



UKRAINE/US: Ties reflect common strategic interests

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SUBJECT: Efforts to reshape the bilateral relationship between Washington and Kiev.

SIGNIFICANCE: All three of Ukraine's major political forces have hired US political consultants, but the opposition pro-Russian Party of Regions has retained a particularly robust cadre of advisors in Washington. Despite various groups' efforts to redefine the terms of the bilateral relationship, US strategy towards Ukraine has shifted little since the presidency of Bill Clinton, and is unlikely to change course under President-elect Barack Obama.

ANALYSIS: Since 1992, Ukrainian government agencies, embassies and companies have utilised the services of US political consultants. Ukraine's international image remained generally positive (with the exception of former Prime Minister Pavlo Lazarenko's tenure in 1996-7) until the second term of former President Leonid Kuchma, when Kuchma's personal reputation -- and along with it, his country's prestige -- deteriorated significantly.

Under President Viktor Yushchenko, the opposition Party of Regions (and its leader, former Prime Minister Viktor Yanukovich) has maintained the largest contracts with US political consultants, followed by Yushchenko and Prime Minister Yulia Tymoshenko's bloc (BYuT).

Party of Regions. The Party of Regions, currently the largest bloc in parliament, comprises a mix of pragmatists and anti-reform, anti-Western ideologues. Yanukovich is associated with the latter faction, but has nonetheless attempted to burnish his international image, particularly towards US policymakers:

- Yanukovich and the Party of Regions have had a contract with a Washington-based consulting firm since autumn 2005, and used this association to facilitate Yanukovich's visit to the United States in December 2006. However, the party's US consultants have spent more time working on its domestic image than its Western public relations.
- However, it appears that Yanukovich's efforts to portray himself as a suitable interlocutor for official Washington have not succeeded. As a young man, Yanukovich was convicted of robbery and assault; he asserted in the 2004 Ukrainian presidential election campaign that he was later acquitted of those offences.
- Nonetheless, his criminal record -- along with his portrayal by Western media outlets as the anti-reform candidate during the 2004 'Orange Revolution' -- has challenged subsequent efforts to revamp his public persona outside Ukraine.

The same cannot be said for Yanukovich's party, particularly its pragmatic wing, which is associated with powerful Party of Regions parliamentarian Rinat Akhmetov (see [UKRAINE: Tycoon may yet become political leader - October 30, 2006](#)). Akhmetov, worth an estimated 31.5 billion dollars before the onset of the economic crisis, is one of Ukraine's leading oligarchs and the CEO of Systems Capital Management (SCM). Though press reports have detailed Akhmetov's controversial business practices when he was building his industrial assets and fortunes, Akhmetov lacks Yanukovich's public prominence, and has therefore been subject to less scrutiny in the West.

Akhmetov has used his contacts to lobby on behalf of the political interests of the Party of Regions as well as the business interests of SCM:

- The pragmatists -- most of whom have no ideological ties to Russia, and would prefer an EU-Ukraine free trade agreement to a Russian-dominated Single Economic Space -- have reached out to US policy-makers through Ukraine's National Security and Defence Council.
- Akhmetov has established a think tank to advance his policy agenda, but it is still largely unknown.
- Through SCM, Akhmetov also employs a US law firm to support work on the exploration of Ukraine's Black Sea oil and gas potential. The controversial October 2007 contract between the Yanukovich government and Vanco Prykerchenska Company brings together four partners, two of which are linked to the Party of Regions (Akhmetov's Donetsk Fuel and Energy Company, which is part of SCM, and Vasyl Khmelnytsky's Integrum Technologies).

Yushchenko. Yushchenko has probably indirectly employed a US-based consulting firm to assist him with official visits and act as a conduit for placing opinion pieces in prominent Western newspapers. However, his public relations efforts have often been defeated by his own ineffective rhetoric and apparent focus on undermining Tymoshenko (see [UKRAINE: Yushchenko plots his premier's removal - March 11, 2008](#)):

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- Yushchenko is not known as a particularly effective or concise orator. On overseas visits, he has given excessively long, rambling speeches and offered tangential answers to direct media queries.
- During a visit to Washington last year, Yushchenko used an appearance before the US-Ukraine Business Council -- a key forum for existing and potential US investors -- to excoriate Tymoshenko. The incident exacerbated Western impressions of Ukraine as politically unstable, challenging efforts to bolster foreign investment into the country.

Tymoshenko. While Tymoshenko has benefited from 'Yushchenko fatigue' in Washington (and in Brussels), her largely successful efforts to reshape her international image have not simply arisen as a result of Yushchenko's weaknesses:

- Tymoshenko, whose eponymous political party is represented in the United States by a Washington-based consultancy, has been significantly more open than either Yushchenko or Yanukovych in disclosing her various efforts to improve overseas public relations, logistics support and media placements.
- She is second only to Yushchenko in terms of the number of opinion editorials published in Western newspapers, and is the only major Ukrainian political figure who publishes a weekly English-language newsletter.
- Tymoshenko's consultants have made concerted efforts to transform her image from the so-called 'gas princess' ties to Lazarenko to an opposition leader and Ukrainian 'Joan d'Arc' willing to take on corrupt and vested interests ([see UKRAINE: Opponents fear tough Tymoshenko - February 10, 2005](#)).
- Tymoshenko is now in the enviable position of Yushchenko's heir apparent, having portrayed herself as the only Ukrainian political leader who can realistically defeat Yanukovych in Ukraine's upcoming presidential election. She can probably weather the political impact of the economic crisis in Ukraine, and may even benefit from it.

Foreign policy shifts? Assuming Tymoshenko remains Ukraine's pre-eminent pro-reform political leader, her stature in Washington will only increase. However, as official Washington already has a generally favourable predisposition towards Tymoshenko, it is unlikely that her political dominance will effect any major changes in Ukrainian foreign policy towards Washington, or vice versa.

There are four areas of consistency in the US-Ukrainian relationship, namely:

- trans-Atlantic integration, including support for NATO's continued enlargement, to include Ukraine;
- support for Ukraine's independence and territorial integrity, given in 1994 after Ukraine's de-nuclearisation and ratification of the Nuclear Non-Proliferation Treaty;
- energy independence from Russia; and
- assistance for democracy building and civil society development.

There has been a cross-party consensus in US foreign policy towards Ukraine since the presidency of Bill Clinton, and this is unlikely to change fundamentally under President-elect Barack Obama. However, the Obama administration's pledge to withdraw US troops from Iraq and the expected decline in global anti-US sentiment could help bolster public support for NATO membership in Ukraine.

Nonetheless, substantive progress on Ukraine's NATO accession is unlikely in the year ahead. Kiev will be preoccupied with domestic economic turmoil, political infighting and preparations for the December 2009 presidential election ([see PROSPECTS 2009: Ukraine will hold crucial elections - November 26, 2008](#)). Negotiations with the EU on a free trade agreement and the implementation of the new Neighbourhood Policy could prove more fruitful, but are unlikely to have an impact on US-Ukrainian initiatives.

CONCLUSION: Various US lobbying and public relations efforts by Ukrainian political figures have had only a limited impact on the common strategic interests that underpin the bilateral relationship between Washington and Kiev. Both sides will have higher priorities in the coming year, but will remain committed to security cooperation, democratic development and a common interest in bolstering Ukraine's energy independence.

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