



IS MARIUPOL NEXT?

The Issue

On January 24, 2015, artillery shelling on the eastern outskirts of the Ukrainian port city of Mariupol took the lives of 31 civilians and injured more than 100. Since then, the city has become the new frontline in Russia's invasion of Ukraine. The city is under constant pressure from Russian proxies and could face an all-out attack as early as this summer. Ukraine's worsening economic crisis, coupled with an influx of internally displaced persons (IDPs), has added to the growing strains on the city and its population. Given the ongoing military hostilities near Mariupol (the so-called "M Sector") the escalation of violence around Donetsk and a new build-up of Russian forces and equipment, the West should be seriously assessing the question: "Is Mariupol next in Vladimir Putin's war of aggression in Ukraine?"



UKRAINIAN SERVICEMAN
IN MARIUPOL

This brief includes contributions from an analyst on the ground inside Mariupol.



THE
BACKGROUND.
Strategic Picture.

Since the conclusion of the Minsk-2 cease-fire agreement on February 12, Russian forces and their proxies have continued to conduct military operations in the occupied territories of eastern Ukraine. The town of Shyrokyne, located just 10 kilometers from Mariupol, has been a site of recurrent clashes between Ukrainian units and (pro-) Russian forces. Over the last three months, 20 Ukrainian troops have been killed and more than 100 have been wounded in combat in Shyrokyne, with most of the casualties occurring in late May and early June. On the Ukrainian side, three volunteer units hold positions at Shyrokyne: the Donbas battalion (part of the National Guard), the Azov battalion (a Ministry of Interior unit) and the Right Sector (as yet unaffiliated).

In direct violation of the Minsk-2 cease-fire agreement, Russian proxies have continually attacked the Ukrainian positions in Shyrokyne, using 120-millimeter mortars and 122-millimeter artillery to bombard targets in the area. As a result of these attacks, large portions of the city (by some estimates, as much as sixty percent) have been destroyed. Despite rumors of a possible “demilitarization” of the town, Ukrainian units are holding their positions in and around Shyrokyne for fear that abandoning their posts would open the way for an attack on Mariupol. Hostilities have occasionally seemed to trail off into low-intensity fighting in the region. But several factors point to a possible escalation in the M Sector. First, Russian forces are massing troops and equipment in the area. Recent aerial photographs show that two new bases have been built in the northeastern vicinity of Mariupol, near Sontseve and Komsomolske. The sites include heavy armor, communications equipment, fuel

dumps, barracks and field kitchens, communications equipment and infrastructure to host troop formations of a size not previously seen in this sector. Both bases are strategically positioned to act as staging areas for an attack on Mariupol.

Second, timing an attack for the warm months of 2015 would maximize Russian economic pressure on the Ukrainian government. Jeopardizing Mariupol’s crucial port facilities would provide Russia with an economic lever just as the government in Kyiv faces the possibility of a default (by some accounts, a default may occur as early as late July, but not later than September, when a half-billion-dollar bond comes due). Already, Russian forces are taking steps to threaten the port. On June 7, a makeshift mine destroyed a Ukrainian patrol boat in the Azov Sea. There are mounting dangers that Russian proxies will install water mines to target Ukrainian transport lines.

Third, Ukrainian engineering defenses in this sector are ripe for attack, as evidenced by media reports and statements by a group of Ukrainian members of Parliament (MPs) who recently visited the area. At present, local authorities and the community have to deploy volunteers to dig trenches on the eastern outskirts of the city due to a shortage of troops for performing such functions. Ukraine’s insufficient defenses can make a Russian offensive less costly.

Fourth, the failed attempt by Russian proxies to carry out an attack on Ukraine-controlled Marinka (around Donetsk) on June 3 may be an indicator of Russian probing of Ukrainian defenses in the area as well as an early move toward encircling Mariupol and blocking its supply lines from the north.



A STEELWORKER
OPERATES MACHINERY
AT THE ILIRCH IORN
AND STEEL PLANT IN
MARIUPOL

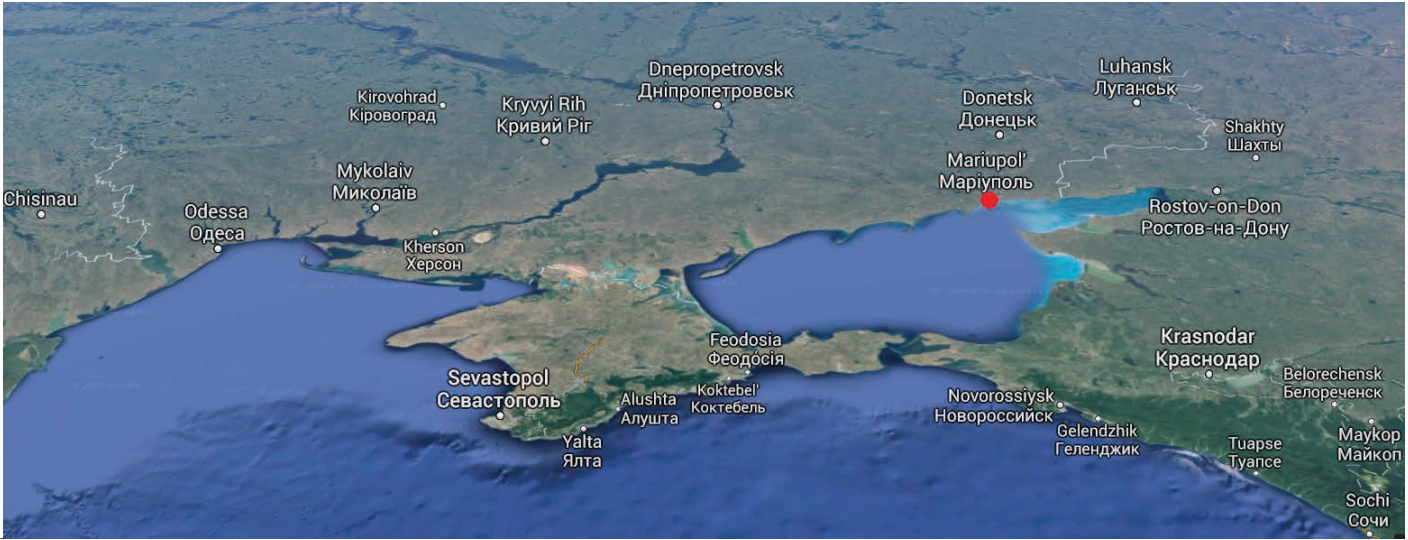
The bulk of economic output in Mariupol (more than 80 percent) is generated by two huge steel-producing plants, MMK Illyicha and Azovstal, both owned by Rinat Akhmetov's Metinvest group. The two vertically integrated steel mills are heavily dependent on exporting steel products to global markets from the port of Mariupol. These exports provide badly needed foreign currency to the cash-strapped Ukrainian economy and mitigate devaluation risks. Most of the raw materials for the mills, however, are procured from neighboring regions in Ukraine. Iron ore is supplied from the Kryvyi Rih basin in the Dnipropetrovsk oblast and metallurgical coke is transported from the town of Avdiyivka (in the Ukraine-controlled part of the Donetsk oblast).

These extended supply chains create visible risks for the operational activity of the mills. Shelling by pro-Russian forces of the Avdiyivka plant on May 22 resulted in the suspension of coke production in that facility. If continued, the intermittent outages in the supply of metallurgical coke, an essential element of steel production, will result in drastic cuts in output at both MMK Illyicha and Azovstal. If the mills fail to procure metallurgical coke from foreign producers (for example, the European Union), the repercussions for their output will be disastrous.

ECONOMIC SITUATION.

Mariupol would be an attractive target for attack, not only because of its strategic location but because of its economic significance. With a population 480,000, the city is an important regional economic center. In 2014, the city accounted for 8 percent of Ukraine's gross domestic product (GDP) and more than 30 percent of the total regional gross product of the Donetsk oblast. In period since Ukraine lost control over Donetsk and its satellite towns, the relative importance of Mariupol for the regional economy has grown substantially.

Map data ©2009 Google



Mariupol does not have a well-structured political scene with clear-cut competition between opposing political parties. Rather, the city's political process is dominated by a combination of the old bureaucracy (often loyal to the oligarchic group of Rinat Akhmetov) and, to a lesser extent, the team of parliamentarian Serhiy Taruta.

Mariupol differs notably from Donetsk in its ethnic composition, with the Ukrainian ethnic population (more than 50 percent) outnumbering the Russian minority (40 percent). In addition, the culturally distinct Greek minority (22,000, or 5 percent) is strong in the city, and Mariupol hosts an Honorable Greek Consulate. The city has historically refrained from overwhelmingly supporting the pro-Russian Party of Regions. The 2012 elections yielded only 50 percent to Yanukovych's ruling party compared to

around 80 percent in Donetsk. The local authorities are rather cooperative with the central Ukrainian government. The mayor of Mariupol, Yuriy Hotlubey, is a seasoned bureaucrat with a Communist past who has held office continuously since 1998. He was criticized by pro-Ukrainian activists for drastically changing his pro-Russian positions after Ukraine had regained control over Mariupol in spring 2014. He now holds a cautiously pro-Ukrainian position and focuses on the low-level politics of running the day-to-day business of the city.

Serhiy Taruta is the second local politician who can claim a mandate of popular support in Mariupol. Taruta had worked briefly as a governor of the (unoccupied parts of) the Donetsk region before being dismissed by President Poroshenko in October 2014. Taruta remains an active politician, but has lost much administrative influence in Mariupol. In the October 2014 parliamentary election, Taruta gained 60 percent of the vote in electoral precinct 58, which includes most of Mariupol.

Taruta has not joined any parliamentary faction in the Ukrainian Rada, allowing him to distance himself from some of the unpopular policies of the ruling coalition. At the same time, he is wary of any affiliation with the so-called Opposition Bloc, the renamed pro-Yanukovych Party of Regions financed by Rinat Akhmetov and other oligarchs. Despite the crisis and its electoral value, only two parties in the current governing coalition pursue political campaigning in Mariupol ahead of the local election this fall. Poroshenko's Bloc continues to display bland billboard advertisements, which arouse little public interest. individuals who tried to illegally access Russian TV stations.

The Samopomich (Self-Help) party continues to provide complimentary legal consultancy to residents at its local party offices. Campaign activity by the Opposition Bloc ahead of the fall local election is not visible either. The biggest local media (the daily newspaper Priazovskiy Rabochiy) tends to favor pro-Ukrainian positions. Russian TV channels have been removed from the cable networks; in mid-May the local police even arrested a group of individuals who tried to illegally access Russian TV stations.

**Ukrainian President Petro Poroshenko
greets workers during his visit to the
Ilich Iron and Steel Works in Mariupol.**

POLITICAL DYNAMICS.





SOCIAL RAMIFICATIONS.

The souring economic situation and ongoing military hostilities have had an adverse impact on the population of Mariupol.

The souring economic situation and ongoing military hostilities have had an adverse impact on the population of Mariupol. Salaries in the biggest companies average 2,500-3,000 hryvna (about US\$120-\$150) per month, which barely covers the average costs of living, given the rising energy and food prices. The biggest industrial enterprises have started to lay off their employees. According to official statistics, the number of unemployed in Mariupol in the first quarter of 2015 has increased by 30 percent compared to the first quarter of 2014. However, the actual figure is likely to be higher, as the official sources do not fully account for the downturn in the “gray economy” and the influx of internally displaced persons (IDPs) from the occupied territories. The Ukrainian state structures cannot accommodate the employment needs of IDPs in Mariupol: only 88 of the 889 applications submitted to the local employment office since October 2014 led to job offers. The worsening socio-economic conditions may create a breeding ground for political protests, although in view of the more pressing security concerns, that probability is limited in the short run. From January till May 2015, the city has lived in half-isolation. Mariupol’s rail connection with major cities (Kyiv, Dnipropetrovsk) was suspended after an explosion on rail tracks in January and restarted only in the first week of June. Bus and car travel to the rest of Ukraine is slowed down by military checkpoints set up on major roads: when traveling from/to Berdyansk (a town to the southwest), one has to pass three checkpoints; to/from Dnipropetrovsk, at least four checkpoints (all males have their documents and, sometimes, their baggage checked). The high costs of travel to cities outside the Donetsk oblast make it prohibitively expensive for locals to leave and for IDPs from Donetsk to seek refuge outside of Mariupol. At the same time, the “pendulum migration” between Mariupol and occupied Donetsk city remains substantial: it is estimated that at least 3,000 passengers travel between Mariupol and Donetsk daily. Many are families with children.

The social effects of this migration pattern vary. While Donetsk residents may see benefits of living in a city controlled by Ukraine, the bureaucratized system of passes

introduced by the Ukrainian authorities is seen as an impediment to IDPs from the occupied territories. Some Mariupol locals who travel regularly across the front line have become frustrated with the complicated permit procedure and increasingly voice their indignation publicly. This is likely to become a political issue in the upcoming election. The most radical and combat-ready pro-Russian residents are believed to have left Mariupol for Donetsk. The remaining Donetsk People’s Republic (DPR) sympathizers are passive and more likely to resort to alcoholism as a response to their financial problems than to favor open rebellion against authorities. This is partially corroborated by the fact that there have been relatively few social-issue protests (for example, about tariff hikes and unemployment) in the city, even compared to the rest of Ukraine.

ASSESSING THE ODDS OF AN ATTACK

A military offensive against Mariupol would entail both costs and benefits for Russia.

A number of factors could constrain a Russian assault on the city. Following the Minsk-2 agreement, Russia has focused on using the “slow burn” of low-intensity fighting to increase economic and political costs on Ukraine’s government, rather than attempting to expand its territory or strengthen the economic cohesion of the occupied East. A sudden shift from this strategy back to the large-scale military offensives of the pre-Minsk-2 era would confront the Kremlin with (politically-unpopular) casualties and a probable intensification of Western sanctions. However, taking Mariupol would represent a significant strategic victory for Russia. Geopolitically, it would connect Russian-held positions in the industrial zones of the north with the port facilities of the coast, thereby creating a geographically-contiguous area possessing many of the critical attributes of long-term economic viability. While not guaranteeing the economic sustainability of Russia’s occupied territories inside Ukraine, the possession of Mariupol would certainly enhance it. Additionally, the seizure of Mariupol would significantly increase the pressure on Kyiv. It would damage Ukraine economically by denying crucial industrial and shipping capacity, while hurting it militarily by trapping pro-Kyiv forces around Crimea.

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RESPONSE FROM KYIV AND MARIUPOL.

In the event of a full-out Russian offensive on Mariupol in the next six months, public support for the invasion would be in the visible minority.

The local populace in Mariupol remains divided along the lines of their political affiliation to Ukraine. Approximately 60 percent actively or implicitly identify with the independent and unitary Ukraine, while the rest fall on the broad spectrum between the adherents of poorly understood “federalization” and proponents of the “Russian world” established by the Donetsk and Lugansk People’s Republic (DPR/LPR) militant groups. Pro-Ukraine citizens tend to be more economically well-off and socially active, which helped them form civic structures and the potential to exert political pressure on the tacitly pro-Russian local officials. Hence, pro-Russian militants and Russian forces cannot count on the effective grass-roots support of locals in the event of an invasion.



THE IMPLICATIONS.

Separatist groups in Mariupol are less visible than those in Odessa or Kharkiv, primarily due to the bigger concentration of security units in the city. Ukraine's Security Service (SBU) targets local separatists. Some non-state organizations help implement the policy: the biggest pro-Ukraine organization, Novy Mariupol (New Mariupol), has been disseminating leaflets alerting citizens to the criminality of those engaged in separatist activities and providing contact details for the local SBU department. At the same time, the security situation is aggravated by tensions between some armed pro-Ukrainian groups and local law enforcement authorities. The most prominent example is the criminal prosecution of a Ukrainian guerrilla group calling itself Ravlyk (Snail), the members of which have been arrested and jailed in Mariupol for having allegedly robbed a local farm at the beginning of May. The lawyer for the arrested "guerrillas" and many pro-Ukraine activists claim that the group tried to apprehend a separatist gang. According to those sources, the guerrilla group worked under the supervision of the SBU, but lost that protection after the central authorities decided to clamp down on the volunteer armed units. The scandal has also uncovered cleavages in the local police structures. For example, while Vyacheslav Abroskin, the head of police in the Donetsk oblast, called the group "criminals," his deputy, Ilya Kiva, claimed the group was indeed a legitimate unit fighting separatists and implied that they had been wrongfully accused of the crime. As pro-Ukraine police officials in Mariupol split their loyalties between the Ministry of Interior (controlled by Kyiv) and the local volunteer units, this may generate further conflicts and undermine the efficiency of countering subversive operations by pro-Russian proxies in the city in the wake of a possible military attack.

A military attack by Russia on Mariupol would represent a change from the "bleed Ukraine" strategy that Moscow has pursued over the past five months. Given the geopolitical, economic and symbolic importance of the city, any move to seize the port would constitute a major escalation of the conflict. Such a gambit would be very costly to Russia in terms of the resources required to achieve these goals, and the inevitable diplomatic blowback from the Euro-Atlantic community. In order to succeed at a tactical level, Russian troops and their proxy fighters would have to reach Mariupol's crucial port facilities (to the southeast of the city). This would require them to cross, and possibly occupy, the entire metropolitan area of Mariupol, imposing significant casualties on their own forces and the local population. Such a gambit would be very costly to Russia in terms of military resources required and the inevitable diplomatic blowback from the Euro-Atlantic community. In the event of an attack, the United States and EU member states would probably harden their diplomatic positions against Moscow. It is likely that Western powers would impose harsher sanctions on Russia and cast aside any lingering political impediments to supplying lethal defensive weapons to Ukrainian forces.

Despite these risks, a Russian military attack on Mariupol at some point in the summer months of 2015 should be viewed as likely. Previous Russian military behavior in the now 16-month military incursion into Ukraine has routinely defied Western calculations of Moscow's economic and political pain tolerance. The war has shown repeatedly that Moscow does not operate according to Western risk-assessment standards and is willing to incur hardships for the Russian populace in order to achieve its strategic aim of redrawing its surrounding neighborhood by force. Moreover, the long-term strategic gains of grabbing Mariupol would be significant in prompting a withdrawal of Ukrainian troops to the western boundaries of the Donetsk

region, denying access to well-established transport and supply routes and gaining control over one of Ukraine's last cities on the Azov coast (barring Berdyansk to the west). Following such an assault, any effort to freeze Russia's hypothetical territorial gains in place with a "Minsk-3" agreement would ratify Russia's strategy of piecemeal partitioning in Ukraine. This outcome is unwanted and should be avoided.

While a military attack on Mariupol is far from assured, Western leaders should see it as an increasingly likely next stage of the conflict.

ABOUT CEPA

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