

The
Economist

Eastern Ukraine Fighting on

As the battle continues and the death toll mounts, the West imposes more sanctions

Jul 19th 2014 | DONETSK | From the print edition

THE two presidents could not have offered a greater contrast. Announcing new sanctions against Russia on July 16th, America's Barack Obama read a prepared statement and took no questions. Minutes later, Russia's Vladimir Putin staged an off-the-cuff press conference in Brazil to assail the sanctions' legitimacy. He let emotion take hold, reaching a crescendo during a riff about the "tears of mothers, widows and orphans" in Ukraine.



The new sanctions come at a crucial juncture in Ukraine's war. The death toll, both civilian and military, is rising as the fighting creeps into Donetsk and Luhansk, eastern Ukraine's two biggest cities. Russia has not stopped its support for rebel forces, and has even ramped up equipment transfers following the fall of rebel-held Sloviansk two weeks ago. Kiev has implicated Moscow in the recent downing of two Ukrainian military aircraft. After an air strike demolished an apartment block in the city of Snizhne on July 15th, Ukrainian officials called it a Russian provocation, saying none of their planes took off that day. That would imply Russia sending a jet more than 20 kilometres (12 miles) across the border to bomb a residential neighbourhood and poison opinion against Kiev, a cynical notion even for Mr Putin. But to blame Ukraine is to accept that the country's armed forces are dangerously incompetent or stunningly cruel. Neither version suggests the conflict will abate soon.

The main targets of the new sanctions are two prominent banks (Vneshekonombank and Gazprombank) and two energy firms (Novatek and Rosneft). The sanctions do not yet cut the companies off from international business or block their assets. Instead, they restrict access to American debt and equity markets, barring loans of more than 90 days' maturity. Eight defence firms, a few individuals and a Crimean shipping firm face more traditional asset freezes. The European Union has promised to follow suit, with the names of "entities and persons" affected

to be released shortly.

The sanctions' effect will depend on whether Mr Putin finds that another blow to his country's wobbly economy hurts more than one to his pride. So far he has bridled, saying the decision would have a "boomerang effect" and that American-Russian relations were being driven to a "dead end". In any case the fighting in eastern Ukraine has taken on a momentum beyond his control. Kiev's "anti-terrorist operation" is alienating locals. Since the fighting began three months ago, 478 civilians killed, and 1,392 have been wounded. The anger on the ground may be creating conditions for what Alexander Golts, an independent Moscow-based defence analyst, calls "a long partisan war".

The rebels' attitude is "victory or death". At one militia's base on the edge of Donetsk, where shelling has ravaged residential areas, three weary soldiers take cover in a bomb shelter. "People don't fully comprehend what is happening," says one, referring to stunned locals who peek out of their windows when they hear the sounds of battle. He might have been speaking of the outside world. At another base, away from the fighting, few think it will stop soon. "It's not fucked up," says Maksim, giving a soldier's assessment. "It's completely fucked up." A brawny ex-paratrooper, he once served in the same Ukrainian army he now fights against. He promises to stand till the end.

From the print edition: Europe