Putin’s Peninsula: Crimea’s Annexation and Deterioration

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Summary

- Russia’s annexation of Crimea, in March 2014, was the first major land grab in Europe since World War Two. After a pro-Russian government was toppled in Kyiv, Russian troops – without identifying insignia – began fanning out across Crimea in a covert operation to seize control of the peninsula. It is a dramatic example of Russia’s ability to carry out a hybrid war.

- President Putin has pledged to spend US$18.2 billion (620 billion roubles), through to 2020, on developing Crimea. However, Russia’s economic weakness, combined with the Western sanctions regime and the fall in the global price of oil, means that it is unlikely that the country can afford such expenditure without compromising long-term fiscal stability.

- Since Russia’s annexation of Crimea, a whole host of negative developments have been witnessed on the peninsula: organised crime has become widespread; paramilitary groups closely associated with the authorities have raided myriad private enterprise and forcibly renationalised property; the banking system has taken a beating; human rights protections have been severely curtailed; and, independent media outlets have been closed down.

- So long as Russia continues its illegal occupation of Crimea, EU and US sanctions must remain in place. The EU and US must also ensure that Crimea remains high on the international agenda and firmly in the public eye.
1. Introduction

Since Russia’s annexation of Crimea, in March 2014, the peninsula has changed. Simferopol International Airport is international no more, and now services only Russian destinations. Luxury cruise ships no longer dock at Crimea’s ports. Trains, and bus services, that ran from Simferopol to Kyiv and onwards to elsewhere in Ukraine and Europe have been discontinued. Electricity, which comes from a grid on mainland Ukraine, is intermittent, causing long power cuts. Degrees from Crimea’s universities are worthless outside of Russia. The North Crimean Canal, the main irrigation source for the region’s dry steppe lands, is closed, meaning that agriculture – a key industry – has been decimated. Nearly a year after Crimea was incorporated into Russia, the Kremlin’s actions mean that the peninsula is more isolated than at any point since the Soviet era.

For those who supported the annexation, it was not supposed to be this way. President Vladimir Putin said that life would be better once Crimea was part of Russia, and that enormous subsidies would pour into its capital, Simferopol, in an attempt to turn the newly acquired territory into a model province. In July last year, the Kremlin pledged to spend US$18.2 billion (620 billion roubles), through to 2020, on developing Crimea and connecting it, via a bridge over the Kerch Strait, to mainland Russia. Later, in October, Russia established a “free economic zone” in Crimea, to attract investment to the peninsula. As the Western sanctions regime bites, and the fall in the global price of oil – Russia’s most important export – hits Russia’s economy, though, it looks increasingly unlikely that the country can afford such an outlay. In 2014, GDP rose by only 0.6 percent (the slowest pace since a contraction in 2009); the Russian Central Bank spent about one-fifth of its international reserves, in order to prop up the rouble (which fell 46 percent against the dollar); and capital outflow reached a record level of US$151.5 billion. As so often in Russian history, ordinary citizens are suffering because of their leaders’ actions.

Yet, for Putin, the case in favour of annexation was always less economic and more emotive and nationalistic. As the slogan “Krym nas! (‘Crimea is Ours’) went viral on English- and Russian-language social media sites, Putin’s talk of ‘Novorossiya’ – a Tsarist-era region that was controlled from St Petersburg and stretched deep into modern-day south-eastern Ukraine – stirred nationalist sentiments across Russia and pumped up his status. Back in March 2014, Putin described how “Crimea has always been an inseparable part of Russia” in his “people’s hearts and minds”. Later that same year, he said that the Black Sea region was to Russians “like the Temple Mount in Jerusalem [is] for the followers of Islam and Judaism”. From a pre-annexation approval rating of 65 percent in January 2014, Putin’s popularity reached 80 percent in March 2014 and
increased to 88 percent in October. A year on from annexation, Putin is still savouring the domestic political upside of his Crimean gambit.

This paper details how Crimea has changed in the year since it was annexed, by Russia, in March 2014. It shows how Putin has imported his grotesquely corrupt, authoritarian mode of governance to the peninsula. Since annexation, Crimea has witnessed: an increase in organised crime, as state officials and their cronies have engaged in protection racketeering, fraud, and embezzlement; mass property seizures, on a scale not seen since the Bolshevik Revolution of 1917; the growth of little-known banks who act as front organisations for larger, more well-known Russian banks, in order for the latter to sidestep the most serious Western sanctions; the curtailing of human rights and a concerted discrimination campaign, by the state, against the Crimean Tatars; and the ruination of the media landscape, to the extent that almost all outlets are now pro-Kremlin.

2. How Russia Annexed Crimea

Beginning in late 2013, a pro-European revolution took hold in Ukraine. In early February 2014, Viktor Yanukovych, the then-Ukrainian president and a strong ally of Vladimir Putin’s, was swept from power, eventually being replaced by Petro Poroshenko, a reform-minded businessman-turned-politician. With Ukraine slipping from what Putin saw as the Kremlin’s orbit, the Russian president’s ‘little green men’ – elite Spetsnaz (Special Purposes Forces) commandoes and naval infantry marines, stripped of their insignia but retaining their discipline and professionalism – appeared in Crimea, on 27 February 2014. This marked the start of a process that culminated in the first major land grab in Europe since World War Two.

Aided by local Berkut riot police, Putin’s ‘little green men’ raised Russian flags over Crimea’s Supreme Council (the regional parliament) and the Council of Ministers (the regional executive) and proceeded to occupy both buildings. That same day, the Supreme Council dissolved the Council of Ministers and appointed Sergey Aksyonov, leader of the minority Russian Unity party, as Prime Minister. The Supreme Council also voted to hold a referendum as to whether Crimea should upgrade its autonomy within Ukraine. Initially set for 25 May (which coincided with the date on which Kyiv planned to hold elections for a new government), the referendum was soon brought forward to 30 March.

On 1 March, Aksyonov declared that his de facto government was in charge of all of Crimea’s military and police, and appealed to Putin for help in ensuring peace on the peninsula. Putin promptly received authorisation from Russia’s Federation Council – the upper house of Russia’s parliament – to intervene militarily in Ukraine, “until the normalisation of the socio-political situation in that country.” By 2 March, Russian troops – still operating without insignia – had moved from their naval base in Sevastopol, where the 25,000-strong Black Sea Fleet was headquartered, in order to exercise complete control over Crimea.

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* It was only on 17 April 2014 that Putin finally acknowledged that the Russian military had backed Crimean separatist militias.
Days later, on 4 March, Putin claimed that Russia was not considering annexing the peninsula. Instead, he said, “only residents of a given country who have the freedom of will and are in complete safety can and should determine their future.” On 6 March, the Supreme Council announced that it considered Crimea to be part of Russia, moved the date of the referendum forward to 16 March, and changed the referendum so that it would ask a new question: should Crimea accede to Russia, or should Crimea restore its 1992 constitution (which asserted that Crimea is an independent state and not part of Ukraine)?

Though the international community condemned Russia’s actions, the vote went ahead as planned. On 16 March, Crimeans voted on their future, surrounded by Putin’s gun-toting ‘little green men’ and in a state, effectively, of martial law. Officially, turnout was 83.1 percent and 96.77 percent of voters voted for Crimea’s integration into Russia.

The ballot boxes had barely closed when the Kremlin began the process of rubber-stamping the annexation. On 18 March, representatives from Crimea and from Russia signed the Treaty on the Accession of the Republic of Crimea to Russia. Three days later, on 21 March, the Treaty was ratified by Russia’s Federal Assembly. On the last day of March, the Kremlin established a Ministry of Crimean Affairs – headed by Putin-loyalist Oleg Savelyev – to oversee the integration of the peninsula into Russia.

In little over a month, the Kremlin had stolen Crimea from Ukraine and incorporated it into Russia.

3. How Has Crimea Changed Since Russia’s Annexation?

Russia’s annexation of Crimea has served as a vehicle for Kremlin patronage, fuelling the organised crime, corruption, and discrimination that is the oxygen of Vladimir Putin’s ‘spoils for the few’ mode of governance. Crimea’s “self-defence forces” – which answer to Prime Minister Sergey Aksyonov, who calls them “the people’s militia” – have raided myriad private enterprises, encouraged the spread of corrupt practices, closed down independent media outlets, seized and forcibly renationalised property, and intimidated those who are not explicitly pro-Russian.

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As part of its efforts to ensure that Crimea’s incorporation into Russia would be fast and palatable, the Kremlin spent 243 billion roubles (US$6.8 billion) in the peninsula, in 2014. Given Russia’s economic situation, however, Putin was forced to raid Russia’s pension pot – its National Welfare Fund – to raise these funds. As a result, pay for Crimea’s 140,000 public-sector workers has tripled, and pensions for its 600,000 pensioners have increased to match levels in the rest of Russia. However, the inflow of subsidies has also provided opportunities for transferring money and power to Russia’s Federal Security Service (FSB) and military, and the spoils seized in Crimea have yielded new resources for Putin to buy the two institutions’ loyalty, at a time when his regime can no longer count on petrodollars.

In contrast to state-sector employment, the dual impact of Western sanctions and the falling rouble means that private-sector salaries remain low and that tourism, Crimea’s main industry, is in dire straits. Meanwhile, prices of basic commodities and rent have increased substantially – inflation reached 42.5 percent in 2014 – and people’s lives have been thrown into chaos. Dimiter Kenarov, writing in Foreign Policy, described the situation thus:

> There are problems with real estate [sic] registries, new legal codes, new taxes, the overhaul of the educational system, and the issuing of new passports and license plates. Even the simple change of phone numbers, as Ukrainian operators shut down and Russian ones moved in to fill in the vacuum, has proven difficult. Many Crimeans have lost touch with neighbors [sic] and friends they have known for years. It is as if everyone has suddenly, collectively had their phones stolen.

The overall impact of Russia’s annexation of Crimea is made clear in the 2015 annual report from Freedom House. On its 1-to-7 ‘Freedom Rating’ scale, which takes into account political-rights and civil-liberties scores, Crimea is pegged at a dismal 6.5 (with ‘1’ being best and ‘7’ being worst). Reform-minded Ukraine, by contrast, is a 3, while Putin’s Russia is a 6. In the previous year’s report, Ukraine (including Crimea) was rated 3.5, while Russia was rated 5.5. In short, the level of freedom in Crimea is dramatically lower now that the region has been annexed. One can expect that, under Moscow’s tutelage, Crimea will become even less free and will descend further into authoritarianism.

For many Crimeans, Putin’s promise of a better and brighter future is unlikely to materialise, just like it never did during the Soviet period.

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3.1 Organised Crime

Under the leadership of Vladimir Putin, Russia has become a kleptocracy, in which officials, oligarchs, and organised crime are bound together to create a “virtual mafia state” (according to leaked secret diplomatic cables). Of course, aspects of this existed during the 1990s. But Russia is now a country where the state structures not only provide *krysha* (a term from the criminal/mafia world, literally meaning ‘roof’ or ‘protection’) for criminals, but also where individuals investigating organised crime, such as the lawyer-turned-whistleblower Sergei Magnitsky, are beaten to death.

A close connection between organised crime and the state has characterised Crimea’s experience of the Ukraine ‘crisis’ since its earliest days. Many of the well-armed ‘self-defence forces’ who came out on the streets in February 2014, alongside Putin’s ‘little green men’ and the *Berkut* riot police, were the foot soldiers of the peninsula’s criminal gangs. The governing elite in the region have long had a close relationship with organised crime, and, since the annexation, criminals have been sworn in as members of local bureaucracies, while the police, well-known for being corrupt, are serving alongside them. The line between ‘crime-fighter’ and ‘crime-doer’, already hazy, has become almost indistinguishable.

In March, as Russia annexed Crimea, Moscow imported its own brand of organised crime to the peninsula. According to the academic Mark Galeotti, who is an expert on transnational crime:

> Just as the Kremlin was setting up its new administration in newly annexed Crimea, so, too, were the big Moscow-based crime networks sending their *smotryashchye* – the term means a local overseer, but now also means, in effect, an ambassador – there to connect with local gangs.

As a result of this, protection racketeering, drug sales, fraud, and embezzlement are on the rise. The massive flow of Russian federal funding into the peninsula, meanwhile, has provided a multitude of opportunities for kickback payments, sweetheart deals, and the simple theft of construction materials. According to Ukrainian sources, the level of economic and violent crime has increased significantly since Russia’s annexation.

As with the Russian mainland, when it comes to Crimea, the most egregious organised crime tends to involve the government. Sergey Aksyonov, the Prime Minister of Crimea, has long been linked to criminal networks in both Russia and Ukraine. During the 1990s, he was a member of the ‘Salem’ organised-crime group and went by the nickname of ‘Goblin’. The connections that Aksyonov made during this period remain strong, and many of Moscow’s development projects in the peninsula – ranging from repairing roads, to building a bridge across the Kerch Strait – will...
provide opportunities for Aksyonov to enrich himself and his cronies, just as the Sochi 2014 Winter Olympics and other so-called ‘mega-events’ provided opportunities for Putin to enrich his cronies.

Russian criminal gangs, with the support of the Crimean authorities, have already moved to consolidate their position on the peninsula as rival groups have been marginalised. These same Russian gangs are also working to transform Sevastopol into the biggest smuggling hub in the Black Sea region. Sevastopol may currently be under embargo and off regular shipping routes, but it has powerful attractions: military supply convoys are a cheap and secure way to transport illicit goods, and the links between the gangsters and local political leaders are endemic.

3.2 Property Seizure

Arbitrary enforcement of property rights has long been a characteristic of Putin’s Russia. From the high-profile dismantlement of Mikhail Khodorkovsky’s Yukos oil company, beginning in 2003, to the state-owned VTB Group’s acquisition of the independent Bank of Moscow, in 2011, and the recent renationalisation of Vladimir Yevtushenkov’s Bashneft oil company, in 2014, Putin has abused property rights as a way to keep individuals in check and demonstrate the reach of his power. It was only to be expected, therefore, that this process should be carried out in Crimea.

Immediately after annexation, Russia swiftly nationalised some Ukrainian state-owned enterprises - ranging from oil and gas producers and pipeline companies, to health spas and vineyards. The process did not go wholesale, however, until August 2014, and, by then, the assets of private individuals were firmly in the authorities’ sights. It was in August that Crimea’s State Council (formerly the Supreme Council) passed a law granting the government the right to take property in order to maintain “vital activity” on the peninsula - a concept, the journalist Neil MacFarquhar notes, “so vague that […] it is invoked to cover virtually anything.” While the law states that the government will pay compensation, most owners are struggling to gain legal redress (given that the militia seized computers and legal documents along with the properties, leaving them without records and unable to prove ownership). In November, the campaign of property seizure was given new impetus after Sergei Tsekov, a politician who represents Crimea in Russia’s parliament, announced that:

[all enterprises on the peninsula that operate inefficiently, [or] are on the verge of bankruptcy or have been abandoned by their owners, will be nationalized.]

Between March 2014 and January 2015, Ukraine’s Justice Ministry estimates that around 4,000 enterprises, organisations, and agencies had their real estate and other assets expropriated, The
New York Times suggests that the value of these losses was more than US$1 billion.\(^a\) Property seizures on such a sweeping scale have not occurred since the 1917 Bolshevik Revolution.

Crimea’s government refuses to characterise its actions as ‘confiscations’, instead preferring to call them ‘nationalisations’ – a linguistic trick straight out of Putin’s playbook. By this, Aksyonov and others frame their actions as the rightful reclaiming of property that they say was ‘stolen’ from Crimea through ‘illegal’ deals made between officials and their cronies during the past two-and-a-half decades. Though this would, theoretically, apply to almost every deal made in the peninsula, in reality, the authorities have targeted businesses which they deem strategically important or friendly to Kyiv. In August, the headquarters of Zaliv, Crimea’s largest civilian shipbuilder, were stormed by the peninsula’s ‘self-defence forces’, who demanded that the management hand over control to a Moscow-based company.\(^c\) In November, Krymkhleb, Crimea’s biggest bread and confectionery maker, was nationalised after its owners were accused of laundering money to finance military operations against pro-Russian rebels in eastern Ukraine.\(^b\)

Yet, even pro-Russian individuals are not exempt. In October, in one of the most high-profile seizures, armed men stormed into the administration building of Yalta Film Studio. Crimea’s authorities cite the studio as an example of a “criminal” land sale during the 1990s.\(^d\) However, Sergei Arshinov, the Moscow businessman who owns the property, claims that he only bought it because the head of Russia’s Federal Agency on Culture and Cinematography (Roskino) asked him, about 15 years earlier, to rescue the 32-acre site from bankruptcy. The Crimean authorities say that they will only pay out about US$100,000 in compensation, even though the Studio was valued at at least US$13 million by Ukraine’s tax authority.\(^b\)

### 3.3 Banking System

Crimea’s banking system has taken a beating since the peninsula’s annexation by Russia. As part of the broader series of property confiscations and seizures (described above), Crimea’s authorities have targeted banks for nationalisation – in particular, Ukraine’s largest: PrivatBank (which is principally owned by Igor Kolomoisky, currently the vocally pro-Kyiv governor of Dnipropetrovsk).\(^b\) At the same time, on 1 June 2014, Crimea’s currency switched from the Ukrainian hryvnia to the Russian rouble,\(^b\) and, in March 2014, Kyiv banned all lenders operating under Ukrainian law from the peninsula, which led to 41 banks shutting down.\(^b\) The resulting economic turmoil has shuttered some business and complicated life for the peninsula’s citizens: most transactions are now cash-only, because credit and debit cards no longer work.

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\(^{f}\) Ibid.


\(^{j}\) As a result of bank closures, ordinary Crimeans were left to apply to Russia’s deposit-insurance agency to get their savings (up to a value of US$20,000) back.
After the departure of the Ukrainian banks, at least 30 Russian ones began to move in; among them was the Russian National Commercial Bank (RNCB). For over a decade, RNCB had been a little-known subsidiary of the Bank of Moscow, a member of the Russian state-owned VTB Group. At the start of 2014, it was ranked 387 among Russian banks, by assets, and had no business or branches in Ukraine. Following the takeover of Crimea, however, all of this changed. RNCB is now not only the biggest retail banker on the peninsula, it also acts as banker for the regional authorities and oversees the flow of Russian money into Crimea.

On 25 March 2014, Russia’s Kommersant newspaper reported that the Bank of Moscow was likely to operate in Crimea through RNCB. The following day, though, the Bank announced the sale of its subsidiary. In April, Andrey Kostin, CEO of VTB Group, confirmed that RNCB had been sold to what he called the “legal entities operating in Crimea”, by which he meant Crimea’s Board of Ministers (which is headed by Aksyonov). Since it was sold, RNCB has become quite a success story, and the number of its branches in Crimea has increased from zero in January 2014, to over 200 in January 2015. Along the way, it has acquired branches that had previously belonged to Kolomoisky’s PrivatBank, the Austrian bank Raiffeisen Bank Aval, and the Ukrainian national bank, Oschadbank.

Although Kostin’s ‘legal entities operating in Crimea’ subsequently sold RNCB to an obscure Moscow-based company called Complex Energy Solutions, in early 2015, the details of RNCB’s rise to prominence are instructive.

While the Bank of Moscow’s sale of RNCB, in March 2014, severed formal ownership links between the two institutions, RNCB continued to front Russia’s business operations in Crimea. Senior individuals within the Bank of Moscow – CEO Mikhail Kuzovlev and CFO Mikhail Berezov – conducted key negotiations on behalf of RNCB, and staff working for RNCB said that its operations were directed by the Bank of Moscow. So close was the relationship between the two entities that journalists spoke of RNCB fronting the Bank of Moscow’s activities in Crimea as an “open secret”.

Even the subsequent sale to Complex Energy Solutions, according to Aksyonov, was a “technical exercise” that did not involve any monetary transaction.

The ownership of RNCB, in short, has not changed, and the path of ownership leads all the way the Kremlin.

The relationship between the Bank of Moscow, the Group Bank, and RNCB may seem confusing; but that is because it is meant to be. Although VTB Group and the Bank of Moscow were...

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12. Ibid.
sanctioned by the US and EU, in July 2014, such an opaque ownership arrangement allows both entities to avoid the harsher sanctions which have already been imposed on other Russian banks – including Bank Rossiya, Sibirbank, and SMP Bank – and individuals who were directly or indirectly sponsoring Russia’s annexation of Crimea. Until the announcement by the US, on 11 March 2015 that RNCB would be subject to economic sanctions, it also allowed RNCB to sidestep sanctions altogether. The situation, to quote The Economist, gives the impression that “sanctions are too easy to dodge, undermining their credibility at a time when the West wants to appear strong.”

3.4 Human Rights

The curtailing of human rights has characterised Putin’s Russia since the early 2000s. Russian authorities have severely limited free expression, restricted peaceful assembly, and intimidated and harassed those who oppose the Kremlin. Since its annexation of the peninsula, Russia has exported these same human-rights violations to Crimea. Intimidation and harassment of individuals who opposed Russia’s annexation are widespread; authorities have turned a blind eye to abuses by paramilitary groups which have been implicated in the enforced disappearance of pro-Ukrainian activists; and Crimean residents who were Ukrainian citizens have been forced to choose either to become Russian citizens or, if they reject Russian citizenship, to be deemed foreigners on the peninsula. In addition, the Ukrainian Orthodox Church, which broke away from Russian Orthodoxy in the early 1990s, has been forced to close 11 of its 18 parishes, due to pressure from Crimea’s authorities.

Putin annexed the peninsula, he argued, in order to protect the rights of ethnic Russians living there; yet, he has shown scant regard for the rights of the other ethnicities also present. Indeed, the people who have borne the worst of Russia’s annexation of Crimea are the native Tatar population. The most prominent politically-united opposition since the annexation, the Tatars – who comprise about 12 percent of the peninsula’s roughly 2 million population – are seen by both Moscow and Sevastopol as the biggest security threat to Russian rule.

The Tatars’ existence in Crimea has long been precarious. In 1944, Stalin deported the entire Sunni Muslim group, en masse, to Uzbekistan, on the pretext that they had collaborated with Nazi Germany. After the fall of the Soviet Union, Tatars flocked back to Crimea, only to find their old houses occupied by Russian families. Battles over property rights, as well as differences in culture and religion, limited the group’s reintegration into the ethnic-Russian-dominated peninsula. Even before the annexation of Crimea was complete, discrimination of the Tatars had begun. In February, Aksyonov’s Russian Unity party openly organised attacks on Tatar properties and

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desecrated graveyards." According to Human Rights Watch, the Crimean police – together with Russia’s Federal Security Service (FSB) – have conducted a number of raids on mosques and Islamic schools, in search of drugs, weapons, and extremist literature, while several Tatar activists have been abducted, some of whom were later found murdered. Two of the most prominent Tatar leaders, Mustafa Dzhemilev and Refat Chubarov, were banned from entering Crimea – in April and July, respectively. In May, Crimean authorities announced a temporary ban on demonstrations and fenced off central Simferopol, in an attempt to prevent the Tatars from marking the anniversary of their deportation. In September, Russian officials seized the headquarters of the Mejlis, the Crimean Tatar representative body, as part of Moscow’s attempts to marginalise it from Tatar life.

3.5 Media
Immediately after Russia annexed Crimea, the Kremlin took control of the peninsula’s media. Ukrainian TV channels were taken off the air and replaced with Russian ones disseminating Kremlin-approved messages. This echoed the Kremlin’s takeover of independent media in Russia (which began with the targeting of Vladimir Gusinsky’s Media-Most empire, in the summer of 2000, and which has been central to Putin’s concentration of power in Russia over the past decade and a half).

Russia has used a number of tactics to gain, and then consolidate, control over Crimea’s media. Since Russian federal law now applies in Crimea, the Kremlin has forced Crimean media outlets to re-register under Russian law. In doing so, Moscow has used Russia’s vaguely-worded “anti-extremist” legislation to deny registration to outlets which criticised Russia’s annexation of Crimea. Russia has also pressured print editors and journalists to toe the Kremlin’s line in reporting ‘news’, which has led many journalists to leave Crimea for Ukraine.

71 Ibid.
74 Ibid.
2014 and June 2014, the Kyiv-based *Center for Investigative Journalism* recorded 85 incidents of harassment and censorship against reporters.\(^7\) Russia has seized control of TV channels’ broadcasting equipment and computers, and shut down and frozen the assets of other outlets. The broadcasts from six main Ukrainian TV channels, including *Inter*, *Channel 5*, and *1+1*, have been cancelled and replaced with Russian stations.\(^8\) In all, the amount of Ukrainian-language TV has been significantly reduced. *Black Sea TV*, once the most-popular TV station based in Crimea, is now only available via satellite and the Internet.\(^9\)

Though many of Crimea’s TV outlets are now controlled by either the Kremlin or Kremlin-friendly entities, one of the last remaining sources of independent media belongs to the Tatars.

In an effort not to excessively antagonise the Tatar community, the Tatar television network, *ATR*, has been allowed to remain on the air. At various points, however, the channel has been accused of “extremism” by the new Crimean authorities.\(^10\) A letter sent by the Simferopol-based anti-extremism department of Crimea’s Interior Ministry, dated 24 September 2014, said that *ATR*:

> persistently fosters an idea on alleged repression based on national and ethnic grounds; contributes to developing anti-Russian public sentiment; [and] intentionally incites Crimean Tatars to distrust of authorities and their actions, which indirectly creates the threat of extremist activity.\(^11\)

In January 2015, Russian special-operations forces, armed with Kalashnikovs, raided *ATR*'s headquarters and seized equipment and servers with archival footage of a February 2014 demonstration against Russia’s annexation of the peninsula.\(^12\)

As a result of this pressure, the critical political talk shows and investigative news coverage that characterised *ATR*'s reporting of Russia’s annexation of Crimea are long gone. Instead, the channel now airs cultural Tatar programs and basic news. In short, *ATR* has been cowed into submission.

### 4. Policy Recommendations

Russia’s annexation of Crimea is a stark reminder of the Kremlin’s long-established role in destabilising its neighbourhood. From Abkhazia and South Ossetia in Georgia to Transnistria in Moldova, the Kremlin has used separatist conflicts as engines for corruption and criminality, and to block progress in reform-minded countries on Russia’s periphery. The same tactics are visible

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in Crimea: the Kremlin has used the annexation to deprive Ukraine of its territorial integrity, to prevent it from joining Western institutions, and to distract it from successfully pursuing reforms.

There are a number of policy recommendations which emerge from this paper:

- **EU and US sanctions must remain in place.** The West should support Ukraine’s claim to sovereignty over Crimea for as long as Kyiv insists on it. Consequently, Western sanctions imposed on Russia as a result of its annexation of the peninsula must remain in place for as long as Russia continues its illegal occupation of Crimea, no matter how long this might be for. The West must ensure that the implementation of existing sanctions is tightened, so as to close loopholes that allowed companies such as VTB Group (through its subsidiary, the Bank of Moscow) to operate in Crimea without being subject to all relevant restrictions and penalties.

- **The EU and US must limit diplomatic co-operation with Russia.** The annexation of Crimea demonstrates that Russia is no longer a strategic partner of the West but, instead, is a strategic adversary. As the West is loath to go to war with Russia, however, it is clear that any solution to the Ukraine crisis must be diplomatic. While this necessarily requires a relationship of some sort, the West should, nevertheless, consider suspending Russia from international institutions, and Western countries should consider halting bilateral agreements with Moscow (which the Kremlin uses to abuse individual and corporate rights, both in Crimea and elsewhere); such agreements include mutual legal-assistance arrangements, police and prosecutors co-operation, and Interpol membership.

- **Russia’s annexation of Crimea must remain high on the international agenda.** As the situation in Ukraine has evolved, Western diplomacy has focused on trying to stop a deterioration of the situation in south-east Ukraine and to persuade Russia to de-escalate tensions. As a result, Crimea has fallen down the international agenda: it was not mentioned in either the ‘Minsk I’, signed in September 2014, or ‘Minsk II’, signed in February 2015, ceasefire deals. Yet, the West must not lose sight of the most blatant military land-grab in Europe since 1945; it should ensure that Crimea is raised as an issue in all international forums and in all dialogue with Russia, both bilateral and multilateral.

- **The West must make its courts available to Ukraine.** For the foreseeable future, there is no plausible scenario in which Ukraine re-establishes sovereignty over Crimea. That does not mean, however, that the West should accept what Moscow has done. Western policy should treat Crimea as an illegally occupied territory - and Russia as the occupying power - unless and until Kyiv decides otherwise. As a result, the US and EU should do what they can to ensure that American and European courts are open for legal action by the Ukrainian state and its citizens seeking compensation for the Kremlin’s seizure of Crimea and for any action taken by Russian or foreign companies to exploit the peninsula’s resources.

- **The West should pay greater attention to other states on the ‘frontline’ of Russia’s aggression.** No matter how unlikely the possibility, the chances of Vladimir Putin presenting a challenge to European security more serious than his annexation of Crimea have increased as a result of Western weakness over Ukraine (and, before that, Georgia).
There exist a number of states which are vulnerable to Russia’s advances, including the Baltics, Bulgaria, Georgia, and Moldova. The future of the post-Cold War settlement hangs on their fate. As a result, the West should deepen economic, political, and security collaboration with these countries; it is in everybody’s interests that Vladimir Putin is not able to further destabilise countries in Europe.
About the Author

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