

Chapter Seven

Ukraine and Transatlantic Integration

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The Orange Revolution inspired hopes both in Ukraine and in the West that Ukraine had turned an important corner politically and that the election of Viktor Yushchenko as president would lead to Ukraine's rapid integration into Euro-Atlantic institutions. However, Ukraine's integration into these institutions, especially NATO, has proven to be considerably more difficult than many in Ukraine and the West anticipated.

Several factors contributed to these difficulties. First, unlike in Eastern Europe, where NATO enjoyed a positive image, NATO had a negative image in Ukraine due to decades of anti-NATO propaganda by the Soviet authorities. As a result, popular support for NATO is much lower in Ukraine in comparison to other states in Central-Eastern Europe. For example, popular support for NATO is close to 80% in Poland and Romania, whereas in Ukraine it has hovered between 22-25%. Moreover, in the Russian-speaking areas of Eastern-Southern Ukraine it is below 10%.

Second, there was no consensus in the West about its policies toward Ukraine. While some countries, such as Poland and the United States, favored an active effort to support Ukraine's integration into Euro-Atlantic institutions, many European countries had doubts whether Ukraine was really an independent country and continued to view it, implicitly if not explicitly, lying within Russia's sphere of influence. This lack of unity inhibited the development of a coherent Western strategy toward Ukraine.

Finally, Russian opposition also played an important role. Ukraine's integration into Euro-Atlantic institutions—above all NATO—was seen in Moscow as representing a major strategic setback. In Russian

eyes, it would alter the balance of power in Central-Eastern Europe to Russia's disadvantage and foreclose any residual possibility of building a "Slavic Union" of Russia, Ukraine and Belarus.

Psychologically, moreover, many Russians find it difficult to accept the idea of an independent Ukrainian state. The countries of Central-Eastern Europe had served as an important strategic buffer between Russia and 'Europe' during the Cold War. However, they were never part of Russian or Soviet territory (except for parts of Poland before 1918). Most of Ukraine, by contrast, had been an integral part of Russia and the Soviet Union for over three hundred years. Thus, psychologically, the loss of Ukraine was much harder for many Russians to accept and Russia has used various means, especially economic leverage, to inhibit Ukraine's closer integration into NATO.

Evolving Ukrainian Policy Toward NATO

Unlike most countries in Central-Eastern Europe, Ukraine did not initially aspire to become a member of NATO. In the early years after becoming independent, Ukraine pursued a non-aligned policy in part to avoid antagonizing Russia. Kyiv initially opposed NATO enlargement to Central-Eastern Europe because it feared that it would create new dividing lines in Europe and lead to increased Russian pressure on Ukraine. However, Moscow's hard-line opposition to NATO enlargement and Kyiv's desire to improve relations with the West contributed to a gradual shift in Ukraine's approach to enlargement. During 1995, Kyiv dropped its opposition to enlargement and began to regard the membership of Central-Eastern European countries, especially Poland, in NATO as giving security benefits for Ukraine as well.¹

At the same time, under President Leonid Kuchma, Ukraine consciously began to strengthen ties to the Alliance. Ukraine was the first CIS state to join the Partnership for Peace (PfP) in January 1994, and it has been one of the most active participants in PfP exercises. At the

¹ For a detailed discussion on the shift in Ukraine's attitudes see F. Stephen Larrabee, "Ukraine's Place in European and Regional Security," in Lybornyr A. Hajda ed., *Ukraine in the World: Studies in International Relations and Security Structure of a Newly Independent State* (Cambridge, MA: Ukrainian Research Institute, Harvard University, 1998), pp. 249-270.

NATO summit in Madrid in July 1997, Kyiv signed the Charter on a Distinctive Partnership with NATO. Although the Charter did not provide explicit security guarantees, it called for the establishment of a crisis consultative mechanism that could be activated if Ukraine perceived a direct threat to its security.² This mechanism failed during the fall 2003 Tuzla crisis³ when Ukraine tried to activate it.

The Charter also foresaw a broad expansion of ties between NATO and Ukraine in a number of key areas such as civil-military relations, democratic control of the armed forces, armaments cooperation, and defense planning. Thus, the Charter established a deeper relationship with Ukraine than with any non-NATO member—with the exception of Russia. Ukraine also built individual security relationships with Britain and the U.S.

The rapprochement with NATO was not undertaken because Ukraine felt a strong military threat. Rather it was part of a carefully calculated political balancing act pursued by Kuchma who sought to strengthen ties to NATO as a means of increasing his political leverage with Moscow.⁴ Contrary to the concerns of many critics who feared that intensifying ties to NATO would lead to a sharp deterioration of relations with Russia, the rapprochement with NATO increased Ukraine's freedom of maneuver and led to an improvement of ties with Moscow. President Yeltsin's decision to sign the long-delayed Russian-Ukrainian Friendship and Cooperation Treaty in 1997 was in large part motivated by a desire to counter Ukraine's growing rapprochement with NATO. It reflected recognition by Yeltsin that his delaying tactics were driving Kyiv more strongly into the arms of the West.

² For the text of the Charter see "Charter On A Distinctive Partnership Between the North Atlantic Treaty Organization and Ukraine," *NATO Review*, Vol. 45, No. 4 (July-August 1997), Documentation Section. See also David Buchan and David White, "NATO signs charter with Ukraine," *Financial Times*, July 10, 1997.

³ Tuzla lies to the West of the Crimea. In Fall 2003 Russia sought to build a dam connecting the North Caucasus to Tuzla. President Kuchma cut short a visit to Brazil and sent security forces to protect Ukraine's border.

⁴ See F. Stephen Larrabee, "Ukraine's Balancing Act," *Survival*, Vol. 38, No. 2 (Summer 1996), pp. 143-165.

In May 2002, President Kuchma announced that Ukraine intended to abandon its policy of nonalignment and apply for NATO membership. Here again the decision was part of a calculated effort to counterbalance Russia. President Putin's decision to support the United States in the war on terrorism and the subsequent improvement in U.S.-Russian relations raised the prospect that Russia would have a closer relationship with NATO than Ukraine.

Ukraine's application for NATO membership was designed to undercut this prospect. However, Kuchma's increasingly repressive internal policies as well as suspicions that Ukraine had sold aircraft tracking systems to Iraq (the Kolchuga affair), led NATO to put relations with Ukraine on hold. The Alliance decided to wait until after the 2004 presidential elections before taking any new initiatives with Ukraine.

The Impact of the Orange Revolution

Yushchenko's election as president in December 2004 opened a new stage in Ukraine's relations with NATO. In an attempt to encourage Yushchenko's pro-Western reform course, NATO offered Ukraine Intensified Dialogue status in April 2005—a preparatory step toward an individualized Membership Action Plan (MAP). By the spring of 2006, there were widespread expectations that Ukraine would be offered MAP at the NATO summit in Riga (November 2006), with a possible membership invitation in 2008 leading to full membership in 2010-2012.

However, the collapse of the Orange Coalition in the summer of 2006 and Yanukovich's return to power as prime minister dashed these hopes. During a trip to

Brussels in September 2006 Yanukovich withdrew Ukraine's support for MAP and the issue became a dead letter until after September 2007 pre-term elections that resulted in a victory of the Orange Coalition.

One of the first acts of the new Ukrainian government, headed by Prime Minister Yulia Tymoshenko, was to revive Ukraine's application for MAP. In January 2008, Tymoshenko, Yushchenko, and Rada (Par-

liament) Chairman Arseniy Yatseniuk sent a letter to NATO seeking a MAP and NATO membership at the Bucharest summit. Ukraine's request for a MAP along with that of Georgia touched off a lively debate within the Alliance in the run up to the NATO summit in Bucharest in April 2008. President Bush pushed hard for the Alliance to grant Ukraine and Georgia MAP status, which was viewed by many, especially the Russian leadership, as being a precursor to NATO membership. France and Germany, however, opposed the idea, fearing that it would undercut any hope of an improvement in NATO's relations with Russia.

As Ronald Asmus has noted, the debate over MAP at Bucharest was not just a debate about Ukraine and Georgia's technical performance and whether they met the loose standards set down in NATO doctrine. It was really a debate about the future of enlargement and more generally about relations with Russia.⁵ Those who opposed granting Georgia and Ukraine a MAP did so not only because they doubted whether Georgia and Ukraine were really prepared for NATO membership, but also because they feared granting Georgia and Ukraine a MAP would be the first step down a slippery slope they could not control and which threatened to strain NATO's cohesion and relations with Moscow.

The Bucharest summit ended with a confusing compromise. France and Germany succeeded in blocking the granting of MAP to Ukraine and Georgia. However, the communiqué issued at the end of the summit by the NATO Heads of State and Governments stated that Ukraine and Georgia would one day be admitted to NATO, although no specific date or timetable was mentioned.

Thus, from Moscow's point of view the outcome was even worse than the Russian leadership had expected. Ukraine and Georgia had been denied MAP but had been given a formal commitment that they would one day become members of the Alliance.

⁵ See Ronald D. Asmus, *A Little War That Shook The World* (New York: Palgrave Macmillan, 2010), p. 117.

The Changing International Context for Ukrainian Membership

The Bucharest summit marked the high-water mark of Ukraine's advance toward NATO membership. Since the summit, prospects for Ukraine's entry into NATO have declined. Several factors contributed to pushing the issue of Ukrainian membership in NATO off the international agenda for the immediate future.

The first was the Russo-Georgian war in August 2008. The Russian invasion of Georgia was a sharp reminder that power politics still mattered and underscored that Russia was prepared to defend its interests in the post-Soviet space with force, if necessary. The invasion made clear that Russia was still a power to be reckoned with and that any attempt to promote security interests in the post-Soviet space would need to take Russian security concerns more directly into consideration.

At the same time, it underscored the limits of American power. Faced with a Kremlin determined to defend its interests in a region that Moscow regarded as part of its sphere of 'privileged interests,' the United States could do little but utter meek verbal protests. When push came to shove, few NATO members—including the United States—had much stomach for a military confrontation with Russia over Georgia. Moreover, the Russian invasion raised fears that South Ossetia could be a trial run for an attempt by Moscow to raise territorial claims on Crimea, especially in light of Putin's remark at the Bucharest summit that Ukraine was an "artificial entity."⁶

In short, the invasion of Georgia had a sobering impact on Western thinking about the modalities and wisdom of NATO's enlargement into the post-Soviet space. In the aftermath of the invasion, the issue of NATO membership for Ukraine and Georgia was put on indefinite hold. While the door to NATO membership remains open to Ukraine (and Georgia) in principle, in reality there is little support in Western capitals for further enlargement of the Alliance in the near term, especially as long as Yanukovich remains Ukraine's president.

⁶ See Taras Kuzio, *The Crimea. Europe's Next Flashpoint?* (Washington DC: Jamestown Foundation, November 2010).

Western relations with the East, in fact, appear to be entering a new phase. For the past two decades, enlargement has been the main vehicle for promoting stability and security eastward in both NATO and the EU. But as Bruce Jackson has noted, this “go-go period” of NATO expansion to the East has ended.⁷ Macedonia and perhaps Serbia may at some point become NATO members. However, further enlargement of the Alliance into the post-Soviet space has essentially been put on hold.

Within the EU as well, the momentum behind enlargement has slowed visibly in the last few years. The top EU priority since 2006 has been ensuring ratification of the Lisbon Treaty and other major initiatives have been subordinated to that goal. As a consequence, there has been little active support for new initiatives aimed at further enlargement and in effect, further enlargement to the East has been put on hold.

The Eastern Partnership—the EU’s main policy instrument for dealing with countries on its eastern periphery—emphasizes trade and soft power as instruments for fostering closer ties to the countries in the western periphery of the post-Soviet space. However, unlike the association agreements with the states of the Western Balkans, the Eastern Partnership does not offer a prospect of membership. Ukraine’s Association Agreement with the EU likewise differed from the Association Agreements signed in the 1990s with Central-Eastern Europe, which contains a commitment to eventual membership. Ukraine’s Association Agreement contained no such commitment.

With neither NATO nor EU membership on the horizon the only vehicle for keeping open the prospect for Ukraine’s closer ties to Euro-Atlantic institution is the Deep Comprehensive Free Trade Agreement (DCFTA) being negotiated between Ukraine and the EU. However, that agreement could be frozen due to concerns in various EU member states about political repression and serious violations of rule of law—particularly the arrest and trial of former prime minister Yulia Tymoshenko—that have occurred since President Yanukovich

⁷ Bruce Pitcairn Jackson, “A Turning Point for Europe’s East,” *Policy Review*, No. 160 (April-May 2010), pp. 49-61.

took office. Following her sentence in October 2011 to seven years imprisonment the EU cancelled a visit to Brussels by Yanukovych and it remains unclear if the negotiations towards the signing of an Association Agreement will be completed. Most certainly, even if it was signed, the Association Agreement would not be ratified by the European Parliament, which issued a damning resolution on October 28, 2011, and 27 EU members parliaments.

U.S. Policy

At the same time, U.S. policy toward the post-Soviet space has shifted in small but important ways. The Bush Administration pursued an active policy towards the western periphery of the post-Soviet space. Along with Georgia, Ukraine was seen as poster child for the administration's democracy promotion program as both countries underwent color revolutions in 2003-2004. As noted earlier, Bush strongly supported awarding MAP status to Ukraine and Georgia at the 2006 Riga and 2008 Bucharest summits.

The Obama Administration, by contrast, has been much more cautious and circumspect in its approach to the expansion of Western interests into the western periphery of the post-Soviet space. While the door to Georgian and Ukrainian membership in NATO has been kept open rhetorically, in practice membership for both countries has been put on hold and subordinated to the Obama administration's effort to 'reset' relations with Moscow.

In addition, the democratic revolutions in the Middle East have diverted attention away from the CIS. With the Middle East in turmoil, Washington has been forced to focus increasing attention on trying to stabilize the Middle East and has had less time to pay attention to developments in the CIS. The EU, in turn, has been increasingly preoccupied with fallout from the sovereign debt crisis and the crisis surrounding the euro.

The Obama Administration's more cautious policy toward NATO enlargement has brought U.S. policy more in line with European policy. At the same time, it has generated concerns among some Central-Eastern European allies, particularly Poland and the Baltic states, that

the United States is losing interest in promoting democracy and reform in the western periphery of the post-Soviet space.⁸

However, the Obama reset policy does not mean that the United States is abandoning support for democracy and reform in Ukraine and the western periphery of the post-Soviet space.⁹ This is clearly seen in the strong U.S. condemnation of selective justice and of Tymoshenko's sentence. U.S. officials have repeatedly stressed that the United States does not accept the idea of "spheres of influence." Indeed, "completing Europe"—that is, extending stability, security, prosperity and democracy to the entire European continent—is one of the explicit goals of the Obama Administration's European policy.

Yanukovych's Election: Back to the Future

The third—and most important—factor influencing the issue of Ukrainian membership in NATO has been the change in Ukrainian policy under President Yanukovych. When Yanukovych was elected in February 2010, many observers expected that he would pursue a "multi vector" policy similar to the one pursued by President Kuchma that sought to balance relations with Russia with good ties to the West.

However, these expectations proved to be wrong. In his first two years in office, Yanukovych has pursued a series of policies that have exacerbated internal divisions, diminished the prospects for closer ties to the West, and reduced Ukraine's freedom of maneuver. This has left

⁸ This unease was reflected in an Open Letter to President Obama in the autumn of 2009 signed by a distinguished group of Central and East European intellectuals and former officials, including former Polish President Lech Walesa and Vaclav Havel, former president of the Czech Republic. For the text of the letter, see "An Open Letter to the Obama Administration from Central and Eastern Europe," *Radio Free Europe*, July 16, 2009. Available at: http://www.rferl.org/content/An_Open_Letter_To_The_Obama_Administration_From_Central_and_Eastern_Europe/1778449.html. Also see Pavol Demes, Istvan Gyarmati, Ivan Krastev, Kadri Ljik, Adam Rotfeld, and Alexandra Vondra, "Why the Obama Administration should not take Central and Eastern Europe for Granted" (Washington DC: German Marshall Fund of the United States, July 15, 2009).

⁹ For a more skeptical view of Obama's reset policy, see Taras Kuzio, "Obama's Russia-Reset Masks the Fact that Eurasia Including Ukraine, Is No Longer a US Strategic Priority," *Ukrainian Analyst*, Vol.3, No.4 (January 31, 2011).

Ukraine more isolated internationally and created the conditions for Kyiv's potential drift back into the Russian economic and political orbit.

In April 2010, the Stability and Reforms coalition headed by Yanukovich railroaded through parliament a 25-year extension of the existing twenty year agreement (signed in 1997) allowing Russia to base the Black Sea Fleet in Sevastopol until 2042-2047. The agreement was ratified without proper parliamentary oversight and in violation of a constitutional provision forbidding foreign bases on Ukrainian territory. It provoked a virtual riot in the parliament and led to fist fights between members, the hurling of eggs and igniting of smoke bombs. In return for extending the base agreement, Russia agreed to lower the price of imported gas by 30 percent. However, due to the falling demand for gas, Russia had already begun renegotiating contracts in Europe and giving customers discounts. Thus, the 30 percent discount simply brought the price negotiated with Yanukovich down to current European average prices.

Moreover, the gas agreement reduces the incentive for Ukraine to reform its inefficient and corrupt energy sector, and commits the country to buying more gas in subsequent years than it may need. At the same time, it increases Ukraine's economic and energy dependence on Russia, strengthening Kyiv's single-vector foreign policy.

In summer 2010, Yanukovich withdrew Ukraine's support for NATO membership—a policy he had not opposed as Prime Minister in Kuchma's cabinet in 2002-2004. A July 2010 law on foreign policy described Ukraine henceforth as a “non-bloc” country. However, it remains unclear how Ukraine can be a neutral country while having a long-term foreign (i.e., Russian) base on its soil. In addition, the term “non-bloc” is a throw back to the Cold War and fails to take into account that the EU is an emerging bloc seeking to develop its own security and defense policy (ESDP).

In practical terms, Ukraine's withdrawal of its support for NATO membership does not mean much since there is little support within NATO for admitting Ukraine in the near future. Routine PfP cooperation with NATO has continued but any progress toward membership will have to await the election of a more democratic government in Kyiv committed to genuine reform and Euro-Atlantic integration.

On the domestic front, there has been a clear step back from democratic practices under Yanukovych, especially trials of opposition leaders, that threatens to jeopardize negotiations on the DCFTA.¹⁰ Corruption has visibly increased which is having an economic impact. Foreign direct investment is falling and the European Union has currently frozen \$100 million of financial assistance as a direct result of the administration's failure to curb graft in public-sector procurement. Harassment of opposition parties has also been stepped up. The most egregious example is the arrest and sent former Prime Minister Tymoshenko, who was accused of abuse of office and was sentenced to a seven years in prison in a trial that was clearly politically motivated. The sentence led to a storm of protests from the US, Canada, EU and EU members.

A Western Policy for the Long Haul: Toward an "Open Ukraine" in the Euro-Atlantic Community

Against the background of these changes since Yanukovych's election in February 2010 Western policymakers may be tempted to write off Ukraine and turn their attention elsewhere. However, this would be a strategic mistake. The United States and the EU have a strong stake in keeping open a European and Transatlantic orientation for Ukraine. A reorientation of Ukrainian policy toward Russia would shift the strategic balance in Europe and have a negative impact on the prospects for democratic change on Europe's eastern periphery, making it much more difficult for Georgia and Moldova to pursue their pro-Western course. It would also have a dampening impact on the long-term prospects for reform in Belarus by creating an eastern Slavic bloc of nations suspicious of the West.

While it is difficult to predict Ukraine's political trajectory, the United States and EU need to take the long view. Ukraine, like Turkey, is in the midst of an identity crisis which will have a profound impact on the country's political evolution. This struggle is between Ukraine's eastern orientation, promoted by elites in the Russified east-

¹⁰For a detailed analysis of the backsliding see the annual report, *Freedom in the World 2011* (Washington D.C.: Freedom House, 2011). See also Vaclav Havel, "Ukraine is Losing its Way," *Moscow Times*, August 31, 2011.

ern parts of Ukraine, and a western orientation advocated by the pro-western elites in Central and Western Ukraine. This identity crisis is likely to take time to sort out.

Economic and oligarchic elites around Yanukovych fear Russian economic domination and prefer the DCFTA to the CIS Customs Union. At the same time, they want to have their cake and eat it too by enjoying the economic benefits from the economic and trade provisions of the DCFTA while simultaneously undertaking policies at home that violate European values and seek to establish political and economic monopolization of power. This attempt to combine a type of Ukrainian “Putinism” at home with European integration abroad has nearly derailed the Association Agreement and DCFTA and threatens to hamper its ratification.

As Ukraine struggles to define its identity and find its place in the new European security order, the door to Europe should be kept open to Ukraine. U.S. and European policy should be aimed at strengthening democratic institutions and promoting the growth of civil society, especially an independent media, and business and student exchanges. As Bohdan Vitvitsky shows in his chapter, rule of law and corruption issues are central to the emergence of an “Open Ukraine.”

While the door to NATO membership for Ukraine should be kept open in principle, the issue of NATO membership is likely to remain on the back burner for the immediate future. Focusing on NATO membership now will only inflame the political atmosphere and make progress in other important areas more difficult. The main obstacle is not Russian opposition—though this is an important factor—but low public support for Ukrainian membership. As long as only about a quarter of the population favors membership, the prospect for Ukraine being admitted to NATO will remain remote. With a more democratic and Western-oriented political leadership in power, support for Ukraine’s integration into Euro-Atlantic institutions—especially NATO—could increase. But changing Ukrainian attitudes toward NATO will take time. However, until there is stronger support for NATO among the Ukrainian population, the question of Ukrainian membership in NATO will remain largely theoretical rather than an important issue on the political agenda.

While Ukrainian membership in NATO is not feasible for the time being, other steps in the security field could be taken to strengthen Ukraine's ties to the Euro-Atlantic community. The United States and its European allies should seek to engage the Ukrainian military in a dialogue on military reform and continue to involve Ukraine in peace-keeping operations, both within NATO and on a bilateral basis. Nuclear safety is another area where the United States and Ukraine could usefully increase cooperation. With growing "Putinization" of the security forces, their democratic control is an important area for policy makers in NATO and NATO member governments to focus on. Greater emphasis should be placed on democratic control of the internal security forces (Interior Ministry and Security Service) that have been used as the vanguard for the growing authoritarianism.

The main objective of such contacts and dialogue should be to strengthen cooperation in areas where there is mutual interest while encouraging progress toward establishing more open democratic institutions. In many cases, this may not necessarily involve highly visible projects but rather efforts to enhance cooperation at the grass roots level. The goal should be to strengthen ties that can lead to the emergence of a more pluralistic and democratic Ukraine *over the medium-long run*.

This is particularly important in light of the election of Vladimir Putin as the next president of Russia in the March 2012 Russian presidential elections. Putin's election could result in a toughening of Russian policy toward Ukraine, especially in the economic area. Such a situation could provide new opportunities to engage the Ukrainian leadership and strengthen Ukraine's ties to the Euro-Atlantic community. While Yanukovich favors strong ties to Russia, he does not want Ukraine to become a Russian satellite or himself a Russian *gubernator*. Nor do the Ukrainian oligarchs who are an important interest group within the Yanukovich administration.

Indeed, there are already signs of growing differences between Ukraine and Russia in the economic area. These could increase under Putin. If they do, Yanukovich could begin to show greater interest in closer ties to the West—especially Europe—in order to counterbalance ties with and pressure from Moscow, as Kuchma did.

Whether Yanukovich has the political skill to pursue such a policy is far from clear. But if he shows an interest in trying, the United States and the EU should be ready to engage him while at the same time continuing to push for more comprehensive economic and political reforms aimed at facilitating Ukraine's integration into Euro-Atlantic institutions.