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II

UKRAINE: Hobbled Diplomacy (Taras Kuzio)

SUBJECT: The outlook for Ukraine's foreign and security policy.

SIGNIFICANCE: Allegations of serious impropriety on the part of President Leonid Kuchma, and the improvement in US-Russian relations since September 11 have constrained Kyiv's diplomatic room for manoeuvre. This creates particular problems as Ukraine seeks agreements that will ameliorate the effects of planned EU and NATO enlargements, which will affect but not include it.

ANALYSIS: President Leonid Kuchma's standing, both domestically and abroad, was severely damaged by the 'Gongadze affair' in late 2000 and early 2001, when the president was linked by a series of leaked tape recordings, alleged to have been made in his office, to the abduction of independent journalist Giorgii Gongadze, who was subsequently found decapitated (see EEDB, February 6, 2001, II). While domestically, Kuchma appears to be secure in office until the end of his current term in 2004 following the March Rada election (see EEDB, April 4, 2002, II), his standing among Western states remains compromised:

- The president's last diplomatic visit to a Western state was to Germany in January 2001 -- a visit planned before the Gongadze affair began.
- Last year, for the first time since Kuchma became president, there was no US-Ukrainian summit.
- Kuchma held an informal meeting yesterday with European Commission President Romano Prodi in Brussels, but his official international visits have been outside the West, such as his Middle East tour in late April.

Partial isolation. Three factors have led to this international semi-isolation:

1. The tape recordings which led to the Gongadze affair raised a number of serious allegations against Kuchma, ranging from high-level corruption, state-sanctioned violence against journalists and opponents, money-laundering, and narcotics and arms-trafficking. Kuchma has denied them all.
2. The state has failed to resolve the Gongadze murder case, and is perceived in some quarters as not having tried hard to do so. FBI experts invited to Ukraine in April this year to help the investigation returned to the United States after being denied access to documents; a visit by Kuchma to the United States has been ruled out until the Gongadze case is resolved.
3. After the September 11 terrorist attacks on the United States and the subsequent campaign against terrorism, Ukraine has become less important to US security policy. In the second half of the 1990s, Ukraine was the third-largest recipient of US aid and Washington supported Ukrainian sovereignty as a counterweight to Russia. However, in the last eight months, Russia has become a more important partner for the United States, leading to a downgrading of Ukraine's importance.

Ukraine's isolation could extend beyond the United States and its closest allies if allegations about the trafficking of arms to the Balkans and Iraq are proven. The United States is currently investigating whether Ukraine exported an anti-aircraft radar complex to Iraq in 2001, either via Jordan or Ethiopia. Western intelligence agencies are also investigating links between Kuchma and UK citizen Oleksandr Zhukov, who was arrested last year on charges of arms smuggling to the Balkans. Zhukov was arrested in connection with one of the largest seizures of illegally exported arms in the world -- 13,000 tonnes of military equipment, allegedly sent from Ukraine.

Turning East. In response to a loss of diplomatic standing in the West, Kuchma has turned East and expanded cooperation with Russia and the CIS:

- The president has backed the new foreign policy ideology of oligarch groups -- 'a return to Europe with Russia'. In February, he described efforts to orient the country only to the West as a great mistake, and advocated closer ties with Russia.
- GUUAM (Georgia, Ukraine, Uzbekistan, Azerbaijan, Moldova) -- the grouping opposed to Russian dominance in the CIS (see EEDB, August 2, 2000, II) -- is inactive.
- In March, at a Russia-Ukraine-Moldova summit in Odesa, Kuchma agreed to become an associate member in the CIS equivalent of the EU, the Eurasian Economic Community (EEC). The Ukrainian Foreign Ministry had previously denied that Ukraine was contemplating membership of the EEC, as this would contradict its goal of joining the EU. Kuchma, who confirmed this month that Ukraine would become an associate member in the EEC, does not believe that developing and expanding relations with Russia and the CIS contradicts integration into the EU.
- Ukraine has increased CIS military cooperation through the Air Defence Agreement and the Anti-Terrorist Centre. Ukraine took part in the 'South-Anti-Terror 2002' exercises, held under the aegis of the CIS Anti-Terrorism Centre. The exercises took place just after the CIS Collective Security Treaty held its exercises, which Ukraine attended in an observer capacity.

Euro-Atlantic exclusion. During the last two years of Kuchma's final term, NATO will issue membership invitations to up to seven Central and East European states (see EEDB, February 19, 2002, II; and EEDB, May 8, 2001, II) and the EU is scheduled to take in new members. The likelihood is increasing that a 'big bang' will occur, embracing eight of the ten applicants from Central and Eastern Europe, plus Malta and Cyprus (see EEDB, November 14, 2001, II).

While Ukraine has consistently supported NATO enlargement as benefiting its own security, it does not have a Membership Action Plan (MAP) which indicates that a country is recognised by NATO as an aspirant for membership. The country already borders two NATO members, and could border two more after a further Alliance enlargement, leaving it in a shrinking 'grey zone' between an enlarged NATO on the one hand, and a Russian-led Collective Security Organisation within the CIS on the other. Ukraine has been one of the most active countries in NATO's Partnership for Peace (PfP), but this has not translated into upgrading its relationship with NATO from one based on the 1997 Charter to drafting its own MAP. Indeed, this is not a serious possibility while Kuchma remains in power.

Ukraine is similarly excluded from EU enlargement. Unlike Croatia and Serbia, it is not even considered to be on the 'slow track' for eventual membership. While states to the West and North were offered Europe Agreements which acknowledged their EU membership aspirations, Ukraine and other CIS states were instead offered Partnership and Cooperation Agreements, which held only the prospect of a free-trade zone at some unspecified date. The EU has refused Ukraine's requests for associate membership, and a 'paper curtain' will fall around the country next year when Poland imposes a visa regime on Ukraine and the CIS. Kuchma has complained that this action will isolate Ukraine from Europe. The EU proposal to offer 'Special Neighbourly Status' for Ukraine, Belarus and Moldova -- the subject of Kuchma's discussion with Prodi on May 15 -- remains vague, and has been dismissed by former Foreign Minister Borys Tarasiuk as

departs office and if he is replaced by an avowedly pro-Western, liberal leader such as former premier Viktor Yushchenko.

CONCLUSION: Ukrainian foreign and security policy is unlikely to be proactive in the last two years of Kuchma's presidency, and the constraints will remain while he is in office. While NATO will seek to maintain high-level relations and the EU will attempt to upgrade ties, a qualitative step forward in Kyiv's Euro-Atlantic integration aspirations requires a new, pro-Western president.

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