

**UKRAINE: NEAR ABROAD OF THE EUROPEAN UNION?  
- OVERCOMING A CURSE OF DUAL-PERIPHERY**

by

**Jiří Schneider and Alexandr Vondra**

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# Ukraine: Near Abroad of the European Union? - Overcoming a Curse of Dual-Periphery

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By Jiří Schneider<sup>1</sup> and Alexandr Vondra<sup>2</sup>

## 1. Status of Ukraine in 90's

Before 1991, Ukraine as an independent state was more of a dream than a political reality. When this longtime dream of the Ukrainian people was finally realized with the fall of the Soviet Union, many foreign observers expressed serious doubts about Ukraine's ability to survive and prosper as an independent state. Those doubts were often accompanied by images of a doomed nation rift with inner divisions, ethnic conflicts, or pending nuclear disaster. The past thirteen years have offered a track record that is, at best, uneven. On one hand, governments in Kyiv have succeeded in managing those issues which were most troubling to the West. On the other hand, Ukraine, as a whole, is still very much in a state of flux and the question of whether or not Ukraine can become a respected member of a family of integrated European nations still remains to be answered.

From a strategic perspective, in the years after regaining its independence in 1991, Ukraine has been considered by the West as a pivot point, a "linchpin" (Rifkind) or "keystone" (Garnett, Talbott) of European security. But since 1996, when the last strategic nuclear missiles were shipped from the Khmelnytsky and Pervomaysk military bases back to Russia, Ukraine, unfortunately, has been considered and treated as a weak or "outsider" state (White).

Situated on the frontier between Russia and the rest of Europe, Ukraine has declared a "multi-vector foreign policy," non-allied, neutral status. It has tried to develop strategic partnerships with both the East (Russia) and the West (Distinctive Partnership in NATO-Ukraine Committee, EU-Ukraine Partnership and Cooperation Agreement, etc.). However, this status of neutrality is hardly a viable option for Ukraine since it would not be appealing to the West ("unreliable strategic partner for the West" - see Kuzio & Moroney) and would be viewed with suspicion by Russia.

From political and economic perspectives, Ukraine has become something of a "transit country in transition": it was dragged into a vicious cycle of reform trap. Like other newly independent states of the former USSR, it inherited deformed and dysfunctional social, economic, political, and administrative structures. As elsewhere in Eastern Europe, a contracted economy, corruption, organized crime, and deficits in the rule of law have created serious obstacles to its reforms. And last but not least, there is a strong disappointment among many Ukrainians that the West did not provide the help they expected as a reward for their achievements in the strategic field. Perhaps with the exception of Poland, Ukraine is still missing a truly committed "European friend."

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<sup>1</sup> Jiří Schneider is Director of Policy Planning Department, MFA, Prague and a PASS Board Member

<sup>2</sup> Alexandr Vondra is a Transatlantic Fellow at the German Marshall Fund of the United States and the PASS Coordinator.

## **2. Ukraine's geopolitical pluralism: Is the “two vectors” strategy of Ukrainian foreign policy viable?**

Although the West promoted “geopolitical pluralism”(Brzezinski) among newly independent states, in fact it wanted Ukraine to stay in the Commonwealth of Independent States (CIS) as the only post-Soviet state capable of counter weighing the Russian hegemony. Thus, Ukrainian ambivalence to the Western and Eastern options has been encouraged. In fact, Ukraine has had “no actual plan for its integration into European or transatlantic structures, only ideas that have not stimulated desired level of reform” (Moroney)

### **2.1 Western / European option**

In May 2002, Ukraine declared NATO membership as its strategic goal. However, the relations with NATO have so far been limited to political dialogue and military cooperation. The West is not yet convinced that Ukraine has made enough progress in its reforms, particularly in the areas of democracy, civil-military relations, and the rule of law. On the other hand, Ukraine has proved to be an important partner in a number of international crises. During the Kosovo campaign, Ukrainian air space was closed to Russians at a critical moment, but that moment of open resistance to Russians did not last long. Again, in the summer of 2003, contrary to Russian policy, Ukraine sent 1,600 soldiers to Iraq, becoming the fourth largest military contributor in the US-led coalition.

EU membership is a much more attractive option for Ukraine, although only a minority of Ukrainians identify themselves as Europeans or understand the mechanism of European integration (see White who quotes polls conducted by the Kiev International Institute of Sociology, February 2000). On the other side, many Europeans are skeptical about the integration of a country that would be its largest member by geographic size and the fourth largest by population. Some – like the French – are afraid of competition from Ukrainian farmers and steel exporters. Others, the Germans in particular, are afraid of the so-called culture differences. Ukraine has been offered less than the “Turkish perspective of membership” (R. Prodi in Yalta, Oct 2003); the “Wider Europe” concept does not pose sufficient incentive for Ukraine’s European aspirations. Some argue about “Ukraine fatigue” – the result of which is that the cooperative path employed by Kyiv has been less effective than more assertive methods used, for example, by the Turks.

A certain ambivalence in Ukraine’s stance towards the EU and NATO stems from the repeated self-serving uses of the Euro-Atlantic integration in the internal Ukrainian political debate. Supporters of the status quo consider European integration as a challenge to their efforts to build an independent Ukrainian political system; on the other hand, critics of the status quo view integration to the EU and NATO as a vehicle for change.

### **2.2 Eastern / Eurasian / Slavic option**

After gaining independence, Ukraine resisted Russian attempts to reintegrate successor states of the Soviet Union. It even created a group of like-minded countries: GUUAM (Georgia, Ukraine, Uzbekistan, Azerbaijan, Moldova) as a vehicle to secure alternative trade routes in the Black Sea area and thus to eliminate dependence on Russian energy supplies. However, continuing economic dependence on energy supplies from Russia, a high degree of social interdependence (half of all Ukrainians have relatives in Russia) and many other factors have

contributed to a growing inclination for rapprochement with Russia. In September 2003, this trend became a reality in the formation of the Common Economic Space (CES) with Russia, Belarus, and Kazakhstan. Although unclear in economic substance (it is a free trade area at most), it is clear as a political message that fosters re-integration of the former USSR. On the other hand, the crises around the Kerch Straits and Tuzla Dam Project showed that serious problems remain between Russia and Ukraine, and under certain circumstances, they could escalate into a serious conflict. The Eastern option for Ukraine means Russia. Its relations with Russia are increasingly pragmatic, however, it is basically a pragmatism of the strong against a pragmatism of the weak (Dergachev).

### **3. Main Actors' Intentions and Strategies towards Ukraine**

The Russian intent and ambition is clearly to restore their influence in the former territories of the USSR. This Russian “imperial” strategy is realized through the Soviet bureaucratic networks (infrastructure), and former security apparatus. This strategy is aimed at limiting the market-driven activities of private entrepreneurs (post-Soviet business culture is “not entrepreneurial, but predatory” - see Sherr), and increasing costs for any potential competitors through destabilization and lawlessness (see recent phasing out of U.S. companies’ activities during the crisis in Georgia). Some have noted that Russia is not interested in enhancing stability, but rather in reinforcing weakness. This strategy finds fertile soil in the corporate and authoritarian environments in Ukraine.

American policy in the 1990’s was driven more by security concerns (to prevent threats posed by nuclear weapons and Chernobyl) than by the desire to support political and economic reforms in Ukraine.

Europe was even less coherent in its strategy towards Ukraine with the exception of their demand that Ukraine accept EU trade rules (Partnership and Cooperation Agreement) and the conditions of the Schengen Treaty (EU-Ukraine Action Plan).

The U.S., U.K., Germany, Canada, and Poland were the most active in shaping and implementing Ukrainian policy and have been perceived as major partners of Ukraine. Other Western countries remained passive in their relations with Ukraine for various reasons, the prevalent cause being a lack of interest or historical ties to Russia. It is no wonder that due to conceptual ambivalence and a policy vacuum vis à vis Ukraine, Western intentions were perceived with caution and suspicion, as though their goal was to create a cordon sanitaire from the Black Sea to the Baltic (Godin) or even to strategically circumvent Russia.

In Europe, there is a strong tendency to treat Ukraine as a geographical outsider residing on the cultural outskirts of Europe. Many EU states still perceive Ukraine as quasi-Soviet state, heavily dependent on Russia. From the Russian perspective, Ukraine - due to ethnic (more than 50% of Ukrainians have relatives in Russia) and historic (Crimea) ties - is a part of the Russian collective identity (motherland) and belongs to the core of the Russian empire (see Dergachev). Europeans are tempted to view the current Ukrainian situation from the perspective of Moscow. Hence, their policy towards Ukraine is derived from that towards Russia.

## 4. Consequences of NATO / EU enlargement:

### 4.1 Ukraine not invited

**In April/May 2004, both NATO and the EU will welcome respectively its seven and ten new members. However, Ukraine is still not considered a viable candidate.** In near future, Ukraine will remain in the “near abroad” sphere of Russia and in the “close neighborhood” of the EU and NATO.

This development will likely generate disappointment in the Ukraine: exclusion from the West, inadequate Western assistance (the overall EU assistance to Ukraine between 1998 and 2002 has reached just 750 mil. €), unjust deprivation of the benefits of globalization (Ukraine has not been granted membership in the WTO). Given its loyal support of NATO and the U.S. during the Kosovo and Iraq campaigns, Ukraine might feel ignored or even betrayed.

Ukraine is not - for the time being – ready for Western integration, yet it is reluctant to re-join the East (Russia). The invitation for Ukraine to join NATO or the EU would raise expectations but would bring no quick benefits. The “waiting-room period” for Ukraine to be granted an invitation to either NATO or the EU exceeds the Ukrainian election cycle. Therefore, one should not realistically expect accession negotiations with Ukraine to begin before the end of this decade.

### 4.2 NATO track

Cooperation of Ukraine with NATO has advanced on many levels since declaration of the NATO-Ukraine Charter in 1997. However, there are also domestic limits for development of cooperation with NATO – some of them obvious (lack of resources), some of them less apparent - the majority of Ukrainians still perceive NATO through the Cold War lens: the Ukrainian military tends to still see NATO as an adversary. On the other hand, NATO enlargement to include other post-communist countries (some of them ethnically Slavic) may have blurred, to certain an extent, NATO’s inimical image.

NATO membership of the Baltic States created a pretext for Russia to voice newly increased concern for Russian minorities abroad (25 mil. altogether - more than 8 mil. in Ukraine alone). However, the case of Baltic States illustrates that the presence of a Russian minority does not pose an insurmountable obstacle to NATO or EU membership.

### 4.3 EU perspective

The EU has been enlarged to Ukraine’s borders. The concept of a “Wider Europe” provides only a general framework for the EU’s future neighborhood policy. It is not sufficiently detailed and tends to be less strategic in its focus on the challenges the new neighborhood would pose. The new member states have promised to fulfill Schengen Treaty requirements that could lead to the creation of a new dividing line – a “welfare curtain.” It is therefore advisable that signatories to the Schengen Treaty to determine ways in which existing visa procedures could be eased and streamlined.

On the other hand, Central Europeans - as those most concerned with their borders to the East - have recently proposed concrete ideas concerning not only management of this new frontier but also facilitating wider political, economic, security and regional aspects of EU’s relations with

Ukraine (Hungarian-Austrian Paper on Future EU-Ukraine Relations, Polish Proposals to EU-Ukraine Action Plan) - including civil society, education, culture, environment, etc.

Participation of new members in shaping and implementing the EU's external policies will hopefully result in a qualitative change as their participation will bring remarkable experience in transition and knowledge of cultural and political reflexes of new neighbors (see Batt). Regretfully, the existing potential of transition/transformation know-how of new members has not yet been utilized. Experts from Central European countries could be effectively employed in the implementation of corresponding policies mainly in areas such as governance, administrative reform, harmonization with European *acquis communautaire*, etc.

## **5. Elements of future strategy:**

### **5.1 In search of new, positive paradigm**

Ukraine has been so far viewed in negative rather than positive terms. The prevailing perception of Ukraine was that of a peripheral state demanding security guarantees and consuming generous economic assistance.

In our view, the time has come to adopt a new, more productive approach - to view Ukraine as a *regional geopolitical pivot state* ("country whose future will profoundly affect their surrounding regions"; "What really defines a pivotal state is its capacity to affect regional and international stability" - see Chase & Hill), an economic asset and a provider of security. In other words, we should free ourselves from the "polar" perspective that singles out Russia as an insurmountable power simply because of its vast natural resources, inherited veto-power in the UN Security Council, and non-conventional arsenal. As a former superpower, Russia obviously overshadows Ukraine. Because of our focus on Russia, we - wrongly - tend to see Ukraine as an half-failure rather than as an half-success.

Instead- contrary to some bleak predictions (e.g. split of the state) - we should be able to see achievements of Ukrainian statehood and reforms in the first years of its independence. In a positive light, Ukraine might be cast as a gateway to the West and hopefully as an example of successful transition for other countries of the former USSR (including Russia). Ukraine - regardless of its "reform fatigue" and growing clientelism - still maintains a remarkable level of political pluralism and has the potential for future development of a civil society. If Ukraine succeeds in maintaining pluralism and its course of reform, it would be of special importance to Russia, where all strings of power have been virtually monopolized in the hands of Putin. Therefore, Ukraine - as an alternative to an autocratic model of governance - deserves solid support to enact the necessary reforms.

### **5.2 Western policy towards Ukraine should not be derived from policy towards Russia.**

Russia remains a global player (if only for its territory, natural resources, and weapons) and does not want to join NATO or integrate with the EU.

Ukraine is a geopolitically important regional power with a strong affinity to Europe that is manifested in its transit potential (migration, energy). Therefore, it is perfectly legitimate to pursue policy towards Ukraine that is not subordinated to, but parallel to policy towards Russia.

### **5.3 Domestic conditions in Ukraine**

The key to success lies in Ukraine, not abroad. Ukrainian leadership should make reasonable commitments, avoid unpredictable behavior, ambivalence, and raising unrealistic expectations. In this respect, substantial cooperation in the areas of internal security and law enforcement is a necessary condition in advancing relations with the EU and NATO. Ukraine should also protect and further pluralism in the public sphere, notably in the non-governmental sector and media.

The realistic perspective of socio-economic improvement for Ukrainian citizens should be elaborated in terms of a program of legislative and executive measures to be adopted over the next 2-4 years. The strategic objective of such a platform should be step-by-step integration to European institutions (Ukrainian EU National Strategy of Ukraine should be revised). If approved by Verkhovna Rada, it would be an unquestionable expression of Ukraine's European vocation and basis for its policy towards the EU. The same goes for relations with NATO.

## **6. Recommendations – what should be done?**

### **6.1 The role of the U.S. – to guarantee strategic stability.**

The U.S. should treat Ukraine as a strategic pivotal state. Such a policy must be implemented on various bilateral and multilateral levels, including NATO. Briefly, it should put limits to Russian influence in Ukraine and counter the Russian strategy of increasing the transition costs of countries still considered by the Russians to be in their interest (near abroad, former USSR) through their overall destabilization, undermining of the rule of law, good governance, and reform efforts.

### **6.2 The role of the EU - to provide a framework for socio-economic development.**

Ukraine is a key transit country for Euro-Asian economic relations. EU should offer a robust economic policy towards Ukraine that should include e.g.:

- open the EU market (FTA) to Ukrainian exports, including agriculture products and steel, as a condition sine qua non for decreasing Ukrainian dependence on exports to Russia;
- create labor opportunities (new jobs) through FDI to increase economic growth and prosperity in the Ukrainian borderland so that further immigration may be prevented;
- open the labor market to Ukrainians in order to assist Ukraine with their remittance payments (“By sending money back to their families, immigrant workers play major economic role in their home countries” – more than twice the amount of official aid – cf. Newsweek, January 19, 2004, p.39)

### **6.3 The role of the new EU members - to provide know-how and opportunities.**

Based on the fact that their Eastern policies almost coincide, the countries of Central Europe should play a specific operational role in the EU's relations towards Ukraine, including e.g.:

- transfer of reform/transition know-how and civic education (International Visegrad Fund,

EU funds) to Ukraine;

- assistance in establishing local funds to support good governance and democracy;
- elimination of illegal activities related to migration: provision of working permits to Ukrainian workers and guarantee of basic rights and dignity;
- pursue public diplomacy to change the anti-NATO “Cold War image” in Ukraine.

#### **6.4 The role of Russia – to facilitate its relations with Europe**

Russia is vitally dependent on building economic relations with Europe. Ukraine is one of its most important gateways to the West. Therefore, it should be in the Russian interest to stabilize Ukraine as a key transit corridor to Europe and to remove all obstacles that would prevent Ukraine from advancing its relations with the EU. In order to facilitate its relations with Europe, Russia should:

- together with Ukraine, adhere to WTO rules;
- assist in demarcation of its borders with Ukraine so that mutually agreed legal regimes for movement of persons and goods could be implemented.

#### **Conclusion:**

Ukraine has enormous potential that can only be realized if it will be able to generate a new dynamism in reform efforts and to encourage positive policy responses from the international community. Recent experience of Central European transitions proves that bold visions can come true.

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