

CHAPTER I

INTRODUCTION

1.1 Background

In the year 2014, the region known as the Crimean Peninsula experienced and created a political turmoil by seceding to the Russian Federation from Ukraine.¹ Crimea seceded to Russia after the political crisis that is engulfing Ukraine since the elected president Viktor Yanukovich was overthrown by a violent coup after a violent waves of protests known as the “*EuroMaidan*”.² Viktor Yanukovich was a close ally to the Russia’s president Vladimir Putin, and thus an ally for the Russians in Ukraine, the violent protest started as President Viktor Yanukovich refuse to sign a further cooperation with the European Union and opted to a closer relationship with Russia and its cheap oil and gas that Ukraine is dependent to.³ In this case, the politics of gas and oil of the Russian Federation plays a huge role in the political crisis engulfing Ukraine. As of 2015, most of Ukraine and Europe still depends on Russian oil and gas supply, as they are the biggest oil and gas producer in Europe.⁴ The gas supply pipelines to Europe also pass through the territory of

¹ David R. Marples. “Crimea: Recapping Five Months of Change in Ukraine.” In *Ukraine in Conflict: An Analytical Chronicle*, 41-46. Bristol, England: E-International Relations Publishing, 2017

² Ibid.

³ Ibid.

⁴ Peter Rutland. “An Unnecessary War: The Geopolitical Roots of the Ukraine Crisis.” In *Ukraine and Russia People, Politics, Propaganda, and Perspectives*, edited by Agnieszka Pikulicka-Wilczewska and Richard Sakwa, 122-133. Bristol, England: E-International Relations Publishing, 2016

Ukraine.⁵ This is one of the main rationale of president Yanukovych to develop a closer tie with Russia that offered and subsidized discount of gas to Ukraine.⁶

However, as the coup succeeded and as President Yanukovych fled to Russia, the coup plotters and violent protesters that have always been accused of being aligned and associated with several anti-Russian groups and paramilitaries that are not only against Russian economic and political interests of Russia to Ukraine, but also are associated with a lot of far right groups that are described as “Neo-Nazis” by pro-Russian media outlets that despises the Russian ethnic minority took the power in Kiev.⁷ This created a huge paranoia among the ethnic Russian minority that constitutes the majority of population in Eastern Ukraine and in the Crimean peninsula. The Russian minorities in Crimea and Eastern Ukraine have always had strong ties with the bordering Russian federation, even more after the collapse of the USSR.⁸ Most of Crimean population are also Russian and the overwhelming majority have a positive view to for the Russian Federation.⁹ They are also the main voter bases of the late president Viktor Yanukovych in the election.¹⁰ This paranoia fueled by fear and concern of safety of their life resulted in the rejection of the new

⁵ Peter Rutland. “An Unnecessary War: The Geopolitical Roots of the Ukraine Crisis.” In *Ukraine and Russia People, Politics, Propaganda, and Perspectives*, edited by Agnieszka Pikulicka-Wilczewska and Richard Sakwa, 122-133. Bristol, England: E-International Relations Publishing, 2016

⁶ Ibid.

⁷ Bryan MacDonald. “Atlantic Council finally admits Ukraine’s Nazi problem, and seems upset RT reported it earlier” *RT*. Last modified 2018, <https://www.rt.com/op-ed/430796-ukraine-nazi-atlantic-council/>

⁸ David R. Marples “Ethnic and Social of Ukraine’s Regions and Voting Patterns.” In *Ukraine in Conflict: An Analytical Chronicle*, 122-130. Bristol, England: E-International Relations Publishing, 2017

⁹ Ibid.

¹⁰ Ibid.

regime that has taken the power in the capital city of Kiev.



Picture 1.1.1.: Crimea's strategic position¹¹

The Crimean Peninsula also hosted the strategic Russian Baltic sea fleet that are detrimental to Russian interest and security.¹² The Crimean Peninsula is Russia's only access to warm water port and have been detrimental to Russian military strategy since the Tsarist time.¹³ It is also one of the reasons that Russia joined the World War One, and fiercely defending it during the World War Two, Particularly in the "Oblast" of Sevastopol that hosted the said Russian Baltic sea fleet "*Chernomorskogoflota*". Sevastopol has become the home of the Baltic sea fleet since the time of the USSR, and even before Crimea are gifted by the leader

¹¹ The Guardian, "The Black Sea and Sevastopol" in *Ukraine crisis: why Russia sees Crimea as its naval stronghold*, 2014, <https://www.theguardian.com/world/2014/mar/07/ukraine-russia-crimea-naval-base-tatars-explainer> accessed in October 2019

¹² Serhii Plokhyy. "The City of Glory: Sevastopol in Russian Historical Mythology." *Journal of Contemporary History* 35, no. 3 (2000): 369-83. <http://remote-lib.ui.ac.id:2093/stable/261026>.

¹³ Ibid.

of the USSR to be under Ukraine SSR autonomy.¹⁴ The Crimean peninsula was gifted by the Russian SFSR to the Ukrainian SSR under the rule of the Nikita Krushev the former leader of the USSR that holds Ukrainian nationality, however the reason of the transfer was called as a practical move as Ukraine share geographical proximity as well as economic commonalities.¹⁵ The transfer of the Peninsula to Ukrainian SSR are also considered as a symbol of brotherly people under the Soviet regime.¹⁶ After the collapse of the Soviet Union, the fleet were divided between both Ukrainian navy and Russian Baltic sea fleet.¹⁷ Crimea continues to host the Russian Baltic sea fleet that are leased to Russia based on agreement between both of the government and are recently extended period until 2042.¹⁸ However, as the anti-Russian power consolidates power in Kiev, the fate of the Russian Baltic sea fleet in Crimea is under a threat and demanded a swift action from the central command.

One of Russia's main justification for its action in Crimea is the fact that they see the western powers especially NATO are trying to encircle Russia. It sees the European Union as one of western threat against their foreign policy and

¹⁴ Anton Bebler. "THE RUSSIAN-UKRAINIAN CONFLICT OVER CRIMEA." *Teorija in Praksa* 52, no. 1 (2015): 196,219,307, <https://remote-lib.ui.ac.id:2155/docview/1691584669?accountid=17242>.

¹⁵ Siegelbaum, L. (2019). *The Gift of Crimea*. [online] Seventeen Moments in Soviet History. Available at: <http://soviethistory.msu.edu/1954-2/the-gift-of-crimea/> [Accessed 7 Sep. 2019].

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Peter Rutland. "An Unnecessary War: The Geopolitical Roots of the Ukraine Crisis." In *Ukraine and Russia People, Politics, Propaganda, and Perspectives*, edited by Agnieszka Pikulicka-Wilczewska and Richard Sakwa, 122-133. Bristol, England: E-International Relations Publishing, 2016

influence.¹⁹ Russia's leadership sees Crimea as a strategic asset for Russia and its action in Crimea serves as a warning both to their adversaries and allies. Russia would like to warn its adversary not to try to diminish its influence and tries to warn its allies if they abandon their traditional relationship, it will not go unpunished. We can also interpret Russia's action in Crimea is a way to increase its current government under Vladimir Putin's popularity in the eyes of its people, as Putin always gained popularity hike every time Russia is successful in military or geopolitical actions such as in South Ossetia and Syria.

During the cold war, Crimean Tatar ethnic minorities experienced mass deportation after the world war 2. The local communist party whom the Soviet Union supported are given the liberty of identifying part of the population that had supported the Nazi regime, most of them were of Tatar ethnic minorities. However under Nikita Krushchev, it changes and Tatars are allowed to come back and stay in Crimea.²⁰ It is also under Nikita Krushchev when the Crimean peninsula was gifted to Ukrainian SSR by the Russian RSFSR.

As the Russian minorities and Russian Federation nationals are under threat from the new "Russophobic" Kiev, and as the fate of the Russian Baltic Sea fleet is under threat, armed groups without any markings and identifications known as the "polite green men" stormed and seized various strategic position in Crimea. The armed groups wearing a white markings in their arm, called themselves as Crimean

¹⁹ Michael E. Becker, Matthew S. Cohen, Sidita Kushi, and Ian P. McManus. "Reviving the Russian Empire: The Crimean Intervention through a Neoclassical Realist Lens." *European Security* 25, no. 1 (2016): 112-133.

²⁰ Okan Yesilot. 2014. "The Crimean Crisis in the Context of New Russian Geopolitics." *Insight Turkey* 16 (2) (Spring): 167-181. <https://remote-lib.ui.ac.id:2076/docview/1543467382?accountid=17242>.

Self-Defense militia.²¹ The armed groups face little resistance from the Ukrainian armed forces, and many of the member of the armed forces including many Ukrainian navy admirals defected to the armed forces of the Russian Federation or to these armed groups.²² The Crimean population also shows support and welcome to these masked unidentified armed groups in Crimea. The name “polite” also comes from the fact that these armed groups relates to the population of the Crimean Peninsula as the population frequently asked for photo together with these armed groups, and these armed groups are known to be very polite and helpful to the local population as opposed with the Russophobic authority in Kiev.²³ After the “polite green men” secured the strategic positions in Crimea, the local Crimean government declared independence from Ukraine, and announce a coming referendum to either join Ukraine, stay independent, or reunify with Russia.²⁴ The referendum that took place in the next few days voted overwhelmingly to join Russia. The official voters turnout counted into more that eighty percent with the Crimean Tatar Majlis boycotted it. The result of the referendum shows more than ninety percent of the voters opted to reunify and join the Russian Federation.²⁵

After popular protest in the Crimean Peninsula, followed by a bloodless armed takeover of strategic points of the region, and finally—the popular

²¹ Anton Bebler. "THE RUSSIAN-UKRAINIAN CONFLICT OVER CRIMEA." *Teorija in Praksa* 52, no. 1 (2015): 196,219,307, <https://remote-lib.ui.ac.id:2155/docview/1691584669?accountid=17242>.

²² Ibid.

²³ Balmforth, Tom and Basiliyeva, Maria. “Crimea marks Women’s Day with combat gear and flowers”. Reuters, 2019

²⁴ Kuzion, Taras and D’Anieri, Paul. “Annexation and Hybrid Warfare in Crimea and Eastern Ukraine”. In *The Sources of Russia’s Great Power Politics*, 86-113. Bristol, England: E-International Relations Publishing, 2018

²⁵ Ibid.

referendum, Crimea and Sevastopol seceded from Ukraine and join the Russian Federation.²⁶ This secession triggered an international political crisis and resulted in the rebellion in Eastern Ukraine particularly in the Donetsk and Luhansk region, and the antagonization and worsening of relations between Russian Federation and the Western countries. The Russian Federation then consolidated its influence and sovereignty over the region through armed build up in the region, for example by deploying the fearsome S-400 anti-air weapon complex²⁷. The Russian Federation also endorsed a state-led development and welcome Russian investors and oligarchs to invest in the region.²⁸ Apparently, the Crimean Peninsula is also a very interesting investment destination for Russian tycoons and investors as it was the tourist hot-spot back in the time of the Soviet Union and are also a very popular destination for modern Russia's tourists.²⁹ The Russian government are trying to revitalize its potential as a tourist hotspot by easing investment in the region despite western sanctions and tries develop its infrastructure that are largely neglected under the Ukrainian rule.³⁰ Russian Federation also build a physical bridge from mainland Russia to the peninsula to physically connect Crimea to the Russian mainland in hope to deepen the connection, and to improve the amount of trade and

²⁶ Kuzion, Taras and D'Anieri, Paul. "Annexation and Hybrid Warfare in Crimea and Eastern Ukraine". In *The Sources of Russia's Great Power Politics*, 86-113. Bristol, England: E-International Relations Publishing, 2018

²⁷ Ibid.

²⁸ Aryamov, Andrey and Djuric, Aleksandar. "НОВА ИСТОРИЈА ГРАДА СЕВАСТОПОЉА-ПРАВНА РЕТРОСПЕКТИВА У КОНТЕКСТУ САВРЕМЕНОГ ЕКОНОМСКОГ РАЗВИТКА КРИМСКОГ РЕГИОНА" (Nova Istoriya Grada Sevastopola-Pravna u Konteksu Savremenog Ekonomskog Razvitka Krims kog Regiona) (New History of the Sevastopol City – a legal retrospective in the context of an economic region) *Друштво економиста "Економика"* Ниш, (2017), <https://remote-lib.ui.ac.id:2155/56efc1ca-55bd-4ef4-9b3e-bfd29a148b39>

²⁹ Ibid.

³⁰ Ibid.

eases the movement of goods from and into the region. However, the Ukrainians and the West would not stay put and therefore they imposed a blockade to the Peninsula.³¹ The Ukrainians also stop the much-needed electricity flow and water to the Peninsula to pressure and “punish” them from leaving Ukraine by showing the Crimean that they are still dependent on Ukraine.³² But the Russian Federation also did some measure in order to restore such service to the Peninsula, further moving the Crimean Peninsula away from Ukrainian influence and into Russian influence.³³

Russia maintains as the largest trade partner to Ukraine as of 2015, despite the 30% slowdown in 2014. In the first six month of 2015, it experienced yet another 60% slowdown in trade which mainly affected the military-technical cooperation, metallurgical, mineral and chemical industries. Ukraine also reduced almost 44% gas import from Russia.³⁴ The mutual trade volume between both states are expected to slow down as Ukraine is seeking alternative import sources other than Russia.

So, in conclusion it is important to analyze Russia’s economic instruments in defending its strategic interests in the Crimean peninsula in order to understand how

³¹ Aryamov, Andrey and Djuric, Aleksandar. “НОВА ІСТОРИЈА ГРАДА СЕВАСТОПОЉА-ПРАВНА РЕТРОПЕКТИВА У КОНТЕКСУ САВРЕМЕНОГ ЕКОНОМСКОГ РАЗВИТКА КРИМСКОГ РЕГІОНА” (Nova Istoriya Grada Sevastopola-Pravna u Kontekstu Savremenog Ekonomskog Razbitka Krimskog Regiona) (New History of the Sevastopol City – a legal retrospective in the context of an economic region) *Друштво економиста “Економика” Ниш*, (2017), <https://remote-lib.ui.ac.id:2155/56efc1ca-55bd-4ef4-9b3e-bfd29a148b39>

³² Ibid.

³³ Ibid.

³⁴ Leonid Gusev. “The Economic Relations Between Ukraine and Russia at the Present Stage” in *Ante Portas – Studia and Bezpieczenstwem*”, Moscow, Russia: Moscow State Institute of International Relations (MGIMO), 2015

Russia would react to western expansion on its Western borders. It is important to specifically to analyze its economic instruments as Russia has never incorporated Pro-Russian region into its Federal subject. It is also important to analyze how Russia counters Western influence in its traditional sphere of influence.

1.2 Research Question

The research questions that are needed to be answered based on the background are:

- What are the strategic interests of the Russian Federation in the Crimean Peninsula?
- How does the Russian Federation use economic instrument to defend its strategic interests in the Crimean Peninsula?

1.3 Research Objectives

The objective of the research is to systematically describe the strategic interests in the Crimean Peninsula for the Russian Federation. This research seeks to identify the economic tool Russia uses to maintain its influence in the Crimean Peninsula. The research would examine Russian economic policy and economic development on the peninsula and its effect to the Peninsula's political economic sphere after its reunification with Russia. This research would also identify how multiple actors are involved in Russia's attempt to extend its political economic influence in the region. Finally it would explain what is the impact of Russia's influence to the Crimean Peninsula.

1.4 Significance of Research

The issue of Russian expansion to the Crimean Peninsula have always been a controversial topic in the realm of international politics. The events in Crimea led

to the heightening tension between the Western community which included US, EU and NATO against Russia. The events also inspire a pro-Russian rebellion in Eastern Ukraine which still rage until to date. The research would also tries to understand how Russia uses its economic and political means to maintain its strategic interests. This research is also aims to understand how is the development of Crimean Peninsula under the western sanctions as well as under the influence of the Russian Federation. By understanding such issues, it is expected that it will help to systematically describe Russia's foreign policy.

1.5 Thesis Organization

The first chapter of the thesis provides the introduction which gives the information regarding the topic of the thesis. It also includes the background of the thesis to explain the context which explains the topic of the thesis. It also includes the research question that guide the writing of the thesis. This chapter also includes the explanation regarding the purpose of this thesis research.

Chapter two explains the theoretical framework of the thesis. This chapter includes the literature review as well as the theories and concepts which is used to conduct the research of this thesis. It will explain and put forward the theoretical framework which is used to understand Russia's economic instruments in defending its interests in the Crimean Peninsula.

Third chapter will explain the research methodology of the thesis. It explains the research method as well as the method of data collection that is used in order to complete this thesis which uses the framework of qualitative – descriptive method.

It will explain how this thesis answer the research question brought up in the first chapter of the thesis.

The fourth chapter which is the highlight of this thesis brought up the discussion of the thesis. This chapter analyzes all the data and information collected from various sources using the theories and concepts necessary to answer the research question brought up in the first chapter. In order to explain Russia's economic instruments in defending its interests in the Crimean Peninsula, it uses the systemic method of research brought up in chapter three.

Finally the fifth chapter gives the final conclusion which are derived from the research conducted in this thesis. The conclusion answers all the research questions of this thesis as well as putting forward the main points from the discussion of chapter four.

