

# UKRAINE CONUNDRUM

*Ambassador (Retired) Masood Khalid\**

## **Abstract**

*Located at the geopolitical centre of Eurasia, Ukraine has been an important arena for great power game for nearly three decades since the collapse of the Soviet Union. The West, principally the United States and Europe, and the Russian Federation have therefore been heavily involved in Ukraine's internal and external development. Their ideological, economic, and geopolitical interests clashed in a fierce battle that led to multiple political regime changes in Ukraine, and ultimately plunged Europe into an intractable security situation. This paper takes the rivalry between the US, Europe and Russia in Ukraine as a starting point to examine the dilemma facing European security in the context of the great power game, the root causes behind the Ukraine crisis, its far-reaching consequences for geopolitics and global patterns and the implications for regional peace in other parts of the world.*

**Keywords:** Russia, Ukraine, Eurasia, Soviet Union, Great Power Game, Geopolitical.

## **Introduction**

**A**n year ago, no one expected a crisis to erupt in Europe of such serious regional and global ramifications. The Ukraine war has brought fissures to an already fragmented international system recovering from the pandemic of the century. The war has raised some fundamental new questions:

- Although demonstrably united, can Europe sustain a long war while retaining its position in the traditional balance of power structure of the Continent?
- Will the West continue its assistance to Ukraine till the 'final victory'?

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\*Ambassador (Retired) Masood Khalid is served as Ambassador of Pakistan to People's Republic of China from January 2013 to July 2019. The authors' email address is masoodkhalid433@gmail.com

- What will be the impact of war, in the mid to long-term, on the global energy and food supply systems?
- Will Russia emerge victorious or badly bruised, severely damaging its power in the Eurasian equation?
- How will a 'wounded' Russia behave in the post-war scenario?
- What will be the outcome of war for Ukraine? Will Russia, West or the international community help in its reconstruction, particularly if seen in the context of donor fatigue?
- Will the war lead to a new European security structure with obvious consequences for the global order, or will there be adjustments through alignments and realignments?

Ukraine war has opened a Pandora box of apprehensions and concerns with no ready answers or remedies offered. Unintended consequences of the war were probably not envisaged by its initiator.

## **Historical Background**

Russian military action in Ukraine has a historical context. Ukraine has been part of Russia for hundreds of years. The two countries shared heritage goes back for more than a thousand years to a time when Kyiv, was at the centre of the first Slavic State (Kyivan Rus), the birthplace of both Ukraine and Russia. In AD 988, the Grand Prince of Kyiv, Volodymyr the Great, embraced the Orthodox Christian faith. From that movement onwards, Russians consider Ukrainians "as our people, a single whole".<sup>1</sup>

Russian empire always considered Ukraine as its backyard and described Ukrainians and Belarusians as ethnically Russian, referring to them as "little Russians". However, over the past ten centuries, Ukraine has been contested and occupied by competing powers. In 13<sup>th</sup> century by Mongols; 16<sup>th</sup> century by the Poles and Lithuanians; 17<sup>th</sup> century war between the Polish – Lithuanian Commonwealth and Czarist Russia brought East under Russian control, known as "Left Bank" Ukraine, while the "Right Bank" was ruled by Poland. In 1793, "Right Bank" was annexed by Russian empire following which a policy of "Russification" banned the use and study of the Ukrainian language and people were converted to the Russian orthodox faith.

Following the communist Revolution of 1917, Ukraine went through a civil war and declared its independence in 1918 but that was short-lived. In 1922, it was

fully absorbed under a treaty as a founding member into the USSR. In the 1930's, Stalin's "collectivization drive" led to the death of millions of Ukrainians and repopulation of Ukraine by Russians, though there was a move to highlight Ukrainian culture and language in the early years of Russians revolution. Axis armies overran Ukraine in 1941 during World War II but it was retaken by the Soviets in 1944.

Interestingly, in 1945, Ukrainian Soviet Socialist Republic became one of the founding members of the United Nations (UNO) as part of a Special Agreement at the Yalta Conference and had voting rights in the UN, while not being independent. Belarus was also given the same status in the UN.<sup>2</sup>

Ukraine gained independence in 1991 as the USSR disintegrated and declared itself 'neutral'. In the modern history of Europe, no country has suffered from as much chaos and anarchy as Ukraine, especially between 1917 to 1920. Even after formal independence in 1991, the country has remained in turmoil. The transition to democracy and capitalism has been painful. "The sense of nationalism is not as deep in the East as it is in the West.<sup>3</sup> The reason is that Eastern Ukraine came under Russian rule much earlier than Western Ukraine; people in the East have stronger ties to Russia, Western Ukraine, on the other hand, has leanings towards the West. The Eastern Ukraine population is more Russian speaking and Orthodox, while parts of Western Ukraine are more ethnic Ukrainians and Catholics. The biggest divide is between those who view the Russian rule as "benign" versus those who see it as a "tragedy". Ethnically, culturally and religion wise, Ukraine is a complicated country and a divided polity.

Ukraine has been the birthplace of several Soviet leaders, more prominently, Khurshev, Brezhnev and Cherenenko, who were either born or raised there. Khurshev had gifted Crimea to Ukraine in 1954, a decision reversed by President Putin in 2014, following an uprising in the eastern region of Donbas, culminating in the Russian - backed Peoples' Republic of Luhansk and Donetsk. The Minsk Agreements of 2014 and 2015 failed to stop fighting in Donbas region and granting of self-government, after the Agreements were rescinded by Ukraine.

Russians have alleged that Ukrainian forces and militias have committed widespread atrocities on the Russian speaking population in the Eastern and Southern part of the country. There have been accusations of genocide by

Ukrainians of the ethnic Russians and this issue is a major cause of present day conflict.

When Ukraine became independent in 1991, it had the third largest nuclear stockpile which it handed over to Russia and signed the Nuclear Non-Proliferation Treaty (NPT) in 1994. In return, Russia undertook to respect its sovereignty under the Budapest Memorandum signed in 1994 by Russia, Ukraine, UK and the USA. The Memorandum included negative and positive security assurances, respect for Ukraine's territorial integrity, abstaining from economic coercion, the threat of force or use of force. China and France pledged similar security assurances to Ukraine in a bilateral format. It is telling that following the signing of the Budapest Memorandum, Ukrainian President of the time, Lenoid Kuchma, said, "If tomorrow Russia goes into Crimea, no one will even raise an eyebrow".<sup>4</sup> This remark was prophetic and showed Ukraine's fear of living under the shadow of a mighty, nuclear armed neighbor.

Apart from historical grievances, Russia and Ukraine have had several other contentious issues between them. There was an issue on the jurisdiction over Soviet Black Fleet in Sevastopol after 1991 but that was resolved in 1997 with its partition between the Russian Federation and Ukraine. There have been issues of royalties, liabilities and debt arrears, on account of the oil and gas pipelines from Russia to Western Europe passing through Ukraine. In 2004, there was an alleged shooting down of a Russian aircraft by Ukraine. In 2008, during Russian-Georgia war, President Putin accused Ukraine of supplying arms to Georgia. Power assumption by pro-Russian and pro-West leaders in Ukraine has also contributed to bilateral tensions. A pro-Russian leader, Victor Yanukovych, fled to Russia after famous Euromaidan Protests in 2014, as he refused to sign a free trade and political association agreements with EU. Russia had reportedly pressurized him not to sign. Russia accused CIA of masterminding his ouster. Pro-Russian unrest in southern and eastern Ukraine led to Russo-Ukrainian war and annexation of Crimea. An interim government then signed the Association Agreement with EU. President Zelensky, who was elected in 2019, is a pro-west leader, vowing to join EU and NATO.

## **Ukraine and EU**

Ukraine had declared its intention to join EU as early as 1993, being its main foreign policy goal. The political dialogue between EU and Ukraine began in 1994 when the Partnership and Cooperation Agreement was signed. Relations

between EU and Ukraine are governed under the Ukraine – EU Association Agreement signed in 2014. EU and Ukraine are also parties to Deep and Comprehensive Free Trade Area.

While prior to 2022, EU was reluctant to grant membership to Ukraine due to poor performance of economy, internal instability, corruption, lack of democracy as well as due to Russia factor, President Zelensky officially lodged an EU membership application on 28 February, 2022 and on 23<sup>rd</sup> June, 2022, EU granted Ukraine the status of a ‘candidate for accession’ to EU.

It may be noted that earlier on 21<sup>st</sup> February, 2019, the Constitution of Ukraine was amended and the norms on the strategic course for Ukraine’s membership of both EU and NATO were enshrined “in the preamble of the Basic Law three articles and transitional provisions”.<sup>5</sup>

## Ukraine and NATO

The crux of the current crisis is strategic rivalry between Russia and the United States, which terms former as a “revisionist power”. Russia is dubbed as a resurgent power bent upon challenging the western supremacy in the Eurasian continent and trying to impose its anachronistic authoritarian model particularly in its neighborhood. President Putin has been declared guilty of war crimes.

Russia contends that the US is trying to encircle her through NATO’s eastward expansion. Since 1949, NATO’s membership has expanded from twelve to thirty, including from Warsaw Pact countries. Macedonia joined in 2020 and now Finland, which championed its ‘neutrality’, has become the 31<sup>st</sup> member of the Alliance. Sweden is the next inline.

The Russian view of security, inherited from the concept of ‘Balance of Power’ since the 19<sup>th</sup> century, revolves around preserving the “security space” between Russia and NATO. It is believed that President Putin made several offers for cooperation with the West, even showing an inclination to join NATO. He wrote in 2012 that Russia was an inalienable organic part of the wider European civilization and that he hoped for a harmonious community of economies from “Lisbon to Vladivostok”.<sup>6</sup>

Former Russian President Medvedev also proposed a security treaty in 2010 for institutionalized consultations between Russia and Western countries on equal terms. However, Russia was rebuffed.

Historical records suggest that the US did give an understanding to Russia on the non-enlargement of NATO. When the cold war ended, the US and USSR discussed how to reunify Germany. In a speech on 31<sup>st</sup> January, 1990, West Germany's Foreign Minister Hans – Dietrich Genscher said that in the process of reunification, NATO should rule out eastward expansion. Two weeks later in 1990, and as per declassified record of US State Department and Germany, when US Secretary of State James Baker met President Gorbachev, he assured him that NATO will not expand “one inch to the east”.<sup>7</sup>

William Burns, who is now CIA Director, was US Ambassador to Russia in 2008 and wrote to US Secretary of State Condoleezza Rice that Ukraine joining NATO was “the brightest of all Redlines” for Russia.<sup>8</sup>

Moscow protested at each phase of NATO's expansion. And yet the US not only reneged on its commitment but also offered membership to Ukraine (alongwith Georgia) in 2008. At the Bucharest NATO Summit in 2009, US President George Bush supported Ukraine and Georgia becoming NATO Action Plan members (first step towards full membership).<sup>9</sup>

The West has clearly provoked Russia by not honoring its commitment and showing a disregard for Russia's legitimate security concerns. On the other hand, Russia is also blamed for violating the UN Charter in invading Ukraine, especially when it had pledged to respect Ukraine's territorial integrity in the Budapest Memorandum of 2014.

Singapore's Home Minister Shanmugam in his ISEAS address made an interesting observation. He recalled that in 2022 when China signed a security agreement with Solomon Islands, there was a furor in Australia and the West, over Chinese presence in the Pacific, although Solomon Island is at a distance of about 2000 kms from Australia. He asked why Russia should not be concerned about her security on NATO's enlargement and Ukraine's potential membership, when Kiev is only about 500 kms away from Moscow. Obviously, NATO's presence in Russian vicinity is a rightful concern for Moscow.

There are two views on Russian invasion. The Western view primarily based on the pronouncements of its leaders and the media is, that President Putin is jilted over the loss of glory which Russia enjoyed in the heydays of Soviet empire. The Western media term him as ‘megalomaniac’, who has imperial ambitions and wants to restore Russia’s former status by recreating its lost sphere of influence. And Ukraine in particular, with which Russia shares a common history, has to be brought back into subjugation. Western analysts substantiate this by quoting President Putin when he reportedly remarked on 23 February, 2022 that, “Ukraine, in the sense of a modern state, did not exist in the first place. Its separation from Russia was a historic and strategic mistake”.

Russia justifiably feels humiliated by the West after the end of cold war. One after another, the West took steps which totally disregarded Russia’s security concerns and downplayed her importance as a major power in Europe.

As things stand, there is a stalemate with neither side winning the war. Both parties have taken a hard-line. Russia has obviously failed to achieve its objective of occupying Kiev or deposing President Zelensky, in the face of massive Western help available to him combined with Ukrainian resolve to resist. President Putin has categorically stated that time is not ripe for cessation of hostilities and wants Ukraine to accept Russian occupation of its territory, declare that it would not join NATO and disarm itself and denatzyfy.

President Zelensky has rejected these demands and vowed to fight till the Russian forces are ousted. He has the full support of the US, which wants Russia to bleed through harsh sanctions and ostracization of President Putin internationally.

There are accounts of bravery and courage displayed by Ukrainian soldiers despite ruthless Russian attacks on towns and civilians. Russians apparently were not expecting resistance at such a scale and have consequently suffered heavy losses. Margarita Konaev and Owen, J. Daniels write in the Foreign Affairs that, “Ukraine’s military has continually stood out for one quality in particular: its ability to adapt. Over and over, Ukraine has nimbly responded to changing battlefield dynamics and exploited emerging technologies to capitalize on Russia’s mistakes”.<sup>10</sup>

## **Sanctions**

Following the Russian invasion, the US and Europeans imposed harsh sanctions on Russia covering areas of banking and finance, trade and technology, industries, travel restrictions and Russian oligarchs. The sanctions were also applicable to Russian leaders. In the words of US Defence Secretary Lloyd Austin, “The goal is to see Russia weakened to the degree that it cannot do the kind of things it has done in invading Ukraine”.<sup>11</sup>

About 5000 sanction measures have been adopted including a ban on Russian flights and Russian media. Russia is not able to use almost 45% of its total reserves of US \$ 630 billion due to assets freeze. The US and European countries have “imposed wide – ranging, well – coordinated crippling economic and non-economic sanctions on Russia never witnessed against any country in the history.”<sup>12</sup>

## **Energy Related Vulnerabilities**

Germany, the largest economy of Europe, has a vital stake in this war as it relies for more than 40% of its gas supply on Russia. It has joined other EU nations to cut its gas imports by two-third within a year, short of imposing a total ban. While it is working on alternative sources of supply, in the meantime, it has resumed coal power plants for power generation. Germany has also increased its defence budget by 2% of GDP and alongwith other NATO countries is supplying lethal equipment to Ukraine. German Chancellor Scholz announced in Parliament in January 2023 that his government will send eighty eight (88) Leopard Tanks to Ukraine, after months of deliberations with NATO allies and after US exerted pressure. Germany will reportedly earn 100 million Euros from the deal. On the other hand, Germany has recorded a drop of 34% in its exports to Russia in 2022.

OECD countries imported about 74% of gas from Russia. EU intends to phase out its reliance on Russian gas by 2030. In the interim, consumers in Europe will suffer due to fuel shortage, price hike and time lag in converting to renewables and other alternatives.

In overcoming European curbs, Russia has succeeded in finding alternative markets for its oil export. China and India are the two largest importers of oil. Some 38% of Russian oil was exported to China in 2021; 38.7 billion barrels in February 2021 rising to 60.2 billion barrels in May 2022, surpassing Saudi Arabia, which was till then the largest oil exporter to China. By



selling oil at discounted rate and agreeing to deal in Yuan, Russia struck a favorable deal with China.

Since the war began, India has purchased almost 9 times more than what it bought from Russia in 2020 – 110 million barrels.<sup>13</sup> Thus both India and China have compensated for the loss Russia suffered on account of supply disruption to Europe. It may be mentioned that Russia and China are engaged in long-term arrangements for Russian oil supply through two pipelines. Another noteworthy fact is that while India is a strategic partner of USA in QUAD and other security related mechanisms, US has turned a blind eye to Russia – India oil deal as well as to defence deals which India has concluded with Russia.

As Russia is the largest gas supplier in the world and EU countries rely nearly 38% on Russia, the war in Ukraine caused a price jump of energy products. “So far European infrastructure and global supply have weathered a 60% decrease in Russian gas deliveries since June 2021. Because of sanctions, European countries are unable to pay in ruble while still requiring Russian gas to meet their basic needs.”<sup>14</sup> According to reports, the European countries have survived through the outgoing winter by adjusting to gas shortage and are focused now on making emergency arrangements to cope with the incoming winter this year.

Alternative sources like development of wind and solar power generation will require time. So Russia has a clear leverage but one that is circumscribed by extensive sanctions. Developing LNG as an alternative or additional source will also require heavy investment of infrastructure related to terminals etc. Reports suggest that Germany has already accelerated efforts to construct relevant infrastructure.

The effectiveness of sanctions as a tool to change countries behavior is an oft-debated subject. For example, US initially used the threat of sanctions on Russia, qualitatively different and more severe than the once adopted after invasion of Crimea in 2014, to dissuade Russia from a wide scale invasion of Ukraine. However, President Putin chose to ignore the threat and went ahead to invade Ukraine.

Sanctions initially rattled markets with the ruble plunging. Export controls had a compounding impact on Russian military industrial production with Russia seeking Iran and North Korean help for weaponry. “But by late 2022, it

was increasingly apparent Russia had weathered the initial economic storm better than many western officials and experts had expected".<sup>15</sup> Russia's economy contracted by more than 2% in 2022, but did not slide down as some initial estimates of as much as a 10% decline in GDP were foreseen.

Peter Harrell says the Russian economy proved resilient for three reasons;

- Russia was able to make profits due to uncertainty in the aftermath of war as energy prices shot-up. Its oil revenues increased by an estimated 20%.
- Russia was prepared for sanctions. It withdrew its reserves from the US financial system in 2018 and bolstered holdings of gold. It built domestic interbank transfer and payment mechanisms, capital controls and bailout to firms hit by sanctions.
- Dozens of Russian banks remain connected to the international financial system, providing a financial conduit for trade that has not fallen under sanctions.

Although Russia has endured the full impact of sanctions for now, its economy will come under pressure due to price cap on Russian oil exports, loss of about half a million Russians who have left the country and export controls of West. Already, Russian economy has started showing signs of nervousness as ruble has weakened in recent weeks. The dilemma before the West is to make Russia kneel since it will find it increasingly difficult to finance the war indefinitely, particularly as President Putin holds his ground.

## **Food Security**

Another adverse dimension of the Ukraine war is on the global food front, Russia and Ukraine being major producers of wheat, cereals, fertilizers and sunflower oil. Before the war, Ukraine exported an average of about six million tons of agri-commodities mostly to countries in the Middle East, Asia and Africa. This was reduced to only about 15% to 20% after the war.<sup>16</sup>

Russia was the world's top exporter of fertilizer in 2021, according for 14% of global exports. Russia and Ukraine together account for 28% of the global fertilizer production. Ukraine is one of the world's largest exporter of cereals and sunflower oil but due to blockade of its parts by Russia, the supply of these commodities became merely a tenth of normal exports. The FAO warned that food security could suffer in countries that are highly dependent on import of

these commodities.<sup>17</sup> Under a fragile UN-brokered deal signed by Russia, Ukraine, Turkiye and UN, the ships are now carrying grains in the midst of ongoing war. Food is a new weapon of war.

According to FAO, conflict in Ukraine, economic shocks, climate extremes and soaring fertilizer prices are continuing to create a food crisis. “The scale of the current global hunger and malnutrition crisis is enormous with an expected 345.2 million people projected to be food insecure more than double the number in 2020. High fertilizer prices could turn the current food affordability crisis into a food availability crisis”.<sup>18</sup>

The combined effect of volatility in energy prices coupled with food shortages and supply snags, could pose a serious challenge for developing countries. More than 70 countries are faced with debt stress and over 200 million people have fallen below the poverty-line affected by Covid and climate related catastrophes.

## **Peace Efforts**

With both Russia and Ukraine showing rigidity, immediate cessation of hostilities looks remote. Russia has rejected the call to a ceasefire even coming from its close friends like Belarus and China. President Zelensky has also reacted likewise. US President Biden has also rejected a ceasefire contending that would give advantage to Russia. UN Secretary General has called for restraint and lamented continuation of hostilities, but his hands are tied as Russia is a veto wielding permanent member of the UN Security Council and will likely veto any resolution for a ceasefire.

In recent days, the most comprehensive peace proposed has come from President Xi Jinping, although that has been rejected by US and EU. Russia and Ukraine have not rejected it entirely but expressed reservations. The UN called the proposal an “important contribution”. The main elements of twelve (12) points proposed are: respecting the sovereignty of all countries; abandoning the cold war mentality; easing hostilities; resuming peace talks; resolving the humanitarian crisis; protecting civilians and prisoners of war; keeping nuclear power plants safe; reducing strategic risks; facilitating grain exports; stopping unilateral sanctions; keeping industrial and supply chains stable; and promoting post-conflict reconstruction.

The US has criticized the proposal warning China not to supply arms to Russia; western media has viewed the initiative as part of China's aim "to strengthen its position vis-à-vis the UN amongst three specific audiences: The global South; Europe and post-war Ukraine.<sup>19</sup> Indeed, the US and Ukraine have cautioned against giving any weight to peace plans that seek a ceasefire without full withdrawal of invading Russian forces.<sup>20</sup>

Although China's peace plan has not found an immediate traction, China's potential role in brokering peace cannot be ruled out due to its friendly ties with both Russia and Ukraine. China should be acceptable to both sides as a neutral arbiter. Moreover, its recent role in successfully bringing Saudi Arabia and Iran to the negotiating table has enhanced her credentials, particularly more so when important European countries like France wish China to pressurize Russia to halt its aggression.

No doubt, China has a difficult balancing act to perform as it has not only close relations with Russia, Belarus and Ukraine but EU is also its important trade and investment partner. EU is now the second largest trading partner of China, with trade worth Euros 696 billion (2021 figure). Compared to this, Russia – China trade was \$ 146 billion (2021 figure), more than half of which was energy, critically needed by an ever expanding economy of China. When energy and commodities prices rose after the outbreak of war, Chinese economy which had just started recovering from Covid aftereffects, shrunk for the first time in decades. Now this year, Chinese GDP is expected to bounce back to 5% growth. It is in this backdrop that China is continuing its peace diplomacy by appointing a special envoy to facilitate dialogue between Russia and Ukraine.

On the strategic plane, China and Russia have forged a strong security partnership, demonstrating their convergence and unity against American, 'dual containment' strategy. They have closed ranks primarily to weaken and dilute the US influence in potential war and conflict zones. China would certainly not like to see its partnership with Russia weakened, despite the Ukraine conflict where it has some policy divergence with Russia. Additionally, Russia is important for China due to its BRI project, where connectivity with Europe is dependent on Central Asia. Russia is a major actor in the European setting and its blessing is indispensable for a project like BRI to succeed. Continued war could hamper BRI envisaged connectivity, constrict China's trade apart from creating energy and

food security related problems. So a prolonged war is not in China's interest if the cost-benefit is worked out.

Europeans, who have been under immense pressure from the US to downgrade ties with Russia, do not entirely subscribe to US view point to contain China. This is visible in the beeline of European leaders visiting Beijing in recent months.

Singapore diplomat Bilhari Kausikan aptly described China's dilemma in these words, "Beijing has no other partner anywhere in the world of Moscow's strategic weight that shares its distrust of the West".<sup>21</sup> While China would not wish to see President Putin's power base undermined but is wary about the secondary sanctions due to her support for Russia. China, has, therefore, agreed with Russia to transact a greater percentage of its bilateral trade, including oil and gas contracts, settled in Chinese currency.

In brief, China needs Russia and EU both. With EU, their strong linkages and a mutual desire for a stable and predictable world order has benefitted each other. Europe's shift to Asia and China is an inevitable choice for EU to sustain its economic development. China's trade relations with EU are equally if not more important than its relations with Russia. As Russian economy comes under pressure, bilateral economic cooperation between China and Russia could be affected. Europe and China, on the other hand, will need to find a middle ground for their cooperation to continue. This aspiration is well reflected in remarks such as by French President Macron that Europe need not take sides on the issue of Taiwan.

## Global Implications of War

Although the war is being fought in Europe, it has a global fall out:-

- **First:** It has reconfigured the post-cold-war European security order and the EU-Russia relationship formed over the last thirty years, underpinned by economic and energy interdependence. Through eight comprehensive sanctions packages, EU has systematically cutoff almost all economic ties with Russia. Europe's decoupling from Russian oil and gas ends fifty years of connectivity and energy partnership. Bilateral trade between Russia and EU was around \$ 282 billion, which has plummeted.

After years of differences amongst EU member states over the completion of Nord Stream 2 gas pipeline from Russia to Germany, the war has led Germany to suspend the project.<sup>22</sup> Apart from finding alternative sources to service its energy demand, Europe has three major challenges with regard to Russia.

- The EU must build a foreign and security policy towards Russia on the basis that the Union is now a geo-political actor and Russia is a major threat to European security.
  - The EU must devise more proactive policies to integrate the Eastern neighborhood outside Russia.
  - The EU must design a new Russia policy that is maximally tough on President Putin but still envisaging a post-war scenario where it will have to deal with Russia as part of Europe. As Joseph Borrell, EU High Representative remarked that the EU should be willing to improve relations with Russia again when it is ready.<sup>23</sup>
- **Second.** The war has united Europe to draw up a new revised strategy vis-à-vis Russia. This show of solidarity has disproved President Putin's calculations that Europe will be divided due to its dependence on Russian energy or that the US will not be able to focus on the war due to its preoccupation with China.
  - **Third.** The Russian action has created a new security dynamic which was dwindling since the Trump years. A new paradigm has unfolded manifest in the European Unity and NATO bolstering and militarization of European continent. European countries are significantly increasing their defence budgets. USA has been able to rehabilitate and restore its influence over Europe. It is significant that the Europeans, who were divided when President Obama launched his 'Pivot to Asia' strategy, have come around to align themselves with USA, primarily because the conflict rages in their geographic sphere. This has created a challenge for Russia. In fact, both Russia and China face a formidable NATO pressure (Russia in the European theatre and China in Indo-Pacific). If President Putin's objective was to forestall NATO's eastward expansion, his action in Ukraine has had exactly the opposite effect.

- **Fourth.** Another development is the closing of ranks amongst East Asian and North East Asian allies of USA, who have joined the West in imposing sanctions on Russia. They include Japan, South Korea, Australia and Singapore. This axis is worrisome for both Russia and China.
- **Fifth.** The war in Ukraine enables US to squeeze Russia as a major Eurasian power, constrain China's influence in Europe and emerge as one of the alternative source for energy for Europe. Some analysts have written that US has no direct interest in Ukraine. Basically, US is waging a proxy war to bleed Russia.
- **Sixth.** US also benefits by selling arms to its European partners as NATO expands; in the process expanding of its Military Industrial Complex (MIC) as well as cutting its own military expenditure through shifting burden sharing for NATO's deployment to Europeans.
- **Seventh.** Though Europe, by and large, has shown general unity against Russia, there are undercurrents of an unease with US approach. There are some countries like Hungary who wish to engage with Russia to prevent further escalation. Europe will face a dilemma when it would need to deal with a weaker, though nuclear armed Russia, which has hitherto been a factor of stability in European security matrix.
- **Eighth.** On the other hand, it appears that President Putin wants to prolong the war to weaken European unity. His implied threat to sue nuclear weapons is meant to deter direct US involvement in the war while corroding European unity in an act of attrition. Russia has occupied considerable Ukrainian territory to extract hard bargains in any eventual deal. He seems to have abandoned his earlier goal of capturing Kiev.
- **Ninth.** The war has created disruptions and cost escalation in energy and food trade. For a longtime, the world, especially south, could suffer from food insecurity and energy shortages.
- **Tenth.** A humanitarian crisis has unfolded. More than eight million Ukrainians have left their homes to find shelter in neighboring countries while thousands have died or internally displaced. This has created new social, demographic and financial challenges for European economies already under stress.

- **Eleventh.** Ukraine's infrastructure has been destroyed. While the Russian economy has so far managed the war challenge, a post-war Ukraine will need large funding for rehabilitation. Russia says it will rebuild only the regions it has occupied. Will the war weary Europe or US come forward to help? Or China will be asked to bear the brunt, creating new geo-economic and geo-political permutations in European order.
- **Twelfth.** The war has raised fresh doubts about the nuclear non-Proliferation regime as Moscow has suspended the New START Treaty, through short of completely rescinding it.
- **Thirteenth.** By goading Ukraine into a war, the US has compelled Russia and China to come closer, creating new geo-political dynamics in international relations with wider implications for all those regions where US-China and US-Russia competition intensifies, and that includes South Asia. The war has created an empathy for Russia in the South, which ostensibly views Russia being wronged by USA.
- **Fourteenth.** After the Second World War, USA dominated the international political and economic architecture due to its dollar, being the most preferred currency for international transactions. US policy of containment of China and Russia and its punitive measures against oil producing countries like Iran and Venezuela have evoked a sentiment to developing an alternative system to counter dollar's dominance. After confiscating tens of billions of dollars in reserves and assets from countries like Iran, Venezuela and Afghanistan, the seizure by the US and EU of more than \$300 billion of Russia's reserves triggered a global alert, reaffirming the urgency of alternatives to the dollar's dominance.<sup>24</sup>
- **Fifteenth.** Already several counties have started trading in their own currencies. China and Brazil; Russia and China; China and UAE; China and Saudi Arabia; Russia and Iran, are either considering or have operationalized arrangements to bypass dollar. Another major development is a statement by Chairman of Russian Duma that BRICS states were working towards the creation of a new currency and an announcement to this effect may be made at the BRICS Summit in South Africa in August 2023. With 40% of global population and one-fourth of the global



GDP, and with such heavy weights as Saudi Arabia keen to join the grouping, the launch of a new currency will be a major development challenging the US dominated financial order.

- **Sixteenth.** Negative fallout of the Ukraine war and growing US-China rivalry, is the marginalization of their cooperation on non-conventional security threats such as the climate change.

## Russian Perspective on War

At a seminar recently held in Islamabad, a Russian expert connected to a government think-tank extrapolated his country's perspective on war as follows:-

- Preparation for harsh Western sanctions were underway much before February 2022. Through sanctions, the West has weaponized finance and economics.
- Effectiveness of sanctions is questionable.
- Russia intervened in Ukraine to rescue Russian community and to stop Ukrainian atrocities.
- EU, NATO, OSCE, UN did not utter a word on the killing of Russians in Donbas region.
- No Russian leader has ever stated that military operation began to prevent Ukraine's entry into NATO.
- Russia has liberated about 20% of territory in Ukraine, which should cede this territory to Russia.
- Ukraine should declare that it will not join NATO.
- Ukraine should recognize all five territories that have been liberated.
- Russia will only reconstruct the part it has captured.
- Pace of de-dollarization has accelerated and expansion of BRICS and SCO is taking place.

## Fault Lines in Russian Position

Obviously, the above Russian position is a non-starter for resolution of the crisis. So what is the end game for Russia? How long can Russia sustain the economic and political cost of war? Will Russia be able to retain the territory it has occupied? Will the US succeed in weakening Russia and achieve its (unstated) objective of toppling President Putin? The mist of Ukraine war is too thick to find the answers.

## **Pakistan's Position**

Pakistan has taken a neutral stance on the war. It has supported Ukraine's sovereignty and territorial integrity but abstained on UN resolutions on Russia, and avoided criticizing Moscow. It has advocated dialogue and diplomacy to end the crisis. It may be recalled that the Western missions in Pakistan had urged Pakistan to denounce Russia's invasion prior to the vote in UN General Assembly. However, Pakistan maintained its neutrality alongwith many countries, including India, and 34 other member states who abstained.

Pakistan's position needs to be understood in the backdrop of its growing ties with Russia with projected cooperation in energy sector and defence collaboration. Its relations with China must have also weighed in the decision, as Russia and China are close partners. Moreover, Pakistan has not been too pleased with the US and European attitude on their partiality towards India.

Pakistan is not directly affected by Ukraine war but global hike of oil and gas prices and food supply scarcity, compounded by devastating floods of last year, is a major challenge for the government, especially due to Pakistan's low agricultural productivity and serious foreign exchange crisis. Fuel imports alone cost \$23 billion annually and with IMF programme's stringent conditions; Pakistan's fiscal space is very limited. Faced with this dire situation, Pakistan needs to tighten its belt and carryout structural reforms to put back the economy on track.

## **Conclusion**

Whatever may have been the motive for Russia's strategy i.e. to block NATO's eastward expansion, Ukraine's subservience as a vassal state or dream of a resurrected Russian empire, the adventure appears to be nearing its limits. The Russian army is clearly suffering from war fatigue, which has implications for internal cohesion of the Russian Federation. The war will inevitably have its toll on Russian economy besides sullyng Russia's reputation and global profile. A protracted war or a political and military stalemate may not be in Russia's interest. While the US may wish to drag it on, Russia's interest would best be served to close the war as soon as possible. The NATO has pumped in massive funds and armour which would allow Ukraine its military survivability at least in near term.

An interesting aspect of the war highlighted by Bilahari Kausikan is that "for the first time since the Balkan wars of the 1990s, white people are killing white

people with the support of other white people instead of white people killing non-white people". This may be an interesting observation but history is replete with examples where same colour people have fought with each other.

There seems to be a convergence amongst independent observers and analysts that Ukraine invasion has hastened the process of Russia's emergence as a weaker entity. Neither Ukraine nor Russia are in a position to force a favorable outcome of the war on the battlefield. The war has to end one day and negotiations is the only way forward to terminate the conflict or else, Russia may witness the repeat of the humiliation it suffered in withdrawing from Afghanistan in 1989? Or that may not be so because Afghan and Ukrainian resistance are not comparable?

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