A Labour strategy for Russia's war on Ukraine



TOP LINES

- The UK government's provision of economic, humanitarian and defensive military assistance to Ukraine has provided Britons with a rare moment of national pride and unity.
- The Labour party's vociferous support of Ukrainian security and of the HMG position made this unity possible. As Keir Starmer asserted to President Volodymyr Zelenskyy during his visit to Kyiv: Ukraine will always have the Labour Party's 'unwavering support'.
- Given Labour's history of championing democracy, respecting self-determination, and investing in defence, this should not be a surprise. Labour has been fighting for a better, fairer Britain for over 100 years.
- There are untold domestic challenges facing the party should it win power in 2024, but any such future battle for Britain will also necessitate fighting, metaphorically, for Ukraine, whose victory is clearly in the UK's national interests.
- As such, Labour's mission will be to maintain and expand existing UK-Ukraine cooperation and relations, while rendering them more sustainable.
- This report offers a strategy and policy programme to assist those endeavours. It seeks to answer the following three questions, differentiated by temporal and geographic foci:
 - 1. How to facilitate Ukraine's self-defence?
 - 2. How to deter Russia from ongoing and future aggression against Ukraine?
 - 3. How to achieve a just peace for Ukraine?

SUMMARY OF POLICY RECOMMENDATIONS

Objective 1: Victory for Ukraine

- 1. **Publicly assert Ukrainian sovereignty over the war**: namely, in deciding its own victory and the cessation of the war. Ukrainians must have the final say on what that victory is, and if or when negotiations happen and on what terms.
- Support NATO membership for Ukraine once the war has ended or reached a certain point, acceptable to Ukraine. Firm commitments regarding a Membership Action Plan should be offered.
- 3. **Implement a long-war strategy** that includes a rolling five-year military support package for Ukraine and other bilateral and pan-European guarantees of assistance.

Objective 2: Deter Russia

- Cut economic, political and professional ties to official Russia (those connected to the Russian state or state-affiliated bodies or who have actively supported the war) within 18 months.
- Build on Labour's anti-kleptocracy work by shifting focus from illicit finance to illicit individuals, i.e. scrutinise elite access to the UK by a person's connections and use of their wealth to support hostile regimes, rather than the (easily concealed) source of that wealth.
- Reform UK foreign policy making to enable a policy of deterrence. The UK will be unable
 to shift its output if it does not change the structures that produce its (failed) policy
 towards Russia.

Objective 3: Assist Ukraine to rebuild and transform

- 7. **Renew the UK-Ukraine 2021 strategic partnership**, establishing deeper cross-sector cooperation and business ties with not simply in Ukraine.
- 8. **Realise the UK's humanitarian potential** by matching the EU and granting Ukrainians the right to come to live and work in the UK for three years without a visa.
- 9. **Establish mechanisms for justice and reparations**, including a truly international war crimes tribunal and a claims commission for future reparations.

INTRODUCTION: RUSSIA OR UKRAINE?

'Who is more important for European security: Russia or Ukraine?' A venerated Russian analyst posed this question to an LSE seminar room in 1993. The room was packed with British decision-makers. In the context of the immediate post-Soviet order, it is easy to understand why so many responded 'Russia'. But it was evidently a mistake.

In an interview with me in 2022, that same analyst – the former GRU colonel Dmitri Trenin – argued: 'the West is trying to subjugate Russia culturally, to conquer or snuff out the soul of the nation and therefore the Russian World has to be defended in those places where it has historically existed, like Ukraine [...] Russia must withstand'. Whether the present iteration of Russia withstands or withers will depend on current and future decision-makers' answer to Dr Trenin's original question.

Without Western, particularly European, powers, explicitly choosing 'Ukraine', there is no foregone conclusion that Ukraine will win its existential struggle. If Ukraine's survival is our desired outcome, then both a strategy and a conceptualisation of the conflict is required. How do we want the war to unfold? Not only now, but in the medium and longer-term? Do we envisage this desired outcome as plausible? How do we help to realise these ambitions? What assumptions underpin our choices?

These are urgent questions, because they will define not only Ukraine's fate – and to a certain extent Russia's – but also Britain's. A sufficient answer will require a joined-up 'whole of government' approach, typical of Russian and Ukrainian doctrine. It also necessitates a gear shift in our relations towards the region, which have been historically centred on Moscow, with very little attention paid to Ukraine, as reflected by the lack of PM-level visits to Ukraine between 2005 and 2022.

Consequently, this report attempts to provide a maximally sleek strategic overview to inform Labour policy and thinking on the UK-Ukraine (UK-UA) relationship and on Russia's war against Ukraine. In so doing, it draws on interviews with a wide range of senior Ukrainian, British, American, EU, and Russian officials and foreign policy elites as well as close to a decade of academic research on Russian foreign policy, propaganda, and public attitudes towards Ukraine and the West.

ASSUMPTIONS

The policy proposals and strategy suggested in this briefing rely on five key assumptions regarding Russia's war on Ukraine and its causes:

- Russian aggressive designs on Ukraine are unlikely to end in the next decade, given the
 latter's centrality to <u>Russian conceptions of its great power status and national identity</u>.
 The active phase of war will continue through 2024 at least. Any plausible solution to the
 conflict will see Russia remaining a threat to Ukraine, and the UK, in the medium-term
 (until 2036) and likely much longer.
- It is in the UK's national interest for Ukraine to: win the war (at least minimal victory, defined as return to 23rd February 2022 borders, full Ukrainian victory is a return to 1991 borders); be able to deter Russia longer-term; emerge as an efficient and democratically accountable state.

- Whether it achieves full or minimal victory, Ukraine will need an effective deterrence provided by external partners. Realistically, this amounts to NATO membership or a US-backed security guarantee.
- The pre-2022 status quo (if it even existed) is gone. Inaction and complacency towards
 what the emerging, more multipolar, world order will mean for Europe and especially
 the UK will put British people and their interests at risk.
- There can be no grand reset in HMG and official UK-Russian relations that does not begin with a fundamentally different Russia professing a fundamentally different view of the world. Russia's problems are not essentialist but they are deep-rooted.

LABOUR'S UKRAINE POLICY

Under Keir Starmer's leadership, Labour has been resolute in its support for Ukraine. The Shadow Defence and Shadow Foreign Office teams have mirrored this resolve, including through their pre-invasion visit to Kyiv. Keir Starmer's 2023 meeting with President Volodymyr Zelenskyy was an important symbolic and political act, received well in Kyiv.

The Labour Party's decision to align itself with the previous Boris Johnson government's position on the war depoliticised the 'Ukraine issue' and ensured British support was perceived as a whole-of-society response. This approach has continued under Rishi Sunak's government, even though at times the latter's position has vacillated, at least rhetorically, between more and less robust assertions of support.

These fluctuations provide Labour with potential leverage to influence government policy, especially while public support for Ukraine remains strong. Managed carefully, to avoid politicisation, this approach will also assuage lingering doubts among some Ukrainian officials and politicians relating to the steadfastness of Labour support for Ukraine. In part, such misperceptions derive from the traditional lack of patriotic (i.e. not pro-Russian) economically left-wing Ukrainian political parties, but the primary cause relates to the Labour Party's own legacy issues.

Specifically, a number of Ukrainian officials and advisers are nervous about the positions expressed by the previous Labour leader, Jeremy Corbyn, and his supporters. Mr Corbyn blamed NATO for Russia's annexation of Crimea in 2014 and has continued to advocate for Russian imperialism since 2022. Another cause for concern among those in the Ukrainian intelligence community is the close alignment of some UK trade unions with Russian and pro-Russian militias. Although Mr Corbyn is suspended from the party, Labour's continued, supportive, engagement with Ukrainian officials is needed as a trust-building exercise.

A potential lack of Labour candidates who are confident talking about matters of defence and, admittedly complicated, foreign policy issues at times exacerbates this external impression of a lack of Labour interest in Ukraine. This is already improving, thanks to a wide range of connections, including from the left of the party, e.g. Nadia Whittome's work with the Crimea

Platform, Shadow Ministerial visits to Ukraine, and ongoing and future trips to Kyiv and other Ukrainian cities for prospective candidates and advisers. The first of the latter took place in April 2023 and was organised by the New Diplomacy Project and facilitated by the Ukrainian Ministry of Foreign Affairs.

As well as areas for growth there are many war-related challenges that work to Labour's strengths. Most obviously, this concerns support for Ukrainian refugees, who face continuing issues. The Ukrainian Embassy has raised a number of issues regarding the unsustainability of the current sponsorship model and Labour's willingness to engage properly with these concerns will only improve relations further.

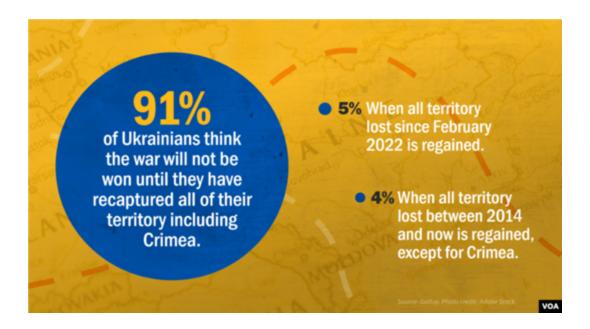
The suggestions above relate to Labour as a party in opposition and/or preparing for government. However, hopefully, Labour will be in power in 2024 and it will need a clear and precise vision for how it wants the war to end, what it perceives Britain's role in this process to be, how it envisages its longer-term support for Ukraine, and how it conceptualises the UK-Russia relationship.

1. DEFENDING UKRAINE

Policy recommendation 1: Publicly assert Ukrainian sovereignty over the war

<u>Opponents</u> of the provision of military equipment to Ukraine have accused Western governments of wanting to 'fight to the last Ukrainian'. But polls, and battlefield evidence, strongly suggest that the vast majority of Ukrainians will fight whether the West continues to arm them or not. It is simply a matter of how long they take and whether they die trying or, instead, Ukraine receives the protective and offensive equipment needed to liberate its territory and preserve the fabled last Ukrainian.

If Western allies want to end Russia's war, rather than simply manage the aggression down into a conflict that saps Ukrainian lives, economy, social cohesion, resilience, and hope for the future, then they will also need to enable the Ukrainians to end it decisively. This cannot be a total defeat for Russia, given its boastfully large nuclear arsenal. Total defeat here is defined as Russia being forced to recognise its defeat and culpability, paying reparations, taking part in international war crimes tribunals, and embracing a new style of government. This may be possible over time but it is highly unlikely in the medium-term. However, that does not mean it cannot be a clear win for Ukraine, in terms of restoration of full territorial integrity or willingness to delay, for example, the return of parts of Donetsk or Luhansk oblasts, in exchange for inclusion within Western structures and security guarantees. Ukrainians must have the final say on what that victory is, and if or when negotiations happen – and on what terms.



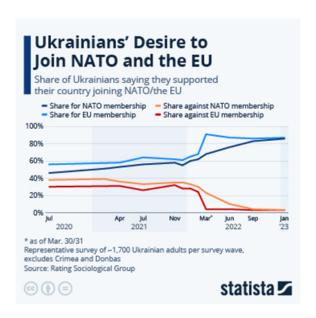
For the foreseeable future, a solution to the war will not come about through negotiations. Russia has shown no interest in good-faith negotiations and the Ukrainian leadership, and population, are unwilling to enter into negotiations that do not begin with recognition of Ukrainian territorial integrity. That is not to say that negotiations around more peripheral issues cannot be successful or should not be pursued, as talks on grain supply routes and the return of deported Ukrainian children have shown. There could be a future role for the UK to play in these 'peripheral' issues but, more substantially, negotiations are not currently a plausible solution for ending the war.

Labour asserting this reality would help to assuage a deep and corrosive concern among Ukrainian officials that Western policymakers could be swayed by a Russian 'good will' offer of a ceasefire or 'Ukraine fatigue' might encourage allies to try to force concessions on Ukraine. 'When this time comes, do you intend for Ukraine to be at the table, or sitting outside waiting to hear the results. Because we won't do that again', as one senior defence official expressed to me. Even if Ukraine's western partners did try to impose upon them an unwelcome agreement, this would be rejected by President Zelensky. In the unlikely event he did not refuse, then there is a considerable risk of a popular military coup, leading to great political instability, for which Ukraine's western allies will have to take responsibility. Whatever happens, an imposed 'peace' settlement would not lead to much peace, especially for those living in occupied territories as evidenced by the mass graves in Bucha, Irpin, Izyum, Mariupol and countless other towns and cities living with the scars of Russian occupation.

Policy recommendation 2: Support NATO membership for Ukraine

If negotiations are currently unworkable, then focus should turn to the matter of Ukraine's defence. The Shadow Defence Secretary has shown an admirable command of the detail in terms of the Ukrainian Armed Forces' (henceforth UAF) current and ongoing needs. This section will examine how to ensure those demands are met in a sustainable way, rather than focusing on exact weapons procurement needed now or before the General Election (GE) 2024.

The centrepiece of this plan <u>is NATO membership</u>. Ukraine is understandably highly sceptical of security guarantees following the non-implementation of the Budapest Memorandum – agreements signed by the US, UK, France and Russia to guarantee Ukrainian security and territorial integrity in exchange for its unilateral nuclear disarmament. While NATO membership is not currently plausible, until the cessation of hostilities, the Office of the President has devised the <u>Kyiv Security Compact</u> as a form of security guarantees until such a point is reached. Needless to say, for the <u>Office of the President</u>, as well as within military and defence circles, to say nothing of <u>public opinion</u>, NATO membership is the strongly preferred option as NATO is the only deterrent Russia has consistently respected.



So far, Britain's position has been understatedly supportive. Under a Labour government, a more vociferous and constructive support for Ukraine's NATO membership efforts, especially alongside the Shadow Foreign and Defence Secretary's clear commitment to greater input into European security, would boost Ukraine's efforts and work to assuage concerns of those legislators in the USA more inclined towards isolationism. The Shadow Defence and Foreign Secretaries are correct to mention the importance of correcting the 2021 Integrated Review's blind spot on Europe, but this should not mean aligning solely with Franco-German initiatives or their traditionally softer strategic positions towards Russia. Instead, Labour in government would do better to focus on showing, and building, evidence that European countries are taking the threat to their own security seriously and are willing to pay for it, rather than rely unfairly on

the US. <u>Ukrainian membership of NATO should be separated from other countries' processes</u>, especially that of Georgia.

Building on the Kyiv Security Compact, there needs to be a clear Membership Action Plan (MAP) and timetable set out, with concrete moves towards membership and a guarantee of MAP and membership when certain, achievable requirements are met. Preparatory measures would include UK-provided intensive training to ensure Ukraine's interoperability with NATO militaries and equipment, a pressing necessity given the depletion of Soviet-era materiel. A prioritisation of interoperability would also enable the UK and its NATO allies to stockpile and upscale weapons deliveries in case of Russian escalation. It will also align standards and procedures to facilitate exchange of battlefield information or timely responses to cyber-attacks.

Based on calculations for the EU, adapted to the relative size of the UK's GDP, the estimated cost of this process for the UK <u>would be £9 billion</u>. This is a substantial cost for which a Labour government would need to prepare the public, an objective assisted by the jobs creation opportunities of rearmament and a penalty tax on UK companies that still derive money from, and pay taxes to, the Russian Federation. Until such a point, used <u>US M-113 armoured personnel carriers</u>, <u>M-109 howitzers</u>, <u>and German Leopard 2 battle tanks</u> will remain central to the comparatively under-resourced UAF due to lack of capacity, and political will, to build new models.

A Labour government would ideally not simply, or unilaterally, spend taxpayers' money on supporting Ukraine but also enable UK citizens and companies to engage by connecting relevant individuals and groups with Ukrainian military tech hubs and start-ups, such as Bravo1, which brings together inventors, developers, ministries to ensure fast track procurement. Labour in government could work with UK-based companies to remove, or relax, intellectual property rights on certain weaponry so that Ukraine is able to build the weapons it will need longer-term, namely Western-designed equipment, at home. For example, Western defence industrial firms could engage in production partnerships with Ukrainian enterprises so that they can learn how to produce equipment according to NATO standards.

Policy recommendation 3. Implement a long-war strategy

Any sane person would hope for a quick end to Ukraine's suffering but, paradoxically, the best way to ensure that is to prepare for a long war. Such preparation would demonstrate the strategic patience the Russian leadership believes is lacking in the West as well as providing security for Ukraine. To this end, the UK could provide a rolling five-year UK military support package for Ukraine, following the lead of the Norwegians. The five-year UK military support package would ideally encompass long-term military training and investment programmes. This will replace the ad-hoc nature of current support and provide an impetus to the UK defence industry to prepare by developing a more active stockpile of weapons and updating operational requirements. This is not a one-way street, as Ukraine has first-hand experience fighting Russia

in all realms. <u>Embedding British military advisers with the UAF for training and advisory purposes</u> would facilitate long-war assessments on needs and shortfalls.

The strategy and five-year plan would be bilateral but can still be used to initiate, and frame, conversations with EU and other allies for a Europe-wide long-war plan that will signal to the public the stakes and (potentially long) time frame of the conflict. The Europe-wide long-war plan would ideally be nimble and adaptable on the basis of a monthly defence ministers working group that meets with Ukrainian government and UAF representatives. It can also include bilateral partnerships, such as the bilateral security and defence treaty with Germany proposed by the Shadow Defence Secretary.

2. DETERRING AND DECENTERING RUSSIA

Russia will continue for some time to view Ukraine as central to its own power, identity, security, status, and influence. Vladimir Putin was the catalyst for the full-scale invasion but it is not his war alone. Over 10,000 brave Russians protested the war in the initial days, and in the past sixteen months criminal charges have been brought against 527 individuals. But hundreds of thousands are fighting in Ukraine, the most popular channels on Telegram (an uncensored news app where Russians can access opposition and pro-state media) are pro-war, and even opposition figures have expressed anti-Ukrainian sentiments. Since 2014, and earlier, independent polling by Levada Centre has consistently shown a strong majority of Russians express attitudes that align to Putin's vision of Russia's great power status and perceived rights to other countries.

This isn't about applying collective responsibility or guilt – each individual is responsible for their own actions, not for those of a nation – but about admitting what the evidence shows so that ensuing policy is well-informed. Russia is very unlikely to win the war on the terms it wishes and afterwards extant feelings of humiliation and insecurity will be aggravated, leaving fertile soil for resentment and ressentiment. This is not historically determined but it is, after all, rare that traumatised and militaristic post-imperial countries become hotbeds of democracy and liberalism. It is rarer still in the case of personalist autocracies.

The UK must be prepared for the worst and be pleasantly surprised if it is not needed. For now, reports on how to encourage democracy and pro-westernism among a population largely derisive towards liberal democratic values and that has lost tens of thousands of young men to western weapons in Ukraine is naïve, to put it kindly. It isn't dismissive to understand that Russians are willing to go along with this war, it is dismissive to refuse to acknowledge that acquiescence or to try to understand what it means, and whence it springs.

Policy recommendation 4: Cut economic, political and professional ties to official Russia

Put starkly, secretly funding another Russian human rights organisation or celebrating an aesthetically pleasing art protest will not end the war (although it is important to support these initiatives both because it is the right thing to do and also to help keep alternative visions of Russia alive). The only thing that will end the war is arming Ukrainians and constraining Russian capacity to wage war. The UK cannot change how Russia acts or what it wants, but we can affect its ability to realise those ambitions through a credible plan of deterrence. Any such plan must be rooted within a broader Russia strategy that answers a recurrent question across the highest levels of discussions with Ukrainian politicians and officials: what is your policy on future UK relations with Russia?

In many ways, Labour senior shadow ministers have already answered this question with their <u>statements</u> that the 'U.K. will be facing an aggressive and threatening Russia for the foreseeable future, as Ukraine has since 2014'. They are right not to underestimate the level of anti-British sentiment within elite and propagandistic circles.



Screenshots from Russia's most popular Sunday night talk show (Вести недели) visualising a nuclear attack on UK

To meet this threat, however, requires an understanding of what does and does not deter Russia. The UK's previous approach, which allowed some elites to station families or assets in the UK in the hope it could provide us with leverage, has failed disastrously. Official divestment will send a clear signal of a true policy shift.

Divestment carries connotations of trade boycotts and is currently often understood in purely economic terms. But divestment has a much broader scope than purely financial, denoting 'to deprive someone of (power, rights, or possessions)' and 'to get rid of possessions, ties, etc'. Using this definition, the 'official divestment' approach contends that it is in the <u>UK's national interest to divest itself of almost all economic, political and professional links to official Russia, a term used to signify those individuals and entities connected to the Russian state or state-affiliated bodies and/or who have supported the war effort (beyond paying taxes or other unavoidable passive means). Representatives, enablers, and beneficiaries of Russia's war would</u>

<u>be barred from entering the UK</u> on national security grounds. The designation can be lifted when Russia no longer poses a security threat to the UK or Ukraine.

A Labour government could work to remove all but the essential links and connections with official Russia, meaning that those who are directly working for the Russian state or state-affiliated bodies are not able to come to the UK, buy property, or use our legal, financial or other regulatory institutions. Those who have directly worked for the Russian state since 2014 would be automatically deemed ineligible for a UK visa, unless they can point to explicit renunciation of that work, condemnation of the Russian state, and a donation to the Ukrainian war and/or humanitarian effort. Other measures that could feature as part of the official divestment plan include further reduction of Russian Embassy personnel (which still has almost double the number of staff of the Ukrainian Embassy) in Britain and prohibiting, for national security reasons, the practice of local staff working in UK embassies based in hostile states. Quick implementation of these measures would underscore their momentousness and so this package would ideally be completed within eighteen months of Labour taking office.

At home, to track the large footprint of Russian influence-peddling, the recommendations of the cross-party Russia Report should be implemented in full. In addition, it would be useful to introduce a register of hostile state foreign interests, into which British citizens and residents would need by law to enter information if they chose to formally engage with a body linked to a hostile state (not just Russia) designated a security risk. Much of the necessary legislation and infrastructure for this will emerge before the 2024 General Election through the Foreign Influence Registration Scheme (FIRS)

The proposed additional 'hostile state' section within FIRS would need to include an appendix listing relevant Russian state-affiliated bodies covered by the 'official divestment' scheme. This ban would relate only to state-affiliated organisations or organisations that have directly contributed to the war; it would emphatically not cover all Russians. There will need to be exceptions, e.g. Russian academics who have little choice but to study or teach at a Russian university should still be able to travel to conferences and for knowledge exchange provided they have not explicitly supported the war.

Individual Russians must be welcome but not the state and its many enablers. This is a point of principle and so official divestment would ideally be launched alongside a special humanitarian visa scheme for Russians who have provided support for Ukrainians and/or protested or impeded the Russian war effort. On a similar note, this is not a call to disengage entirely from Russian society. Labour can anchor its outreach to Russian youth through a strong clampdown on Kremlin's elites and corruption, an enduring complaint within Russian society, effectively channelled by Aleksei Navalny's Anti-Corruption Foundation.

Policy recommendation 5: Build on Labour's anti-kleptocracy work

Another way to improve Ukrainian defence is to undermine Russian capacity through sanctions and related measures. Since the full-scale invasion, HMG has taken (very long overdue) steps relating to reform of Companies House and other measures included within the Economic Crime Plan (II). Consistent Labour leadership on this topic has been essential to achieving these successes; however, more is needed, and on a grander scale.

As Labour has recognised, illicit finance is a threat to our democracy in itself, but it also dominates Russian strategic thinking. The Russian securocrats' often-expressed, doctrinal, assertion that the West lacks the morale, morality and will to 'stay the course', as well as Vladimir Putin's (not entirely incorrect) confidence that some Western elites support him, is partly informed by the UK's continued embrace of Russian dirty money and influence. While certain departments within Whitehall have tended to see sanctions as somehow anti-Russian, even Russophobic, the evidence available on Russian social media suggests the opposite, given Russian publics often celebrate personal sanctions as targeted against corrupt elites.

Ultimately, any sanctions policy needs to be based on honesty about the way the UK and the broader West facilitated Russian aggression - not by NATO expansion but by enabling Russian elites to steal at home and spend abroad, to use our law courts and destroy their own, to keep their family/ies comfortable in London and so avoid the need to build or demand rule of law and individual protections for Russians at home.

The totemic individuals of 'Londongrad' (e.g., Roman Abramovich) sell headlines but we should be equally worried about the less prominent but far more numerous Kremlin-linked individuals (or their assets) in the UK: the Duma MPs; the children of the ruling elite; the second family of the Foreign Minister, Sergei Lavrov; the <a href="families of businessmen who are bankrolling Russian battalions in Ukraine, etc. The failure to sanction certain individuals undermines the credibility of the whole system. By way of example, the UK has yet to sanction Vladimir Lisin, one of Russia's richest men, whose company provides steel for the Russian Army, and is reported to own an estate in Scotland. As the Shadow Chancellor and Foreign Secretary noted before the full-scale invasion, 'the cosy links between the Conservative Party and Russian-linked donors raise serious questions about our national security [... the Conservative Party] has been raking in millions from donors with links to Russia and in some cases reported links to Mr Putin himself.'

To meet the scale of this threat will require systemic changes in how the UK responds to the threat but also the ways HMG thinks about such money. Notably, this requires <u>a shift in focus from illicit finance to illicit people</u>. For example, anti-money laundering measures are pointless, especially when under-funded and under-resourced, against Oligarch X as they can pay lawyers or accountants to prove the legitimacy of their wealth. Instead, it would be better to scrutinise sanctions against Oligarch X's relationships with the Kremlin and investments in Russia's war, e.g., Oligarch X is a close ally of President Putin and/or is known to have contributed to the Russian war effort and is therefore to be sanctioned.

The sanctions applied to Putin's close network, dubbed 'Putin's Wallet', last March were met with wide approval by the White House (not uniformly impressed with UK progress on the fight against illicit finance) and Kyiv. This package of measures can serve as a model for a shift from illicit finance to illicit people.

Stronger anti-money laundering checks in relation to political party donations would also help – and are likely only to be passed by a Labour government. As an additional safety measure, it could be ensured that politicians and/or UK Embassy in Moscow staff would no longer be able to intervene in sanctions decisions or able to overrule or influence sanctions policy generally and/or in relation to individuals. Sectoral sanctions are much more effective than personal ones and need to be applied systematically, with the closure of loopholes. UK companies that trade in Russia could become subject to a penalty tax equal to the profits they make in Russia. The proceeds raised from such taxes can be used to contribute to the cost of supplying the UAF with the equipment it needs to win the war. These measures will make much-needed improvements to the enforcement and range of sanctions, provided they are adequately funded.

Yet, even with adequate funding and enforcement, there will always be limitations to sanctions' usefulness. As Rachel Reeves and David Lammy <u>noted</u> shortly before the full-scale invasion: 'This is not simply a matter of targeting some individuals or entities through sanctions but about fixing a broken system – Britain's openness to fraud and money laundering, inadequate regulation of political donations, lax mechanisms of corporate governance, and weakness to foreign interference.' Sanctions are a nominally temporary foreign policy tool – not a long-term national security strategy.

Policy recommendation 6: Reform UK foreign policy-making

Ukrainians understand that there is no way to end Russia's war properly, or in a way that allows them to live in security and peace, without a coherent Russia strategy. For now, HMG has no such vision. It has a Russia Strategy, hastily rewritten by the HMG Russia Unit following the full-scale invasion of Ukraine. On paper it is very promising but in practice it is less impressive and has accompanied regretful moves towards reducing a nine-year war as the doings of just one man ('Putin's war'), repeating failed policies (accommodating Kremlin-linked elites without any clear objective or success), and refusing to acknowledge research and evidence (e.g. regarding Russian public attitudes to war and what fuels them, including failings in UK pre-2022 policy towards Ukraine and Russia).

If Labour wants to upend the failed policies that facilitated Ukraine's catastrophe, it will need to change not only the policies but also the way they are designed and informed. Ultimately, it is not possible to deter Russia without changing the structures assigned to realise this deterrence. This would entail a shift of policy making decisions on Russia outside the diplomatic space, a move that should not be controversial, given Russia is a security threat rather than diplomatic partner. Russia strategy (as for other designated 'hostile states') should be decided in the

<u>Cabinet Office</u>, with the FCDO an important stakeholder (alongside MOD, UKIC, Home Office, NCA, and other ministries as relevant) but not the ultimate decision maker.

Almost all foreign policy disasters are preceded by one thing: groupthink. A commitment to good analysis, and good policy, involves consistently testing one's assumptions and incorporating diverse (evidence-based) views. However, the pressures placed on the FCDO by funding cuts and (sometimes self-imposed) restrictions on recruitment have led to what should be seen as essential (the availability of regional expertise) being perceived too often as a superfluous luxury. These cuts and restrictions should be reversed and recruitment into the FCDO should be diversified, especially within the policy profession. Specifically, while generalist policy skills can provide a useful comparative lens, this should be combined with subject matter expertise, ideally through a hybrid generalist and specialist policy profession approach.

Any activity to improve diversity of thought, and engagement with different types of expertise, would involve embedding research, especially empirical data, within policy formation. This means <u>maximising the considerable open source information</u> on Russian society and elites and moving away from a Kremlinologist approach of clandestine meetings with dissident Russians in Moscow's hipster cafes.

Successful outputs depend on high-quality input, which in the given case necessitates a commitment to engagement with foreign policy experts and external thinkers from a range of views and backgrounds, including a register of specialist researchers who can write reports and undertake projects. These experts would replace the current tendency to outsource specialist research to generalists from consultancies who charge £3000 a day for undergraduate-level insights. Another important amendment – and one in line with Labour values – would be to introduce a scheme to encourage more working class analysts and foreign policy specialists into the FCDO, which has a markedly disproportionate share of privately-educated diplomats. Socio-economic status is a serious barrier to knowledge of languages and ability to spend time abroad but failure to resolve this means the UK is missing out on important insights into precisely those Russians the West has most misunderstood: the working classes.

Perhaps the greatest area of required expertise is in those countries beyond Russia, particularly Ukraine. Countries of strategic interest in the 'post-Soviet' space can no longer be viewed purely through a Russian lens. This approach damaged our understanding of Ukraine and efforts and resources need to be made to cultivate expertise on Ukraine and other countries in the region. Improvements in this area would be facilitated by greater exchange of views and policies between ministries in the UK and Ukraine, e.g. FCDO-MFA interactions. The Ukrainian Embassy has complained of being shut out of discussions at the FCDO and several 'expert meetings' at FCDO and Cabinet Office relating to the war have featured no Ukrainians, but several Russians. The borrowing of Russia's own colonialist lens is not surprising, given the primacy afforded to Russian culture within academia and many other elite institutions but it is long past time views from Russia's neighbours were more thoroughly incorporated into UK foreign policy assessments.

3. FROM RECONSTRUCTION TO TRANSFORMATION

Speaking to officials in Kyiv and elsewhere, the constant refrain was that Ukraine needs help not merely to reconstruct but also to transform itself. Bluntly, many Ukrainians recognise that the horror and tragedy of this war has opened up an opportunity, which will not be repeated, to transform their country into the secure, prosperous and human-centric state for which so many Ukrainians have fought and died. This vision is crucial for morale and for managing the intense trauma inflicted on the Ukrainian people, as it will further endow their sacrifices with meaning. For such meaning to be constructed, the country will require a degree of economic security: that is, the sense that its economy can function sufficiently to provide for its people even during a long war, and that the country can develop.

It is difficult to comprehend the scale of destruction visited upon Ukraine. The number of victims is greatly underestimated, partly for morale, partly due to the difficulty of counting the dead. Bureaucratic hurdles mean that the many Ukrainians who buried their loved ones in their front gardens, do not have a death certificate. Likewise, relatives of those who were physically destroyed in totality, blown up into dust, are unable to obtain a death certificate because there is no physical trace of their loved one's death. Nobody can comprehend this level of loss, pain and trauma.



For those who have survived, life during wartime presents many challenges. The war resulted in a 29.1% contraction to Ukraine's GDP in 2022. Industrial output plunged by 36.9% as Black Sea ports had to be closed and considerable production capacity, e.g. in Mariupol, was lost. Defence spending consumes 80% of all tax and non-tax revenues. The National Bank of Ukraine predicts a GDP growth of just 1% in 2023 and Ukraine will still continue to depend on financial support from partner countries and international organisations. SME have proved resilient but the estimated \$143.8 billion of damages to infrastructure are challenging. For both morale and

investor confidence, Ukraine needs pledges of longer-term support. There are current plans being developed for an <u>international Marshall Plan, led by the USA</u>. As such plans are already detailed, this section focuses more tightly on how the UK can contribute on a bilateral basis.

Policy recommendation 7: Renew the UK-Ukraine (UK-UA) Strategic Partnership

The <u>UK-UA 2021 strategic partnership</u> laid the foundations for the defence partnerships and cooperation in fruition today but important topics remain unaddressed, especially in the dramatically altered context following Russia's full-scale invasion. In particular, much more could be done in terms of trade and connections between our countries. For example, <u>Ukraine only constituted 0.1% of UK trade</u> in 2022 and imports from and exports to Ukraine have faltered since the full-scale invasion. This should be addressed, especially in light of demand for service industries in which British companies perform well; for example, despite independence for almost 32 years, Ukraine does not have an IPO or stock exchange. Given UK financial services expertise, <u>Britain can assist with the establishment of an IPO and stock exchange</u>. Similarly, to ensure Foreign Direct Investment (FDI), Ukraine needs to develop complex insurance products. British expertise will be essential to developing such products for the market.

Other measures that will impact our shared future are climate change and the UK might consider providing investment and/or loans to increase solar and wind power resources in Ukraine, including support for smart grids, energy efficiency, and communal property modernisation. This will also decrease Ukrainian dependency on Russian energy resources. The National Security and Defence Council of Ukraine has a number of ideas and projects in this vein that can be explored and will be discussed at the upcoming Ukraine Recovery Conference in London from 21-22 June 2023. At every point, transparency will be essential for ensuring citizen engagement with Ukraine's transformation and trust in political and administrative processes. HMG could provide expertise and technical support in assisting Ukraine with developing a transparent, digitalised, procurement system. Given Ukrainian successes in digitalisation, including with the Diia app for public services, HMG can also use this as an opportunity to learn from Ukrainian expertise.

In this spirit of exchange, the renewed strategic partnership could include measures incentivising UK higher education funding bodies to provide fellowships that allow academics from leading UK universities to teach and research at Ukrainian partner universities. British universities should also be encouraged to <u>establish joint degree programmes</u> so that Ukrainian students do not feel they must go abroad to access prestigious education, thereby sapping the country of some of its future bright minds just when it, demographically, needs and will need them most.

This sense of shared learning and mutual assistance is also required in relation to the thorny issue of 'corruption culture' within Ukraine. The UK must focus on empowering Ukrainians and assisting them by <u>removing the loopholes individuals such as Dmytro Firtash</u> have used over the years to steal from Ukraine and settle their money in the UK and elsewhere. Tackling corruption

in Ukraine will also require structural reforms and a shift from creating state bodies to creating external bodies, regulatory functions, and strengthening an already <u>flourishing anti-corruption</u> civil society movement.

At every stage, ordinary people will need to be the drivers of economic growth and involved in reforms. One way to do this is to ensure that UK government and company FDI into Ukraine should be linked to job creation for Ukrainians, especially with unemployment currently at 37-38%. A white paper by USAID showed that Ukraine's building materials sector could provide up to 90% of the raw and processed materials needed for rebuilding residential and infrastructure sites. Efforts should be made to ensure responsible Ukrainian businesses do the rebuilding where possible, with commitments to good conditions and terms for workers. Unfortunately, current economic reforms are being pursued by the Ukrainian government at the expense of labour rights – a tendency that a Labour government would do well to privately discourage as strongly as possible in bilateral meetings.

Ultimately, while the whole country is contributing to the fight, it is Ukraine's working classes who are bearing the brunt of the Russian war machine and it is essential that they come home to a country fit for heroes – or at least to a country on a clear path in that direction. The Clement Attlee and 1945 Labour 'brand' could have traction here, especially given the cultural preponderance of WWII and 'Blitz Spirit' analogies within Ukraine.

Policy recommendation 8: Realise the UK's humanitarian potential

Almost nine million Ukrainians have fled their homeland since Russia's invasion - Europe's largest refugee wave since World War II. These figures may well increase depending on the war's duration and severity. As the Shadow Home Secretary has made clear in <u>statements and questions</u> to the house, the UK response has been less generous and co-ordinated than many countries in the EU, despite the UK public's <u>outpouring of support for Ukrainians</u>. Labour has a long and proud history of defending those in peril and the right to asylum, cognisant of what it says not only to those in need of refuge but also about the UK as a country.

Creating conditions in which refugees can return home is the overarching objective and that process will be easier if people are able to use this time, away from the war, to recuperate, maintain and/or gain professional competencies, and create connections in UK society that will connect our peoples. Correspondingly, Labour might consider granting Ukrainians the right to come to live and work in the UK for three-years without a visa, creating a usable database and dedicated support system for ensuring Ukrainians are not left homeless or at the whims of the UK's unaffordable private rental sector. The latest U.K. government data shows 5410 Ukrainians have already registered as homeless in England. As most of the Ukrainian refugees are women and children, this is particularly concerning. Any measures to address this will also need to recognise that, for Ukrainian women to fully participate in the UK labour market, they will need access to more subsidised childcare options.

Visas are only one side of the humanitarian coin. Speaking with charity workers and individuals on the ground in Ukraine, and at the Przemysl crossing point into Poland, revealed disturbing insights into the deficient responses of large organisations and charities to humanitarian crises in Ukraine. While charities like the DEC and ICRC had/have budgets of tens of millions, it was the smaller localised organisations who built their own networks and could speak either Russian or Ukrainian, that carried much of the initial burden of supporting refugees and IDPs. As three sources have independently confirmed, DEC, which received millions from the UK public, asserted they were unable to deliver food parcels as late as June 2022, due to the 'danger on the ground'. As part of a wider government-led reform of charities operating abroad, Labour in government might consider establishing the following criteria, which would need to be met before public donations or taxpayer money is allotted: a guaranteed on-the-ground presence within two weeks of soliciting donations; evidence of relevant language skills; evidence of qualified psychologists and psychiatrists available on-the-ground or in the relevant area(s).

Russia has wreaked damage and destruction across the entirety of Ukraine, but not equally. Some areas in western and central Ukraine are already in the early stages of recovery and reconstruction. Further east, there are still numerous humanitarian crises. Psychologically, it is important to allow Ukrainians to feel able to return to normal life and map out their lives – and those of their children - but there are currently numerous obstacles. Beyond stopping Russian aggression, one of the most pressing issues is the presence of landmines. Some 174,000 square kilometres of Ukraine has been fought over, the overwhelming majority of which has been contaminated by combat. At the current rate of demining, it will take 757 years to clear Ukraine's land – much needed for agriculture. The UK has considerable expertise in this field and could develop alongside Ukrainian officials a more ambitious schedule for demining, much of which can begin already.

Policy recommendation 9: Establish mechanisms for justice and reparations

On his visit to Kyiv, Labour leader Keir Starmer voiced his support for Ukraine's calls for justice and reparations for Russian actions during the war. Faced with the horrors of Irpin, he firmly stated "There has to be justice for this. There has to be justice in The Hague and there has to be proper reparation in the rebuilding of Ukraine.'

Ukraine's Prosecutor General is currently investigating 80,000 war crimes. A decisive factor in Ukrainian victory and recovery will relate to whether Ukrainians feel they can achieve, or have achieved, justice. Advancing plans for an international tribunal will be an important part of the war-fighting and morale building process. Labour can contribute to this by supporting Kyiv's request for a fully international tribunal, as opposed to a hybrid court, so that it attains the widest possible global support, recognition and cooperation. Moreover, foreign citizens cannot become judges under the Ukrainian constitution. The proposed international tribunal would be based in The Hague to facilitate coordination with the ICC. As a first approach, the UK could support Ukraine to write a treaty that is open to all states, and later endorsed by the UN general

assembly. The initial platform and signatures would come from the Council of Europe (46 member states) or the Core Group on the Special Tribunal (which so far comprises 30 states).

The full recovery of Ukraine is estimated to cost more than \$1 trillion. While Ukraine's allies will need to make contributions, it is unfair for them to shoulder these costs unilaterally when Russia has inflicted the damage. The value of frozen Russian assets in the UK is estimated at around £48 billion. With no reasonable prospect of Russia paying compensation to Ukraine any time soon and Ukraine's need for both short- and long-term financial assistance, confiscation of Russian assets becomes a necessity. While there is political willingness for asset seizures, the legal barriers are high. Previous seize vs freeze measures have been dependent on admission of guilt. Lawyers are continuing to explore options, especially non-conviction-based confiscation, perhaps along the lines of Italy's Legislative Decree 159/2011 (Anti-Mafia Code), whereby one could confiscate property of private individuals affiliated with the Kremlin and contributing to its crime of aggression against Ukraine. These options should be explored as a priority.

Another possibility under exploration is the confiscation of Russian state-owned enterprises (e.g., Gazprom assets). Central bank funds and some other state-owned assets used for public purposes are protected by immunities but this is often not the case for state-owned enterprises. While such options are explored (and fast-tracked), a Labour government could create a UK-based Claims Commission together with a compensation mechanism. With a register of damage already being created in the Netherlands, this mechanism will create further infrastructure for transparent and equitable allocation of compensation to the Ukrainian state, people, and businesses.

The successful implementation of a number of the policy suggestions provided above, let alone those more international ambitions (Marshall Plan, EU membership, etc.) depend on the continued, ideally improved, functioning of international institutions. There is also considerable scope for the UK improving and asserting its foreign power capability rather than the last decade's experience of performative rhetoric that overshadows the realities of Britain's hollowed-out armed forces and defensive capacity. The UK has been regrettably absent from major diplomatic endeavours relating to Russian aggression against Ukraine since 2014. Leaving the Minsk agreements and Normandy format to the French and Germans was an error. The UK's active involvement in any future groupings will be essential to building future initiatives' credibility among Ukrainians who are sceptical of Franco-German leadership of, and designs for, European security.

On the global stage, the UK could <u>work to reform the UN</u>, where we enjoy permanent security council membership. Widespread cynicism about the effectiveness, or even ability, of the UN to tackle major challenges undermine its power and status. Reform is desperately needed as, for all its flaws, a world with the UN is better than one without, especially in the UK's case. One way to achieve this could be to work alongside <u>French President Emmanuel Macron</u> in his calls for restriction of the right to use of veto in cases of perpetration of mass crimes. Another option would be to promote the <u>idea put forward by President of the European Council Charles Michel</u>

for the suspension of an aggressor state from the Security Council if the aggression is condemned by the UN General Assembly. This would not be able to be applied post-facto, so may not affect Russia on this occasion but would still set an important precedent for future scenarios. Importantly, it will also work towards rebuilding the UK's position on the global stage in a constructive way that helps Ukraine.

CONCLUSION

Even if the UK is no longer in a position to settle all the pieces of the proverbial shaken kaleidoscope, it can at least work to defend its interests, people and allies from the shrapnel. This strategy report has tried to expand upon a vision, and offer concrete policies, to assist that process. The UK – and wider West – must face the ugly, frightening reality of Russia's war on Ukraine and its geopolitical implications. As explained above, if faced with intellectual honesty, there are clear ways for the UK to use this hideous war as an opportunity to better defend its allies and itself. If we choose not to assume the responsibility, the consequences will in any case be forced upon us.

Ultimately, this is about national self-interest and about the future Western democracies struggle to articulate. Only by recognising that, will we find the political resilience to match Putin, who has asserted that <u>his interest in destroying Ukraine will outlast the West's</u> interest, or attention span, in defending it. The author of this report is not convinced he is wrong. Whether he is or not, will depend on the actions of Western politicians and their ability and willingness to set out a long-term vision of our security.

Either way, there are no foregone conclusions. This also leaves open the possibility that a significantly better European context can be created – for Ukrainians and Britons. For too long British leaders have mouthed phrases about our commitment to democracy, accountability, clamping down on corruption, building resilience, and being a force for good in the world. The Ukrainian nation's unthinkably courageous defence reminds us that those phrases used to mean something. Under Labour, the UK has every chance to make them meaningful once more.

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The New Diplomacy Project is helping Labour to develop a foreign policy for the 21st Century. Our experienced network of foreign policy researchers provides expert advice to Labour MPs and Lords, from real-time reactions to global events to in-depth policy briefings on complex areas of foreign policy. We seek to expand Labour's capacity to think about foreign policy, whilst complementing and bolstering the work of its frontbench team.

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