

**PJ
PS** POLISH JOURNAL
OF POLITICAL SCIENCE

Volume 2 Issue 2 (2014)

Working Papers

Polish Journal of Political Science. Working Papers

Volume 2 Issue 2

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Anita Şek¹

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***In-between the Russian Federation and the European Union:
Is There a 'European Choice' for Ukraine?***

Abstract

The objective of this working paper is to assess the EU-Ukraine political relations in the framework of the European Neighbourhood Policy (ENP) and the Eastern Partnership (EaP), and against the vicinity of the Russian Federation. The author aims to reveal to what extent the so called 'European choice' has constituted a basis for the foreign policy of Ukraine and how it has been conditioned by the presence of both the European Union and the Russian Federation. The analysis is accompanied by opinions of the officials from both the Mission of Ukraine to the European Union and the European External Action Service (EEAS), revealed during the interviews that the author conducted in Brussels during the spring of 2012.² Last but not least, this paper attempts to provide explanations for events surrounding the Eastern Partnership Summit in Vilnius in November 2013 and the subsequent 'Ukrainian crises.

Keywords: Ukraine, Russia, EU, EasternPartnership, multi-vector policy, Russian factor, Association Agreement, DCFTA

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² This analysis builds on the thesis submitted for the title of Master of Arts in EU International Relations and Diplomacy in the College of Europe in Bruges (Belgium) in 2012. It is actualized according to the following events in EU-Ukraine relations and most recent post-Summit developments in Ukraine.

1. Introduction

The objective of this working paper is to assess the EU-Ukraine political relations in the framework of the European Neighbourhood Policy (ENP) and the Eastern Partnership (EaP), and against the vicinity of the Russian Federation. The author aims to reveal to what extent the so called 'European choice' has constituted a basis for the foreign policy of Ukraine and how it has been conditioned by the presence of both the European Union and the Russian Federation. The analysis is accompanied by opinions of the officials from both the Mission of Ukraine to the European Union and the European External Action Service (EEAS), revealed during the interviews that the author conducted in Brussels during the spring of 2012.³ Last but not least, this paper attempts to provide explanations for events surrounding the Eastern Partnership Summit in Vilnius in November 2013 and the subsequent 'Ukrainian crises'.

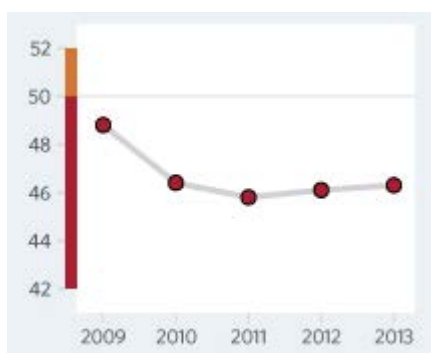
The first part of the paper presents the matrix of economic, (geo-)political and social aspects of present day Ukraine. The second chapter reveals tendencies in Ukrainian relations to the EU, including the Russian factor; the Ukrainian both official and public perspectives are an important element of the analyzes. The final conclusions state that there is no economic and political developments of both Ukraine and beyond: the region of Eastern Europe and Caucasus (the 'shared

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neighbourhood') situated between the EU and Russia, without participation of both of these stakeholders. This part comprises also policy recommendations for the European Union.

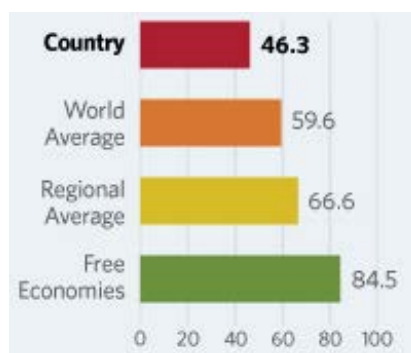
2. Background

Graph 2 Scores for economic freedom in Ukraine in years 2009-2013



Source: The Heritage Foundation, *op.cit.*

Graph 1 Economic freedom in Ukraine, comparison



Source: The Heritage Foundation, *op.cit.*

Ukraine has a strong geopolitical and economic potential from its position between Europe and Asia. The 2011 OECD report praises the country's rapid growth of average 7.4% in years 2000 – 2007; it points out however major structural problems and a high energy dependence.⁴ The global financial crisis hit Kiev in 2009 with a greater force than any other country of the region, decreasing its

⁴ OECD, "Development in Eastern Europe and the South Caucasus: Armenia, Azerbaijan, Georgia, Republic of Moldova and Ukraine", OECD Publishing, 2011, <http://dx.doi.org/10.1787/9789264113039-en>, pp.233-234.

economy by as much as 15.1% that year.⁵ On the economic freedom list by the Heritage Foundation, Ukraine ranks 161st out of 177 countries. It scores the worst in Europe, even behind Belarus, and finds itself a place in the category of “repressed” countries (see Graphs 1 and 2).⁶

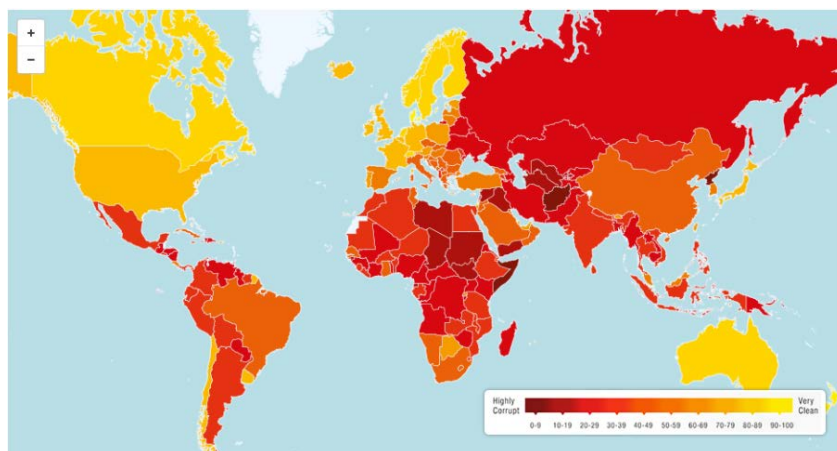
Some other major characteristics of the Soviet heritage are: the poor protection of property rights, a weak rule of law and a politicised judiciary. Another problem is the widespread corruption, which undermines all attempts to establish the rule of law as well as a real market economy. In 2011 Ukraine has been downgraded to the 152nd position (from 134th in 2010 and 146th in 2009) out of 183 countries in the “Transparency International’s Corruption Perception Index”. Its overall score fell in 2013, but Kiev has managed to keep the 144th place as a year before, drawing with countries like Cameroon, the Central African Republic, Iran, Nigeria, and Papua New Guinea, thus becoming the most corrupted nation in Europe (see Graph 3).⁷ Among the institutions which are perceived by the public to be highly corrupt are the political parties, the parliament, the police and the judiciary.

⁵ *Ibidem*, 74, 233-234.

⁶ The Heritage Foundation, <http://www.heritage.org/index/country/ukraine>, retrieved: 04.12.2013.

⁷ Transparency International, <http://cpi.transparency.org/cpi2011/results/>, retrieved: 30.04.2012.

Graph 3 Corruption Perception Index 2013
(from dark red – the most corrupted, to yellow – the least corrupted)



Source: Transparency International, op.cit.

The “Nations in Transit 2013” report by the Freedom House recalls that the record of developing democratic institutions and protection of human rights is also unsatisfactory (see Graphs 4 and 5).⁸

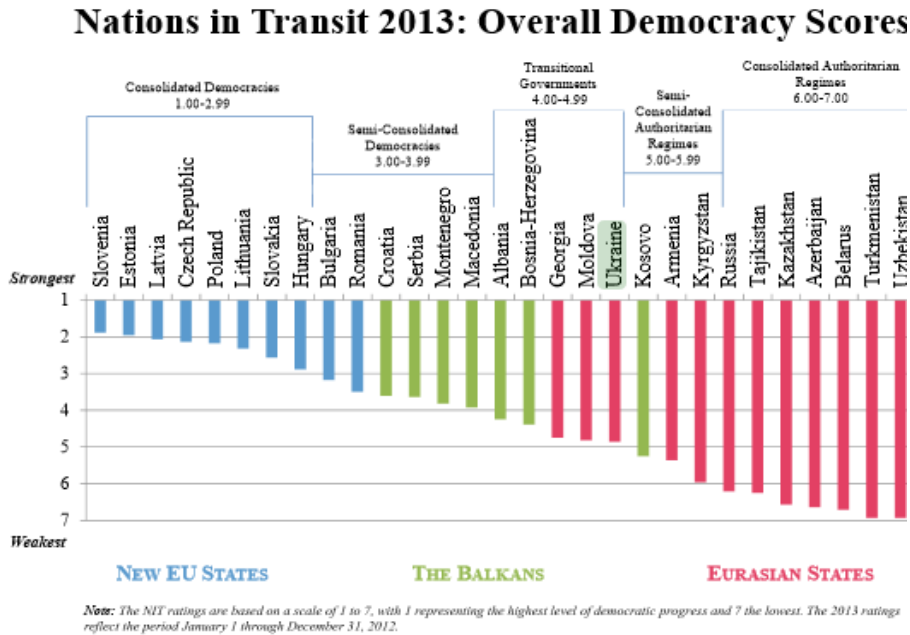
Graph 4 Nations in Transit, overall democracy scores for Eastern Partnership countries
(from 1 – the best to 7 – the worst performance)

	2009	2010	2011	2012	2013
Armenia	5.39	5.39	5.43	5.39	5.36
Azerbaijan	6.25	6.39	6.46	6.57	6.64
Belarus	6.57	6.50	6.57	6.68	6.71
Georgia	4.93	4.93	4.86	4.82	4.75
Moldova	5.07	5.14	4.96	4.89	4.82
Ukraine	4.39	4.39	4.61	4.82	4.89

Source: Freedom House, op.cit.

⁸ “Nations in Transit 2013. Authoritarian Aggression and the Pressures of Austerity”, Freedom House, <http://www.freedomhouse.org/sites/default/files/NIT%202013%20Booklet%20-%20Report%20Findings.pdf>, retrieved 04.12.2013.

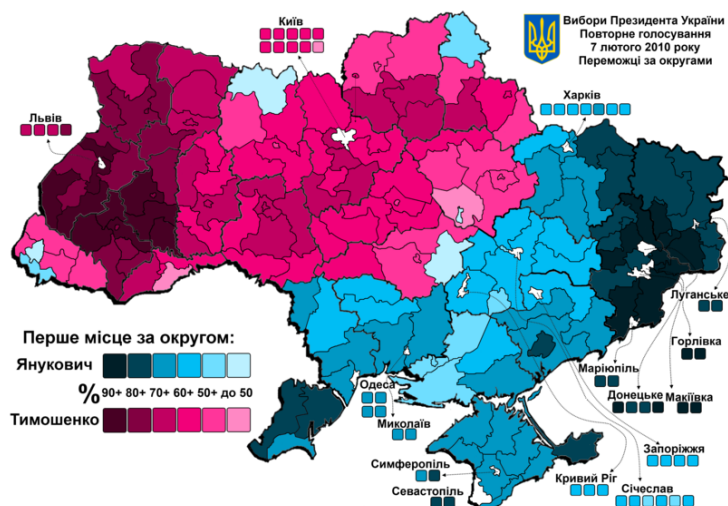
Graph 5 Ukraine in comparison to other Nations in Transit



Source: Freedom House, *op.cit.*

Finally, it must be outlined that Ukrainians are not a homogeneous society. The nation is divided into two blocks, to simplify the complex situation of Ukrainian identity mainly called: (1) the West Ukraine, pro-European, mainly Ukrainian language speaking, and (2) the mainly pro-Russian, Russian speaking East of the country, with a hesitating/swinging Russian-speaking South (see Graph 6).

Graph 6 Socio-political division of Ukraine. Results of the 2010 presidential elections
(pink – pro-Tymoshenko, blue – pro-Yanukovych)



Source: Forbes.com

Nevertheless, according to an interview with a Ukrainian diplomat, the successes of the “young country” should not be underestimated: “in just over 20 years of independence, the country has achieved an unprecedented level of development”. It encompasses firstly, the establishment of a more-or-less functioning market economy, as proved by the accession to the World Trade Organisation in 2008; and secondly, the creation of germs of democratic institutions. “It is understandable that there is still a lot to be improved, but what took the Western world 200 years of democratisation processes, cannot be expected from others in two decades”, stated the official.⁹

⁹ Interview conducted with the officials from the Mission of Ukraine to the EU on 9 April 2012 in Brussels.

3. Development of EC/EU-Ukraine Relations

During the initial years of its independence attained in 1991, Kiev was preoccupied first of all with its internal and secondly its external struggles for sovereignty, finding itself in a brand new geopolitical situation which arose after the collapse of the Soviet Union. Nation- and state-building, and seeking the security of its own state, were necessities. Not surprisingly for the first Ukrainian presidents: Leonid Kravchuk (1991/92-1994) and Leonid Kuchma (1994-2005), the most important matter then was to keep close relations with Moscow. That is the reason behind the 'Russia first' policy and low-key relations with the European Communities/European Union.¹⁰

In 1994, with the election of Kuchma new possibilities for cooperation with Europe opened. Kiev accepted a first-of-its-kind agreement directed towards a Newly Independent State and non-candidates: that is, the Partnership and Cooperation Agreement. Thus it was Ukraine that became the first "template for the neighbouring Eastern European countries".¹¹ The PCA objective was to regulate future political, trade, economic and cultural cooperation.

The 'European choice' as such was not officially formulated until the 1998 "*Strategy of Ukraine's Integration with the European Union*",

¹⁰ T. Kuzio, "Ukraine. Muddling Along", in Sharon L. Wolchik, Jane L. Curry (ed.), *Central and East European Politics: From Communism to Democracy*, Lanham: Rowman & Littlefield, 2011, p.361.

¹¹ M. Emerson, "Ukraine and the EU", in: D. Hamilton, G. Mangott, *The New Eastern Europe: Ukraine, Belarus, Moldova*, Washington DC, Centre for Transatlantic Relations, 2007, p.217.

when the PCA came into force. The document emphasised the attainment of associate member status as the main priority of Ukrainian foreign policy in the medium term. In a positive reaction, the “Common Strategy on Ukraine” was issued by the EU’s leaders at the Helsinki Council of Ministers Summit in 1999. Nonetheless, in 2004—by the end of his second term—Kuchma removed points on EU and NATO memberships as strategic aims from his new “Defence Doctrine”.

3.1. Specific Geo-political Localisation

“Choice of European and Euro-Atlantic standards define today’s Ukraine and its future”, stated a Ukrainian diplomat interviewed by the author. Nonetheless, due to its special localization in a ‘grey zone’ in-between the EU and Eurasia/Russia, Ukraine has to struggle for its geopolitical and geo-economic place in the world. The diplomat said admittedly that

“Although Ukrainian spirit is definitely inspired by Europe, and despite the fact that between 60% and 80% of the society supports European integration, we are still undecided, which path of development and cooperation to follow. As older generations pass away and young people—brought up in the period of independence—have their voice, they call for more Europe and for EU-oriented reforms in all areas of life.”¹²

¹² Interview with Ukrainian diplomat, op.cit.

3.2. Ukrainians and the EU/European Integration

In 2012 the former Ukrainian Minister of Foreign Affairs and currently a co-chairman of the Eastern Partnership Parliamentary Assembly EURONEST, Borys Tarasyuk, perceived his country as a “distinct groundbreaker” in the Eastern flank of Euro-integration, which is significant for the whole region.¹³ What is worth observing is that it took Kiev two years to start negotiations on Association Agreement (AA) and Deep and Comprehensive Free Trade Association (DCFTA) after the ‘Orange Revolution’, but Chisinau waited only four months after overcoming its own political crisis of 2009.¹⁴

The interviewed officials believed that Ukraine’s accession could prove EU’s far-sighted approach and open the Union to other neighbouring countries. Kiev would like to be seen as a good equalizer of Russian and European influences, which would guarantee national sovereignty, welfare and prestige in the region. What is more, Ukraine assumed such an approach—constituting a good example for a society’s transformation – which could also lead to changes in the autocratic regime of Belarus. At the time Kiev had the ambition to become a regional power and a ‘game changer’.

¹³ Interview with Borys Tarasyuk, former MFA UA, Co-President of the Parliamentary Assembly EURONEST, *Études européennes*. 16.02.2012, www.etudes-europeennes.eu, retrieved: 17.02.2012.

¹⁴ K. Wolczuk, “Eastern Partnership Review. Perceptions of, and Attitudes towards, the Eastern Partnership amongst the Partner Countries’ Political Elites”, Estonian Centre for Eastern Partnership, no.5, December 2011, http://www.eceap.eu/ul/Review_No5.pdf, retrieved: 20.04.2012, p7.

“The ‘golden carrot’ of adhesion is unavoidable for us, and although (...) Kiev will pose to the EU a digestion problem, [it] will confirm an image of multi-circled and multicultural Europe. Such a diverse and open Union will be much more respected on the international arena, especially by the emerging countries.”¹⁵

According to polls conducted by Eurobarometer in the last few years, but before the movement of ‘Euromaidan’, the Ukrainian society had a positive attitude towards the EU, seeing it as a friendly neighbour (according to 60% of respondents), with sufficient common values to build on (57%).¹⁶ Overwhelming majority of Ukrainians would also like to see it playing an even greater role in the region and their country, across a range of areas from economic development (76%), trade, human rights and democracy (60%). What is interesting is that the polls’ outcomes were slightly more positive than the average for the EaP region. More than half of the Ukrainian nationals reported to trust the EU – more than any other international institutions like the UN and NATO, and significantly more than they trusted their own government (23%), Parliament *Verhovna Rada* (18%) or political parties (18%).

Ukrainian knowledge on the EU remained nonetheless weak (see Graph 7):

¹⁵ Interview with the Ukrainian diplomat, op.cit.

¹⁶ ENPI Info Centre, “EU Neighbourhood Barometer: Ukraine Autumn 2012”, 25.04.2013, http://www.enpi-info.eu/maineast.php?id=434&id_type=3&lang_id=450, retrieved: 04.12.2013.

Graph 7 Ukrainians' knowledge on the EU

Percentage of respondents giving the correct answer to true/false questions about the EU

	Correct answer	% who provided a correct answer		
		Dec 2009	June 2010	Nov 2010
The EU currently consists of 25 Member States	False	12%	18%	14%
The EU has its own flag	True	68%	68%	75%
UNICEF is an EU institution	False	17%	20%	18%
The Euro is the common currency of all EU Member States	False	20%	15%	15%

Source: ENPI Info Centre, Ukraine.

3.3. Development of 'Multi-vector' Policy

It was the Kuchma's policy of 'manoeuvring' between Moscow and Brussels that was first labelled a 'multi-vector' policy.¹⁷ Taras Kuzio argues that from the elite point of view:

"it makes a lot of sense to be able to play East and West against each other and reap the benefits of having and maintaining ties to both (...), [while] maintaining a sovereign state and their power."¹⁸

The approach of the 'Orange revolutionists': Victor Yushchenko and Yulia Tymoshenko, stood in contrast to the Kuchma's idea of the balance. The leaders of the *Nasha Ukraina* ("Our Ukraine") party won after mass protests in repeated 2004 parliamentary elections, and declared the European and Euro-Atlantic integration as the only proper way for Ukraine. Nonetheless, some observers doubted in a reality of this 'European choice', pointing for instance to the administrative

¹⁷ M. Shmelova, "Ukraine's Multi-vector Foreign Policy: Attempt at Summary", *The Polish Quarterly of International Affairs*, 2008, no. 2, Warsaw.

¹⁸ Kuzio, op.cit. 362.

vacuum responsible for dealing with EU matters.¹⁹ It seems that the only success of the ‘Orange Revolution’ was the fact that the voice of Ukrainian people was finally heard in Brussels; before, the EU-Ukraine relationship had often been characterized by some commentators as a ‘dialogue of the deaf’.²⁰

In 2004 the European Union moved its borders to Ukraine, through admission of eight countries from Central and Eastern Europe. As a consequence, a new programme directed at EU’s neighbours also extended to the South Caucasus. That is, the European Neighbourhood Policy (ENP) was introduced as an alternative to the membership prospect. Driven by a wave of euro-enthusiasm, Ukraine signed in 2005 the Action Plan, hoping for a rapid promise of EU accession, which in fact never appeared.

3.4. The ‘Russian Factor’

“The desire to escape (or weaken) Russia’s domination and restore (or secure) territorial integrity are a strong motivation for post-Soviet states to seek closer ties with the EU.”²¹

The Ukrainian diplomats shared a feeling that “we [Ukrainians] are sometimes treated not as an equal partner to any of the bigger players, but as a pawn in the EU-Russia-USA geopolitical game”. Inevitably, Russia remains a reference point. Moscow’s historic expansionism,

¹⁹ Emerson, op.cit.221.

²⁰ I. Solonenko, “Added Value? Eastern Partnership and EU-Ukraine Bilateral Relations”, ipg 3/2011, p.122.

²¹ Wolczuk, op.cit. 6.

power and domination are factors that all post-Soviet countries must reckon with. The Russian 'divide-and-rule' or *faits accomplis* tactics, linked with the 'near abroad' concept, as shown in Georgian-Russian conflict over South Ossetia and Abkhazia in August 2008, and with pressures on other neighbouring countries, particularly Armenia and Ukraine in the weeks preceding the EaP Summit in Vilnius, are still a well-recognised strategy by the Kremlin.

Seeing the events from the Russian perspective, starting from 2004, Moscow was faced with several challenges, embodied in the ENP and later EaP, which were threatening its presence and influence in the region.²² Therefore, the country has undertaken several actions in order to restore the *status quo*. Firstly, through intensified diplomatic efforts aiming at rapprochement with other regional players: China, Iran and Turkey. Secondly, through more offensive and aggressive activities like energy-blackmailing of Ukraine during winters of 2008 and 2009, and eventually entering into war with Georgia over the two breakaway regions in 2008 and now the annexation of Crimea. All these actions have revealed EU's impotence not only to prevent, but also to react. Moreover, this *Realpolitik*, zero-sum game approach took Brussels by surprise.

²² Firstly, with a possible loss of influence over its biggest and closest post-Soviet CSI partner--Ukraine. Secondly, with a possible marginalisation in the region and the 'frozen conflicts', e.g. in Transnistria (due to greater EU's engagement into the region, e.g. via implementation of the Monitoring Mission EUBAM at the Moldovan-Ukrainian border in 2005/2006). Finally, with a loss of its monopoly on energy supply to Europe (via plans of constructing an alternative to Russian pipelines from Central Asia and Azerbaijan).

Moscow is inevitably one of the assumptions why the *ancien regime* embodied in Victor Yanukovych, a nominated successor of Kuchma in 2004, and his *Partya Regionov* ("Party of Regions"), prevailed, winning in internationally recognised elections in 2006. The speech of the prime minister Yanukovych on matters of external relations directed to the Ukrainian parliament *Verhovna Rada* in September 2006 is significant in this context:

"the new government sees its task in becoming a player which is strong, self-sufficient and therefore interesting to Brussels instead of role played by Ukraine till now – the role of a 'beggar' in the EU negotiations. (...) [R]estoration of mutually advantageous good neighbourhood with Russia (...) [is] an obligatory condition to a rapid economic development (...) [and is] guided by the national interests only."²³

3.5. Ukraine's Dissatisfaction with the EU

Another premise for Yanukovych' victory might have been reluctance of the EU to grant Ukraine a clear prospect of adhesion. Evidently, Brussels has had a problem with its 'absorptive capacity', and unfortunate words by the EU commissioner for external relations and ENP Benita Ferrero-Waldner: "for Ukraine the EU's door is neither shut nor open", show constant hesitations towards the Eastern Partners, fuelling disillusionment and disappointment particularly in Ukraine.²⁴

²³ Cited in: A. E. Stent, "The Lands in between: the New Eastern Europe in the 21st Century", in Hamilton, Mangott, op.cit.27.

²⁴ Cited in Emerson, op.cit. 224.

Presented motives are the reason why the Eastern Partnership initiative implemented since 2009, and understood in Kiev as a substitution for membership, could not have been met with enthusiasm. Moreover, the negotiation of an Association Agreement and a Deep and Comprehensive Free Trade Area with Ukraine had been presumed already before the introduction of the EaP. Secondly because the initiative perceived all the partners to stand in the same row ('one size fits all'), neglecting Ukraine's more advanced status and ambitions.

"The EaP is potentially an efficient geopolitical project, perceived as a stone in EU's enlargement policy, what meets with support from the Ukrainian side, it must be however underlined that it is regarded by Kiev not as a framework, but as an additional tool only."²⁵

For Ukraine it was the bilateral relation with Brussels that really mattered, not the 'vague' multilateral dimension as proposed by the EaP. Kiev emphasised different priorities, directions, needs, visions, basics of relations, views on the EU and goals of cooperation revealed by the Eastern Partners. Ukraine was 'proudly dissatisfied' with being located in the same row with countries finding themselves as far ideologically from the EU as Belarus, or as uninterested in the integration as Azerbaijan. The situation was similar to the ENP programme, where Ukraine was positioned just next to Northern African countries.²⁶ Also

²⁵ Interview with the Ukrainian diplomat, op.cit.

²⁶ Wolczuk, op.cit. 8.

the outcomes of interviews conducted by Kataryna Wolchuk revealed that the EaP was in fact “perceived as a retrogressive step.”²⁷

According to the Ukrainian diplomat, the EaP remained a good, but not used idea, blocked by diversification in priorities and ‘pride and prejudice’—inter-country animosities and conflicts. The EU just proved that not only it does not have an idea on how to settle these difficulties, but also any strategy on how to deal with the region generally.

Without the promise of membership, the implementation of, to a certain extent, painful reforms and sacrifices of an unknown-duration is difficult, because it requires enormous not only financial, but particularly political and social efforts, which – according to Kiev—should be encouraged by their promoter—the EU. The understanding shown and support given by some new EU countries, advocates of the EaP: Poland, the Baltic states and the Visegrad Group, was assessed by Ukraine as not sufficient. On the other hand, the same exceptionalism of the EU, as a multilateral and multi-layered organisation, where compromise is found in a deliberative dialogue and not by the use of force, was praised by Ukrainian authorities. “In a globalized world no-one can afford being alone. We acknowledge EU’s exceptional socializing force and want to be a part of it”.²⁸ What doesn’t change a fact that the Ukrainian political elites “often feel frustrated by EU’s insistence on ‘meeting key recommendations’, ‘fulfilling pre-conditions’, ‘making sufficient progress’” and on too slow introduction of reforms.²⁹ To these

²⁷ *Ibidem*, 7.

²⁸ Interview with the Ukrainian diplomat, op.cit.

²⁹ Wolczuk, “Eastern Partnership Review...”, op.cit. 8-9.

allegations Kiev consistently replied that it is able to cover the most painful reforms only when the membership promise is delivered.

That is why Brussels mistakenly believed that the AA and DCFTA, initialed at the end of March 2012, had been perceived by Kiev as strategic axes of its approximation to the EU, the steps on the way to full integration. This new legal framework offered potential for development, opening the market, boosting the Ukrainian economy, and providing hi-technology, as well as the highest standards and guidelines for systemic politico-social reforms.

Catalysing on non-pragmatism of Yushchenko and Tymoshenko, prime minister Yanukovych became president in February 2010 after winning the elections.³⁰ Generally, it is agreed among commentators that in contrast to the previous Orange-coalition, the newly established government has been characterised by political stability and rational governance. However, it had been going along with increasing authoritarianism and deterioration of democracy and human rights, as presented in the first part of this paper.

Ukrainian manoeuvring between Brussels and Moscow

As president Yanukovych continued his 'multi-vector policy' since his time as prime minister, built on Kuchma's strategy, which saw in

³⁰ K. Wolczuk, "Adjectival Europeanisation? The Impact of EU Conditionality on Ukraine under the European Neighbourhood Policy" *European Research Working Paper Series*, Number 18, European Research Institute, p.16.

Ukraine a bridge between East and West; as he wrote in the “Wall Street Journal” in 2010:

“[w]e are a nation with a European identity, but we have historic cultural and economic ties to Russia as well. We can benefit from both [...with a ‘commitment’ to the EU-integration] when the time comes”.³¹

Even before the statement of Yanukovych, members of the Party of Regions of the *Verkhova Rada*, had addressed a letter to the president of the European Parliament confirming European direction as the only course envisaged by them for Ukraine.³² The law introduced a few months later “On the Fundamentals of Domestic and Foreign Policy” reiterates Ukraine’s belonging to a family of European and democratic states.³³

In the meantime, on 21 April 2010, the Ukrainian and Russian presidents agreed to forego a one-third reduction in gas prices for Kyiv, in exchange of an extension by 25 years beyond 2017 of the lease of the Russian naval base in the Black Sea port of Sevastopol. Although the Ukrainian opposition and some observers have seen in the deal a

³¹ V. Yanukovych, “Ukraine will be a Bridge Between East and West”, The Wall Street Journal, 17.02.2010, <http://online.wsj.com/article/SB10001424052748704804204575069251843839386.html>, retrieved: 12.04.2012.

³² Directorate-General for External Policies of the Union, Policy Department, “Ukraine. Country Briefing 2012”, Brussels 2012, p.10.

³³ Chairman of the *Verkhovna Rada* of Ukraine, http://chairman.rada.gov.ua/chairman7/control/en/publish/article;jsessionid=BA023365861B154315BFACFC7518123E?art_id=60929&cat_id=48799, retrieved: 30.04.2012.

constrain on Ukrainian sovereignty and security,³⁴ the economic logic behind the agreement has been in favour of Kiev. Nowadays, in the new circumstances of the declaration of independence, the secessionist referendum and in consequence the annexation of Crimea by the Russian Federation, this agreement ceased to exist according to the Russian opinion.

AA and DCFTA: Relations at the Rubicon?³⁵

Graph 8 Total goods: Top trading partners of Ukraine 2012

Imports			Exports			Total trade		
Partner	Value	Share in World	Partner	Value	Share in World	Partner	Value	Share in World
	(Mio €)	(%)		(Mio €)	(%)		(Mio €)	(%)
World	60,851	100.0	World	50,921	100.0	World	111,771	100.0
1 European Union ...	24,795	40.7	1 European Union ...	12,898	25.3	1 European Union ...	37,694	33.7
2 Russia	11,912	19.6	2 Russia	12,273	24.1	2 Russia	24,185	21.6
3 China	6,270	10.3	3 Turkey	3,109	6.1	3 China	8,404	7.5
4 Belarus	4,767	7.8	4 China	2,134	4.2	4 Belarus	6,402	5.7
5 USA	1,658	2.7	5 India	1,785	3.5	5 Turkey	4,675	4.2
6 Turkey	1,566	2.6	6 Belarus	1,635	3.2	6 Kazakhstan	2,867	2.6
7 Kazakhstan	1,360	2.2	7 Kazakhstan	1,507	3.0	7 USA	2,655	2.4
8 South Korea	984	1.6	8 Egypt	1,084	2.1	8 India	2,228	2.0
9 Turkmenistan	597	1.0	9 USA	997	2.0	9 South Korea	1,520	1.4
10 Brazil	534	0.9	10 Iran	979	1.9	10 Egypt	1,169	1.0

Source: European Commission, Eurostat, IMF.

Out of six EaP countries, Ukraine is the EU's biggest trading partner. Nonetheless, it accounts for only 1% of the whole EU's trade exchange. For

³⁴ J. Sherr, "The Mortgaging of Ukraine's Independence", REP BP 2010/01, Russia and Eurasia Programme, August 2010.

³⁵ The next part is constructed upon A. Şek, "EU-Ukraine DCFTA Negotiations: It Is More than the Economics", College of Europe, November 2011, Bruges.

Kiev, Brussels is the most important partner, followed by Russia (see Graph 8).³⁶

Additionally to economic value, Ukraine perceived both the AA and DCFTA as a chance of converging with the *aquis communautaire* and in consequence acquiring a better negotiating position *vis-à-vis* Moscow.

The bargaining was finished at the 15th EU-Ukraine Summit, on 19 December 2011. In the meantime, complications appeared. The first uncertainty was caused by Ukrainian oligarchs, whose behaviour in the light of their possible U-turn towards Russia and respective pressure on the politicians, seemed to be out of control throughout the whole process of negotiations.³⁷ In the light of this, on 18 October 2011 Ukraine signed a free trade agreement within the CIS, causing confusion in Brussels. Secondly, there have been Russian offers, such as lower gas prices, financial assistance for accessing the Moscow-led Customs Union (CU), and a new idea of political ‘Eurasian Union’ (EAU). Last but not least, ‘the Yulia Tymoshenko case’ has led to a question of ‘BATNA’ (Best Alternative To Negotiated Agreement) in Brussels, which could mean no agreement at all, “unless Ukrainian authorities resign from ‘bending the rules’”.³⁸ In response, Kyiv demonstrated that “it does not intend to make any

³⁶ European Commission, “Ukraine”, http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113459.pdf, retrieved : 19.10.2011.

³⁷ O. Shumylo-Tapiola, “EU-Ukraine DCFTA: How Close, How Deep and How Expensive?”, 26.05.2011, <http://carnegieeurope.eu/events/?fa=3323>, also: S. Matuszak, “How Ukrainian oligarchs view economic integration with the EU and Russia”, *OSW EASTWEEK* 14.09.2011.

³⁸ T. de Waal, “Europe Urgently Needs a New Ostpolitik”, *Financial Times*, 28.09.2011.

concessions concerning its domestic politics”.³⁹ Such a situation, with the emphasis on attempts by Ukrainian politicians to present their country as a victim of Russian economic pressures, surrounded the EaP Summit in Vilnius in November 2013, during which the agreement was to be signed. Nonetheless, pertinent political obstacles have remained, which mirror “a sensitive struggle for principles” according to the Ukrainian diplomat. Kiev was convinced that the EU was just testing its ‘more for more’ and conditionality concepts. If and how this ‘game’ was to be continued, was dependant on the democratic outcome of the reforms undertaken by the Ukrainian authorities, as envisaged by the Council Conclusions from December 2012. The latter regarded:

“progress in three areas: [1] the compliance of the 2012 parliamentary elections’ with international standards and follow-up actions, as well as [2] Ukraine’s progress in addressing the issue of selective justice and preventing its recurrence, and [3] in implementing the reforms defined in the jointly agreed Association Agenda.”⁴⁰

Nonetheless, this conditionality was seen by Ukrainian politicians as

“a good excuse for not taking any steps/not offering any promises towards partners; it is disappointing, as one can always find something to complain about if there is the political will to do so...”⁴¹

³⁹ T. Iwański, “Completion of Ukraine/EU negotiations on DCFTA”, *OSW EASTWEEK* 19.10.2011, also: Sęk, “EU-Ukraine DCFTA...”, *op.cit.*5-6.

⁴⁰ “Council conclusions on Ukraine”, 3209th Foreign Affairs Council meeting Brussels, 10 December 2012.

⁴¹ Interview with the Ukrainian diplomat, *op.cit.*

In the end, it all proved to be just a Kievian game for time, in order to play over and receive possibly more from both Brussels and Moscow at the same time. As the Ukrainian diplomat was warning in 2012, by underestimating Russia “Brussels could overplay its game”. Kiev’s final withdrawal from the bargaining with the EU upon signing the agreement on the eve of the Vilnius Summit proves that such a manoeuvre was in the back of head of Ukrainian negotiators throughout the whole process, to Brussels’ consternation. Kiev’s ‘no’ to the AA and DFCTA meant automatic ‘yes’ to the return to closer ties with Moscow. This way the so far more-or-less balanced Ukraine—under its ‘multi-vector policy’—re-entered the orbit of Russian influence, what in turn triggered the reaction of Ukrainian society. It can be concluded that such a strategy turned counterproductive for Yanukovich: bringing Ukraine so close to the EU and then cutting the links instigated heated reactions from the population.

4. Conclusions and recommendations

In the light of current events threatening the existence of Ukrainian statehood (annexation of Crimea by the Russian Federation on 21 March 2014, ‘unknown self-defence’ troops destabilising the Eastern region), the immediate economic, financial and expert support to Kiev seems to be at the moment most important.

The Ukraine crisis poses a challenge to the whole ‘Eastern strategy’ of the EU, if the EaP programme can be called so. The problems confirm that against its rather ambiguous performance the EU should open itself more to the Eastern Partners, communicate better with them and

engage into multi-sector (from trade to contacts between people), multi-dimension (bilateral, multilateral) and multi-layered (from chief of states, through diplomats, businessmen, to civil society activists) cooperation, based on principles. These principles are firstly, enhanced 'differentiation', secondly 'more for more' approach and thirdly 'joint ownership'; the latter should include also involvement of other regional stakeholders, which would include Russia as well.

Nonetheless, it does not mean giving in to Russia and accepting the *status quo*. In order to become a credible player on its own, Brussels must firstly be clear about its assessment of Russian actions, and secondly give greater attention to the Eastern Partners, to their geopolitical and geoeconomic issues, such as energy dependence on Russia and challenges of the so called 'frozen conflicts'. The negotiations on AAs and DCFTAs, as well as dialogue on visa facilitation and liberalisation shall be sped-up with other EaP countries, as they guarantee visible and encouraging effects in both short- and long-term.

Finally, the Union must take into consideration granting the Partners with the membership prospect, as this step would catalyze the reforms and the countries' positive attitude towards Europe.

Nevertheless, as explained by Christopher Hill, the EU is characterized by a 'capabilities-expectations gap'—the Union has in fact a limited ability to deliver in external resentment,⁴² even in its Neighbourhood.

⁴² Ch. Hill, M. Smith (eds.), *"International Relations and the European Union"*, Oxford University Press, 2011, 2nd ed., see: A. Şek, "Impact of the

A possible solution is catalization of EU Member States “interested in getting involved in the region on a larger scale (Sweden, Germany and majority of the new Member States). They could either use an enhanced cooperation, as provided for in the “Treaty on the Functioning of the European Union” (Title III), or to form a ‘liaison group’⁴³ and delegate national officials to work in the EEAS, not straining the EU’s budget, especially in the sensitive times of the financial crisis.”⁴⁴

It is the Neighbourhood that should be regarded as the focal point for the EU, and simultaneously as the starting point for a powerful position in the world, especially in the face of emerging countries and their institutionalization, such as BRICS. Having its own zone of influence in which it pursues a wished change, decides upon an entity’s possibility of international influence. Therefore, the EU’s vicinity must be regarded as its priority, and Brussels’ ambiguity, as present in the policy towards Ukraine, has to be overcome. It cannot however be done by neglecting Russia, even if it plays by rules not acceptable by the EU and 21st century politics, because the region of EaP, including Ukraine, constitutes the ‘shared neighbourhood’, i.e. vested interests. Neither Kiev, Warsaw, Vilnius nor Brussels can allow themselves to turn their back on Moscow, but they indeed have to work together to

European External Action Service on European Union’s Policy-Making Towards the Eastern Neighbourhood”, College of Europe, Bruges, February 2012, p.8.

⁴³ S. Duke, S. Keukeleire, “Liaison Groups and EU foreign Policy”, in Graham et al., *The EU Foreign Service: How to Build a More Effective Common Policy*, “EPC Working Paper”, no. 28, November 2007, op.cit.48-55.

⁴⁴ Şek, “Impact of the EEAS...”, op.cit.8-9.

find how to persuade Russia to behave with respect for principles of international law and according to international relations' standards acquired and agreed by the international community in the last decades.

updated: 22 March 2014

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