive; in the last two weeks Russia has hosted, among others, the German Chancellor Angela Merkel, the head of the German Foreign Ministry Frank-Walter Steinmeier, the US Secretary of State John Kerry, and twice the US Assistant Secretary of State for Europe Victoria Nuland. Although some of these visits were officially associated with the celebration of Victory Day on 9 May, these talks mainly concerned the conflict in Ukraine. Russia is trying to persuade the West to put pressure on Kyiv, and in doing so is playing a double game: it has eased up somewhat on its anti-Western rhetoric, while continuing to escalate tensions in Ukraine.

For some time, Russian officials have been toning down their aggressive anti-US rhetoric. In their most recent statements they have been trying to focus on the pragmatic dimension of relations, emphasising the losses Western countries have been incurring thanks to their sanctions against Russia. At the same time Moscow is trying to link the discussion on Ukraine with other important issues for the West, relating to the conflict in Syria, North Korea's nuclear programme, and negotiations with Iran. In this context, there have been important signs such as the announcement that S-300 missiles have been sold to Iran. The Kremlin's representatives have suggested that Moscow's policy towards other important issues for the West, especially the United States, will depend on the West's approach to Ukraine.

This shift in Russia's tactics does not mean that the Kremlin wants to give up any of its demands, but it is looking to the West for an agreement that would allow for a 'de-escalation' of the conflict on its own terms. Moscow has not eased up on any of its principal demands concerning the Donbas, as the Russian foreign minister Sergei Lavrov has clearly signalled in his recent statements. From the Kremlin's point of view, the coming months are especially important, because in June the European Union will take a decision on the possible renewal of sanctions against Russia. Despite the Kremlin's official propaganda line, the sanctions are becoming increasingly noticeable in Russia. Although their extension to the end of 2015 seems highly likely, Moscow is still counting on a lack of consensus within the EU on this issue.

Threats to Ukraine

Apart from its diplomatic approaches, Russia is also trying to escalate political, military and economic tensions in Ukraine. One element of the pressure exerted by Moscow on Ukraine and Western countries is the statement by Konstantin Kosachev, the chairman of the committee for international affairs of the Federation Council, who stated in his blog on the Council's official website that if the Donbas does not receive broad autonomy within Ukraine, the region could "go the way of Crimea" (meaning annexation by Russia). The senator, who is close to the Kremlin, accused Kyiv of not complying with the Minsk agreements, and of thereby compromising the authority of Germany and France. Russia is also trying to exploit Ukraine's economic difficulties by refusing to restructure Ukraine's debt. There has also been a rise in military tension, as evidenced by increasingly frequent local clashes between Ukrainian and separatist troops, primarily in the areas around Donetsk and Mariupol.

Another element of the pressure on Ukraine is the separatists' demands, formulated in recent days, for fundamental changes to the Ukrainian constitution. They have also made the local elections planned under the Minsk agreements conditional on granting broad autonomy to the regions, legalising the separatists' armed structures in the form of 'people's militias', and Ukraine giving up the idea of joining NATO. If Kyiv were to agree to these terms, it would mean a complete capitulation to Moscow, the end of its Western aspirations, and taking on the maintenance of hostile, Kremlin-controlled separatists.

Moscow is trying to escalate the tension surrounding the conflict, a move which may be favourable from the Kremlin's point of view both as an element of diplomatic pressure, and as an instrument of domestic policy to consolidate the Russian public around the ruling camp. Since the Russian system of government requires constant propaganda to mobilise society, a drop in the government's poll ratings might prompt the Kremlin to further stimulate the imperial and martial mood.

Outlook

Although Moscow's tactics hitherto have brought about only limited results, it is likely that the Kremlin will continue to apply diplomatic pressure and raise the tension surrounding the Ukrainian conflict, and will continue offensive military operations on a limited scale by using the separatist troops. In this way Russia is trying to gain favourable conditions for a possible 'de-escalation' of the conflict. Moscow will above all search for ways to persuade the West to put pressure on Ukraine and lift its sanctions against Russia.

However, it seems that at this stage Russia is not ready to break the fragile truce and resume large-scale military operations. Not only would this entail more costs on the Russian side, but it would also undermine the Kremlin's current diplomatic tactics. The threat of resuming the war is a stronger tool for pressuring the West and Ukraine than actually carrying out a military operation, the effects of which would be unpredictable.