

Ukraine Between a Multivector Foreign Policy and Euro-Atlantic Integration

Has It Made Its Choice?

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The 2006 return of Viktor Yanukovich to the post of Ukrainian prime minister has again raised questions about the direction of Ukraine's foreign policy. Will Ukraine continue along the path of Euro-Atlantic integration which the Orange Revolution articulated, or will it oscillate between two competing centers of gravity, Russia and the West, as was the case before 2004?

Many believe that Ukraine can do nothing else but fluctuate between Russia and the West. Economic and sociological facts seem to support this conclusion. In 2005, the European Union accounted for nearly 30 percent of Ukraine's foreign trade; it replaced Russia as Ukraine's top export market several years ago. At the same time, Russia lagged behind the EU in trade with Ukraine in 2005 by only one percentage point, and it remains an extremely important partner for Ukraine economically. As for foreign policy preferences, time and again approximately an identical number of Ukrainian survey respondents – 35 to 40 percent – name either Russia or the EU as Ukraine's most important partner.

That said, the answer to Ukraine's foreign policy orientation depends on what we really mean by the term. If we mean a definite break with one of its partners, one would have to agree that Ukraine lacks the wherewithal to make such a stark determination. Unlike the Baltic states, whose geopolitical flight to the West dictated a desire to

minimize ties with Russia, Ukraine wants to preserve as close a relationship with Russia as possible. However, if we mean prioritizing relations, then even in today's situation it is conceivable that Ukraine will still choose to prioritize relations with Europe over Russia.

This is, in fact, the direction that Ukraine has already begun to take. Ukrainian integration with the West will doubtlessly be full of zigzags and deviations. It will, however, continue to proceed, if incrementally and by default more than by design. Ukraine will not accept the prospect of being forever left outside of the EU. Centrifugal drift in Russian-Ukrainian relations is likely to continue, and cooperation with NATO will proceed apace.

Ukraine – Russia: Beyond the Point of No Return?

For all the upheaval in Ukrainian domestic politics, Russian-Ukrainian relations do not look substantially different today than they did before Ukraine's 2006 parliamentary elections.

First of all, Russia has not regained a decisive role in Ukraine's domestic politics. After Russia's ineffective interference in 2004 presidential elections, Ukraine's leading political forces learned that Russian support was not only unnecessary for victory but could even be counterproductive. It is not accidental that Yanukovich's campaign in 2006 was run by U.S. political consultants rather than Kremlin spin doctors. Russia can still influence the outcome of events and work with individual politicians, but parties that put a "pro-Russian" orientation at the center of their platforms will be marginalized.

In this context, it is worth analyzing the text of the Declaration (Universal) of National Unity, the document which made it possible for President Viktor Yushchenko to propose Yanukovich as prime minister. Without overestimating the significance of such a document, it is still remarkable that Russia did not receive a single mention. Until recently, such an omission would have been impossible to imagine, especially since the document does mention the World Trade Organization (WTO), the EU, and the North Atlantic Treaty Organization. If the omission were the product of negotiation, then Yanukovich ought to have felt free to explain this to his electorate. It is even more telling if the negotiating parties failed to mention Russia without even debating it. The declaration addresses the possibility that Ukraine will join the Russian-led Single Economic Space (SES), but only in order to reiterate that Ukraine would be ready to participate solely in its free trade zone, not a customs union, and that WTO rules would condition Ukraine's entry into the SES. Such a statement was entirely in line with previous declarations.

More substantially, the dismantling of a system of preferential economic treatment for Ukraine has continued. The fact that Russia raised gas prices in January 2006, before Ukraine's parliamentary elections, indicates that Moscow did not have high hopes that a Yanukovich victory would pave the way for a restoration of the old model of inexpensive gas in exchange for formal loyalty. Afterwards, Moscow saw no reason to drop the new policy of maximizing economic gain. Thus, the largest economic incentive for Ukraine to stay close to Russia is quickly eroding. Another problem for Moscow is

that the Ukrainian economy has handled with surprising ease the doubling of the gas price from \$50 to \$95 for one thousand cubic meters (tcm). Ukrainian authorities are less concerned than before about increasing prices – they have agreed to \$130 tcm as the price of gas for 2007 and some even see \$160 as acceptable. They are also less inclined to consider whatever concessions they may have been willing to consider in the past in exchange for lower prices. Finally, in October 2006, Ukraine announced that it would no longer buy Russian gas but only import Central Asian gas that passed through Russia. If these plans materialize, the whole substance of the Russian-Ukrainian energy relationship will change. Instead of a “seller-buyer” relationship, the two countries will be only transit partners, which will give Ukraine more freedom of maneuver.

Third, the Yanukovich government inherited a long list of unresolved disputes with Russia, involving the delineation of maritime borders, Russia’s military presence in Crimea, trade protectionism, and the status of the Russian language in Ukraine. The longer these disputes remain unresolved, the more traditional concerns will drive the policy of Ukraine’s new cabinet. Also, the more Russian pressure grows, as in September 2006 when the Russian Foreign Ministry issued a harsh statement on the language issue, the less friendly relations will be at the top levels of government and the less likely it is that mutual confidence will be restored between Moscow and Kyiv.

In the end, the Ukrainian-Russian relationship looks only slightly less conflictual than before. True, Russia is less concerned today with the consequences of the Orange Revolution, as it is clear that there will be no noticeable spillover effect domestically and the new frontiers of Europe will not be drawn along the Russian-Ukrainian border anytime soon. Kyiv, in turn, will likely not push forward with initiatives that provoke Russian anxiety, such as the Community of Democratic Choice or the re-launched GUAM Organization for Democracy and Economic Development. That said, the systemic features in Ukrainian-Russian relations that were introduced or strengthened after the Orange Revolution are likely to be preserved, and there is no chance of returning to the status quo of former president Leonid Kuchma’s days.

Ukraine – EU: Business as Usual?

The new ruling coalition has confirmed Ukraine’s strategic goal of EU membership. Support for membership is shared by a majority of Ukraine’s elite and at least a plurality of the population. For this reason, Yanukovich struggled throughout his election campaign to deprive the pro-Yushchenko camp of a monopoly on the “European choice” and repeatedly emphasized his allegiance to the cause as well. The economic groups that Yanukovich represents have also realized an interest in joining the WTO and gaining access to European markets. This realization provides a solid footing for Ukraine-EU relations.

The Ukraine-EU relationship has already begun to gain momentum, and the role of inertia in the pro-EU bureaucracy should not be underestimated. The year 2005 saw the launching of a joint Action Plan, negotiated during Yanukovich’s first term in office as part of the EU’s European Neighborhood Policy. This was followed by the development of a road map consisting of 300 items that need to be addressed in order to implement the EU-Ukraine Action Plan. A new framework treaty is now to be negotiated to replace

the expiring Partnership and Cooperation Agreement which serves as the basis for EU-Ukrainian relations.

There are also no signs that Kyiv will renounce its solidarity with the EU on issues concerning its CIS neighbors. Ukraine joined with the EU in issuing a statement on Belarus condemning the conviction of former presidential candidate Alexander Kazulin. It also joined the EU in declaring illegitimate a referendum on independence held by the Moldovan breakaway region of Transnistria. The tightened controls that Ukraine introduced in March on its border with Transnistria also remain intact.

The future of Ukraine-EU relations is uncertain. The EU continues to question whether Ukrainian domestic developments are moving in the right direction. Complicated bilateral issues, such as visa facilitation, also remain. As long as the EU refuses to discuss even the hypothetical possibility of Ukrainian membership, it will be less interested in promoting Ukraine's transformation, since successful reform would make the EU's current wariness of Ukrainian membership less sustainable. Nonetheless, if Ukraine is able to couple its rhetoric on its "European choice" with action, relations will undoubtedly move forward.

Ukraine – NATO: Just Being Realistic?

Yanukovich's refusal to apply for a NATO Membership Action Plan has been perceived as a major U-turn in Ukrainian foreign policy. Leaving aside what this decision says about Yushchenko's ability to exercise his constitutional right to steer foreign policy, let alone the damage such a refusal can inflict upon internal reform, it is still worth pointing out that Yanukovich's position may be more realistic than NATO romanticism.

NATO membership does not have the support of a majority of Ukraine's population. No more than one-fifth of the population is currently ready to vote for NATO accession. Taking a decision to join the alliance against the will of the people would be undemocratic and dangerous for stability. Even among former members of the "Orange coalition," NATO membership does not have solid support: both the Socialist Party and the Yulia Tymoshenko Bloc are against it. Many in Ukraine realize that unless prospects for membership in NATO and the EU are both assured, joining NATO alone makes limited sense. Ukraine is not satisfied to be included only in a Western security zone because it wants to be part of its prosperity zone as well.

Arguably, Ukraine has postponed the choice of pursuing NATO membership rather than abandon the option altogether. The need to make a gesture to facilitate relations with Russia certainly factored into Yanukovich's decision. It is essential that Ukraine confirm its readiness to continue cooperation with NATO using the existing institutional mechanisms of the Intensified Dialogue and NATO-Ukraine Action and Target Plans. Ultimately, as in its relations with the EU, Ukraine's actions are what will matter, not its rhetoric.

Conclusion

The future of Ukraine's foreign policy, just as of its domestic policy, depends primarily

on changes at home. The focus of Western attention in Ukraine, therefore, should be on the promotion of reform, not the consolidation of a particular geopolitical direction. If Ukraine successfully transforms itself, it will be a better partner for the West regardless of whether it is a member of the EU or NATO.

The effort to promote pluralism as well as the rule of law in Ukraine, foster new elites, and complete other tasks of political and economic transformation should be sustained and enhanced. Given popular frustration with the practical results of the Orange Revolution, the risk that these reforms will be delayed has increased.

Ukraine should also be assisted in addressing its energy concerns. Only once it is energy efficient and able to pay the real price for what it consumes will it be able to be fully sovereign in its foreign policy.

It is also time to stop uncritically dividing Ukraine's politicians into pro-Russian and pro-Western camps. After fifteen years of independence, this labeling is erroneous and obsolete.

In the end, the EU continues to possess the most powerful instrument to encourage transformation in Ukraine: the prospect of EU membership. In this context, the United States could work closely with their European partners to make a formal opening of this prospect possible for Ukraine.