



RUSSIA REFORM MONITOR

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*** SPECIAL ISSUE: Putin's War In Ukraine ***

On February 23rd, after weeks of building up forces along its common border with Ukraine, Russia officially launched a war of choice against its western neighbor. While still in its early stages, the Kremlin's "special military operation" has taken the form of a multi-pronged Russian military (largely aerial) offensive across Ukraine, including near its capital, Kyiv, the northern city of Kharkiv, and the southern port city of Odessa. Targets included air bases and military infrastructure in at least 25 cities. In this issue of the Russia Reform Monitor, we take a look at some of the drivers, and the potential consequences, of the current conflict.

RUSSIA'S REAL OBJECTIVE: HALTING NATO EXPANSION

The day after Russia began its military operation, Russian President Vladimir Putin gave a public address laying out – and reiterating – his case for why a full-blown war was necessary. The core threat to Russia, Putin made clear, isn't Ukraine itself, although he railed against the "far-right nationalists and neo-Nazis" that he claimed had seized power in Kyiv. Rather, it is "the eastward expansion of NATO, which is moving its military infrastructure ever closer to the Russian border." As a result, he argued, "the situation for Russia has been becoming worse and more dangerous by the year." In response, "we cannot stay idle and passively observe these developments... Any further expansion of the North Atlantic alliance's infrastructure or the ongoing efforts to gain a military foothold of the Ukrainian territory are unacceptable for us." (kremlin.ru, February 24, 2022)

[EDITORS' NOTE: Putin's grievance against NATO encroachment is longstanding, and rooted in the false claim that European leaders promised not to expand the Alliance in the aftermath of the Cold War. No such promise was given, however. Moreover, while the Kremlin claims to be worried about NATO approaching the borders of Russia, it is Russia itself – through its incursion into Ukraine – that has brought itself into closer proximity to the Alliance.]

A PERVERSE DEFENSE OF UKRAINE

So what is Russia planning for Ukraine itself? "The purpose of this operation is to protect people who, for eight years now, have been facing humiliation and genocide perpetrated by the Kiev regime," Putin laid out in his February 24th address. "To this end, we will seek to demilitarise and denazify Ukraine, as well as bring to trial those who perpetrated numerous bloody crimes against civilians, including against citizens of the Russian Federation."

What this means for Ukrainians themselves remains to be seen. "It is not our plan to occupy the Ukrainian territory. We do not intend to impose anything on anyone by force," Putin reassured his audience. "The current events have nothing to do with a desire to infringe on the interests of Ukraine and the Ukrainian people. They are connected with... defending Russia from those who have taken Ukraine hostage and are trying to use it against our country and our people." (kremlin.ru, February 24, 2022)

[EDITORS' NOTE: Russian claims of extremism and Nazism in Ukraine are persistent false tropes that have been propounded by the Kremlin in recent years. While far-right elements do indeed exist within Ukrainian politics, they remain a distinct minority in terms of both political thought and political representation. Meanwhile, Ukraine's president, Volodymyr Zelenskyy, is himself Jewish.]

UKRAINE'S MILITARY AS A THREAT

In the eight years since Russia's last incursion into Ukraine, and its subsequent annexation of Crimea, Ukraine has dramatically upgraded its military in qualitative terms – including through materiel, such as anti-tank weapons, that have been provided to the Ukrainian armed forces by the United States and European countries. Eroding that potential appears to be a core Kremlin objective. Kremlin spokesman Dmitry Peskov has told reporters that one of the Russian government's main goals is to "neutralize" Ukraine's "military potential, which was boosted considerably lately, including with the active assistance of foreign nations." (RT, February 24, 2022)

THE ECONOMIC DIMENSIONS OF THE CONFLICT

It has long been apparent that any sort of conflict between Russia and Ukraine would have pronounced – and negative – economic consequences for Russia. Now that the fighting has begun, ordinary Russians are bracing for the worst. On February 24th, the Russian ruble dropped 10% in value, to its lowest ever point against both the U.S. dollar and the Euro. The national economy is now said to be "on the brink of crisis," with some \$250 billion in value wiped out from the Russian stock market so far. In Moscow, nervous citizens have crowded banks and ATMs seeking to withdraw their savings amid worries that the government might restrict withdrawals of hard currency. Reports have also circulated on social media of Russian banks running out of cash.

It is unclear, however, if this volatility will have a significant impact on the Kremlin's calculus. Russia's government has, in recent years, embarked upon a concerted effort to strengthen the national economy and insulate it from potential external shocks, like redoubled Western sanctions. This plan, colloquially known as "Fortress Russia," has focused on market stability and prioritized the husbanding of resources, with significant effect. Government debt is now below 20% of GDP, and the country has accumulated an estimated \$630 billion in reserves. As a result, Russian observers and commentators believe that their country is capable of withstanding new Western economic pressure. "It will be painful, but we've got through it before," one TV correspondent cited by *The Moscow Times* has remarked. (*The Moscow Times*, February 24, 2022; *Bloomberg*, February 24, 2022; *Wall Street Journal*, February 24, 2022)