

# INTERNATIONAL WEEKLY

**№ 11,12**

**21.03.2012-06.04.2012**



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# UKRAINE – THE EUROPEAN UNION



## KEY THEME ANALYSIS:

### Initialing of the Association Agreement is not Completed

***On 30 March 2012 Ukraine made another step towards the association with the EU. The heads of Ukrainian and European negotiating teams initialed the Association Agreement*** by putting their signatures under the text.

That event really finished a five-year process of preparing the document to replace the effective Partnership and Cooperation Agreement adopted in 1998, which today forms the legal basis of relations between Ukraine and the EU. In addition, the provisions on a Deep and Comprehensive Free Trade Area (FTA) will also become an integral part of a new act. However, the parties initialed only 170 pages of the political part of the Association Agreement, as well as the first and the last pages of the trade agreement because, according to the officials, the technical work on proofreading of the part of the Agreement concerns the FTA has not been completed yet. The document consists of 170 pages of the political part, 180 pages which outline the essence of trade agreements, and 1.350 pages of amendments and protocols. So, it seems logical to determine ***the causes of such a step of the European officials.***

***Firstly***, the EU probably could not negotiate with Ukraine forever, however it tried to delay the procedure of initialing of the Agreement, because the Europeans have been negotiating with our country for a long time and, in fact, the parties resolved all the issues of the political association. Kyiv considered it as a special achievement because in case of further deterioration of the situation in Ukraine the EU will not be able to refuse even from the provisions on the European identity approved last year. But such a “semi-initialed” agreement will hardly have a chance to be signed and to enter into force.

***Secondly***, one can assume that against a background of the Kyiv’s “hesitation” as for the Western / Eastern orientation, Brussels had the goal of the Ukrainian “Europeanization” and wanted to prove that it recognizes the desire of the national authorities to move towards the EU, and that today the President of Ukraine Viktor Yanukovich does not remain completely isolated despite the anti-democratic processes in the country. Thus, the future signature and ratification of the Agreement will be possible only when Ukraine executes a number of political conditions to be formulated at the EU – Ukraine Summit in December. They include the rule of law, the independence of the judicial system, the refusal from the selective justice and politically motivated trials, the fair and free parliamentary elections, and the implementation of the constitutional reform. In addition, Brussels reserves the so-called “room for maneuver” noting that the Agreement on a Deep and Comprehensive Free Trade Area still needs to be proofread. And only when both parts of the document (political and trade) are completely prepared, according to the procedure the text shall be translated and transmitted to the EU Council which should issue a mandate to sign it.

According to the Ukrainian officials, even from a technical point of view, all this procedure will require a lot of time: pursuant to the most optimistic projections, it requires a period of 6-12 months. However, even if the EU Council allows the signature of the document, the Agreement between Ukraine and the EU can enter into force only after its ratification by all the national parliaments of the EU Member States: if at least one of them is against the

document, the Agreement will not enter into force. It is known that today one can easily identify the states which do not support the enlargement of the EU and do not strive for the FTA with Ukraine considering that it could harm their markets.

So, Germany, as an old “economic and energy partner” of Russia, France or Holland, which have never seen Ukraine to be a reliable and perspective partner, may deliberately procrastinate the ratification of the Agreement. Today these countries also don’t hide their skeptical relations to Ukraine.

In addition, a number of the EU Member States may lay down extra conditions to Ukraine. For example, Spain requires Ukraine to provide an access to its agricultural market that is not very profitable for the country. The Spanish agrarian lobby will “struggle for” this idea in all the possible ways. Taking into account the amount of the subsidized sectors of the Ukrainian economy, which the EU will have to support in case of the creation of a “deep and comprehensive” FTA with Ukraine, one can’t hope for the nearest signing and, especially, for the ratification of a new Agreement. In fact, even in case when Kyiv fulfils all the requirements of the democracy, rule of law or even the participation of the leaders of the opposition in the upcoming parliamentary elections, the EU is unlikely to “give the green light” to Ukraine on its way to the organization. The economic crisis inside this structure, intensified with the processes of the rivalry for the leadership between the key players in the European scene, prevents a quick and painless process of admitting new members because such rash activities can simply extend the current crisis within the organization putting into question even the existence of the first supranational union of such a level.

*Thus, one should, at least, wait for the parliamentary elections in Ukraine because they have to determine the speed of the signature of the Association Agreement with the EU, if this process continues. The democratic electoral process will become the catalyst which intensifies the ratification of a new Agreement in the future. **It is not worth to talk about the “significant achievements” in the field of the European integration after the EU – Ukraine Summit in December: the initialing of the tenth part of the Association Agreement doesn’t complete the whole process of initialing. Moreover, the main economic and trade part of the document has not been agreed.***

## UKRAINE – NATO



### KEY THEME ANALYSIS:

#### The the Seoul Nuclear Security Summit as a Part of a Multiposition Game

When it is observed the defragmentation of the geopolitical spheres of influence, the United States is trying to join more actors of the international scene to its own strategic game, and often “naturally forces” them to obey its own rules. In fact, a typical example of such a scenario is the multilateral meetings at the highest level organized in particular areas. And ***the Seoul Nuclear Security Summit held on 26-27 March 2012*** became the other confirmation of that tendency.

The high-level conference, traditionally attended by senior and influential political, intellectual and business leaders from North America and Europe, became a good platform for bilateral informal meetings of its participants which, in fact, were the basis for key negotiations.

The President of Ukraine Viktor Yanukovich arrived in Seoul having the considerable amount of realized commitments in the sphere of strengthening of the nuclear security. On 22 March 2012, with the assistance of the United States and the IAEA, Ukraine transported the last consignment of the highly enriched nuclear materials from the Kharkiv Physics and Technical Institute to Russia, creating the substantial conditions to guarantee the global physical nuclear security. Consequently, in Ukraine the considerable attention is now devoted to the creation of a unique nuclear facility – a source of neutrons for researches in the spheres of nuclear energy and medicine. As a result, against a background of the effective realization of the obligations, Viktor Yanukovich managed to obtain a kind of “friendly neutrality” from the American President that should save Ukraine from the democratic and pragmatic oppressions of Washington. However, according to the official information of the White House, B. Obama expressed concern about the persecution of the opposition leaders in Ukraine.

Supporting the IAEA coordination of the international efforts to improve the physical nuclear security in the world, Viktor Yanukovich thanked to the international partners for the support which Ukraine had received overcoming the consequences of the Chornobyl disaster. On 26 April 2012, Ukraine plans to start the building of a new confinement over the emergency unit of the Chornobyl nuclear power station. According to the last calculations, it is needed 935 million euros in order to build the protective hood. However, a year ago the government announced a much smaller amount – about 740 million euros. Most part of the sum (550 million) was received by Kyiv after the special donor conference held in April 2011.

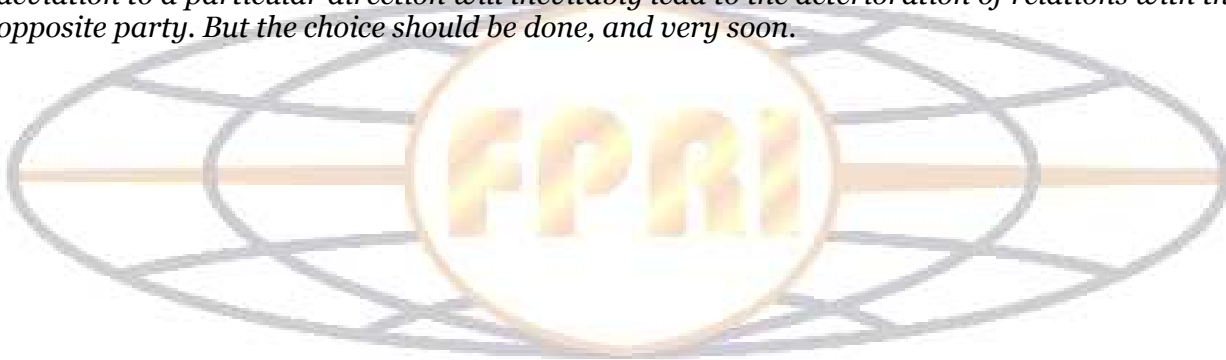
This “uncertainty” probably became the reason for the fact that during the informal meetings of Viktor Yanukovich with the Head of the PRC Hu Jintao, the President of the Republic of Indonesia Susilo Bambang Yudhoyono, the Korean leader Lee Myung-bak and the UN Secretary General Ban Ki-moon the parties didn't reach any agreements. The negotiators separated exchanging with protocol complementary formulae. And even during the talks with the Chairman of the Board of Directors of the «Hyundai» Company Chong Mong-Hu and the President and Chief Executive of «Samsung Electronics» Geesung Choi there were no guarantees of the investments in the Ukrainian economy.

Together with the main topic on strengthening the nuclear security (the Seoul Summit was actually dedicated to), the leaders of Russia and the USA mentioned the issue of the European AMD. The last conversation of the American leader with the President of Russia Dmitry Medvedev “near the microphone”, when Obama asked Moscow for a special “delay” of the negotiations on the AMD till the end of the presidential elections in the USA, shook the

position of the American President in the eyes of his voters and, that is the most important thing, in the eyes of his political opponents. According to the American President, after the elections he “will be more flexible” and will have “broader room for maneuver” while discussing the antimissile defence in Europe.

That statement could not but disturb the competitors of Barack Obama in the upcoming elections who demanded the explanations and called in question the possible victory of the current President in autumn 2012. Moreover, it is unclear whether the proposed Obama’s “flexibility” helps in the Russia – US relations when in May this year the presidency in Russia is again taken by Vladimir Putin, who now tells about the continuation of the negotiations only after the next NATO Summit in May 2012 in Chicago. Firstly, Putin is a very rigid politician who clearly upholds the RF interests, in spite of the principles of democracy or the international law. Secondly, the continuation of the negotiations (particularly, in the context of the coverage with the AMD of the territories of Asia and the Middle East) is well tied to the future Summit. It is known that at this meeting NATO will make a “strong statement” with the assessment of the role of Georgia in the partnership with the Alliance, which once again confirms the NATO position as for the recognition of the territorial integrity of Georgia within the internationally approved measures (including the territories of Abkhazia and the South Ossetia). Accordingly, there will be another ration of pressure on our country which should finally find “its own position on the deployment of the AMD system in Europe”.

*So, in fact, in the nearest future the official Kyiv will again face the requirement to determine its own geopolitical position and to implement it in practice. Currently the national officials have to decide their own belonging to one of the “camps”, especially concerning the issue of the future European AMD. The results of such multilateral meetings prove that Ukraine could become a hostage in the multiposition game of the West and Russia. And the deviation to a particular direction will inevitably lead to the deterioration of relations with the opposite party. But the choice should be done, and very soon.*



## FOREIGN POLICY OF UKRAINE



### KEY THEME ANALYSIS: The Limit of a Balancing Policy

The change of power in Russia, or rather the return of the pretentious new / old authoritarian Vladimir Putin “to the presidential helm”, demands the Ukrainian officials to define the foreign political orientation of our state and to put it out of the “grey” buffer zone of balancing on the verge of someone’s interests. Moreover, the initialing of the Association Agreement with the EU (even formally) puts the official Kyiv closer to Europe, rather than to Russia. Accordingly, the participation of the President of Ukraine Viktor Yanukovich **at the EurAsEC Interstate Council / the High Eurasian Economic Council meeting on 19 March 2012** became a sort of a “trial balloon” in the process of “reloading” of relations with Russia headed by a “new” leader.

In fact, the format of the EurAsEC showed a new range of the RF geopolitical aspirations in the former Soviet Union area. Therefore, all the issues Viktor Yanukovich tried to put in Novo-Ogaryovo to Mr. Putin (such as the price for the Russian gas or the trade in the agricultural products) appeared to be secondary ones against a background of the “death grip” of his Russian colleagues as for the final determination of the EurAsEC future.

Thus, the proposal of the Ukrainian delegation on the “3 +1” formula of cooperation with the Customs Union was not a point of a serious public discussion during the Summit. Instead, the incumbent Russian President Dmitry Medvedev said that the countries, which have not joined the Customs Union, “have the problems” because the markets of the participants of the Union will be protected.

Though, it is known that *on 29-30 March in Kyiv there was held a meeting of the Working group of experts of Ukraine and the Customs Union*, which main item of the agenda was the harmonization of the technical regulations. In pursuance with the results of the meeting, the parties agreed to determine the conditions under which the accession of Ukraine to the technical regulations of the CU becomes possible, as well as to develop an algorithm of the application of technical regulations of the Customs Union on the mutual supplies of products.

By the way, the Russian officials now stress that the system of technical regulation of the Customs Union is formed due to the European model, and the technical regulations of the CU have been already harmonized with the European directives on the production security. That’s why the application of the system of technical regulation of the CU can provide an opportunity not only to eliminate the technical barriers in mutual trade with Ukraine and the CU Member States, but also to simplify the harmonization of the regulations with the European Union. That’s why, the officials have made such a maneuver towards the “Europeanization” of the CU in order to prove its compliance with the European standards and the Ukrainian interests. Our government is still stressing the priority of the conclusion of the Association Agreement and the creation of the free trade area with the European Union. It is clear that Ukraine will be able to regulate the supply of goods within two absolutely different FTA neither legally nor practically.

So, in fact, Ukraine still has the choice. But at the stage of “a partial initialing” of the Association Agreement (without the initialing of its part concerns the FTA) such steps are, at least, dangerous: in case of prioritizing of the CU, Kyiv will never get the full text of the agreements with the EU. The way to Europe will be closed for Ukraine in general.

It’s interesting whether the Ukrainian authorities think about it saying that in order to join the CU and to access the EurAsEC in future (if it stirs the state’s sovereignty) it’s possible to

amend the Ukrainian Constitution. Today one can see that the EurAsEC is only an intermediate step before the creation of the so-called "Eurasian Union" as a confederate formation of the post-Soviet regimes controlled by the Kremlin with a single political, economic, military, humanitarian, cultural and language Russian space, i.e., a new form of the Russian state. The President Medvedev has already announced that the agreement on the Eurasian Union would have been ready till 1 January 2015. So, the EurAsEC will exist about three years and then becomes a new Soviet Union of the 21<sup>st</sup> century. It's interesting whether Ukraine, which has been struggling for its independence and the right for its nation to exist for so long time, really needs it.

However, until even the country's leaders do not decide what our nation really needs, a single consolidated society in Ukraine cannot be created, especially against a background of constant speculations with the themes of common Russian history, language and religion. Accordingly, the whole point is not the EurAsEC as an organization because its existence is a priori a fiction. Today a well thought-out strategy of Vladimir Putin is not nonsense, and he has no long hidden the ambitious plans of the RF to extend its own imperial authority in the surrounding area restoring the powerful and indivisible "Great Russia".

Accordingly, the potential involvement of Ukraine to the EurAsEC is currently only a touchstone in its relations with the EU and in the final determination of its foreign policy orientation. As long as Kyiv moves towards Europe, one can't talk about its silent involvement to the processes in the former Soviet Union area with the complete confidence. So, V. Putin makes clear that nobody receives the "indulgences": one can see it in case of prices for the gas, in case of the domestic cheese products in Russia, or in case of the Russian language as the second (read **the first and the only**) state language in Ukraine. Moreover, such a "close cooperation" can only prove the European Union that Ukraine is a pro-Russian state, and its aspirations to the European Union are only a dummy geopolitical maneuver. **However, Kyiv can't constantly balance between Russia and the West: after all, one of the parties refuses from such cooperation. And Ukraine should try that the representatives of the EU "sustain" the hesitations of Kyiv, without turning away before the signature of the Association Agreement.**

