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# SUPPORTING THE UKRAINIAN REVOLUTION

Andrew Wilson

## SUMMARY

The dramatic events in Ukraine in February 2014 are much more genuinely revolutionary than the “Orange Revolution” a decade earlier. Ukraine now has a chance to make a truly fresh start as a political nation and leave the corrupt dysfunctional system of the past behind it. But this will not be an easy task. The Orange Revolution failed because it did not dismantle the old regime and because the then victors failed to build bridges with eastern Ukraine. This time, Ukraine’s new leaders will need to do both. Meanwhile, the old guard will try to survive where it can in the east and Russia will threaten to destabilise the situation again.

Thus, although the new interim government has swung back towards Europe, it will face the most difficult of balancing acts. The EU should support the new Ukrainian government and protect its “European choice”. The most urgent challenges the government faces are the financial situation and regional stabilisation. While the EU should, in the long term, re-open negotiations about the Association Agreements, Ukraine needs both emergency economic assistance and radical reform in the meantime. The EU should therefore help fast-track Ukraine towards a new IMF programme and consider immediate bridging assistance. It should also help with constitutional reform and elections.

In 2013 Ukraine was threatened by Russian pressure; in 2014 it was threatened by the repression of the Yanukovich regime. In reality, the two were always intertwined. The toxic mixture of Russian interference and growing domestic repression has led to the biggest explosion in popular protest in Eastern Europe since 1989, which culminated in battles in Kyiv in February in which nearly 100 people were killed. In the short term, the revolutionaries have won. The old guard has ditched President Viktor Yanukovich and attempted to defect wholesale, which reduces the threat of civil conflict. Acting President Oleksandr Turchynov, a member of Yuliya Tymoshenko’s Fatherland Party, has announced arrest warrants and prosecutions for leading members of the old regime, including Yanukovich. But the revolutionary events in Kyiv have not yet changed the reality of the old regime’s power base in eastern and southern Ukraine.

The threat of the old regime hanging on to power in a supposedly separatist east seems to be diminishing, but only a combination of clarity and lustration along with economic reforms that slowly undermine the post-Soviet dependency system in the east will help prevent the potential alienation of the largely Russian-speaking east and south of the country. Potentially this is a revolution for them too, but only if the new government and new president are able to make the kind of radical reforms that have eluded Ukraine since 1991. The early signs are mixed. The new authorities needed big majorities in parliament to change the constitution, overthrow the president, and take control of the militia and security services, which could only come with the votes of at

least some of the old guard. But justice must now be a priority after so many deaths in Kyiv, and the ranks of the old guard will be thinned in time. There will be many prosecutions. The new authorities no longer need the extraordinary majorities they obtained in parliament to enforce constitutional change. The ranks of central and local administration will inevitably be purged of supporters of the old regime.

Meanwhile, there is a deep disconnect between the parliamentary parties and the various groups on the Maidan. The three official opposition parties in parliament are the Fatherland party, led in Tymoshenko's absence by Arseniy Yatseniuk; UDAR, the party of the boxer Vitaliy Klitschko; and the nationalist Freedom Party. A range of groups, such as Self-Defence, AutoMaidan, Common Cause, and Right Sector, has appeared on the Maidan. A large share of posts in the new government goes to Fatherland, the most moderate of the three parliamentary opposition parties and therefore potentially too far removed from the forces on the Maidan, who have much of the moral authority after their sacrifice in blood. The Maidan groups have not yet been elected by anyone either, though they could easily form the basis for several new parties. They have no obvious representative, except perhaps for Andriy Parubiy (the leader of Self-Defence), to stand in an early presidential election.

Moreover, after her release from prison, Yuliya Tymoshenko is a factor to be considered. She has personal prestige and high name recognition. But she is also a fearsome political fighter who can disrupt the political process if this does not proceed the way she would like it to. Many Ukrainians blame her for the sour outcome of the Orange Revolution. Maidan participants have even sent her a letter in which they welcomed her release but asked her not to come back to politics right now. It remains to be seen if Tymoshenko – who announced her ambition to run for president immediately upon walking out of jail – will heed the call.

To make sure that the parliament – and the government to be formed on the basis of it – represent the new balance of power, new parliamentary elections are needed as soon as possible, but at least once the new constitution has been adopted. This is crucial in making the new regime and its decisions legitimate from the start.

The list of transitional issues is daunting, even before the new authorities begin to tackle longer-term problems. A return to the 2004 constitution was necessary to ensure that the new government had real power and was immune from presidential sabotage. But that constitution proved dysfunctional in many ways when it was in operation until 2010. The authorities are committed to drafting a new one to put to a referendum. Ukraine must also steer a compromise on the language question. The 2012 language law, backed by Yanukovich, was designed to mobilise his supporters by bolstering the position of a Russian language under non-existent threat. Returning to the status quo ante is legally and constitutionally reasonable (the 2004 constitution, as first written in 1996, says Ukrainian is the only state language),

but south-east Ukraine will need reassurance that Ukraine remains a de facto bilingual state, or old-guard politicians will easily exploit the issue.

Those guilty of violence against protesters must be brought to justice swiftly and in a transparent way. But the legal and judicial system is totally corrupt. Fortunately, there are key laws on both the reform of the Procuracy (a Soviet institution that oversees the entire legal process) and the Independence of Judges that were ditched at the last minute when Yanukovich abandoned talks with the EU in November, or have been drafted by NGOs. These can now be adopted quickly. Leaving Yanukovich-appointed judges in place in order to get swifter justice would be a big mistake – reform of the system must come first. It is also important to deal with the legacy of corruption. It would be a good idea to audit every budget since 2010, and bring the plunderers of the public funds to justice.

Media freedom must be expanded. The main oligarch-controlled TV channels opened up their coverage as the protests gathered pace, but not completely. Ukrainians, particularly in the south and east, need to be told the truth about the corruption of the president and his family. A new public broadcasting channel would be ideal.

## A self-inflicted economic collapse

However, the most urgent issues are economic, where Ukraine is on the verge of total collapse. Ironically, this has very little to do with the trade sanctions Russia applied in 2013; it is entirely self-inflicted. According to Anders Åslund, the various schemes and scams of the Yanukovich “Family” (his literal kin and their associates) took \$8 billion to \$10 billion a year out of the economy between 2010 and 2013.<sup>1</sup> Even in the Donbas, people complain that the regime “has turned Ukraine into a pirate ship”.<sup>2</sup> The government’s tax-and-destroy policies and rampant *raiderstvo* (forcible takeovers) have sucked the life out of the SME sector – many of whose representatives were prominent on the Maidan. Economic growth duly collapsed while much of the rest of the world was recovering (though Russia’s own recent slowdown has made things even worse), with GDP growth slumping to only 0.2 percent in 2012 and 0.4 percent in 2013, once the artificial stimulus of hosting the Euro 2012 football championship finals wore off.

First, the government wasted precious foreign exchange trying to maintain an artificially high exchange rate, with official reserves plunging from \$38 billion in April 2011 to a nominal figure of under \$18 billion and, according to Turchynov, once the creative accounting is uncovered the real figure may be closer to zero. Then it gave up, allowing

<sup>1</sup> Anders Åslund, “Payback Time for the Yanukovich Family”, Peterson Institute for International Economics, 11 December 2013, available at <http://blogs.piie.com/realtime/?p=4162>.

<sup>2</sup> See <http://novosti.dn.ua/details/217879>.

the currency to fall in February. This might help with exports, but it will also lead to a big leap in domestic inflation. The government cannot pay its bills: the trade deficit grew by a third in 2012 to \$9 billion, but recession has only trimmed that back by the same third: the government also has to make over \$8 billion in debt repayments in 2014, albeit not for a few crucial months, while payments and debt to Gazprom are also piling up. And the outgoing regime's desperate measures in January and February made things even worse. Diminishing resources were sucked up by the increasingly securitised state: oligarchs were allegedly having to pay the militia. At least the last-minute theft of the remaining few baubles may have been minimised by the speed of the collapse.

Even though the majority of Ukrainians are ready to put up with some economic hardship for the sake of a new, non-corrupt, and democratic system, the prospect of economic discontent adding to the current political crisis remains worrying. Both the old guard and Russia would love to be able to argue that the new authorities were diverted by nationalism and blood revenge away from economic competence. The new authorities will need rapid assistance, the more so that it is now inconceivable that they could continue to rely on Russia's more readily available funds – nor should they.

## The levers of Russian control

Russia has been pressurising all its neighbours since 2013 to dissuade them from closer relations with the EU. The threat of a new but anarchic democracy on Russia's doorstep will make things even harder for Moscow to accept. At the same time, Russia cannot rely on all of the levers of influence that worked under the old Yanukovich regime, but might use some new ones that have been taboo so far – such as threatening to provoke the split up of the country.

Russia's original plan was to make Ukraine weak and exploit that weakness, if necessary including an element of "controlled instability". Now it will have to decide whether to go further or to row back and decide that the disintegration of Ukraine is not in Russia's interests – if only because it will stop it acquiring the assets it desires. Even Dmitry Medvedev, Russia's supposedly more moderate prime minister, has publicly spoken of tectonic breakup in Ukrainian society.<sup>3</sup> Patriarch Kirill, the head of the Russian Orthodox Church, used similar language in his traditional Christmas address in January 2014.<sup>4</sup> Either way, Russia will be tempted to see the new government fail.

Russia's original strategy involved using the aid it has promised to Ukraine as a bargaining chip in return for the assets it wants. Now it may bargain over politics. Russia will

also have a great deal of influence in the upcoming elections, given the appeal of Russia to many voters in eastern and southern Ukraine. Arguably, it might even have slightly more influence if they are free and fair, and voters in the east slip free of the Party of Regions' monopoly.

Russia's promised economic assistance was enough to keep the old regime afloat, but only on life support. The reduction in the gas price, from around \$400 to \$268.50 per m<sup>3</sup>, was reviewed quarterly. Much of the funds went on servicing pre-existing Russian debts, such as the \$750 million repayment to Sberbank and VTB in late December. The controversial take-or-pay gas deal negotiated by Tymoshenko in 2009 remained in force, and so can be used to hit Ukraine with extra bills.

Ukraine is now broke and Russia can hit it hard. In the new situation, with Russian leaders already questioning the legitimacy of the new authorities, the most likely levers of Russian economic pressure – higher gas prices, reduced lending, call back of loans and export restrictions – can cause immense damage. At this stage, Russia is weighing which options to use, but the pressure will undoubtedly be felt soon.

Russia has not abandoned its plans to bypass Ukraine with the South Stream pipeline, which would take Russian gas through the Black Sea to Bulgaria and on into Europe. Russia is still using the threat to drive down the price of gas transit across Ukraine, with the aim of eventually acquiring the gas-transport network across the country, and to force Ukraine to drop its energy diversification programme, designed to decrease dependency on Russian energy. Reverse flow of gas from Central Europe was stopped in January, after 2 billion m<sup>3</sup> of gas was imported from Poland and Hungary in 2013. Ukraine's recent proposal to use its large underground storage capacity in western Ukraine to make the EU gas spot market more liquid has been in doubt. The shale-gas contracts Ukraine has signed with Shell and Chevron may now be more secure, but its plan to purchase floating LNG terminals off Odessa was always expensive. But with gas prices likely to go up again, Ukraine will have to start reviving these measures, many of which will need foreign investment or support.

Russia still has plenty of leverage in the non-energy economy. The December 2013 agreements allowed for increased Russian penetration of the defence and machine-building industries in Ukraine, as well as the aviation, space, and shipbuilding sectors. Most importantly for Russia, it gained greater involvement in the nuclear power industry, which generates around 50 percent of Ukrainian electricity and which is entirely dependent on fuel supply from Russia. Russia has successfully prevented any fuel supply diversification; Russian nuclear fuel manufacturer TVEL has won out over its US counterpart, Westinghouse. The Kremlin's long-term aim is the complete takeover of Ukraine's state nuclear enterprise, Energoatom.

<sup>3</sup> "Ukraine predoit preodolet' tektonicheskiy razlom, zayavil Medvedev", *RIA Novosti*, 13 December 2013, available at <http://ria.ru/world/20131213/983986520.html>.

<sup>4</sup> "Patriarkh Kirill pomolilya za Ukrainu i rasskazal ob ugroze razdeleniya natsii", *TSN*, 7 January 2014, available at <http://ru.tsn.ua/svit/patriarkh-kirill-pomolilya-za-ukrainu-i-rasskazal-ob-ugroze-razdeleniya-nacii-342652.html>.

Russia's position has also been growing in telecommunications, especially in the mobile phone industry.<sup>5</sup> And also in the banking sector: the Western banks that used to own over 40 percent of local assets have been exiting the market since 2008. The Russian share via Sberbank, VTB, and Alfa Bank is already over 20 percent, and some local banks, such as Prominvestbank, also have Russian owners.<sup>6</sup> These are already reported to be stopping local lending.

Most Ukrainian oligarchs therefore had close links with their Russian counterparts, both those close to Yanukovich and those who might now try to influence the opposition. Lustration against the "Family" will obviously affect their businesses, and those close to the Russian gas business. But most will be targeted for corruption rather than for their links with Russia.

Russia's abuse of non-tariff barriers – which caused much outcry before the Vilnius Summit – remains an effective Russian lever. In 2013 and early 2014 Russia used the selective application of technical standards to damage businessmen who advocated a European course or wavered in their support for the old regime, such as Petro Poroshenko.<sup>7</sup> Now the target will be the new government as a whole.

## Crimea and Eastern Ukraine

There is a serious danger that Russia may use Crimea as a lever to ratchet up pressure on whoever holds power in Kyiv, or attempt to create a broad regional front to oppose the new government across the south-east. The high-water mark of a general separatist threat seemed to pass after 23 February, when a congress of MPs and local representatives in Kharkiv declared its desire for more power but pledged to co-operate with the new authorities in Kyiv – after its backers, regional politicians from Kharkiv, had returned from a short trip to Russia. A warrant was issued for Yanukovich's arrest because he was clearly attempting to stir up his supporters in the east.

But Crimea is different. Pro-Russian forces were largely absorbed in recent years by the local Party of Regions, but its grip on power is clearly slipping. The head of the Crimean Assembly, Vladimir Konstantinov, is openly pro-Russian and in early February threatened to hold a referendum on the peninsula's status and appealed to President Vladimir Putin for support against "national fascists" in Kyiv. Local pro-Kyiv forces are few outside the ranks of the Crimean Tatars.

Crimea is also home to the Russian Black Sea Fleet, which is much more than just a fleet, and more like a local mini-state

on its own. It can be used domestically in any way: from being a real military threat to acting as a channel for Russian money and special services to influence local politics. The military importance of the fleet has been in decline, but the base has played a significant role in political manoeuvring, security, propaganda, and other areas. Russian intelligence units have been deployed to the Black Sea, particularly in Sevastopol. Given the volatile situation in the Eastern Mediterranean, Kremlin strategists are also talking of rebuilding the fleet's military role. Significantly, the December agreements contained provisions for re-supplying the fleet. They also tabled plans to build a bridge over the Kerch Strait from Krasnodar to the eastern tip of Crimea. The project's economic rationale is debatable, but it would undoubtedly increase Russia's already strong influence on the peninsula.

## Russia and the election

Russia has for a long time been trying to build up a "Russian party" inside Ukraine, basing its hopes on the Ukrainian parliament's susceptibility to the influence of money. However, the only reliable Russian supporters on the Ukrainian political scene were the Communist Party, which has 32 MPs; the pro-Russian oligarch Viktor Medvedchuk's "Ukrainian Choice" movement, with its aggressive anti-EU advertising campaign; and the "Ukrainian Front" launched in Kharkiv in February. Russia used to be able to count on the support of around 40 MPs in the Party of Regions and had numerous "investments" within the opposition parties.<sup>8</sup>

But even before the February events Russia knew that it could buy only the temporary loyalty of venal local politicians. No one stayed bought for ever. And they had reason to be wary of Russia not being a reliable backer, because it could not necessarily look after its own – as illustrated in the case of Igor Markov, a leader of the pro-Russian Rodina (Motherland) party in Odessa, who became a Regions MP in 2012–2013, but quarrelled with influential local "noblemen" (Markov was involved in the Odessa waste-collection business and had other alleged criminal ties.) Markov was accused of hooliganism and put in jail, despite portraying himself as another victim of "political repression".

Conversely, Russia is delusional if it thinks it can control potential new players in eastern or southern Ukraine. Some unlikely independent players have emerged such as the "Ultra" football fans, with supporters of normally antagonistic clubs like Dynamo Kyiv, Shakhtar Donetsk, and Tavriya Simferopol uniting against the *titushki*, (Yanukovich's hired thugs) and facing police harassment as a consequence.<sup>9</sup>

<sup>5</sup> Most Ukrainian mobile phone companies (such as MTC and KyivStar) have Russian owners. See "Rossiyskoye prisutstviye v Ukraine", *Ekspert Online*, available at [http://expert.ru/ratings/table\\_223708/](http://expert.ru/ratings/table_223708/).

<sup>6</sup> See "Rossiyskoye prisutstviye v Ukraine", *Ekspert Online*.

<sup>7</sup> "Zapretom na vvoz produktov 'Roshen' nakazali Poroshenko – Politolog", NBN, 29 July 2013, available at <http://nbnews.com.ua/ru/news/95245/>.

<sup>8</sup> MPs such as Nestor Shufrich and Oleg Tsarev are notoriously pro-Russian. So is Vadym Kolesnichenko, who co-sponsored the laws of 16 January. And MPs such as Viacheslav Bohuslav, Volodymyr Landyk, and others, own firms which, particularly in the military and machine-building industries, need Russian markets. "V Partii Regionov slily 40 russkikh myatezhnikov", *Comments.ua*, 4 September 2013, available at <http://comments.ua/politics/422827-partii-regionov-slili-udarovtsu-40.html>; "V Partii regionov raskol: Shufrich sozdayet 'russkuyu fraktsiyu'", *NEWSru.ua*, 3 September 2013, available at <http://rus.newsru.ua/ukraine/03sep2013/raskola.html>.

<sup>9</sup> See the stories at [http://lb.ua/tags/10563\\_ultras.html](http://lb.ua/tags/10563_ultras.html).

Now, almost every openly pro-Russian politician is much weaker. Several have already fled the country. Yanukovich's last chief of staff, Andriy Kliuiev, was mooted as a candidate, but could now end up in prison. Viktor Medvedchuk, chief of staff under President Leonid Kuchma before the Orange Revolution, whose daughter supposedly has Putin as a godfather, has an effective campaigning organisation, but has never been personally popular. Most likely, Russia will have to start again with a new generation of moderately pro-Russian forces. The "Ukrainian Front" might be reinvented as such.

The media is another "reserve resource" for Russia. Most of Ukraine's TV and print media outlets still belong to the oligarchs, and their stance is defined by their owners. Many of these news sources increasingly hedged their bets during the protests, and media coverage of the events has grown less biased. Before February they were challenged by the expanding media interests of the Yanukovich "Family", which could now collapse. Russian-controlled media partly overlapped and was partly independent. Some experts have claimed that the media holding company Multimedia Invest Group belongs to Medvedchuk and has financial support from Russian Vnesheconombank.<sup>10</sup> Multimedia Invest Group publishes *Reporter* magazine, as well as the free newspaper *Vesti*. The company has been trying to create a national talk and news radio station and has bought the television station UBR.<sup>11</sup> Russian TV channels are also accessible in Ukraine via cable and satellite.

Russian media will still be feeding an anti-Western and in particular anti-American message into Ukraine, with the goal of influencing the survival narrative of the old guard. The trope of dangerous foreign influence, after the American demolition of "blooming Libya and Syria", has already been a central propaganda focus for Russia and its supporters in Ukraine. The scare stories in 2013 about the economic impact of the EU often came from Russian-backed think tanks in Ukraine. The old guard was already latching on to Putin's "conservative values" campaign to bolster its support, labelling its opponents as *tolerasty* (a portmanteau equating the promotion of "liberal tolerance" with the spread of paedophilia, or pederasty). And it claims that the EU is insisting on the adoption of same-sex marriage as a precondition for the agreements.

Russia also has its supporters in the state bureaucracy, whose professional standards were degraded during the bitterly divisive Orange years (2005–10) and then politicised after 2010. Russian is the dominant language within most of the security agencies, and Ukrainian security culture is quite similar to the Russian model. Direct ties with Russian

security agencies have traditionally been strong, though this can cut both ways: if Ukrainian services stay loyal but remain well-informed about Russian intentions, this can actually put Ukraine in a better position.

The largest branch of the Orthodox Church in Ukraine remains part of the Russian Church. It has echoed Putin's "conservative values" campaign and his stress on the common origin of Russians and Ukrainians in a single "Baptismal Font" (a claim made by Putin in 2013, in an interview on the 1,025th anniversary of the introduction of Christianity to Kyiv in 988); but the leader of the church, Metropolitan Volodymyr, is an ethnic Ukrainian and a moderate ecumenical. And the Kremlin felt that the Moscow Church was too neutral during the protests, with some of its priests joining the more numerous ranks of the Kyivan Orthodox and Greek Catholic Churches among the protesters. Volodymyr is old and in ill health; before February there were rumours he might be replaced with a more pro-Russian or even ethnically Russian alternative, as recently happened in Belarus. Now Russia may have to tread more carefully.

## Protecting the European choice in Ukraine

The EU's key decisions came frustratingly late but, combined with dynamic events in Kyiv, ended up playing a positive role, thereby averting a potential soft-power disaster for Europe. The EU-facilitated peace agreement may have managed to provide a framework of controlled collapse to what would otherwise have been a dangerously uncontrolled implosion of the regime. It lent the necessary international respectability to the change rather than becoming a lifeline for Yanukovich, as was briefly a danger.

The EU's belated decision to impose sanctions came just in time to save the EU's reputation after months of perceived inaction and helped to spark a revolt of oligarchs and other officials. This was already brewing against the threat of their businesses collapsing (and being easy prey to the Russians) in an isolated, criminalised state. The punitive measures that the EU took should be left in place and allowed to do their work, and anyone found guilty of severe crimes in Ukraine must not be allowed to enjoy their assets in the EU unsupervised. But the EU must now go much further in supporting the new Ukrainian government and protecting its "European choice".

In the short term, the EU should focus on providing humanitarian aid to the wounded. Medical supplies and assistance are still badly needed. Some families of the wounded need money to pay for surgery. Practical organisation of these things can be dealt with by the local charities, but donations from EU member states would be of huge help. The EU also needs to show that it can distinguish between the elite and ordinary citizens, and that it understands the sacrifices the latter have made. The EU should issue multiple-entry, long-term Schengen visas to Ukrainian nationals who have already been to the EU.

<sup>10</sup> "Za besplatnuyu gazetuy 'Vesti' platit rossiyskiy 'Vnesheconombank' vo glave s Medvedevym – ekspert", *Ostrov*, 1 July 2013, available at <http://www.ostro.org/general/society/news/421559/>.

<sup>11</sup> "Vladel'tsy besplatnoi gazety Vesti vsled za TV vykhodyat na radiorynok", *Korrespondent.net*, 18 September 2013, available at [http://korrespondent.net/business/mmedia\\_and\\_adv/1604874-vladelcy-besplatnoj-gazety-vesti-vsled-za-tv-vyhodyat-na-radiorynok](http://korrespondent.net/business/mmedia_and_adv/1604874-vladelcy-besplatnoj-gazety-vesti-vsled-za-tv-vyhodyat-na-radiorynok); "Mediakholding – khozyain gazety 'Vesti' – zapuskaet eshchyo odin proekt", *From-UA.com*, 20 June 2013, available at <http://from-ua.com/news/3d5271d5a0ffd.html>.

While the EU cannot adopt a visa-free regime for Ukrainians without appropriate actions from the Ukrainian government, local activists and think tanks have amassed plenty of evidence indicating that embassies can issue multiple-entry visas but have been reluctant to do so because of domestic considerations at home.

Although the EU's moral authority in Ukraine is not as great as the EU might like, it may try to offer the inevitably fragile new regime some guidance in its all-important state-building efforts – as the steps done now will lay the basis for the regime for years to come. There are dangers that, as after 2004, the new authorities will do little to dismantle the old system, or, conversely go an extra mile hitting symbolic rather than real targets, thereby unnecessarily alienating too many in eastern Ukraine. Repealing the language law may have been one such move. The EU should offer all the help it can to allow Ukraine to build a sound democratic system that has legal basis and is seen as legitimate by its citizens. Here the experience of the most successful earlier transitions – such as Poland or Estonia – might come in useful. The EU should also offer help in the investigation of crimes, collection of illegal weapons, and conduct of elections.

However, the most important support the EU can provide is economic. It is symbolically important that the EU reopens negotiations about the Association Agreement that the Ukrainian parliament rejected in November – the immediate catalyst for the protests in Kyiv that ultimately led to Yanukovich's departure. But it would be a mistake to return straight away to the disagreements over implementation costs that derailed the process in late 2013. Instead, the EU should seek to provide more immediate economic assistance. The country is effectively broke and it can no longer count on Russia's assistance either. If it goes back to Russian aid, its political programme will falter. Its reserves will last for about two months and the next debt servicing is due in April. The EU should therefore help fast-track Ukraine towards a new IMF programme, and consider immediate bridging assistance.

In the medium term, however, the EU could usefully reconsider the maths of the trade agreements. Despite the implausible figures thrown around before the Vilnius summit, the Ukrainian economy is too weak to absorb such a big slice of the *acquis communautaire*. Less than a third of Ukraine's exports currently go to the EU, which is less than in Russia (because of energy exports). Many Ukrainian businesses face a catch-22, where any attempt to add value makes it more difficult to export to the EU. Those who have suffered from Russian trade restrictions have tried to find alternative markets elsewhere in the CIS (Poroshenko's chocolates) or in China and in emerging markets with a growing demand for food (Oleh Bakhmatyuk, Ukraine's leading dairy oligarch), rather than in the EU. As soon as a new government is in place, the EU should liberalise the top five trade sectors with Ukraine.

The EU can also help Ukraine develop a responsible political elite by linking up with what is clearly a very mobilised civil society in Ukraine, socialising any would-be leaders

into Western circles, and providing tips on political self-organisation and party practices. Europeans should welcome the release of Tymoshenko, but it might be wrong to focus on her as the inevitable future political leader. It is the Ukrainian voters who will give or deny her a chance to reinvent herself.

The EU should also help prevent the fragmentation of Ukraine. The secessionist mood in Crimea is serious and Russia may seek to inflame anti-Kyiv sentiments in eastern Ukraine. The “federalisation of Ukraine” has become a frequent topic of discussion among those close to policymakers in Moscow. In dialogue with Moscow, the EU must make it clear that the EU wants to see Moscow's constructive influence on developments in Ukraine and that what happens now in Ukraine will have repercussions for the future EU–Russia relationship. The EU should help Kyiv focus economic reforms and economic assistance on restructuring the socio-economic system in the south and east. The OSCE has a long-standing role in protecting minority rights, including those of the Crimean Tatars.

The new government will be anxious to reveal the corruption of the old regime: the EU could assist with a total budget audit of every budget since 2010. This would help with the outreach strategy to eastern and southern Ukraine, where the EU can also help all efforts to better inform the population about the real situation in the country and about its own agenda. The civic conflict in Ukraine is already an “information war” of rival narratives. The new government should also be encouraged to do more on outreach. There are many opponents of the old regime in the east, but traditionally passive local political culture can be easily alienated by nationalist slogans and the sudden predominance of the Ukrainian language on the Maidan, where protesters are more likely to communicate in Ukrainian than they are at home.

In the long term, unlike after 2004, the EU should be much more open about debating Ukraine's membership prospects, and stress the importance of Ukraine completing difficult but necessary reforms. However, it would be counterproductive to go along with speculation about far-reaching geopolitical arrangements, such as NATO membership to Ukraine, or, vice versa, a “Finnish option” for Ukraine. Ukraine is not ready to engage in such conversations, nor should it be – there are much more burning priorities. These issues can be discussed once Kyiv brings them to the table. Meanwhile, the West should not engage in hollow geopolitical engineering.

Finally, the EU should also send a message beyond Ukraine. Events have been closely followed in Moldova and Georgia, where many people wonder whether the EU would be ready to help defend their European choice should the need arise. By its last-minute intervention in Ukraine, the EU may just have saved some credibility and avoided a complete soft-power disaster. But it must now take the opportunity to defend European values and protect European choice in other Eastern Partnership countries beyond Ukraine.

## About the author

*Andrew Wilson* is a Senior Policy Fellow at the European Council on Foreign Relations and a reader in Ukrainian Studies at the School of Slavonic and East European Studies (SSEES) at University College London. He has previously held academic positions at the London School of Economics and Cambridge. His most recent books are *Belarus: The Last European Dictatorship* (2011) and *The Ukrainians: Unexpected Nation* (third edition, 2009). His publications for ECFR include *Ukraine after the Tymoshenko verdict* (2011) and *The EU and Ukraine after the 2012 elections* (2012).

## Acknowledgements

The author would like to thank Oleksandr Lytvynenko for his substantial help with earlier versions of this paper.

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ISBN: 978-1-906538-96-5

Published by the European Council on Foreign Relations (ECFR),  
35 Old Queen Street, London,  
SW1H 9JA, United Kingdom

[london@ecfr.eu](mailto:london@ecfr.eu)