

BACKGROUND

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Why the U.S. Should Support Ukraine's Association and Free Trade Agreements with Europe

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Abstract

Russia is pressuring Ukraine to join Belarus and Kazakhstan in a Eurasian Customs Union led by Moscow. Acquiescing to Russia's wishes would anchor Ukraine in a Moscow-dominated economic zone and impose higher tariffs on Ukrainian trade with the European Union. Russia also wants Ukraine to join the Joint Economic Space, the Eurasian Union, and the Collective Security Treaty Organization. This integration would recreate the geography of the Soviet Union and the Russian empire, strengthening and emboldening Moscow as a global geopolitical actor. It is in the national interest of the United States to prevent Ukraine from becoming a Russian satellite and a key member of a Moscow-dominated sphere of influence. The U.S. needs to assist Ukraine and its European partners in derailing Russia's pressure tactics for bringing Ukraine into Moscow's orbit.

On August 17, 2013, the Kyiv-based website *Ukraine Today* published a document summarizing the Kremlin's strategy on how to force Ukraine to join Russia's sphere of influence.¹ The Russian strategy, which the Kremlin has not disavowed, is designed to pressure Ukraine into joining a Moscow-led Customs Union (which currently includes Belarus and Kazakhstan). The strategy was authored by experts working for Sergey Glazyev, President Vladimir Putin's adviser on regional economic integration, and a prominent Russian nationalist and leftist who supports reintegration of the former Soviet republics under Moscow's aegis.²

KEY POINTS

- Russia is pressuring Ukraine to join the Eurasian Customs Union. Acquiescing to Russia's wishes would anchor Ukraine in a Moscow-dominated economic zone.
- It is in the national interest of the United States to prevent Ukraine from becoming a Russian satellite and a key member of a Moscow-dominated sphere of influence.
- The U.S. should offer public and diplomatic support of, and encourage the Ukrainian leadership to sign, the Association and free trade agreements with the EU at the Vilnius summit in November.
- The U.S. could lower tariffs on imports from Ukraine to compensate partially for imposition of Russian tariffs on Ukrainian goods.
- The U.S. should also denounce Moscow's illegal economic pressure on Ukraine to force it to join the Customs Union, and provide technical advice on measures Kyiv can take to oppose such pressure in the WTO and other international frameworks.

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The strategic goal of the document is to prevent Ukraine from signing an Association Agreement and a Deep and Comprehensive Free Trade Agreement (DCFTA) with the European Union,³ prompting it to instead join Russia's Customs Union by 2015.⁴ This step would anchor Ukraine in a Russia-dominated economic zone and impose higher tariffs on Ukrainian trade with the EU. The strategy includes measures to ban Ukrainian products from Russian markets if Kyiv insists on European integration and disobeys Moscow's diktat.

Ukraine regained independence in 1991, and since then has been suspended in a political limbo between the West, especially Europe, and Russia. The majority of Ukrainians, including the country's nationally minded elites, realize that Ukraine would be better off integrating with the European Union. Russia, however, wants to merge Ukraine into its integrative structures: the Customs Union; the Joint Economic Space; the Eurasian Union; and the Collective Security Treaty Organization (CSTO), the military bloc of the Commonwealth of Independent States. This integration would recreate the geography of the Russian Empire and the Soviet Union, strengthening and emboldening Moscow as a global geopolitical actor.

It is in the national interest of the United States to prevent Ukraine from becoming a Russian satellite and a key member of a Moscow-dominated sphere of influence. Ukraine is more democratically oriented than Russia. Historically, it has closer ties with Europe; and geopolitically, it can provide a necessary check on Russia's imperial ambitions. In the best-case scenario, Ukraine can become a proud member of the European community; in the "medium" case, an independent Ukraine can be a buffer between an authoritarian, anti-Western Russia, and

NATO/the EU; while in the worst case, Ukraine can once again lose its independence altogether and be drawn completely into the Russian orbit.

Thus, it is important for American policymakers to understand and counter Russia's neo-imperial designs on Ukraine. Specifically, the U.S. should announce public and diplomatic support of associate EU membership for Ukraine and the DCFTA in Washington, Europe, and in Kyiv; send high-level officials to visit Ukraine; provide technical assistance, if requested, to boost the country's lackluster economic performance; and encourage Europe to lower its trade tariffs with Kyiv.

Ukraine's Future Is at Stake

The Kremlin expected the current Ukrainian president, Viktor Yanukovich, to facilitate Ukraine's reintegration in the Russian political and economic sphere, as he was Moscow's preferred candidate in 2004 and 2010. Yanukovich hails from the Russian-speaking Eastern region of Donetsk, and many of his voters from the country's east and south would be happy with a closer relationship with Russia.

When Yanukovich took office in 2010, he was widely viewed as a pro-Moscow figure.⁵ Since then, he has indeed taken some pro-Russian steps: He signed a long-term agreement to keep the Russian Black Sea Fleet in the Ukrainian port of Sevastopol; in August 2012, he signed a law raising the status of Russian to an official regional language in 13 of 27 Ukrainian regions (oblasts), leading to protests by native speakers of Ukrainian in the western and central parts of the country.⁶

Nevertheless, Yanukovich has continued to follow a generally pro-European foreign policy and has given up neither Ukraine's political independence nor his own. In 2011, he opposed Russian

1. "Po dannym razvedki. O komplekse mer po vovlecheniyu Ukrainy v evraziyskiy integratsionnyi protsess" (Secret Services Data. On the Series of Measures to Draw Ukraine into the Eurasian Integration Process), *Ukraina Segodnya*, August 17, 2013, http://www.ua-today.com/modules/myarticles/article_storyid_58554.html (accessed August 20, 2013).
2. Sergey Glazyev, "Nastoyashchee i budushchee evraziyskij integratsii" (The Present and Future of Eurasian Integration), Izborsky Club, <http://izbryansk.ru/index.php/arkhiv/155-nastoyashchee-i-budushchee-evraziyskoj-integratsii> (accessed September 1, 2013).
3. Naftali Bendavid, "EU, Ukraine Want Trade Deal Despite Russian Threats," *The Wall Street Journal*, Real Time Brussels blog, August 28, 2013, <http://blogs.wsj.com/brussels/2013/08/28/eu-ukraine-want-trade-deal-despite-russian-threats/> (accessed August 28, 2013).
4. "Secret Services Data. On the Series of Measures to Draw Ukraine into the Eurasian Integration Process," *Ukraina Segodnya*.
5. Yevhen Solonyna, "Russia's Plan for Ukraine: Purported Leaked Strategy Document Raises Alarm," Radio Liberty-Radio Free Europe, August 20, 2013, <http://www.rferl.org/content/russia-ukraine-leaked-strategy-document/25081053.html> (accessed August 20, 2013).
6. "Yanukovich podpisal zakon ob ofitsialnom statuse russkogo yazyka" (Yanukovich Signed a Law on the Official Status of the Russian Language), *Komsomolskaya Pravda*, August 8, 2012, <http://www.km.ru/world/2012/08/08/yanukovich-podpisal-zakon-ob-ofitsialnom-statuse-russkogo-yazyka> (accessed August 20, 2013).

proposals to merge Naftogaz (the Ukrainian state-owned gas corporation) with Gazprom in exchange for Russia setting favorable prices for Ukrainian gas consumers.⁷

As Ukraine has already initialed the Association Agreement and DCFTA with the EU, it is now facing a moment of strategic truth—whether to follow the path to Europe and the West, or become, once again, a “younger sister” to Russia’s “elder brother.” This has happened twice in Ukraine’s history. After the Pereyaslav Council (Pereyaslavska Rada) of 1654, Bohdan Khmelnytsky (who, as “hetman,” was head of state and held the highest military office) brought the Ukrainian/Cossack proto-state under the Moscow czar’s protectorate and gave up the path to Ukrainian independence. Then, after the collapse of the Romanov Empire, Russian communists militarily defeated a succession of pro-independence regimes in Kyiv between 1917 and 1921. As in those crucial years, Ukraine is today facing a fateful period, one that is likely to determine its independence and international orientation for decades, if not centuries.

The existence of a Russian strategy to subordinate Ukraine is not a surprise. It had been known for a long time that Moscow was trying to convince Ukraine to voluntarily join its Customs Union and move toward greater integration with Russia. Moscow pressure tactics have also succeeded in forcing Armenia into joining the Customs Union, while Moldova is still resisting. All these countries, including Customs Union member Belarus, were interested in improving ties with the European Union as well.⁸ However, as Ukraine seems not to be willing to run into Russia’s arms voluntarily, the Kremlin has developed a plan to force Ukraine’s integration through economic pressure and a multi-pronged use of “soft power.”

The Glazyev–Medvedchuk Strategy: Getting Ukraine Under Russian Control

Moscow’s strategic objectives concerning Ukraine have barely changed over the past 400 years. By working to pull Ukraine into its fold, Moscow is seeking

to expand its coastal line on the Black Sea; get its power closer to the Balkans; integrate 44 million Eastern Orthodox, Russian-speaking Slavs into its own dwindling Russian Slavic population; gain control over Ukraine’s military–industrial base (including aerospace); attain access to the richest agricultural potential in Europe; and lock up Ukraine’s offshore and shale oil and gas reserves.

Re-Enter Medvedchuk. The strategy was developed by Russian presidential adviser Sergey Glazyev, a Russian imperialist (Eurasianist) and a proponent of state-run economics, on behalf of Ukraine’s most pro-Russian presidential candidate, Victor Medvedchuk. Medvedchuk, a potential candidate in the next Ukrainian presidential election, slated for 2015, is the Kremlin’s protégé and emissary. He also happens to be a relative of Vladimir Putin.

Medvedchuk is a well-known figure in Ukrainian politics. He has held high positions in the government, including serving as chief of staff to Ukrainian president Leonid Kuchma from 2002 to 2005, and as a member of the Verkhovna Rada (the Ukrainian parliament) twice. Currently, he is the head of the Ukrainian Choice movement, founded to promote Ukraine’s integration with Russia in the post-Soviet space.⁹

Medvedchuk is personally tied to both members of the Russian duumvirate—Vladimir Putin and Prime Minister Dmitri Medvedev. Putin and Svetlana Medvedeva (Medvedev’s wife) are godparents of Medvedchuk’s daughter Daria, born in 2004 and christened in St. Petersburg. Reportedly, the Kremlin would like Medvedchuk to run for the Ukrainian presidency in 2015 instead of Yanukovich. However, the current low level of Medvedchuk’s public support would be insufficient to ensure his victory, and it is unclear how a public endorsement by Putin would help endear him to the Ukrainian electorate.

The Kremlin Strategy Exposed. The Kremlin’s strategy reveals the array of means for gaining control of the internal affairs of post-Soviet republics at Russia’s disposal, and demonstrates that the Kremlin is willing to use them without hesitation. The Russian presidential administration’s

7. “Yanukovich vzyalsya sbivat’ tseny na gaz” (Yanukovich Got Down to Cutting Gas Prices), Dni.Ru, July 8, 2011, <http://www.dni.ru/economy/2011/7/8/215199.html> (accessed August 20, 2013).

8. Stephen E. Blank, “The Latest Act of Russian Economic Warfare,” Foreign Policy Research Institute, forthcoming.

9. Andriy Skumin, “Kremlin-Imposed ‘Ukrainian choice,’” *The Ukrainian Week*, July 3, 2012, <http://ukrainianweek.com/Politics/54398> (accessed August 21, 2013)

document postulates that most key Ukrainian business tycoons are critically dependent on Russian markets but are opposed nevertheless to Ukrainian accession to the Moscow-dominated Customs Union, preferring a Ukraine that is more Western-oriented.

The Glazyev–Medvedchuk strategy demands that Moscow apply more pressure to these Ukrainian business executives to persuade them to become leaders of the pro-Russian lobby in Kyiv. The Kremlin believes that Russian leverage, including the “creative” application of customs tariffs, non-tariff regulations, and other market-access tools, is necessary to force the Ukrainian oligarchs to play ball.

Integrated Multi-Pronged Strategy. The Russian presidential strategy concerning Ukraine calls on all branches of the Russian government to work actively to form civic, business, media, and political organizations in Ukraine that “understand the necessity” of economic and political integration with Russia.

The expected signing of Ukraine’s Association Agreement with the EU in November 2013 in Vilnius, Lithuania’s capitol, makes stepping up the political pressure on Ukraine especially important from the Russian point of view. Until recently, Russia relied mainly on soft power and energy dependence to keep Ukraine close. The results speak for themselves. The Black Sea Fleet is anchored safely in Sevastopol until 2042, Russian TV is included in all Ukrainian cable packages, Russian companies are ubiquitous, and Russian oligarchs have bought many profitable Ukrainian businesses.

Until now, Moscow did not view economic warfare as a main means of effecting closer integration with Ukraine. The Kremlin expected that the imprisonment of former Prime Minister Yulia Tymoshenko on abuse-of-power charges would serve as a sufficient barrier, keeping EU leaders from signing the Association Agreement.¹⁰ However, while the Europeans continue to demand Tymoshenko’s release, it is unclear whether this means they are unwilling to go ahead with bringing Ukraine on board.

If Ukraine signs the Association documents at the Eastern Partnership summit in Vilnius this November, it will make it impossible for the country to join the Moscow-dominated Customs Union later. Ukraine would have to raise tariffs on 11,500 items produced outside the Customs Union to be consistent with Russia’s customs tariffs. Doing so would harm the Ukrainian economy and violate its membership in the World Trade Organization (WTO).¹¹

How Russia Would Force Ukraine to Join the Customs Union

The introduction of the Glazyev–Medvedchuk strategy by Russia makes it clear that the gloves are off. The strategy’s authors claim, with no proof, that Ukraine’s accession to the Customs Union would improve trade turnover by \$9 billion annually, while Ukraine’s joining a free trade area with the EU would worsen its negative trade balance by \$1.5 billion. This is, most likely, a propaganda ploy.

Russia does not really care about the well-being of the Ukrainian economy, but is out after its own geopolitical interests, which include exercising as much control over the post-Soviet space as possible.

To the Kremlin’s disappointment, Viktor Yanukovich has not proven to be a reliable proponent of Ukraine’s deep integration with Russia. For Yanukovich, his own presidential power is more important than giving more power to the Kremlin. The Ukrainian president has been trying to maintain good relations with Moscow, while not giving up Ukraine’s prospects of integration with the European Union. Yanukovich has been trying to sit on two stools at once.¹² He agreed to Ukraine’s observer status in the Customs Union, which lacks any legal basis, but balked at deepening the integration with Russia at the expense of the European trade ties.

The Russian strategy, which is being widely read in Ukraine, does little to promote confidence in Medvedchuk among the country’s voters. It is replete with paranoid language, reminiscent of the Cold War. Glazyev believes that Ukraine’s desire to integrate with Europe is directed by “the long hand

10. “Yulia Tymoshenko Chronology,” *The New York Times*, May 1, 2013, http://topics.nytimes.com/top/reference/timestopics/people/t/yulia_v_tymoshenko/index.html (accessed August 29, 2013).

11. Anders Aslund, “How Putin Lost Ukraine,” *The Moscow Times*, August 21, 2013, <http://www.themoscowtimes.com/opinion/article/how-putin-lost-ukraine/484823.html> (accessed August 22, 2013).

12. “Yanukovich, tebe bilsh ne lyublyat u Kremli” (Yanukovich, the Kremlin Does Not Love You Anymore), TVRain, August 20, 2013, http://tvrain.ru/articles/janukovich_tebe_bilsh_ne_lyubljat_u_kremli-350334/ (accessed August 21, 2013).

from Washington” in order to harm Russia.¹³ The document is replete with conspiratorial references to “Russophobia” and “Western agents.”

Glazyev believes that the U.S. and Europe are engaged in “legalized aggression” to devour raw material resources of Russia and keep its economy underdeveloped.¹⁴ It accuses Ukrainian politicians and businessmen, including those close to Yanukovich, of being Western spies—and condemns the EU for “imposing obligations” on Ukraine—as if the Customs Union was obligation-free. Allegedly, Yanukovich is ignoring the potential benefits of the Customs Union due to fears that Ukraine may become directly dependent on Russia. This may indeed be the case. These fears are likely to be intensified further by this heavy-handed document originating from Kyiv and Moscow, and by the blockade of Ukrainian goods destined for Russian markets, which began in June of this year, causing over \$2 billion in losses to the Ukrainian economy.¹⁵

The Glazyev–Medvedchuk Strategy at a Glance

As stated in the Kremlin strategy, Russia’s objectives include:

- Preventing Ukraine from signing the Association Agreement with the EU;
- Forming an influential network of pro-Russian forces capable of ensuring Ukraine’s ascendance to the Customs Union—and eventually to the Eurasian Union—by 2015; and limiting the scope of perceived anti-Russian actions of the current Ukrainian leadership;
- Neutralizing and weakening the media and political influence of Ukrainian and Western proponents of European integration; and
- Creating conditions for Ukraine to join the Russian-dominated political space in Eurasia.¹⁶

The plan is divided into four sections: (1) creating the conditions necessary for Ukraine’s accession to the Customs Union; (2) implementing measures to strengthen Ukraine’s economic dependence on Russia; (3) creating international environment for the accession process; and (4) providing economic resources.

1. Creating the Conditions Necessary for Ukraine’s Accession to the Customs Union. The document states that “explanatory work” (propaganda) has proven to be an ineffective tool for overcoming the negative attitude of the Ukrainian leadership toward accession to the Customs Union. Therefore, this explanatory work

needs to be backed up by systematic pressure to create a sense of the unavoidability of accession among the current ruling elite if it wants to survive. This pressure needs to originate from among the business sector, clergy, and civil society, the media, foreign policy, national security and economic experts and from those closest to Yanukovich, including his family members and oligarchs in his circle. The positions of oligarchs tied to Yanukovich’s ruling party, the Party of Regions, as well as the minority Communist Party are of special importance to the plan’s authors. Equally important targets for economic pressure from the Kremlin are oligarchs holding public posts in Ukraine, and the business owned by Yanukovich’s son, Aleksandr.¹⁷

The Kremlin-approved plan recommends organizing support for the Customs Union in the Rada, the Ukrainian Parliament, and especially in the Cabinet of Ministers. The plan proposes to counter what it calls “Western manipulation” of various ministry officials using intelligence methods. In the meantime, it also calls for active support of those officials, who share the goal of Ukrainian accession to the Customs Union. Given the importance of the Cabinet in making the final decision, influencing its position is a top priority.

13. Glazyev, “Present and Future of Eurasian Integration.”

14. Evgenia Pismennaya, “Glazyev ukazhet kurs strane?” (Glazyev Will Point the Path to the Country?) *Echo Moscow*, January 18, 2013, http://www.echo.msk.ru/blog/anatoliy_chubais/992702-echo/ (accessed September 1, 2013).

15. Blank, “The Latest Act of Russian Economic Warfare.”

16. “Secret Services Data. On the Series of Measures to Draw Ukraine into the Eurasian Integration Process,” *Ukraina Segodnya*.

17. *Ibid.*

Ukrainian members of parliament are described as “flexible,” and their positions allegedly vary based on the whims of their financial sponsors (oligarchs) and party leaders. It is thus necessary to form a network of proponents for accession to the Customs Union in the Parliament and conduct “one-on-one work” with the deputies.

According to the Glazyev–Medvedchuk document, the Ukrainian media is dominated by anti-Russian rhetoric based on lies, falsifications, and hatred. Given that oligarchs close to Yanukovich exercise control over mass media outlets such as TV channels, “they need to be personally convinced to get rid of the anti-Russian programs, to invite Russian or pro-Russian experts to promote close ties with Moscow.”

The “expert” community can also exert significant influence if used wisely, per the plan, which suggests “creating” (funding) a pool of journalists who favor joining the Customs Union.¹⁸

The strategy also encompasses obtaining the cooperation of regional governors and city mayors. Those who are pro-Russian need to be more active in influencing the election campaign in favor of Medvedchuk and must also lobby Yanukovich directly to encourage him to join hands with the Kremlin.

Utilizing the Ukrainian Orthodox–Moscow Patriarchate church and faith-based organizations is of crucial importance. The plan further contends that it is necessary to engage parishioners of the Ukrainian Orthodox Church (UOC) of the Moscow Patriarchate, while neutralizing the negative influence of the competing UOC of the Kyiv Patriarchate and other local churches, such as the Rome-affiliated Uniate Church. The involvement of the Church is likely to strongly influence the public in general and Yanukovich personally. The Russian Orthodox Church and the Union of the Orthodox Citizens of Ukraine are expected to take an active role in the process¹⁹—just as the Russian imperialists recommend.

In addition, a network of already existing pro-Russian organizations can be used as a basis for these activities. One of these pro-Russian organizations is, for instance, the Union of the Slavic Nations

of Russia, Belarus, and Ukraine. However, the plan maintains that the most important Ukrainian organization for accomplishing these goals is Medvedchuk’s Ukrainian Choice movement.

2. Implementing Measures to Strengthen Ukraine’s Economic Dependence on Russia. The second pillar of the strategy is to make Ukraine even more economically dependent on Russia. To this end, the strategy envisages the integration of Ukraine’s economy with that of Russia in the financial and industrial sectors.

In particular, the strategy seeks to take advantage of Ukraine’s current negative balance of payments to stimulate the country to develop closer ties with the Russian financial sector, including taking out loans from the Russian state and state-controlled banks. The strategy also aims at giving the ruble the status of a fully convertible international currency in Ukraine, which would contribute to the Kremlin’s ambition of creating an international financial center in Moscow.²⁰ Per the strategy, the Russian–Ukrainian–Belarusian investment corporation Mir will facilitate implementation of joint innovation projects. Similarly, unification of the requirements towards local credit-rating agencies will be aimed at strengthening the mutual dependence of Russia and Ukraine at the expense of Ukraine’s economic integration with the West.

Russia also aims to take over the Ukrainian aircraft industry. In addition to a recently created joint corporation between the state-owned United Aircraft Corporation (Russia) with the leading aerospace company ANTK Antonov (Ukraine), the Glazyev–Medvedchuk plan recommends unification of ANTK Antonov and the Motor Sich engine manufacturer with their Russian counterparts, Progress and Aviastar–SP. Such a step would lead to the “creation of the most competitive aircraft company” in its segment of the market—military transport and passenger aircraft manufacturing. Creation of such a company will then serve as a driver of economic growth and will have a strong pro-integration effect, the plan’s authors believe.

Similarly, the creation of a joint Russian–Ukrainian nuclear-fuel corporation will help

18. Ibid.

19. Ibid.

20. Ibid.

prevent the Westinghouse company from pushing out Russia and becoming the supplier of nuclear fuel for Ukrainian nuclear power plants.

Finally, creation of a joint Russian–Ukrainian gas consortium, dominated by Gazprom, which has been discussed for a long time but has not been implemented allegedly due to the obligations imposed on Ukraine by the EU, is also foreseen.

3. Shaping International Environment for the Accession Process. Russia’s current partners in the Customs Union—Belarus and Kazakhstan—need to do their part to convince Ukraine to join, the strategy demands. Support of the leaders of Belarus and Kazakhstan for Ukraine’s accession to the Customs Union needs to be secured. Aleksandr Lukashenko and Nursultan Nazarbayev, presidents of Belarus and Kazakhstan, respectively, can be helpful in effectively explaining the advantages of joining to the Ukrainian leadership, especially through direct talks with Yanukovich. Allegedly, Lukashenko could significantly contribute to persuading Yanukovich, given the latter’s supposed Belarusian roots. It is also necessary to demonstrate to the Ukrainian leadership that the Customs Union is based on full equality of all its members, and is not a means for Russia to exercise “imperial” control over its post-Soviet neighbors. In addition, the strategy recommends that “Western experts need to be found who would be willing to cover the Eurasian integration in a positive light” and neutralize fears of restoring the Russian Empire.

It is necessary to find arguments, the Glazyev–Medvedchuk strategy says, which will hold back the U.S. and EU influence on Ukraine. After Ukraine publicly announces its intentions to join the Customs Union, negotiations should be held on how to compensate Ukraine for potentially decreased access to Western goods by lowering the common tariffs of the Customs Union.

4. Providing Economic Resources: “Billions and Billions Needed.” Due to the business interests of the Ukrainian ruling elite, Russia needs to exercise economic pressure on key oligarchs to accomplish the goal of economically integrating Ukraine with Russia and its allies, the planners

allege. Ukrainian oligarchs such as Rinat Akhmetov, Victor Pinchuk, and Petro Poroshenko have key influence over Ukrainian politics, and also are critically dependent on Russian loans, markets, and sources of raw materials.

Moscow is already attempting to “collectivize” potentially pro-Russian businesspeople. The Suppliers of the Customs Union is an organization that was founded in Ukraine specifically for promoting Ukrainian entry into that trade bloc. The strategy notes that most owners of agricultural and machine-building factories should be viewed as potential proponents of the accession and must be made more active by means of this organization.

Glazyev and his cohorts also believe that the implementation of their plan will need analytical and informational backup. This should be provided by the National Institute of Development, which is one of Glazyev’s organizational bases, in cooperation with other Russian and Ukrainian academic organizations.²¹

The integration work of civic organizations should be coordinated by Rossotrudnichestvo (The Russian Federal Agency for the Commonwealth of Independent States’ Compatriots Living Abroad and International Humanitarian Cooperation). Special attention needs to be paid to involving the youth by means of grants akin to those provided by Western democracy-development funds such as the National Endowment for Democracy and the U.S. Agency for International Development for the long term.²²

What the Obama Administration Should Do

It is in the U.S. interest that Ukraine sign an Association Agreement and a DCFTA with the EU. Therefore, the Administration should:

- **Encourage the Ukrainian leadership to sign the Association Agreement and DCFTA with the European Union at the Vilnius summit in November.** The White House should reaffirm the guarantees of Ukrainian sovereignty and independence pledged by the U.S. in 1994, which

21. Rossiyskaya Akademiya Nauk, Natsionalnyi Institut Razvitiya, “Ob Institute” (Russian Academy of Science, National Institute of Development, “About the Institute”), 2012, http://nir.ras.ru/index.php?option=com_content&view=article&id=19&Itemid=27 (accessed August 29, 2013).

22. “Secret Services Data. On the Series of Measures to Draw Ukraine into the Eurasian Integration Process,” *Ukraina Segodnya*.

include protection from economic pressure. The U.S. should also promote the release of former Prime Minister Yulia Tymoshenko from prison—a step that would further encourage the Europeans to sign the Association Agreement.

- **Expand U.S. and international technical assistance to Ukraine**, if requested, for steps Kyiv may take to defend its trade from discriminatory Russian trade practices, such as preparation of WTO claims. Offer advice to: facilitate Ukraine's economic reforms, combat corruption, increase transparency of government decision making, make the civil service smaller and more efficient, privatize government services where possible, improve law enforcement practices, enhance the work of the courts, assist with training of judges and prosecutors, deepen legal reform, and improve banking practices. The U.S. may lower tariffs on imports from Ukraine to compensate partially for imposition of Russian tariffs on Ukrainian goods.
- **Boost public and diplomatic support of Ukraine's Association Agreement and DCFTA with European capitals**, signaling high-level U.S. attention to this matter, and dispatch senior American officials to Kyiv to articulate support through talks with the Ukrainian leadership and public

appearances. The Obama Administration should denounce Moscow's illegal economic pressure on Ukraine to force it to join the Customs Union and provide technical advice on measures Kyiv can take to oppose such pressure in the WTO and other international frameworks.

Conclusion

The United States has supported the Ukrainian dream of independence and transition to democracy and markets since the collapse of the Soviet Union. American geopolitical interests and ties to Eastern Europe require high-profile and unambiguous support of Ukraine's Association Agreement and DCFTA with the European Union. The U.S. needs to join Ukraine and its European partners in derailing economic blackmail and soft-power pressures inherent in the Glazyev–Medvedchuk plan to bring Ukraine into Moscow's orbit.

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