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UKRAINE'S POLITICAL DEVELOPMENT AND ITS MOVE TOWARDS EU

Article examines and explains political development of Ukraine throughout recent years, and reasons behind former Ukrainian President Viktor Yanukovych's rejection of an Association Agreement with the European Union, more than four years in the making. Yanukovych was pressured by Russia both politically and economically to turn away from Europe and instead grow closer to the Kremlin. Ukraine's desperate economy on the verge of bankruptcy, and Yanukovch's political ties to Russia made him more vulnerable to blackmail. To help explain why Yanukovych spurned the deal, which ultimately led to mass protests and his ousting in 2013, this article involves problems of political development, but also the internal divisions of Ukraine connected with identities. The EU's structural and institutional weakness in its foreign policy towards its Eastern neighbors also hindered its ability to gain a geopolitical edge in incentivizing Ukraine to modernize and reform, and ultimately get on an on-ramp to closer ties with the Western world.

Key words: identity, European Union, Association Agreement, transition, reform, political development.

Ukraine has a complex history. Its political changes and upheaval over the last several decades, especially since the collapse of the Soviet Union, has shaped its economy and its domestic political system and its place in the European geopolitical map today. Understanding the past and the political and ethnic complexities that have shaped Ukraine is crucial to understanding Ukraine-Russian-European Union relations today, and Ukraine's journey towards and away from an Association Agreement with the EU.

Ukraine became formally independent in 1990 with the Declaration of State Sovereignty of Ukraine. Scholars describe its separation from the Soviet Union in 1991, as a more evolutionary course than a watershed revolutionary moment[1].

An overwhelming majority of Ukrainians, even ethnic Russians voted to declare independence[2].

The state has historically been tolerant and open to its many minorities. First Ukrainian president Leonid Kravchuk won praise for striving for a civic concept of citizenship instead of an ethnic one. Ukraine's first Soviet constitution remained in effect until 1996, until a new one was created. The new constitution still had a Soviet framework and was developed with Soviet methods, bringing its neutrality into question. The country's institutions and practices were also modeled on the Soviet style, which affected which actors could be involved in its creation, a contrast to other post-Communist countries who used a roundtable approach to open up the political process and start anew.

Members of the Verkhovna Rada (or Supreme Council) also stayed in office during this transition until 1994, shaping the transition process and obstructing reform. The elite were never ejected from power, and the absence of strong competition in the political system contributed to the low quality of democracy in Ukraine today[3].

Kravchuk aimed to recreate a smaller version of the Soviet economy instead of a free market and instead of a true market. During his time in office, as a result of USSR dissolution and economic mismanagement gross domestic product (GDP) fell by almost 50 percent. The Soviet form of government that the Ukrainian one was based from concentrates power in the Communist Party, creating a monopoly without a system of checks and balances. There were judicial, legislative and executive branches on paper, but no real separation of powers.

In 1994 Leonid Kuchma was elected democratically, but further entrenched authoritarian practices in

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[1] D'Anieri, P. (2006). *Understanding ukrainian politics: Power, politics, and institutional design*. London: M.E. Sharpe, 74-75

[2] Pond, E. (1999). *The rebirth of europe*. Washington D.C.: Brookings Institution Press, 143.

[3] Vachudova, M. (2005). *Europe undivided: Democracy, leverage and integration after communism*. Oxford: Oxford University Press, 37-38.

government. As one scholar put it, "the puzzle is not just that Ukraine became authoritarian, but that it did so after democratic elections of 1994"[1].

The puzzle being that democratic processes do not necessarily beget democracy. A few factors remain consistent in Ukrainian politics in the two plus decades since independence. Turnover of political elites is rare, and there is substantial institutional continuity from Soviet times despite alternation in the posts of prime minister and president. Kuchma passed the Law of Power in 1995 and in 1996 through threatening parliament by holding a referendum he fundamentally changed the way the country functioned. He redistributed power in the government, and gave the president more power, subordinating the cabinet to the executive branch. Ukraine's inefficient and rough transition out of Sovietization and a state controlled economy, led to an opaque privatization process, which resulted in oligarchs taking control of the economy and all of its major industries in the 1990's and early 2000s. Substantive economic reform was stagnant and GDP per capita dropped below $650 from 1997-1999[2].

In his early years in office, Kuchma made some modest economic reforms to stabilize the economy, but resisted to follow the same path to reform and economic prosperity as Poland.

Ukraine also struggled to produce a new generation of young leaders and political elites to push forward with change. Kuchma won reelection in 1999, and in 2002 appointed Viktor Yanukovych as prime minister, tasking him to reform an economy, which continued to struggle. Most of Kuchma's senior political appointees came from Dnipropetrivsk, an Eastern regional political clan with historically closer allegiances to Russia. Yanukovych's reforms worked to some degree, but also further enriched the oligarchs. Political elites in a position to cash in on the new commerce that the reforms allowed focused their attention on short-term personal enrichment, at the expense of investing in domestic infrastructure, and doing the necessary state building that was necessary[3].

The Constitution was amended after the Orange Revolution in 2004, which was spurred by a rigged presidential election. Hundreds of thousands of people marched in Kiev for two months, and Kuchma's former head of the central bank-turned-opposition leader Viktor Yushchenko was elected to spearhead reform. Constitutional reforms stemming from the Orange Revolution shifted power from the president to the parliament. But the Orange Revolution did not fundamentally change the country's political infrastructure; it just switched elites at the top.

When Yuschenko was voted in by the more nationalist West, it allowed his opponent, Yanukovych to undermine and criticize the election's legitimacy to his pro-Russian constituents in the East.

Lack of support and financial help from the West and the international community also hampered the scope and impact of the Orange Revolution's reforms, allowing Russia an opening to push its own agenda for the region. The changes that were made in 2004 were reversed in 2010 when Yanukovych ran again for the presidency and won in the elections that were mostly deemed reasonably free and fair.

A free, robust press is inextricably linked to democratic prosperity, and Ukraine lacks both. The absence of a free press along with a limited impact of the alternation of political elites further hampers the quality of domestic political competition in Ukraine. Media companies are controlled by political oligarchs and journalists still face bullying and bribery. Yanukovych's hastily passed EuroMaidan laws that were swiftly repealed in early 2014 initially cracked down hard on journalists who question or criticize the government at all through their work. Natural gas in Ukraine is a critical, yet mostly untapped resource for the economically troubled country. Despite its own gas reserves, the country's poor economic infrastructure, largely corrupt governance and lack of industrial development and structural reform has kept Ukraine highly dependence on Russia for its gas, making it even more vulnerable to external economic shocks[4].

Identity plays a central role in shaping Ukraine's political history and its current national cleavages. Identity is important to consider when examining Yanukovych's background, his supporters, and his

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[1] D'Anieri, P. (2006). *Understanding ukrainian politics: Power, politics, and institutional design*. London: M.E. Sharpe, 81.

[2] Wilson, A. (2013). Pathways to freedom chapter review: Ukraine political and economic lessons from democratic transitions. Council on Foreign Relations, Civil Society, Markets and Democracy Initiative, 2-6. *Retrieved from* <http://i.cfr.org/content/publications/images/csmd_ebook/Pathwaysto Freedom/ChapterPreviews/PathwaystoFreedomUkrainePreview.pdf>.

[3] Pond, E. (1999). *The rebirth of europe*. Washington D.C.: Brookings Institution Press, 148.

[4] Central Intelligence Agency (2014). The world factbook: Ukraine. *Retrieved from website:* <https://www.cia.gov/library/publications/the-world-factbook/geos/up.html>.

relationship with Russia. The differences between Eastern and Western Ukraine highlight the discrepancy between the values of the EU and those of Russia that help to explain why Yanukovych rejected EU ties like he did.

Identity, and all that constitutes it, is a key factor in the fundamental differences between Ukraine's regions. It is important in this thesis because identity influences and contributes to the schism between ethnic Russians and non-Russian Ukrainians and the politics they practice.

Yanukovych's Russian allegiance draws from his Eastern Ukrainian identity and support base. There are a variety of identities, many with a geopolitical dimension, competing for power in Ukraine. Though there are many political cleavages that align with these identities, the divide between East and West is often most prominent. This divide includes a more exclusivist Ukrainian nationalist identity dominant in the West and growing stronger in the capital, especially among the youth, and a post-Soviet Ukrainian identity shared by many in the East and South, an identity that feels closer to Russia[1].

Identity could be a core driver of the absence of a common historical sense among Ukrainians, because the territory that is now Ukraine has changed hands so many times. The country brings together people with different backgrounds and different historical experiences. The degree of memory repression, or how large a role the past experiences play in current affairs and the public consciousness, each side feels seems to most greatly influence their views. The West was annexed by Russia much later and thus its experience was tinted with brutalization of conquest, while the East became the part of the Russian state much earlier and its early experience of annexation was largely one of settle mental colonization. However, students from either side went to schools that taught a completely different and one-sided pro-Soviet curriculum.

As Riabchuk explains, the cleavages in Ukraine run along religious, cultural, historical, remembrance, linguistic and ethnic lines. "Western Ukrainians have never internalized communism, never perceived the Soviet Union as "their own" country, and never believed that the Soviet Army had come to liberate them as it claimed but rather as the replacement of some other occupants"[2].

Political differences between the East and West are striking as well as they both fight for exactly opposite things. Western Ukrainians are mostly anti-Communist and anti-Soviet and believe Russia is their biggest threat, while America is their greatest ally and advocate a revival in the Ukrainian language and culture and eventual EU membership. Many in the East, especially ethnic Russians born in Ukraine do not want that.

One systemic issue that has led to these vast differences that has plagues post-Soviet rulers since Ukrainian independence is the lack of a founding national ideology or mantra. A neo-functionalist theorist would have predicted that, like a row of dominos, each region would assimilate into each other, further integrating one aspect of society, then another, and another, until a unified singular Ukrainian state was produced. Clearly, this has not been the case. Instead, virtually two Ukraines, one "Soviet" and one "European", have been created, overlapped and fused. "They permeate each other so deeply that even in Lviv [in the West] one may find many remnants of sovietism, while in Donetsk [in the East] some signs of "Ukrainianness" and "Europeanness" may equally be discerned"[3].

There is a tension between a pro-independence approach and a pragmatist approach in Ukrainian politics that can help shed light on why Yanukovych got so close to signing a deep trade agreement with the EU and then walked away after years of negotiations and statements in support of closer cooperation. The pro-independence agenda advocates independence over everything, to end Ukrainian dependency on Russia and distance itself from Russia's eastern European sphere of influence[4].

The pragmatists focus on economic growth and prosperity for Ukraine, and argue that much of this hinges on closer cooperation and collaboration with Russia. The short- and long-term benefits of these approaches also play into the discrepancies between them. Ukrainian politics since its beginnings in 1991 typically swing back and forth between these two polarities.

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[1] Dietsch, Johan (2006). *Making Sense of Suffering: Holocaust and Holodomor in Ukrainian Historical Culture*. Lund: Media Tryck, Lund University.

[2] Riabchuk, Mykola. Ukraine: One State, Two Countries? *Eurozine (2002 September 16)*. <http://www.eurozine.com/articles/2002-09-16-riabchuk-en.html>.

[3] Riabchuk, Mykola. Ukraine: One State, Two Countries? *Eurozine (2002 September 16)*. <http://www.eurozine.com/articles/2002-09-16-riabchuk-en.html>.

[4] Samokhvalov, V. (2007). Relations in the eu-russia-ukraine triangle: Zero-sum game or not? *European Institute for Security Studies-Occasional Paper, 10, 11* <http://www.iss.europa.eu/uploads/media/occ68.pdf>.

The country has long been characterized as a borderland between the East and West and the latest spat between the two powers show that this is clearly still the case.

The literature argues that the ENP largely failed on two critical fronts: converting Russia into a believer of the EU's signature normative democratic values through actual policy implementation and offering former Soviet states like Ukraine tangible incentives to move towards EU accession. Ukraine's political cleavages make sustainable democratic system reform challenging, but regional alliances and parliamentary-type government could be established there, just has it's been done in other multi-ethnic countries.

Energy in the form of natural gas has been a key point of contestation between Moscow, Brussels and Kiev. Russia holds a great deal of the continent's gas reserves. Ukraine is a transit country to veteran EU members like Germany and depends on the Russians and their prices as well. Ukraine has had gas-related and transit disputes with Russia nearly every decade since 1990 when it became independent from the Soviet Union. After a two-week dispute that saw gas supplies cutoff to Europe, Ukraine agreed to 10-year gas supply and transit contracts with Russia in January 2009 that brought gas prices to "world" levels. The strict terms of the contracts have further hobbled Ukraine's cash-strapped state gas company, Naftogaz.

The limited collaboration between Russian and the EU points to the fact that some geopolitical tensions remain, with competing European visions. These policies include visa regimes, illegal immigration, and drug trafficking, all of which affect broad interests like border security, fighting organized crime and counter-terrorism. The two have signed several security agreements, including several conventions on terrorism prevention.

When it comes to economic and governance models, the EU and Russia continue to work at odds with each other in separate, parallel spheres. Collaboration on these other security goals is crucial for the stability of the broader region. If cooperation stagnates, international crime could flourish, Olga Potemkina argues in her essay on EU-Russia security goals[1].

But for the two powers to be successful in achieving their shared goals on these issues, a fundamental shift in mindset and approach will have to take place. We argue for a more symmetrical relationship, built upon responsibility and mutual trust. There has been significant progress in this direction, she argues, but it is still not enough.

After years of negotiations, meetings, and speeches to Ukrainian citizens back home and EU officials in Brussels, Yanukovych's decision to walk away from an Association Agreement with the EU spurred a near revolution in a standoff between political opponents and the Yanukovych government with highly organized government protests in Kiev and cities throughout the country demanding the resignation of the government and immediate elections. There are three competing explanations for why Yanukovych walked away from the agreement that was years in the making with the EU. The first is a combination of economic and political blackmail by Putin. The second competing theory is a lack of support from Yanukovych supporters in Eastern Ukraine. The third is that Yanukovych never intended to commit to further cooperation with Europe and only cared to advance his own political authority in Ukraine.

The primary argument is that Yanukovych ultimately rejected the Association Agreement with the EU because of political pressure from Russia and economic desperation for quick money to keep the country afloat. This argument and the events that support it in late 2013 show that Ukraine is an example of a failure of the EU's ENP and highlights the EU's limitations in inducing movements towards democracy without an enlargement incentive.

As Ukraine continues to find its way towards a new government and a new path forward, it is clear the Russian Federation will still try to exert its influence. Their major ally may be ousted but the pressure will be on the next president and the economic realities of an economy on the brink of bankruptcy has the potential to leave Ukraine vulnerable once again, if the EU cannot remedy the time discrepancy in their reactions and plans and find a more effective way to influence and incentivize Eastern countries towards their normative democratic policies. This thesis argues that there are structural and institutional obstacles that face the EU in incentivizing Eastern European countries to conform to its democratic policies and reform domestic institutions. Yanukovych ultimately rejected the Association Agreement with the EU because of political pressure from Russia and economic desperation for quick money to avoid bankruptcy. Research and analysis from political observers of Russia's geopolitical agenda, along with statements,

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[1] Potemkina, O. (2010). EU–Russia cooperation on the common space of freedom, security and justice – a challenge or an opportunity? *European Security, 19:4,* 551-568.

government and news reports provide evidence to support this combination of factors that ultimately led to Yanukovych's rejection. The evidence, most notably, the duration of time Yanukovych took in negotiating the AA with Brussels, does not suggest he never intended to sign it, nor that he was swayed by public opinion and/or is constituent support base in Eastern Ukraine. Ukraine has another chance for a new start.

For its new government to be successful it must succeed in many large endeavors, most notably keeping the Russians from further annexing its territory, protecting and reestablishing the rights all Ukrainians, regardless of their ethnicity, what language they speak, or what their political preferences.

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