



## Donbas: Seven Years On, Peace No More in Sight

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### Takeaways

- The insurgency in Donbas has consolidated both politically and militarily while drifting closer to Russia.<sup>1</sup>
- The Russian leadership believes that a conflict settlement based on the Minsk Agreements is unlikely to happen soon, and changes its approach towards greater engagement in, and integration of, the territories.

### INTRODUCTION

The armed conflict in Southeastern Ukraine, that broke out in 2014, is the largest among the post-Soviet conflicts. The Non-Government Controlled Areas (NGCAs) – the urbanised parts of the Donetsk and Luhansk provinces – comprise a vast territory with a pre-war population of approximately 6 million. The current resident population is estimated at 3.66 million by the NGCAs *de facto* authorities,<sup>2</sup> though it is not possible to deduct those who are registered in the territories but in reality are in labour migration in Russia or elsewhere in Ukraine.

The distinct feature of the conflict is that armed hostilities along the Line of Contact separating the NGCAs from the rest of the country never stopped. The vast majority of casualties – up to 80 percent of live-fire (shelling and gunfire) civilian casualties – occur in the NGCAs<sup>3</sup> because these places are more urban and populous. Yet, unlike in the other conflicts, little is known about the developments within these territories, how they relate to Russia and how Russia's policy relates to them. This short briefing aims to fill this gap.

## WHERE THE REGION IS NOW

Formation of the quasi-state structures of the 'DNR' and 'LNR'<sup>4</sup> breakaway entities on the basis of local administrations and armed formations that fought the war has been the main political process underway since 2014. The so-called 'heroic' period characterised by pre-eminence of highly-motivated non-state armed actors, many of whom came from Russia, gave way to the bureaucratic regimes that succeeded them. The rule of charismatic field commanders who had a mind and appeal of their own, was replaced by the ascension of more pliant managers to power, and consolidation of the 'DNR' and 'LNR' security elites who tightly control political space. Strengthening of the military followed, and the 'DNR' and 'LNR' armed formations went a long way from an assemblage of citizens' militias to quasi-regular contract armies. Public safety has stabilised after the initial period of disorder.

Economy plundered after the Ukrainian government introduced a ban on commercial interactions with NGCAs in 2017, and the territories had been cut off from their established trade and investment patterns. The ties with the rest of Ukraine have been steadily broken by the policy measures aimed at isolation of the NGCAs, and Covid-19-related movement restrictions introduced by Kyiv on 7 March 2020 dealt the latest blow. Since the 2017 rupture, the NGCAs' economy became a domain of the Russia-friendly Ukrainian oligarchs (Victor Medvedchuk, Serhiy Kurchenko) and businessmen (Ihor Andreev and Dmytro Yegurnov) with assets in different parts of Ukraine. Given that Russian business is not represented in the NGCAs, and Russian companies are legally unable to deal with the territories, services of these intermediaries were necessary for the NGCAs to interact with the world outside. Their operations were opaque and the whole system was vastly ineffective leading to wage arrears and strikes at the key enterprises in 2021. Living standards plunged compared to a relative pre-2014 prosperity, and qualified cadre often resort to emigration to Russia. Linguistic and information space gradually alters with

a reduction of Ukrainian and an increase of Russian cultural influence.

People in the territories are tired of war and of waiting for something to happen, but peace cannot prevail under conditions of uncertainty. Different options – reintegration into Ukraine as *per* Minsk Agreements signed in 2014–2015, strengthening of own self-rule or joining Russia – are proclaimed at the same time and the population is confused which of them is the real one. At the same time, current challenges and social fatigue do not translate into readiness to abandon the chosen cause, and defiance is strong.

## RUSSIA'S POLICY APPROACH

The conflict in Donbas is among the top priorities for the Russian leadership who attaches a high value to Ukraine. It has a dual vision towards the conflict – as a piece on the Russia/ West chessboard and an aspect of bilateral relations. Russia's approach to the resolution of the conflict has invariably been and remains that the NGCAs should re-integrate into Ukraine on the basis of the Minsk Agreements. Minsk is its best peace offer, as far as Moscow is concerned, and any other would be worse. Russia's commitment to protect the NGCAs is key – albeit qualified that defence assistance will be rendered only in case of an imminent threat to their existence<sup>5</sup> – and has offered the 'DNR' and 'LNR' a guarantee of survival until a political solution is found.

Overall approach has been of a light footprint as the NGCAs' stay in the limbo state between Ukraine and Russia was considered interim. Given the projected return of the territories to Ukraine which were hoped to reformat it along less anti-Russian lines, Russia abstained from committing any significant resources there other than strengthening the defence capabilities. The Russian government did not interfere with shaping of political personalities of the 'DNR' and the 'LNR' and their internal arrangements, that included establishment of two sets of bureaucracies instead of one if they were

to merge, and such grotesque measures as drawing 'borders' and levying 'customs duties' on each other.

Russian policy instruments are organised as follows. The Russian side contributes military and civilian technical advisers and subsidizes essential public sector and social security payments to keep the NGCAs afloat. The Presidential Office oversees the top personnel appointments. Russian security sector agencies, such as the Ministry of Defence and the Federal Security Service, maintain their own relations with the 'DNR' and 'LNR' elites, in which political and personal considerations often intertwine. The line ministries render technical and material assistance to their counterparts in the NGCAs, but Moscow has only scant knowledge of how its subsidies are spent amidst barely concealed corruption.

Russia projects cultural and social influence through integration into its civil space, access to information channels and intensifying ties with Southern Russia and the North Caucasus. In 2019, President Putin announced that Russia offers its internal passports (ID documents) through a simplified procedure to the 'DNR' and the 'LNR' 'citizens.' The intake was low. Not all residents wished to obtain the breakaway 'citizenship' being apprehensive that it may pose problems with the Ukrainian authorities in future. The process of Russian passport application was lengthy, bureaucratic and entailed travelling to Russia's territory because Russian institutions do not operate in the NGCAs. However, after the crossline travel restrictions were introduced and the crossings to the government-controlled territory dropped 95%, the NGCAs residents got trapped inside. The intake of the Russian passports sharply rose, and by mid-2021, over 611.000 NGCAs' residents acquired them.<sup>6</sup> Having a Russian passport became a requirement for holding a public office or a military command position.

The policy of a limited and uneven engagement can be explained by the Russian leadership's belief in a probability in implementation of the Minsk Agreements. This was thought possible through a dialogue with the President Poroshenko and later –

with the President Volodymyr Zelensky elected on a pro-peace platform in 2019 who had no war baggage. The Russian leadership put hopes on the new president, committed its senior officials to bilateral talks and dialogue through the OSCE Trilateral Contact Group. It also changed its top negotiator Vladislav Surkov to placate the Ukrainian side. Initial signs were promising, and in 2020, a breakthrough appeared possible when the talks between the chief negotiators started to bear fruit. The sides exchanged prisoners and secured a ceasefire that lasted from August 2020 to February 2021. However, the Ukrainian side was unable to follow through on implementation of the agreed commitments under the pressure of domestic opposition. Hopes were disappointed, and by 2021, the Russian leadership arrived at a conclusion that further talks are unlikely to bring different results.

## NEW POLICY BEING FORMED

The impasse meant that Donbas would probably remain around the Russian orbit for a foreseeable future; hence, a new approach is evolving on the Russian side that envisages addressing the NGCAs' multiple problems. It was noticed that allocation of the Russian passports only led to intensified migration to Russia because of economic reasons and signalled that 'passportisation' without development can result in depletion of the human resources in the territories which already suffer from the deficit of cadre. Donbas is an old industrial region in need of modernisation and technological advance, yet its grey status serves as an obstacle. Thus, a strategy is thought to be needed to put the NGCAs back on a development track that would enable them to achieve relative self-sufficiency. Such strategy would require not only an influx of money, but a whole assistance-to-reform package akin to the one that the West had offered to Ukraine – investment in infrastructure and upgrading of facilities, a technology transfer.

However, Moscow sees the need for territories to be ready to absorb Russian as-



sistance and have systems and structures that are currently deficient. They include competent management cadre to ensure administrative functionality and performance, a legal and civic base congruent with the Russian system, greater accountability and financial transparency, and effective anti-corruption and rule of law measures, that are all required for establishing of a planned free economic zone. The idea is that this new policy would aim to create a *Russian World* showcase in Donbas, that demonstrates that the post-Soviet territories that develop alongside the 'Russian model' can be prosperous and attractive places to live, can offer benefits and opportunities to their residents and avoid having 'alien values' and geopolitical choices imposed upon them. Given the region's woes, the goal of turning NGCAs into a success story may be distant, but Moscow hopes that the road towards it will be aspirational and boost public morale.

In 2021, a pivot has commenced, and preparatory grounds began to be laid. Economy received an impetus when the main investor changed. In June, Kurchenko was removed and a Russian businessman Yevgeniy Yurchenko was appointed to manage the Donbas industrial assets. Yurchenko's appointment rejuvenated the economy as he covered wage arrears and re-started stalled production. In November, companies from the NGCAs were given access to Russia's procurement tenders. These initiatives indicated a transition from an era of economic (mis)management by the select Ukrainian oligarchs to supervision by the Russian business class. They give local companies a chance of getting out of murky waters of corruption and nepotism, and gain direct access to the Russian market, contracts and procurement.

Steps are taken to include the territories into Russian legal space, such as harmonise the Labour Code and other essential legislation, make the social security and health systems accessible for the NGCA residents, and transfer education to the Russian system, with diminishing teaching of Ukrainian language. Behavioural changes are noticeable: more and more NGCAs' inhabitants travel to

Russia to get their degrees certified, obtain legal papers, exchange driving licenses, as well as participate in labour force, which having a Russian passport allows. Political inclusion followed: while only 14,000 voted in Russia's constitutional referendum in 2020, about 200,000 participated in the State Duma elections in September 2021.<sup>7</sup> Major Russian parties actively campaigned in the NGCAs. The territories now have their representative in the parliament – Alexander Borodai, one of the original rebellion leaders – to vouch for Donbas interests on Russia's national scene.

In the near future, the region is to expect a greater Russian management involvement, investment and Moscow-led personnel changes. Local society would welcome a hands-on approach which can lead to socio-economic improvement and bring them closer to the goals desired by many<sup>8</sup> – joining Russia. Though not all approve of the semi-fictional 'statehood' and the *de facto* authorities that personify it, the population is overwhelmingly pro-Russian and sees its destiny there. However, Moscow will not take the step of joining territories formally with Russia or recognising their 'independence,' as long as it considers normalisation of relations with Ukraine and the West possible, but it will drive their transformation out of the current limbo.

## PEACE – OR WAR?

Moscow's approach is based on a premise that hostilities would not restart, and peace would largely hold, so that its investment does not go to waste. It is impossible to be sure, and Moscow-based analysts estimate the likelihood of re-ignition of fighting within and beyond the 30-km neutral zone along the Contact Line through a Ukrainian attempt to regain the territories to be around 15–20 percent. Consensus among these analysts is that the moment for a Ukrainian offensive is ripe because Russia is focussed on its key priority of getting the North Stream 2 gas pipeline approved and getting involved into an embarrassing war would be counterproduc-

tive. According to this line of thought, Russia will have to let the local armed formations repel a Ukrainian offensive on their own and possibly lose some ground along the Contact Line. Moscow may come to their rescue only if the localised fighting escalates into a major war with considerable casualties and destruction, and the territories come under a threat to their very existence.

The NGCAs' side points out to the recent hostile moves of the Ukrainian side, such as detention and trial of the JCCC representative from Luhansk,<sup>9</sup> the use of *Bayraktar* TB-2 armed drone and seizure of a Staromaryanka village in the 30-km zone designated as fighting-free, are interpreted as testing the level of the 'DNR' and 'LNR' combat readiness. The inhabitants of the NGCAs fear that the war can re-start by default rather than by design, through a series of miscalculations and over-reactions by all sides. The Ukrainian side, in its turn, argues that the Russian military built up in the vicinity of the Russian-Ukrainian border demonstrates that Russia threatens to deter Ukraine. Tensions are high, and militarist rhetoric is toxic. In the author's assessment, the probability of either Ukrainian offensive to conquer Donbas or a Russian offensive to invade Ukraine are extremely remote. Ignition of hostilities along the Contact Line is more feasible as a reaction to failed negotiations even though the sides had demonstrated an ability to exercise restraint in the past. More likely the battlelines will remain stagnant with continuous shelling and sniper fire.

## OUTLOOK

In the meantime, time works against re-integration. In 2015 the NGCAs, although bitter and hostile, were still closely tied to the rest of the country but have moved away from Ukraine's orbit over the years. Economic connections have been severed, their information space is controlled by Moscow, and there are more and more Russian citizens there. Accepting a region whose loyalty is completely turned to its neighbour would be difficult for Kyiv. The sides drift apart, as social realities change, psychological distance from Ukraine is getting greater, and linguistic and information space alters towards Russia. Ties with the rest of Ukraine are largely replaced with new relations with the Russian regions. Russia will participate in the Minsk process and the OSCE mediation efforts, but at a lower level of representation and with much reduced expectations, while integration of the territories into Russia in everything but in name will proceed. While *negative peace*, i.e. one in which hostilities end but the issues that led to the conflict, remain unresolved, is still possible, *positive peace* appears further from sight.<sup>10</sup> Positive peace would be filled with positive content such as restoration of relationships, the creation of social systems that serve the needs of the whole population and the constructive resolution of conflict.

## SLUTTNOTER

- 1 This report is an excerpt of a broader study of the Non-Government Controlled Areas (NGCAs) in Donbas, which looks at Russian influence and activities in the territory.
- 2 Cited in 'Демография Новороссии: сколько людей живёт в ЛДНР и что ожидать дальше,' 6 August 2021, E-News, <https://e-news.su/v-novorossii/391711-demografija-novorossii-skolko-ljudej-zhivet-v-l-dnr-i-cto-ozhidat-dalshe.html> This appears only slightly exaggerated given that internally displaced persons in the rest of Ukraine constitute over a million and the rest of the pre-war population are believed to have moved to Russia.
- 3 Figures reported on a six-monthly basis by the Human Rights Monitoring Mission in Ukraine, UN Office of High Commissioner on Human Rights, the last available is the Update on the Human Rights Situation in Ukraine, 1 August – 31 October 2021, 32nd Report, 30 November 2021, <https://www.ohchr.org/EN/Countries/ENACARegion/Pages/UARports.aspx>. For analysis and visualisation see International Crisis Group, "Conflict in Ukraine's Donbas: A Visual Explainer", <https://www.crisisgroup.org/content/conflict-ukraines-donbas-visual-explainer>
- 4 'DNR' and 'LNR' stand for Donetsk People's Republic and Luhansk People's Republic respectively (Donetskaya Narodnaya Respublika and Luganskaya Narodnaya Respublika in Russian).
- 5 See, for example, Deputy Head of the Presidential Office Dmitri Kozak's interview, 'Козак заявил о готовности России встать на защиту жителей Донбасса,' Vedomosti, 8 April 2021 <https://www.vedomosti.ru/society/news/2021/04/08/865169-kozak-zayavil-o-gotovnosti-rossii-vstat-na-zaschitu-zhitelei-donbassa>
- 6 'Более 600 тысяч жителей ЛНР и ДНР получили российские паспорта,' Interfax, 14 July 2021, <https://www.interfax.ru/russia/777835>
- 7 Reported by TASS, [https://lenta.ru/news/2021/09/20/donbass\\_number/](https://lenta.ru/news/2021/09/20/donbass_number/)
- 8 Author's interviews with two sociologists who undertook separate recent survey work in NGCAs, October 2021.
- 9 JCCC stands for a 'Joint Center for Control and Coordination of Ceasefire and Stabilisation of the Line of Delimitation of the Parties' that was established as a part of the Minsk Agreements in 2014. Reported in 'Разведчик по паспорту,' Kommersant, 20 October 2021, <https://www.kommersant.ru/doc/5040966>
- 10 The concepts were first introduced by Johan Galtung who talked about positive peace as 'integration of human society,' and negative peace – as 'absence of violence, absence of war,' – in Galtung, J. (1964). An Editorial. Journal of Peace Research 1 (1), 1–4.



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