

INTERNATIONAL WEEKLY

№ 15-16

23.04.2012-08.05.2012



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UKRAINE – THE EUROPEAN UNION



KEY THEME ANALYSIS

Boycott against Ukraine

Discussing the progress of Ukraine in the European direction in 2011 and 2012, one has to state that in comparison with the current year the previous one was marked both by great achievements and serious faults in EU – Ukraine relations concerning not only the behaviour of the two parties in terms of the aggravation of their differences, but also the model of this relationship to be implemented in the Association Agreement. The peripeteia of the current year have shown that both partners have been guided in their actions by not quite realistic assessments of the potential and functions of this model that had led to the formation of false expectations which provoked the crisis at the decisive stage of the preparation of the Agreement.

However, the events of April 2012 have begun quickly moving away from the European perspectives of Ukraine. The Minister for Foreign Affairs of the Czech Republic Karel Schwarzenberg was the first one to inform the Ukrainian authorities about such negative developments when he visited Kyiv on 20 April 2012. In particular, he said that ***the Czech Republic would not ratify the EU – Ukraine Association Agreement***, even if it is agreed and signed.

That event became the first part of the boycott against Ukraine's European prospects by the EU Member States. Of course, the reason for such a Czech initiative can be found in *last year's diplomatic conflict between the Czech Republic and Ukraine* when Ukraine announced two Czech diplomats as *personas non grata* because on suspicion of espionage. In turn, in a few days the Czech Republic made a step in response when it expelled two Ukrainian diplomats from its territory. At that time there was an opinion that such a diplomatic conflict arose because of the revenge of Ukraine for the Czech granting of political asylum to Bohdan Danylyshyn.

But it's important to look at the other aspect of this problem: if Ukraine met all the standards and requirements of the European Union, the revenge of the Czech Republic would not have had such an outcome. But that outcome is taking a turn and transforming into a political disaster for Ukraine. The Czech Republic is one of the countries whose foreign ministers prepared an open letter concerning the state of democracy in Ukraine. It states: "We call on the Ukrainian authorities to show the political courage and wisdom which are needed for this" (the signing and ratification of the Association Agreement – *Author*). The Association Agreement must comply not only with EU requirements, but also the requirements of democracy, equality and the rule of law.

Thus, the Czech position caused a "domino effect" in the process of the soft isolation of Ukraine: the presidents of the Czech Republic, Germany, Estonia, Slovenia, Austria, Croatia and Italy refused to participate in the Central European Initiative

Summit on 11-12 May in Yalta. And it is likely that this is not the final list of countries refusing to participate in that meeting.

The crisis in the course of European integration will have far-reaching consequences for Ukraine because European integration is not only the fundamental element of the foreign political strategy of the Ukrainian State, but also the primary social and economic guideline for its society. Recently the declaration of the absolute priority of European integration in foreign and domestic policy has been quite convenient for the Ukrainian elite, as it universally legitimised its actions in the opinion of the domestic public and international partners, and did not impose any strict liability. But it contributed to the strengthening of non-critical “agreement” in Ukraine’s position as the reasonable and appropriate one in cooperation with the European Union that greatly limited its room for maneuver and diplomatic bargaining where there is a clash of interests or political contradictions with the EU. Under these conditions no Ukrainian government can unilaterally diminish the priority of European integration or reject it completely. Therefore, due to the crisis that unfolded in the second half of 2011 and has deepened this year, the current ruling elite is facing the need to elaborate such positioning and tactics within the domestic and international scale that allow it, on the one hand, to support the discourse on the priority of European integration, and, on the other hand, to reduce the effect of the non-legitimation of its own course due to the braking of conclusion of the Association Agreement.

However, even if such tactics work, it will provide only temporary benefits in the form of a partial normalization of the situation inside the country but will be able neither to direct the dialogue with Brussels in a constructive way, nor to act adequately in the case where the “integration pause” drags on.

It is clear that the difficulties in the way of the European integration will not immediately reorientate the main vector of Ukraine’s foreign policy: no other vector has a similar legitimacy and can be a universal social and economic guideline for its society. But the danger is that without the possibility to achieve more substantive results in foreign policy, the Ukrainian authorities will agree to a particular version of isolationism. If one can’t consider the desirable things as real ones, the real things usually begin to appear the desirable ones. In this regard it is very important for Kyiv not to create illusions that it can abstract away from European political life and content itself with its current position having selective, mainly volatile, relationships with the leading powers of Europe.

UKRAINE – NATO



KEY THEME ANALYSIS

Priorities of the Annual National Programme of Ukraine – NATO Cooperation for 2012

Experiencing the “formatting” of its foreign policy, the Ukrainian State, however, wishes not to lose previously established contacts and, ultimately, to maintain its own image as a “reliable partner”, because against a background of its not so successful movement to the European community, a slow reformation of the main areas of public life and the continuation of the unclear policy of “balancing” on the East – West verge, the present Government has really neglected the areas of cooperation with the key actors on the world political arena that were developed previously. And if the EU is still taking some interest in Kyiv’s actions, the national political leaders have to show their wishes to develop and deepen the existing bilateral and multilateral relations with the USA and NATO on their own initiative. Accordingly, ***the approval of the Annual National Programme of Ukraine – NATO Cooperation for 2012*** will become a continuation “of the implementation of the decisions taken during the meetings of the NATO – Ukraine Commission on 4 April 2008 in Bucharest and on 3 December 2008 in Brussels”.

However, the Decree of the President of Ukraine Viktor Yanukovich # 273/2012 on the approval of this document was signed only on 19 April 2012, and the Cabinet of Ministers of Ukraine should develop and adopt an action plan on the implementation of the ANP for 2012 within a month after the approval of the document. Thus, if the document is executed only in the second half of 2012, it is clear that our state again (as in 2011) will not be able to implement at least 90% of all tasks. On the other hand, it remains unclear which “mutual interest” is contained within the cooperation areas envisaged in the ANP. Because *the ANP – 2012 focuses on the continuation, completion or maintenance of previously initiated projects, or goes by the documentary grounds of some tasks, whose implementation is envisaged only in the medium term.*

Accordingly, in the current year the urgent tasks of the ANP for Ukraine are the objectives for which implementation is the top priority for the world and, especially, for the European partners of our country.

So, among the other “democratic rhetoric”, **Chapter I “Political and Economic Issues”** focuses on the electoral procedures in Ukraine and on the participation of official observers of foreign states, international and non-governmental organizations during the Ukrainian parliamentary elections in autumn 2012. It also stresses the importance of optimization of the system of professional training and staff development of the State Penitentiary Service of Ukraine. It is most likely that the introduction of such provisions to the ANP – 2012 stems from the political pressure of Western partners in connection with the trials against opposition leaders in Ukraine.

Accordingly, it envisages the support of the Criminal Procedural Code of Ukraine in the Verkhovna Rada of Ukraine.

The ANP also provides for the implementation of The Programme of Economic Reforms in Ukraine for 2010-2014 “Prosperous society, competitive economy, effective state” whose aim is to create a stable financial system, to establish the regime of the maximum assistance for business (in particular, it is planned to ensure the implementation of principles of the Small Business Act for Europe in Ukraine), and to modernize the infrastructure and core sectors of the economy. The national authorities also intend to implement the provisions of the energy chapter of “stand-by” agreements of Ukraine with the IMF taking into account the increase in gas prices. However, firstly, Ukraine does not want to meet the requirements of the IMF to increase the price for “blue fuel” for its population, and, secondly, now it does not have any more or less implemented effective business projects. So, *de facto* the declared targets cannot be realized until the internal reforms of the relevant sectors of the economy are implemented, which is not visible now.

The only “advantage” is the deepening of cooperation with NATO in all directions, especially concerning the Ukrainian participation in the NATO peacekeeping operations, the anti-piracy campaign “Ocean Shield” and so on. Priority is also given to the deepening of cooperation within GUAM and the BSEC, the preparation for the presidency of Ukraine of the OSCE in 2013. Against a background of the latest events, the activation of cooperation with the Russian Federation in various areas “on the basis of pragmatism and mutual benefit” seems to be simply utopian, moreover, that the Ukrainian officials have planned “to continue work on demarcation of the state border, and delimitation of the areas of the Azov and Black seas, and the Kerch Strait”, and “to reach a compromise on the terms of supply, transit and price for the natural gas delivered from Russia to Ukraine”.

Chapter II “Defence and Military Issues” contains really mythical provision that “Ukraine, using the inalienable right of every state for the individual and collective defence in the case of military aggression, does not exclude the possibility of receiving military assistance from other states and international organizations, as well as to provide such assistance on its part”. It’s interesting who can render the assistance or, at least, some security guarantees to Ukraine if it officially turned from the partners legitimating its “non-block neutral status”? And what can Ukraine propose to the foreigners in turn while it is completely reducing the Armed Forces that have limited training?

Ukraine will probably have adopted a new version of its National Security Strategy or reduced the number of the Armed Forces of Ukraine to 184 thousand people (including 139 thousand soldiers) by the end of 2012. However, if the Alliance does not help the retired servicemen to adapt to the new civilian environment, they will simply add to the “army” of unemployed people as is so considerable now.

It’s interesting that in **Chapter III “Resource Issues”** the lawmakers prescribed the realization of the “balanced policy on the national debt” which, meanwhile, is impossible without further restructuring and unfreezing of the IMF credit programme, and the introduction of new EU funding programmes for Ukraine.

Chapter IV “Security Issues” focuses on the provision of information and cyber security of our state. In the context of preparation for the European Football Championship “Euro – 2012” such provisions may be reasonable but international experts will not render the assistance to our state in guaranteeing its stability and security within the whole year. Accordingly, considerable attention to so-called “soft security” should not take exclusive priority in principle.

The main thing in **Chapter V “Legal Issues”** is taking measures to conclude the Agreement between Ukraine and NATO on transit movements of the Alliance’s forces and personnel through the territory of Ukraine.

Accordingly, even taking into account the relatively small number of Ukrainian priorities for the current year, one can conclude that their implementation is not as easy as it may seem at first glance. In fact, there is so little time for their performance, and the implementation of these goals directly depends on a huge number of preconditions which are also quite difficult to realize. The experience of 2011 clearly demonstrates this.



FOREIGN POLICY OF UKRAINE



KEY THEME ANALYSIS

the Latin American Direction of Ukrainian Foreign policy

The end of April was marked by the diplomatic activity of Ukraine in Latin America. ***Within the framework of the official visit to this region on 22-27 April 2012, the Minister for Foreign Affairs of Ukraine Kostyantyn Gryshchenko visited Argentina, Paraguay, Uruguay and Peru.***

Latin America is traditionally considered as a “region of Ukrainian interest”. There are some objective reasons for this perception: a level of development which is comparable to that of Ukraine, the similarity of problems, and the existence of some areas for cooperation.

Thus, almost all Ukrainian political forces (including, of course, programme and personal characteristics) declare the priority to develop Ukraine’s relations with the leading countries of Latin America. However, these relations still have considerable untapped potential.

According to the State Statistics Committee of Ukraine, during January – February 2012 Ukraine exported goods to the amount of USD 10.3 billion to the region, and imported – to the amount of USD 12.1 billion from there. But only USD 122 million of all exports and USD 171 million of all imports were from states in the Americas other than the United States and Canada (conventionally, “Latin America”). The exports and imports items are traditional: Ukraine mostly sells metal, the countries of the region – agricultural raw materials, but the leading countries (especially, Brazil) mostly export high-tech goods.

There is great scope for the development of international political cooperation between Ukraine and the leading countries of the Latin American region, especially Argentina and Brazil. It might be beneficial for our country to support the position of the Latin American states on **UN reform**, the enlargement and changing of role of the Security Council (to strengthen the role of “medium-sized” and major new countries, among which Ukraine may appear on condition of successful implementation of domestic economic and democratic reforms).

However, the countries of Latin America may be interested in the support of their position on the establishment of **the UN Economic Security Council** that was repeatedly expressed by Ukraine. Despite the creation of the “alternative” format of the “Group of Twenty”, the United Nations role in resolving the global economic crisis remains unrealized. Ukraine’s initiation – with the support of other countries with comparable levels of economic and humanitarian development – of the international forum of such a level could contribute to the prestige of our country.

Ukraine is also interested in cooperation in **the agricultural sphere**, in particular, as with the experience of reforming the “latifundia”, the improvement of agricultural production and the development of the processing industry. The launch of joint projects in this area would promote the Ukrainian and Latin American movement towards the relevant world markets. Taking into account that Ukraine and Argentina are the leaders in agricultural production, Gryshchenko and Lorenzino agreed that the

system interaction in this area is especially important, in particular, in the context of the Doha Round of talks on world trade liberalization within the framework of the WTO.

The parties expressed hope for the successful holding of the sixth session of the Intergovernmental Ukrainian – Argentinean Commission for Trade and Economic Cooperation this year, which gives an additional impetus to bilateral trade and economic relations.

Finally, there is a great untapped potential of cooperation in the field of **“intellectual technologies”**. During the official visit of the Minister for Foreign Affairs of Ukraine to Argentina, the parties agreed on the need to speed up the internal procedures in order for the Agreement between the Government of Ukraine and the Government of the Argentinean Republic on mutual recognition of documents certifying higher education to come into force, that will enable our citizens to continue further studying to specialize and to receive master’s or doctor’s degrees, as these documents are officially issued by the higher educational institutions of Ukraine and Argentina. After the parties finalize all the appropriate internal procedures, it is important to facilitate contacts between the universities, scientific institutions, and research non-governmental organizations of the parties to combine their capabilities to realize joint projects.

During the meeting, the Heads of the Ministries of Foreign Affairs of Ukraine and the Eastern Republic of Uruguay signed a “grand” Treaty on Friendly Relations and Cooperation, the Intergovernmental Agreement on the Abolition of Visas for People who Use Diplomatic, Service and Official Passports, as well as the Joint Declaration. The Ministers were unanimous that the visit took place under glorious circumstances because it was timed to the 20th anniversary of the establishment of diplomatic relations between Ukraine and the Eastern Republic of Uruguay (to be celebrated in May 2012).

As a result of negotiations, the foreign ministers of Ukraine and Paraguay signed the Treaty on Friendship and Cooperation between our countries, and the Agreement on Cooperation between the Diplomatic Academy of Ukraine and José Falcón Diplomatic and Consular Academy of Paraguay. The parties highly appreciated the results of the first meeting of the Joint Intergovernmental Commission for Trade and Economic Cooperation which had taken place before the visit of the Minister for Foreign Affairs of Ukraine and had become a powerful incentive to the intensification of trade and economic ties between our countries. The negotiators discussed prospects of cooperation in mining, energy and high-tech spheres, and the development of railway infrastructure and river transport.

So, the official visit of the Minister for Foreign Affairs of Ukraine Kostyantyn Gryshchenko to Latin America confirmed that the countries of this region remain traditional and full-fledged partners of Ukraine in the field of political cooperation, as well as in the economic, trade and energy development spheres. In the future, the development of negotiations between the Minister for Foreign Affairs of Ukraine and the Head of Governments and Economic Departments of the countries in this region should be improved by **the Economic Forum** between Ukraine and Latin American countries. It would be useful if the enterprises which are already working with the Latin American colleagues, and the investors (particularly, from Argentina) which have their projects in Ukraine, were attracted to participate in the Forum. As a result of the Forum, the parties could analyze the existing problems and prospects of cooperation, formulate their proposals for improving the legal basis for economic cooperation, and identify perspective projects.