

# notes

## internacionals

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# 79 OPERATION UKRAINE

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**T**he Ukrainian government has given in to Russia. For now. The European Union had already lost all hope when a significant part of the Ukrainian people took to the streets and, for the second time, changed the parameters of the situation. Now all options are open.

A little before the Vilnius Summit with the Eastern Partnership countries in the summer, the signs for the EU were promising: Ukraine seemed prepared to sign a new, more ambitious Association Agreement; Georgia and Moldova were due to initial similar agreements; Armenia was willing to begin negotiations; and only the two more authoritarian states, Belarus and Azerbaijan, would be left out. In September, Armenia gave in to Moscow, while little Moldova persevered despite Russia suspending its wine imports, which are key to its economy. Ukraine, meanwhile, resisted Russian pressure for months, giving hope to Europe and its own citizens by reiterating its intention to sign the Association Agreement on the 28<sup>th</sup> and 29<sup>th</sup> of November. Some analysts even suggested that Russian president Vladimir Putin was doing the EU a favor by stepping over the line in his attempts to coerce Ukraine, thereby contributing to the possibility that the Vilnius Summit would be the first far-reaching success of the EU's Eastern Partnership policy.

## Ukraine's Options

Russia is offering entry to the Customs Union, which it leads, and of which Kazakhstan and Belarus are the only other members (to be joined, soon, by Armenia). This structure is seen by Moscow as an important step towards the creation of a Eurasian Union, supposedly in the image of the European integration process. However, apart from being a tool of Russian political influence, the economic advantages of this remain unclear, even in the short term. A recent study by a Ukrainian think tank ("The economy under a press. How Ukraine can rescue itself from the Russian economic coercion", *Policy Brief*, Institute for World Policy, 2013) shows that

"Despite Moscow's integration efforts Russia's share in trade with the CIS countries has been steadily decreasing, and China and the EU are strengthening their positions in the region". Russia and the EU hold similar positions in Ukraine's external trade, but European investment in the country is ten times greater than that made by Russia.

The agreement due to be signed with the European Union, in preparation since 2008, foresaw the creation of a substantial free trade area for Ukraine in exchange for a series of democratic reforms, mainly in the field of justice, as well as one sine qua non

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**Ukrainian oligarchs' perception of the EU has been changing: its heavy and stringent requirements oblige them to alter their corporate culture, but at least it guarantees legal security for any agreements and profits made.**

**Public opinion polls indicated a net progression (41%, 45%, 58%) between September and November in favor of the agreement with the EU.**

**If he is looking to achieve special status for his country, President Yanukovich has not understood the reality of his surroundings. Ukraine will not be able to stay in limbo forever because the current Russia will never allow it.**

**Moscow has re-awakened what it has most feared for itself ever since the color revolutions: fearless popular mobilization that is capable of bringing down governments and changing systems.**

condition: ending what Brussels saw as an example of “selective justice”, and allowing ex-prime minister Yulia Tymoshenko out of jail for medical treatment in Germany. To this end, the European Parliament mandated two special envoys, Pat Cox and Aleksander Kwaśniewski, some time ago, and their methodical work seemed to be about to bear fruit. Although with no prospect of membership, as in the case of the Balkan countries, this agreement is the most advanced that the EU has offered so far in the area, and its signing by Ukraine (the crown jewel of the post-Soviet area) would have given political clout to the association strategy deployed by the EU with its East European neighbors.

However, just a week prior to the summit, a vote by the Parliament in Kyiv ended any hopes of an agreement. The Ukrainian Government, which had continually repeated the strategic advantage of the European option, declared its priority to be closer relation to the Customs Union, with a meeting already arranged for the 18<sup>th</sup> of December. This decision has been interpreted by many observers as a last attempt by the Ukrainian government to bargain with the EU in order to receive a promise of compensation for the losses the country would suffer for diminished trade with Russia and the CIS countries. Not to mention Ukraine’s desire to have the support of the EU in renegotiating a new loan from the International Monetary Fund. It is more likely that this last-minute switch may have been the

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inevitable consequence, poorly calculated by Brussels, of the enormous pressure imposed by Russia.

### The Russian Arguments

For his part, Vladimir Putin has accused the European countries of blackmailing Ukraine into signing the Association Agreement. He claims to have “heard threats on the part of our European partners in relation to Ukraine, including even facilitation of mass protests”.<sup>1</sup> In this way, Putin disqualified –in passing and in advance– any display of dissatisfaction by Ukrainian citizens, by stigmatizing it as exogenous from the start. It seems without doubt that the recourse to citing external factors to discredit any expression of internal dissent –with its aftertaste of the Soviet past– has returned to Russian power discourse, and is again one of the most fashionable arguments with which to face any critical initiatives taken by its own citizens.

But the facts show that Russia has rolled out all of its classic arguments: a series of preventive warnings of what will hap-

pen to Ukraine should it sign this agreement with Brussels. The Russian news agency, RIA Novosti, cites, for example: the suspension of imports of certain Ukrainian goods at the beginning of the year; the imposition of additional controls on imports from Ukraine, causing huge traffic jams and millions of losses; and repeated warnings of the termination of the preferential trade agreements with Ukraine if they sign the agreement with the EU. All this against the backdrop of a secret meeting between Putin and Ukrainian president Viktor Yanukovich on the 9<sup>th</sup> November, reported by foreign, Russian, and Ukrainian media. Nor will the following fraternal warning to the Moldovans by the Russian Deputy Prime Minister, Dmitry Rogozin, have been missed by the people of Ukraine: “energy supplies are important in the run-up to winter; I hope you won’t freeze”.<sup>2</sup>

No less clear were the statements made at the Yalta European Strategy meeting last September by Sergey Glazyev, a well-known adviser to the Russian president who is in charge of the Ukraine dossier, emphasize this point. In public, the senior official announced the disaster that the signing of the agreement with the EU in Vilnius would represent and asked who was willing to pay for Ukraine’s inevitable bailout. In the corridors he also brought up in front of the press the eventual emergence of separatist movements in the Russian-speaking eastern and southern areas of Ukraine and the possibility that Russia would consider null and void the bilateral treaty of delineation of borders between the two countries. “We don’t want to use any kind of blackmail. This is a question for the Ukrainian people”, said Glazyev. “But legally, by signing

this agreement about association with the EU, the Ukrainian government violates the treaty on strategic partnership and friendship with Russia.” In that case, he added, perhaps Russia would intervene should the pro-Russian regions appeal directly to Moscow. “Signing this treaty will lead to political and social unrest”, concluded Glazyev. “The living standard will decline dramatically... there will be chaos.”<sup>3</sup>

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### Kyiv, the Difficulties of Finding a Balance

Ukraine’s geopolitical situation certainly requires extremely cautious policy-making with its large neighbor. While the EU as a whole is Ukraine’s main economic partner, Russia is the country with which it has built most bilateral economic relations and their hypothetical disruption would have dramatic consequences for Ukraine, whose main industrial activity –steel– has been badly hit by the international economic

1. *Putin accuses European countries of pressuring, blackmailing Ukraine*, Interfax, 22 November 2013. <http://en.interfax.com.ua/news/general/176356.html>

2. *Russia criticised over ‘pressure’ on EU neighbours*, BBC, 11 September 2013. <http://www.bbc.co.uk/democracylive/europe-24055749>

3. “Ukraine’s EU trade deal will be catastrophic, says Russia”, *The Guardian*, 22 September 2013. <http://www.theguardian.com/world/2013/sep/22/ukraine-european-union-trade-russia>  
“Ukraine and EU ridicule Russian threats”, *EUobserver*, 23 September 2013. <http://euobserver.com/foreign/121531>

crisis. And, as is well-known, dependence on Russian gas is Kyiv's main weakness with regard to Russia, which on two occasions has not hesitated to use this leverage, and shut off the tap midwinter. Ukraine is also in a very difficult financial situation because of the 15 billion dollar loan that the IMF approved in 2010, but which is blocked due to the Ukrainian government's non-compliance with the structural adjustments that the Fund required (reforming the pension system and increasing gas prices for domestic use).

The Ukrainian Prime Minister Mykola Azarov argues that the harsh conditions of the IMF loan were the final reason for suspending preparations for the signing of the Association Agreement with the European Union. But various news agencies, including the Russian RIA Novosti, have referred to the phone conversation that the Ukrainian President is supposed to have had with his Lithuanian counterpart immediately after hearing the news. According to a senior Lithuanian official, Yanukovich admitted to the pressure being imposed by Russia. In an interview with the local television station ICTV, Azarov also stated that Moscow had agreed to review the price of gas once Kyiv refused to sign the agreement in Vilnius. As Reuters has shown, Ukraine pays higher prices for Russian gas than several EU countries, and it has totally failed (at least up to now) in its attempts to renegotiate a more favorable agreement with Moscow. But Gazprom, in the words of its spokesman Sergei Kuprianov, has already stated that they are not reviewing the current gas contract with its neighbor and that he doesn't know anything about promises given to the Ukrainian Government.

### Inside Ukraine

And yet, Russian pressures and threats are not enough to explain Kyiv's decision. The Ukrainian president has not become a true democrat, and pro-European statements do not reflect a genuine political vision. What Viktor Yanukovich wants is to remain in power alongside his core group, "The Family", whose influence extends to all areas of business and power. To that end he has his sights set on the next presidential elections in 2015. From this perspective, the tug of war between Brussels and Moscow also fits with an early electoral campaign. But the balance of power (and the distribution of national wealth) held between Yanukovich and the country's largest oligarchs is beginning to show cracks, particularly due to the growing supremacy of The Family. This displeases several of the large businessmen whose support remains vital to the ambitions of the president at the time of future elections.

So far, Ukrainian oligarchs have benefitted from their contacts in the large neighboring country and their familiarity with the opaque operational mode of their Russian counterparts. But they have also suffered from its arbitrariness and lack of guarantees for their businesses. Hence the changing perception of the EU: its heavy and stringent requirements oblige them

to alter their corporate culture, but at least it guarantees legal security for any agreements and profits made. After the serious problems created by the standstill of Ukrainian products at the Russian border, it is significant that the country's richest and most powerful oligarch, Rinat Akhmetov, recently stated in Donetsk (one of Ukraine's pro-Russian strongholds) that "what happened on the border will make Ukraine, business and every Ukrainian stronger. We must learn from this lesson."<sup>4</sup>

The Ukrainian people, for their part, returned power to Viktor Yanukovich and his Party of the Regions because they were tired of the sorry spectacle of the struggle for power among the leaders who rose up from the Orange Revolution, and who were unable to live up to the expectations that had been awoken. But they are also showing a clear evolution towards the European option. While in September public opinion polls indicated a slight majority in favor of the agreement with the EU (41%, with a clear predominance of young voters, vs. 35% against), those held in October (45%) and November (58%) indicate a net movement towards the first option. The latest survey furthermore recorded 50% in favor of the EU among Ukrainians from the east and south of the country, where the Russian-speaking population dominates.<sup>5</sup>

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### Non-aligned dreams

Indecision and ambiguity characterize the Government's statements since its decision not to sign in Vilnius. With hundreds of thousands of people demonstrating in cities across the country in favor of the agreement with the EU, President Yanukovich felt obliged to speak to the Ukrainian people on the 25<sup>th</sup> of November in order to explain to them that Ukraine currently has no other choice, but he added that no one will rob the country of "the dream of a European Ukraine". He also explained that he couldn't "leave the people to fend for themselves with the problems that may arise if, under the pressure we feel, production collapses and millions of citizens end up in the street"<sup>6</sup>. To

4. "Euro-integrating the Donbas", *Kyiv Weekly*, 13 September 2013.

<http://kyivweekly.com.ua/pulse/politics/2013/09/13/113602.html>

5. *Яким шляхом іти Україні — до якого союзу приєднатись?* (Ukraine which way to go - which Union to join?), *Kyiv International Institute of Sociology*, 3 October 2013.

<http://www.kiis.com.ua/?lang=ukr&cat=reports&id=196&page=1>

*Українці обирають Євросоюз* (The Ukrainians choose the EU), 12 November 2013.

[http://www.gfk.ua/public\\_relations/press/press\\_articles/011218/index.ua.html](http://www.gfk.ua/public_relations/press/press_articles/011218/index.ua.html)

DW-Trend: *більшість українців - за вступ до ЄС* (Most of Ukraine in favor of joining the EU), *Deutsche Welle*, 18 November 2013. <http://bit.ly/1bfG2Xt>

6. *President's address to Ukrainian people*, Press office of President Viktor Yanukovich, 25

what pressure he is alluding is, perhaps deliberately, left open: everyone can choose according to their preference: Russia, the EU, the IMF, or all of them...

In any case, the Ukrainian government is its own worst enemy. Now it says that this is only a postponement and proposes, with support from Moscow and Brussels' rejection, a trilateral meeting to negotiate the further development of the situation created. In a show on live television, Ukrainian Prime Minister Azarov said that the decision not to sign does not mean that Kyiv wants to enter the Customs Union, and added: "we are set for integration with the European Union and the signing of the Association Agreement, but now we have taken a pause. Nothing has changed strategically, only tactically."

If he is looking to achieve special status for his country, President Yanukovich has not understood the reality of his surroundings. His remarks are meant to encourage belief in a strategy of simultaneously joining Russia's Customs Union and continuing rapprochement with the EU. But Ukraine can't stay in limbo forever. The current Russia will never let Ukraine leave what it considers to be its natural sphere of influence without fighting with everything it has. A careful reading of the new Russian Foreign Policy Concept from February 2013 gives several hints of this: in particular, the reference to the need to provide support to compatriots living

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in member states of the CIS. Russia's self-perception turns Ukraine into a highly strategic country -a constitutive part of its identity and grandeur. In July 2013, at a conference in Kyiv entitled "Orthodox-Slavic Values: The Foundation of Ukraine's Civilisational Choice" (which, by the way, the Ukrainian president did not attend), Putin, in line with his newly adopted traditionalist mission, said that the Baptism of Rus, the cradle of the East Slavs on the Dnieper river, was "a great event that defined Russia's and Ukraine's spiritual and cultural development for the centuries to come."<sup>8</sup> Sooner or later, but certainly in the not too distant future, this Ukrainian government will have to make a choice.

## The Ukrainians Will Have Their Say

Much has been written about how Ukraine's rebuff in Vilnius was a failure for the European Union. But, despite appearances, another reading is possible. Brussels, accustomed to being courted by neighboring countries, lost sight of the diminishment of its attractive power in the region and underestimated Russia's determination. The precedent of Vilnius should help it to remember the need to lay aside its introspection and bureaucratic inertia. For the first time in a while, the EU has been strong and united in the face of a difficult situation: against no less a power than Moscow. Undoubtedly what happened also indicates the limits of the actions of an EU which neither can nor wants to use the classical instruments of imposing force that Russia, a neo-imperial power with no complexes, does. But it is precisely this ability to attract without resorting to force, added to its unity and firmness, which earns it more respect in the region and reinforces its moral authority. It had been a long time since not only the citizens of Eastern Europe but also EU nationals had seen the EU institutions discarding the aseptic and technical language and speaking in a clear, forceful manner.

Few anticipated the capability for response of that part of Ukrainian society that disagrees with the situation created. The street protests -which began even before the summit in Vilnius- are not stopping and place the president and the government in serious trouble. It is too early to say whether political changes in Ukraine will occur, but Moscow has re-awakened what it has most feared for itself ever since the color revolutions: fearless popular mobilization that is capable of bringing down governments and changing systems. After

all, what is at stake is not a prolongation of the struggle between Russia and the EU in Vilnius, but the decision of those to whom the different options were presented, the Ukrainian society. Many of its citizens have stood up and, as the Ukrainian expert Alyona Getmanchuk writes, they want to shake off the Stockholm syndrome that the country suffers from in its relations with Russia. More than a year remains before the next elections in Ukraine, when the consequences of the "no" in Vilnius will be more visible. The question is whether Ukrainian citizens will wait that long.

Translation from Spanish: Tom Hardy and Anna Bardolet

November 2013 <http://www.president.gov.ua/en/news/29566.html>

7. "Azarov: Suspension of association with EU does not mean Ukraine wants to join Customs Union", *Interfax-Ukraine*, 23 November 2013. <http://www.kyivpost.com/content/politics/azarov-suspension-of-association-with-eu-does-not-mean-ukraine-wants-to-join-customs-union-332354.html>

8. "Orthodox-Slavic Values: The Foundation of Ukraine's Civilisational Choice conference", 27 July 2013. <http://eng.kremlin.ru/news/5783>