

# Ukraine's "Orange-Blue" Foreign and Security Policy

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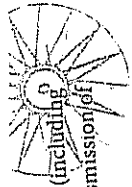
With a large population and long Black Sea coastline, Ukraine is an important factor in the Black Sea region's security and stability. With its Western borders now those of NATO and the EU, Ukraine is a crucial linchpin in the transatlantic and European security architecture and has an important role to play in projecting its influence and values to the trans-Caucasian states. Ukraine and Turkey have long standing mutual interests in the preservation of inter-ethnic stability and territorial integrity of regions within Ukraine (notably, the Crimea) and in Moldova and well-established trade and economic relations. Ukraine is also a potential transit route for Central Asian and trans-Caucasian gas and oil into Europe.

Ukraine has led the way in the Commonwealth of Independent States (CIS) through deep cooperation with NATO and by seeking EU and NATO membership. Ukraine has always supported intensive levels of cooperation multilaterally within NATO's Partnership for Peace (PfP) and bilaterally in the Spirit of Partnership for Peace (SPFP) programs. Ukraine helped to facilitate the enlargement of NATO into Central and Eastern Europe by supporting the broadening of the alliance eastwards to the borders of the Western CIS, looking upon an enlarged NATO as an enhancement of its own national security.

The Rose and Orange Revolution's in 2003 and 2004 have served to enhance the strategic importance of Georgia and Ukraine for the transatlantic community. These revolutions were not only *against* fraud and in *support* of democratic rights, but were also manifestations of public support for the transatlantic integration of these countries. Since the revolutions, Georgia and Ukraine have been invited by NATO into Intensified Dialogue on Membership Issues and integration in other areas is proceeding, albeit slower than expected.

The failure to create a pro-reform Orange parliamentary coalition and government in Ukraine following the March 2006 elections, the first election to be described as "free and fair" by the international community, has led to the return of the Party of Regions to government, led by Prime Minister Viktor Yanukovich. This chapter discusses the continuities and changes in Ukrainian foreign and defense policy following these developments.

Yanukovich first served as Prime Minister under President Leonid Kuchma in 2002 to 2004 when Ukraine had a "multi-vector" foreign policy, a policy pursued by both Ukraine's presidents, Leonid Kravchuk and Kuchma from 1992 to 2004. This twelve-year period is covered in the first two sections of the article, which discusses the meaning of "multi-vectorism" and the evolution of the stance of the Party of Regions towards NATO. Ukraine's



foreign policy changed following the Orange Revolution to Euroatlanticism in 2005 to 2006, with President Viktor Yushchenko publicly disavowing "multi-vectorism". It is important for policymakers and practitioners to understand the impact of developments since the 2006 elections on Ukraine's foreign policy, which has vacillated between maintaining the country's integration into Euroatlantic structures and returning to the "multi-vectorism" of the pre-Orange Revolution era.

## "Multi-Vectorism" (1992 to 2004)

Following Ukraine's independence in December 1991, the country's two centrist leaders, Kravchuk (1991 to 1994) and Kuchma (1994 to 2004) pursued what became known as "multi-vector" foreign policies. Multi-vectorism was never defined by Ukraine's first two leaders, as it was its very vagueness that was useful for them. The policy had to be flexible enough to accommodate changes in Ukraine's relations with its Western and Eastern neighbors and international organizations.

To those who sought to find something positive in a "multi-vector" foreign policy, it was promoted as a balanced response to Ukraine's regionally and ideologically divided population. Former President Kuchma said,

"I was criticized a lot for my multi-vector foreign policies, but I'm proud of my foreign policy and consider it an important achievement. A multi-vector policy helped me maintain domestic tranquility at home. It helped me preserve Ukraine's sovereignty. I think that for any country in the modern world the correct policy is a multi-vector policy. And the majority of countries have adopted such policies".<sup>1</sup>

Such an argument would indicate that Ukraine had conduits for the transmission of citizens' views to government and their inclusion in the development of the country's foreign policy. Yet, Ukraine in the 1990s, as a non-consolidated democracy, had a relatively weak civil society, little independent media and no mass political parties with nationwide membership. In reality, even in consolidated Western democracies the average citizen and voter is more focused on domestic, rather than foreign, policy issues. In Ukraine, which went through a severe socio-economic crisis during the 1990s, the focus on domestic affairs is even more pertinent. The applicability of this general rule can only really be put into question during times of crisis and major national security threats, such as experienced in the United States after the terrorist attacks of September 11, 2001 when international affairs became a factor of concern for even the most locally focused U.S. citizens.

Two other factors have consistently reduced the influence of Ukraine's citizens and voters on foreign policy. The first is the inherited Soviet tradition of foreign policy being the domain

<sup>1</sup> Radio Free Europe/Radio Liberty News Features, *Ukraine: Former President Observes 'Ukraine Without Kuchma'*, August 7, 2006.

of a small and exclusive ruling elite. The second is the weakness of civil society (including political parties, think tanks and independent media), as a conduit for the transmission of opinions and interests from citizens and voters to foreign policymakers.<sup>2</sup>

Ukraine's multi-vector foreign policy was a convenient and very flexible tool for its ruling elites, which was pursued in their interest, rather than that of the country as a whole or a commonly accepted understanding of national interest. This can be readily demonstrated through an analysis of Ukraine's "multi-vector" foreign policy during Kuchma's decade in office. Kuchma was elected in July 1994 on a "pro-Russian" platform. Nevertheless, this changed to a "pro-Western" stance during his first term in office, during which Ukraine became the third largest recipient of U.S. aid, pursued a robust program of cooperation in NATO's PfP and declared its intention to seek EU membership.

In 1999, Kuchma was re-elected to office on a "pro-Western" platform. As evidence of this new course, Viktor Yushchenko was promoted from Chairman of the National Bank to Prime Minister. Again, Ukraine's "multi-vector" foreign policy re-orientated itself, this time to Russia and the CIS. The *Kuchmagate* and *Kolchugagate* scandals of 2000 and 2002 respectively, worsened Ukraine's relations with the West and isolated the country.<sup>3</sup> Ukraine's "multi-vector" foreign policy became increasingly internally contradictory. Despite its isolation and Russian orientation, however, President Kuchma took the step of outlining Ukraine's intention to seek NATO membership in July 2002. But, Ukraine was not invited to join NATO in the second round of enlargement at the November 2002 Riga Summit, which Kuchma attended against the advice of NATO leaders. At the summit, NATO offered Ukraine yearly Action Plans that do not offer prospects for membership, rather than a Membership Action Plan (MAP).

Ukraine's "multi-vector" foreign policy has, therefore, been influenced by opportunism within Ukraine's centrist ruling elites. Ukraine's post-Soviet centrists, who ruled the country until 2004, are ideologically amorphous in the same vein as centrists in Russia and the remainder of the CIS. "Multi-vectorism" in this context is opportunism masquerading as a foreign policy that allegedly takes into account public opinion (in this case, its negative attitude towards NATO membership) and Ukraine's regional division.

Public opinion on NATO membership is indeed an issue in Ukraine. But, Ukraine's elites have undertaken precious little to improve the standing of NATO among the public. In fact, they have done the very opposite. In the 1990s, one third of Ukrainians supported

<sup>2</sup> Victor Chudovsky and Taras Kuzio, "Does Public Opinion Matter in Ukraine? The Case of Foreign Policy", in *Communist and Post-Communist Studies*, Vol. 36, No. 3, September 2003, pp.273-290.

<sup>3</sup> *Kuchmagate* and *Kolchugagate* refer to the unveiling of tape recordings made illicitly in the president's office allegedly showing Kuchma authorizing violence against journalist Heorhiy Gongadze, who was found murdered in November 2000 and the sale of radars to Saddam Hussein's Iraq in summer 2000.

<sup>4</sup> Taras Kuzio, "Neither East nor West: Ukraine's Security Policy", in *Problems of Post-Communism*, Vol. 52, No. 5, September-October 2005, pp.59-68.

membership, one third opposed it and another third had no view on the issue.<sup>5</sup> During Kuchma's second term, when Ukraine declared its intention to seek membership, support fell to its current twenty percent.

The reasons for this drop in support include government policies promoting anti-Americanism, particularly during the 2004 elections, the decision to send Ukrainian troops to Iraq in an attempt to improve relations with the United States and the absence of government support for a positive campaign to inform Ukrainian citizens about NATO.<sup>6</sup> Public opinion never had any influence over Ukraine's decision to send troops to Iraq, a decision, which most Ukrainians opposed. Ukrainian troops remained in Iraq during Prime Minister Yanukovich's first term in office from 2002 to 2004 and they were only brought home in late 2005 by President Yushchenko.

## The Party of Regions and NATO

Ukraine has a long and established record of intensive cooperation with NATO, unrivaled in the CIS, dating from when it joined NATO's PFP in January 1994. Ukraine's bilateral military cooperation with the United Kingdom and the United States through In the Spirit of PFP is also unrivaled in Eurasia, even by Russia.

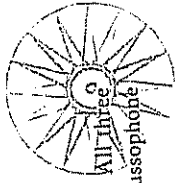
Ukraine has held annual PFP and In the Spirit of PFP exercises since 1997 in Yavoriv, a military training ground near Lviv, near Odessa and in the Crimea. Centrist political forces, such as the Party of Regions, did not oppose the holding of these exercises during Kuchma's decade in power. In fact, the first Yanukovich government supported their organization. Following NATO's signing of the Charter on a Distinctive Partnership with Ukraine on July 9, 1997, Ukraine supported the first and second rounds of NATO enlargement in 1997 to 1999 and 2002 to 2004. This position contrasted with that of Russia, which opposed NATO enlargement.

Ukraine first declared its intention to join NATO in July 2002, four months before Yanukovich became Prime Minister. The first Yanukovich government never rescinded the position of his predecessor and never publicly stated that steps to join NATO would not stop because of the low level of public support and because it would harm relations with Russia. These were among the main arguments used by Yanukovich during his September 2006 visit to NATO headquarters.

During the 2004 presidential elections, Yanukovich introduced opposition to NATO membership in the last month of the campaign along with making Russian the second

<sup>5</sup> Polls conducted since 1992 can be found at <http://www.dif.org.ua/page.php?action=projects>. See also *Ukrainian Society, 1994-2005: Sociological Monitoring*, Institute of Sociology, National Academy of Sciences, Kyiv, available in Ukrainian and English at <http://www.dif.org.ua/publics/doc.php?action=11/uss>.

<sup>6</sup> The author's articles on the 2004 elections, the Orange Revolution and the Yanukovich government can be found at [www.taraskuzio.net](http://www.taraskuzio.net).



state language and instituting the possibility of dual citizenship with Russia. All three positions, following the doubling of state pensions, were aimed at attracting Russophone and Communist Party voters to his camp.

The introduction of opposition to NATO membership to the election campaign by Yanukovich, when his government has still not officially disavowed its support for NATO membership, smacked of opportunism. Following Yushchenko's election victory on December 26, 2004, the Party of Regions and the Social Democratic Party of Ukraine (united) (SDPUu) initiated steps to hold a referendum on NATO membership. The SDPUu is led by Viktor Medvedchuk who was the head of the presidential administration during the same two-year period that Ukraine had an official policy of seeking NATO membership between 2002 and 2004. Medvedchuk never called for Ukraine to hold a referendum on NATO membership under Kuchma.

The Party of Regions and SDPUu's strategy of campaigning for a referendum on NATO membership aimed to use anti-NATO sentiment to undermine the Yushchenko administration in Russophone Eastern and Southern Ukraine. These two regions had supported Yanukovich in all three rounds of the 2004 elections and it was hoped that this would be repeated in the 2006 parliamentary elections.

Former pro-Kuchma centrists, such as the Party of Regions and the SDPUu, also backtracked on support for cooperation with NATO. During the last fifteen months of the 2002 to 2006 parliamentary term, both parties voted against legislation that supported Ukraine's military cooperation with PFP and In the Spirit of PFP. Between 1997 and 2004, this legislation was routinely approved by pro-Kuchma centrists and the then center-right opposition. Yet, in 2005 to 2006, parliament was unable to adopt legislation permitting foreign troops to exercise in Ukraine and for NATO to lease Ukrainian transportation aircraft.

The anti-NATO/Yushchenko alliance between the Party of Regions and the SDPUu disintegrated following the parliamentary elections on March 26, 2006. Of the former pro-Kuchma centrists, only the Party of Regions entered parliament, with thirty two percent of the vote. The campaign to hold a referendum on NATO membership became less important to the Party of Regions than entering government. Former pro-Kuchma allies, such as the SDPUu, were ditched in favor of holding negotiations with Our Ukraine on establishing a Grand Coalition.

The Party of Regions successfully capitalized on internal disquiet in the Orange camp, which proved unable to create a coalition quickly following the 2006 elections and on weak presidential leadership. Anti-NATO and anti-American rallies in the Crimea in May and June 2006, orchestrated by the Party of Regions and its extreme left and Pan-Slavic party allies, led to the first ever cancellations of PFP and In the Spirit of PFP exercises. The rallies ended following the creation of the "Anti-Crisis Coalition" between the Party of Regions, the Socialist and the Communist Parties on July 5, 2006. President Yushchenko's Our Ukraine opted to join an Orange coalition over a Grand Coalition between Our Ukraine

and the Party of Regions, but the Orange coalition rapidly collapsed after the Socialist Party defected. The Socialists, together with the Party of Regions and Communist Party, established the "Anti-Crisis Coalition" and formed the government.

The signing of the founding document of the Coalition of National Unity by President Yushchenko, the Our Ukraine pro-presidential bloc and the three members of the "Anti-Crisis Coalition" reduced the need for the Party of Regions to continue its opportunistic anti-NATO activities. The Party of Regions signed after demanding that a NATO MAP be removed from the final text that was adopted. The final text indicates continued support for cooperation with NATO while ignoring the issue of membership.

On the same day that Yanukovych was confirmed by parliament as Prime Minister, parliament also voted to support the holding of PFP and In the Spirit of PFP military exercises (this legislation had failed to be adopted in 2005 to 2006). Our Ukraine and the Party of Regions voted for the legislation, with the left voting against and the Yulia Tymoshenko bloc boycotting parliament.

The Party of Regions had never opposed Ukraine's cooperation with NATO under PFP and In the Spirit of PFP during the Kuchma era, including when Yanukovych headed the government in 2002 and 2004. Following Yanukovych's return as Prime Minister, the Party of Regions returned to its Kuchma era support for cooperation with NATO. The Party of Regions opposed cooperation with NATO and fanned anti-NATO sentiment when it was briefly in opposition in 2005 to 2006. In other words, opportunism, rather than ideological principles, guided the attitude of the Party of Regions towards foreign policy.

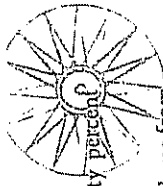
During Prime Minister Yanukovych's visit to NATO headquarters in September 2006, he reiterated Ukraine's desire to deepen cooperation based on Intensified Dialogue on Membership Issues and yearly Action Plans. Yanukovych told a closed Ukraine-NATO Commission that

"Ukraine highly values the level of cooperation with NATO. We value continued support for our Euroatlantic aims, support for military reform and democratic and market transformations."<sup>7</sup>

Prime Minister Yanukovych promised to improve public information on NATO, a commitment he should be held to as the NATO Information and Documentation Center, which was established in Kyiv in 1997, has traditionally had little support from the Ukrainian authorities.

The main criticism of Prime Minister Yanukovych's visit to NATO focused on his disinterest in Ukraine being invited into a NATO MAP at this current moment in time. During his speech to the Ukraine-NATO Commission, he said that he strove to separate membership issues from, "normal, mutually beneficial cooperation with the alliance". Prime Minister Yanukovych's linkage of membership to the holding of a referendum had been earlier accepted by Our Ukraine and the Tymoshenko bloc. With support for membership having

7 The speech was "leaked" to *Ukrayinska Pravda*, September 19, 2006.



declined to twenty percent, Ukraine differs from Georgia, which had seventy percent support for membership.

Criticism from Ukraine's President and Our Ukraine was aimed at deflecting blame from their poor strategy since the March elections. Ukraine could have been invited into a MAP during NATO's meeting in New York on the eve of the Riga summit, but this would have required a pro-reform coalition and the speedy establishment of a government following the elections. The failure to create a pro-reform coalition and government and the creation instead of the "Anti-Crisis Coalition", including two members opposed to NATO membership (i.e. the Socialist and Communist Parties), ruled Ukraine out of being invited into a MAP prior to Prime Minister Yanukovych's visit to NATO.

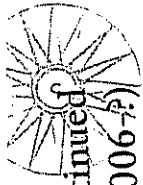
## Euroatlanticism (2005 to 2006)

"Multi-vectorism" is unpopular on the left and right of the political spectrum in Ukraine. The left is committed either to full integration into the CIS (this is the position of the Communist Party) or a form of neutrality between Eurasia and the transatlantic community (this is the position of the Socialist Party). The center-right, on the other hand, supports Ukraine's full integration into the Euroatlantic community, a momentum that the victory of the Orange Revolution was set to accelerate (similarly to the situation in Georgia following the Rose Revolution).

During the first eighteen months of the Yushchenko presidency, Ukraine was on target to integrate into the West. President Yushchenko had a very successful visit to Washington in April 2005 during which U.S.-Ukrainian relations regained the positive form that had been characteristic of the second half of the 1990s. President George W. Bush supported NATO's decision to upgrade Ukraine later that month to an Intensified Dialogue on Membership Issues and the U.S.-backed Ukraine's rapid integration into the WTO. Ukraine changed its stance on regional initiatives, now taking into account the West's position on the poor human rights situation in Belarus, the frozen conflict in Moldova and on regional cooperation through GUAM (Georgia, Ukraine, Azerbaijan and Moldova) and the CDC (Community of Democratic Choice).

At this time, the only damper to these positive developments was the European Union's continued passivity towards Ukraine's membership aspirations, a goal that has been in place since 1998. The EU played an important role in brokering a peaceful resolution of the transfer of power during the Orange Revolution.<sup>8</sup> Nevertheless, the EU did not respond to the Orange Revolution and election of Yushchenko by offering future membership prospects. The European Neighborhood Policy (ENP) Action Plan only differed from that negotiated by President Kuchma and Prime Minister Yanukovych in that it contains an

8 See Taras Kuzio, "Is Ukraine Part of Europe's Future" in *The Washington Quarterly*, Vol. 29, No. 3, Summer 2006, pp.89-108.



## A Return to "Multi-Vectorism" or Continued Euroatlanticism? (2006-?)

additional ten points. After its completion in 2007, the EU may consider granting Ukraine an enhanced ENP+ package.

The EU has also offered to sign a Free Trade Agreement with Ukraine following its accession to the WTO. This is another step that would not have differed if Yanukovich had become Ukraine's president. The new agreement that is set to replace Ukraine's ten year Partnership and Cooperation Agreement (PCA) with the EU will, the EU has warned, not offer Ukraine future membership. Ukraine, like Georgia, therefore, has the possibility of NATO, but not EU, membership.

Following the Orange Revolution, Ukraine's integration into the Euroatlantic community has, therefore, been focused upon the WTO and NATO. Ukraine had two major obstacles to overcome in its bid to receive a MAP. The first of these, to hold a free and fair parliamentary election on March 26, 2006, was overcome when the OSCE, Council of Europe (CoE) and EU declared them to have been held in a free and fair manner. The second hurdle was to transform the free elections into a pro-reform parliamentary coalition and government. The Ukrainian authorities passed the first hurdle but failed on the second.

Following the 2006 elections, the United States and some other NATO countries, linked Ukraine's invitation into a MAP to the creation of a pro-reform parliamentary coalition and government. "Pro-reform" was clearly understood as drawing on those political forces that had supported the Orange Revolution and that entered the 2006 parliament (the president's Our Ukraine, the Tymoshenko bloc and the Socialist Party). While supporting pro-reform forces, the United States did not have a position on who should become Prime Minister from within the Orange camp.

The MAP-pro-reform government linkage was undermined by presidential inaction and a lack of leadership, personal conflicts within the Orange camp and duplicitous negotiation tactics. Throughout the three-month coalition negotiations, Our Ukraine "negotiated" with its Orange partners in the morning and "consulted" with the Party of Regions in the afternoon on a Grand Coalition.

President Yushchenko and Our Ukraine rightly took credit for holding free elections while not accepting the election results. They came third after the Party of Regions and the Tymoshenko bloc. In the end, neither an Orange nor a Grand Coalition emerged as the Socialist Party defected to the Party of Regions and Communists, the then opposition. Together the three parties created the "Anti-Crisis Coalition", paving the way for the return of Yanukovich for a second Prime Ministerial term.

The collapse of the Orange Parliamentary Coalition, Ukraine's summer 2006 parliamentary crisis and the return of defeated presidential candidate Yanukovich as Prime Minister will inevitably have an impact on Ukraine's foreign and security policy. The question is now one of whether Ukraine will continue to pursue Euroatlantic integration, as under the Orange administration in 2005 to 2006, or, will it return to a "multi-vector" foreign and security policy, that seeks to integrate neither with the West or the East, as during the Kravchuk and Kuchma eras from 1992 to 2004.

If Ukraine does return to "multi-vectorism" this will be because Ukrainian domestic and foreign policies are once again out of sync, as was the case in the Kuchma era when authoritarian domestic policies undercut pro-Euroatlantic foreign and security integration. Another potential scenario is that Ukraine returns to "multi-vectorism", while making further progress in reforms, even if muddled, without the pursuit of NATO membership and in the absence of an offer of European Union membership.

An optimistic view of Prime Minister Yanukovich's second term would point to the fact that he is now bound to work in the post-Orange Revolution Ukraine, which is a radically different context than Ukraine in the late Kuchma era, with its characteristic semi-authoritarianism. In 2006, post-Orange Ukraine was upgraded to "free" by New York-based Freedom House, the first CIS country to be so categorized.<sup>9</sup> Ukraine has an independent media, an active civil society and a robust opposition, three important watchdogs of government activity.

Ukraine's move from a presidential to a parliamentary system will also prove beneficial for democratization, as evidenced by the difference in democratic credentials between the countries of the CIS, where presidential systems are the norm, and those of Central and Eastern Europe, where parliamentarism is well established. Ukraine also has a pro-reform president, Viktor Yushchenko, who retains considerable powers, even after constitutional reforms came into effect in 2006. The President's weaknesses are to be found in the realm of political will and leadership, rather than in flawed constitutional design.

A more sober viewpoint would argue that democratic regression is likely, rather than continued muddled progress towards reform, given the return of Yanukovich and the Party of Regions to government. We may, however, witness a return to Kuchma-lite, rather than the full-blown excesses of the Kuchma era, as it would be difficult to turn back the clock completely.

It remains unclear at this stage if Yanukovich can follow in the footsteps of other Central European leaders, such as Romania's former President Ion Iliescu, who transformed himself

<sup>9</sup> <http://www.freedomhouse.org/template.cfm?page=15&year=2006>.

from Communist leader into supporter of their country's integration with the Euroatlantic community. At this point, however, Yanukovych's personnel policy does not bode well. He has brought many of the individuals who served in high-ranking positions during the first Yanukovych government in as officials or as personal advisers. Ukraine also differs from Romania and Central and Eastern European countries in one significant respect. It does not have the important democratization "carrot" of European Union membership.<sup>10</sup> Unlike NATO membership, towards which Prime Minister Yanukovych and the Party of Regions are cautious, they support EU membership, which is currently not on offer.

In analyzing the impact of Yanukovych's return to government and the absence of an Orange Coalition, the following considerations survey Ukraine's foreign policy in two ways. The first part investigates the constant features that will remain in Ukraine's foreign policy under a government led by Prime Minister Yanukovych and dominated by the Party of Regions. The second part discusses the changes that are likely to take place in Ukraine's foreign policy following Yanukovych's return to government.

## Constant Features in Ukrainian Foreign Policy

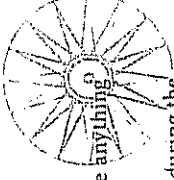
Under the reformed constitution, foreign and defense policy continues to be the prerogative of the President who appoints the Foreign and Defense Ministers, Chairman of the Security Service, Secretary of the National Security and Defense Council and Prosecutor. As a concession to President Yushchenko, and in an attempt to entice Our Ukraine to join the "Anti-Crisis Coalition", the Party of Regions has also agreed to permit Our Ukraine to control the Interior and Justice Ministers.

Nevertheless, the National Security and Defense Council (NSDC) may continue to remain ineffectual. Since Yushchenko came to power in January 2005 he has allocated the position of Secretary of the NSDC to businessmen and economic technocrats, such as Petro Poroshenko (February-September 2005) and Anatolii Kinakh (October 2005-May 2006). Acting Secretary, Volodymyr Horbulin, could be replaced by former Prime Minister Yuriy Yekhanurov. Poroshenko, Kinakh and Yekhanurov have economics, not foreign and security policy, expertise.<sup>11</sup>

The European Union will in all likelihood continue to remain passive towards Ukraine's membership aspirations. The agreement set to replace the PCA will not include an offer of future membership. The EU is only ready to offer Ukraine a Free Trade Zone (following

<sup>10</sup> On the importance of the "carrot" see James Philip Gordon and Omer Taspinar, "Turkey on the Brink" in *The Washington Quarterly*, Vol. 29, No. 3, Summer 2006, pp. 57-70 and James C. O'Brien, "Brussels: Next Capital of the Balkans", in *The Washington Quarterly*, Vol. 29, No. 3, Summer 2006, pp. 71-87.

<sup>11</sup> On proposals to increase the effectiveness of the NSDC see Ukraine's *Euroatlantic Ambitions: Building an Effective Policy Coordination Process*, Washington DC, Atlantic Council, 2006, available at [http://www.acus.org/docs/0602-Ukraine\\_Euro\\_Atlantic\\_Ambitions.pdf](http://www.acus.org/docs/0602-Ukraine_Euro_Atlantic_Ambitions.pdf).



WTO accession) and a visa free regime. The EU is unwilling to offer Ukraine anything resembling that offered to the Western Balkans or Turkey.

Ukrainian and Russian foreign and security policies will continue to differ, as during the Kuchma era when Ukraine backed NATO enlargement while Russia opposed it. Ukraine continues to officially pursue membership in the EU and NATO, first outlined in 1998 and 2002 respectively, while Russia remains disinterested in both EU and NATO membership. And, Ukraine will pursue the negotiation of a visa free regime and deep free trade area with the EU, following WTO membership in 2006 or 2007.

Ukraine will continue to make steps towards WTO membership by the end of 2006. If accomplished, this would mean Ukraine would join ahead of Russia, which is expected to join the WTO only in 2007. Two left-wing parties in the "Anti-Crisis Coalition" are opposed to the legislation that WTO membership requires Ukraine to adopt. As an opportunistic political force, the Party of Regions has moved from opposition to WTO membership in 2005 to 2006 to support, now that it is in government. The Party of Regions would additionally receive the support of Our Ukraine and the Tymoshenko bloc.

Ukraine will continue to remain disinterested in security and political integration in the CIS, a constant feature of Ukrainian foreign and security policy since it became independent in 1991. The Party of Regions has insufficient political strength to support deeper integration into the CIS Single Economic Space. Ukrainian foreign and defense policy is, therefore, likely to continue the policies pursued under Kuchma and Yushchenko to support integration into only step one of the CIS Single Economic Space (i.e. Free Trade Zone [CIS SES]). At the same time, Russia is likely to try to obstruct Ukraine's moves to join a CIS SES Free Trade Zone. Russian policy continues to support the creation of free trade zones only if countries agree to integrate into all three steps (i.e. free trade zone, customs union and monetary union). The Yanukovych government has ruled Ukraine out of joining a CIS Customs Union.

Russia will not provide a Yanukovych-led government with subsidized gas and has stated its intention to gradually raise prices for gas sold to Ukraine to EU levels. Yanukovych and the Party of Regions campaigned in 2005 and 2006 on the disingenuous promise that they, unlike the allegedly "anti-Russian" Yushchenko, could negotiate cheaper gas prices with Russia. Gas prices will gradually increase to "market levels" from 2007 onwards.

Ukraine will continue to oppose transferring its gas pipelines into to Russian control, again a constant feature of Ukrainian foreign policy. Russia will only consider continued gas subsidies if Ukraine transfers its pipelines (this has also been the Russian policy towards Belarus). Even with the completion of the Baltic-German pipeline, sixty percent of Russian gas will continue to be transported across Ukraine, down from eighty percent currently.

The only political force which consistently opposed the use of the non-transparent intermediary *Rosukrenerg* in the Russian-Ukrainian gas agreement was the Tymoshenko bloc. Although the Party of Regions and the Tymoshenko bloc voted no confidence in the

Yanukovych government in January 2006 following the gas agreement earlier that same month, the Yanukovych government has no intention to remove *Rosukrenergoo*. Yuriy Boyko, head of *Naftohaz Ukrainy* in 2002 to 2004 and thought to be behind the creation of *Rosukrenergoo* in July 2004, has been returned to office as Minister for Energy. Corruption and non-transparency in the energy sector will, therefore, continue to be areas of concern.

The Yanukovych government has returned to the late Kuchma era stand on the Odessa-Brody pipeline. Yushchenko had supported its originally planned South-North delivery of Azerbaijani oil. The Yanukovych government has put this plan on ice and continues to support the pipeline's use in a North-South direction with Russian oil.

## Changes in Ukrainian Foreign Policy

Ukrainian policy could change in relation to the conflict in Moldova over Transnistria. Under Yushchenko, Ukraine has backed the EU position of blockading the Transnistria region and re-integrating it into Moldova. Ukraine is likely to be cool to other regional initiatives, such as GUAM and the CDC, which could be seen as too "provocative" to Russia. Following the summer 2006 parliamentary crisis and return of Prime Minister Yanukovych, Ukraine will likely not continue to be a leader in the group of pro-Western, pro-reform countries within the CIS. Ukraine may also be less likely to follow the West's lead in criticizing human rights abuses in Belarus.

Georgian-Ukrainian relations will continue to remain warm at two levels. The first is the fact that President Yushchenko and Georgian President Mikheil Saakashvili maintain positive personal relations. Second, Georgian disappointment at this year's developments in Ukraine could be offset by the fact that it is now catching up to Ukraine in the race for NATO membership. Prior to the summer 2006 crisis and following the failure to create an Orange government, Ukraine had been set to be invited into MAP. Georgia expected to be invited into an Intensified Dialogue on Membership Issues. During NATO's New York meeting in September 2006, Ukraine was not invited into MAP, while Georgia accomplished its goal. Georgia is increasingly being perceived as ahead of Ukraine in the NATO membership queue. It has a leader with political will, the Rose Revolution coalition remains united and there is no threat of a return of the *ancien regime*. In addition, seventy percent of Georgians support NATO membership. In these three areas, Georgia looks better placed to move ahead on NATO membership than Ukraine. Ukraine's support for NATO membership will be less aggressively pursued, as demonstrated by Prime Minister Yanukovych's visit to NATO in September 2006, where he publicly stated that Ukraine was not ready for a MAP.<sup>12</sup>

Any MAP offer to Ukraine would have to be undertaken in the knowledge of the need for a longer implementation time frame. In 2005, the Bush administration had ambitiously

sought to offer Ukraine a fast track membership invitation in 2008, with membership in 2010. Clearly, this is no longer feasible.<sup>13</sup> The timetables for the implementation of MAPs for the five countries in the third round of NATO enlargement, only three of whom currently have them (Croatia, Albania and Macedonia) will need to be longer than those undertaken by countries who joined NATO in the second round.

Relations with Russia are likely to improve, but Russia will, again, be disappointed by Yanukovych's "pro-Russian" sympathies. "Pro-Russianism" on the part of the Eastern Ukrainian population and the Party of Regions is based on shared language, culture and history. It is not based on a desire to secede from Ukraine and join Russia, to question Ukraine's territorial integrity or to be treated as Russia's younger brother. The Party of Regions' "pro-Russianism" is pragmatic and opportunistic, rather than ideological. It is, therefore, different to that of the ideologically driven pro-Russian Belarusian President Alyaksandr Lukashenka. Nevertheless, Russian and Belarusian ideas of what constitutes "pro-Russianism" have been contradictory for the last decade, with Belarus promoting a "union of equal states" and Russia, the incorporation of Belarus into Russia. Similarly, the Party of Regions position on a Customs or Monetary Union, beyond a Free Trade Zone within the CIS, is very different from the Belarusian position of supporting all three steps.

## Conclusion

Ukraine's foreign and defense policy will not change radically following the failure to establish an Orange government and the return of Prime Minister Yanukovych and the Party of Regions after the March 2006 elections.

There will be continuity in four key areas including seeking and successfully achieving WTO, seeking, but failing to be offered, EU membership, limited integration with the CIS and the continued implementation of the January 2006 gas agreement with Russia. There will be no strategic changes from the same policies pursued in these four areas during the two Orange ( Tymoshenko and Yekhanurov) governments in 2005 to 2006.

Major changes will come in two areas, though. First, we can expect a weakening of the North-South axis in Ukraine's foreign policy. North-South axis policies on Belarus, Moldova's Transnistria region, GUAM and the CDC will be seen as too needlessly "provocative" to Russia. The Yanukovych government wishes to pursue integration with transatlantic structures without damaging relations with Russia. A second, and the most important change, will be in Ukraine's attitudes towards NATO membership. Two members of the "Anti-Crisis Coalition", the formerly pro-Orange Socialists and anti-Orange Communists, are opposed to NATO membership. Indeed, Ukraine is the first country seeking NATO membership where the entire left-wing of the political spectrum is against membership. In

13 Oxford Analytica, "Eastern Europe: Enlargement falls off NATO Agenda", July 21, 2006.

12 Oxford Analytica, "Ukraine: Yanukovych's NATO Switch is Mostly Tactics", September 18, 2006.