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CRISIS IN UKRAINE THREATENS DEMOCRACY AND UNDERMINES REGIONAL SECURITY

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The recent riots in the Ukrainian capital, Kyiv, reflect a growing political instability that places both Ukraine's future and U.S. interests in Eastern Europe at risk. Triggered by scandal—President Leonid Kuchma is alleged to have been involved in the murder of an investigative journalist—the crisis is aggravated by Ukraine's dismal economic performance and its energy and financial dependence on Russia. As was seen at the February Russian-Ukrainian summit in Dnipropetrovsk, this explosive combination of issues is forcing Ukraine back into the Russian orbit.

Russian President Vladimir Putin is encouraging Kyiv to subject Ukraine's military, energy, manufacturing, and military-industrial sectors to Russian economic and political hegemony in exchange for more energy supplies and the restructuring of debts incurred as a result of Ukraine's purchases of Russian natural gas. The implications of this increased dependence could be serious for both Ukraine and the United States. Re-absorption into a future Russian superstate could deny Ukraine the option of European integration, destroy the post-Cold War status quo in Europe, boost tensions in relations between Russia and NATO allies in Europe, and worsen U.S.-Russian relations.

Ukraine and U.S. Interests in Europe. An independent and democratic Ukraine is important to U.S. policy in Eastern Europe. A robust Ukraine can help to deny Russia, which is becoming more nationalist and authoritarian, direct access to the

borders of East Central Europe, including NATO members Hungary and Poland, as well as Southeastern Europe and the Balkans. Ukraine also controls the strategic northern coast of the Black Sea, which is adjacent to NATO ally Turkey.

An independent and democratic Ukraine is also crucial to Russia's future. Reintegrating Ukraine, with its 50 million citizens, into a Russian superstate would contribute to the emergence of a quasi-imperial and undemocratic Great Russia. Russian empire-builders in the military and national security community have openly proclaimed the need to establish hegemony in Ukraine in the context of the zero-sum nature of Russian-American confrontation. Russia would like to deny the U.S. and Western Europe political influence in the former Soviet Union.

For over 200 years, Ukraine and the Crimea have been the base from which Russia has threatened the Turkish Straits. From Ukraine, Russia launched the four partitions of Poland in the 18th and 20th centuries. Ukraine's integration into a Russian super-

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state would quash all hopes for a Western-oriented, democratic Eastern Slavic state and create new dividing lines in Europe. It would then be only a matter of time until an enlarged Russia reverted to its historically assertive pattern of behavior in the region.

The situation in Ukraine also makes it essential to bolster the sovereignty of the New Independent States (NIS), which have come under pressure from Moscow as a result of their internal political and economic weakness, in addition to their dependence on Russia for energy. Other importers of Russian energy in the region, such as Georgia, are in a similar position.

U.S. Policy. To support Ukraine's independence, territorial integrity, and democracy, as well as economic reforms based on the rule of law and a sustainable pro-Western orientation, the Bush Administration should:

- **Issue** a presidential statement emphasizing Ukraine's strategic importance and reaffirming the U.S. commitment to its independence, sovereignty, democracy, rule of law, and pro-Western orientation. This would go a long way toward deterring Russian intervention and bolstering independence-oriented elements in Ukraine.
- **Reassess** and reallocate U.S. aid in light of the current crisis. An emergency review could be coordinated by the National Security Council and conducted by the Department of State. Participants should include the U.S. Embassy in Kyiv; the Departments of Defense, Treasury, and Energy; and the intelligence community.
- **Expand** NATO's cooperation with the Ukrainian military, including Partnership for Peace programs, which can help to encourage reformist and pro-independence elements in the Ukrainian armed forces.
- **Broaden** industrial cooperation with Ukraine, including in the aerospace sector, and encourage America's Western European allies, especially Germany and Great Britain, to do the same.
- **Utilize** the National Endowment for Democracy, the International Republican Institute, the National Democratic Institute, and international broadcasting agencies like Radio Liberty and the Voice of America to encourage the participation of reformist, pro-democracy forces in the government.

For its part, Ukraine should develop and implement a further set of reforms to achieve a growing and efficient economy that will reduce its dependence on Russia. It should develop business models, legislation, and regulations to stamp out high-level government corruption and allow U.S. and other Western companies to compete fairly and invest in energy and other industrial sectors of the Ukrainian economy.

Working through impartial privatization managers, such as leading accounting firms and major Western management consulting firms, Ukraine should conduct open, transparent, and impartial privatization of its large enterprises. The government should also terminate subsidies to industrial enterprises through government-supported cheap energy supplies—a change in policy that would end the cycle of energy-related indebtedness to Russia.

Conclusion. Ukraine's fate hinges upon energy independence, debt management, economic efficiency, and private-sector transparency. In addition, Ukraine will be a decisive factor in determining whether Russia expands its sphere of influence to establish regional hegemony over its neighbors in the 21st century. Also at stake is the security of U.S. NATO allies, such as Poland and Turkey. The Bush Administration must move quickly and decisively to manage this challenging and complex question.

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