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## Ukraine Foreign Policy until 2014 to EU, NATO and the Russian Federation

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# Ukraine Foreign Policy until 2011 to EU, NATO and the Russian Federation

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## III. List of abbreviations

|       |   |   |
|-------|---|---|
| CIS   | - | Commonwealth of Independent States                  |
| DCFTA | - | Deep and Comprehensive Free Trade Agreement         |
| EU    | - | European Union                                      |
| EEC   | - | European Economic Community                         |
| PCA   | - | Partnership and Cooperation Agreement               |
| MAP   | - | Membership Action Plan                              |
| NACC  | - | North Atlantic Cooperation Council                  |
| NATO  | - | North Atlantic Treaty Organisation                  |
| OSCE  | - | Organisation for Security and Cooperation in Europe |
| PfP   | - | Partnership for Peace                               |
| WTO   | - | World Trade Organisation                            |
| WEU   | - | Western European Union                              |

## Introduction

*“If Ukraine is to survive and thrive, it must not be either side’s outpost against the other — it should function as a bridge between them.”<sup>1</sup>*

Those words from Henry Kissinger were published on the 5th march 2014 in the Washington Post, shortly after the Maidan crisis. In the article Kissinger emphasis, the strong cultural and economic ties between Russia and Ukraine and points out that Ukraine is only to survive as a whole if it manages to balance between the West, represented by the EU and NATO, and the Russian Federation.

Nowadays in 2017, Ukraine is ripped apart. A civil war in the east seems to become a frozen conflict hindering the rest of the country to join NATO or the EU in near future or to attract investors to stabilize the economy. Germany secures its gas consume with the second version of the North Stream, making Ukraine less important as transit state. This, still corrupt political elite, a brain drains to neighbouring countries and the devalued currency gives Ukraine less hope for a prosperous future.

Therefore, the thesis is dedicated to the question how certain presidents balanced between EU, NATO and the Russian federation from the independence of Ukraine in 1991 until the escalation in February 2014. The aim is to evaluate the foreign policy of each of the four presidents of Ukraine towards the three actors based on criteria of the balance of power theory. Furthermore, I claim that Ukraine has no other choice than to balance between the powers without joining finally. The object of the theses will be the Ukraine foreign policy and the subject the balancing of Ukraine presidents between EU, NATO and Russia from 1991 until 2014.

The first chapter will concentrate on important aspects, which influenced the state Ukraine and established the character of the country, such as the history and the

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<sup>1</sup> “Henry Kissinger: To settle the Ukraine crisis, start at the end”, Washington Post, accessed May 1, 2018, [https://www.washingtonpost.com/opinions/henry-kissinger-to-settle-the-ukraine-crisis-start-at-the-end/2014/03/05/46dad868-a496-11e3-8466-d34c451760b9\\_story.html?utm\\_term=.908a6a2f91f9](https://www.washingtonpost.com/opinions/henry-kissinger-to-settle-the-ukraine-crisis-start-at-the-end/2014/03/05/46dad868-a496-11e3-8466-d34c451760b9_story.html?utm_term=.908a6a2f91f9) .

nation and state building after the independence of 1991. The literature will be mainly based on the works and books of Taras Kuzio. The chapter will also include the theory of the balance of power, distinguishing between the two choices balancing and bandwagoning which states, especially weak states, have in foreign policy. This will give a set of fundamental criteria according to which the foreign policy of each President can be examined. The work of Kenneth Waltz as founder of the balance of power theory and the further developing of the theory by Walt and Mearsheimer will be taken as sources.

The main part will include four chapters, which will outline the different president's foreign policies towards EU, NATO and Russia. At the end of each of this four chapter a resume will be drawn. For obtaining information about when, where and why agreements, laws or institutions were signed, approved or established papers from think tanks such as the PONARS Eurasia from The Elliott School of International Affairs or from the actor's websites like the Ukrainian foreign ministry will be significant.

The last chapter will end the thesis by answering how the different presidents succeeded in balancing, where their major mistakes were after the criteria outlined in the first chapter. It will also point out critics of the other actors and give advice for such countries still in between the sphere of influence of EU, NATO and Russia. Concerning that in the Easter Neighbourhood Policy are also other states like Moldova, Belarus, Armenia, Georgia and Azerbaijan, which some of them have like Ukraine a Russian minority and once belong to the typical Russian sphere of influence, at the end of the theses, it should be clear which errors were made and perhaps incentives can be given to avoid them.

To elaborate the foreign policy of Ukraine the methodology of foreign policy analysis will be used, which was developed after the Second World War, when global challenges emerged in an even faster and threatened way. Since then the development of the methodology is characterized by certain contradictions between qualitative and quantitative methods and accuracy for policy relevance versus the scope needed for generalizability. The approach to describe how certain

presidents balanced between east and west is clearly based on the decision-making school which identifies “individual leaders or groups of decision makers are often the primary drivers of outcomes in international interactions”<sup>2</sup>. The identification of leaders as a crucial unit of analysis is the reason why the thesis concentrate on Ukrainian Presidents and the chapters are based on them. However, by a weakened role of the President with a change in the constitution 2004, the role of the Prime Minister and their foreign policy has also to be taken into consideration.

For understanding the decision-making process in Ukraine foreign policies, a foremost qualitative approach will be based on the events. Those are the verbal or physical exchange between Ukraine, Russia, EU and NATO ranging from agreements to speeches and joined institutions.

Because of the interweaving of economic interests in foreign policy their influence, has to be qualitative analyst if they seem to have a significant impact. This approach lies on the assumption that “economic dependence severely constrains the independent decision making of leaders”. Even if trade relations between the objects are not primary focus of this theses, their impact has to be considered, especially after the economic and finance crisis 2009.

Despite the economic factor which plays into foreign policy, the support of the population of certain foreign policies and the geographical difference has to be qualitative analysed as they have an important impact shown with the Orange Revolution and the Maidan-Revolution as well as the Anti-Maidan protests.

In the literature concerning the topic, most scholars write about the Maidan crisis and focus on a relative short time. Furthermore, books or papers focus mostly on the relations between Ukraine and another actor barely include all three main actors (EU, NATO and Russia) and if then the balancing by Ukraine between the three main players is only described nearby but never as an own topic.

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<sup>2</sup> “Methods of Foreign Policy Analysis”, Oxford Research Encyclopaedias, accessed May 3, 2018, <http://internationalstudies.oxfordre.com/view/10.1093/acrefore/9780190846626.001.0001/acrefore-9780190846626-e-34> .



Depending on when an article or a book was written they see Ukraine had chosen the side at that time because it seemed to obvious but just a few month later the relations mostly changed and everything was open again. Therefore, my work looks back until 1991, including the relations to all three actors and evaluating them.

With my theses I want to contribute to the understanding between the West, especially the European Union and the Russian Federation to enable a more peaceful coexistence and perhaps cooperation in the future. The value of this thesis is to gain a broader understanding of countries between the EU and Russia, giving my share that another Ukraine will not happen in the Eastern Neighbourhood countries. In the end will be that the biggest mistakes of the Presidents will be pointed out with the assumption that they lead to the tragic situation in which Ukraine is nowadays.

# 1. Theoretical foundations

Based on its geographical location between Eurasia and Europe and the multi-ethnic population of foremost Russian and Ukrainian most experts such as Henry Kissinger agree that Ukraine has to follow a multi vector policy to balance between Western and Russian influence. However as seen with the coloured revolution in 2004 and the Maidan revolution certain leaders try to establish a more single vector foreign policy. To classify and evaluate the different foreign policy concepts of the Presidents the Balance of Power theory by Kenneth Waltz will be laid out with its two main choices balancing and bandwagoning as separate chapters. Taken into consideration that Waltz established his theory in the late 70ths critics and further scholars such as Walt and Mearsheimer are considered. First, the balance of power theory will be explained.

## 1.1 Balance of Power

The term balance of power gets used to refer to an equal distribution of power between several states; sometimes for the preponderance of power and even as synonym for power politics in general. For convenience, in this study, the concept of balance of power will be based on the assumptions of several scholars, especially Kenneth Waltz<sup>3</sup> and claim that if power were evenly distributed among states, that is, if there were an international equilibrium in terms of power, there would be peace.

Since “war is begun with the expectation of winning”, balance of power would keep a potential transgressor from attacking others.<sup>4</sup> In other words, peace is achieved when power is distributed and balanced among two or more great powers, but not when predominantly possessed by one great power. The balance

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<sup>3</sup> Kenneth Neal Waltz was an American political scientist and founder of neorealism in International Relations.

<sup>4</sup> Inis L. Claude, *Power and International Relations* (New York; Random House, 1962) 56.

of power prevents the rise of any one nation to such power as would have enabled it to destroy the independence of all the others.<sup>5</sup>

Looking back in history it is apparent that the first model of a balance of power was between the Italian city republics of the late Middle Ages and the Renaissance. On a pan-European level, it prevailed in the early modern period, as after the religious wars sovereign territorial states emerged. After Napoleon the concept of the balance of power superseded universalistic theories such as the pope's domination of the world or the imperial idea. In the end of the 19<sup>th</sup> century, two power blocs with Germany and Austria-Hungarian and France and Russia emerged in Europe. Because Great Britain had to balance German ambitions overseas, it joined the French-Russian alliance. The balancing with alliances resulted into the First World War after which at the Paris Peace Conference in 1919 the League of Nations were founded and replaced the concept of balance of power with a system of collective security.<sup>6</sup> The Allies of World War I sought to reduce the drive for power by creating a liberal, democratic order. It failed with the Second World War and resulted in the cold war with a bipolarity between two blocks. A military build-up ensued, as both countries sought to establish themselves as the global power, playing into the balance of power theory. Nowadays in a multipolar world order, the concept of balancing between different stronger regional and global actors gets more and more significant. Especially smaller states have mostly to decide between bandwagoning or balancing. Bandwagoning means joining the threatening country and balancing to join or strengthen the relations to an alliance to balance the influence of the threatening country. We could see that by countries after the collapse of the Soviet Union, especially with the re-emerging of the Russian Federation in the early 2000s as a state strong enough to offer bordering states economic and military benefits the

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<sup>5</sup> Hans J. Morgenthau, *Politics among Nations: The struggle for power and peace* (New York: McGraw Hill, 1948), 205.

<sup>6</sup> Wichard Woyke, *Handwörterbuch Internationale Politik* (Berlin; Springer 1995), 196.

question of balancing or bandwagoning especially in the east of Europe became an essential question to the new states of the CIS.

The classical balance of power tradition distinguishes between the systemic balance of power theory, which is concerned with the international system and the balance of power theory, which tries to explain state behaviour and when they balance or bandwagon.

In the systemic balance of power theory developed in 1979 by Waltz claims that states, which do not follow the balance of power logic, will be punished by the system. If they act rationally and successfully practice balancing they will be rewarded with a prosperous foreign policy. His theory of systemic balance of power lies on two assumptions. The first claims that states are the key actors in an international system, which do not have any higher authority. With this Waltz is not taken into consideration transnational actors, which are becoming more and more important or the UN, which should have the tools to prevent conflicts. The second assumption is that the primary interest of a state is to protect their sovereignty or as Waltz states their primary interest is to survive. From there he concludes that states will always try to be somewhat more powerful than potential rivals are, which guarantees their survival.<sup>7</sup>

Waltz is referring to two kinds of balancing for a state. A state which feels threatened can either balance internal which refers to building up the own capacity or external by joining a coalition. On the other hand, he warns that no state should gain too much power in form of a global hegemony, because other states will make alliances to stop the actor. Therefore, he refers to smart states, which “will seek to gain an appropriate amount of power”.<sup>8</sup>

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<sup>7</sup> J. Mearsheimer, “The false promise of international institutions,” *International Security*, Vol. 19, No. 3 (Winter, 1994-1995): 242.

<sup>8</sup> J. Mearsheimer, “The false promise of international institutions,” *International Security*, Vol. 19, No. 3 (Winter, 1994-1995): 243.

An often-criticized aspect of Waltz theory is the perception that states are not rational actors. A state as rational actor would focus on long-term effects as well as on immediate consequences of their actions and try to maximize their chances of survival. Waltz grants great powers reckless behaviour and assumes that states can harm each other by the fact of incomplete information. Mearsheimer<sup>9</sup> a realist criticizes this with examples of Nazi Germany and Napoleonic France, which pursued to establish a regional hegemony made by a rational decision of them. He also adds the possibility of domestic policies, that can influence the foreign policy in a non-rational way.

The lack of theory in the question if states are rational or non-rational actors shows that Waltz theory only fits, when even strong criticized, in the systemic theory of balance of power but cannot explain state politics in terms of balancing and bandwagoning. Other realists' emphasis rational behaviour of states and recognize that foreign policies are usually influenced by internal politics and mostly are consistent with the logic of balance of power. For his theory of power balancing, Waltz implicates a multipolar world order with at least two pols. Waltz thinks a bipolar structure, as it is in the East-West conflict until the 90ths, is the best, most likely peacekeeping.

In the 80ths, Stephen M. Walt<sup>10</sup> defined the balance of power theory with a "balance-of-threat". He argues that not all states embark on balancing activities, but only against those who they fear. For example, during the Cold War, Western European countries tried to strike a balance against the Warsaw Pact, but they did not perceive themselves as threatening and therefore did not balanced under themselves. In addition, Morgenthau describes power balancing as deliberately created to minimize the incentive of hostile actors to take aggressive measures against their own state or their own group of states based on the incalculable risk.

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<sup>9</sup> John J. Mearsheimer is an American political scientist which represents a realist view in international relations. He is regarded as a relatively aggressive theorist who strongly criticizes other theories (neo-liberalism, constructivism, etc.).

<sup>10</sup> Stephen M. Walt is an American political scientist and known for his theory of defensive realism. 2007 he and Mearsheimer published a book together over Israel's foreign policy.

For him power balancing is the logical consequence of the actions of actors in the international system who pursue their interest in the sense of power. This implies that there is a continual re-balancing of power among nation-states.

John J. Mearsheimer sought to reposition the Balance of Power theory after the end of the East-West conflict because (neo) realism could not predict or explain the end of the Cold War. Mearsheimer sees himself as an "offensive realist". This means he believes that states not only have to pursue balancing activities, but often also have to be aggressive in order to survive. In contrast, he described Waltz as a "defensive realist" who sees the survival of states only by balancing ensured. In the following the two main choices balancing or bandwagoning will be described.

## 1.2 Balancing

Balancing is the action to join or strengthen the relations to an alliance to balance against powerful threatening actors. Those alliances can be bilateral or multilateral, consisting of small or great powers and can be defensive or offensive. The reasons why states join or strengthen an alliance differ from scholar to scholar.

According to Walt, members of an alliance have mostly the same strategic interests and are mutually reinforcing. Especially small states “align with great powers to obtain greater levels of security”.<sup>11</sup> Small states can benefit in terms of enhanced security and territorial integrity, defined property rights at home and abroad by reducing risks of potential disputes and can set standards in international politics.

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<sup>11</sup> “Ukraine Between a Multivector Foreign Policy and EuroAtlantic Integration,” PONARS Policy Memo No. 426, accessed 20 August, 2018, [http://www.ponarseurasia.org/sites/default/files/policy-memos-pdf/pm\\_0426.pdf](http://www.ponarseurasia.org/sites/default/files/policy-memos-pdf/pm_0426.pdf).

Mearsheimer offers two reasons why states balance; the first reason is that states place their survival at risk if they fail to curb a potential hegemon before it becomes too strong, so they ally with the weaker side.

The second important motivation is the belief that by joining the weaker side, new members are more likely to influence the alliance. Waltz agrees with the first point but adds that states could also join a potential threat that is still weak and so influential, which would be considered as bandwagoning. Furthermore, balancing occurs more if the threatening or rising power is accompanied by geographical proximity, offensive actions or intentions. Contrary to the policy of bandwagoning, balancing policy let states ally against prevailing threats. It also helps weak states to avoid joining the greater powers because aligning with the strong side makes the small states vulnerable to the whims of its partners. Therefore, aligning with the weaker side rather than aligning with coalitions of powerful states is the better method for small states to secure their interests.

Further incentives are the gaining of political or military support as well as burden sharing by pooling resources together in which the state lacks. Joining an alliance or strengthen the relations to it can also help weak states in securing the domestic stability of the political elite but great powers in the alliance can also limit the political freedom and put pressure on domestic issues.

### 1.3 Bandwagoning

According to Mearsheimer, bandwagoning is “where a threatened state joins forces with the threatening state”<sup>12</sup>. The threatened state exploits other states together with the threatening state and gives a disproportionate share to the bigger state. Furthermore, it puts the emerging power in an even better position in the balance of power, which puts the survival of the bandwagoning state at risk.

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<sup>12</sup> J. Mearsheimer, “The false promise of international institutions,” *International Security*, Vol. 19, No. 3 (Winter, 1994-1995): 244.

Therefore, Mearsheimer sees it as an ill-advised strategy and agrees with Waltz that balancing is the choice induced by the system.

Other scholars see bandwagoning more positive and in certain cases as necessary. Here the state chooses sides and align their foreign policy and mostly defence and economy according to the chosen state, which offers them protection and economic benefits. After the rational school a weak state is likely to join a fast-emerging great power instead of bandwagon it. Walt points out that the weaker a state is the more likely to bandwagon because balancing alliances are simply not viable based on the assumption that the ally cannot provide assistance fast enough, when bordering with a state with large offensive capabilities.<sup>13</sup>

The state can also prefer bandwagoning because he brings not enough value to a balancing coalition. If the country stands against an emerging great power as a threat it can rather choose to subordinate in exchange for profit and minimize their security threat. If the state is weak, bandwagoning will minimize the potential cost of losing especially if they are in close proximity. Another reason could be that allies are unavailable. According to Walt, mutual benefits are also important as a reason. An example would be that states bandwagon in economic terms. Small states often have a monetary policy that aims at a low currency for their protecting ally to align the economy and give the state their resources cheaper. The scholar Randall L. Schweller takes it even further. According to him, the balance of threat theory considers only the goal of alignment as security and “so it systematically excludes alliances driven by profit”.<sup>14</sup> Therefore, he refers to “bandwagoning for profits (or) predatory buck-passing: riding free on the offensive effort of others to gain unearned spoils”.<sup>15</sup>

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<sup>13</sup> Stephen M. Walt, *The Origins of Alliances* (New York: Cornell University Press, 1987), 25.

<sup>14</sup> Randall L. Schweller, “Bandwagoning for Profit: Bringing the Revisionist State Back In,” *International Security*, Vol. 19, No. 1 (Summer, 1994), 83.

<sup>15</sup> Randall L. Schweller, “Bandwagoning for Profit: Bringing the Revisionist State Back In,” *International Security*, Vol. 19, No. 1 (Summer, 1994), 83.



## 1.4 History and nation building

“To Russia, Ukraine can never be just a foreign country”<sup>16</sup> said Henry Kissinger in his article in the Washington Post in the aftermath of the Crimean Crisis in 2014. He is not only referring to the intense economic relations of the two countries but especially to the shared historical roots which make it complicated even for western historian to accept Ukraine as a nation.

Russian history begins with the empire of the Kievan Rus from 882 until 1240 with Kiev as its Russian capital. The former empire included parts of nowadays Ukraine, Belarus and the Russian Federation.

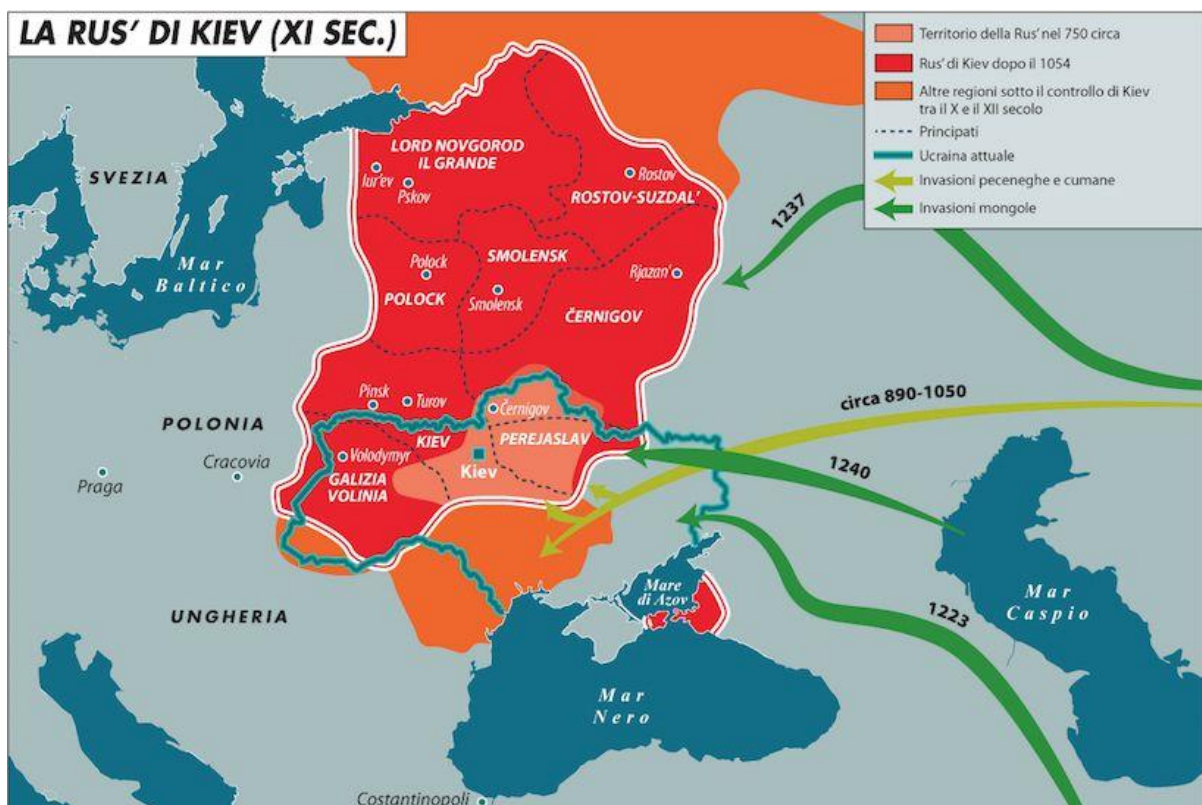


FIGURE 1: KIEVAN RUS

After 1240, parts of nowadays Ukraine were controlled by the Golden Horde, which founded the Crimea-khanat, which later joined the Ottoman Empire. In the middle of the 14th century, the Polish Empire conquered parts of Ukraine. 1648 the Cossacks founded their own state on the territory of central Ukraine. To resist

<sup>16</sup> “Henry Kissinger: To settle the Ukraine crisis, start at the end”, Washington Post, accessed May 1, 2018, [https://www.washingtonpost.com/opinions/henry-kissinger-to-settle-the-ukraine-crisis-start-at-the-end/2014/03/05/46dad868-a496-11e3-8466-d34c451760b9\\_story.html?utm\\_term=.908a6a2f91f9](https://www.washingtonpost.com/opinions/henry-kissinger-to-settle-the-ukraine-crisis-start-at-the-end/2014/03/05/46dad868-a496-11e3-8466-d34c451760b9_story.html?utm_term=.908a6a2f91f9).

the Polish-Lithuanian Commonwealth it was included in the Russian Empire with which the Russian language became dominant. After the three divisions of Poland 1772, 1793 and 1795 the west of Ukraine became part of the Austrian-Hungarian empire in 1772 until the end of world war one 1918 and other territories from Poland were incorporated in the Russian Empire. In the end of the 19th and beginning of the 20th century the Ukrainian historian Mykhalo Hrushevsky created the basis for a Ukrainian national movement in Lviv, proposing the concept of a unified East Slavic (Russian) "stream of history" as a scheme for a separate development of the Russian tribes and Ukrainians. As a result, forces began to form in Kiev demanding independence from Russia. Mykhalo Hrushevsky was in addition to his position as a historian at the same time the leading head of the Ukrainian national movement at the beginning of the century and in 1917 the first president of the independent Ukrainian People's Republic. The Ukrainian People's Republic was founded after the events of the October Revolution of 1917 from the Ukrainian territories, which until then had belonged to the Russian Empire and Russia respectively. In his capacity as chairperson of the Central Council, he helped to establish Ukraine as a separate, autonomous state. Thus, on January 22, 1918, the Supreme Council proclaimed the full autonomy of the Ukrainian People's Republic. It was supported by Germany and Austria-Hungary, which sent troops to push back a soviet invasion. After the First World War and the Polish-Ukrainian war from 1918 to 1919, the territory of Ukraine was divided between Poland and the Soviet Union. After the defeat of rebelling Ukrainian troops by the Soviet army under Leonid Trotsky in early 1920, central and east Ukraine became the Ukrainian Soviet Socialist Republic by signing the *Treaty on the Creation of the USSR* in December 1922. The Ukrainian SSR gave with their politics of indigenization until 1932 more room for national feelings.

As written above many scholars find it difficult to accept Ukraine as a nation. This is also laid out in the public opinion of Russians, which mostly see Ukrainians as

branch of the ruski narod<sup>17</sup> belonging to the ruski mir<sup>18</sup>, the Russian world. After common understanding, a nation evolves by the process from tribes to an ethnic group, which finds a common belief in their descent, and recognize that their shared culture is different from outsiders. Therefore, military and ethnic conflicts are important for constructing a nation because they establish clear ethnic divisions. This explains why mostly in West Ukraine the population defines it as Ukrainian and nationalism is ranked high. As mentioned above the most conflicts concerning Ukraine were laid out in West Ukraine which fought against Austria-Hungary, Poland, Romania, Hungary, the Third Reich and Russia/Soviet Union in the 19th and 20th century. When a national feeling came up by these struggles in the late 19th century, East Ukraine had no ethnic conflict prior to 1917 with Russia and national feelings were suppressed by the Tsarist state and their policies of Russification “and a Russo-centric historiography that sought to blur any differences between the eastern Slavs”<sup>19</sup> beginning in the mid-1860s. On the other hand, West Ukrainian nationalism nowadays is especially founded on the partisans, which fought at the side of the Third Reich against Soviet Union in the Second World War. Whereas in east Ukraine the Ukrainian population mostly fought with the Soviets against Nazi Germany. Western partisans like Stepan Bandera belonging to the Ukrainian Insurgent Army (UPA) are seen as national heroes fighting against Stalin who they see responsible for a huge famine in the early 30ths in Ukraine. In East Ukraine Bandera and his comrades are seen as criminals and Nazi collaborators who murdered the Polish and Jewish population in Ukraine. The partisan activities lasted against Soviet Union until the 50ths and its mythology is until today anti-Russian/anti-Soviet and is used nowadays by the

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<sup>17</sup> The term Ruski narod can be seen as an ideology which sees the Russian nation as comprising the three historical and geographic regions of Kievan Rus' and branches of Rus' people. This includes Russians, Rusyns, Ukrainians and Belarusians.

<sup>18</sup> The concept claims a protective role of the Russian Federation toward Russian-speaking minorities abroad, especially in the states of the former Soviet Union.

<sup>19</sup> Taras Kuzio, *State and Nation Building* (New York: Routledge, 1998) 8.

Maidan forces. As Valeria Mesherikov, a member of the Civic Congress of Ukraine, pointed out, “Western Ukraine’s heroes are Eastern Ukraine’s traitors”.<sup>20</sup>

With the founding of Ukraine in 1991 a state was established with a huge territory and over 100 ethnic groups. The biggest minority were 12 million Russians in the east and south Ukraine which did not make a majority in any region except for Crimea, which was one reason why the peninsula was granted political autonomy.<sup>21</sup> They account for around 22 percent of the population and are the biggest minority. On the other hand, over 40 percent of the population speaks Russian.

The problem was not only to build a state which could be established on the old communist institutions and nomenclature but also to create a nation. Models from the west could hardly be copied because their nations were first, which then established a state. Perhaps Italy can be seen as an exclusion. However, normally in Europe it was the principal of nation to state and not as in Ukraine state to nation.

In 1996, the second president of the independent Ukraine Leonid Kuchma declared the building of the Ukrainian state as finished with the new constitution and introduction of the new currency, which linked the independent Ukraine with the old Kievan Rus. The task to build a nation offered two ways. First to construct an ethnic nation which gives a dilemma because it would exclude huge parts of the population and a bi-national state as Belgium or Belorussia would lead Ukraine back into the Russian influence. Second choice would be to construct a civic nation, based on territorial citizenship and individual rights. Even if the first President Kravchuk supported an ethnic nation construct, his successor declared a mix of both version with defining Ukrainian as the sole titular ethnic group and Russians as a national minority in the constitution of 1996.<sup>22</sup> This was important

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<sup>20</sup> Taras Kuzio, *State and Nation Building* (New York: Routledge, 1998) 52.

<sup>21</sup> Taras Kuzio, *State and Nation Building* (New York: Routledge, 1998) 14.

<sup>22</sup> Taras Kuzio, *State and Nation Building* (New York: Routledge, 1998) 4.

to distinguish Ukraine as an own nation from Russia but gives for the future a burden because Russians, living in the east will see themselves not equally treated.

## 2. Foreign Policy under President Kravchuk (1991-1994)

Caused by the Perestroika and a failed coup attempt in Moscow 1991, the Verkhovna Rada in Kiev declared a formal independence on the 24 August 1991, which included a referendum and an election on the 1 December.<sup>23</sup> Already in October laws were amended for reforms in economy and military including privatization and establishing an own army. The referendum turned out with 90.3 percent for independence and the election made Leonid Kravchuk, the former parliament leader, President of Ukraine. One day later Ukraine was accepted as independent state by Russia, Poland and Canada. In the independence declaration and later in the constitution Ukraine established itself as an independent block free state. This was important to focus on huge internal challenges. Ukraine were seen as a state to fail, a huge territory with several ethnic populations with mostly no common history despite the years in the Soviet Union and a political elite with no experience to lead a country, develop a state or a nation. As consequence of being a block free state and the multi ethnic division, a multi-vector policy was developed. It was aimed to, “seeking support of and cooperation with all major power blocs while committing to none”.<sup>24</sup> In the main guidelines of Ukraine’s foreign policy adopted by the parliament in 1993, it is laid out that Ukraine commits “to ensure a stable international situation, to preserve territorial integrity and inviolability of its borders, for entry Ukrainian economy to the global economic system”.<sup>25</sup> Once more Ukraine undermined also here its non-alignment status. In an international contrast, it has to be mentioned that the West was more interested in the Russian Federation, which was doing reforms and so on the way to western standards. Kravchuk and his government were more occupied in state

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<sup>23</sup> Andreas Kappeler: *Kleine Geschichte der Ukraine* (München: C.H. Paperback, 2009) 252–253.

<sup>24</sup> Orest Subtelny, *Ukraine a history*, (Toronto: University of Toronto Press, 1988) 598.

<sup>25</sup> “FOREIGN POLICY OF INDEPENDENT UKRAINE”, UKRMAP, accessed August 17, 2018, <http://ukrmap.su/en-uh11/1094.html>.

and nation building and the security of the state than pressing for economic and political reforms.<sup>26</sup>

In the following, the foreign policy of Ukraine under its first President Kravchuk will be examined towards the Russian Federation and NATO and EU, whereby the EU will exist only from 1993 on. Leonid Kravchuk should stay in power until 1994, when Leonid Kuchma his former prime minister from 1992 to 1993 challenged him in early elections pressed by the parliament and succeeded him.

## 2.1 Relations to EU/EEC

By the collapse of the Soviet Union Ukraine inherited the *Agreement on Trade and Cooperation* signed by the European Economic Community and Euratom and the Soviet Union in 1989. In the agreement, the European Economic Community and the Soviet Union defined trade and economic relations. In the last months of the Soviet Union as a federal republic the government granted its member states the right to secession. The Ukrainian parliament declared *On the implementation of the Declaration on State Sovereignty of Ukraine in the sphere of foreign relations* as a foreign policy goal the “direct participation of Ukraine in the general European process and European structures”<sup>27</sup> on the 25th of December 1990. A year later after its independence the parliament declared the national identity of Ukraine as a European country. July 1993 a resolution *On the basic directions of foreign policy of Ukraine* declared the aim to deepen cooperation and “the prospective objective of Ukrainian foreign policy is Ukraine’s membership of the European Community”.<sup>28</sup> Furthermore, the resolution proposed to first sign an

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<sup>26</sup> “Ukraine's Relations with the West: Disinterest, Partnership, Disillusionment”, accessed August 22, 2018, [http://www.taraskuzio.com/International%20Relations\\_files/ukraine\\_west\\_relations.pdf](http://www.taraskuzio.com/International%20Relations_files/ukraine_west_relations.pdf), page 22.

<sup>27</sup> “Formation of State Policy of Ukraine towards European Integration”, accessed August 10, 2018, [http://cejsh.icm.edu.pl/cejsh/element/bwmeta1.element.ojs-doi-10\\_14746\\_pp\\_2013\\_18\\_4\\_16/c/7962-7868.pdf](http://cejsh.icm.edu.pl/cejsh/element/bwmeta1.element.ojs-doi-10_14746_pp_2013_18_4_16/c/7962-7868.pdf) page 251.

<sup>28</sup> “Formation of State Policy of Ukraine towards European Integration”, accessed August 10, 2018, [http://cejsh.icm.edu.pl/cejsh/element/bwmeta1.element.ojs-doi-10\\_14746\\_pp\\_2013\\_18\\_4\\_16/c/7962-7868.pdf](http://cejsh.icm.edu.pl/cejsh/element/bwmeta1.element.ojs-doi-10_14746_pp_2013_18_4_16/c/7962-7868.pdf) page 252.

Agreement on Partnership and Cooperation. The relationship between EU and Ukraine became institutionalized by the Interdepartmental Committee of Ukraine on the European Community in August 1993 by a decree from the president. It aimed at coordination and harmonization of Ukraine's policies toward the EU and is accountable to the cabinet of ministers. Based on the composition of deputies of several ministries and the proposed meeting intervals of at least twice a year by President Kravchuk not enough emphasis was given to the development of the relations. In total the interests of the Ukrainian President were more based on economic reasons. To find new trade partners was essential by an economy in recession. On the contrary the EU was interested to give the former states of the Soviet Union and the Warsaw Pact incentives to establish democracies and free markets according to EU standards but for the first not more than this.

## 2.2 Relations to NATO

After the collapse of the Soviet Union, the NATO had to search for a new concept for itself. Great Britain, the US and other states suggested to keeping NATO alive and letting it be the new security concept for whole Europe, not considering other offers like the UN with the Conference for Security and Cooperation in Europe (later OSCE). Other states like Germany and France, which proposed a stronger role of the WEU as security apparatus had to give in especially because the US feared to lose their influence in Europe. NATO stayed as the main security organization in Europe and at its Rome Summit in November 1991 foresaw a cooperation with the new partners in Central and Eastern Europe as an important aspect of the Alliance's strategy.<sup>29</sup> For this the North Atlantic Cooperation Council (NACC) was established to "support for the steps being taken in these countries towards reform, to offer practical assistance to help them succeed in this difficult transition, to invite them to participate in appropriate alliance forums

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<sup>29</sup> "NATO'S RELATIONS WITH RUSSIA AND UKRAINE", accessed August 22, 2018, <https://www.nato.int/acad/fellow/98-00/tur.pdf>, page 17.



and to extend to them Alliance's experience and expertise in political, military, economic and scientific consultation and cooperation."<sup>30</sup> At this time, Russia still welcomed the initiative and Ukraine joined immediately. In January 1992, Ukrainian delegates participated for the first time in the meeting of the high-level Working Group of the NACC.<sup>31</sup> Furthermore, President Kravchuk rejected the offer to join the military cooperation CIS Collective Security Treaty. Instead, he was for a NATO enlargement and stated "The best guarantee to Ukraine's security would be a membership to NATO"<sup>32</sup>. Political figures which were opposed to the expansion in Ukraine were accused to carry "vestiges of past ideological narrow-mindedness, also including deliberate attempts on the part of those forces to hamper Ukraine's admission to the circle of civilized states"<sup>33</sup>. Joining NATO matched with Ukraine's credo "back to Europe" which it took after its independence. After Poland and Czech Republic declared to Yeltsin on his visit in August 1993 to be willing to join the NATO Russia's enthusiasm diminished and the government raised the concern Russia could be isolated. Furthermore, the Russian government relied on the promise given verbally by the reunification of Germany to not let NATO expand. Therefore, the Clinton administration came up with the Partnership for Peace Program in October 1993. It was positively received by Russia, even if NATO still wanted to expand to the east. In February 1994, Ukraine joined the PfP and Kravchuk saw it as the first step towards NATO. The contract allowed Ukraine to establish constructive relations with the West and to receive financial support.

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<sup>30</sup> NATO Office of Information and Press, The NATO Handbook (Brussel, 1998) 27.

<sup>31</sup> "NATO", Ministry of Foreign Affairs, accessed August 22, 2018, <https://mfa.gov.ua/en/page/open/id/2541>.

<sup>32</sup> "1991-1994 - President Leonid M. Kravchuk", GlobalSecurity.org, accessed August 22, 2018, <https://www.globalsecurity.org/military/world/ukraine/kravchuk.htm>.

<sup>33</sup> Taras Kuzio, "Ukraine and NATO: The Evolving Strategic Partnership", The Journal of Strategic Studies, June 1998, page 8.

## 2.3 Relations to the Russian Federation

On 5 December the Ukrainian parliament cancelled the *Treaty on the Creation of the USSR* from 1922 and three days later the Russian Federation, Belarus and Ukraine signed the foundation of the *Commonwealth of Independent States*, which were joined later by eight other states. Ukraine never ratified the statute. For Russia, the CIS were an important tool to keep close relations with the former states of the Soviet Union especially for maintaining a common market. Before the dissolution of the Soviet Union Ukraine accounted for about 17 percent of the BIP of the former state. Based on the economic potential of east Ukraine with the coals and steel mines both countries needed each other. However, Ukraine were eager to “insist on equality in its relations with Russia”<sup>34</sup>. It also tried to prevent any suggestions in the CIS that could infringe its sovereignty and did not accepted Russia's claim to be the regional power. After 1991, the mayor of Moscow openly questioned the borders of Ukraine with referring to Crimea that was given by Nikita Khrushchev 1954 with its foremost Russian population. At the time, Russia made 90 percent of Ukraine’s oil and 77 percent of its gas needs. The gas and oil price were under world market prices because Russia and Ukraine negotiated them. Ukraine were willing to reduce the transit-fees of Gas and Oil to European states and Russia therefore was willing to shrink the prices for Ukraine. However, Ukraine was “one of the world’s least energy-efficient countries and largest gas importers”.<sup>35</sup> Ukraine accumulated huge debts until 1994 of around 4 - 4.5 billion US-Dollar. Between 92 and 94 Russia suspended several times gas transports because of non-payment of debts. This led to illegal diversion from transit pipelines in the winter 1993 - 4 by Ukrainian companies. The Russian Federation willing to cut of supply once again proposed in September 1993 to forget Ukraine’s debts in return for the control of the Black Sea Fleet and Ukraine’s nuclear weapon both Soviet Union heritage and then under formal jurisdiction of

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<sup>34</sup> Orest Subtelny, *Ukraine a history*, (Toronto: University of Toronto Press, 1988) 688.

<sup>35</sup> Simon Pirani, *Ukraine’s gas sector* (Oxford: Oxford Institute for Energy Studies, 2007) 18.

Ukraine. President Kravchuk in the middle of a political crisis confronted with his Prime Minister Kuchma seemed to agree but other politicians in Kiev did strongly oppose.

Already in the *Alma Ata Agreement*<sup>36</sup> of December 1991 Ukraine promised to be a non-nuclear weapon state and with the Minsk Agreement on Strategic Forces to move, the 3000 tactical weapons back to Russia for their destruction by the beginning of July 1991. Nevertheless, the Ukrainian President stopped the transfer in March 1992 declaring he wanted “guarantee that weapons transported to Russia will be destroyed or that they will not fall into undesirable hands... We want guarantees that they can’t be used elsewhere. I don’t want to make anybody else stronger.”<sup>37</sup> This happened at a time when Russia was not willing to sign an interstate treaty to recognize the sovereignty of Ukraine and the two states were in dispute over the Black sea Fleet. Because parts of the political elite of Ukraine perceived Russia as having imperial claims towards Ukraine, Kravchuk pressed in the time of 1992 to 1993 “both Russia and the United States for security guarantees against military threats of blackmail” and Western financial assistance for the cost of dismantling its nuclear weapons.<sup>38</sup> Ukraine ambiguity came at the cost of European security and the global disarmament process because Russia was not willing to give a final approval to the *START 1* or even ratify the *START 2* until Ukraine signed the *Non Proliferation Treaty* and with this promised the reduction of the nuclear weapons. Ukraine Foreign Minister made clear that in a time of nation and state building, with no real armed forces, with not being a member of any security alliance “the question of safeguarding national security

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<sup>36</sup> In the Alma Ata Agreement in December 1991 the leaders of Russia, Belarus and Ukraine dissolved the Soviet Union and founded the CIS.

<sup>37</sup> F. Stephen Larrabee, Peter A. Wilson, John Gordon, *Ukraine, Russia and European Security: Implications for Western Policy* (California, RAND Corporation 2015), p.8

<sup>38</sup>“NATO’S RELATIONS WITH RUSSIA AND UKRAINE”, NATO, accessed August 22, 2018, <https://www.nato.int/acad/fellow/98-00/tur.pdf> , page 17.

arises especially when calls to change the borders can be heard and territorial claims are being made in neighbouring states...”.<sup>39</sup>

In January 1994 the three presidents of Russia, USA and Ukraine agreed upon financial help from the US. In return, Ukraine agreed to give the nuclear arsenal back to Russia that was thereby recognized from Ukraine as the legitimate heir of the Soviet Union and its heritage. Russia and the US gave Ukraine some security assurances. This Trilateral Agreement by the US, Russia and Ukraine paved the way to the *Budapest Memorandum* and the Non-Proliferation Treaty later signed in the same year. In the last months of the presidency of Kravchuk Russia pressed for cancelling the debt in return for acquiring a huge amount of the Ukrainian gas sector. Kravchuk agreed but the political opposition in Kiev stopped “enable Gazprom to participate in the privatization of enterprises in the gas and other sectors in Ukraine, in accordance with Ukrainian legislation”.<sup>40</sup> In March 1994, Russia decreased its gas supply and the deputy prime minister agreed with Russian negotiators to give Gazprom 51 percent of the Ukrainian pipeline system. This was once again stopped, this time from the government backed by the parliament.

## 2.4 Conclusion

The foreign policy under President Kravchuk has to be seen behind the background of his domestic policies, which concentrated on nation and state building and the security of the state and not on economic and political reforms. This was one reason why the West was more interested in establishing a relationship with the Russian Federation which politicians were more pro-western at the time and introduced the demanded radical economic reforms. Based on this

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<sup>39</sup> “NATO’S RELATIONS WITH RUSSIA AND UKRAINE”, NATO, accessed August 22, 2018, <https://www.nato.int/acad/fellow/98-00/tur.pdf>, page 15.

<sup>40</sup> “NATO’S RELATIONS WITH RUSSIA AND UKRAINE”, NATO, accessed August 22, 2018, <https://www.nato.int/acad/fellow/98-00/tur.pdf>, page 18.

the relation from the West towards Ukraine are mostly described as “disinterested” until the mid-90s.<sup>41</sup>

Kravchuk was eager to stay neutral between the West and Russia, which was already emphasized in the independence declaration. The membership aspirations in 1993 to the EU were weak institutionalized and were rather economic motivated. The same can be said of the membership in the CIS directly after the collapse of the Soviet Union, which was more reasoned on the common economic infrastructure and trade relations from the Soviet Union. NATO was in the early 90ths in search of its role as security guarantee in whole Europe, clashing with Russia in 1993 over the enlargement aspirations. The NACC and the PfP were therefore a compromise. The relations with the Russian Federation were complicated by the gas disputes and claims of Russian politicians over Crimea.

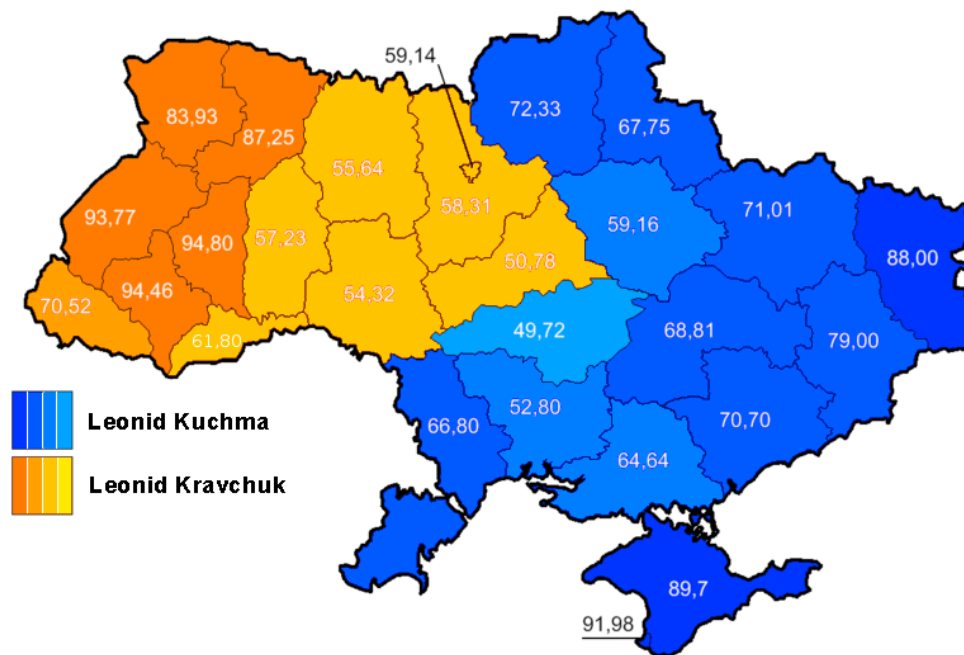
Ukraine foreign policy under Kravchuk can be seen mostly driven by Waltz’s second assumption, to ensure sovereignty and survival of the state. As a state doomed to fail with several ethnicities and no common history as a nation, Ukraine traded Soviet heritage like the nuclear arsenal and the Black Sea Fleet against security. Therefore, Ukraine balanced internally not with building up capacity as Waltz proposes but with relying on the nuclear heritage of the Soviet Union, which even influenced the nuclear security in a global perspective. An external balancing with NATO against Russia which some saw, as having claims to Ukraine, even if willing, was not possible at the time. NATO searched its way to the east by the Baltic States, Poland and Czech Republic, clashing with Russia over a broken promise.

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<sup>41</sup> Taras Kuzio, “Ukraine’s Relations with the West: Disinterest, Partnership, Disillusionment,” *European Security* (Journal), 2003, page 22, (LUISS library)

### 3. Foreign Policy under President Kuchma (1994 - 2004)

The main promises, which Kuchma took into office, were economic reforms and better relations with the Russian Federation. Economic reforms were necessary considering that the GDP had plumped by 68 percent from the country's independence 1991 until 1997.<sup>42</sup> Especially the promise to develop good relations to Russia secured Kuchma the support of the East. Whereas Kravchuk as nationalist became strong support from the Ukrainian population in the West and so, the election lead to a first division in the population as seen in the graphic.



### FIGURE 2 ELECTION KRAVCHUK VS KUCHMA 1994

In his policies towards state and nation building Kuchma declared, that the “national idea has not worked”<sup>43</sup> and it should be more emphasized on economic development, which was a clear sign towards cooperation with Russia and Eurasia. But the longer Kuchma was in office he and his administration realized that with having a population, that was 75 percent Ukrainian they had to preserve

<sup>42</sup> Simon Pirani, *Ukraine's gas sector* (Oxford: Oxford Institute for Energy Studies, 2007) 4.

<sup>43</sup> Taras Kuzio, R. Kravchuk, and P. D'Anieri, eds., *State and Institution Building in Ukraine* (New York: St Martin's Press, 1999), 234.

national key elements of Ukrainian ethnicity. This also appeared in the 1996 constitution, which referred to "the Ukrainian nation" and "the people of Ukraine."<sup>44</sup> The constitution also included once more the commitment to have a block free status, established the president as the main centre for decisions concerning foreign policy and created the legal conditions for the application of EU law.

Even if he was unable to stop the disastrous economic situation in Ukraine and reform the market, Kuchma was re-elected in 1999 and clearly defeated the Communists. The election did not show the expected strong ethnic division of the country between pro-Russian in the East and pro-European integration in the West. But learning Ukrainian, becoming more national and advocating closer ties to the West, Kuchma was this time elected from mostly west Ukrainians. His election campaign was strongly supported and co-financed by influential networks of major Ukrainian industrialists and criticized from the US as undemocratic and unfair. In his second term the corruption increased, political enemies were suppressed and the freedom of press was threatened. Some of his political opponents accused him of being responsible for the assassination of the Georgian-Ukrainian journalist Georgij Gongadze in 2000, which Kuchma has always denied. In the same year, his former bodyguard handed over recordings of conversations by the President in his office to show the public the corruption of the system and the guilt of the president demanding the death of the critical journalist. The bodyguard also recorded a conversation of the president about the sale of a radar system to Iraq. At this time, the country was under UN sanctions. Demonstrations in Kiev arose claiming "Ukraine without Kuchma" caused by the approved corruption. In 2001 Kuchma dismissed Yushchenko his Prime Minister and the Deputy Prime Minister Timoshenko who wanted to collect taxes from oligarchs in the gas and coal industry. Later both should lead the Orange Revolution.

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<sup>44</sup> Orest Subtelny, *Ukraine a history*, (Toronto: University of Toronto Press, 1988) 607.

The recession of the economy should continue until 1999. Then rising commodity prices in the early 2000s helped Ukraine's economy, exporting steel and chemical products. In his time as president, Kuchma never really reformed the economy as promised. He rather handled the conflicts between different oligarch groups and assured them their support.

In 1996, Ukraine got strong support by the IMF, which pressured Russia and Turkmenistan to renegotiate Ukraine's debts despite not meeting the IMF's fiscal and monetary obligations. This was encouraged by the US that gave financial aid to save Ukraine from bankruptcy in 1999. The good relationship to the US was also influenced by the growing differences of Russia and the US, with which Ukraine became more interesting to the US than Russia.

In 2004, Kuchma did not accept the offer from the constitutional court to run a third term. He proposed his Prime Minister Yanukovych whom he backed in the election against Yushchenko and Timoshenko.

### 3.1. Relations to EU

Ukraine and the EU signed the *Partnership and Cooperation Agreement* in the year 1994 to place their relations on a legal ground. The agreement entered into force March 1998 after it was ratified by all other parliaments of the member states. It established the basis for cooperation between both actors in specific political and economic sectors.<sup>45</sup> Ukraine had to commit to change certain legal frameworks to regulate the cooperation. Therefore, the EU defined priorities for adaptation of certain norms and standards in sectors of the Ukrainian economy and legislation. The agreement did not refer to a European integration. Generally, this is one of the characteristics of partnership agreements. A year before in 1997

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<sup>45</sup> "Partnership and Cooperation Agreement between the European Communities and their Member States, and Ukraine," European Union Treaties Office, accessed September 10, 2018, <http://ec.europa.eu/world/agreements/prepareCreateTreatiesWorkspace/treatiesGeneralData.do?step=0&redirect=true&treatyId=217>.



a decree of the president “*On measures for the improvement of the mechanism of interaction with the European Union and its executive bodies*” changed the Interdepartmental Committee of Ukraine on the Affairs of the European Community in its composition with more high ranked officials like the deputy minister of foreign economic relations and trade. The decree also established the meetings not less than once every two months. The executive body became a subdivision of the ministry of foreign affairs. Furthermore, in March 1995 a joint committee began to operate to “coordinate and monitor the cooperation between Ukraine and the EU in the field of economy, especially trade”<sup>46</sup>. With the Partnership and Cooperation Agreement, both institutions became obsolete. With the decree of the president *On the implementation of the Agreement on Partnership and Cooperation between Ukraine and the European Community (European Union) and the improvement of the mechanism of cooperation with the European Community (European Union)* of February 24, 1998 the Ukrainian part of the Council on Cooperation between Ukraine and the European Union and of the Committee on Cooperation between Ukraine and the European Union were created. The last one was a subsidiary body of the Ukrainian part of the council. The council was shared by the Ukrainian prime minister and were held for the first time in June 1998, and the first *EU-Ukraine Summit* took place in Vienna in October.

Kuchma emphasized that he expected a signal for a long-term EU accession perspective for his country. He also called on the EU to enter into concrete negotiations with Ukraine for the establishment of a free trade agreement.<sup>47</sup> In total the annual meetings between both sides, which were agreed upon with the PCA, did not brought any relevant outcome based on the reserved position of the EU. The agreement expired in 2008.

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<sup>46</sup>“Formation of State Policy of Ukraine towards European Integration”, accessed August 14, 2018, [http://cejsh.icm.edu.pl/cejsh/element/bwmeta1.element.ojs-doi-10\\_14746\\_pp\\_2013\\_18\\_4\\_16/c/7962-7868.pdf](http://cejsh.icm.edu.pl/cejsh/element/bwmeta1.element.ojs-doi-10_14746_pp_2013_18_4_16/c/7962-7868.pdf) page 254.

<sup>47</sup> „Die Ukraine und die Europäische Union- eine Beziehung mit erheblicher Frustrationstolerant“, Bundeswehr, accessed September 10, 2018, [http://www.bundesheer.at/pdf\\_pool/publikationen/01\\_ueu\\_01\\_ueu.pdf](http://www.bundesheer.at/pdf_pool/publikationen/01_ueu_01_ueu.pdf) .

On the other side, President Kuchma presented in 1998 the decree of a *Strategy for Ukraine's Integration into the EU* that planned an association program until 2004 followed by an eventually full membership.<sup>48</sup> With the strategy approved by the president in 2000, it was expected that it would bring the country closer to the EU in all fields of cooperation and aimed at creating preconditions for Ukraine's membership. The strategy expressed nine points for the integration process, such as modernization of legislation, economic integration and European security, strengthening of democracy, social policy after EU standards, education, industrial cooperation and environmental protection.<sup>49</sup> The EU responded with the *EU Common Strategy on Ukraine* in 1999, which only stated the recognition of Ukraine's European aspirations. Other sources even say EU ignored Kuchma's decree. At the time, Germany and France stand opposed to the enlargement but new members such as Poland and the Baltic states were encouraging.

In 2002, the Parliament passed the *Law on Fundamentals of National Security in Ukraine*, which pointed out the aim to join NATO and the EU. In May 2002, Kuchma outlined to the parliament a timetable for the establishment of a free trade area by 2004, a customs union during 2005 to 2007 and to fulfil all requirements for joining the EU until at least 2011 with signing an Association Agreement 2007. Receiving an associate status was the main foreign policy goal in the medium term. In July 2002, the Ukraine-EU summit failed to improve relations between both. The EU at this time was not willing to set up any Association Agreement like in the 90ths with former communist-countries, which at this time could be mainly seen as showing solidarity. Already in the year 2000 the Foreign Ministry of France "argued that Ukraine could not be regarded as a potential EU member as this would isolate Russia"<sup>50</sup> and the European Commission Prodi

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<sup>48</sup> "Ukraine's long road to European integration", PONARS Eurasia, accessed August 12, 2018, [www.ponarseurasia.org/sites/default/files/policy-memos-pdf/Pepm\\_311\\_Haran\\_Feb2014\\_0.pdf](http://www.ponarseurasia.org/sites/default/files/policy-memos-pdf/Pepm_311_Haran_Feb2014_0.pdf), page 1.

<sup>49</sup> "Formation of State Policy of Ukraine towards European Integration", accessed August 15, 2018, [http://cejsh.icm.edu.pl/cejsh/element/bwmeta1.element.ojs-doi-10\\_14746\\_pp\\_2013\\_18\\_4\\_16/c/7962-7868.pdf](http://cejsh.icm.edu.pl/cejsh/element/bwmeta1.element.ojs-doi-10_14746_pp_2013_18_4_16/c/7962-7868.pdf) page 259.

<sup>50</sup> Taras Kuzio, "Ukraine's relations with the west: disinterest, partnership, disillusionment," *European Security* (Journal), Volume 12 (2001): 28.

stated Ukraine may better develop in the CIS, which than could be seen as a group for future integration. Kuchma consistently tried to persuade the EU to offer a perspective for a membership. Problematic hereby were the gap between Kuchma's rhetoric and the reality of his domestic policies. Kuchma "was never willing to take the concrete steps necessary to make membership a realistic possibility"<sup>51</sup> and was questioned in his democratic values. Therefore, the EU kept distance and did not gave out time for membership and were not even willing to discuss the idea, even if business elite and the society were mostly in favour of it, motivated by attaining the same high living standards.

In June 2003, the law "*On the principles of national security of Ukraine*" went by a unanimous vote through Parliament and stated the aim of "acquiring membership of the European Union while maintaining good neighbourly relations and a strategic partnership with Russia, other countries of the Commonwealth of Independent States and with other nations of the world".<sup>52</sup>

### 3.2. Relations to NATO

In the beginning of his presidency 1994, Kuchma announced critic to the NATO enlargement policy and the PFP. He declared, "Ukraine does not have any objections to NATO's eastward expansion but believes that it is necessary to respect Russia's interests at the same time. If we do not want Europe to be split into opposing camps again, we should not oppose Russia's interests".<sup>53</sup> However, the elite in Kiev was rather pro-Western and opposed to security proposals of a Eurasian format led by Russia. The Trilateral Agreement plus a Russian

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<sup>51</sup> Stephen Larrabe, "Ukraine at the crossroads," *The Washington Quarterly* (Journal), Volume 30 (2007): 50, (LUISS Library).

<sup>52</sup> "Formation of State Policy of Ukraine towards European Integration", accessed August 15, 2018, [http://cejsh.icm.edu.pl/cejsh/element/bwmeta1.element.ojs-doi-10\\_14746\\_pp\\_2013\\_18\\_4\\_16/c/7962-7868.pdf](http://cejsh.icm.edu.pl/cejsh/element/bwmeta1.element.ojs-doi-10_14746_pp_2013_18_4_16/c/7962-7868.pdf) page 2.

<sup>53</sup> Taras Kuzio, "Ukraine and NATO: The Evolving Strategic Partnership", *The Journal of Strategic Studies*, Vol. 21, No. 2 (June 1998), p.14.

Federation which was becoming more and more against the NATO expansion and had a multi vector policy towards Asia and the fact that Kuchma seemed to be willing to reform the country, especially its economy, opened up for a honeymoon with intense contact between Ukraine and USA. Furthermore, only the West seemed to have enough financial capacity to rescue the country and its collapsing economy. When Bill Clinton made his visit in May 1995 to Kiev Kuchma seemed to have turned his attitude to NATO enlargement claiming it would be evolutionary and NATO were the guarantor of stability in Europe. Regarding Ukraine, the countries security “should not be harmed by being left in a no man’s land between two expanding blocs”<sup>54</sup>

Under the PfP Ukraine begin to join military exercises like manoeuvres in West Ukraine and Crimea and other alliance activities. In 1997 at the Madrid Summit Ukraine and NATO signed the *Charter on Distinctive Partnership*, which allowed Ukraine to participate in NATO's Combined Joint Task Force. With this followed Ukraine's participation in the context of the peacekeeping missions of the Partnership for Peace. The declaration of Madrid stated that next to the founding action between NATO and Russia, which established the NATO -Russia council, the “Charter we will sign (...) with Ukraine bear witness to our commitment to an undivided Europe”.<sup>55</sup> Furthermore, the charter recognized Ukraine as central and eastern European country. With the Madrid Summit NATO tried to incorporate Russia and take Ukraine’s concerns seriously to not be placed between two emerging blocks. The partnership charter deepened the relationship with pointing out that “international law formed the basis for solving disputes, that formation of spheres of influence (clearly aimed at Russia) should be avoided, and that consultations, training of troops, and military exercises should be used to strengthen Ukrainian independence”.<sup>56</sup> In one of the five sections of the charter

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<sup>54</sup> Taras Kuzio, “Ukraine and NATO: The Evolving Strategic Partnership”, *The Journal of Strategic Studies*, Vol. 21, No. 2 (June 1998), p.18.

<sup>55</sup> “Madrid Declaration on Euro-Atlantic Security and Cooperation”, NATO, accessed September 5, 2018, <https://www.nato.int/docu/pr/1997/p97-081e.htm>.

<sup>56</sup> Orest Subtelny, *Ukraine a history*, (Toronto: University of Toronto Press, 1988) 746.

both agree to establish a NATO-Ukraine commission for the further developing and implementation of the relationship. In the last section NATO addresses Ukraine's deep concern of sovereignty and territorial integrity which NATO commits to further support with "the principle of inviolability of frontiers, as key factors of stability and security..."<sup>57</sup>. This part can be seen as a huge success for Ukraine because it relieves it from the worries of isolation and insecurity which it had since its independence and moved it closer to European military and security structures. Kuchma stated that with the signing the "dividing line left by the Cold War in the centre of Europe was eliminated".<sup>58</sup> In addition, the Secretary General Javier Solana referred to a "truly historic day in NATO-Ukraine relations" and the "beginning of a new year in our relations and a visible symbol of new Europe".<sup>59</sup>

On the other hand, Kuchma did not give any sign to abandon Ukraine's non-block status nor would NATO give an invitation to join the alliance in the near future. Based on the military partnership it was possible for Ukraine to participate in the Implementation Force (IFOR) in 1999 and the Stabilization Force (SFOR) in Bosnia.

With the Kosovo crisis in 1999 Kuchma questioned the role of NATO as a guarantor of stability and security by the bombing of a sovereign country. Ukraine tried to place itself as a negotiator between Russia and USA but was not accepted.

Thanks to investigations in 2002 by the FBI and the tapes of the former bodyguard, it was found that President Kuchma authorized the selling of a radar system to Iraq in 2000. At this time, the country of Saddam Hussein was under UN sanctions and so the relations between NATO and Ukraine deteriorated. The

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<sup>57</sup> "Madrid Declaration on Euro-Atlantic Security and Cooperation", NATO, accessed September 5, 2018, <https://www.nato.int/docu/pr/1997/p97-081e.htm>.

<sup>58</sup> Donald McConnell, "Charter with NATO will Help Ukraine Regain its Rightful Place in Europe," (NATO Review, No.4, 1997), 23.

<sup>59</sup> Donald McConnell, "Charter with NATO will Help Ukraine Regain its Rightful Place in Europe," (NATO Review, No.4, 1997), 23.

consequences were that Kuchma was invited to the NATO summit in November 2002 and the NATO's five-yearly summit in the same year but was pleased not to appear. The NATO-Ukraine Commission in 2002 was downgraded to the level of foreign ministers and the US cancelled the yearly Ukraine-US presidential summit in 2002. Nevertheless, Kuchma ignored the encouragement not to travel to the NATO summit in November 2002. Western leaders tried to avoid him and Kuchma seemed isolated in the West. Despite that, both sides agreed in the deepening of the cooperation with the *NATO-Ukraine Action Plan*, which defines jointly agreed principles and objectives in security and defence reforms and is built upon the Charter from 1997.<sup>60</sup> The action plan aimed at preparing Ukraine "for potential entry into the military alliance".<sup>61</sup> In addition Kuchma stated the will of Ukraine to join the organization.

In 2003, Ukraine sent troops to Iraq in the multinational force led by the US. However, even this could not improve the relations. At this time, Ukraine was seen as a grey zone between NATO and Russia. It was clear that NATO would not expand towards Ukraine because Russia would not abandon the Black Sea Fleet in Sevastopol.

### 3.3. Relations to the Russian Federation

In his election campaign, Kuchma advocated for close ties with Russia and promised to introduce Russian as a second official language. As mentioned above Ukraine traded the former Soviet Union nuclear weapons on his territory against assurance of security. In December 1994 with the *Budapest Memorandum*, this sovereignty assurance was given by Great Britain, USA and Russia. All three accepted the signing of the *Treaty on the Non-proliferation of Nuclear Weapons* by Belarus, Kazakhstan and Ukraine as non-nuclear state with which they would

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<sup>60</sup> "NATO-Ukraine Action Plan", NATO, accessed September 15, 2018, [https://www.nato.int/cps/en/natohq/official\\_texts\\_19547.htm](https://www.nato.int/cps/en/natohq/official_texts_19547.htm).

<sup>61</sup> Orest Subtelny, *Ukraine a history*, (Toronto: University of Toronto Press, 1988) 646.

have to hand over their nuclear arsenal to the Russian Federation. Great Britain, USA and Russia furthermore accepted all three states as sovereign and independent states in its existing borders declaring not to use force or threat towards them. The treaty gave Ukraine finally the security assurance from the Russian Federation and Russia the nuclear arsenal for destruction. With this, the way to a new relationship between the two countries was theoretically open.

However, the problem of high-unpaid debts based on gas and oil dependency of Ukraine and the question of the ownership of the Black Sea Fleet in Sevastopol were still open. In 1995, a Russian delegation agreed with the Government of Ukraine to establish a Russo-Ukrainian company called Gastransit. Most transit assets for oil and gas would be concentrated in it for writing of most of Ukraine's debt. Nevertheless, the parliament blocked it and established a law, which finally prohibited any privatization of oil and gas assets. This could stop Russian capital pouring in the gas sector taking it under control. However, in the end of the 90ths Russia demanded once again the payment of Ukrainian debt. Ukraine was not able to pay and despite the renegotiations of it forced by the IMF certain "significant oil refining assets came under Russian control".<sup>62</sup>

In May 1997, Ukraine and Russia signed the *Treaty of Friendship, Cooperation, and Partnership* in which the Russian Federation recognized Ukraine's sovereignty and borders including Crimea and Sevastopol. On the other side, Ukraine agreed to give Russia 80 percent of the Black Sea Fleet and a 20 years lease for the Sevastopol naval base and a declaration to improve relations in the gas sector.<sup>63</sup> 1998 Gazprom agreed to pay for transit of gas to European states to the new founded state owned Naftogaz by a link between gas prices and transit tariffs.

In 1999, the Kosovo crisis seemed to have a positive influence of the relations, having the same position to the conflict and Ukraine announcing that it cannot be

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<sup>62</sup> Simon Pirani, *Ukraine's gas sector* (Oxford: Oxford Institute for Energy Studies, 2007) 20.

<sup>63</sup> Orest Subtelny, *Ukraine a history*, (Toronto: University of Toronto Press, 1988) 600.

solved without the participation of Russia. With the critics from the US to his re-election, the US-Ukraine relations deteriorated and in 2000 Kuchma replaced his pro-Western Foreign Minister Tarasyuk with the more pro-Russian Zlenko. Putin and Kuchma began to meet frequently and in 2000, Russian capital bought significant Ukrainian enterprises to favourable prices. In 2001 with the upcoming of the scandals around President Kuchma and the dismissal of the pro-Western Prime Minister Yushchenko President Kuchma drew closer ties towards Russia meeting Putin eight times in a single year. The deteriorating relations to USA and NATO by the weapon deal to Iraq seemed to push or encourage President Kuchma to cooperate more with Russia. The year of 2002 was declared as the Year of Russia in the country and agreements between Russia, Germany and Ukraine were signed to continue the gas transfer to Europe via Ukraine. After the awkward appearance at the NATO summit Kuchma stated that Russia is the most important partner. Russia welcomed this by electing Kuchma to the first non-Russian President of the Commonwealth of Independent States in 2002. At the end of 2002, Ukraine was negotiating the accession to the Eurasian Economic Community, which was founded by former Soviet Union states in 2000 to reduce trade barriers and taxes and encourage economic cooperation. In May 2002, Ukraine already got observer status. The tightening relations towards Russia and the frozen relations to NATO and the West lead to the appearance Ukraine had chosen. However, in 2003 Kuchma published a book called *Ukraine is not Russia*, pointing out that Ukraine was not willing to “surrender its national interests and distinct identity”.<sup>64</sup> In the same year, the relations had to deal with Russia's claim to the Tuzla Island, a 2.1 square kilometre small piece of land between the Crimean Peninsula and Russia. Russia claimed the 1954 gift of Khrushchev in which he gave Crimea to Ukraine included only the continental parts but not islands. Having the Tuzla Island would have also meant a shift in the sea border between the states. Russian ships would have not driving through Ukrainian sea

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<sup>64</sup> Orest Subtelny, *Ukraine a history*, (Toronto: University of Toronto Press, 1988) 600.



and paying fees for it. Nevertheless, Ukraine resisted to give up the island and protected it from being washed away by the sea.

### 3.4. Conclusion

President Kuchma started his presidency being in favour of good relations with Russia that led to critics from him to the NATO enlargement. With the *Charter of Distinctive Partnership* in 1996, Kuchma normalized the relations between NATO and Ukraine. Financial problems based on the collapsing economy as well as the question for sovereignty which was addressed in the charter can be seen as reason to foster closer ties with the USA and NATO. The charter took Ukraine a step further to Europe as well as the PCA signed in 1994 with the EU. The improvement in the structure and activities of the Interdepartmental Committee of Ukraine on the Affairs of the European Community in 1997, a year before the entry of the PCA and the decrees afterwards are showing the determination of the foreign policy of Ukraine towards integration in the EU. However, Kuchma was not determined to implement the needed reforms and so the EU questioned his real objections and stayed reserved. Furthermore, the EU only wanted to strengthen relations in trade and political contacts but was not willing to give a perspective for membership. In 1997, Kuchma also signed the *Treaty of Friendship, Cooperation, and Partnership* with Russia. This first balanced the apparent ambitions to EU and NATO and second vanished with the *Budapest Memorandum* in 1994 the problems made by the heritage of the Soviet Union and emphasized once more the sovereignty of Ukraine. Based on the emphasis of the sovereignty in the Distinctive Partnership and the agreement between Russia and Ukraine I claim that at least until 1997 Kuchma was still driven by the same as his predecessor Kravchuk to assure the sovereignty of Ukraine. This mainly drove the balancing between Russia and NATO. The second aspect for establishing good relations with NATO were financially by receiving aid from the US and assistance from the IMF beginning 1996. For the *Charter of Distinctive*

*Partnership* and the PfP it can also be mentioned that here a clear incentive for balancing occurs which is burden sharing. The Ukrainian army was and still is big and needed modernization and good training. Therefore, NATO expertise with manoeuvres and joined training centres were helpful. Furthermore, the political elite in Kiev were more pro-western with which we could refer to the incentive of securing Kuchma's own political stability. Joining NATO could be not seen as a real aim for Kuchma. Even the aim to join the EU can be questioned as only rhetoric, considering that Kuchma did not implemented any reforms.

Was his foreign policy in his first term mainly balancing towards EU and NATO driven by the assurance of sovereignty and search for financial assistance, his second term was in favour of the Russian Federation. The sovereignty was assured in the several contracts mentioned above and the economy was recovering by rising commodity prices. Furthermore, the Kosovo crisis, the murdered journalist and the sale of the radar system towards Iraq did the rest next to his unwilling to implement reforms towards the European standards. Free from financial pressure and established assurance for sovereignty Kuchma could now balance in favour of the Russian Federation as he planned at the beginning of his Presidency. Nevertheless, even if he seemed to approach the Eurasian Economic Community and obtained observer status in 2002 and several scholars claimed he had chosen side; his book *Ukraine is not Russia* made clear that he was not willing to bandwagon behind Russia. This got also apparent when he still visited the NATO summit in the end of 2002 even if he was pleased not to come and sent Ukrainian troops to Iraq.

The balancing of Kuchma is hard to define. It can be definitely more described as economically oriented in his first term, concerning Ukraine high debts and worse economic situation. Furthermore, assuring sovereignty as Waltz claimed as his second assumption had priority until 1997. Considering that since the late 90ths Ukraine was perceived in the West as unreliable with a multi-vector policy which serves to adjust to short-term changes for the ruling elites it emphasizes Mearsheimer's point that domestic policies can influence foreign policy in a non-

rational way. However, I claim that the foreign policy of Kuchma was rational. After securing economic growth and sovereignty and being accepted from NATO and EU with two important agreements, he could finally balance in favour of Russia in his second term as he planned from the beginning on.

## 4. Foreign Policy under Yushchenko (2005 - 2010)

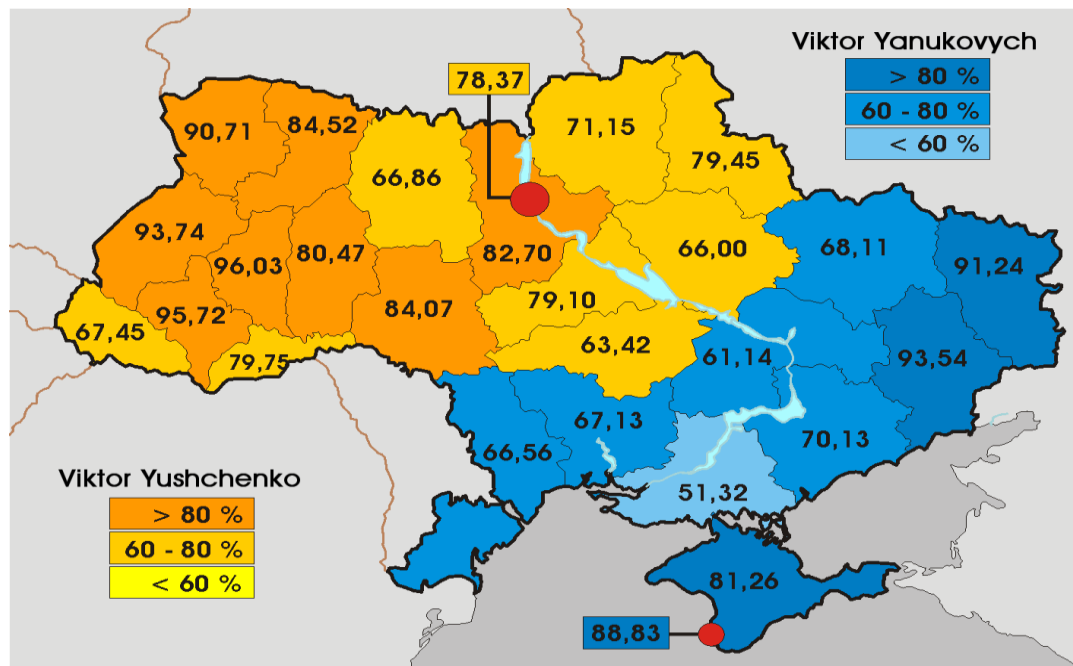
President Kuchma backed the candidate Yanukovych from the Party of Regions in the election campaign 2004. He was prime minister since November 2002 and before Governor of the Donetsk Oblast in the east of Ukraine. He was portrayed as “a great friend of Russia” and advocated a strong relationship between the two countries.<sup>65</sup> His opponent the pro-European Yushchenko was prime minister from 1999 until 2001 and before head of the National Bank of Ukraine since 1993. He was backed in the second round by Yuliya Tymoshenko, stood for joining the EU and NATO and declared to continue his struggle against corruption. Yanukovych narrowly won in the second round in November 2004. The electoral victory, however, was overshadowed by election fraud allegations, so that after the subsequent ongoing mass protests, the election was declared invalid and a repetition was ordered by a decision of the Supreme Court in Kiev in December 2004. Already at this time supporter of Yanukovych in the east threatened to secede from Ukraine.<sup>66</sup> However, Yanukovych accepted and was defeated in the next elections on December 26 with 44.19% of the vote against Viktor Yushchenko with 51.99%. Yushchenko became president on the 23 January 2005.

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<sup>65</sup> “Ukraine’s long road to European integration”, PONARS Eurasia, accessed August 12, 2018, [www.ponarseurasia.org/sites/default/files/policy-memos-pdf/Peppm\\_311\\_Haran\\_Feb2014\\_0.pdf](http://www.ponarseurasia.org/sites/default/files/policy-memos-pdf/Peppm_311_Haran_Feb2014_0.pdf), page 2.

<sup>66</sup> “The Orange Revolution and the Yushchenko presidency”, Encyclopaedia Britannica, accessed August 14, 2018, <https://www.britannica.com/place/Ukraine/The-Orange-Revolution-and-the-Yushchenko-presidency>.

The country came out of the orange revolution highly polarized and divided.



**FIGURE 3 ELECTION YUSHCHENKO VS YANUKOVYCH 2004**

Yanukovich was in a weak position as president, not only based on the struggle with his health after he was poisoned in the election campaign but also by the constitutional amendments, which weakened the president's role. For the repetition of the election in December, a compromise was made which included changing the constitution. From the 1 January 2006, the prime minister was elected by parliament and not appointed by the president anymore. The president was only allowed to announce foreign minister and defence minister. He could not dismiss members of the cabinet anymore but gained the right to dissolve the whole parliament. This became apparent when Yanukovich became prime minister in 2006. His term as prime minister was caused by the breakup of the orange coalition based on the differences between Timoshenko as prime minister and Yushchenko as president after only seven months in September 2006. Yanukovich as prime minister set up his own foreign policy which was pro-Russian and undermined the foreign policy of Yushchenko. Yanukovich constantly pushed to diminish the presidents influence in foreign politics. A law in 2007, which strengthened the cabinet vis-à-vis the president included that if the president would not be able to appoint the foreign minister, the defence minister in 15 days, the parliament would do so. Yushchenko dissolved the parliament

after a long struggle to do so in April 2007 and called for new elections to avoid becoming little more than a figurehead as president. Yanukovych won again but Yushchenko and Timoshenko were able to form a government and Timoshenko was prime minister from December 2007 until September 2008 when Yushchenko party left the coalition. Three month later, they joined again to form a government but the internal struggle between the two continued. In 2009, on the background of the dramatic impact of the international economic crisis in Ukraine, Timoshenko also negotiated with Yanukovych on a possible coalition. The negotiations ended unsuccessful in June 2009. In October 2009, Timoshenko announced to run for presidency.

During his time as president Yushchenko spent large time abroad to seek support for his domestic and foreign policy goals, which largely improved the image of Ukraine in the West but let to poorly coordinated domestic and foreign policies and strong emerging rivals at home. From the beginning of his presidency, he stated to end the multi-vector policy with its strong pro-Russian orientation and pursue to draw Ukraine close to the West. Accession to NATO and EU were clear priority.

With his will to reform the country and to fight corruption, Yushchenko raised hope in the West and among his own. He was strongly backed by Western politicians and organizations such as the Open Society Foundation from George Soros. However, Yushchenko failed to develop well-coordinated and effective structure for managing foreign policy and national security. The lack of a strong presidential leadership inhibited the consolidation of democratic reforms and created uncertainties about Ukraine's future political evolution and foreign policy orientation. He struggled against an aspirational Timoshenko, lost parliamentary elections against Yanukovych and was unwilling to threaten strong oligarchs. Therefore, he could not show any significant results in his fight against corruption. During his presidency, he advocated against Russian as an official language in Ukraine and declared leaders of the UPA such as Stepan Bandera to heroes of Ukraine.

In 2009, the economy was hit hard by the world financial and economic crisis. The GDP fell by 15 percent and the IMF offered a loan of 16.4 billion US-Dollar.<sup>67</sup> The support of the IMF and the successful accession to the WTO in beginning of 2008 was partially due to the high influence of USA in both organisations.

In the presidential election of 2010, Yanukovych became 5.45 percent in the first round, the worst result of a candidate ever.

#### 4.1. Relations to EU

After Viktor Yushchenko won the presidential runoff on December 26, 2004, the question of a timely accession of Ukraine to the EU gained new momentum. Already in mid-December he asked the EU for clear indication of the possibilities of his country to join. After the election of Yushchenko the European Parliament passed a resolution, which proposed the possibility to Ukraine's accession. In January 2005 not even inaugurated, he visited several European capital cities including a meeting with EU Secretary-General Javier Solana. Yushchenko ensured him to make the demanded reforms soon and his minister for european integration stated at the same time in Brussels, "We are going to apply in a written request . . . I am talking about a very short period".<sup>68</sup> In a speech to the parliamentary assembly of the Council of Europe in Strasbourg on 25 January 2005, Yushchenko stated that Western orientation and, hence, membership of the EU was the strategic objective of Ukraine. The EU responded to Ukraine with a resolution "...giving a clear European perspective for the country and responding to the demonstrated aspirations of the vast majority of the Ukrainian people, possibly leading ultimately to the country's accession to the EU."<sup>69</sup> However, the

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<sup>67</sup> Orest Subtelny, *Ukraine a history*, (Toronto: University of Toronto Press, 1988) 650.

<sup>68</sup> "Ukraine's president meets Solana", *The Irish Times*, accessed 20 August, 2018, <https://www.irishtimes.com/news/ukraine-s-president-meets-solana-1.408403>.

<sup>69</sup> "Ukraine's long road to European integration", *PONARS Eurasia*, accessed August 12, 2018, [www.ponarseurasia.org/sites/default/files/policy-memos-pdf/Pepm\\_311\\_Haran\\_Feb2014\\_0.pdf](http://www.ponarseurasia.org/sites/default/files/policy-memos-pdf/Pepm_311_Haran_Feb2014_0.pdf), page 2.

resolution also emphasizes the need for transition to common standards and the willingness of the EU to help. This was a clear sign from the EU after years of not recognizing Ukraine as a potential member.

On 25 February 2005, Ukraine and the EU signed a bilateral action plan, valid until 2008, replacing the 1994 *Partnership and Cooperation Agreement*. Nevertheless, the *EU-Ukraine Action Plan* was negotiated under Kuchma's presidency with the belief of Brussel that Yanukovych will win the election. Therefore, the action plan offered no prospect of accession but included the convergence of the Ukrainian legal system with EU law, respect for human rights, the creation of a market economy and stable political development. The action plan also envisaged the beginning of a dialogue on the creation of a free trade area between the EU and Ukraine, but the condition for this was the inclusion of Ukraine in the WTO which was under the not reform willing Kuchma impossible.<sup>70</sup>

In 2004, the European Neighbourhood Policy was declared to establish a ring of friendly and stable neighbouring countries around the EU. The action plan went beyond the former *Partnership and Cooperation Agreement* with covering areas like dialogue and reform, trade, home affairs, energy and transportation, information society, environment, social policy and people-to-people contacts. It also lays the basis for the relationship between Ukraine and the EU until 2007 but does not contain a perspective on membership.<sup>71</sup> With the political trouble in Kiev, which prevented Yushchenko to reform the country towards European standards and gas problems with Russia, Germany and France became careful. They demanded that no binding commitment should be made.

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<sup>70</sup> „Die Verhandlungen über einen EU-Beitritt der Ukraine könnten 2010 beginnen,“ CAFEBABEL, accessed August 19, 2018, <https://cafebabel.com/de/article/die-verhandlungen-uber-einen-eu-beitritt-der-ukraine-konnten-2010-beginnen-5ae004b6f723b35a145db6b8/>.

<sup>71</sup>Stephen Larrabe, “Ukraine at the crossroads,” *The Washington Quarterly* (Journal), Volume 30 (2007): 50, (LUISS Library).



However, in March 2007, the first talks between Ukraine and the EU began on a new "extended agreement", which should include a free trade area and increased cooperation in the field of energy and a better political dialogue. Based on the Georgian-Russian War in August 2008 the EU was motivated to improve its neighbourhood policy. This was especially encouraged by Poland and the Czech Republic. Against the backdrop of the Caucasus crisis, Ukraine and the EU also decided to sign a declaration to open negotiations in Paris on 9 September 2008 for a far-reaching Association Agreement, which should have been signed by the end of 2009. It should include a free trade and a more liberal visa regime. On May 7 2009, Ukraine joined the Eastern Neighbourhood Policy with five other ex-Soviet Union states. The program was designed to foster close ties with neighbouring countries on the EU's periphery and aimed at creating "the necessary conditions for accelerating political association and further economic integration between the European Union and interested partner countries".<sup>72</sup> At the first meeting of the foreign minister of the Eastern neighbourhood countries and the EU representative on 8 December 2009 it was agreed to enter into negotiations over Association Agreements with all participating countries except Belarus. Again, the EU remained cautious about a membership perspective for Ukraine and no perspective was given while stating, "Ukraine future was in Europe".<sup>73</sup> At this time, Yushchenko hoped that negotiations for accession could start in 2010.<sup>74</sup> He further said that the recently strengthened Eastern Partnership for Ukraine was not an alternative to joining the European Union.

From September 2008 to October 2011, negotiations on an association agreement were underway with Ukraine. However, an Association Agreement does not contain the full-membership in the EU but includes four major areas that aligns

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<sup>72</sup> „Warum Helmut Schmidt irrt“, Spiegel Online, accessed September 5, 2018, <http://www.spiegel.de/politik/deutschland/ukraine-krise-helmut-schmidt-von-ex-eu-kommissar-verheugen-kritisiert-a-970150.html> .

<sup>73</sup>Orest Subtelny, *Ukraine a history*, (Toronto: University of Toronto Press, 1988) 650.

<sup>74</sup> „EU und Ukraine beginnen Kooperationsgespräche“, EURACTIV, accessed 18 August, 2018, <https://www.euractiv.de/section/handel-und-industrie/news/eu-und-ukraine-beginnen-kooperationsgesprache-de/> .

the economic, political and justice system. Most important was the DCFTA, which creates a common market between the state and the EU and a visa regime, which establishes free movement between both. Furthermore, a membership option was not excluded like in the partnership program of the Mediterranean and the signing would show a clear alignment of Ukraine with the EU. To join another free market would not be possible and so joining the Eurasian Economic Community would be ruled out.

After the vetoes on the new constitution of the EU from the Netherlands and France in 2005 and the enlargement towards Bulgaria and Romania, the chances of joining the EU in the short term were diminished. With the non-existence of the major incentive of a possible membership, Ukrainian leaders had it more difficult to find support for their pro-Western stand and the needed reforms to enhance membership prospects.

#### 4.2. Relations to NATO

In the beginning of his Presidency in February 2005 Yushchenko aimed to conclude a Membership Action Plan with NATO that prepares for the accession and lead to a full membership. Yushchenko aimed at a membership in NATO in 2008. At the NATO summit in February 2005, Ukraine was invited once again and President Yushchenko stated that Ukraine is determined to join the organisation. The American President George W. Bush, at this time under international critics caused by the Iraq War, declared "Ukraine should be welcomed by the Europe Atlantic family"<sup>75</sup>. After his visit to Washington in April 2005, the US removed Ukraine from the list of countries, which do not get non-discriminate treatment in trade relations, and the US assured to back Ukraine in its membership ambitions. In the same month, NATO granted Ukraine Intensified Dialogue Status, which is perceived as a preparatory step towards a Membership

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<sup>75</sup> Ukraine seeks NATO relationship, The Guardian, accessed August 23, 2018, <https://www.theguardian.com/world/2005/feb/22/usa.politics>.

Action Plan. The offering of a MAP for Ukraine was first time officially discussed at the Riga summit in November 2006 and a possible formal membership to be extended at the Bucharest summit in April 2008.

The perspective was scuttled by the return of Yanukovich as prime minister in August 2006. With setting up his own foreign policy, he announced during his trip to Brussels in September 2006 “that Ukraine would not seek a Membership Action Plan” and wants a pause in the membership quest.<sup>76</sup> He referred to the lack of support of the Ukrainian people and suggested to have a referendum before a decision was made. This was mainly based on the core requirements of NATO to have public support in the country for membership accession.

The proposal of Timoshenko’s second cabinet in January 2008 to follow the NATO’s MAP was met with fierce opposition in Ukraine. Demonstrations against the NATO membership broke out. According to the constitution, over three million signatures were reached in as a petition to hold a referendum on a membership to NATO. A survey in August 2008 showed that 43 percent of the population associated NATO with a threat to the country and only 15 percent as a protection.<sup>77</sup> This shows that Yushchenko could not align his population behind his foreign policy and missed to inform them. Therefore, a referendum was postponed and Timoshenko’s proposal blocked.

In the international context president Bush as well as both candidates in the Presidential raising in 2008 - Obama and McCain - supported the accession. However, especially Germany and France were against the expansion of the NATO towards the Russian Federation. According to the French Prime Minister Fillon, the possible entry of Ukraine and Georgia “is not a good answer to the

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<sup>76</sup> “Ukraine’s long road to European integration”, PONARS Eurasia, accessed August 17, 2018, [www.ponarseurasia.org/sites/default/files/policy-memos-pdf/Peprn\\_311\\_Haran\\_Feb2014\\_0.pdf](http://www.ponarseurasia.org/sites/default/files/policy-memos-pdf/Peprn_311_Haran_Feb2014_0.pdf) , page 2.

<sup>77</sup> „Ukrainians May Oppose President’s Pro-Western Goals,” Gallup, accessed 24 August, 2018, <https://news.gallup.com/poll/110848/Ukrainians-May-Oppose-Presidents-ProWestern-Goals.aspx> .

balance of power within Europe and between Europe and Russia”<sup>78</sup>. Furthermore, the European countries have difficulty to see Ukraine as European and are frightened that taken the country into NATO would increase the pressure to also admit it in the EU. Another point were the expected difficulties in European gas supply from Russia through Ukraine. With the Bucharest summit in April 2008, Germany and France vetoed to offer Ukraine or Georgia a NATO Membership Action Plan. At the end of the summit, it was declared, “these countries will become members of NATO” but not explicitly when.<sup>79</sup> A few months after the Georgia-Russia War the US withdraw their support of giving both countries the MAP-status. However, the US was willing to find ways to offer Ukraine a membership perspective without the MAP. December 2008 NATO declared to provide assist to Ukraine in an annual national program to implement reforms required to access. Despite that Yushchenko seemed desponded and stated he is “sure that the ball is not on the Ukrainian side of the field, Ukraine has done everything it had to do”.<sup>80</sup>

### 4.3. Relations to the Russian Federation

"Russia is our strategic partner. Ukrainian policy toward NATO will not, by any means, be directed against Russia or any other country."<sup>81</sup> Yushchenko stated at the 22 February 2005 at the NATO summit.

Before Yushchenko went on his trips to several European cities to gather support for his EU and NATO accession ambitions right after his election, his first visit

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<sup>78</sup> “That time Ukraine tried to join NATO — and NATO said no,” The Washington Post, accessed August 22, 2018, [https://www.washingtonpost.com/news/worldviews/wp/2014/09/04/that-time-ukraine-tried-to-join-nato-and-nato-said-no/?utm\\_term=.ad06105fe6f7](https://www.washingtonpost.com/news/worldviews/wp/2014/09/04/that-time-ukraine-tried-to-join-nato-and-nato-said-no/?utm_term=.ad06105fe6f7) .

<sup>79</sup> “US gives way on Nato for Georgia and Ukraine,” Financial Times, accessed August 22, 2018, <https://www.ft.com/content/b48201e0-bc00-11dd-80e9-0000779fd18c> .

<sup>80</sup> “That time Ukraine tried to join NATO — and NATO said no,” The Washington Post, accessed August 22, 2018, [https://www.washingtonpost.com/news/worldviews/wp/2014/09/04/that-time-ukraine-tried-to-join-nato-and-nato-said-no/?utm\\_term=.ad06105fe6f7](https://www.washingtonpost.com/news/worldviews/wp/2014/09/04/that-time-ukraine-tried-to-join-nato-and-nato-said-no/?utm_term=.ad06105fe6f7) .

<sup>81</sup> “Ukraine seeks NATO relationship,” The Guardian, accessed August 24, 2018, <https://www.theguardian.com/world/2005/feb/22/usa.politics> .

was dedicated to Moscow in January 2005. Nevertheless, this could not prevent that tensions with Russia were rising. The Russian Federation was clearly opposed to the NATO enlargement and now seeing Ukraine seeking membership and therefore extending NATO until the border of Russia could not been in favour of the Kremlin.

In 2005, the discussions about the cheap gas export to Ukraine raised again. In her time as prime minister Timoshenko criticized RosUkrEnergo, the Russian-Ukrainian joint venture that was the intermediary for gas transport from Gazprom to the Ukrainian state owned gas and oil company Naftogaz sharply accusing the company of bribery. Investigations by the Ukrainian secret service followed and the head of Naftogaz who was once appointed by Kuchma had to leave. Meanwhile the Russian government seemed to be determined to “end the implicit subsidy to Ukraine in import prices and barter payments for transit services with gas volumes”.<sup>82</sup> As seen in the table Russia gives Ukraine and other former Soviet States a lower price than too other countries. With the rising oil price in the beginning of the 2000s, this gap widened.

**TABLE 1 AVERAGE PRICES FOR RUSSIAN GAS EXPORT (\$/MCM)**

**Table 4.2. Average prices for Russian gas exports (\$/mcm).**

|   | 1998 | 1999 | 2000  | 2001  | 2002  | 2003  | 2004  | 2005  |
|---|------|------|-------|-------|-------|-------|-------|-------|
| Average export prices to Europe <sup>a</sup>      | 38   | 46   | 103.2 | 120.1 | 105.9 | 134.1 | 139.6 | 192.5 |
| Average export prices to CIS/Baltics <sup>b</sup> | 28   | 34   | 53.3  | 48.3  | 53.2  | 49.8  | 54.2  | 60.7  |
| Export prices to Ukraine                          | 50   | 50   | 50    | 50    | 50    | 50    | 50    | 50    |

<sup>a</sup> Including duties and customs charges

<sup>b</sup> Including taxes and duties

Note: Transit tariff paid by Gazprom to Ukraine during 1998–2005 was \$1.094/mcm/100 km which was roughly equivalent to a price of \$50/mcm for 26–28 bcm/year.

Sources: Rows 1 and 2, 2000–2005: *Gazprom v voprosakh i otvetakh*, 2006; Rows 1 and 2, 1998–1999: calculated from *Gazprom Annual Report*, 1999.

In March 2005, Russia redefined conditions for transit of natural gas through Ukrainian territory to western Europe and for the price Ukraine should pay for gas imports in favour of a market-oriented pricing policy. In spring 2005, Russia had demanded a fixed price of 160 US-Dollar per 1,000 cubic meters. In November, Gazprom demanded European prices of 160 – 230 US-Dollar per

<sup>82</sup> Simon Pirani, *Ukraine’s gas sector* (Oxford: Oxford Institute for Energy Studies, 2007) 23.

1,000 cubic meters, justifying it with the usual world market price. By comparison, the usual tariff in western Europe was a maximum of 250 US-Dollar per 1,000 cubic meters. On the other hand, the compensation for transit should be increased from 1.09 to 1.74 US-Dollar per 1,000 cubic meters and 100 kilometres.<sup>83</sup> Furthermore, Gazprom missed a huge amount of gas in its storages in Ukraine worth over a billion dollar according to the world market price at that time for which at the end RosUkrEnergo had to pay for.

Ukraine believed that the Russian demands contradict the treaty of 2002 where the price was fixed. In the renegotiations, Ukraine strictly rejected any increase in the price of gas and proposed to pay with weapons. Then Ukrainian President Viktor Yushchenko agreed that the price should be gradually increased. Russian President Vladimir Putin said that Ukraine had enough money to pay the world market price: "This is a heavy burden on the Russian budget ... Ukrainian consumers today receive gas for a lower price than Russian citizens in their own country have to pay! And we still have 25 million citizens living below the poverty line."<sup>84</sup> Yushchenko warned that Ukrainian industry could no longer be profitable if the price climbed above \$ 90. He also called for no unnecessary politicization of the dispute and was confident that the problem could be resolved in an economic rather than a political way.

Russia proposed a merger between Gazprom and Naftogaz, while Ukraine refused. The parliament feared that Ukraine would otherwise lose control of its own pipelines. In Ukrainian government circles, it was demanded to increase the rent that Russia had to pay for the stationing of the Black Sea Fleet in Sevastopol in the Crimea. Various Ukrainian circles were of the opinion that the lease payments were too low and demanded a complete inventory of the plants, which were estimated to have a value of two billion dollars. Russia, on the other hand, refused to renounce any renegotiation. It warned Ukraine not to tackle this issue

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<sup>83</sup> Simon Pirani, *Ukraine's gas sector* (Oxford: Oxford Institute for Energy Studies, 2007) 23.

<sup>84</sup> Ariane Aurelie Pirck, *Das Projekt Nord Stream und die Diversifizierungsstrategie der Europäischen Union im Erdgassektor* (Vienna: GRIN, 2017), 10.

because, unlike the gas market, a fixed price was set until 2017. In addition, the agreement on the Black Sea Fleet was part of a framework agreement that included the mutual recognition of the borders. There is speculation that these claims from Ukraine were made under pressure from the United States. All the more so since they were made only a few hours after the visit of the then US Secretary of State Condoleezza Rice to Kiev on December 8, 2005.

On 29 December, Vladimir Putin offered Ukraine a 3.6 billion US-Dollar loan to cover the cost of transitioning to world market prices, but Viktor Yushchenko turned the offer down. On 31 December, the Russian President offered to suspend the price increase until April 2006, but Yushchenko refused again. Because Ukraine did not accept the new terms and a contract for 2006, Russia ceased gas exports to Ukraine on 1 January 2006. This briefly led to supply shortage in various European countries. At least 50 percent to about two-thirds of Russian gas exports to EU countries in 2005 passed through Ukraine.<sup>85</sup>

On 4 January, 2006, both countries agreed to settle the conflict.<sup>86</sup> A contract had been signed which is to be valid for five years. Gazprom was granted the desired price increase; the group sells the gas through the intermediary RosUkrEnergo and receives gas for 230 US-Dollar per 1000 cubic meters. RosUkrEnergo got the purchase rights from Ukraine for the far cheaper Turkmen natural gas at \$ 50 and then sold Ukraine a mix of Russian and Turkmen gas for \$ 95. The share of Turkmen gas in this mix is about two-thirds, that of Russia about one-third. It was also decided to raise the tariff for gas transit from \$ 1.09 to \$ 1.60 per 1,000 cubic meters and 100 kilometres. This applies to both Russian gas to Europe and Turkmen gas to Ukraine. Most analysts believed that both sides could protect their faces.

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<sup>85</sup> „Die Energiefrage in den russisch-ukrainischen Beziehungen,“ Länder-Analysen, accessed August 30, 2016, <http://www.laender-analysen.de/russland/pdf/Russlandanalysen116.pdf>.

<sup>86</sup> „Ukraine and Russia reach gas deal,“ BBC, accessed September 2, 2018, <http://news.bbc.co.uk/2/hi/europe/4579648.stm>.



Secretary-General of the European Council, Javier Solana, who intervened in the gas dispute, even though the Austrian EU Presidency, which had just took the presidency on 1 January 2006, did not consider mediation urgent, has also achieved this result. The negotiations between Russia and Ukraine were mostly held in the new founded interstate commission Yushchenko-Putin, which later on should be more used in the presidency of Yanukovych.

The anti-NATO resentment and the gas shortage seemed to help Yanukovych who won the parliament election in March 2006 and became prime minister in August. He and his people took important offices in the Government administration and were clearly interested to improve the relations with Russia. Therefore, Yanukovych forced the resignation of the president's appointee Foreign Minister Tarasyuk in December 2006. Tarasyuk was a strong supporter of the pro-Western foreign policy and advocate of an accession to the EU. Already in 2005, Yanukovych initiated a collaboration agreement between the Party of Regions and the united Russia party, which supports Putin.<sup>87</sup>

Shortly after the Ukrainian parliamentary election and the defeat of Yanukovych in the beginning of October 2007, the Gazprom group threatened to stop gas supply, should Ukraine not settle its debt of around 900 million Euro by the end of October.<sup>88</sup> The Ukrainian leadership promised early payment and subsequently compensated for it.

Over the winter, supply shortages from Central Asia, especially Turkmenistan, the main provider of Ukraine, happened. As a result, Gazprom spontaneously helped Ukraine out with its own gas. However, Ukraine refused to pay the more expensive Gazprom price and continued to insist on the price previously agreed.

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<sup>87</sup> "Party of Regions hopes for strengthening collaboration with 'United Russia' party," Kyiv Post, accessed September 3, 2018, <https://www.kyivpost.com/article/content/ukraine-politics/party-of-regions-hopes-for-strengthening-collabora-53358.html>.

<sup>88</sup> „Ukraine: Koalitionsgespräche weitgehend ohne Gas-Druck?“, Russland Aktuell, accessed September 4, 2018, [http://www.aktuell.ru/russland/politik/ukraine\\_koalitionsgespraech\\_e\\_weitgehend\\_ohne\\_gas\\_druck\\_3425.html](http://www.aktuell.ru/russland/politik/ukraine_koalitionsgespraech_e_weitgehend_ohne_gas_druck_3425.html).



From the perspective of Gazprom, the accumulated difference was regarded as a debt of Ukraine.

On 3 March 2008, immediately after the presidential election in Russia, Gazprom, as announced, cut gas supplies to Ukraine by 25 percent (35 percent, according to other sources) because the country did not pay the bills. The Ukrainian government, on the other hand, claimed to have settled the outstanding amounts.<sup>89</sup> The recent conflict also led to tensions between the Ukrainian President Yushchenko and the Prime Minister Timoshenko, who accused the head of state in an open letter to the cabinet of his failure in solving the crisis.

On 4 March 2008, the Russian gas company cut deliveries by another 25 percent.<sup>90</sup>

After a Cabinet meeting on 5 March, Prime Minister Timoshenko said at a press conference that the according to Gazprom outstanding invoices had long been settled after the gas price agreed since the end of 2007. Ukrainian Foreign Minister Volodymyr Ohrysko disagreed with allegations that European gas supplies were being tapped by Ukraine and assured Europe a trouble-free transit. According to reports from Russia, Naftogaz temporarily reduced its transit to Europe in favour of its own withdrawal in March.<sup>91</sup> This was not confirmed from Ukraine. After telephone negotiations with representatives of both companies, Gazprom finally approved the resumption of gas deliveries on the same day.<sup>92</sup> At the same time, further negotiations were held and delivery conditions set for the year 2008, starting from 1 March 2008. Until then delivered gas should be billed according to the conditions agreed since the end of 2007.

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<sup>89</sup> "Gazprom cuts Ukraine gas supply," BBC, accessed September 4, 2018, <http://news.bbc.co.uk/2/hi/business/7274380.stm>.

<sup>90</sup> „Gazprom droht Ukraine mit weiterer Lieferkürzung," finanzen.net, accessed September 4, 2018, <https://www.finanzen.net/nachricht/aktien/UPDATE-Gazprom-droht-Ukraine-mit-weiterer-Lieferkuerzung-296649>.

<sup>91</sup> „МЭА опасается серьезных сбоев в поставках газа в Европу," Russia Today, accessed September 5, 2018, <https://ria.ru/economy/20080305/100713666.html>.

<sup>92</sup> Kiew und Moskau legen gas Streit bei, spiegel-online, accessed September 5, 2018, <http://www.spiegel.de/wirtschaft/energie-geschacher-kiew-und-moskau-legen-gas-streit-bei-a-539601.html>.

On 6 March 6 2008, Prime Minister Timoshenko published an open letter to a Yushchenko describing her view of the cause of the scourge and the ways. She repeated several times that future gas deliveries from Russia to Ukraine should take place direct between Naftogaz and Gazprom without any intermediaries.<sup>93</sup> On 29 April 2008, at the joint meeting of Russian and Ukrainian Prime Ministers in Kiev, the Ukrainian Prime Minister announced a completion of the debt of Naftogaz against Gazprom.<sup>94</sup>

At the Bucharest Summit in April 2008 Putin said in the NATO-Russia Council “that Ukraine was a ‘fragile’ and ‘artificial’ state, warning it would disintegrate if it joined NATO.”<sup>95</sup> With the Georgian-Russian war in August 2008, new tensions arose between the governments of Ukraine and Russia. In the crisis, Yushchenko joined other Eastern Europe presidents in flying to Tbilisi and supporting Saakashvili. Yushchenko and the Georgian President had already before close contact. Both had the same interest of joining EU and NATO. Yushchenko supported Saakashvili in the Rose-Revolution in 2003. Nevertheless, the war revealed that Ukraine “legally but very irritatingly for Russia, provided Georgia with arms”.<sup>96</sup> A further upheaval came when the Russian Black Sea Fleet that participated in the war on the coast of Abkhazia was on its way back to its port in Sevastopol. Yushchenko imposed by a presidential decree that vessels that participated in the war had to ask permission to enter the port of Sevastopol. The tension grew even further when the government of Ukraine was determined to not prolong the contract for the Black Sea Fleet base in Sevastopol which ended in 2017 and to send the fleet back to Russia.

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<sup>93</sup> „Тимошенко: УкрГазЕнерго з 1-го березня не буде,” BBC Ukraine, accessed September 5, 2018, [https://www.bbc.com/ukrainian/domestic/story/2008/03/080301\\_tymoshenko\\_gas\\_sat.shtml](https://www.bbc.com/ukrainian/domestic/story/2008/03/080301_tymoshenko_gas_sat.shtml)

<sup>94</sup> „10 приоритетов Зубкова и Тимошенко,” Russia Today, accessed September 5, 2018, <https://ria.ru/analytics/20080429/106189244.html> .

<sup>95</sup> Agnieszka Pikulicka-Wilczewska & Richard Sakwa, *Ukraine and Russia* (Bristol: E-International Relations, 2015) 110.

<sup>96</sup> Orest Subtelny, *Ukraine a history*, (Toronto: University of Toronto Press, 1988) 650.

At the end of 2008, the relations were deteriorated and needed a new approach. The communist leader Symonenko and Yanukovych travelled in their own interest to Moscow to participate at the congress of the United Russia Party to show their support for improved relations between Russia and Ukraine. Yushchenko, becoming more and more disillusioned from the West especially by the veto of Germany and France at the Bucharest NATO Summit, needed a constructive approach for the relations between Russian and Ukraine. Therefore, he founded a commission, which should find out how improved relations could be reached.

Nevertheless, in November 2008 Russian President Dmitry Medvedev demanded the swift settlement of Ukraine's gas debts. The Russian side called it a sum of 2.4 billion US-Dollar. Naftogaz, however, spoke of only 1.3 billion US-Dollars in debt at the intermediary company RosUkrEnergo. As the currency reserves of Ukraine declined in the context of the international financial crisis and the national currency depreciated sharply against the dollar, the demands from Moscow hit Ukraine at a very unfavourable time. The settlement of debts and delay fees, however, called Gazprom as a condition for a new contract for 2009. At the end of December 2008, Gazprom did not rule out that supply disruptions in Western Europe would be caused by Ukrainian diversion.<sup>97</sup>

Because of the dispute over the payment of gas bills and a missed contract for 2009, Gazprom finally ceased deliveries to Ukraine on 1 January 2009.<sup>98</sup> After just a few days, the dispute affected the supply of other European countries. According to Ukraine, the reduced supply is due to the reduced delivery from Russia, while Russia accused Ukraine again of illegally tapping the transit pipelines. On 7 January, Gazprom finally stopped supplies through Ukraine to

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<sup>97</sup> Energie Gazprom: Störungen bei Gaslieferungen möglich, Hamburger Morgenpost, accessed September 8, 2018, <https://www.mopo.de/energie-gazprom--stoerungen-bei-gaslieferungen-moeglich-19818360>.

<sup>98</sup> „Russland dreht den Gashahn zu,“ Frankfurter Allgemeine Zeitung, accessed September 8, 2018, <http://www.faz.net/aktuell/wirtschaft/wirtschaftspolitik/russland-dreht-der-ukraine-den-gashahn-zu-1759686.html>.

Europe. The European Union begun talks with Russia and Ukraine and pushed both to solve the issue as fast as possible blaming both sides.

Ukraine's gas debt problem for 2008 was solved fast to a certain amount. Russia still claimed that the contractual fees of around 650 million US-Dollar were still open. The main issue in 2009 was again the price of gas supplies to Ukraine. Gazprom originally offered to purchase gas for 250 US-Dollar per 1,000 cubic meters, which is just below the average world market gas price that Gazprom expected to receive in 2009.<sup>99</sup> This was around 260 to 300 US-Dollar. However, the Ukrainian side was only willing to pay 201 to a maximum of 235 US-Dollar, pointing repeatedly to an agreement in October 2008 that the gas price for Ukraine should rise to world market levels, but gradually spread over the next three years. Following the departure of the Ukrainian delegation, Gazprom chief Alexei Miller said he would sell gas for Ukraine for 450 US-Dollar, which is likely to be more than the Western European countries paid in 2009.

In response to the dispute, a court in Kiev ruled out the passage of Russian gas through the Ukrainian pipeline network on 6 January. However, for the transit, there was a contract until 2010, and the court was not entitled for the cancelling of the treaty.<sup>100</sup>

Speaking in Brussels on 8 January, Gazprom chief Alexei Miller said his company plans to resume supplies to EU countries, but only to the condition that Ukraine's pipelines are monitored internationally. Under pressure from the European Union Ukraine finally agreed to an international observer mission. Even with the demand that the mission should include Russian members, Russia was able to prevail.<sup>101</sup>

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<sup>99</sup> „Der Gasstreit schadet auch Russland,“ Die Welt, accessed September 8, 2018, <https://www.welt.de/wirtschaft/article2982330/Der-Gasstreit-schadet-auch-Russland.html>

<sup>100</sup> „Die Gaskrise und das Versagen der EU,“ der Standard, accessed September 8, 2018, <https://derstandard.at/1231151101773/Die-Gaskrise-und-das-Versagen-der-EU>.

<sup>101</sup> „EU erwartet baldiges Ende des Gasstreits,“ Spiegel-online, accessed September 9, 2018, <http://www.spiegel.de/wirtschaft/beobachter-eu-erwartet-baldiges-ende-des-gasstreits-a-600312.html>.

This was expected to bring a safe supply to Europe, with the question of deliveries to Ukraine itself still unresolved.

The dispute was further delayed when, following the signing of the agreement by Russia, Ukraine added some passages in which; it denied ever having tapped part of the gas from transit shipments, declared itself debt-free for the 2008 gas year and limited the observer mission to only one month with renewal option. The Russian President Medvedev annulled the agreement until the controversial passages were removed.<sup>102</sup> One day later Ukraine withdrew the passages so that the agreement could finally be signed.

On 13 January, Gazprom resumed deliveries. However, Ukraine blocked briefly again, this time openly, claiming the transit conditions were unacceptable.<sup>103</sup> However, those were negotiated in the contract in 2006 for four years in advance. At the Crisis Summit in Moscow on 18 January 2009, Putin and his Ukrainian counterpart Yuliya Timoshenko looked for a solution. Two separate contracts were being drafted for the Ukrainian natural gas transit and the Ukrainian gas import. Both sides signed the contracts for transit and import on 19 January 2009. The Ukrainian import and transit prices were to be adjusted to the European price formula. For 2009, Ukraine should receive a discount of 20% and in return, it should not increase the transit prices. Intermediaries are no longer expected and so the joint company RosUkrEnergo was dissolved. On 20 January 2009, Russian gas supplies to Ukraine resumed. The contracts run until 2019.

For Timoshenko it was also a personal victory, showing she could deal better with Russia and Putin than President Yushchenko and finally RosUkrEnergo was resolved. Yushchenko claimed the contract a defeat.

Because of the loss of most of its gas sales, Russia lost up to 120 million US-Dollar per day, which is why the country was interested in the fastest possible

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<sup>102</sup> „Ergänzung zum Abkommen als Auslöser,“ ORF, accessed September 10, 2018, <https://news1.orf.at/090111-33737/index.html> .

<sup>103</sup> „Ukraine gibt Gasblockade zu,“ Spiegel-online, accessed September 10, 2018, <http://www.spiegel.de/wirtschaft/energiestreit-ukraine-gibt-gasblockade-zu-a-600999.html> .

resumption of deliveries.<sup>104</sup> According to Vladimir Putin, cumulative damage amounted to 1.1 billion US-Dollar on 14 January ignoring long-term reputational damage. The only positive effect the experts saw for Russia is the greater need for construction of the North Stream.

Ukraine has been able to assume that Gazprom can be blackmailed due to its reliance on Ukrainian transit pipelines and, just like in 2006; it can do little to oppose illegal Ukrainian gas withdrawals due to its commitment to European customers. Gazprom's participation in the transit pipelines is rejected by all political forces in Ukraine (including the "pro-Russian" Party of Regions), citing national security. At the same time, Gazprom had an interest in taking over the Ukrainian natural gas pipelines in order to better control transit. In the end, Gazprom tried to reduce Ukraine's importance as a transit country through northern and southern bypass routes through the Baltic Sea (North Stream) and the Black Sea (South Stream).

Ukraine was standing with its back to the wall. The country was likely to have escaped insolvency following the international financial crisis, probably only by an IMF loan for 16.4 billion US-Dollars.<sup>105</sup> As the state-owned company Naftogaz handled natural gas imports and the state heavily subsidizes natural gas prices for Ukrainian private consumers, natural gas trading represents a significant financial burden on the state budget. Ukrainian payments for natural gas imports (excluding interest on arrears and fines) amounted to more than 8 billion US-Dollars in 2008.<sup>106</sup> The full passing of price increases to the final consumers in the context of a worsening economic crisis would have meant political suicide for the ailing coalition government.

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<sup>104</sup> „Ukraine blockiert sich ins Abseits,“ Spiegel-online, accessed September 10, 2018, <http://www.spiegel.de/wirtschaft/gasstreit-mit-russland-ukraine-blockiert-sich-ins-abseits-a-601263.html>.

<sup>105</sup> Heiko Pleines, *Der russisch-ukrainische Erdgaskonflikt vom Januar 2009* (Universität Bremen, 2009) 16.

<sup>106</sup> Heiko Pleines, *Der russisch-ukrainische Erdgaskonflikt vom Januar 2009* (Universität Bremen, 2009) 16.

Encouraged by the not ending transit problems the EU was determined to diversify its gas supply. Furthermore, Russia was accused to use Ukrainian gas dependency “by applying pressure on the vulnerable Ukrainian economy, for his pro-Western policies and support of Georgia in the fall of 2008.”<sup>107</sup>

In summer 2009, President Medvedev wrote an open letter to Yushchenko complaining about the bad relations between the two countries. In the document, he revealed to wait with the announcing of the new ambassador of Russia to Kiev due to the anti-Russian policies of Yushchenko. The decision could be made after the Presidential elections result in a new leadership. The Russian President listed several aspects of the last years, which lead to the worse relationship such as the tapering of Russian gas supply to Europe, glorification of Nazi collaborators, using the spectre of a Russian threat to gain NATO membership and supporting the Georgian government in war and selling those weapons in the run-up. Furthermore, Medvedev pointed out demands for the next president, “such as extending the lease on the Black Sea Fleet base in Sevastopol until the middle of the century and ending support for NATO membership.”<sup>108</sup> The letter was seen as an attempt to interfere in the elections, coming up in January 2010. The Ukrainian people should not re-elect Yushchenko but Yanukovych who fulfilled the demanded points. However, Yushchenko was far behind in polls at that time with 3 percent.

In response, Yushchenko wrote an open letter back, reminding Russia to not forget their share in worsening the relations. Furthermore, he claimed the arms delivery to Georgia were in compliance with international law and stressed out Ukrainian sovereignty which allows it to choose a NATO membership which is not directed against Russia.

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<sup>107</sup> Orest Subtelny, *Ukraine a history*, (Toronto: University of Toronto Press, 1988) 652.

<sup>108</sup> Agnieszka Pikulicka-Wilczewska & Richard Sakwa, *Ukraine and Russia* (Bristol: E-International Relations, 2015) 111.

#### 4.4. Conclusion

Yushchenko began his presidency with the clear aim to abandon the Russian vector of the multi-vector policy of Ukraine. Priority was to join the EU and NATO. Because his predecessors stated similar aspirations but did not follow up on them, he first had to gain trust back in the international sphere relating to NATO and the EU. With the resolution in spring 2005 of the EU their leaders sent a signal to accept Yushchenko's aspirations and consider Ukraine as a potential candidate. Therefore, the *EU-Ukraine Action Plan* signed February 2005, the European Neighbourhood Policy and the Eastern Neighbourhood Policy were not enough for Yushchenko. None of them included a membership perspective, which was crucial to align the parliament and the population behind his pro-European course. Nevertheless, even if the Association Agreement of the Eastern Neighbourhood Policy did not offer a membership perspective, it excludes the membership in the Eurasian Economic Union and later on in the Customs Union by the DCFTA. Pushing for this agreement Russia and the EU articulated that Yushchenko was willing to choose for his country and that - different from his predecessor - his words follow action, as far his weakened position, as president was capable of.

The same applies to NATO. Yushchenko ensured at the beginning of his presidency the support of the USA for WTO, NATO and in the financial crisis for financial assistance from the IMF. Even if the membership to NATO in the short term was blocked in the own country by a strong opposition on the streets, Yushchenko pushed forward. Despite vetoes from Germany and France, which also vetoed a membership offering for Ukraine in the EU, at the NATO summit in Bucharest 2008 Ukraine and Georgia were promised to join. After the Georgian-Russian war in September 2008, USA became cautious and redrew its support for a MAP and supported by a national annual action plan. However, Yushchenko clearly seemed to be disillusioned by the weak response and support of EU and NATO.



The relations with Russia clearly suffered. With three gas crises, which made apparent that Russia was not willing to give its gas cheap away and let its debts unpaid to a country which does not want to embrace the once close relations. Despite that, Yushchenko agitated against the pro-Russian east with declaring Bandera and other members of the UPA as heroes. After the Georgian-Russian war and Yushchenko's backing of Saakashvili in Tbilisi, with weapons before the war and with the demands concerning the naval base in Sevastopol, the relations were at its deepest point. But when the disillusion with the west became apparent after the war, Yushchenko was forced to improve the relations. With the upcoming of the finance crisis and the need for Russia to collect debts he was too late and further the question would have been how credible he and his policy would have been to improve relations with Russia after EU and NATO were not willing to offer membership in the short term. The letter to Yushchenko in summer 2009 at the end of his presidency sums this entire up.

Concerning the evaluation of Yushchenko's foreign policy, it must be stated that his balancing failed. He could not align fast enough with NATO and EU with a membership with which he planned to compensate the deteriorating relations with the Russian Federation. With the finance crisis only financial support from the IMF was given. In the end he tried to revive the relationship to Russia but failed. The positive part is the intention to build up capacity in the country with reforming it and reduce corruption with which he would have gained a stronger position.

In the end, it must be mentioned that Yanukovych failed to balance in the country itself. The short return of Yanukovych as prime minister from March 2006 until October 2007, the fact that his party was in both parliamentary elections the strongest party and the anti-NATO protests in beginning of 2008 are a clear sign of this and the personal result for Yushchenko were 5 percent in the presidential election.

## 5. Foreign Policy under Yanukovych (2010 - 2014)

In the new election of the president in early 2010, Yanukovych prevailed in the second round on 7 February 2010 with 48.7 percent of the vote against Yuliya Timoshenko with 45.5 percent. Timoshenko withdrew her submitted complaint against the election result to the Supreme Administrative Court of Ukraine because the Central Election Commission and other international observers declared the elections as valid.<sup>109</sup> On 25 February 2010, Viktor Yanukovych was sworn in as the fourth President of post-Soviet Ukraine.

Once more the election showed the division of the country: Yanukovych was supported by the east and Timoshenko by the west of Ukraine. As prime minister from August 2006 to December 2007 Yanukovych spoke for a halt of the NATO aspirations but advocated for a European Union membership. In the presidential run up Yanukovych stood out with ambivalent positions in his foreign policy, changing his statements according to the area of the country where he was. In central television he claimed to function as a stabilizing bridge between Russia and the EU, giving priority to friendly relations with the Russian Federation.<sup>110</sup> In internal politics he promised to bring back stability after the chaos of the orange revolution and to strengthen democracy.

In March 2010 the last coalition of Timoshenko and Yushchenko broke up. At the 11th March Azarov, a long-term friend and leader of the election campaign of Yanukovych became prime minister. For many in Ukraine he embodied the former Kuchma era where he had been the head of the State Tax Administration from 1996 to 2002. The cabinet of Azarov was foremost made up by people from East Ukraine, 13 from 27 ministers were from the Donetsk and Luhansk regions or were Russians who had made their political career in Donetsk.<sup>111</sup> Important to

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<sup>109</sup> "Ukraine instability fears as Tymoshenko plans next move," BBC, accessed September 15, 2018, <http://news.bbc.co.uk/2/hi/europe/8506491.stm>.

<sup>110</sup> „Ukraine Analysen," Länder-Analysen, accessed September 15, 2018, <http://www.laender-analysen.de/ukraine/pdf/UkraineAnalysen70.pdf>.

<sup>111</sup> „Ukraine Analysen," Länder-Analysen, accessed September 15, 2018, <http://www.laender-analysen.de/ukraine/pdf/UkraineAnalysen70.pdf>.

mention are the several different oligarch groups in the Party of Regions which had certain amount of influence on the president's foreign politics. So, the group around Dmytro Firtash which represents the Ukrainian gas and oil companies and was therefore more interested in a good relationship with Russia. The former manager of the state-owned company Naftogaz, Jurij Boyko, belonged to the group and was from 2010 to 2012 minister for energy and from 2012 to 2014 vice prime minister in sphere of ecology, natural resources, energy, coal industry and industrial policy. Another member of the group was Walerij Choroschkowskij who was from 2010 on head of the national intelligence service of Ukraine. On the other side oligarchs from the metallurgical industry gathered around the richest man of Ukraine and main sponsor of the party Rinat Akhmetov. Those were called globalists and had interest in strong export of their companies and were therefore advocating a free trade agreement with the EU. But the only representative of this group in the cabinet was Borys Kolesnikov, who became vice prime minister for organizing the EURO 2012 soccer games and was at the same time Minister for Infrastructure from December 2010 on. Therefore, the pro-Russian group of Firtash was stronger represented and won the upper hand.

In October 2010 the constitutional court overturned the constitutional amendments of 2004 which limited the presidential power. The president was again able to pick prime minister and cabinet ministers. The change was criticized by the Venice Commission as highly unusual and questioned the rule of law in Ukraine.<sup>112</sup>

The economy recovered from 2010 until 2011. But then due to more corruption and a growing shadow economy the economy stagnated. October 2010 the IMF gave Ukraine a loan of 15.5 billion US Dollar. In 2013 Moody's downgraded Ukraine's bonds to a level of very high credit risk and the country was again close

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<sup>112</sup> "Return to 1996 Constitution strengthens president, raises legal questions," Kyiv Post, accessed September 17, 2018, <https://www.kyivpost.com/article/content/ukraine-politics/update-return-to-1996-constitution-strengthens-pre-84619.html> .

to bankruptcy. In December 2013 the Ukrainian Government refused the offer of another loan by the IMF, stating the conditions were unacceptable.<sup>113</sup>

In his presidency Russia, Belarus and Kazakhstan set up a customs union in January 2010 which eliminated tariffs between them and established an external tariff policy. November 2011 the leaders of the three countries signed an agreement to establish the Eurasian Economic Union to develop deeper economic ties. They were joined in September and December 2013 from Armenia and Kyrgyzstan and on the 1 January 2015 the Eurasian Economic Union was launched. The Eurasian Economic Union includes agreements for the Single Economic Space which established the free movement of persons, goods, services and capital. The Russian President offered Ukraine to join the Customs Union and later the Eurasian Economic Union, as alternative to the European Union based on the common heritage of the Soviet Union. Joining the project was possible as long as Ukraine did not sign the Association Agreement including the DCFTA with the EU.

The relations with the West during the presidency of Yanukovych were negative influenced by the seven years prison term of former Prime Minister Timoshenko in 2011. A first official indictment took place on 20 December 2010 with the preliminary report of misappropriation of state funds. A second lawsuit followed on 24 May 2011 on alleging malfeasance, claiming she signed the 2009 gas supply agreement without the cabinet's pledge and the agreed prices were too high, ruining the Ukrainian economy.

Timoshenko referred to the lawsuit against her and her former government as beheading of the opposition and at the end of June 2011 she complained at the European Court of Human Rights. The EU and Russia criticized the imprisonment

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<sup>113</sup> „IMF will consider 'Ukrainian issue' on Dec 16,” Interfax-Ukraine, accessed September 17, 2018, <https://en.interfax.com.ua/news/economic/180303.html>.

and emphasized Yanukovych's influence on the judiciary. In April 2013 the sentence was declared illegal by the European Court of Human Rights.<sup>114</sup>

The Maidan protests lead at the 22 February 2014 to the removal of President Yanukovych by the parliament.

### 5.1. Relations to EU

His first visit as president was dedicated to the EU in Brussels. On 1 March 2010 Yanukovych met the President of the European Commission Barroso, stating that the European integration with the signing of an Association Agreement including the integrated Deep and Comprehensive Free Trade Area had priority. Based on his ambivalent statements in his election campaign concerning the orientation in foreign policy as well as the precarious financial position of Ukraine after the global financial and economic crisis, doubts about his honest will to integrate in the EU were appropriate. Considering that the financial situation was so bad in Ukraine that Russia alone could not help and the political base of Yanukovych was in the pro-Russian east and south of Ukraine gave further evidence for such doubts. Furthermore, in the election campaign Azarov was a clear advocate of Ukraine joining the Customs Union. Whereas Yanukovych stated not much to the Customs Union in his campaign.

In response of his visit to Brussels the European President of the Commission Barroso stated Ukraine should go back to work with the IMF to improve the investment climate and make progress in restructuring the gas-sector and modernizing the economy. After the IMF would have helped, the EU “should be able to unlock more than half a billion Euro in macro-financial assistance.”<sup>115</sup> In his speech at the meeting Barroso emphasized the Association Agreement which was still under negotiations. He stressed that the EU and Ukraine had to work

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<sup>114</sup> Agnieszka Pikulicka-Wilczewska & Richard Sakwa, *Ukraine and Russia* (Bristol: E-International Relations, 2015) 136.

<sup>115</sup> „Ukraine Analysen,” *Länder-Analysen*, accessed September 15, 2018, <http://www.laender-analysen.de/ukraine/pdf/UkraineAnalysen70.pdf>.

towards the two main points together and developing a roadmap for each one; the Deep and Comprehensive Free Trade Agreement, making one economic space between EU and Ukraine and establishing visa-free travel for Ukrainians to the Schengen area.

The Ukrainian foreign policy during the first years of Yanukovych's presidency was often considered contradictory by political observers abroad. In his first year of presidency he ensured the EU that the ratification of the Association Agreement maintained a priority where else the European commission persist on having one more year of preparation. In 2011 Yanukovych seemed to make a U-turn and took into option to join the Customs Union with Russia. December 2011 the negotiations about the Association Agreements were successfully completed but in connection with the criminal case against Yuliya Timoshenko, the EU provisionally suspended the signing. EU member states were discussing if they should really sign the agreement with Ukraine. East European countries like Poland advocated for it with the argument to not let Russian influence grow over Ukraine. States like Germany, France and Italy demanded more reforms and were cautious to not have a negative impact on their important strategic relations with the Russian Federation. Based on the pressure of Russia to join the Customs Union and to maintain its influence in Ukraine the EU initialled the Association Agreement in March 2012. A few days later the Ukrainian government adopted a plan for the integration of Ukraine into the EU. Those included reforms such as modernization of the natural gas transport system and institutions, the question of deepening links between Ukraine and the EU in visa liberalization, cooperation with EU police and judicial authorities as well as extension of trade cooperation.<sup>116</sup> But again the EU demanded that Ukrainian judiciary ceases to act against Timoshenko and other opposition politicians before there would be a signing and entry into force.

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<sup>116</sup> Chronik des Assoziierungsabkommens zwischen der EU und der Ukraine, Bundeszentrale für politische Bildung, accessed September 22, 2018, <http://www.bpb.de/internationales/europa/ukraine/137814/chronik-des-assoziierungsabkommen> .

At the EU-Ukraine Summit in Brussels February 2013 Yanukovych promised to free the opposition politician and former Interior Minister Luzenko but first nothing followed his statement. Based on the back and forth between the Customs Union and the EU, José Manuel Barroso, the President of the EU Commission, declared with regard to a possible customs union between Ukraine and Russia, that a country could not be a member of a customs union and at the same time in a far-reaching free trade zone with the EU. Ukraine had to decide which way to go. In the Ukraine-EU summit the EU opened the opportunity for Ukraine to sign the Agreement at the end of the year. In this regard, Yanukovych first stated that Ukraine's rapid accession to a Customs Union with Russia is not on the agenda. Concerned about the report of the Ukraine Observer Mission of the European Parliament on 14 April 2013 Yanukovych pardoned the former Interior Minister at the beginning of the month. On 18 April, Martin Schulz, President of the European Parliament, stated the mission was successful and could accomplish contacts to government, judiciary, opposition and civil society.<sup>117</sup>

In September 2013 Yanukovych held a decisive meeting with the representatives of his party. Many opposed the idea of signing the Association Agreement with the EU. But the president was determined and confronted with the economic and financial situation in the country and stressing the fact that Ukraine even with discount still had to pay a higher gas price than Germany or Italy, convinced his members. In the next month the parliament pressed the European integration laws which would promote the signing of the Association Agreement. At the end of October, the Parliament failed to pass the law which would allow prisoners to travel for medical treatment and was a demand of the EU for Timoshenko. After months of tug-of-war over the signing of Timoshenko's release from the EU for medical treatment abroad, the Ukrainian parliament decided under the leadership of Prime Minister Azarov on 21 November 2013 to freeze the agreement with the

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<sup>117</sup> „Beobachtungsmission von Cox und Kwaśniewski in der Ukraine verlängert,“ European Union Straßburg, accessed September 22, 2018, [http://www.europarl.europa.eu/former\\_ep\\_presidents/president-schulz-2012-2014/en-de/press/press\\_release\\_speeches/press\\_release/2013/2013-april//cox-kwa-niewski-monitor](http://www.europarl.europa.eu/former_ep_presidents/president-schulz-2012-2014/en-de/press/press_release_speeches/press_release/2013/2013-april//cox-kwa-niewski-monitor) .

EU a week before the date to sign it at the Vilnius summit. The decree which suspends the signing declares to “safe national security interests of Ukraine and to revitalize economic relations with Russia and to prepare the internal market for equal relations with the EU”.<sup>118</sup> Yanukovych said that Ukraine is not changing its EU course, but that the country is seeking to take account of its national interests and will. Furthermore, he declared that Ukraine is not ready to conclude the Association Agreement for economic reasons, but it is possible to sign the Association Agreement with the EU in spring 2014. Before that his country would have to solve a number of current problems in trade with Russia which declared to introduce protection measures by a signature of an EU agreement. As one reason to suspend the signing he named that the IMF which was willing to support Ukraine with an urgent needed financial aid program only under harsh conditions which the government refused. Ukraine, the president stated, were left alone in the last years with its economic and financial problems. But Yanukovych ensured that “Ukraine has been and will continue to pursue the path to European integration”<sup>119</sup>. The EU was surprised by the sudden decision and questioned the seriousness of Ukraine’s aspirations. Furthermore, the EU officials suspected Russian pressure behind the U-Turn. At the Vilnius summit Yanukovych remained by his position but both sides let options on the table. He demanded financial assistance from the EU and proposed trilateral talks between EU, Russia and Ukraine. The EU refused both.

With the decision to freeze the process on 21 November the protests at the Maidan began, demanding the resignation of the government. On 10 December, High Representative and Vice President of the Commission, Cathy Ashton visited Kiev. After speaking with Yanukovych for over three hours behind closed doors, she went out and supported the Maidan protests. At the same time, the enlargement

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<sup>118</sup> „EU verliert Kampf um die Ukraine“, Die Presse, accessed September 22, 2018, <https://diepresse.com/home/ausland/aussenpolitik/1485225/EU-verliert-Kampf-um-die-Ukraine>.

<sup>119</sup> “Facing Russian Threat, Ukraine Halts Plans for Deals with E.U.,” New York Times, accessed September 23, 2018, <https://www.nytimes.com/2013/11/22/world/europe/ukraine-refuses-to-free-ex-leader-raising-concerns-over-eu-talks.html>.



commissioner of the EU Stefan Fuele held a speech to the European Parliament, offering to “help and support Ukraine on its modernisation journey, including through topping up IMF loans with macro-financial assistance; by stepping up the European Union's financial assistance programmes to help Ukraine implement the Agreement”.<sup>120</sup> His speech followed demands of Yanukovych to get financial assistance to upgrade the Ukrainian economy to European standards, which would cost around 20 billion US-Dollars according to his calculation. Figures later amounted up to 160 billion for the following three years. Already at the beginning of December 2013 Yanukovych declared that a working group led by the deputy prime minister would go to Brussels to negotiate over the Association Agreement with the commission. He further added, this would not happen “without talking about restoring trade relations with Russia”.<sup>121</sup> On 13 December Deputy Prime Minister Arbuzov flew to Brussels to negotiate with Fuele an aid programme in return for signing the Association Agreement. They agreed to prepare a roadmap on the implementation of the Association Agreement, to support Ukraine in its endeavours to reach an arrangement with the IMF. Fuele repeated his statement again to help with macro-financial assistance and the EU's financial assistance programme if Ukraine signs. Arbuzov declared that Ukraine will soon sign the agreement but gave no date. The European Union felt blackmailed and after seeing Yanukovych threatened to prosecute Ukrainian officials who negotiate the agreement the negotiations were ended on 15 December. Fuele tweeted that Ukrainian arguments had no grounds in reality.

But after Ukraine signed a deal with the Russian Federation on 17 December, the EU was open to negotiate again. The Parliament Chairman of the Rada in Ukraine announced that “he does not rule out the possibility of signing an Association

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<sup>120</sup> “EU-Ukraine: standing ready to help and support,” European Commission Press, accessed September 23, 2018, [http://europa.eu/rapid/press-release\\_SPEECH-13-1054\\_en.htm](http://europa.eu/rapid/press-release_SPEECH-13-1054_en.htm).

<sup>121</sup> “Ukraine crisis: Yanukovych ready to resume EU talks,” BBC, accessed September 24, 2018, <https://www.bbc.co.uk/news/world-europe-25311018>.

Agreement between Ukraine and the EU without the creation of a free trade area (FTA)".<sup>122</sup>

On 15 January 2014, Prime Minister Azarov ordered his deputy and an interagency working group to work out Ukraine's arguments for the implementation of the Association Agreement and to examine the impact of the DCFTA on Ukraine's economy in the following two months.

## 5.2. Relations to NATO

When Yanukovych visited Brussels at the beginning of his presidency in January 2010 he rejected to meet the General Secretary of NATO Rasmussen. Yanukovych explained that there is no need and that the plan is unrealistic to join NATO, referring to one of the three NATO criteria, that the majority of population has to support the accession. As seen in the table of a survey in March of 2010, the country was divided by the question of NATO membership. In total 51 percent were opposed and only 28 percent were in favour.

| Views in Ukraine:<br>Join NATO? |            |             |         |
|---------------------------------|------------|-------------|---------|
|                                 | Favor<br>% | Oppose<br>% | DK<br>% |
| Total                           | 28         | 51          | 21      |
| <b>Region</b>                   |            |             |         |
| Central                         | 33         | 51          | 16      |
| West                            | 59         | 15          | 26      |
| East                            | 11         | 72          | 17      |
| South                           | 11         | 60          | 29      |
| <b>Ethnicity</b>                |            |             |         |
| Ukrainian                       | 33         | 46          | 21      |
| Russian                         | 6          | 74          | 19      |

TABLE 2 VIEWS IN UKRAINE: JOIN NATO?

The president further declared at the beginning of his presidency that he considers the relations as a partnership between NATO and Ukraine and that the country needs this partnership "because it is a large country".<sup>123</sup>

On 1 July 2010 the parliament passed the law *On the Principles of Domestic and Foreign Policies* that "confirmed the country's nonaligned status and effectively

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<sup>122</sup> Rybak says EU-Ukraine Association Agreement can be signed without FTA, Interfax-Ukraine, <https://en.interfax.com.ua/news/general/183388.html>.

<sup>123</sup> "Yanukovych: Ukraine currently not ready to join NATO," Kyiv Post, accessed September 20, 2018, <https://www.kyivpost.com/article/content/ukraine-politics/yanukovych-ukraine-currently-not-ready-to-join-nat-67830.html>.

cancelled any prospect of joining NATO” but allowed cooperation.<sup>124</sup> Prime Minister Azarov pointed out again, that this will not hinder the political and economic integration with Europe which stays priority. At the end of the same month the cabinet of ministers agreed on an annual national program of cooperation with NATO, including continuation of military participation in Kosovo, Afghanistan and Iraq and training of Ukrainian troops.<sup>125</sup> In February 2013 Ukraine agreed to join another NATO mission. Ukraine sent a helicopter and a frigate to the operation Ocean shield, which fights pirates at the coast of Somalia. On this occasion General Secretary Rasmussen emphasized once more that NATO respects Ukraine’s non-alignment policy and that joining the alliance is still possible.

### 5.3. Relations to the Russian Federation

When Yanukovych visited the Congress of United Russia in 2006 he advocated that the two states had to come back to the establishment of a single economic space which was without alternative. Even if Yanukovych did not refer to the Eurasian Single Economic Space in his election campaign it was placed during that time in the middle of the homepage of the Party of Regions. Polls in January 2010 of the Kyiv International Institute of Sociology (KIIS) found that 93 percent of Ukrainians agreed they had a good attitude towards Russia. Furthermore, questioned about the relationship between both countries 66 percent believed that they “should be independent, but friendly states — with open borders, no visas and customs”.<sup>126</sup>

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<sup>124</sup> „That time Ukraine tried to join NATO and NATO said no,” Washington Post, accessed September 20, 2018, [https://www.washingtonpost.com/news/worldviews/wp/2014/09/04/that-time-ukraine-tried-to-join-nato-and-nato-said-no/?noredirect=on&utm\\_term=.dc851d2d56e1](https://www.washingtonpost.com/news/worldviews/wp/2014/09/04/that-time-ukraine-tried-to-join-nato-and-nato-said-no/?noredirect=on&utm_term=.dc851d2d56e1).

<sup>125</sup> “Cabinet approves action plan for annual national program of cooperation with NATO in 2010,” Kyiv Post, accessed September 21 2018, <https://www.kyivpost.com/article/content/ukraine-politics/cabinet-approves-action-plan-for-annual-national-p-70823.html>.

<sup>126</sup> “Ukraine Says ‘No’ to NATO,” Pew Research Center, accessed September 23, 2018, <http://www.pewglobal.org/2010/03/29/ukraine-says-no-to-nato/>.

In the first year of Yanukovych presidency the relations improved drastically. Diplomatic contacts and bodies such as the Ukrainian-Russian Interstate Commission exchanged information and cooperated relating to trade and joint infrastructure projects at the border.

After his visit to Brussels at the beginning of 2010 he flew to Moscow, meeting first President Medvedev who declared that ““brotherly ties" between Ukraine and Russia could now be restored”<sup>127</sup> and later on Prime Minister Putin. Yanukovych assured to prolong the lease on the Sevastopol port for the black sea fleet and stated Ukraine would not seek NATO membership, only work with NATO. He sees Ukraine as a “non-bloc European country”<sup>128</sup>. Yanukovych declared also that Ukraine is interested in joining the Customs Union and the establishing of a single economic space, which contradicts the association aspirations to the EU stated a few days before in Brussels. Only requirement would be that Belarus, Kazakhstan and Russia would join the WTO. A further point were short talks about the gas price. Yanukovych had promised in his election campaign to renegotiate the unfavourable contract of 2009.

These led to further negotiations in late March 2010 when Prime Minister Azarov and Energy Minister Boyko flew to Moscow. In April both sides signed the so called Kharkiv Pact in the eastern city of Ukraine. *The Agreement between Ukraine and Russia on the Black Sea Fleet in Ukraine* included the lowering of the gas price by 30 percent for Ukraine until 2019. According to Yanukovych the discount would amount to approximately 40 billion US-Dollar. In return, the lease of the Sevastopol naval base to Russia was prolonged to 2042, 25 more years after the ending of the contract of 1997 in 2017. The contract includes a five-year option of prolongation after 2042 in exchange for a multiyear contract of discounted gas for Ukraine. Medvedev spoke about the agreement as “one of the

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<sup>127</sup> “Viktor Yanukovych promises Ukraine will embrace Russia,” The Guardian, accessed September 23, 2018, <https://www.theguardian.com/world/2010/mar/05/ukraine-russia-relations-viktor-yanukovych> .

<sup>128</sup> “Viktor Yanukovych promises Ukraine will embrace Russia,” The Guardian, accessed September 23, 2018, <https://www.theguardian.com/world/2010/mar/05/ukraine-russia-relations-viktor-yanukovych> .

first projects on the path of restoring good, neighbourly relations between our countries”.<sup>129</sup> Yanukovych declared the Black Sea Fleet in Sevastopol as guarantor of security in the region. Towards the US and the EU Ukraine tried to assure that the prolongation of the naval base in Sevastopol did not influence the sovereignty of Ukraine and did not hinder the countries western integration aspirations. The opposition and several scholars claimed the agreement would violate the constitution, which does not allow permanent military bases of foreign countries in Ukraine. Yanukovych claimed that signing the deal with Russia and getting discount would be the only way to keep the state budget deficit stable, which was a requirement of the IMF to help Ukraine. A further demand from the institution was a 50 percent increase on natural gas utility prices for households which followed in June 2010. This was a key demand for the 15.5-billion-dollar loan which Ukraine received in October 2010. So even if the Ukrainian Government celebrated the signing of the Kharkiv Pact as significant success, the efforts for the Ukrainian people were diminished by the IMF demands.

In April 2011 Yanukovych spoke to the parliament about his aim to conduct an agreement with the Customs Union. He hoped for “a new basic agreement about free trade and, possibly, a package agreement about cooperation under the formula 3+1”.<sup>130</sup> This would not mean that Ukraine would join the Customs Union and so would not hinder the signing of the Association Agreement. A few days later on 12 April Prime Minister Putin visited Kiev to promote the Customs Union to his counterpart Azarov. But Ukraine's special representative for cooperation with Russia and the Commonwealth of Independent States Valeriy Muntian stayed hard, saying "There are no talks about joining the Customs Union. We are only talking about signing a new agreement on free trade with CIS countries,"<sup>131</sup> In

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<sup>129</sup> “Ukraine to extend Russia naval base lease, pay less for natural gas,” Washington Post, accessed September 24, 2018, <http://www.washingtonpost.com/wp-dyn/content/article/2010/04/21/AR2010042103836.html> .

<sup>130</sup> “Putin Visit To Test Ukraine's Resolve On EU Trade Talks,” RadioFreeEurope, accessed September 24 2018, <https://www.rferl.org/a/russia-to-test-ukraine-resolve-on-eu-trade/3554701.html> .

<sup>131</sup> “Putin Visit To Test Ukraine's Resolve On EU Trade Talks,” RadioFreeEurope, accessed September 24 2018, <https://www.rferl.org/a/russia-to-test-ukraine-resolve-on-eu-trade/3554701.html> .

October 2011 Prime Minister Azarov flew to Petersburg to sign the CIS free-trade zone agreement with seven former Soviet republics which reduced the tariffs to each other. The agreement came into force in September 2012.<sup>132</sup>

From 2012 on Russia announced several trade restrictions. So, the Federal Service for Supervision of Consumer Rights Protection and Human Well-Being (Rospotrebnadzor) banned the import from several Ukrainian cheese factories and later meat and fish products for several months.

In July 2012 the parliament in Ukraine approved the law “*On principles of state language policy*”, which allowed minorities with over 10 percent in their region to use their language in courts, schools and other government institutions. This breaks with the tradition since 1991 to have only Ukrainian as a state language and allows to the eastern part to use more the Russian language in civil life.

In the beginning of 2013 the Russian President Medvedev imposed limitation on the amount of duty-free supply of Ukrainian pipes to Russia, later on cancelling them completely. In July 2013 Russia banned products of the chocolate factory Roshen, owned by the oligarch and later on President of Ukraine Petro Poroshenko. In mid-August the Federal Customs Service of the Russian Federation declared each exporter from Ukraine as risky, which normally leads to strict inspection of each vehicle crossing the border. The Russian Federation was accused to use economic pressure to hinder Ukraine to sign the Association Agreement with the EU, giving Ukraine a taste “how things would work, if Ukraine’s free-trade deal with the EU came into effect”.<sup>133</sup>

On 27 October, coming back from China Yanukovych met Putin in Sochi, about the five hours of negotiations between them is nothing known and remains

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<sup>132</sup> “Ukrainian-Russian Interstate Relations During the Presidency of Viktor Yanukovych – “Honeymoon Period” or “Coercion to Marriage”,” *annales universitatis mariae curie-skłodowska lublin – polonia*, accessed September 24, 2018, <http://cejsh.icm.edu.pl/cejsh/element/bwmeta1.element.ojs-doi-10.17951.bc.2016.1.1-2.103/c/4697-3422.pdf>.

<sup>133</sup> “Ukrainian-Russian Interstate Relations During the Presidency of Viktor Yanukovych – “Honeymoon Period” or “Coercion to Marriage”,” *annales universitatis mariae curie-skłodowska lublin – polonia*, accessed September 24, 2018, <http://cejsh.icm.edu.pl/cejsh/element/bwmeta1.element.ojs-doi-10.17951.bc.2016.1.1-2.103/c/4697-3422.pdf>.

speculation. A further unofficial meeting was held on 9 November near Moscow and was later declared as talks about economic cooperation. A day before, Naftogaz stated to stop buying gas from Gazprom for an unlimited amount of time. But on 14 November Naftogaz agreed to continue to buy.<sup>134</sup>

After the negotiations in Brussels failed on 14 December under Deputy Prime Minister Arbutov Yanukovych went to Moscow on the 17th to join the Russian-Ukrainian Interstate Commission with Vladimir Putin. An action plan was prepared in which Russia would buy Ukrainian bonds in an amount of 15 billion US Dollar and would cut the gas price by one third.<sup>135</sup> Furthermore, Russia agreed to lift the trade regulations imposed earlier. The Russian government emphasized that the negotiations only considered “the development of mutually beneficial cooperation” and did not pressured for any kind of concession of Ukraine to join the Customs Union.<sup>136</sup> Furthermore it was stated that Russia has no interest to interfere in Ukraine’s interior affairs. A few days later Russia transferred 3 billion US-Dollar to Ukraine and on 9 January 2014 Gazprom and Naftogaz signed a treaty to reduce the gas price as agreed for the first quarter of the year. With the resignation of the Government end of January 2014 Russia imposed strong border controls to Ukraine.

After Yanukovych was removed from office Russian officials helped him to escape to Kharkiv and later took him to Russia.

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<sup>134</sup> “Yanukovych vs. Ukraine’s European Integration,” Freedom House, accessed September 24, 2018, <https://freedomhouse.org/blog/yanukovych-vs-ukraine-s-european-integration> .

<sup>135</sup> Agnieszka Pikulicka-Wilczewska & Richard Sakwa, *Ukraine and Russia* (Bristol: E-International Relations, 2015) 137.

<sup>136</sup> “Putin’s spokesman: Ukraine’s accession to Customs Union was not discussed at Tuesday meeting,” Interfax-Ukraine, accessed September 25, 2018, <https://en.interfax.com.ua/news/economic/182488.html> .



## 5.4. Conclusion

Yanukovych's presidency and foreign policy has to be seen and evaluated under the impact of the economic and financial struggle of Ukraine based on the global crisis in 2009. The country was not able to stand on its own and needed financial assistance. The fact that Russia alone could not help made it for a normally pro-Russian President like Yanukovych difficult because he was forced to choose a side.

Yanukovych started in his term with a clear opposition to NATO and open for discussion with the EU and Russia/Customs Union. Because he needed financial help he had to choose between the Customs Union or EU. Therefore, he could rule out NATO to keep a balance in the relationship to Russia, which he did in the first year with the non-alignment law. He advocated a cooperation with NATO to stay in a good relationship with it. The relations with Russia improved especially in the first year by ruling out difficulties within the interstate commission and the treaty on the naval base in Sevastopol.

After Yanukovych got the loan of the IMF in October 2010 the financial needs were decreased and he could balance freer to Russia, signing the contract about a free trade zone with the CIS countries in 2011, which included neither a membership in the Customs Union nor a roadmap to it. But the EU seeing it as a sign that Yanukovych would choose the Customs Union, initialled the Association Agreement in March 2012 giving an incentive. Ukraine picking up on it and again with rising financial needs seemed willing to sign but the EU pressed for freeing Timoshenko. In the beginning of 2013 Commission President Barroso offered the signing at the end of 2013 at the Ukraine-EU summit. Russia responded with trade limitations which gave a taste on what the DCFTA would be like for the Ukrainian-Russian trade. After meetings with Putin in October and November Yanukovych cancelled the signing in Vilnius on 21 November. After protests in Kiev and the harsh conditions of the IMF, Yanukovych switched back to negotiations, trading financial help against the signature of the Association



Agreement. The EU not willing to be blackmailed ended the negotiations. After Russia promised to help without any demands on the membership of Ukraine in the Eurasian Economic Union, the EU approached Ukraine again. The ordered evaluation of Prime Minister Azarov in mid-January 2014 can be seen as a fruitless rescue attempt to calm down the protests on Maidan. A few days later the cabinet resigned.

Concerning the balancing between the West and Russia Yanukovych was smart enough to realize that Russia after the *Budapest Memorandum* in 1994 and the *Agreement on Friendship, Cooperation and Partnership* in 1997 did not threaten the territorial sovereignty of Ukraine anymore. Therefore, the argument of Waltz, the priority of a state is to survive, must be interpreted differently in a financial aspect and the balance of threat theory by Walt can be ruled out. To prevent bankruptcy Yanukovych bargained at the end between Russia and Europe with the IMF. Even if Russia imposed trade restrictions the Russian government seemed to be fair enough to not pressure Yanukovych in the Customs Union in return for their financial support at the end of December 2013. Taken away the financial pressure as in 2011 with the loan from the IMF Yanukovych could follow his pro-Russian aspirations, signing a cooperation treaty with the CIS. At the end Yanukovych's foreign policy failed, pushed by financial needs to choose and by foreign powers which interfered in their own interests.

## 6. General Conclusion

When Ukraine became independent in 1991 it was established as a block-free country with a leadership claiming to be willing to integrate in Europe. But the EU was quite young and NATO had to find compromises with Russia about its enlargement with the PfP and NACC. Ukraine under President Kravchuk from 1991 until 1994 was eager to pave the way for integration into NATO and less interested in joining the EU. The relations to the EU were weak institutionalized,

and rather economically motivated. The relations with Russia were critical, even if Russia lowered the gas price for Ukraine and let the country accumulate debts, it led to several shortages and Russia's attempts to take over crucial elements of Ukrainian inventories. In his term President Kravchuk mainly focused on nation and state building. With Russian claims to parts of Ukraine's territory and a multi-ethnic population which included 22 percent Russians Kravchuk's foreign policy was forced to ensure sovereignty. Therefore, he traded the atomic weaponry of the Soviet Union on the territory of Ukraine against sovereignty assurances. With the *Trilateral Agreement* and the *Budapest Memorandum* 1994 a first step was taken.

His successor President Kuchma should follow Kravchuk's policy in his first term. He was driven to assure the borders of Ukraine and secure financial assistance. Therefore, he backed away from his promise in his election campaign to establish better relations with Russia and secured the support from EU and NATO with two major agreements; the *Charter on Distinctive Partnership* 1997 and the *Partnership and Cooperation Agreement* signed in 1994. The cooperation with NATO also included burden sharing in reforming the Ukrainian military. With the *Budapest Memorandum* in 1994 and the *Treaty of Friendship, Cooperation and Partnership* in 1997 Kuchma was able to vanish all disputes with Russia based on Soviet Union heritage and assured once more the acceptance of Ukraine by Russia. In the second term the relations to the West deteriorated with the war in Kosovo, the murder of the journalist and the selling of the radar system to Iraq. Furthermore, Kuchma was free to balance more towards Russia with assured sovereignty and a growing economy. Therefore, the contact between him and the new President Putin intensified and in 2002 Kuchma became President of the CIS and negotiated over accession to the Eurasian Economic Union. But in the same year Kuchma joined the NATO summit even if not welcomed and established a law to join NATO and EU. At least his aspirations to NATO can be more seen as rhetoric and balancing to the West. A year later in

2003 Kuchma sent troops to Iraq and published his book which showed that he was not willing to bandwagon behind Russia.

President Yushchenko began his term with the announcement to abandon the multi-vector policy and join NATO and the EU. But the EU was not willing to take the country as fast as he wanted. The action plan of the European Neighbourhood Policy, the EU-Ukraine action plan and the Association Agreement under the Eastern Neighbourhood Policy which was started to negotiate in 2009 did not include membership perspective. Furthermore, France and Germany emphasized not to give Ukraine any kind of commitment. On the other side NATO was willing to offer a MAP with the support of President Bush, but it was first blocked with the return of Yanukovych as Prime Minister in 2006 and then with a petition in Ukraine to hold a referendum on the membership question to NATO early 2008. The Bucharest Summit in April 2008 was a turning point. Ukraine and Georgia were granted membership in the future and Russia saw NATO and EU surrounding it. With the Georgian-Russian war in 2008 USA took a step back and was no longer willing to support the MAP to Ukraine. Therefore, the NATO was willing to give support with an annual national programme. But Yushchenko was clearly frustrated or disillusioned by EU and NATO. The relations to Russia at this time deteriorated. In winter 2005-2006 Russia made clear that it was not willing to supply Ukraine with cheap gas and let it accumulate debts if it does not appreciate the once close relations. Yanukovych as Prime Minister was able to soften the tensions with stopping NATO aspirations but after his release the winter 2007-2008 brought the next gas crisis. The relations worsened with the war in Georgia and Yushchenko's support for Saakashvili and his decree over the naval base in Sevastopol. After the Russian-Georgian war and the reluctance of EU and NATO to give membership perspective the foreign policy of Yanukovych seemed to have failed. Therefore, he was pushed to improve relations to Russia. But with the global finance and economic crisis beginning in fall 2008 Russia was willing to collect its debts. Another gas crisis in Winter 2008-2009 broke out and Timoshenko was capable to negotiate with

Putin. At the end the bad relations were summed up in the letter from President Medvedev to Yushchenko.

President Yanukovych eased the relations to Russia at the beginning with intense contacts in the interstate commission and *The Agreement between Ukraine and Russia on the Black Sea Fleet in Ukraine* in March 2011. With a law which established once more the non-alignment status of Ukraine he emphasized that the relations to NATO would only be a cooperation without any membership aspirations which he declared unrealistic. At his first visit to Brussel Yanukovych stated that signing of the Association Agreement has priority but after negotiations ended the EU suspended the signing, stressing the release of Timoshenko in 2011. Being financially freer after the loan of the IMF in October 2010 Yanukovych agreed on a CIS free trade zone agreement at the end of 2011. The EU saw this as a sign to give Yanukovych an incentive and so initialled the Association Agreement, stating it could be signed by him at the end of 2013. After several meetings with Putin in 2013 and trade restrictions from Russia since 2012 Yanukovych declared on 21 November 2013 not to sign the Association Agreement, even if he convinced his party members including influential oligarchs for the signing a few weeks before it. When it got apparent that the IMF would give an urgently needed loan to Ukraine only under harsh conditions, Yanukovych bargained between the EU and Russia for financial assistance. After the EU felt blackmailed, Yanukovych flew to Moscow, receiving a 15 billion Dollar loan and a 30 percent cut in gas price from the Russian Federation without any commitment to join the Eurasian Economic Union. But the protests at Maidan were already out of control and could not be stopped by Prime Minister Azarov declaring to work out Ukraine's arguments for the implementation of the Association Agreement and to examine the impact of the DCFTA on Ukraine's economy.

Comparing the foreign policies of the four presidents it can be said that the first two Presidents Kravchuk and Kuchma were aiming at ensuring sovereignty and perceived Russia as a threat as long as Russia did not ensure the sovereignty of

Ukraine. The foreign policy of Kravchuk and Kuchma were more focused on balancing towards EU and NATO and the relations to Russia were rather complicated. Therefore, their foreign policy can be described with the balance of threat theory from Walt, where states align against a perceived threat for ensuring sovereignty. After Russia ensured the sovereignty of Ukraine and financial needs were satisfied Kuchma could improve the relations to Russia and balance more in favour of it in his second term. This was also driven by his political scandals and the war in Kosovo. The reason why Kuchma balanced was now the ethnic division and the threat to get between two blocks. From my opinion, Kuchma made the mistake to balance with promises to the EU and NATO which he could not or was not willing to follow. At the end, he was seen as unreliable and the West was more willing to support Yushchenko and not his protégée Yanukovych in the following elections. Nevertheless, Kuchma avoided to place Ukraine before an ultimate choice like Yushchenko. President Yushchenko balanced completely in favour of EU and NATO, but because they were not willing to take Ukraine his foreign policy failed. The relations to Russia deteriorated with three gas crises involving also the EU. After the Georgian-Russian war in 2008 and Yushchenko's support for Georgia the relations hit the lowest point. With the financial crisis beginning 2008 Yushchenko was not able to restore them. But the legacy of Yushchenko did not end with his term 2010 because he imposed to the following Ukrainian leaders to choose once and for all with the Association Agreement. It can be claimed that Yushchenko did not balanced at all and that he takes a huge share of responsibility for the situation in Ukraine right now. President Yanukovych restored the relations to Russia and realized that sovereignty was assured by Russia with the treaties under Kuchma and so a balancing to NATO was not necessary. He declared that he had no aspirations to join NATO and emphasized that the relations were only cooperative. Now the surviving of the state was more about financial aspects to avoid bankruptcy. The negotiations about the Association Agreement ended in 2011 but EU made it dependent on the release of Timoshenko from prison. Therefore, Yanukovych agreed on a free trade area with the CIS countries. In the end, the balancing between EU and Russia with the Customs

Union became a bargaining for higher financial support with the IMF on the side of the EU. Even after Russia gave Ukraine financial assistance the EU was still willing to discuss the signing of the Association Agreement.

Referring to Waltz's assumption that there are two kinds of balancing internal or external it must be stated that Kuchma and Yanukovych did not balance internal. They were not willing to build up their country with reforms and fight against corruption. Yushchenko was willing but weakened in his role as president. Kravchuk was occupied with state and nation building and his term perhaps too short to evaluate. Another similarity between Kuchma and Yanukovych is that both were interested in good relations to Russia. Both corrected the weak and critical relations of their predecessors with important agreements.

If we evaluate the balancing of the presidents between 1991 until the Maidan 2014 we have to remind ourselves that scholars name mainly two major incentives for a state to balance. The first is the critical aspect of sovereignty which several scholars claim as priority for states. As stated above the sovereignty of Ukraine was assured under Kuchma in his first term with several treaties. The second argument can be taken from Mearsheimer who claims that by joining the weaker side the state could influence the alliance more instead of bandwagoning the threatening great power. Considering that NATO was far more powerful than Russia at this time Ukraine would not have chosen to join the weaker side under Yushchenko. Furthermore, it is questionable if Ukraine could have influence NATO's policies considering such powerful actors like USA, Great Britain, Germany, France or Italy. Therefore, the balancing of Kuchma in his second term and later on Yanukovych's balancing can be more perceived as ensuring the inner peace relating to the division of the country concerning opinions to NATO and Russia and the survival of the country in economic and financial aspects. Because Yushchenko did not consider the different opinions of his population and the two main arguments of the scholars; sovereignty and influencing a weak alliance can be ruled out, I claim Yushchenko's foreign policy was perhaps more economically driven. Furthermore, Yushchenko did not balance at all until the end of 2008,

when he then tried he failed. His foreign policies set up preconditions for Yanukovych which made it nearly impossible to balance. Based on the assumption that Yushchenko's abandoning of the multi-vector policy in the first years of his presidency laid the basis for the disastrous situation now in Ukraine together with the economic and financial crisis, Yanukovych's and Kuchma's foreign policy can be seen despite the above-mentioned mistakes and the apparent corruptions as successful in balancing. Yanukovych's successful balancing was at the end destroyed by being forced to choose based on Yushchenko's foreign policies before and pushed by financial needs. As Waltz said that states which do not follow the balance of power logic will be punished by the system, the country broke apart by Yushchenko's foreign policies which did not balanced.

## 7. Present and future concerns

Considering that other states are also involved in the Eastern Neighbourhood Policy of the EU and facing internal trouble based on it by protests such as in Armenia, the first lesson those countries have to take from the case of Ukraine is that the public has to be aligned behind the foreign policy. This mistake was made by Yushchenko and got apparent when polls showed a low approval for joining NATO. Because of the time in Soviet Union the people in Ukraine were more against NATO and saw no reason so far to join the organisation. Yushchenko failed to inform the public and so a referendum would have blocked the aspirations. The further reason is that the society can be prevented from being divided as it happened in Ukraine and led in the end to the war in the Donbas region.

Another point is that countries which want to join EU or NATO have to consider the relations of other important countries in the alliance with the Russian Federation. The membership to NATO was blocked by Germany and France and also the aspirations to the EU were hindered by both countries. The two countries

were concerned about their relations to Russia. To join NATO or EU not only the relations to the US or Brussels is important but also to other key players. At the end I would suggest countries which are still trying to balance between the European structures and Russia (some of them have already chosen such as Belarus), to bring both at one table as Yanukovych suggested it, to prevent the worst-case scenario like in Ukraine.

Being a European my main critics are about the behaviour of the European Union with the beginning of Yanukovych's presidency. Even if he stated to be willing to sign the Association Agreement, the EU must have known in what situation he and his country after the finance and economic crisis of 2009 were. The EU seemed to use the financial needs of the country to pressure it into signing the agreement. When willing to foster closer ties with Russia after the contract with the CIS the EU suddenly initialled the agreement to give an incentive. Even if after Russia gave the 15 billion US-Dollar loan the EU approached Ukraine again and offered to sign. The politicians of NATO, EU and their member states must understand that a state like Ukraine has no other option than to balance between instead of joining one of the sides. Therefore, the old Chancellor Helmut Schmidt wrote "Ukraine should not be faced with the choice to decide between Russia and the West. For Ukraine it must be able to move closer to Europe as well as to be in touch with Russia at the same time. The West could have behaved smarter."<sup>137</sup>

For the future of Ukraine, I do not see any possibility to join NATO or EU in the short term. The political elite seems still to be highly corrupt and the war in Donbass will not be solved soon. Rather the war will stay a frozen conflict which will prevent Ukraine to take steps towards NATO and EU as soon its government tries. Therefore, foreign investment will be further reduced and brain drain to other European states or the US will continue. Considering the low wages of Ukraine compared with Germany or France and the proximity towards central Europe it is possible that Ukraine will be used as a cheap production place.

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<sup>137</sup> Thomas Karlauf, Helmut Schmidt Die späten Jahre (München: Siedler, 2016) 459.



German companies are already on the way to examine the infrastructure because China becomes too powerful to outsource even more to it. The only way to continue the European integration is to do what once the German Chancellor Willy Brandt did in the cold war. He was willing to give up the anyway lost territories in the East to Poland to establish peaceful relations between the two blocks and improve the lives of the citizens on both sides of the Berlin Wall. If Ukraine would be willing to give up the Donbas and accept Crimea as Russian it would calm down the relations between the West and Russia and give a foundation for Ukraine to integrate into the European Union, perhaps even NATO and have a normal relationship with Russia.

## 8. Limitations

One of the biggest limitations of the study is, that economic factors were less considered. The trade relations of Ukraine to the EU and Russia as well as the crucial relationship with the IMF should be further examined to understand Yanukovych's and Yushchenko's foreign policies after the global finance and economic crisis 2009.

Furthermore Ukraine's policies towards other states such as Germany or southern European states which received the gas running through Ukraine after Germany built the North Stream and diversified its supply should be taken into considerations. Also, Ukraine's activities in alliances such as the GUAM founded 1997 including former soviet states but not Russia were not examined in this thesis. Concerning internal factors powerful oligarchs and their influence as well as the ethnic division in Ukraine on the foreign policy can be more emphasized.

At the end I claim that scholars are missing the idea that countries have to balance because of their multi-ethnic population. Which refers not only to cultural ties but also to trade relations.

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## 9. Summary

The thesis is dedicated to the question how certain presidents balanced between EU, NATO and the Russian Federation from the independence of Ukraine in 1991 until the ousting of President Yanukovich in February 2014. The aim is to evaluate the foreign policy of each of the four presidents of Ukraine towards the three actors based on the criteria of the balance of power theory mainly developed by Kenneth Waltz in the 70s. Furthermore, the thesis claims that Ukraine has no other choice than to balance between the powers without joining a side once and for all. The methodology is based on the foreign policy analysis which includes the decision-making school. The decision-making school identifies leaders as a crucial unit of analysis and explains with this why the thesis concentrates on Ukrainian Presidents and their foreign policy. For understanding the decision-making process in Ukraine foreign politics, a foremost qualitative approach will concentrate on the events. Those are the verbal or physical exchange between Ukraine, Russia, EU and NATO ranging from agreements to speeches and joined institutions. Further important aspects such as the multi-ethnic population and the economic dependency have to be considered. With the theses I want to contribute to a better understanding between the West, especially the European Union and the Russian Federation to enable a more peaceful coexistence and perhaps cooperation in the future. The value of this thesis is to gain a broader understanding of countries which are in between of the EU and Russia such as the Eastern Neighbourhood countries. In the end the thesis shows which mistakes the Presidents made and so other countries can take notice from it to perhaps prevent a “second Ukraine”.

The first chapter of theoretical foundations explains the two main choices of the balance of power theory and gives us an understanding why Ukraine is so special based on its history and the multicultural population. The balance of power theory by Waltz claims that balancing is an ongoing process and prevents that one state becomes too powerful. Waltz gives two major assumptions for his systemic balance of power system which refers to the international equilibrium between states.



First, there is no higher authority which can regulate international politics. UN or other transnational actors are not recognized with this. This leads to the second assumption, that a states priority is to secure its sovereignty/survival. Given those two assumptions other realist scholars such as Mearsheimer or Walt criticised the theory and developed it. The concept of “balance of threat” from Walt claims, that states only align with other states against and because of a threat. Mearsheimer stays for the theory of offensive realism which claims, that a state has also to be aggressive to ensure its survival. The balance of threat concept for foreign policy sees two main choices for a state, especially for weak states. They can balance, which means joining or strengthen the relations to an alliance against another state or they can bandwagon, which means they join the potential aggressor, exploiting with it together other states. Mearsheimer and Walt claim several reasons why states chose balancing. Next to simple aspects such as buck-passing or ensuring political stability of a regime or government, the two main reasons were balancing against a potential threat which threatens the sovereignty and the second that by joining the weaker side, the country can influence the alliance better. On the other side the second choice, bandwagoning can be reasoned in proximity. Is the country too small and too close that allies could not support it by an aggression of the neighbouring threatening country it should bandwagon. Another reason for bandwagoning could be that the country is just too weak to bring value to an alliance so has to bandwagon. The president’s foreign policies to EU, NATO and Russia will be mainly evaluated by the balancing theories of Mearsheimer and Walt. In the second part of the first chapter Ukraine’s history is laid out and explains the crucial process of nation and state building of the first two Presidents. Ukraine’s history begins with the Kievan Russ in the 8<sup>th</sup> century and the split of the country in the 14<sup>th</sup> century. The east belonging for a long time to the Tzarist Russia and the other struggling over centuries under foreign powers such as the Poland-Lithuanian Commonwealth, the Austria-Hungary Monarchy or Rumania. In the end of the 19<sup>th</sup> century patriotic feelings were coming up in West Ukraine leading to the first independent Ukrainian People's Republic from 1918 until 1920, supported from the Germans and Austria-Hungary including the former

Russian part. But with the loss of the first world war those powers could not help Ukraine any longer and it was included in the UDSSR in 1922. The second world war let West Ukraine fight with the UPA, their Ukrainian Insurgent Army, with the Wehrmacht against the Soviet Union. Their leaders such as Stepan Bandera are seen as heroes in West Ukraine and declared as Nazi-collaborators and murders of Jews in the East. The scholar Taras Kuzio explains why Ukraine had after its independence in 1991 to built up not only a state but also a nation. Ukraine was a state with a multi-ethnic division, 75 percent Ukrainian and 22 percent Russian. But 40 percent spoke Russian in the country. Kuzio explains that a nation is established over time by tribes which form an ethnic group. Conflicts with other groups from outside are essential for distinguishing and enforce nation building. The problem was that as described above only West Ukraine faced continuous struggle which all kinds of neighbouring states occupying it and the East was mainly belonging to Russia. Therefore, a nation was not really existent but the state after 1991. Normally the process of state building was that a nation established a state, here Ukraine had to go the other way. A state had to establish its nation. Therefore, the second President chose a mix of ethnic and civic nation, referring to the “Ukrainian nation” and the “people of Ukraine” in the constitution in 1996. Furthermore, Ukrainian was seen as the nationality and Russian declared as minority. It was important to stress out the difference to Russia. Because Ukraine had not a nation and the state was made up of the old Soviet elite in Kiev which never before led a state, Ukraine was expected to become a failed state in the beginning of its existence. Therefore, the assurance of its survival, as Waltz pointed it out in his second assumption, was an important aspect in Ukraine’s foreign policy in the first two terms of the presidents.

The first President Kravchuk was the former parliament leader of Kiev and mainly occupied until his overthrow 1994 with nation and state building. In the end of 1991 Ukraine was established as an independent block free state which stressed its non-alignment policy. Ukraine also emphasised that it sees itself as European state and wants to integrate into Europe. To the EU (or until 1993 EEC) Ukraine

inherited the trade contract with the Soviet Union. Kravchuk was only interested in economic relations and established the Interdepartmental Committee of Ukraine on the European Community in 1993 which only met twice a year. At the beginning of the 90s NATO searched its future role. With the NACC in 1991 a mechanism was established to cooperate and assist the new states in the east of Europe. When it got apparent that the NATO was willing to expand and Russia felt betrayed by a broken promise, President Clinton came up with the PfP in 1993, which Ukraine joined as first country of the CIS. Kravchuk was eager to join NATO and saw it as the best assurance of the country's security. Joining the PfP in 1994 at the end of his presidency was seen as the first step towards NATO and granted financial assistance from the West. The relations to Russia were critical, especially after the mayor of Moscow questioned the belonging of Crimea to Ukraine, which was given in 1954 by Khrushchev to Ukraine. Ukraine was highly dependent on Russian gas and oil, which Russia sold under world market prices. Ukraine did not pay, and so Russia suspended supply several times from 1992 until 1994, trying to press Ukraine into handing over significant assets in the oil and gas sector such as pipelines and refineries for cancelling the debt. President Kravchuk agreed but the Parliament prevented it several times. Furthermore, Russia and Ukraine had differences based on the common heritage of the Soviet Union. A huge number of nuclear weapons were stationed at the territory of Ukraine. Because Ukraine was seen as a state likely to fail with inner conflicts the US was eager to see Kravchuk giving the nuclear weapons to Russia for their destruction. But Kravchuk traded the nuclear arsenal against sovereignty assurances from Russia and USA as well as financial assistance. Russia was first not willing and suspended the implementation of the START 1 and was not willing to sign START 2. With this the whole European security structure was impacted by Ukraine. Finally, after back and forth in February 1994 in the Trilateral Agreement USA, the Russian Federation and Ukraine agreed. The US would give financial help, Ukraine agreed to give the nuclear arsenal back to Russia which was thereby recognized from Ukraine as the legitimate heir of the

Soviet Union and its heritage and Russia and the US gave Ukraine security assurances.

President Kuchma who succeeded Kravchuk in February 1994 should continue the politics of nation and state building and sovereignty assurances in his first term until 1999. The elections in 1994 showed for the first time the division between east and west Ukraine. Kuchma was mainly supported by the population in the east, promising better relations to Russia. In the beginning of his term he therefore criticized the PfP and the enlargement aspirations of NATO but then he turned in 1995 and welcomed the initiative. The relations to the USA seem to improve, influenced by a deteriorating relationship between Russia and the US and the concern of Kuchma to end between two opposing blocks. In 1996 the IMF began to help Ukraine, pushing Russia and Uzbekistan to renegotiate the gas and oil agreements and in 1999 the US rescued Ukraine for bankruptcy with financial assistance. With the *Budapest Memorandum* in December 1994 Kazakhstan, Belarus and Ukraine gave up their nuclear weapons inherited from Soviet Union to Russia and got sovereignty guarantees from Russia, Great Britain and the US. In 1997 Ukraine and NATO signed the *Charter on Distinctive Partnership* at the Madrid summit. The Charter included Ukraine in the Combined Action Force of NATO and let to the participation in the context of the peacekeeping missions of the Partnership for Peace in Bosnia 1999. The declaration of the summit stressed the principal of inviolability of frontiers and addresses with this Ukraine's deep concern of sovereignty and territorial integrity. This part can be seen as a huge success for Ukraine because it relieves it from the worries of isolation and insecurity which it had since its independence and moved it closer to European military and security structures. On the other side Kuchma gave no sign to end the non-alignment policy and join NATO. The situation with the EU was different. Kuchma seemed to be eager to join the EU and signed a Partnership and Cooperation Agreement in 1994. In it he agreed to adopt certain European standards and norms but no reference for European integration was given from the European Union. Kuchma also established new institutions which met at least

once every two months to develop the relations. But the EU was not interested in a membership of Ukraine and wanted only to encourage Kuchma to reform the country as he promised. Kuchma continued until the end of his second term 2004 to announce his aspirations to join the EU with action planes, laws and decrees but no reforms. Therefore, the PCA expired in 2008 without any bigger success and Kuchma was seen as unreliable in the West. With the beginning of the war in Kosovo 1999 Kuchma started to question the NATO. The critics from the West by his re-election in 1999, the murder of a journalist in Ukraine and the recordings from the office of Kuchma which laid open that he sold a radar system to Iraq which was under UN sanction, led to the deteriorating of the relationship to the West. He was invited to the NATO summit in 2002 but pleased not to come. But Kuchma came and was ignored. In the first term Kuchma ensured sovereignty assurance with the *Budapest Memorandum* and the *Treaty of Friendship, Cooperation, and Partnership* in which the Russian Federation recognized Ukraine's sovereignty and borders including Crimea and Sevastopol. On the other side Ukraine agreed to give Russia 80 percent of the Black Sea Fleet and a 20 years lease for the Sevastopol naval base and a declaration to improve relations in the gas sector. With ensured sovereignty and the relations new established, free from inherited problems, and with rising commodity prices on the world market which led to a growing economy Kuchma could balance in his second term in favour of the Russian Federation. In 2000 he changed his foreign minister for a more pro-Russian candidate and after the awkward appearance at the NATO summit Kuchma stated that Russia is the most important partner. Russia welcomed this by electing Kuchma to the first non-Russian President of the Commonwealth of Independent States in 2002. At the end of 2002 Ukraine was negotiating the accession to the Eurasian Economic Community. When it seemed, Ukraine had chosen its side, Kuchma published his book "Ukraine is not Russia" in 2003. With the Russian Federation trying to claim the Tuzla Island, a small island next to Crimea, for itself, the relations to Russia got complicated. And in the same year Kuchma sent Ukrainian troops to support the US in the Iraq war.

Kuchma tried to establish his protégée Yanukovych as successor in 2004, which was blocked by the orange revolution and fraud accusation in the second round against Yushchenko. Both were once prime minister under Kuchma. But Yushchenko was dismissed by Kuchma, when he and his deputy Timoshenko tried to block corruption and nepotism. The election had to be repeated and Yanukovych won, but his position as president was weakened, not only based on the struggle with his health after he got poisoned in the election campaign but also by the constitutional amendments which weakened the president's role. For the repetition of the election in December a compromise was made which included to change the constitution. Since 1 January 2006 the prime minister was elected by parliament and not appointed by the president anymore. The president was only allowed to announce foreign minister and security and defence minister. He could not dismiss members of the cabinet anymore but gained the right to dissolve the whole parliament. This became apparent when Yanukovych became prime minister in 2006. Yanukovych promised to end corruption and to abandon the multi-vector policy. He did not plan to balance but to join EU and NATO. For this he flew to European capital cities even before his inauguration in February 2005. The EU responded with a resolution with which it accepted for the first time Ukraine as a potential membership aspirant. On 25 February 2005, Ukraine and the EU signed a bilateral action plan, valid until 2008, replacing the 1994 Partnership and Cooperation Agreement. But the EU-Ukraine Action Plan was negotiated under Kuchma's presidency with the belief of Brussels that Yanukovych will win the election. Therefore, the action plan offered no prospect of accession but included the convergence of the Ukrainian legal system with EU law, respect for human rights, the creation of a market economy and stable political development. The action plan also envisaged the beginning of a dialogue on the creation of a free trade area between the EU and Ukraine, but the condition for this was the inclusion of Ukraine in the WTO which seemed under Kuchma impossible. In 2004 the European Neighbourhood Policy was declared but the action plan only aimed at establishing a ring of friendly and stable neighbouring countries around the EU with aligning their economy and legal system. No

membership offer was given. In May 2009 Ukraine joined the Eastern Neighbourhood Policy with five other ex-Soviet Union states. The EU was willing to improve its neighbourhood policy after the Georgian-Russian war in 2008. At the first meeting of the foreign minister of the Eastern neighbourhood countries and the EU representative on 8 December 2009 it was agreed to enter into negotiations over Association Agreements with all participating countries except Belarus. The Association Agreement should include the DCFTA and a more liberal visa regime. To join another free market would not be possible and so joining the Eurasian Economic Community under Russia would be ruled out. Again, the EU remained cautious about a membership perspective for Ukraine and no perspective was given while stating "Ukraine's future was in Europe". Especially France and Germany persist not to give Ukraine any kind of commitment. Therefore, Yushchenko seemed frustrated. The same happened with his aspirations to NATO. In 2005 he was invited to the NATO summit. President Bush ensured him support and in April 2005 Ukraine got Intensified Dialogue Status from NATO, which is a preparatory step towards a Membership Action Plan. A possible formal membership was planned to be extended at the Bucharest summit in April 2008 but the perspective was scuttled by the return of Yanukovich as prime minister in August 2006. His term as prime minister was caused by the breakup of the orange coalition based on the differences between Timoshenko as prime minister and Yushchenko as president after only seven months in September 2006. Based on the weak position of the president he set up his own foreign policy and declared the NATO aspirations as unrealistic and blocked it. In December 2007 Timoshenko became prime minister after Yanukovich tried to make decrease the power of the president further and Yushchenko saved himself with new parliamentary elections. Timoshenko proposed an action plan in the parliament beginning 2008 for NATO membership but met with fierce opposition. Three million signatures in a petition were reached in to make a referendum on the question of membership to NATO. At the time 15 percent of the country's population perceived NATO as a protection and 34 percent as a threat. Therefore, Timoshenko did not continue and made no

referendum. But Yushchenko was still pushing forward and at the Bucharest summit in April 2008 Ukraine and Georgia were assured to become members, but not when explicitly when, despite vetoes from Germany and France. A few months after the Georgian-Russian war the US withdraw their support of giving both countries the MAP-status. But in December 2008 NATO declared to provide assistance to Ukraine in an annual national programme to implement reforms required to access. The relations to Russia therefore deteriorated. The Russian Federation was not willing to give Ukraine cheap oil and gas and let the country accumulate debt if it does not value the relationship between them. In March 2005 Russia redefined conditions for transit of natural gas through Ukrainian territory to western Europe and for the price Ukraine should pay for gas imports in favour of a market-oriented pricing policy. Ukraine strictly rejected any increase in the price of gas and proposed to pay with weapons. On 29 December, Vladimir Putin offered Ukraine a \$ 3.6 billion loan to cover the cost of transitioning to world market prices, but Viktor Yushchenko turned the offer down. On 31 December, the Russian President offered to suspend the price increase until April 2006, but Yushchenko refused again. Because Ukraine did not accept the new terms and a contract for 2006, Russia ceased gas exports to Ukraine on 1 January 2006. This briefly led to supply shortage in various European countries. At least 50 percent to about two-thirds of Russian gas exports to EU countries in 2005 passed through Ukraine. On 4 January 2006, both countries agreed to settle the conflict. A contract had been signed which is to be valid for five years. In the winter 2007 supply shortages from Central Asia, especially Turkmenistan, the main provider of Ukraine, happened. As a result, Gazprom spontaneously helped Ukraine out with its own gas. However, Ukraine refused to pay the more expensive Gazprom price. From the perspective of Gazprom, the accumulated difference was regarded as a debt of Ukraine. On 3 March 2008, Gazprom, as announced, cut gas supplies to Ukraine by 25 percent (35 percent, according to other sources) because the country did not pay the bills. On 4 March 2008, the Russian gas company cut deliveries by another 25 percent. Ukrainian Foreign Minister Volodymyr Ohrysko disagreed with allegations that European gas supplies were being tapped by



Ukraine and assured Europe a trouble-free transit. According to reports from Russia, Naftogaz temporarily reduced its transit to Europe in favour of its own withdrawal in March. This was not confirmed from Ukraine. After telephone negotiations with representatives of both companies, Gazprom finally approved the resumption of gas deliveries on the same day. At the same time, further negotiations were held and delivery conditions set for the year 2008. With the Georgian-Russian war in August 2008 new tensions arose. In the crisis Yushchenko flew to Tbilisi and supported Saakashvili. It was also discovered that Ukraine sold weapons to Georgia before the war and when parts of the Russian Black Sea Fleet were on its way back from the war to Sevastopol Yushchenko wanted via decree that each ship has to ask for permission to enter the port. When after the war it got apparent that neither NATO nor EU were willing to take Ukraine in the short term, Yushchenko was forced to find a new approach for the relations with Russia which had completely deteriorated. Yushchenko set up a commission to examine a new strategy towards Russia but with the beginning of the global financial and economic crisis Russia was willing to collect its debts. In November 2008 Russian President Dmitry Medvedev demanded the swift settlement of Ukraine's gas debts. Because of the dispute over the payment of gas bills and a missed contract for 2009, Gazprom finally ceased deliveries to Ukraine on 1 January 2009. After just a few days, the dispute affected the supply of other European countries. According to Ukraine, the reduced supply is due to the reduced delivery from Russia, while Russia accused Ukraine again of illegally tapping the transit pipelines. On 7 January, Gazprom finally stopped supplies through Ukraine to Europe. The European Union begun talks with Russia and Ukraine and pushed both to solve the issue as fast as possible blaming both sides. Ukraine's debt problem for 2008 was solved fast to a certain amount, the main issue in 2009 was again the price of gas supplies to Ukraine. Under pressure from the European Union Ukraine finally agreed to an international observer mission. Even with the demand that the mission should include Russian members Russia was able to prevail. This was expected to bring a safe supply to Europe, with the question of deliveries to Ukraine itself still unresolved. After signing an

agreement Gazprom resumed deliveries on 13 January. However, Ukraine blocked briefly again, this time openly, claiming the transit conditions were unacceptable. At the crisis summit in Moscow on 18 January 2009, Putin and his Ukrainian counterpart Yuliya Timoshenko looked for a solution. Two separate contracts were being drafted for the Ukrainian natural gas transit and the Ukrainian gas import. At the time Ukraine was in financial struggle and the IMF had to give a 16.4 billion US-Dollar loan in 2009. At the end of Yushchenko's presidency the Russian President Medvedev sent an open letter to him, accusing him for worse relations between the countries. The letter listed all points of dispute such as supporting Georgia and also that Yushchenko declared former members of the UPA such as Bandera to heroes of Ukraine and gave two demands for the next president; prolonging the lease of the navy port in Sevastopol and end NATO aspirations. Yushchenko wrote an open letter back, claiming the weapon supply to Georgia was legal, that also Russia did its part to worsen the relations and that the NATO aspirations were not against the Russian Federation. In the election in 2010 Yushchenko got 5.45 percent in the first round.

President Yanukovych started his presidency with a visit to Brussels, ensuring to sign the Association Agreement and to be willing to integrate in the EU. The EU were sceptical, knowing that he was pro-Russian and Ukraine were in financial troubles. Therefore, they proposed to go back to work with the IMF to receive a new loan. A few days later in Moscow Yanukovych stated that he is eager to join the Single Economic Space from the Customs Union, which contradicts his announcement before in Brussels. In the first year Yanukovych remarkably renewed the relations to the Russian Federation with increased diplomatic contact and with signing the *The Agreement between Ukraine and Russia on the Black Sea Fleet in Ukraine*. It included the lowering of the gas price by 30 percent for Ukraine until 2019 and in return the lease of the Sevastopol naval base to Russia was prolonged to 2042, which was 25 more years after the ending of the contract of 1997 in 2017. On the other side he renewed the non-alignment status of Ukraine with a law which ensured that he had no aspirations towards NATO. The

relationship to NATO would be only a cooperation under his presidency, sending a frigate and a helicopter to join NATO troops to secure the sea in front of Somalia. With a loan from the IMF of 15.5 billion US-Dollar in October 2010 Ukraine's financial concerns were reduced and Yanukovych was freer to balance towards Russia. December 2011 the negotiations about the Association Agreements were successfully completed but in connection with the criminal case against Yuliya Timoshenko, the EU provisionally suspended the signing. A month before, in October, Prime Minister Azarov flew to Petersburg to sign the CIS free-trade zone agreement with seven former Soviet republics which reduced the tariffs to each other. The EU recognized this as a sign Yanukovych could decide to join the Customs Union led by Russia. To give Yanukovych an incentive the EU initialled the Association Agreement in March 2012. Yanukovych picking up on this the Government adopted a plan for the integration of Ukraine into the EU. The Russian Federation answered with trade restrictions on cheese and on steel pipes from 2012 on, giving a taste of what kind of impact the DCFTA would have on the Russian-Ukrainian trade. In the beginning of 2013 Commission President Barroso offered the signing at the end of 2013 at the Ukraine-EU summit. Yanukovych met with Putin in October and November but the meetings were confidential. Yanukovych cancelled the signing of the Association Agreement in Vilnius on the 21 November one week before. A day before he also rejected the IMF loan, which Ukraine urgently needed because the IMF was only willing to give it under very harsh conditions. After protests in Kiev and the need for financial assistance Yanukovych switched back to negotiations, trading financial help against the signature of the Association Agreement. The EU not willing to be blackmailed ended the negotiations in Brussels on 15 December. Yanukovych flew to Moscow to negotiate and at the end they agreed that the Russian government would buy Ukrainian bonds in an amount of 15 billion Dollar and give Ukraine another 30 percent cut in the gas price. Ukraine was not obliged to any commitment to join the Eurasian Economic Union and Russia declared to stay out of domestic policies in Ukraine. After Russia promised to help without any demands on the membership of Ukraine in the Eurasian Economic Union, the EU

approached Ukraine again for signing the Association Agreement. On 15 January 2014 Prime Minister Azarov ordered his deputy and an interagency working group to work out Ukraine's arguments for the implementation of the Association Agreement and to examine the impact of the DCFTA on Ukraine's economy in the following two months. But at this time the Maidan protests were already out of control. After Yanukovych was removed from office on the 21 February 2014 Russian officials helped him to escape to Kharkiv and later took him to Russia.

At the end of the thesis, the foreign policies of each President are evaluated based on the balancing criteria of Mearsheimer and Walt. This includes the two major incentives for balancing. First is the critical aspect of sovereignty which is claimed as priority for states. The second argument can be taken from Mearsheimer who claims that by joining the weaker side the state could influence the alliance more instead of bandwagoning the threatening great power. The foreign politics of Kravchuk and in the first term of Kuchma can be seen under Waltz "balance of threat" theory. Considering claims on Crimea and that Russia was first not willing to sign an interstate treaty, the first incentive of balancing the ensuring of sovereignty, is the main driving factor of the foreign policy of both presidents. Kravchuk and Kuchma traded the heritage of the Soviet Union, the nuclear weapons, for sovereignty assurances. They succeeded with the *Trilateral Agreement* and the *Budapest Memorandum* both in 1994. The balancing towards EU can be seen more under economic aspects by Kravchuk and rhetoric by Kuchma. After the sovereignty of Ukraine was ensured also in the 1997 agreement with Russia and the growing economy in the early 2000s Kuchma could balance freer and was able to improve relations to Russia. This was also driven by his political scandals and the war in Kosovo. From my opinion Kuchma made the mistake to balance with promises to the EU and NATO, which he could not or was not willing to follow. At the end he was seen as unreliable. As stated the sovereignty of Ukraine was assured under Kuchma in his first term with several treaties. Considering, that NATO was far more powerful than Russia at this time, Ukraine would not have chosen to join the weaker side by choosing NATO.

Furthermore, it is questionable if Ukraine could have influenced NATO's policies with such powerful actors in the alliance. Therefore, the balancing of Kuchma in his second term and later on Yanukovych's balancing can be more perceived as ensuring the inner peace relating to the division of the country concerning opinions to NATO and Russia and the survival of the country in economic and financial aspects. Kuchma also feared to get between two opposing blocks. With the abandon of the multi-vector foreign policy under Yushchenko he did not balance at all between the powers and made a clear decision for EU and NATO. When those were not willing to take Ukraine at the end of 2008 he was let alone with a failed foreign policy and forced to improve the worse relations to Russia. Because Yushchenko did not consider the different opinions of his population and the two main arguments of the scholars; sovereignty and influencing a weak alliance can be ruled out, I claim Yushchenko's foreign policy was more economically driven. His foreign policy set up preconditions for Yanukovych which made it nearly impossible to balance. I therefore claim that Yushchenko takes a huge part of responsibility for the situation now in Ukraine. President Yanukovych restored the relations to Russia and realized that sovereignty was assured by Russia with the treaties under Kuchma and so a balancing to NATO was not necessary. Now the surviving of the state was more about financial aspects to avoid bankruptcy. Based on the assumption that Yushchenko's abandoning of the multi-vector policy in the first years of his presidency laid the basis for the disastrous situation now in Ukraine together with the economic and financial crisis 2009, Yanukovych's and Kuchma's foreign policy can be seen despite the above-mentioned mistakes and the apparent corruptions as successful in balancing. Yanukovych's successful balancing was at the end destroyed by being forced to choose based on Yushchenko's foreign policies before and pushed by financial needs. As Waltz said that states which do not follow the balance of power logic will be punished by the system the country broke apart by Yushchenko's foreign policies which did not balanced.

At the end of my thesis, I point out future and present concern. If other countries in the eastern neighbourhood policy want to learn from the mistakes they should at least learn from Yushchenko to align the population behind the foreign policy with information campaigns. This will prevent a division of the country and an elite which is perceived as far away from its people. Furthermore, if a state wants to join an alliance like the NATO or EU it has to consider the relations of other big countries in this alliance towards Russia. Germany and France blocked the accession of Ukraine to EU and NATO because they were concerned about their relationship to the Russian Federation. I strongly criticise the behaviour of the EU beginning with the presidency of Yanukovych. They knew in which financial troubles Ukraine was and used it to pressure Ukraine into a signing. They even asked for it after Ukraine took financial help from Russia. A quote of the old German Chancellor Helmut Schmidt sums it up in which he claims it must be able for Ukraine to move closer to Europe as well as to be in touch with Russia at the same time and the EU could have behaved smarter in their actions. For the future of Ukraine, I do not see any chance in the short term to join NATO or the EU. The war in Donbas will become a frozen conflict which will warm up as soon as Ukraine would try to take decisive steps towards NATO or EU. Ukraine will face further economic difficulties caused by apparent corrupt politicians and a brain drain. A future scenario could be that German companies will place factories in Ukraine because of the low wage and proximity and the fact that China gets too powerful to further outsource towards it. To enable Ukraine to a positive future I suggest to follow the great example of the former German Chancellor Willy Brandt, who gave up the lost eastern territories of Germany in Poland to improve the relations and life of the people on both sides of the Berlin wall. If Ukraine would except that the Donbas and Crimea are lost it could establish new relations with Russia and would be able to join EU and perhaps even NATO.

The last chapter points out the limits of my research. Therefore, the factor of trade towards Ukraine and the financial situation after 2008 with the help of the IMF

would be significant to examine more. At the end scholars are missing the idea that countries have to balance because of their multi-ethnic population.