

Domestic Politics and European Integration in Ukraine

Kataryna Wolczuk

In the aftermath of the Orange Revolution, Ukraine's relations with the EU took on a new dynamic. Many observers envisaged that the EU would find it difficult to ignore Ukraine's membership aspirations after its unambiguous defence of European values during the tumultuous events of winter 2004 in Ukraine. They believed that the "Hour of Europe"¹ in Ukraine would be reciprocated by an "Hour of Ukraine" in Europe. But even though Ukraine finally appeared as a European country on the cognitive map of many European leaders, this did not lead to the breakthrough in relations that had been hoped for in Ukraine. The EU has staunchly resisted opening the

* *Kataryna Wolczuk* is Director of the Centre for Russian and East European Studies, European Research Institute, University of Birmingham. The article is a revised version of a paper presented at the conference "The EU and the Eastern Neighbours: Democracy and Stabilisation without Accession?", held in Rome on 29-30 May 2006. The conference was organised by the IAI and the Centro Studi di Politica Internazionale (CeSPI) in the EU-CONSENT framework with the collaboration of the Polish Institute of International Affairs (PISM) and the Center for Peace, Conversion and Foreign Policy of Ukraine (CPCFPU), and with the support of the Compagnia di San Paolo, the European Commission, the German Marshall Fund of the United States and UniCredit. The author gratefully acknowledges support from the British Academy (Grant number SG-38537) for research on Ukraine-EU relations under the European Neighbourhood Policy.

¹ C. Stephen, "Will Ukraine finally be 'the hour of Europe'?", *The Scotsman*, 3 December 2004.

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"membership question" and has insisted on conducting relations in the framework of the European Neighbourhood Policy (ENP), which bypasses the whole issue of membership. The main instrument of the ENP is the jointly agreed Action Plan (AP) and the List of Additional Measures, signed in February 2005, which consists of a long inventory of objectives that Ukraine is required to achieve before any deepening of integration can take place.²

The implementation of these reforms poses a formidable challenge for a country that has seen its state institutions and public standards deteriorate for over a decade since the collapse of communism. The so-called Orange Revolution in late 2004³ brought fresh winds of change but serious reform efforts almost immediately gave in to contingencies of prolonged electoral campaigning for the 2006 parliamentary elections. It has also become apparent that while Yushchenko proclaims a European vocation for Ukraine, he himself lacks the political machinery and management skills needed to deliver on his declarations. Reforms, which are nevertheless conducted under the banner of European integration, are being implemented without any guarantee that they will actually lead to what the Ukrainian foreign policymakers aspire to – the offer of a membership perspective – even in the long term. This weakens the mobilising impact of the AP on the wider political class and Ukrainian bureaucracy. European integration – although supported by all key political actors – has not yet become a priority for most of them insofar as actual policymaking is concerned. This is because the long-term nature of the project and the lack of a clear-cut prospect makes *Eurointegratsia* a project too abstract to "focus the minds" of many politicians in Ukraine. In this context, the key question is whether the new coalition

² The areas covered by the Action Plan range from democratic safeguards to steel import quotas and a relaxed visa regime. In general, under the AP, Ukraine and the EU agreed to: 1) seek closer co-operation in foreign and security policy, regional stability, crisis management and non-proliferation; 2) strengthen bilateral economic ties; 3) work toward the establishment of a free trade area between the EU and Ukraine once Kyiv has joined the WTO; 4) work jointly toward Ukraine's adoption as a WTO member; 5) clear the way for the granting of market economy status to Ukraine by the EU. The List of February 2005 reinforced key priorities for Ukraine-EU relations under the AP and restated the commitment of the EU to deepen relations.

³ In the Nov. 2004 Ukraine presidential elections, the declared winner, Viktor Yanukovich, backed by former President Leonid Kuchma, was unseated after mass demonstrations against the electoral fraud took place. Viktor Yushchenko, whose campaign colour was orange, won the new elections in Dec. 2004.

government⁴ – operating under a new constitutional framework – can accelerate reforms, especially as Ukraine needs to tackle the more taxing parts of the AP. Not only do reforms require determination and drive for implementation, they will no doubt also infringe on the interests of individuals and groups in government and parliament. So, even though European integration is unlikely to be openly contested, as has happened with integration into NATO, its progress depends on domestic reforms and these may easily become hostage to vested political and economic interests.

It is clear that, after the Orange Revolution, the Ukrainian authorities have embarked on implementing the challenging economic and political reforms outlined in the AP in order to achieve their goal – a membership perspective. For them, the ENP is not regarded as an end in itself. Nevertheless, aware of the “enlargement fatigue” inside the EU, Ukrainian proponents of European integration are eager to make the best of a “bad deal” and, by implementing the AP, prove Ukraine’s Europe-worthiness in the hope of moving closer towards a membership perspective.

The 2006 parliamentary elections and the formation of the new government

The unity of the so-called Orange elites collapsed within several months of the Orange Revolution of 2004. The disintegration can be explained by the context in which this disparate array of forces came together in the first place. They basically united during the 2004 presidential elections in order to prevent the Kuchma regime from reincarnating in the Yanukovych presidency. Once this was achieved, the full scale of the differences among these forces on programmatic issues and political strategies came to the fore. These differences and the split up of the broad Orange coalition was a natural and thus largely unavoidable phenomenon. Yet the way in which events unfolded in September 2005 and the resulting publicised tensions and animosities (this also a by-product of the newly gained freedom of the media) inflicted considerable damage on the image of the Orange team. In particular, as it turned out, this dramatically affected Yushchenko’s popular support and improved that of his sister-in-arms, Yulia Tymoshenko, whom he dismissed from her position as prime minister in September 2005.

Because of the prolonged political campaigning that characterised the period between the 2004 presidential and the 2006 parliamentary elections,

⁴ Formed after months of crisis and negotiations, it is in mid-September made up of the Party of Regions (led by Yanukovych), Our Ukraine (Yushchenko’s party), the Ukrainian Socialist Party (SPU) and the Communist Party of Ukraine.

there was a pause in the reform process in general and the implementation of the AP in particular. However, the end of the electoral campaign of 2006 did not end the profound political uncertainty in Ukraine.

The 2006 parliamentary elections in Ukraine were uniformly judged to be "free and fair", thereby underscoring the democratic achievements of the Orange Revolution. However, the actual results spawned diverse interpretations. Initially, especially outside Ukraine, many analysts were quick to pronounce them as indicative of the failure of the post-Orange forces and of the victory of the "Blue" Party of Regions. Headed by Victor Yanukovich, the former prime minister and presidential candidate implicated in massive fraud during the 2004 presidential elections, the Party of Regions gained the most votes (see Table 1).⁵ However, the "Regions", even if teamed up with another anti-Orange party, the Communist Party of Ukraine, would not have had a majority. The overall balance between the "Orange" and "Blue" forces remained largely intact. With 42 per cent of the vote, the post-Orange forces still had a lead over their anti-Orange competitors. Tymoshenko, seen not only as more radical but also as more efficient, took over the mantra of Orange from Yushchenko on the wave of the *intra-Orange* protest vote.

The 2006 elections results reflected disappointment in the slow pace of change in Ukraine since the Orange Revolution. The Orange electorate voted for the acceleration of the transformation process and, in particular, eradication of the vestiges of the Kuchma regime, such as corruption and opaque links between politics and business. They also reconfirmed the regional profile of most Ukrainian parties, with the Tymoshenko bloc enjoying the widest geographical spread of support. Her bloc won in the largest number of regions (13 *oblasts* and the city of Kyiv out of the total of 27 territorial units). She came first in many *oblasts* of central Ukraine, thereby confirming the tectonic shift in Ukrainian politics whereby central Ukraine increasingly resembles western Ukraine (rather than eastern Ukraine) in its political profile.

⁵ The party mainly represents the business interest of the regional Donbas elites. Donbas is the heavily industrialised region of Ukraine, which used to act as a model region in Soviet Ukraine. Since 1991 independence, the region has witnessed a growth of powerful business elites who benefited from the opacity and laxness of the economic and legal situation in the 1990s to acquire extensive assets. After keeping a relatively low profile for some time, the so-called Donetsk clan re-entered the national political scene with Yanukovich being appointed prime minister in 2003.

Table I- Results of the March 2006 parliamentary elections in Ukraine

Parties*	% of votes	Total number of votes	Number of seats in Parliament**
1 Party of Regions	32.14	8 148 745	186
2 Bloc of Yulia Tymoshenko	22.29	5 652 876	129
3 Our Ukraine Bloc	13.95	3 539 140	80
4 Socialist Party of Ukraine	5.69	1 444 224	33
5 Communist Party of Ukraine	3.66	929 591	21
6 Bloc of Natalia Viternko "People's Opposition"	2.93	743 704	-
7 People's Bloc of Lytvyn	2.44	619 905	
8 Ukrainian People's Bloc of Kostenko and Plyushch	1.87	476 155	
9 Party "Viche"	1.74	441 912	
10 Civic Bloc of PORa and Party and Reforms Party	1.47	373 478	
11 Oppositional Bloc "NE TAK!"	1.01	257 106	

Source: Central Electoral Commission of Ukraine

* Parties which passed the 3 percent threshold are marked in bold.

** As of 3 July 2006.

Besides the shift within the post-Orange forces, the election results also indicated the consolidation of the anti-Orange electorate. The Party of Regions capitalised on and, indeed, fuelled the sense of alienation from Orange-dominated national politics that prevails in eastern and southern Ukraine, something which the post-Orange forces have failed to address. With the Party of Regions winning with an average of 55 percent in nine geographically concentrated regions (oblasts) of eastern and southern Ukraine, regional polarisation has persisted.

Five parties crossed the three percent threshold required to obtain seats in the *Verkhovna Rada* (one-chamber parliament). But none of them achieved the majority needed to form a new government on their own. The lack of a winner with a clear-cut majority prompted coalition negotiations, which turned out to be protracted, cumbersome and unpredictable. Despite some real potential for overcoming disunity within post-Orange forces, the so-called second Orange coalition, which was meant to consist of the Bloc of Yulia Tymoshenko, Our Ukraine and the Socialist Party of Ukraine, fell victim to clashes of personality, ideas and interests in June 2006. After the stunning defection of the Socialist leader, Oleksandr Moroz, to the side of the Party of Regions, the latter accumulated sufficient parliamentary

numbers to command a majority and form the government. After dramatic deliberations and a last minute inclusion of Our Ukraine in the Regions-led coalition, Yushchenko reluctantly agreed to nominate Yanukovich prime minister. The formation of the new government was preceded by the signing of a Pact of National Unity (National Unity Universal) containing a list of declarative statements to guide policymaking of the "broad church" coalition government. The difficulties in agreeing on the text (reflected in the general vagueness of the Pact) presage that coherent policymaking will be difficult to deliver. As a result, the forces that will be pulling the coalition apart are formidable: the differences not only in ideologies, programmes and strategies mentioned above, but also in personalities and business interests. Even if the coalition survives despite the odds, the reform process will be easily disrupted and setbacks are inevitable. But at least, free media and the passage of the energetic Yulia Tymoshenko and her bloc to the opposition guarantees that the government will be under constant public scrutiny.

The constitutional framework and coalition politics

Ukraine's integration with the EU hinges on the progress of domestic reforms. But new coalition dynamics as well as changes in the constitutional framework make policymaking precarious and vulnerable to unexpected upheaval. As these factors could impede the implementation of the AP, they will be analysed in this section.

Even though Ukraine may have put an end to the political instability that characterised it in the last several years, profound uncertainty remains as to how political actors will operate under the "new rules of the game" resulting from the constitutional reform, given its often unclear and/or contradictory nature.

When it was adopted back in 1996, the Constitution was basically a manifesto of statehood and a milestone in the state-building process. Its quality as a legal framework was much more dubious. In particular, the design of legislative-executive relations put the branches of power on a collision course, something which led to stalemates and confrontation.⁶

⁶ K. Wolczuk, *The Moulding of Ukraine: The Constitutional Politics of State Formation* (Budapest: Central European University Press, 2002), chapter 8. The lack of clear delineation of powers and mechanisms to ensure cooperation between the two directly-elected political institutions, the president and the parliament, resulted in political deadlocks. Kuchma resorted to all kinds of constitutional prerogatives (such as veto power) and unconstitutional means (such as blackmail and bribery) to get the upper hand over parliament.

Sensing that the presidency could be lost to the opposition, Kuchma and his entourage sought to engineer a change in the Constitution, shifting power to the parliament, which they believed would be a more docile instrument in their hands. They failed to turn the draft into law at the time of its inception, but exploited the opportunity presented by the Orange Revolution to get it implemented.

The constitutional reform, which came into force in January 2006, is often described as a shift to a parliamentary system, away from the semi-presidential system envisaged by the 1996 Constitution and the system which led to the abuse of power by President Kuchma. Until 2005 the Ukrainian president effectively controlled the executive branch of the state. Not only did he have the right to appoint the prime minister (with the consent of parliament) but, more importantly, he could also dismiss the head of government at any time. Along with other extensive appointment prerogatives (including judges of the Constitutional Court and the Prosecutor General) and the power to veto laws, the presidency was a powerful institution that rendered "checks and balances" and "democratic accountability" grossly ineffective.

After the constitutional reform, *sensu stricto* Ukraine still remains a semi-presidential republic, albeit more similar in its overall design to that which exists in Poland under its 1997 Constitution. The parliamentary majority has been granted the power to nominate and dismiss the prime minister, but the president retains control over the foreign and defence ministries along with significant appointive powers to various agencies of the state. The mixed system could *de facto* evolve towards a pure parliamentary system, depending on how the presidency behaves as a political actor. Yet, although a "reluctant" politician, Yushchenko is unlikely to give up power while co-habiting with his former foe, Yanukovych in the post of prime minister. The evolution towards a parliamentary system in Ukraine is also hampered by the facts that the parliament and its members are far from ready to use their new constitutional powers effectively and responsibly, and that reform has not been sufficiently comprehensive and consistent to clarify executive-legislative relations.

The constitutional design flaws include weak links between parties, deputies and the government. In classic parliamentary systems, ministers are appointed from members of the coalition that commands the parliamentary majority. In Ukraine, this essential element of a parliamentary system is weakened by the fact that upon taking up posts in the executive branch, politicians are obliged to give up their parliamentary seats. Despite the overall strengthening of the role of parliament in forming the cabinet, this measure undermines the government's links with the parliamentary coalition and parties and thereby weakens its accountability.

In addition, the constitutional reform reintroduced the so-called imperative mandate, which prevents deputies from leaving the parties on whose lists they were elected. This was an attempt to dissuade deputies from "migrating" to other parties, thereby improving party discipline. By the same token, however, the parties have been deprived of their faculty to exclude deputies, even when they persistently dissent from the party line. Inadvertently, the imperative mandate, as introduced by the constitutional reform, undermines the central role of political parties in the functioning of parliament. These and other design flaws and inconsistencies carry the risk of perpetuating an uncertain political environment in which the "rules of the game" are so unclear that they end up being contested on a daily basis.

Domestic politics and European integration

Insofar as relations with the EU are concerned, the 2006 parliamentary elections have had a three-fold effect. On the one hand, they have confirmed the irreversibility of the democratic changes induced by the Orange Revolution. This is most vividly illustrated by the fact that the presidential party (that is, the presumed "party of power") secured a mere third place and did not try to tilt the playing field in its own favour with the help of infamous "administrative resources". Ukraine's democratic credentials, which have been widely acknowledged by the international community, have stimulated progress in Ukraine-EU relations. In particular, the conduct of "free and fair" elections was one of the key political conditions of the AP, the fulfilment of which was a precondition for opening negotiations on a new enhanced agreement according to the List of Additional Measures, which accompanied the signing of the AP in February 2005. The new agreement is to replace the outdated Partnership and Cooperation Agreement at the end of the 10-year period of its functioning.

On the other hand, the prolonged electoral campaign has drawn attention away from, and hence slowed down, the implementation of other priorities of the AP. So far, apart from the parliamentary elections themselves, achievements in implementation tend to be confined to the foreign policy domain owing to the efforts of the Ukrainian Ministry of Foreign Affairs, which is strongly focussed on Europe.

Finally, the profile of the "broad church" coalition government, which includes such unlikely allies as the Communists, Socialists, Yushchenko's Our Ukraine and Yanukovich's Party of Regions (as of mid-September 2006) means that the new government will find it difficult to formulate foreign policy priorities, but, most importantly, pursue coherent domestic policies to realise these priorities.

Integration with the EU has always been shaped by domestic political dynamics. In the East-Central European countries, during their preparation for membership, the political class was characterised by single-mindedness, which accounts for a continuity of policy despite (only too) frequent changes of government. The overarching goal of "returning to Europe" was set outside the brackets of everyday political contestation. This is crucial because success hinges not only a long-term vision, but has to be underwritten by a sustained commitment and capacity to enact wide-ranging political and economic reforms, regardless of the vacillation of day-to-day politics and electoral cycles.

Nominally, European integration remains firmly on the agenda in Ukraine as none of the five parties elected to parliament dispute this goal. In that respect, Ukraine is beginning to resemble East-Central European countries. In essence, throughout the post-communist period, the basic choice in East Central Europe was between joining the EU and staying outside. No alternative framework was contemplated. In a similar vein, no mainstream political actor in Ukraine advocates an alternative framework for *political* integration. The initiatives, such as the Single Economic Space with Russia, Belarus and Kazakhstan (SES), are seen as a vehicle for economic – and not political – integration.

However, the actual priority assigned to European integration by the various parliamentary parties differs significantly. For example, the Party of Regions, while not ruling out membership of the Union in the long-term perspective, puts a premium on securing access to the European common market through the Free Trade Area. No doubt, even though European integration is regarded as desirable, owing to the absence of the much-vaunted positive signal from Brussels, it remains a somewhat abstract and distant prospect for many Ukrainian politicians. As a result, it tends to be overshadowed by shorter-term considerations.

Interests of big business represented in the government are bound to influence foreign policy priorities. Even though the Foreign Ministry, led by Borys Tarasyuk, is under presidential control, Prime Minister Yanukovych has some capacity to pursue a divergent policy. Therefore many analysts predict that the political pro-European aspirations of Yushchenko and Tarasyuk will be balanced by closer economic integration along the Eastern vector to suit the business interests of the elites in power. So far Ukraine has adopted a cautious approach to SES, yet has drawn short of officially opposing it. In President Vladimir Putin's vision a Russia-led customs alliance of former Soviet republics, which would eliminate border duties between member countries, is planned as a first step towards the creation of a common market to act as an economic counterweight to the European

Union. Under pressure from Russia, the Ukrainian elites may find it difficult to limit integration to a free trade area and may be willing to consent to more institutionalised forms of integration in order to gain access to the Russian market.

The institutional framework for European integration

As a result, European integration may be pushed down the governmental agenda, especially as the institutional framework for coordinating issues of European integration is in flux. Indeed, one of the most important and urgent tasks that the new Ukrainian authorities face is to set up the institutional framework for European integration. Under Kuchma, a number of institutions, bodies and councils were created but their respective spheres of competence remained unclear, fuelling competition and a lack of overall coordination and accountability. The state apparatus remains starved of skilled bureaucrats, knowledgeable in various aspects of European integration, something which continues to hamper cooperation with the EU. Any policy initiative of the new elites is likely to be frustrated and its impact limited until these long-standing problems troubling Ukraine's administrative apparatus, as well as inefficiency and corruption are addressed.

Ukrainian business has not taken a clear and consistent position on Ukraine's relations with the EU. The distinction between the business and political elites tends to be somewhat blurred as all parties which secured seats in the new *Verkhovna Rada* have been "infiltrated" by business elites. Although no businesspeople take an overtly anti-EU position, their level of interest and strategy tends to depend on specific business interests. Viktor Pinchuk, one of Ukraine's richest tycoons, advocates Ukraine's membership of the EU and to this end has created and funded the Yalta European Strategy (YES). As a rule, however, Ukrainian business favours a much more pragmatic approach without much consideration for longer-term objectives. An example of this is the Industrial Union of Donbas, which regards politicians' insistence on granting Ukraine a membership perspective as counter-productive and an impediment to more pragmatic gains that can be derived from closer but selective economic integration with the Union through a free trade area.

Despite the tangible political will of the Orange elites, the task of creating an institutional framework for dealing with European integration has fallen victim to political contingencies. Following the Orange Revolution, the post of deputy prime minister was created and vested with responsibilities for coordination of European integration. Oleh Rybachuk,

Yushchenko's close ally, obtained that portfolio. Following his departure to become the head of the secretariat of the president, the post was abolished and responsibility was shifted to the Governmental Committee for Coordination of European Integration headed by the Minister of Foreign Affairs. In a hierarchical bureaucratic culture, the fact that the Committee is led by just one ministry (and traditionally not the most powerful) puts severe constraints on its ability to influence other sectors of government. Various alternative frameworks, often based on the experience of the new member states, have been considered but the decision has been left to the new government. This means that without clear political leadership on European issues within the cabinet, implementation of the AP was effectively left to middle level bureaucrats till the autumn 2006.

Regardless of the composition of the parliamentary coalitions, no official revision of the foreign policy objectives is likely. The fact that the foreign and defence ministries belong to the so-called "presidential portfolio", that is, are controlled by the president, carries the promise of greater consistency and continuity. However, the question is with how much determination will the already formulated objectives be acted on. In particular, to what extent will external priorities *vis-à-vis* the European Union guide domestic policymaking? This hinges on whether the new government will adopt a "principled" or a "pragmatic" approach. The latter would amount to giving in to the interests of groups close to government without much consideration for their consistency and the external standing of Ukraine, as was the case during Kuchma's presidency. In particular, the lack of knowledge of, and low priority assigned to, the AP amongst the political class means that the reform process and, by extension, closer integration with EU may be hampered by formation of *ad hoc* alliances within the parliament and government vetoing of specific legislative initiatives and reform measures.

Signing the AP prompted the Ukrainian government to adopt the so-called Road Map – a comprehensive document stating how, when and by means of which institutions the priorities of the AP are to be implemented. Even though the AP is too general a document to guide policymaking, the fact that it has been "translated" into a Road Map indicates its mobilising impact on domestic policymaking. Through the AP, the EU has stepped in to provide much needed (even though still excessively vague) policy guidelines for the Ukrainian authorities.

However, post-Soviet political, economic and administrative structures, institutions and practices in Ukraine remain inefficient and make it more difficult for the EU's policy guidelines to be acted on. Even though Ukraine has no declared Euro-opponents, domestic barriers to the reforms that are a prerequisite for bringing Ukraine closer to "Europe" mean that the

challenges lying ahead of the Ukrainian authorities are formidable. Given the above conditions, the prevailing consensus on European integration is unlikely to be translated into swift and effective enactment of the AP under any coalition government. This raises the importance of pressure, monitoring and assistance from the Union and its member states for keeping up the momentum of change.

The Ukrainian public and European integration

Having outlined the elite-level and institutional dynamics, attention must be turned to the Ukrainian public to see whether it can act as an active force in foreign policymaking in general and European integration in particular.

In the late 1990s, Ukrainian ruling elites proclaimed the "European choice" without any real public debate on the issue. However this proclamation was not at odds with public opinion, which was largely supportive of the European orientation. The EU is held in high esteem and Ukraine's membership is seen as desirable. But at the same time Europe is not the only choice for Ukrainian citizens. In addition to the high level of support for European integration (55 percent), another option, the Eastern vector, meaning closer integration with Russia, tends to command an equally high if not higher level of support (68 percent in a 2005 survey).⁷ However, nowhere in Ukraine does the exclusive "Eastern option" command, by itself, the highest support. This means that the Ukrainian public is not overly oriented towards Russia and the regional grouping dominated by it. In fact, Ukrainians want to "have it all": approximately one-third of the Ukrainian population simultaneously supports closer integration with the EU and with Russia. These multi-vectored preferences suggest that even though the public is keen on European integration, it sees no contradiction between seeking EU membership and closer political and economic ties with Russia/CIS. According to Michael Emerson, Ukraine finds itself in overlapping integration spaces; the public seems not only to recognise this but actually to favour participating in these different, essentially incompatible, integration projects.⁸

In post-Orange Ukraine, therefore, the political elites face a challenge of

⁷ The survey was commissioned by the Polish Robert Schuman Foundation 2005 and analysis provided by Joanna Konieczna, University of Warsaw.

⁸ M. Emerson, "Introduction" in Emerson, M. (ed.) *Democratisation in the European Neighbourhood* (Brussels: Centre for European Policy Studies, 2005) p. 5.

operationalising foreign policy at a time when societal preferences cannot be realistically enacted. This is because the conditions and speed of integration along western and eastern vectors are almost fully determined not by Ukraine but by other parties, namely the EU and Russia, respectively.

However, the fact that apparent disparities on foreign policy orientation between the political class and society are significantly mitigated by societal disinterest in foreign policy issues in general leaves the Ukrainian elites with a relatively free hand when it comes to foreign policy formation. European integration tends to be an elite-driven project across Europe⁹ and Ukraine is no exception in that respect.

Ukraine-EU relations: dynamics since the Orange Revolution

2005 witnessed an intensification of ties between Ukraine and the EU. The Union and Ukraine signed several significant agreements (on energy, aviation and a satellite navigation system). The Union granted Ukraine market economy status according to the EU Basic Antidumping Regulation, something that had long been sought by the Ukrainian government. Also, the EU and Ukraine opened negotiations on a visa facilitation agreement that would make it easier and cheaper for some groups in Ukrainian society, such as diplomats, students and scholars, to enter the Schengen zone. However, this intensification has only taken place in specific sectors and has not eliminated the sense of lack of coherence and purposefulness in the EU's policy towards Ukraine.

In assessing the first year of implementation of the AP, EU representatives have praised Ukraine's achievements without papering over the failures.¹⁰ On the one hand, they have criticised a lack of serious reform, particularly in the economic sphere and in fighting corruption. They have also pointed to Ukraine's unfinished business in negotiating WTO membership, owing to opposition from various business interests in parliament, and modest achievements in other areas, such as reform of the judiciary and, again, the fight against corruption. But, on the other hand, they have stressed tangible successes, especially as regards the political and foreign policy priorities of

⁹ This phenomenon is common across Central and Eastern Europe where most opinion makers, including political parties, have tended to be more positively inclined towards the EU than their national public, notwithstanding the high level of popular support in most of these countries for joining the Union. G. Pridham, *Designing Democracy. EU Enlargement and Regime Change in Post-Communist Europe* (London: Palgrave, 2005) p.176.

¹⁰ View based on interviews with EU officials conducted in Kyiv in February 2006 and in Brussels in March 2006.

the AP. Among the recognised successes are clearly the 2006 parliamentary elections, acknowledged as "free and fair". Indeed, Ukraine is now held up as an example in the former Soviet Union of democracy as a reality and not some abstract goal for a distant future. The fact that Ukraine is playing a constructive role in the Transnistrian conflict in a way which is compatible with the EU's Common Foreign and Security Policy has been welcomed in Brussels.

Making European integration a pivot of domestic reforms in Ukraine is frustrated by dislike of the ENP, at least amongst those who actually know something about it. Even the name of the policy invokes indignation as the very term "European neighbourhood" locates Ukraine outside (the boundaries of) Europe. Ukrainians also feel that the EU did not know how (or perhaps was reluctant) to respond positively to the Orange Revolution. Even though the EU, in recognition of the momentous change in Ukraine, provided symbolic support by adopting a List of Additional Measures in February 2005, these are regarded in Ukraine as an inadequate response to its defence of "European values" during the Orange Revolution.

It is simply the absence of the membership perspective that fundamentally weakens the ENP's attractiveness in the eyes of pro-European Ukrainians. By their repeated declarations, Ukrainian authorities under Kuchma turned the prospect of membership into a real litmus test of EU's genuine commitment to Ukraine, and thereby vastly restricted the mobilising potential of any alternative arrangements. The incentive of inclusion in the internal market – the key "carrot" of the ENP – though generous from the EU's point of view, falls short of the expectations of Ukrainian elites and society.

The prolonged crisis-like situation in Ukraine may facilitate the domestic adaptation to "Europe", although the elite is unlikely to accelerate Europeanising policies without a clear signal that Ukraine is welcome in Europe. As Grabbe has pointed out, the EU's actual influence on any given policy area in East-Central Europe was often exaggerated because both the EU and policymakers in the accession states had a vested interest in doing so.¹¹ Nevertheless, in East-Central European countries, reforms were legitimised by the imperative of European integration. Therefore, in order to facilitate Ukraine's acceptance of the EU's agenda setting through conditionality, Ukraine's membership of the EU – however distant – would

¹¹ H. Grabbe, "Europeanisation Goes East: Power and Uncertainty in the EU Accession Process", in Featherstone, K. and C. Radaelli (eds) *The Politics of Europeanisation* (Oxford: Oxford University Press, 2003) pp. 303-30.

have to be perceived as a real prospect within Ukraine. Only this would legitimise the EU becoming an actor in domestic policymaking, for example in monitoring compliance with EU policy prescriptions. Given the massive scale of necessary reforms in Ukraine, only high and continuous adaptational pressure from outside is likely to generate broadly defined Europeanisation of the country.¹²

While the Union eschews any calls for a European perspective for Ukraine, it needs to make the ENP a success. This could work to Ukraine's advantage. Now in its second year, the policy has relatively little to show for it. Of all the "target countries", Ukraine is the most committed to implementing its AP, thereby enabling the EU to claim that the ENP makes a difference in the Union's neighbourhood. On the other hand, the Union has limited room for manoeuvre for singling out Ukraine within a policy that covers almost all EU neighbours. Whatever is offered to any country in the neighbourhood subject to the ENP could set a precedent and trigger a chain reaction creating excessive demands and expectations. There is therefore a tendency to tread carefully and avoid significant differentiation to prevent such a scenario, even though "differentiation" is one of the ENP's pivotal points.

Ukrainians are disappointed by the EU's intransigence on the membership issue, yet they do not always appreciate the extent to which the ENP represents a sea change in the EU's policy towards the former Soviet Union. Up until recently, Russia was at the top of the EU's policy priorities towards the Commonwealth of Independent States. Any new initiative was first developed and tested with Russia. Now relations have been decoupled, if not entirely, to a more significant extent than ever before. However, Ukraine's caution on this may be justified insofar as this decoupling is not irreversible. Large member states of the EU continue to see Russia as the main partner and aim to create a sense of inclusion by linking policy initiatives towards Russia with initiatives towards other post-Soviet states.

It was difficult for the Orange Ukrainian authorities to present relations with the EU as a "success story". Even though they initially hoped that this would be the key international success, the authorities soon realised that they had to put more emphasis on developing closer ties with NATO instead. Ukraine already had a healthy relationship with NATO and in the short-to-medium terms it stands a good chance of becoming a member of

¹² K. Wolczuk, *Integration without Europeanisation: Ukraine and its Policy towards the EU*, Robert Schuman Institute Working Paper (Florence: European University Institute, October 2004).

¹³ R. Wolczuk, "Ukraine: to the EU through NATO?". *New Europe Review*, vol. 6, no. 2, 2005 <<http://www.neweuropereview.com/>>.

the Atlantic Alliance. Under Kuchma, NATO treated Ukraine with caution but was quick to react to Yushchenko's election: he was, for example, the only non-allied leader invited to the NATO summit in February 2005 in Brussels.

No doubt, the implementation of standards necessary for accession to NATO would also benefit Ukraine as it pursues the European perspective. Although EU criteria for integration are much more stringent and comprehensive, there is a high degree of complementarity between NATO and EU conditionality, despite the lack of a formal linking mechanism between the two organisations. Perhaps more importantly, Ukraine's accession to NATO would provide an opportunity to become more familiar with the expectations connected with membership in Western institutions.

Despite talk that Ukraine may have been able to join NATO as early as 2008,¹³ the accession to power of the Party of Regions and public opposition (evidenced by the protests against military exercises in Crimea in June 2006) illustrate how controversial this particular accession would be for parts of the Ukrainian political class and the Ukrainian public. At the same time, putting NATO membership "on the backburner" will have implications for integration with the EU.

Conclusions

Ukraine's elites see the pro-European orientation as part of the strategy for the modernisation of the country, alongside a more remote relationship with Russia. This "civilisational choice" and associated reform agenda makes Ukraine stand out in the former Soviet Union, with the partial exception of Moldova and Georgia. With Russia and Belarus eschewing democratisation and closer integration with the EU, Ukraine is the only member of the "Slavic trio" that has pegged its domestic reforms to integration with the EU.

However, despite calls for moving from declarations to implementation, the authorities have found it difficult to close the gap between rhetoric and deeds. The Orange elite failed to dislodge vested interests, deal with the bureaucratic inertia and curb widespread corruption. The links between big business and the Yanukovich government makes the separation of business from politics virtually impossible. So far the record is mixed and, no doubt, further setbacks will be numerous. While the parties that got into the parliament in 2006 may not object to membership of the EU, they differ on

how much of a priority it should be. The new coalition government will find it difficult to formulate and enact a clear set of policies. Thus, a robust monitoring mechanism from the EU is required to ensure that implementation of the AP is not derailed.

And yet, despite all odds, the ENP is making a difference in Ukraine. With the AP, the EU has provided much needed guidelines and a focus for domestic policymaking in Ukraine. So far, Ukrainians have been keen to seize the opportunity provided by the AP to prove themselves “good pupils” *vis-à-vis* the EU. Ironically, the authorities have intended to use the policy devised to bypass the issue of membership altogether as the vehicle to move them closer to a membership perspective. Although the ENP was conceived as an alternative to enlargement, the Ukrainian authorities hoped to use it as a stepping stone towards that goal. This explains why, despite precarious domestic developments and reservations about the ENP, the country has actually embarked on and persists in implementing the AP. The case of Ukraine indicates that the EU’s ENP can make a difference in its neighbourhood but only if and when target countries wish to go beyond it.

Map of Ukraine



Source: The World Factbook <<https://www.cia.gov/cia/publications/factbook/geos/up.html>>