To put the Ukrainian situation in perspective one only needs to compare the current level, & growth since the breakup of the Soviet Union, of its per capita GDP with that of neighbouring Poland. There it had been US\$4,726 in 1991 but by 2013 had grown to US\$10,570 (85% of the global average), i.e. by 123% (a compound annual growth rate of 3.73%). During that same period in the Ukraine it went from US\$2,094 to US\$2,641 (up 26%, a meagre 1.06%), 17% of the global average), & for the last five years has been flat. It is also worth noting that, while its *"dirty"* traditional 'heavy industry' is located in its largely ethnic Russian Eastern part, Kyiv/Kiev<sup>1</sup>, the focal point of the anti-regime feelings, is the country's hitech & educational centre, & that many of the demonstrators there are ethnic Russians in knowledge-based employment<sup>2</sup>.

Now that the Sochi Games are history, the possibility cannot be ruled out of a replay of sorts of what happened in Hungary in 1956<sup>3</sup> when Moscow intervened rather heavy-handedly to squelch a popular movement not to its liking (in this instance possibly under the pretext of protecting its ethnic Russian minority)<sup>4 5</sup> And it would have seemingly solid reasons to do so. Economically the natural gas pipelines that move its gas to Western European markets crisscross Ukrainian territory. Ukraine is one of Russia's main trading partners & Russia one of its largest creditors. Militarily, the home port for its Baltic fleet is Sevastopol in the Crimea. Historically, the Russians have always considered Ukraine a province of Greater Russia, not an independent political entity (& many Russians, incl. Putin himself, still do). Overarching all this is Putin's dream of returning Russia to the status it once had, for which drawing 'a line in the sand' for the West to observe at the Ukraine's Western border would be a good place to start. And the use of force would have several collateral benefits ; it would put the world on notice that Russia was once again a force to be reckoned with, show that the West, unlikely to do anything but wring its hands & gnash its teeth, is a 'paper tiger', boost the confidence of a military only now being rebuilt after many years of benign neglect &, perhaps most importantly of all, put China on notice not to overplay its hand in Eastern Siberia (where the situation is not like that of the Ukraine in the West, with it being flooded with undesirable 'alien economic interests' that risk having it removed out from under Moscow's control,.

In a best case scenario the Ukrainian situation would over time evolve relatively peacefully along the lines of the Solidarity movement in Poland thirty years ago. But chances are that it won't. Times are different. Then the Soviet Union was in its death throes whereas today Russia

- <sup>3</sup> Here I must declare my bias : the topic for my MA thesis, that I largely completed but never handed in, was <u>The Hungarian Revolution of 1956</u>.
- <sup>4</sup> It is perhaps relevant in this context that, while the Russian Ambassador was said to have played 'a constructive role' in the evolution of the February 21<sup>st</sup> agreement brokered by three Western Foreign Ministers, incl. neighbouring Poland's, between the President & the leaders of the opposition, upon instructions from Moscow he refused to sign it.

<sup>5</sup> As Prime Minister Medvedev hinted at on February 24<sup>th</sup> & local politicos & local oligarchs are demanding to protect their life & limb.

<sup>&</sup>lt;sup>1</sup> In the North Central part of the country only 60 kms or so from the Russian border.

<sup>&</sup>lt;sup>2</sup> Moscow may now well regret Stalin's insistence at the end of WW II that the Soviet Union's Western border was to be rolled West by a couple of hundred miles (at Poland's expense) & Poland's by a somewhat lesser amount (at the expense of Germany); but for that fact the Ukraine's ethnic Russians would now not have been in a (small) minority.

is in the ascendancy, at least in Putin's mind; and he doesn't want the West's sphere of influence shifted further East & holds the ace of spades since the Ukrainian economy is critically dependent on Russian gas<sup>6</sup>. Corruption is entrenched from top to bottom in the Ukraine in a way it never was in Poland<sup>7</sup>. And despite their encouraging starts the ultimate success of recent broadly-based popular uprisings has not been encouraging. In South Africa the heady wine of the immediate post-Apartheid era twenty years ago has turned into dross : while some Africans have done well for themselves & the whites have continued to do OK, the hoi polloi have seen few of the benefits they had expected & been promised. The Orange Revolution in the Ukraine itself a few years ago fizzled as its proponents, once united in their opposition to the regime, fell to squabbling among themselves once the common enemy was no more. And the Arab Spring movements in Libya & Egypt seem to have merely replaced the players rather than reformed the system - making a revolution is the easy part, for it targets a common enemy that everyone can agree on; but making the system work afterwards to deliver benefits afterwards is a horse of a different colour, especially within the time frame the hoi polloi had expected.

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And it is worth remembering that the deal that prompted President Yakunovich to dump the EU connection in favour of one with Russia had two parts to it : one was a US\$15BN cash advance & the other natural gas at below market prices.

At last report (2012) Ukraine ranked 144<sup>th</sup> on Transparency International's Corruption Index with a score of 26, well behind Poland (41) & Romania (66) with scores of 58 & 44 respectively and behind even Balurus (123<sup>rd</sup> & 31) and Kazakhstan, Iran & Russia (tied for 133<sup>rd</sup> and 28 each)