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After Ukraine Elections: What Is Next for U.S. Policy?

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On February 7, Ukrainians elected former Prime Minister Victor Yanukovych as president, a defeat for current Prime Minister Yulia Tymoshenko. The first round of elections, held on January 17, appeared to be free and fair. The U.S. embassy and OSCE concluded that the second round of runoff elections were free and fair as well. Ukrainian courts may review some of Tymoshenko's vote-counting-related challenges, but according to Ukrainian experts, these claims are unlikely to change the outcome of the election.

Despite Yanukovych's promises to improve ties with Moscow, the U.S. should develop its relations with the newly elected Ukrainian administration. The U.S. should also support the territorial integrity and sovereignty of Ukraine in the face of potential future Russian provocations, such as in the Crimea. It should also support NATO-Ukraine Commission efforts to develop relations with Kyiv, while encouraging key European states (Germany, France, and Italy) to accelerate Ukraine's EU accession process.

U.S.–Ukraine Relations. Ukraine is important to the U.S. for several reasons:

- A democratic Ukraine would be a model for Russia and other post-Soviet states;
- A free Ukraine could help strengthen the trans-Atlantic partnership by working with other Central European nations to foster U.S.–European bilateral cooperation;
- A stable Ukraine enhances stability and security in the Black Sea region and Central and Eastern

Europe, thwarting Russian desires to carve out a “sphere of influence” in those areas; and

- A commitment to free markets would allow Ukraine to tap its economic potential as a large market and a vital energy transit country as well as develop its vast off-shore and shale gas reserves, thereby countering Russian efforts to monopolize European energy markets.

During President Obama's first year in office, his Administration downgraded the bipartisan policy of close engagement with pro-Western Ukraine and Georgia that had been in place for almost 20 years. Instead, the Administration upgraded relations with Russia while proclaiming tough love for Ukraine. During Vice President Joe Biden's trip to Ukraine in July 2009, he focused his criticism of Ukrainian leadership on the unfulfilled promises of the Orange Revolution: transparency, good governance, and Euro-Atlantic integration. It is time for the Administration to reverse course.

For the U.S. to develop better relations with Ukraine, it must overcome three key obstacles—European indifference, a dysfunctional Ukrainian economy, and a meddling Russia.

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Challenges to EU and NATO Membership.

Yanukovych's election brings the country to a crossroad. Ukraine now has three choices: a Euro-Atlantic orientation, neutrality, or a pro-Russian stance. Only the first option truly satisfies Ukrainian, U.S., and European interests, but significant obstacles abound.

Germany, France, and Italy do not want to sacrifice their close economic relations with Russia for Ukrainian security and the nation's full European integration. Western European countries' de facto veto of Ukraine's EU and NATO membership and lukewarm response to Russia's heavy handedness in the 2008 Georgian War also reflect a lack of European resolve.

Furthermore, Yanukovych has repeatedly declared that Ukraine should stay politically neutral and may be unlikely to bring Ukraine into NATO. With 51 percent of Ukrainians viewing NATO unfavorably, the country's path to NATO membership is unclear.

The presence of the Russian Black Sea Fleet at a naval base in Sevastopol (in the Crimea, which has been Ukrainian territory since 1954) until 2017 also impedes Ukraine's accession to NATO. There is no precedent for a NATO member hosting a non-NATO member military base.

Finally, Russia encourages separatism in the Ukrainian-controlled Crimea. Nationalist politicians such as Yuri Luzhkov, the mayor of Moscow, and Konstantin Zatulin, an imperialist member of the Duma, have called for Russian annexation of the Crimea. Similar to the measures the Russian Federation undertook in Abkhazia in the run-up to the Georgia War, Moscow distributes Russian passports to Russian-speakers, is behind many land acquisitions in the Crimea, and is meddling in Sevastopol politics to try to get a pro-Russian mayor elected.

Economic Crisis and the Energy Morass. The global economic recession hit Ukraine more severely than many of its neighbors. As a result, its GDP contracted by 15.3 percent in 2009.

The energy sector is a particular area of concern. The incentive to privatize Ukrainian energy companies is growing, but such a move could have unwelcome consequences. If a controlling stake falls to

the state-owned Gazprom, markets will ultimately be less—not more—open.

Ukraine has also failed to wean itself from dependence on Russian energy, diversify its energy sector, or establish itself as a European energy hub. It has also failed to fulfill promises to make the Odessa–Brody oil pipeline an important artery capable of bringing Caspian oil to Europe or to launch a gas pipeline, such as the White Stream, for Caspian gas as a viable alternative to Gazprom-dominated projects.

Relations with Russia and Regional Integration. Yanukovych, whose political base is in the predominantly Russian-speaking Donbass region in eastern Ukraine, has promised to improve relations with Russia. It remains to be seen, however, whether he will be able to end Moscow's efforts to undermine Ukrainian sovereignty.

Moscow would also like to see Ukraine join the Eurasian Economic Community (known by its abbreviation EURASEC), which includes Russia, Belarus, and Kazakhstan, for political rather than economic reasons—further distancing Ukraine from Western Europe.

What the U.S. Should Do. The U.S. should decouple its engagement with Ukraine from its Russia-first policy and promote an agenda that is supportive of Ukraine's sovereignty. Specifically, the U.S. should:

- Support the territorial integrity and sovereignty of Ukraine, including the Crimea. The U.S. should support expanding NATO–Ukraine Commission activities, including upgrading to a Membership Action Plan, if Ukraine launches a credible bid to join.
- Encourage Europe to intensify Ukraine's accession process to the EU by going beyond the Eastern Partnership, promoting economic and legal reforms, and developing timeframes for Ukraine's political integration into the EU. The EU would do better offering Kyiv a definite roadmap to membership preceded by a free trade agreement and travel liberalization.
- Establish conditions that help Western companies develop Ukrainian energy resources on- and off-shore, including pipeline projects, ura-

nium processing, shale gas, and methane hydrate clusters.

- Emphasize to the Yanukovych administration that integration with Russia and EURASEC could complicate Ukraine's path into the NATO and the EU. Ukraine cannot have it both ways: As the majority of Ukrainians prefer a Euro-Atlantic future, it is up to Ukrainians to make their country strong, competitive, and prosperous.

The U.S. should build a partnership with the Yanukovych administration as well as those

Ukrainians who see their future in the Euro-Atlantic space and remain a steady friend of a democratic Ukraine.

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