

U.S. Sanctions Won't Stop Putin's War in Ukraine

By [Josh Cohen](#)

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With U.S. sanctions now leveled against Russian oil giant Rosneft, natural gas producer Novatek and a number of major Russian banks, it appears that President Vladimir Putin has now come to a fork in the road.

Putin can either forge ahead and answer the Donetsk and Luhansk rebels' increasingly desperate pleas for direct military assistance, or else cut off all support for them and accept the rebels' eventual defeat. The decision he chooses stands to have a major impact on what he ultimately gains — or loses — from the ongoing crisis.

If Putin intervenes more openly in Ukraine, perhaps by sending in the Russian army, he risks the West imposing even more damaging sanctions than those currently in effect. While the most recent sanctions will certainly hurt the Kremlin, they stop short of hitting entire sectors of the Russian economy, as was previously threatened.

More damaging penalties could include freezing the Western assets of a much larger swathe

of the Russian elite, a ban on the supply of modern technologies and equipment to the Russian oil and gas sector, and broader prohibitions on Western banks' financing transactions for major Russian companies or the Russian government.

Russians have largely tolerated the Kremlin's version of "managed democracy" as they have seen their GDP per capita quadruple since Putin took power. Even greater sanctions, however, could cause an already weak Russian economy to collapse into a deep recession, thereby causing Putin's popularity to plummet.

Putin, alternatively, could withdraw all support for the rebels and accept that Kiev will inevitably re-establish control in Donbass, focusing instead on consolidating Moscow's control over Crimea while attempting to repair Russia's relationship with the West and rollback some, if not all, of the sanctions.

But while Putin no doubt wants to avoid the economic fallout that these sanctions could cause, he also faces substantial risks if he allows the separatists to be defeated, particularly if a battle in Donetsk, an industrial city of 1 million people, results in large-scale civilian casualties.

Russian social media sites like Vkontakte are already aflame with anger toward the Ukrainian government and its perceived supporters. Putin faces real danger from hawkish nationalists if he appears to stand by while the Ukrainian military crushes the rebels in the east. After multiple promises to protect ethnic Russians wherever they are threatened, Putin will, at the very least, look weak if he does nothing.

Indeed, we are already seeing a backlash against Putin from Russia's hawks. Leading Russian nationalist Maxim Kalashnikov wrote in a recent essay that "the Kremlin has lost control over the process" and that "the rising in Donbass could grow into a Russian rising." Kalashnikov went on to add that if the rebels suffer a final defeat in eastern Ukraine, they could sweep into southern Russia, join forces with regular Russian army units and march on Moscow to "settle scores with the traitors" in the Kremlin.

Kalashnikov is not the only anti-Western hawk who may turn on Putin. Leading nationalist ideologue Alexander Dugin also made veiled criticisms of Putin's handling of the Ukrainian crisis on a leading Russian talk show, saying "We gave them hope. When we said we are a united Russian civilization, this didn't just come from a few patriotic forces. It came from the president!"

Even Putin's inner circle has spoken out, as his economic adviser, Sergei Glazyev, has argued for sending Russian jets to the skies of eastern Ukraine to protect the rebels from government air strikes.

Although the scenario of angry ex-rebels and disgruntled Russian military units marching on Moscow is unlikely, several months of heated rhetoric directed at both the West and Ukraine's new government now makes it extremely difficult for Putin to retreat without substantially eroding his power.

So what is Putin likely to do at this point? The president's best option is to play for time. Ukrainian forces are currently preparing to lay siege to Donetsk. But even if the city eventually

falls to the Ukrainian military, it is entirely possible that a substantial number of separatist troops could still escape and engage in a protracted guerrilla war against Kiev's forces — helped along, of course, by Russian military intelligence and special forces operating with just enough plausible deniability to avoid even more damaging Western sanctions.

A protracted war would give Putin the breathing space to reach a modus vivendi with Ukrainian President Petro Poroshenko. This would allow Putin to achieve his major policy objectives in Ukraine: namely, ensuring that Ukraine does not join NATO and that Kiev agrees to some type of decentralized or federal political structure.

Although this strategy may offer Putin a way out of his dilemma, for the first time since the crisis began he no longer seems to be the one driving events.

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