

**Ukraine's relations with Russia, the EU and the US:  
The background, the current crisis and what must be done**

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Since the beginning of Euromaidan (Maidan II), Ukraine finds itself entangled in a deep crisis, which, while not necessarily existential (i.e., one that puts the very existence of the Ukrainian state into question), dramatically alters the country's internal (socio-economic, regional) dynamics and international positioning vis-à-vis its neighbors and other significant regional and global players. The depth of the crisis has been evident since it began on November 30, 2013, but its scale has grown markedly since the Russian Federation annexed Crimea in March 2014 and began its intervention in the Donbas shortly thereafter. While the crisis originally mostly had features of an internal one, it has quickly internationalized, becoming a conflict with varying levels of intensity and at times resembling an actual war. Throughout this period, Ukraine has faced a number of urgent and critical challenges. It had to engage in a military conflict with Russian troops and their proxies in eastern Ukraine, roll back their territorial advances (program maximum) and/or prevent them from seizing more territory (program minimum); cleanse the political system and introduce real, meaningful reforms; and reinvigorate its fledgling, war-scarred economy, preventing it from deteriorating all the way to full default. To deal with all these tasks, Ukraine must find the right method of dealing with international players, especially the Russian Federation, the European Union and the United States of America.

Naturally, relations with the Russian Federation have had the most drastic impact on Ukraine since Moscow has opted to pursue policies that openly undermine Ukraine's sovereignty and territorial integrity. Historically, of course, the Ukrainian-Russian relationship has been uneasy. Ever since the dissolution of the Soviet Union, many Russians have viewed an independent Ukraine as some sort of aberration, and, perhaps, a temporary—and reversible—state of affairs. At minimum, Moscow held that Ukraine should be firmly placed in the Russian sphere of influence. Deliberation over what methods may be used to limit Ukraine's sovereignty and its autonomy in foreign, defense, and security policies has taken place for years. More traditional tools included economic leverage (especially energy policy), political interference, and, at times, the threat of military action. The significance of a propaganda campaign to influence millions of Ukrainians' attitudes (and to shape a certain picture of events in Ukraine for information consumers in Russia, as well as outside of both Ukraine and Russia) increased over time, leading

up to Russia waging a previously unseen, fierce war of information in the past year and a half. As is now evident, Moscow ultimately made the decision to use military means as well.

Russia's direct use of its military and Moscow's massive support of its proxies in Ukraine has opened a new era in bilateral relations. Prior to the current conflict, Ukrainian-Russian relations historically have been somewhat ambivalent. On one hand, cultural and linguistic links, family ties, joint ventures, industrial and technological cooperation, and substantial trade have forged connections across the border. In other words, Russia and Ukraine significantly partnered on many levels. On the other hand, Russia has posed a constant threat to Ukraine, questioning and endangering the very existence of an independent Ukrainian state. For quite some time, the constructive and destructive elements in this bilateral relationship coexisted in a shifting balance. Ukrainian leaders engaged in a balancing act, trying to accommodate some of Russia's demands, while at the same time maintaining contact and cooperation with Ukraine's Western partners. This balance now seems broken.

Clearly, hostility and lack of trust on the state-to-state level now pervade dealings between top public figures and diplomats of both countries. Some of the trans-border trade and business cooperation carries on, but its scale has decreased. The number of visitors (specifically, Russian citizens coming to Ukraine) has dropped. But the most significant impact has been with regard to broader public attitudes. While most Russians see this conflict as a "civil war" within Ukraine where Russia either plays no role or plays a very limited role, most Ukrainians see this as a Ukrainian-Russian war. More and more Ukrainians see Russia's actions as outright, unprovoked aggression. Therefore, a growing proportion of Ukrainian citizens see Russia as an enemy, aggressor, and threat. This includes a considerable number of people who did not harbor anti-Russian sentiments before, who tended to vote for pro-Russian political parties. Needless to say, this number includes many ethnic Russians and Russian-speaking citizens of Ukraine.

Ukraine should take certain actions against this new super-assertive and aggressive Russia. It should continue to invest in the modernization and preparedness of the Ukrainian military. This should be funded through the national budget, volunteer organizations and foreign aid, which may come in a variety of forms (funding, training, supply of weapons, intelligence sharing, etc.). This should be a sustained effort, which ought to continue well beyond the current stage of the crisis. As Ukraine mounts this war effort, it ought to guarantee full transparency of the war's funding and commit to eradicating corruption in this domain.

Ukraine should engage in an information campaign designed to counter Russian propaganda and provide more objective and balanced information, especially to regions in Ukraine where Russian interference in broadcasting and other media is strongest. This must include TV and radio programs in the Russian language that would communicate with people in simple and direct terms.

Kyiv should also choose a course of decentralization. Ukraine has indeed become a highly centralized country, which undermines its ability to become a truly democratic, well-governed state. People tend to have legitimate grievances with decisions made at the central level while local communities and elected officials are left with little power. Moving down the road of decentralization would undermine the prospects and appeal of the so-called “federalization” project, which under the current circumstances has become a mere smokescreen for the division and weakening of Ukraine. Scholars have debated the merits of turning Ukraine from a unitary state into a federal one for years. However, right now Russia has appropriated the slogan of "federalization" as it tries to impose this transition on Ukraine. Under the current circumstances – economic crisis, a relatively weak central authority, and significant external pressure – Ukraine is not ready to move in this direction. Federalization can only diminish the unity of the state and multiply existing troubles rather than creating a more efficient and fair system of governance.

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The European Union has partnered with Ukraine ever since it emerged in 1993, only slightly later than the independent Ukrainian state itself. Naturally, the degree of their interaction was not intensive initially, while the EU was going through the process of consolidating and finding its role in a broader region. However, the EU committed to dialogue with Ukraine early on. The Agreement on Partnership and Cooperation (APC), signed in June 1994, for a time served as a framework for bilateral cooperation. In the difficult early years of Ukraine’s statehood, the European Union provided financial and technical assistance, lent its support for privatization, reforms, and education, and aided with the dire environmental challenges that Ukraine faced (including the Chernobyl disaster). In 1996, the European Union formally recognized Ukraine as a country with an “economy in transition,” which accorded Ukraine a number of trade benefits with EU member states.

Since the first EU – Ukraine summit in 1997, if not earlier, Ukrainian leaders have frequently cited their country’s European leaning. For many years Ukrainians generally supported the drive

towards the European Union and supported efforts to improve the standard of living in their country to better match that within the EU. However, Ukraine made very little actual progress towards Europeanization; action did not follow rhetoric. Various government agencies at different levels of an executive pyramid convened all sorts of formal events celebrating Ukraine's integration into Europe, but within the country, neither a substantial spread of European values nor the introduction of governance practices based on such values has followed. Ukrainians continue to hunger for real change that will bring their country closer to the EU.

Former president Leonid Kuchma damaged Ukraine's democratic prospects in several ways during his second term: he applied pressure against the opposition, monopolized the distribution of information within the country, allegedly committed electoral fraud, and jeopardized Ukraine's relations with a number of foreign partners. Not only have these actions halted real progress and reforms in Ukraine, but they have also virtually precluded real cooperation with the European Union.

Just as the European Union was about to reveal its European Neighborhood Policy (ENP), Ukraine's political crisis came to a head. The massive popular movement of protest against election fraud – Maidan –led to the so-called “Orange Revolution”. The European Union formally and openly sided with that movement, offering to support Ukraine's journey towards European-style democracy. The EU refused to recognize the results of the rigged elections and participated in efforts to negotiate a peaceful solution to the crisis, through both formal diplomacy and the individual activities of its leaders.

The “post-Orange” period should have served as a window of opportunity for a breakthrough in relations between the EU and Ukraine. Instead, the momentum went to waste: Ukrainian leaders failed to deliver on the promises made at Maidan; Ukrainian politics maintained the status quo; and leaders of the “Orange camp” devolved into endless squabbling. The European Union distanced itself from Ukraine somewhat, and failed to actively seize the opportunity to engage with Kyiv to jumpstart the reforms. Instead, disillusionment with new Ukrainian leaders and “Ukraine fatigue” quickly spread through the corridors in Brussels.

Many viewed the vague and loosely defined ENP as a poor substitute for the EU making substantial policy and behavioral changes towards its partners in the immediate periphery, including Ukraine. The next iteration, the Eastern Partnership (EaP) initiative in 2009, offered a more focused, sub-regional approach. Though it lacked specificity on dealing with particular

countries in the EaP zone, this initiative was a step in a right direction. Leaders initiated discussions on the Free Trade Agreement (FTA) to facilitate this particularly important track in the EU's relations with Ukraine. Eventually, this was coupled with chapters on political association. As a result, the EU and Ukraine initiated the Deep and Comprehensive Free Trade Agreement (DCFTA) and the Association Agreement (AA) in 2012.

Events took a dramatic turn in late November 2013, when President Viktor Yanukovich abruptly decided not to sign the AA on the eve of the planned signing at the Vilnius EaP summit. This led to sporadic, scattered protests across the country. The use of force against the protesters generated yet another massive political movement – Maidan II, or Euromaidan. Since the start of this crisis, and throughout the months of tense standoff which culminated in violence in late February, the European Union advocated for the voice of the people to be heard and urged Kyiv to avoid using violence against the peaceful protesters and instead to pursue a dialogue. The EU has mediated in an attempt to resolve the crisis; the foreign ministers of several EU countries were present at the signing of a compromise deal between President Yanukovich and the leaders of opposition parties on February 21, 2014. However, that deal was never implemented, because immediately upon signing this agreement, Yanukovich left the capital and then the country, abandoning his post.

Ukraine now faces several critical tasks, including salvaging its fledgling economy, introducing comprehensive reforms and, since Russia's annexation of Crimea and aggression in the East, defending itself against its neighbor. The European Union plays a role in all of these urgent matters. It has granted a package of macro-financial assistance (MFA) and signaled its readiness to provide more aid if necessary. The EU has become a significant actor in pushing for reforms in Ukraine, and in implementing a "road map" of reforms. The EU and Ukraine signed the AA's political chapters in March and the entire agreement in June 2014 (along with Georgia and Moldova, who signed their own AAs). In the meantime, EU markets have temporarily opened without tariffs for Ukrainian goods. Finally, the European Union reacted to the Russian Federation's annexation of Crimea with sanctions against Russia introduced on March 17, 2014. The EU introduced additional sanctions on July 25, 2014 to address Russia's attempts to undermine and threaten Ukraine's territorial integrity, sovereignty and independence. A year later, they are still in effect.

The European Union unquestionably has provided significant aid to Ukraine during these turbulent times. However, there remains great potential for cooperation, and questions linger

regarding whether the EU is prepared to foot the bill for pulling Ukraine's economy away from the brink indefinitely. Certainly, EU leaders' patience will be tested by the ability and willingness of Ukrainians to undergo some painful reforms.

With regard to helping Ukraine counter Russian aggression, it should be noted that neither the political elite nor the general public in EU member states share a common view of the situation in Ukraine, the roots of the crisis, and the nature of the conflict in eastern Ukraine. Some (a vocal minority) tend to blame the crisis on Ukrainians themselves. They also consider the conflict in the east a civil war, not a direct Russian invasion. Furthermore, many believe that Ukraine belongs within the Russian sphere of influence and thus do not approve of the EU or NATO throwing its lot in with Ukraine and alienating Russia. The prospect of returning Ukraine to Russia and, in doing so, going back to business as usual and avoiding a new Cold War presents too great a temptation. This peculiar breed of *realpolitik* presents a major hurdle to more effective EU support for Ukraine. However, the EU should strive to overcome its internal divisions and forcefully defend both its values and interests by helping Ukraine and countering Russian aggression.

The crisis in Ukraine has become a serious test of the EU's ability to develop coherent, expedient and effective policies in the fields of security, defense and foreign affairs. So far, this test has not yielded positive results. Yes, the sanctions are holding, but signs indicate that the consensus behind them is eroding. We are witnessing the "nationalization" of most decisions, as particular countries within the EU are charting the course instead of the whole union. It is time for the EU to work together with NATO and not distance itself from the alliance. It is also imperative that the Euroatlantic community maintain strong links, uphold cooperation, and coordinate policies with Washington. World leaders must remember that the current Russian leadership strives not just to reign in Ukraine's autonomy, but also to undermine the EU and NATO and derail the entire Euroatlantic cooperation process.

The European Union should continue to provide Ukraine with the financial assistance necessary to rebuild its ravaged economy. At the same time, such assistance should certainly carry conditions; namely, continued aid must hinge on the pace, direction and character of reforms in Ukraine, and it must contain clear parameters. The EU should continue to assist Ukraine in realizing reforms through direct control, monitoring, technical advice and more, staying engaged with implementing a "road map" for reforms.

The EU should, for the time being, leave its market open for Ukrainian goods on a non-tariff basis. However, leaders must not delay in introducing the trade-economic chapters of the AA (DCFTA related). The European Union should deny Russia a seat at the table while discussing the future of EU – Ukraine relations. While Russia will continue to weigh heavily in all corners of the debate, Moscow should not be party to dialogue between Brussels and Kyiv.

Assistance in the field of energy security is of critical importance. This should include a push for greater energy efficiency, increased transparency in the field (e.g., eliminating middlemen who profit from shady deals), and an accelerated search for alternative energy types and sources (including safe nuclear energy). The reverse flow of natural gas supply is already producing positive results and should be encouraged and supported by all means.

The European Union should consider moving forward in the visa liberalization process with Ukraine. This should, of course, be contingent on Ukraine’s compliance with agreed-upon conditions. Enabling Ukrainians to freely visit countries within the EU constitutes a crucial element of Ukraine’s Europeanization. No new conditions or demands should be added to the list of criteria Ukraine must meet, which has already been negotiated. Finally, the European Union should not deny Ukraine prospects for formal membership. Potential membership would spur mobilization for successful reforms and transform Ukrainian society. Even without a concrete timeline, it is hard to underestimate the symbolism of prospective membership being on the table.

The international community expects the European Union to continue helping Ukraine withstand Russian aggression. The current sanctions against Russia should not be lifted until Moscow fully complies with a condition requiring it to respect Ukraine’s independence, sovereignty and territorial integrity. Only Russia’s full respect of Ukraine’s territorial integrity should form the basis for a decision to lift the sanctions—not any one particular cease-fire in eastern Ukraine being observed to a certain degree.

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For over twenty years, bilateral relations between Ukraine and the US have varied drastically: from chilly (close to sanctions at one point, almost entirely frozen at another) to warm (full-scale cooperation and strategic partnership). Even though the United States unconditionally recognized independent Ukraine in December of 1991, the first two years saw a spate of troubles. These troubles were caused, of course, by the presence of significant numbers of nuclear weapons on

Ukrainian soil upon the dissolution of the Soviet Union. The US favored denuclearizing Ukraine as soon as possible and suspected Kyiv of prolonging the process, even having second thoughts about it. This issue was resolved in a number of steps, most taken in 1994; since then, bilateral relations have improved vastly.

President Leonid Kuchma's ascent to power and his promise of reforms accelerated this progress. Ukraine received substantial financial aid, which helped to stabilize its financial situation and currency, facilitate privatization (however imperfect it was), and more. The two states declared a status of mutual strategic partnership and formed a high-level permanent intergovernmental commission on bilateral cooperation. The US helped Ukraine in the aftermath of the Chernobyl disaster. In 1997, Ukrainian astronaut Leonid Kadenyuk traveled aboard the American space shuttle Columbia, symbolizing the two countries' close relationship. Also in 1997, Ukraine and NATO signed the Charter on a Distinctive Partnership, which carried special significance for Ukraine – US relations, as Washington paid special attention to NATO's transformation.

The friendly relations began to sour in the later years of Kuchma's presidency. Ukraine's economy was gradually picking up speed, but necessary systemic reforms still had not been introduced. Kuchma's undemocratic behavior—namely, the falsification of several elections in a row; the “Kolchuga” case, in which Kuchma was found to have authorized the clandestine sale of anti-aircraft radar systems to Iraq, violating sanctions; the murder of journalist Georgiy Gongadze and ensuing “cassette scandal”—all impeded the progress of bilateral relations. This era would have been the most promising time for Ukraine to integrate into Euroatlantic structures, but it was not yet ready, nor did the West see a trustworthy partner in Kyiv at that point. The Ukrainian military's participation in the “coalition of willing” during the 2003 Iraq intervention did not lead to any palpable improvement in the bilateral relations, which remained somewhat lethargic.

The acute political crisis of late 2004, Maidan, or the “Orange Revolution,” had reenergized US policy towards Ukraine. Washington seized at the opportunity to contribute to Ukraine's transformation and recognized its duty to stand with the Ukrainian people. Ukrainians appeared on the verge of finally implementing the very changes within their country, society and economy for which Washington had hoped for years they would carry out. The administration of George W. Bush considered Ukraine a potential posterchild of peaceful, popular democratic transformation; this success story might provide a model for the promotion of democracy not only within the post-Soviet space, but also across the globe.



Just as the EU was (along with millions of Ukrainians, of course), the US's hopes were soon deeply disappointed; fatigued with Ukraine, the US became resigned to believe that whatever assistance it might provide to this country would likely be thrown into a bottomless pit of corruption, incompetence, political struggles, and indecisiveness. As the US deepened its engagement in the Middle East, Ukraine, along with the rest of the former Soviet Union, for that matter, slowly but surely sunk deeper down the list of the Bush administration's priorities.

Viktor Yanukovich's ascension to the presidency in 2010 did not occasion alarm in Washington, despite his highly dubious background and obvious pro-Russian inclinations. The US was willing to overlook his background because other Ukrainian politicians did not necessarily look "clean" either, and Yanukovich had come to office through a legitimate and fair election process (unlike the one in 2004). Many in Washington were tired of the messy post-Orange period and viewed Yanukovich as a potential restorer of order and predictability.

Yanukovich's first two major moves with regard to Ukraine – Russia relations were 1) to formally halt movement towards potential NATO membership for Ukraine (by introduction of the law on "basics of home and foreign policies") and 2) to extend the Russian navy's lease in Sevastopol until 2042 by signing the Kharkiv agreements. Neither action caused an upset in the US— Ukraine was not going to become a NATO member any time soon, a fact which Barack Obama's administration clearly recognized after the Bucharest summit.

The Kharkiv agreements clearly took some by surprise, but have not generated too much criticism. On the contrary, Secretary of State Hillary Rodham Clinton came close to praising these agreements, saying that Ukrainian foreign policy has become a "balancing act."<sup>1</sup> This reaction should not have puzzled anyone, since, contrary to what legions of propagandists say, the US's policy did not aim to weaken Russia, using Ukraine as an element in its BOP struggles, the tug-of-war with Moscow. Moreover, all of this was happening in the background of the "reset" policies, which postulated Russia as a promising partner for the United States, so Yanukovich's move have actually blended in quite nicely. The "reset" was, as seems obvious in hindsight, an approach based on naïvete, short-sightedness, and ignorance. Also, debuting it

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<sup>1</sup> "Hillary Clinton coming to Ukraine July 4-5." *Kyiv Post* (June 10, 2010).  
<http://www.kyivpost.com/content/ukraine/hillary-clinton-coming-to-ukraine-on-july-4-5-69284.html>

shortly after Russia's invasion of Georgia in 2008 was morally questionable, as it seemed to gloss over the aggression.

In the meantime, Yanukovich has constructed a thuggish, criminal regime in Ukraine, which showed its ugly face in full force late in 2013. Washington once again felt compelled to act urgently, though the US did not necessarily voice support for the revolutionary solution to the crisis, a regime change. Once the violence heated up, Maidan became radicalized and Yanukovich fled the country, the US was forced to look for ways to aid this emerging "new Ukraine."

Both Russia's annexation of Crimea and its intervention in eastern Ukraine have ushered in a new era in Russia-Ukraine-US relations. Looking for the means to counter Russian aggression, the United States finds both its values and strategic interests at stake. Since the start of the conflict, Washington has stepped up and provided essential assistance to Ukraine, including diplomacy, financial aid, non-lethal military equipment, military instructors to train Ukrainian troops; moreover, it has imposed sanctions on the Russian Federation. Washington has called repeatedly for Moscow to alter its behavior and to resolve the conflict through negotiations. The US seeks de-escalation and is more than ready to provide Putin with an exit strategy. This is where we now stand. Ukraine needs American support now more than ever.

The United States should by all means continue doing its good work in bringing attention to the situation in and around Ukraine in a variety of ways, including multilateral venues, unilateral initiatives, and bilateral frameworks. Washington can do much to support Ukraine's economy and implementation of the reforms. US military equipment, training expertise, and funding for the modernization of the Ukrainian military carries critical importance for the future viability of a Ukrainian state.

It is therefore crucial that the US position hinges not on whether any one given cease-fire is holding, but rather on Russia's full respect of Ukraine's sovereignty, independence and territorial integrity. If Washington offers Putin an exit strategy, it should not do so at the expense of Ukraine's sovereignty. The US and the EU must strive to coordinate their policies concerning the situation in Ukraine. At the same time, Washington should not allow bureaucrats in Brussels or in particular European capitals to hijack the agenda. American voices should be loud and clear and not be muted by partners overseas. American leadership is necessary, and not just in this

particular issue. The fact that Ukraine is located in Europe does not make this crisis a mere European problem but a conflict with global repercussions.