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Ukraine's Perilous Balancing Act

STEVEN PIFER

Since Ukraine regained its independence in 1991, the primary foreign policy challenge confronting policy makers in Kiev has been to strike the proper balance between Ukraine's relations with the West and its relations with Russia. Ukrainian presidents over the past 20 years have structured this balance with the purpose of fixing Ukraine's identity on the European map, ensuring that Ukraine does not end up as a borderland between an enlarging Europe and a recalcitrant Russia, and gaining greater freedom of maneuver vis-à-vis Moscow. Such a balance has generally served Ukraine well, but maintaining it has always been tricky.

It is becoming even trickier in 2012. President Viktor Yanukovych, who took office in 2010, has overseen a democratic regression in Ukraine that complicates his effort to keep a balance between relations with the West and with Russia. His domestic political agenda, driven by tactical goals and personal animus toward his rival, former Prime Minister Yulia Tymoshenko, is hindering achievement of his professed strategic goal of drawing Ukraine closer to the European Union. And this comes at a time when Europe and the United States are preoccupied with other questions and have less time and patience for Kiev.

Yanukovych is playing a geopolitical game in which he appears to assume that the West, and the EU in particular, will overlook his democratic backsliding and embrace Ukraine. This miscalculation risks throwing Ukraine's foreign policy out of balance. It could gravely undermine Kiev's bargaining position in dealing with a Russia that is prepared to play hardball with its Ukrainian neighbor.

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THE OVERBEARING NEIGHBOR

Russia has been, is, and will remain a major factor in Kiev's foreign policy calculus—as well as a player affecting that calculus. It could hardly be otherwise given Russia's size and geographic proximity, the historical and cultural links between the two countries, and the economic ties that linger even two decades after the end of the Soviet command economy. Still, as those two decades have shown, Russia can be an overbearing neighbor. Most Ukrainian strategists thus have concluded that Kiev requires strong relations with the West as a counterweight. Moreover, the democratic values and prosperity enjoyed by the EU have long attracted many Ukrainians.

Since the Soviet Union formally disbanded in December 1991, the Russian government has sought to maintain significant influence in the post-Soviet space, in part through the Commonwealth of Independent States (CIS). Newly independent Ukraine's first president, Leonid Kravchuk, adopted a cautious approach toward the CIS, concerned that Russia would use it to undercut Ukraine's sovereignty. He moved quickly in 1992, for example, to assert control over the armed forces on Ukrainian territory rather than leaving them under a CIS command structure dominated by Moscow.

At the same time, Kravchuk strove to fix a Ukrainian identity within Europe and gain freedom of maneuver in dealing with the Russians. He launched an effort to build links to institutions such as the EU and NATO, as well as strong bilateral relationships with the United States and key European states. In 1994, Ukraine began negotiating an EU partnership and cooperation agreement and became the first post-Soviet state to join NATO's newly announced Partnership for Peace program.

The fate of the former Soviet strategic nuclear arms in Ukraine ranked as a top problem for Kiev

in the early 1990s. Bilateral discussions with Moscow failed to reach agreement on terms for their removal from Ukraine, and Kiev welcomed US participation in a trilateral dialogue. While Ukrainian leaders recognized that Washington shared Moscow's goal of removing all nuclear weapons from Ukraine, they also believed that having the United States at the table could help secure a more favorable agreement with Russia. A January 1994 trilateral statement accomplished that.

Leonid Kuchma, who defeated Kravchuk in the July 1994 presidential election, was originally regarded as the "pro-Moscow" candidate. In office, however, he had to confront continuing Russian challenges. The Duma (Russian parliament), Moscow Mayor Yuri Luzhkov, and Russian nationalists regularly called into question Ukrainian sovereignty over Sevastopol and Crimea, which had become part of the Ukrainian Soviet Socialist Republic in 1954. The Russian government proposed a basing agreement for its Black Sea Fleet that would have given it control of large portions of Sevastopol.

Kuchma redoubled Ukraine's efforts to deepen its engagement with the West. In 1996, he concluded a strategic partnership with the United States and established a high-level commission to oversee bilateral relations. In 1997, Ukraine negotiated a special relationship with NATO. By solidifying ties with NATO and Washington, Kuchma aimed in part to strengthen his bargaining position when dealing with Moscow.

EU circles increasingly are coming to regard Ukraine as a nuisance rather than an asset.

The Russians paid attention. In May 1997, when President Boris Yeltsin made his first official visit to Kiev in nearly four years, the result was a treaty of friendship and cooperation that unambiguously recognized Ukraine's sovereignty and territorial integrity. The sides also settled on the terms of a 20-year lease for basing facilities in Crimea for the Black Sea Fleet.

Kuchma took to describing his foreign policy as a "multi-vector" approach. It centered on three strategic directions: Europe, the United States, and Russia. Among the three, he increasingly placed emphasis on Europe. In 1998, even though Ukraine had just brought its EU partnership and cooperation agreement into force, officials in Kiev began pressing for an association agreement that would articulate a path toward EU membership. Brussels and a number of union countries balked—unfortunately, since the prospect of membership would have increased the EU's leverage to encourage democratic and economic reform in Ukraine. Still, Kuchma and other senior Ukrainian officials persisted in the push for membership.

BALANCING GETS HARDER

Kuchma's foreign policy seemed to find a comfortable balance for a period from 1997 to 1999, as links with the West grew while relations with Moscow became less tense. However, events began to threaten the balance at the end of 1999. A marred presidential election; the disappearance and murder of an internet journalist, Georgiy Gongadze; and the revelation of recordings that suggested high-level involvement in Gongadze's death and other misdeeds sparked concerns in Washington and Europe as well as in Ukraine.

In subsequent years, Ukraine's relations with the West worsened due to a dispute with NATO over Ukrainian arms transfers to Macedonia, a flawed 2002 Rada (Ukrainian parliament) election, and the release of another recording in which Kuchma seemed to approve the transfer of air defense systems to Iraq. In 2002, Washington reviewed its relations with Ukraine, while NATO downgraded a planned NATO-Ukraine summit to a foreign ministers' meeting to signal its unhappiness with Kuchma.

Some Ukrainians at the time cautioned that these moves by the West might inadvertently push Ukraine toward Russia. US officials discounted those warnings, believing that Kiev understood the risks of overdependence on Russia and would take care not to fall too far into Moscow's orbit. Kuchma himself grasped this point. In 2003, he found a way to arrest the decline in relations with Washington by supporting the US-led military operation against Iraq. After Baghdad fell, Kiev offered troops to the coalition stabilization force—at one point, they constituted the fourth-largest coalition contingent.

Kuchma also took care to keep good relations with Russia. He changed foreign ministers in September 2000, replacing Borys Tarasyuk—disliked in Moscow for his strong pro-West leanings—with the less controversial Anatoliy Zlenko, and began holding regular meetings with Russian President Vladimir Putin. The Ukrainians declared 2002 the "Year of Russia," and Kuchma showed greater interest in the CIS.

In October 2003, the Russians rewarded Kuchma's gestures with one of the oddest of Russian-Ukrainian crises. Without consultation with Kiev, the Russians began building a levee from the Kaman Peninsula on the Russian mainland to Tuzla Island in the Kerch Strait, which separates Crimea from Russia. By any reasonable reading of the history of Tuzla Island—and certainly by the reading of officials in Kiev—the island belonged to Ukraine. Kuchma cut short a visit to Brazil to rush back and visit Tuzla to underscore Ukraine's territorial claim. The sides later remanded the issue to a bilateral working group, and work on the levee stopped, but not before reminding Ukrainians that Russia could be troublesome.

Warming to the west

When Yanukovych was proclaimed winner of the November 2004 presidential election, hundreds of thousands took to the streets to protest electoral fraud. The Orange Revolution, led by Viktor Yushchenko and Tymoshenko, resulted in a December rerun of the disputed run-off vote. This time Yushchenko handily defeated Yanukovych and became president in January 2005. Yushchenko's vision for Ukraine was one of a "normal," fully integrated European state holding membership in both NATO and the EU. It was a vision sure to alarm the Russians.

The Yushchenko government pressed the EU to replace the partnership and cooperation agreement with an association agreement and, like its predecessor, called for a path to membership. Negotiations on an association agreement began in 2007. Kiev also pushed to upgrade its relationship with NATO, securing in 2005 an intensified dialogue with the alliance, the precursory step to a NATO Membership Action Plan (MAP).

With Ukraine's strengthening democratic credentials and a pro-NATO defense ministry beginning to pursue serious reform, talk in 2006 turned to Ukraine's possible receipt of a MAP. Many saw this as a realistic prospect until Yushchenko unexpectedly appointed Yanukovych instead of Tymoshenko as prime minister that August. Whatever understanding the two Viktors might have had regarding the NATO relationship, Yanukovych used the occasion of his September 2006 visit to Brussels to state that he did not favor a MAP, which put the idea on ice.

After Yushchenko replaced Yanukovych with Tymoshenko as prime minister at the end of 2007, Ukraine renewed its MAP bid in January 2008. But the Ukrainians had done nothing in advance to prepare the ground, and their request caught NATO members by surprise. Although a majority supported or was prepared to go along with a MAP for Ukraine at an April NATO summit in Bucharest, a small number—led by Germany and France—firmly opposed the idea.

The push for a MAP, while ultimately fruitless, ended any sense of balance in Yushchenko's foreign policy approach. During a February 2008 Yushchenko visit to Moscow, Putin threatened to target missiles at Ukraine.

Other Yushchenko policies also provoked anger in Moscow. The Kremlin condemned as anti-Russian steps to promote the Ukrainian language, and objected sharply to a push to have the Holodomor—the 1930s man-made famine that killed millions of Ukrainians—recognized as genocide. Kiev's support for Georgian President Mikheil Saakashvili during the August 2008 Georgia-Russia conflict drew special ire, particularly when Yushchenko suggested that Ukraine might bar the Black Sea Fleet from operating out of Sevastopol. Disputes over contracts for Ukraine's purchases of Russian natural gas led Moscow to impose a three-day cut-off in January 2006 and a longer suspension in January 2009.

By 2009, relations between Moscow and Kiev had fallen to their lowest point since 1991. Polling within Ukraine indicated growing discomfort with Yushchenko's foreign policy. His push to join NATO put him far out in front of both Ukrainian elite and public opinion; polls showed only 20 to 30 percent support for NATO membership. Underlying this sentiment was broad public unease about the collapse of relations with Russia. Many did not want such problematic relations with their eastern neighbor, given family, ethnic, cultural, and business links.

Restoring Russian ties

Yanukovych's narrow victory over Tymoshenko in the 2010 presidential election stemmed largely from voter unhappiness with the economy and the chaotic management style of the "Orange" government. Once in office, Yanukovych indicated that his first foreign policy priority would be to repair the badly tattered relationship with Moscow. He halted the Ukrainian language and Holodomor campaigns, and dropped the goal of NATO membership. In an April 2010 meeting with Russian President Dmitri Medvedev, Yanukovych agreed to a 25-year extension

of the lease for facilities for the Black Sea Fleet—which would allow Russian warships to remain in Sevastopol until 2042—while Russia agreed to a 10-year discount on the price of natural gas it sold Ukraine.

The rapid pace of the restoration of relations with Russia and questions about the wisdom of the Black Sea Fleet lease and gas price deal raised concern about Ukraine's course. Yanukovych and his senior foreign policy officials portrayed their quick agreements with Russia as necessary, but they also described their overall objective as a balance of good relations with the West and Russia. So, while eschewing a MAP, they also stressed their desire to maintain broad practical cooperation with NATO, and continued to pursue an association agreement and comprehensive free trade arrangement with the EU.

One question confronted Kiev with a clear either/or choice. Senior Kremlin officials urged Ukraine to join a customs union along with Russia, Belarus, and Kazakhstan. Yanukovych repeatedly said he would not, as doing so would be inconsistent with Ukraine's obligations in the World Trade Organization and would scuttle the negotiation of a free trade arrangement with the EU.

There is little reason to believe Russia will moderate its approach to Kiev.

In the second half of 2010, the Ukrainian government pushed to accelerate talks on the EU association agreement and free trade. This coincided with reports from Kiev of growing frustration, including among senior presidential advisers, regarding Russia. Ukrainian officials felt that they had addressed virtually all major Russian concerns on the bilateral agenda but that, aside from the gas price discount, Moscow had done little to reciprocate and instead pressed for more.

As it had for Kravchuk and Kuchma, the policy of balancing relations between the West and Russia seemed a sensible course for Yanukovych. Ukraine's foreign policy appeared to be moving again toward that balance. But Yanukovych's domestic policies soon began to undermine it.

Backsliding on democracy

Although Yanukovych had been the beneficiary of the vote fraud that triggered the Orange Revolution in 2004, Western and Ukrainian observers regarded his election in 2010 as the result of a free, fair, and competitive process. This gave Yanukovych democratic legitimacy. US and European leaders chose to overlook the past and quickly extended their congratulations.

By the second half of 2010, however, doubts began to grow about Yanukovych's commitment to democracy. The Security Service of Ukraine monitored the activities of university students who had criticized the government. The Constitutional Court's abrupt overturn of constitutional reforms and strengthening of presidential powers raised more questions. Nationwide local elections in October revealed process flaws and fell short of the standard set by elections that Ukraine had held from December 2004 to February 2010.

Arrests of officials who had served under Yushchenko mounted. In early 2011, the international monitoring group Freedom House—which had ranked Ukraine as the first "free" post-Soviet state other than the Baltic nations—dropped Ukraine's ranking to "partly free." Concern increased in 2011 as the government brought criminal charges against Tymoshenko for abuse of office for her signing a gas import contract with Russia in 2009. Her trial in the summer of 2011 came to epitomize Western worries about democratic backsliding in Ukraine.

US and European officials, who had urged Kiev not to prosecute Tymoshenko, became more outspoken in their criticism following her imprisonment in August. Members of the European Parliament and of EU member-state legislative bodies began to question the appropriateness of concluding an association agreement. Some threatened to block its ratification. US Secretary of State Hillary Rodham Clinton and EU High Representative for Foreign Affairs and Security Policy Catherine Ashton wrote to Yanukovych to express concern about Tymoshenko's treatment.

Ukrainian officials justified the trial of Tymoshenko as a necessary step to bring criminal acts to justice, asserting that to do otherwise would be to ignore the rule of law. There certainly were questions about Tymoshenko, but the government's handling of her case smacked utterly of manipulation of the judicial system for political ends. As of the start of 2012, no comparable figures from Yanukovych's government or from his political base in the Rada, the Party of Regions, had been brought to trial, despite numerous reports that corruption in Ukraine has grown even worse during the first two years of his presidency.

At a September 2011 conference in Yalta, Swedish Foreign Minister Carl Bildt, EU Enlargement Commissioner Stefan Fule, and European Parliament member Elmar Brok publicly criticized the Ukrainian government's handling of the Tymoshenko case. Speaking at the same conference, Yanukovych outlined a possible solution: The Rada planned to review the criminal code and might eliminate some provisions. In a private meeting on the margins of the conference, Bildt, Fule, and Brok spent two hours with the Ukrainian president. The three left the meeting believing that Yanukovych understood EU concerns and intended to resolve the Tymoshenko case.

Amendment of the criminal code to drop the provision providing the basis for the charge against Tymoshenko appeared to offer an elegant way out. In the Rada, however, the Party of Regions declined to support removal of the provision. The trial court then announced a guilty verdict and sentenced her to seven years in prison. The verdict provoked a storm of criticism from Brussels, EU member-state capitals, Washington, and even Moscow. EU officials shortly thereafter postponed a planned mid-November meeting with Yanukovych. Relations deteriorated further after the government on November 11 charged Tymoshenko with tax evasion and theft in connection with her leadership of a gas trading firm in the 1990s.

Senior European officials in November spoke directly to Yanukovych about the problem. Lithuanian President Dalia Grybauskaite, in a message that the EU had authorized her to convey, warned the Ukrainian president that the Tymoshenko case would affect an EU-Ukraine summit planned for December 19. Polish President Bronislaw Komorowski told him that Tymoshenko's imprisonment showed that Ukraine did not share EU values and put the association agreement at risk.

As the summit approached, EU officials considered further steps to indicate their displeasure. Had it not been for the fact that Poland—Ukraine's best friend in the EU—held the union's rotating presidency, the summit might well have been cancelled. While negotiation of the association and free trade arrangements was complete, there was no consensus among EU members on signing the documents. In the end, European Council President Herman Van Rompuy and European Commission President José Manuel Barroso traveled to Kiev to meet Yanukovych, but they declined to sign. Van Rompuy stated after the meeting that signature would "depend on political circumstances." He specifically cited Tymoshenko.

By the start of 2012, Yanukovych's professed desire to achieve a balance in relations between the West and Russia lay in serious jeopardy. Foreign policy officials in Ukraine privately expressed dismay that cooling relations with the West would leave Kiev in a weaker position facing Moscow.

Off the radar

A foreign policy that balances relations with the West and Russia has served Ukraine well. The current breakdown in the balance should worry Kiev, especially as it comes at a time when the West is paying far less attention to Ukraine than it did in the past.

Washington today is preoccupied with the American economy and a presidential election campaign. US foreign policy now focuses on questions such as Afghanistan, Iran, and a strategic pivot toward Asia. The Orange Revolution provided a good news story that meshed nicely with the George W. Bush administration's rhetorical promotion of democracy; as a result, Ukraine from 2005 to 2008 occupied a much higher place on the US agenda than would otherwise have been the case.

Now, however, Ukraine no longer offers such positive news, and it barely registers on the US foreign policy radar. Kiev constantly seeks senior-level engagement, but American officials have little incentive to carve out time to see the Ukrainian president. President Barack Obama may encounter Yanukovych on the margins of a March nuclear security summit in Seoul or in May multilateral meetings in Chicago, but absent a reversal of the democratic regression in Ukraine, there is zero chance of Obama or Vice President Joseph Biden traveling to Kiev or hosting Yanukovych in Washington.

The EU also finds itself preoccupied with other questions. The European debt crisis will take months to play out. Moreover, the last wave of EU enlargement has proved more difficult to digest than anticipated. It has left many member states wary of leaning too far forward in the EU's outreach to its neighbors and doing anything that might suggest further enlargement. For those member states skeptical of Ukraine, the democratic regression offers a handy reason to suggest that the EU tamp down its engagement. This makes it much harder for countries such as Poland, Lithuania, and Sweden, which have in the past advocated for Ukraine within the EU, to make headway with other member states. The

drop-off in Western attention should give Kiev reason for concern.

As Ukraine's relations with the West cool, there is little reason to believe Russia will moderate its approach to Kiev. Ukrainian officials in the autumn of 2011 put at the top of their agenda with Moscow the goal of securing a lower price for the natural gas they buy from Russia's energy monopoly Gazprom. In December, Yanukovych and other officials complained that Ukraine would have to pay $400 to $415 per thousand cubic meters of gas in 2012, whereas they considered a "fair" price to be $230 to $250. They did not explain their rationale for this price or what incentives Gazprom and Moscow might have to cut the gas charge.

Also in December 2011, Ukrainian media reported that a deal was under discussion that would give Gazprom significant control over the gas pipelines and underground storage facilities in Ukraine, the crown jewels of Ukraine's energy infrastructure which Gazprom has long coveted. The Russians appear to calculate that time works to their advantage on the gas question; Ukraine should not expect any gifts.

Kiev also faces Putin's coming return to the Russian presidency. Although Russian public dissatisfaction with the conduct of the 2011 Duma elections may cause Putin to adjust his domestic politics, his expected victory in the March 2012 election likely will mean no change in the strategic course of Russian foreign policy. Putin was fully engaged in foreign policy matters as prime minister and de facto leader of the "tandem" with Medvedev.

The tone, however, could change. Putin's announcement of his intention to establish a Eurasian Union—whatever that institution might mean in practice—confirms that Moscow will continue to pursue mechanisms to broaden its influence in and over neighboring states. This should also give Kiev reason for concern.

Feeling Ignored

When discussing Ukraine's foreign policy situation, senior officials in Kiev acknowledge that they face difficult times this year. They complain, however, that the West ignores Ukraine's strategic importance and is allowing it to slip back toward a Russian sphere of influence. Ukrainian officials have voiced the same complaint in the past when relations with the West encountered problems. This is an interesting assertion for three reasons.

First, it suggests that Kiev believes that the West—and the EU in particular—should overlook the democracy problems of the past two years and warmly embrace Ukraine. But democratic values matter to the EU and United States; they will not give Yanukovych a pass on this. Second, it implies a view in Kiev that Ukraine somehow should matter more to Europe than Europe should matter to Ukraine. In fact, given Kiev's policies, EU circles increasingly are coming to regard Ukraine as a nuisance rather than an asset. Third, the assertion appears to imply that Ukraine is more an object of the foreign policy of others than a subject that shapes its own destiny. Yet it is Ukrainian choices, policies, and actions that will most directly determine the country's future place.

Yanukovych's geopolitical game is based on miscalculations regarding the depth of the West's interest in Ukraine and its readiness to compromise on democracy questions. The president's two apparent near-term foreign policy goals are an EU association agreement and a lower Russian gas price. But achievement of the former has been stymied by his domestic goals of tightening control over politics and sidelining Tymoshenko. Whereas the EU agreement is strategically important for Ukraine, the energy price goal is tactical, and Yanukovych's political goals reflect a mix of tactical domestic aims and personal animus toward Tymoshenko. The tactical objectives have come to overshadow the strategic.

Yanukovych and other Ukrainian officials overestimate—perhaps dramatically so—their country's strategic value to an EU that, for the foreseeable future, will be preoccupied with internal questions and reluctant to pursue anything that hints at further enlargement. As democratic backsliding chills Ukraine's relations with the West, Yanukovych faces the prospect of having to deal with Putin and Moscow from a weaker position.

This is a grim prognosis for Ukraine and its foreign policy, but it does not mean that the country will inevitably fall back into Russia's orbit. Yanukovych may yet reverse course as circumstances bring him to see that the absence of a balance between the West and Russia undermines his position vis-à-vis Moscow. Two questions then would follow: How difficult will it be for Kiev to rebuild relationships with the West, and how much damage might be done in the meantime to Ukraine's interests with Russia? ■