



FOREIGN POLICY OF UKRAINE 2006

STRATEGIC ASSESSMENTS, FORECASTS AND PRIORITIES

Annual Strategic Review

Edited by Prof. G.M. Perepelytsia

**Kyiv
Stylos Publishing House
2007**

Published with support of the General Directorate of Kyiv City
Council for Servicing Foreign Representative Offices

*Assessments presented in this Annual Strategic Review
are those of the authors and reflect exclusively authors' opinion
on the events of international life and foreign policy of Ukraine*

**Foreign policy of Ukraine – 2006: Strategic Assessments,
Forecasts and Priorities / Edited by G.M. Perepelytsia. – Kyiv:
Stylos Publishing House, 2007. – 240 p.**

ISBN 978-966-8518-82-9

Annual Strategic Review of the Foreign Policy Research Institute does not represent the official position of the Ministry of Foreign Affairs of Ukraine (MFAU), although it has been written on the basis of MFAU information materials. The goal of this publication is to provide comprehensive analysis of Ukraine's foreign policy, describe key trends inherent in Ukrainian foreign policy over the last year and forecast options for their further development, as well as spell out the priority areas for the implementation of the foreign-policy course of Ukraine.

This Annual Strategic Review is aimed at encouraging politicians and the scientific community of Ukraine to engage in discussion and seek the ways to resolve foreign policy problems and refine foreign-policy course of Ukraine

The Annual Strategic Review is intended for a wide range of Ukrainian and foreign experts, scientists, Ukrainian diplomats and Embassies, as well as foreign diplomatic missions and representative offices in Ukraine and readers interested in foreign policy issues and international relations.

Printed by PC «Foliant», Kyiv

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ISBN 978-966-8518-82-9

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Foreword

Publication of the Annual Strategic Review «Foreign Policy of Ukraine – 2006: Strategic Assessments, Forecasts, and Priorities» is a symbolic event in the social, political, educational, and scientific life of Ukraine, since it is published for the first time and summarizes the results of comprehensive analysis of Ukraine's foreign policy undertaken by the nation's leading foreign affairs experts.

The unique nature of this publication emerges from the fact that it provides unbiased analysis of international events, foreign policy decisions, successes and problems in implementing foreign policy of Ukraine during the year 2006.

The value of this Annual Strategic Review lies in the way it enables readers to assess the effectiveness of exercising foreign policy interests of Ukraine on international scene, as well as defining these interests in different regions of the world. It covers challenges and trends that became apparent in international community and foreign policy of Ukraine in 2006. The publication provides comprehensive assessment of Ukraine's place and role in regional and global security systems, and its activity within the scope of international organizations.

The Annual Strategic Review analyses the outcomes of strategic trends for implementation of foreign policy of Ukraine, provides explicit characterization of the status of Ukraine-Russian relations and trends for their further development, describes ways to resolve the problems and achieve the objectives of European and Euro-Atlantic integration of Ukraine. Based on comprehensive analysis, the publication describes possible and prospective models for implementing the foreign policy course of Ukraine in line with its national interests.

The Annual Strategic Review pays due attention to characteristic and assessment of bilateral cooperation of Ukraine with other countries. Specifically, respective chapters of the publication provide information on the status of implementing such key areas of

bilateral relations as deepening of cooperation with leading EU member states, the U. S. and Canada, Russia, and countries that are regional leaders in Asia, Africa, Latin America, and the Asia-Pacific Region.

Therefore, the Annual Strategic Review is essentially a comprehensive reference book, which describes the major foreign policy events that took place in the year 2006 and provides comprehensive analysis of the key aspects of Ukrainian foreign policy.

Initiation of this publication is clear evidence of Ukraine's aspiration towards transparent and predictable foreign policy in line with international democratic standards.

The Annual Strategic Review «Foreign Policy of Ukraine – 2006: Strategic Assessments, Forecasts, and Priorities», initiated by Foreign Policy Research Institute of Diplomatic Academy of Ukraine under the care of Ministry of Foreign Affairs of Ukraine, is designed, first of all, for Ukrainian diplomatic corps, Ukrainian embassies abroad, foreign diplomatic missions in Ukraine, as well as international organizations and think-tanks.

General Directorate of Kyiv City Council for Servicing Foreign Representative Offices supports the publications that cover issues related to international affairs, inform Ukrainian society and international community on foreign policy of Ukraine, as well as contribute towards the establishment and promotion of positive international image of Ukraine.

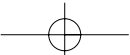
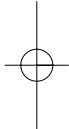
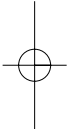
Sincerely,



P.O. Kryvonos
Director General
General Directorate of Kyiv City Council
for Servicing Foreign Representative Offices

CHAPTER I

KEY CHALLENGES AND TRENDS



§ 1. Impact of global and regional trends on foreign policy of Ukraine

General Information

Significant changes that occurred at the end of the 20th – the beginning of the 21st century in geo-political and geo-economic structures of international community and social systems of nations-states, serve as evidence of the end of one historic period and the entry of contemporary world to a qualitatively new stage of development – **the epoch of global transformations**. This historic phenomenon is a sign of objective changes in the paradigm of the world order, as well as the evidence of the development of international community, including Ukraine as one of its members.

Globalization is multi-factored by nature. This predetermines a controversial and multi-valued approach to the assessment of its consequences in international community in general, and, specifically, on the level of separate subjects of international system that interact and compete with each other. Globalization, as an **objective trend of modern world development**, affects all areas of social activity. First and foremost, it influences such areas as economy, finances, communications, and security. One way or another, globalization also affects culture and the educational-humanitarian domain. The large scale and purposeful nature of globalization make it possible to interpret it as a **mega-trend and strategy of restructuring and qualitative development of international community**¹.

If we take into account only political measurement of globalization, its influence on transformation of the international system and activity of international system players can be defined as follows:

¹ *Kosolapov N.* Globalization: territorial and special aspect // World economy and international relations. – 2005. – № 6. – P. 10.

- Foreign policy as a state function and form of activity of various (including non-state) participants of international process is subject to significant changes resulting from globalization;
- Foreign policy of a state reacts to globalization, whereby globalization is perceived as a challenge stemming from interaction of major powers and influential non-state players of hierarchized international system;
- Further erosion of the Westphalian system of international relations based on the principles of state sovereignty and an enhanced role for transnational players is an important consequence of globalization;
- Globalization requires that new mechanisms for securing stability, such as peacekeeping operations and international sanctions, should be introduced into a world practice;
- Globalization processes enhanced the role of regional factors in social production and international trade.

It is worth noting, that globalization factor should be taken into account in order to determine, implement, and forecast the foreign policy of any legitimate participant of international relations.

Regionalization is another important factor of transformation of international system that should be taken into account when defining foreign policy priorities and objectives of the state. Like globalization, it is closely related to ever increasing openness of national economies and intensification of international economic interaction. However, regional integration processes (that is, interaction of businesses outside national boundaries) have no global measurement and only indirectly affect the system of international relations and the world policy.

Regionalization, as an integral part of a larger globalization process, has its own specifics and impacts on international system and its players. These specifics and impacts include the following:

- Creation of three poles of economic development with respective institutional structures: West-European – EU, North American – North American Free Trade Area (NAFTA), and Asia-Pacific – Asia-Pacific Economic Cooperation (APEC);
- Diversification of foreign policy strategy of the state with orientation towards regional centers of power;

- Priority of regional strategy and policy in national development;
- Enhanced role of bordering countries and adjacent regions in multidimensional communication space;
- Shift of the weight from geo-political towards geo-economic factor within the system of strategic priorities of the state.

Regionalism is a conceptual form of regionalization. Under conditions of globalization regionalism becomes an important factor of both foreign and domestic policy. World regionalism is one of the stages of globalization, and, simultaneously, its opposite trend.

In the post-bipolar world, strengthening of regionalism is accompanied by enhancement of the role of adjacent states located at the border of different geo-political and geo-economic spaces. In this respect, trans-border position of Ukraine forces it to use boundary functions to balance its relations with former USSR countries (Russia, Belarus, Lithuania), Western Europe, and European periphery states (Romania and Turkey).

Development of foreign policy strategy of Ukraine in multidimensional communication space is especially important under conditions of liberalization of international economic relations, which envisage the development of joint entrepreneurship, frontier cooperation, creation of free economic zones, transportation corridors, etc. Globalization and regionalization are exercised on different levels of territorial hierarchy, such as all-planetary, transcontinental, continental, multinational, national, and intrastate levels. Given the above and due to the objective reasons, Ukraine as a sovereign nation cannot help participating in the processes of globalization and regionalization of international economic and political relations.

Current world development trends, that take the form of global challenge, require a comprehensive assessment of strategic situation around Ukraine, revision and adjustment of its foreign policy priorities, and mobilization of available resources to secure social modernization and implementation of effective international policy.

Extrapolation of Globalization Factors to Foreign Policy of Ukraine

In addition to acceleration of integration processes, globalization (one of the numerous characteristics of which includes «interaction of information technology and world economy») facilitated the involvement of numerous new countries in trans-regional cooperation. Naturally, globalization phenomenon has not passed Ukraine, which having gained the independence started the development of its relations with both individual countries from different regions and sub-regional and regional organizations².

Globalization, as all-inclusive geopolitical, geo-economic, and geo-cultural phenomenon, affects in many ways all life areas of social and political communities engaged in this process. This leads to weakening of traditional territorial, socio-cultural, national, political, and economic barriers that isolate nations from each other and, at the same time, protect them from unregulated external impacts.

Global problems laid the foundation for the change of the form of nationhood during the establishment of post-industrial society. Under the pressure of globalization processes, a nation-state is subject to multi-factor influences – not all necessarily destructive by nature (although those prevail). Destruction threatens both structural and functional aspects of national statehood (i.e. homogenization and sovereignization), and its system-based foundations.

At the same time, globalization processes predetermine the strengthening of interdependence and interrelations among national political institutes throughout the world. This aspect significantly complicates control of the states over global transformation of modern system of international relations and stimulates the development of new technologies, by using which the states can exert higher influence on global events.

Different methodologies are used to assess the degree of participation of individual countries in globalization processes. These are mostly methodologies developed by experts from IMF,

² *Bebyk V.M., Sherhin S.O., Dehtyariova L.O.* Modern globalization: major concepts and modern practice. – Kyiv, 2006. – P. 23–26.

the World Bank, and UN specialized institutions. Four key parameters are taken into account when determining countries' globalization rating:

- Economic integration – volume of international trade, investments, and different trans-border payments;
- Personal contacts – international travel and tourism, volume of international telephone communication and postal services;
- Technological infrastructure – number of Internet servers and Internet users;
- Degree of involvement in international politics – membership in international organizations, number of embassies, etc

The list of 20 of the most globalized countries in the world has hardly changed over the last years. As before, the leaders in the list are Ireland, Singapore and Switzerland. Further sequence of ranking is as follows: Netherlands, Finland, Canada, USA, New Zealand, Austria, Denmark, Sweden, Great Britain, Australia, Czech Republic, France, Portugal, Norway, Germany, Slovenia, and Malaysia. Ukraine is not represented in this list since over the last two years it ranked 42nd ³.

Technological development and innovation factors by 50% pre-determine the rank of a state under the annual competitiveness index of world countries (published by Davos World Economic Forum). In 2005, based on Growth Competitiveness Index (GCI), Ukraine ranked 84th among 117 countries⁴.

The position of Ukraine in rapidly globalizing modern international environment is predetermined, among other things, by three key factors:

- Lack of historic time to build a full-fledged democratic national state;
- Inadequate state structures, as well as underdeveloped and immature civil society;
- Inadequate level of political consciousness and lack of patriotism on the part of ruling political elite.

In accordance with the concept for implementing the paradigm of foreign policy behavior of an average state, Ukraine can

³ *Lukashevich V.M. Globalization studies.* – Lviv, 2005. – P. 15–16.

⁴ *Maruschak V., Stepanyuk E. Specifics of national competitiveness // Polityka i chas (politics and time).* – 2006. – № 10. – P. 19.

select one of **average state models**, which will enable Ukraine to optimize the impact of globalization on social and economic development processes.

Ranking among semi-peripheral average states, in its strategic choice Ukraine wavers between **liberal-neutral** and **liberal-international** models of state development and foreign policy orientation.

The first model orients the state towards integrity, stability, non-participation in blocks and alliances, humanization of world policy and preservation of national features that do not run contrary to the principles of liberal world order. Along with certain conservatism with regard to internal form of governance and adjacent spheres of international environment, this model is characterized by active diplomatic activity securing for the state an adequate representation on international scene.

The second model is characterized by foreign policy orientation towards blocks and alliances and aspiration towards deep international involvement in order to engage external and save own resources, as well as to obtain additional levers of influence on other international players, specifically, the neighbor states.

The foreign policy paradigm for an average state is mostly compensational by nature and aspires to compensate the lack of foreign policy resources in order to adequately respond to the challenges of globalized international environment. Therefore, rather limited adaptation potential of Ukraine as that of an average state, forces it to have **at least three foreign policy vectors**. As for the significance of this issue, it is hard to disagree with opinion of the former Minister of Foreign Affairs of Ukraine, Mr. Hryshenko, who said that on sixteenth year of its independence it is high time for Ukraine to understand «the fruitlessness of vectorial scholastic»⁵.

It becomes ever more apparent that current international system is transforming towards multi-polar system with three economically most developed realms of regional integration. It is also evident, that the process of multi-polar formation is characterized by different-stage structural maturity. Therefore, the most developed from institutional and functional point of view is the European Union, which is geographically close to Ukraine.

⁵ «Dzerkalo tyzhnya» (Mirror of the Week). – 2006. – December 30 – P. 5.

It is important to note that economic boundaries of modern international system no longer coincide with geopolitical boundaries. This gives the grounds to assert that current trends will remain stable over the next decades and will influence the structural configuration of multi-polar system. Considering geographic location of Ukraine – between Europe and Asia, North and South – the conclusion regarding its strategic priorities and foreign policy areas can be as follows: **a multi-vector approach is an historic and geopolitical inevitability that should be used rationally and harmoniously in order to exercise national interests under the conditions of globalization and regionalization of multidimensional international communicative space.**

Ukrainian researchers are not univocal in their assessment of the issue regarding Ukraine's participation in globalization processes. Assessment of Ukraine as «a new and undoubtedly global state» belongs to aspirations and perspectives rather than political reality. Ukraine's participation in peacekeeping operations and UN missions is stated as an argument regarding its active participation in globalization processes. However, interpreting Ukraine's participation in peacekeeping operations in Iraq as «the beginning of economic activity in the richest region of the world», in our opinion, does not withstand any serious criticism⁶.

Most systematically and adequately globalization is displayed in the activity of international financial organizations. Ukraine became a member of the IMF and the World Bank in September 1992, and in October 1994 became the recipient of these institutions that define globalization processes. IMF focused on macro-economic indicators, while the World Bank tried to influence social and economic development of Ukraine.

Conditions, under which Ukraine carried out its cooperation with these globalization instruments, are evidenced by the fact that the National Bank of Ukraine had to provide the IMF missions with detailed reports on financial and economic status and currency reserves of the state. By the way, at the beginning of the year 2000, only 47 out of 182 IMF member states agreed to publish information on state budget, central bank reserves and trade balance.

⁶ *Scherbak Y.* Ukraine: challenge and choice. Prospects of Ukraine in a globalized world of the XXI century – Kyiv, 2003.

The issue of Ukraine's accession to the WTO deserves special attention. At the end of 2006, the then Minister of Foreign Affairs of Ukraine, Mr. Tarasyuk, acknowledged that non-securing of Ukraine's accession to the WTO was one of unfulfilled tasks of the year⁷.

Unbiased consideration of the issue regarding Ukraine's participation in globalization shows that Ukraine failed to become part of any globalization processes or structures in the capacity of an effective player. The scope of Ukraine's participation in global projects and respective institutional structures is also demonstrated by the almost complete absence of an organized anti-globalization movement in the country. Among the reasons that predetermined the above mentioned place of Ukraine within the system of global coordinates the following reasons should be emphasized:

- Low level of international competitiveness;
- Ineffectiveness of state management in general, and specifically in the area of foreign economic activity;
- Inadequacy of regulatory and legislative framework of Ukraine for globalization transformations.

In addition to the above mentioned objective reasons, one can also cite subjective reasons, which explain the fact that from 1991 through 2001 over \$ US 40 bln. of national capital were taken out of Ukraine. This happened due to a total dollarization of economy, partial dollarization of monetary system, and policy of «excessive liberalization».

Overall, the problem of Ukraine's participation in globalization can be formulated in the following way: objectively Ukraine is there, but subjectively it still has to find its place. The fairness of such an assessment is also witnessed by the fact that at the initial stage of Ukraine's independence the issue of Ukraine's participation in globalization processes practically has not been taken into account. It would be enough to recall the Resolution of Verkhovna Rada (Ukrainian Parliament) dated July 2, 1993 «On Major Areas of Foreign Policy of Ukraine» where globalization dimension of state development is specified as «participation of Ukraine in resolution of global problems of humankind»⁸.

⁷ «Dzerkalo tyzhnya» (Mirror of the Week) – 2006 – December 30 – P. 5.

⁸ Resolution of the Verkhovna Rada of Ukraine dated July 2, 1993 «On Major Areas of Foreign Policy of Ukraine» // Web site «Legislation of Ukraine». – www.rada.kiev.ua.

However, even now the problems of Ukraine's adaptation to globalizing international environment do not rank among the issues that attract priority attention of Ukrainian Government. The Ministry of Foreign Affairs of Ukraine is not an exception. Its position with regard to globalization problems has been developed based on contemporary conceptual basis and does not include specific conclusions and recommendations required for planning and implementation of an effective state policy on the international scene. In this respect, a characteristic example would be the speech of the former Minister of Foreign Affairs of Ukraine, Mr. Tarasyuk, made on December 22, 2006 in front of the heads of diplomatic missions accredited in Ukraine on the occasion of the Day of Diplomatic Service Specialists. In his rather long speech Mr. Tarasyuk never mentioned globalization as a key trend of world development, as well as problems of Ukraine's adaptation to actual and potential consequences of globalization⁹.

The significance of globalization problematics for foreign policy of Ukraine is also not reflected in the organizational structure of the Ministry of Foreign Affairs of Ukraine. A directly opposite attitude to the role of globalization in social and national development is witnessed by the fact that practically every ministry in the EU countries, not to mention their foreign policy agencies, has structures responsible for monitoring and analysis of globalization processes, as well as preparation of respective materials.

Globalization aspects of Ukraine's development mostly remain the subject for analysis by Ukrainian academic community, which representatives (depending on their political orientation and conceptual preferences) interpret the substance of globalization and forecast its impact on different areas of social life in Ukraine. In this respect, as it tends to be characteristic for any country, Ukrainian scientific community is divided into the advocates and opponents of globalization in the context of its transformational impact on the development of society.

On the one hand, globalization is classified as creation of new opportunities for social and economic progress and expansion of contacts among people. On the other hand, it is believed to increase the risk of dependence of economic system and information space

⁹ «Polityka i Chas» (Politics and time). – 2007. – № 1. – P. 11–15.

of Ukraine upon the external impacts. For example, the Head of sub-committee on global security, cooperation and development of the Verkhovna Rada Committee on Foreign Affairs, Mr. O. Bilorus, raises the issue on correlation of globalization and globalism. Taking mostly about disadvantages of globalization, he views state regulation of social and economic processes in a favorable light, since restoration of economy in Thailand, Indonesia, Malaysia, and South Korea (greatly undermined by 1997–1998 financial crises) was carried out under strict state control.

Extrapolating this situation to Ukraine, the researchers emphasize that as a result of system management crisis Ukraine lost almost 90% of its domestic market. According to the estimates of the Institute of Economy of the National Academy of Sciences of Ukraine, capital flight from Ukraine is three times higher than the aggregate of all foreign loans, investments, and humanitarian assistance.

In this respect the conclusions of Ukrainian scientists and politicians, who support the anti-globalization position, are rather indicative. Specifically, they state that globalism of neoliberal type is a specific form of political and economic imperialism of the XXI century. In their opinion, it is symbiosis of modern state imperialism with imperialism of multinational corporations and international organizations like IMF and the World Bank¹⁰.

In this respect, the above mentioned Mr. O. Bilorus, gave the most demonstrative formulation of this opinion by saying that «modern transatlantic globalization is an earthquake of civilization and the biggest threat for both Europeans and Atlantic globalists themselves»¹¹.

A positive assessment of globalization is observed on the part of Ukrainian researchers, who act as the advocates of the active implementation of global projects in political and economic practice of «new democracies». Thus, the former Ambassador of Ukraine to the USA and Canada, Mr. Y. Scherbak, believes that given Ukraine's dependence on export, it is essential for Ukraine

¹⁰ *Bilorus O.H., Matseiko Y. M.* Global prospective and sustainable development. – K., 2005.

¹¹ For new Ukraine – a new foreign policy // «Polityka i chas» (Politics and time). – 2005. – № 3. – P. 21.

to become the WTO member and use this organization to protect its national interests¹².

With regard to this issue, the position of former advisor to the President of Ukraine, Mr. A. Halchynsky (whose attitude to global structures used to be rather loyal) is also far from being univocal. Currently he asserts that the so-called «matrix of reforms» recommended to Ukraine is identical to reforms previously proposed to certain Latin America countries. It is general knowledge that those countries remain in peripheral zone despite active implementation of these systematic reforms.

Considering non-unique approaches of Ukrainian researches to the consequences of globalization, it is necessary to continue a comprehensive study of these complicated and contradictory processes, specifically their multifactor impact on regional average state status of Ukraine that finds itself in the middle of non-systematic social transformation.

On a broader scale, the conclusions regarding global transformations in Ukrainian context can be as follows:

- Due to objective and subjective reasons globalization has not become the imperative of national development for Ukraine;
- Ambiguity of social modernization direction prevents Ukraine from mobilizing internal resources for securing the level of informational and technological competitiveness required under conditions of globalization;
- Low level of national identity and unity of Ukrainian society predetermined its respective place in global competition;
- Boundary communicativeness and regional conditions of business activity objectively facilitate the expansion of globalization processes in Ukraine;
- Multi-vector nature of foreign policy of Ukraine is the condition for preserving the integrity of its communicative space and optimal adaptation to the consequences of globalization;
- Global shift to sustainable development is possible, first of all, on condition of vitalization of regional programs, development of relations with neighboring countries, as well as countries that continuously maintain the status of strategic partners of Ukraine.

¹² *Scherbak Y.* Ukraine: Challenge and Choice. Prospects of Ukraine in a Globalized World of the XXI century. – Kyiv, 2003.

It is also worth adding that Ukraine has to clearly define its conceptual and political attitude to globalism and globalization processes. This attitude must become decisive for the policy of social and economic transformations and should be actively implemented through the strategy of long-term sustainable development. In determining the hierarchy of foreign policy priorities Ukraine should proceed from the thesis that it cannot keep out of global economic process where so far it is present in the capacity of sub-regional level player.

Extrapolation of Regionalization Factors to Foreign Policy of Ukraine

At the turn of the 20th century the world saw a trend characterized by shifting from global to regional strategy of national development and foreign policy priorities. This trend accelerated the split of the unified world market into the system of regional markets, where less developed nations (due to lower competition) can not only exist, but also develop. However, integration unity of the world economy tends to be of ever growing importance and becomes an important factor of regional security and peace.

The impact of regional factors on Ukraine's foreign policy is traced to some extent in the development of its relations with «immediate environment countries», as well as through its activity in regional and sub-regional unions. In this respect, the leaders of Ukraine invariably assess Ukraine's regional policy as an integral component for implementing the strategic course of Ukraine towards European and Euro-Atlantic integration. Regional priorities, unlike global ones, were specified in the Resolution of the Verkhovna Rada «On Major Areas of Foreign Policy of Ukraine». Despite obvious inconsistency of certain provisions of this document with international and political realities of contemporary world, it remains a conceptual foundation and strategic benchmark for the development of state policy in the area of international relations.

Regionalization is also rather clearly traced in geo-political code of contemporary Ukraine. On a theoretical level it has three external and internal regional vectors called to secure an optimal

balance of national interests. General directions towards West (European Union), East (Russia), and South (Mediterranean) correspond to the specifics of Western, Eastern, and Southern Ukraine. This is exactly why the loss of one of the external directions leads to the disruption of multidimensional communication space of Ukraine.

Historical location on three huge geopolitical blocks – Euro Atlantic, Eurasian, and Islamic – enables Ukraine to play the role of balancer-country. Under conditions of inter-civilization contradictions this role is very important due to the danger that such contradiction may blaze up to the global level. Location close to the key and unstable Eurasian zone (the so-called «new Balkans of modern world») imposes additional obligations on Ukraine – commit it to NATO and the European Union, which, as viewed by Zbigniew Bzezinski, «will be the next logical step»¹³.

During its independence Ukraine was more or less consistent in aspiration to implement the strategy of Euro-Atlantic integration. Being oriented towards European countries with democratic social system, liberal social and cultural values, and respective parameters of national power, Ukrainian ruling elite positioned its commitment to «European choice».

In June 1994, Ukraine and the European Union signed the Agreement on Partnership and Cooperation (APC) that came into force in March 1998. This Agreement is based on political relations with Ukraine founded on democratic values. Key provisions of this Agreement are related to the development of market relations system and envisage the following:

- Regulation of the movement of goods, capital, services, and labor force;
- Brining the Ukrainian system in line with legal framework of the unified European market and GATT/WTO system;
- Future creation of a free trade zone between Ukraine and the EU;
- Laying the foundation for large-scale cooperation on trade, industrial, and administrative issues.

¹³ *Bzezinski Z.* Choice. Global Domination or Global Leadership. – M., 2004. – P. 63, 134.

To meet these objectives, the institutions responsible for APC implementation determined the following priorities of cooperation between Ukraine and the EU:

- Bringing legislative and regulatory framework of Ukraine in line with EU legislation, norms, and standards;
- Introduction of WTO standards and institutions;
- Improvement of border management and development of frontier infrastructure;
- Implementation of the Joint Plan of Efforts on fighting the organized crime;
- Development of scientific and technical cooperation.

Since 2001, to fulfill the program and the strategy of Ukraine's integration into the EU, the Ukrainian Government has been performing annual monitoring on the fulfillment of action plans aimed at the implementation of EU integration strategic line of the state.

However, for Ukraine, Euro-integration strategy means the **internal transformation of Ukrainian society. In the second place, it means focusing on an effective model of socially oriented economy founded on religious, cultural, and ethnic principles. In the third place, it means orientation on democratic fundamental of real freedom and protection of human rights. And the last but not the least, Euro-integration strategy is immanent manifestation of Ukrainian statehood and independence in geopolitical regional dimension.**

On the doctrine level, Ukraine supports the concept of «New Europe» based on the EU, the Council of Europe, OSCE, and NATO. These institutions are the major stakes in Euro-Atlantic policy line of Ukraine.

In 2006, on legislative level the position of Ukraine with regard to Euro-Atlantic integration remained unchanged. The line of Ukraine aimed at accession to the EU and NATO was officially declared by the highest political leaders as the one having no alternative and corresponding to the vital interests of Ukraine.

The results of implementation of Euro integration strategy and policy of Ukraine over the year 2006 were declared by the then Minister of Foreign Affairs of Ukraine, Mr. B. Tarasyuk. In general they can be summarized as follows:

- Successful fulfillment of the action plan Ukraine – EU;

- Achieving of agreement with the EU on initiation of official negotiations regarding the conclusion of a new framework agreement;
- Conducting of an active political dialogue with the EU and its structures.

According to the recently published Work Program of the European Commission for the year 2006, the issues related to the conclusion of new Agreement on Partnership and Cooperation with Ukraine rank among the priority issues in the plans of the EU (the validity of current agreement expires at the beginning of 2008). In Brussels they believe that conclusion of new framework agreement will make it possible to concretize the ideas envisaged by European Neighborhood Policy (ENP), which in due time was applied to Ukraine. Current political trends in the EU show that negotiating a new agreement with Ukraine the European Union is not going to abandon ENP principles.

Failure to ratify the EU Constitution, as well as Turkey's failure to become the EU member and resultant dilemma of choosing between different scenarios of institutional reforms (further aggravated by the problems of uncontrolled migration and protectionism in trade), keep the Brussels from a decisive step towards Ukraine. Thus, Action Plan Ukraine – European Union in its current state looks like a document with uncertain end goal and unilateral directivity.

Ukraine's participation in a new regional union, the Single Economic Space (SES), can be viewed as an alternative to the European integration strategy. However, in January 2005, the President of Ukraine, Mr. Yuschenko, declared that Ukraine had abandoned multi-vector foreign economic policy and partnership with the European Union remains the only strategic vector.

Such inconsistency in foreign policy priorities was not left unnoticed by the strategic partners of Ukraine and had a negative impact on its regional and international policy. In the first place, it resulted in a number of problems in bilateral relations with Russia, specifically contributed towards crisis situation in oil and gas sector, which was characterized by some politicians as «Pearl Harbor of Ukrainian energy sector diplomacy».

At the same time, relations with Russia stabilized in 2006 of the Ukraine-Russia interstate commission «Yuschenko-Putin».

The work of interstate commission and respective committees resulted in signing of the Program for interregional and cross-border cooperation till the year 2010. Top priority tasks of Ukraine-Russian relations include the following:

- Developing the formula of free trade zone;
- Completing delimitation of sea zones of interstate frontier and demarcation on the ground;
- Settling problematic issues of temporary stationing of Russian Black Sea Fleet in the territory of Ukraine;
- Signing a series of agreements related to energy sector, as well as legal and consular aspects.
- Developing the «Road Map» for the period of 2007–2008.

As an example of normalization of bilateral relations, the Ministry of Foreign Affairs of Ukraine provided information on continuous increase of goods turnover in Ukraine-Russian trade. Over the 10 months of 2006, the volume of the above mentioned trade turnover exceeded \$ US 18 bln. For comparison, trade volume between Ukraine and the European Union over the same period of time totaled \$ US 21 bln¹⁴.

The above information shows that Ukraine still remains in peripheral zone of the foreign economic interests of both Russia and the EU. Declaring the strategy aimed at European integration, Ukrainian leaders, as a rule, exaggerate actual cooperation opportunities. Meanwhile, the EU and Russia mostly give preference to the development of bilateral relations (based on trans-regionalism principles) with the developed economies and integration groups of Asia (India, China, Japan, South Korea, member states of the Association of South East Asian Nations (ASEAN)). In this context, the trade volume between the EU and China is quite illustrative. In 2005, it exceeded \$ US 217 bln¹⁵.

Consideration of issues related to the development of legal framework for cooperation with neighboring NATO member states (Poland, Slovakia, Hungary, and Romania), as well as countries which are not NATO members (Russia, Belarus, and Moldova) deserve a special attention. This sector of activity, specifically finalization of state frontier of Ukraine with these countries, received positive assessment.

¹⁴ «Polityka i chas» (Politics and Time) Політика і час. – 2007. – № 1. – P. 11, 14.

¹⁵ Comments. – 2006. – November 10. – P. 21.

In 2006, Ukraine's participation in the settlement of Transnistria conflict was carried out in accordance with the plan developed and approved on the highest national level. An obvious advantage of Ukraine's attitude to the situation in Transnistria region is the fact that it is based on the principles of peaceful settlement of a conflict, observance of sovereignty and territorial integrity of the Republic of Moldova, as well as elaboration of a special status for Transnistria. It is only natural that this position of Ukraine found support of the international community.

The situation around GUAM (Georgia, Ukraine, Azerbaijan, Moldova) is more complex. The GUAM project was initiated upon the initiative of the EU Commission and envisaged the creation of transportation corridor: Europe – Caucasus – Central Asia. In 1999, as Uzbekistan joined this union, it was transformed into GUUAM. But after Uzbekistan has withdrawn, it changed back to GUAM. An important specific aspect of this union is prevalence of political motives for its creation. GUAM united the states, which are concerned by Russia's hegemony and domination in a post-soviet space and see the prospects for their further development in close ties with other world centers of power.

In general, priority cooperation areas within the framework of GUAM can be summarized as follows:

- Creation of Eurasian transportation corridor;
- Cooperation in the area of production and transportation of oil to Central and Eastern Europe;
- Development of multilateral cooperation in the area of security, conflict settlement, and fighting separatism;
- Military and technical cooperation, and establishment of multilateral peacekeeping unit;
- Political interaction in international organizations.

However, lack of social and cultural homogeneity and common borders, institutional inadequacy and different economic development level of GUAM members makes this organization weak and not self-sufficient, specifically when it comes to the adoption of decisions related to coordination of activity in the area of regional security and economic cooperation.

At the summit held in Kyiv in May 2006, the former union of Georgia, Ukraine, Azerbaijan, and Moldova was transformed into the International Organization for Democracy and Economic

Development – GUAM. Thus, strengthening of democracy along with enhanced security within the framework of GUAM is called to facilitate the approximation of GUAM member states to the EU standards.

Forecast vision of this process can be as follows: GUAM activity directly depends upon its transformation into a full-fledged international organization, understanding of lessons learned during the first stage of GUAM existence by all member states, as well as upon actual confirmation of their interest in dynamic and effective cooperation.

Participation in the development of Black Sea Economic Cooperation (BSEC) could also be an important factor for regionalization of Ukraine's foreign policy. Organization of the Black Sea Economic Cooperation (OBSEC) was created in June 1992 in order to establish trans-regional economic cooperation. Eleven OBSEC member states – Azerbaijan, Albania, Bulgaria, Armenia, Georgia, Greece, Moldova, Russia, Romania, Turkey, and Ukraine – are simultaneously members of such different political and economic unions as NATO, CIS, EU, etc. Due to its diverse structure, disintegration factors, economic incompatibility, and significant social and cultural differences and conflicts among member states, BSEC remains a potential form for trans-regional cooperation rather than effective political reality.

Despite these negative aspects, Ukraine still could demonstrate the weight of its regional power in BSEC, since this region is not characterized by an explicit domination of Russian interests. BSEC member states account for about 50% of Ukraine's foreign trade volume. Therefore, conceptual vision of its role and comprehensive assessment of its own interests in BSEC is of great importance for Ukraine.

As for regional policy in the so-called Baltic-Black-Caspian Sea region, it is hard to classify it as a factor for implementation of strategic line of Ukraine towards European and Euro Atlantic integration. First, territorial components of this huge space lack geographic unity, and, according to the concept of regional economic integration, are practically incompatible. Second, it would be an obvious exaggeration to believe that Ukraine can play the role of «integrator» of processes that take place in the sub-regions where its political and economic presence is of minor significance.

Lately, regional priorities of Ukraine had a trend towards expansion of international cooperation within the framework of SES. In 2006, Ukraine continued to participate in SES formation pursuing the goal to establish an effective mechanism of foreign economic cooperation within CIS based on the fundamental of free trade. In this respect the official Kyiv emphasized that its attitude to the creation of functioning of SES is based on WTO norms and principles, as well as Ukraine's Euro-integration obligations. Creation of SES, in addition to political will and joint activity of all advocates of this project, requires the fulfillment of the following steps:

- Establishment of effective transportation and economic links;
- Coordinated tariff, technical, and information policy;
- Coordinated measures of member states regarding the security of international communication and economic infrastructure within CIS framework.

Ukraine's policy in regional dimension should be aimed, first of all, at cooperation with those regional countries and interstate associations where there are real chances to start the process of mutually beneficial economic integration. It is also important to take into account geopolitical aspects of integration activity and the results of transformation of international system under the influence of global and regional factors.

Conceptual interpretation of modern international policy combines realistic and post-realistic paradigms, which on a theoretical level makes it possible to select a general strategy and regional direction of development of a state in a multidimensional international communication space.

One of such vectors (in the context of universal development strategies) potentially could be South Asian vector of regional policy of Ukraine, and, specifically, its economic component. Involvement in economic cooperation in Asia-Pacific Region (APR), that acquired the form of systematic and multilevel integration, is called to facilitate diversification of regional policy of Ukraine, which is an essential prerequisite of effective adaptation to global transformations.

Enhancement of trans-regional cooperation with Eurasia countries will encourage Ukraine to more actively use its industri-

al and scientific and technical potential for the development of mutually beneficial relations with APR leading economies and players. Among these players, the following countries should be emphasized: China, Japan, South Korea, Malaysia, Thailand, and Vietnam. These countries account for about 7% of Ukraine's foreign trade volume. According to the data of State Statistics Committee of Ukraine, in 2005 the general volume of trade between Ukraine and APR states (including North America) totaled about \$ US 9 bln.

At the beginning of 21st century the aggregate GDP of 21 countries – members of the Organization of Asia-Pacific Economic Cooperation totaled \$ US 19 trillion or 57% of world GDP. At the same time, APEC countries accounted for 46% of world trade volume, and East-Asian countries – 27%¹⁶.

Transformation of East-Asian region into an active world politics player (against the background of a lasting crisis of the Westphalian system of international relations and Euro-centrist world) is a motivating factor for post-soviet sovereign states in their search for optimal model of national self-realization, specifically in economic area. For example, a number of republics – among them Kazakhstan, Kyrgyzstan, Tadzhikistan, and Uzbekistan – applied certain conceptual and organizational approaches of Asian «Neo-Industrial» countries to modernize their economies. And finally, East-Asian vector of their policy, as well as common aspiration to create collective security system in Central Asia without the USA and NATO, united them with China and Russian Federation through Shanghai Cooperation Organization (SCO) established back in 2001.

In this context, the development of mutually beneficial relations with APR states and, first of all, with Eastern and South-Eastern Asia countries, in principle can become one of priority areas of Ukraine's foreign economic strategy. The grounds for this conclusion are both the above mentioned factors and large APR market (less regulated and more accessible than European or North American markets), as well as certain compatibility (managerial and technological) of Ukrainian economic system with similar systems of a number of APR countries.

¹⁶ Pacific Affairs. – Spring 2001. – P. 27–28; Vietnam Review. – November 2003. – P. 5.

Being governed by national interests and proceeding from objective imperatives of globalization, Ukraine has real opportunities to promote trans-regional cooperation among member states of Asia-Europe Meeting (ASEM) that has been going on since 1996.

In general, goals and priorities of economic strategy of Ukraine in APR (which is the indicator of global and regional transformations), can be summarized as follows:

- Development of direct trade, economic, and cooperative relations with «centers of economic power» in Eastern Asia (China, Japan, South Korea);
- Development of full-fledged relations with «Neo-Industrial» countries – members of ASEAN and other leading APEC members;
- Attraction of funds (for investment in industrial sector, agriculture, and the development of economic infrastructure of Ukraine) from financial centers of the region and separate countries that act as creditors and exporters of capital (joining Asian Development Bank in order to achieve this goal);
- Expanding the export of high-tech products, including products of military-industrial complex of Ukraine and development of cooperation in military and technical area with traditional regional partners;
- Active participation in the activity of Economic and Social Commission for Asia and the Pacific (ESCAP) and other international and regional organizations that deal with the issues of social, economic, and humanitarian development of Asia and the Pacific region countries;
- Contributing (in the context of Euro-Atlantic integration policy) to the activity of ASEM to secure rightful participation in trans-regional cooperation.

Under conditions of regionalization of international relations system, East-Asian vector of Ukraine's foreign economic strategy has a number of advantages. First, economic cooperation with the leading countries of the region will not lead to asymmetric dependence consequences. Second, this cooperation can bring about practical effect within the shortest period of time. Third, East-Asian vector of Ukrainian foreign policy can perform an important function of balancing Ukraine's interests within multi-

polar international system. In this respect, dynamism of APR economic development is a decisive factor for the establishment of partner relations with the players of this huge geopolitical and geo-economic space. Speaking on this issue, the former Minister of Foreign Affairs of Ukraine, Mr. K. Hryshenko, stated that «China, India, Brazil, South-Eastern Asia, and Middle East must become our real rather than ritually declared priority»¹⁷.

Therefore, global and regional trends of world development have systematic nature. This makes it mandatory state leaders to continuously care about the use of preventive measures to both effectively overcome negative and optimally use positive consequences of these trends' impact on social systems of countries that participate in this objectively multilateral process.

Ukrainian aspect of this problem lies in the specifics of geopolitical location and social and economic status of the state, and also depends on the capability of its political establishment to take into account these factors and assume responsibility for implementation and protection of national interests under conditions of total competition inherent to the era of globalization and regionalization of international communicative space.

¹⁷ Pacific Affairs. – Spring 2001. – P. 27–28; Vietnam Review. – November 2003. – P. 5.

§ 2. Challenges and external threats to the national security of Ukraine

The year 2006 was marked by challenges and threats to national security of Ukraine on both global and regional levels. On **global level**, these challenges were predetermined by three key trends.

The first trend is related to further geopolitical restructuring of international relations system. War in Iraq, destabilization of situation in Middle East, creation of nuclear weapon by North Korea, and further progress of Iran nuclear program testified the shift from one-polar asymmetry led by the USA to multi-polar asymmetry in a global world order. The USA started losing the ability to exercise global control over the world processes. Alternatively, such new centers as the European Union, China, and India demonstrated a dynamic development. Asymmetric nature of modern international relations development contributes towards strengthening of disproportion in economic development of countries, which is accompanied by the emergence of numerous local and regional conflicts, as well as growing prices for and increasing deficit of energy resources.

An upsurge in prices for energy carriers and deficit of energy resources makes national economies of such countries as Ukraine less competitive. As a result they lose both domestic and international markets, as well as face the decrease of export potential and industrial production.

Transformation of one-polar world towards asymmetric multi-polarity provokes the aggravation of numerous contradictions. One of them is contradictions between the USA and the EU, which acquire not just economic, but also geopolitical features. Russian Federation tries to play on these contradictions seeking to establish itself as an independent center of power in Eurasia.

As Chinese economy grows, China's rivalry with USA and Japan for domination in Asia-Pacific region also intensifies. Another group of contradictions includes inter-civilization contradiction, which were clearly seen in 2006 in the US conflicts with Islamic world and countries that considered global domination of the United States of America to be a threat to their national sovereignty. These countries, specifically, include North Korea and Iran.

In this conflict, international terrorism and proliferation of weapons of mass destruction became an asymmetric response to USA. Expansion of these two types of global threats became critical for the entire world, and thus dangerous for any country.

Moreover, the year 2006 demonstrated the combination of these two threats in the form of nuclear terrorism. Specifically, poisoning of Alexander Lytvynenko, the former officer of Russia's Federal Security Service, with radioactive polonium can serve as an example. This type of terrorism constitutes a potential threat, especially for transit countries through the territory of which such dangerous high-toxic radioactive materials can be transported.

The asymmetric nature of the system of international relations and their transformation towards multi-polarity will continue to provoke numerous local and regional conflicts accompanied by increased number of refugees, growth of illegal arms traffic and organized crime.

The second trend is marked by the increased role and influence of such international actors as multinational corporations, financial and industrial groups and companies, as well as international organizations that weaken the functions of national states both domestically and on the international scene. Global infrastructures of transport and communication system develop under the influence of such non-state actors, whose corporate interests acquire a global scale. Countries and societies become more open and transparent. Despite positive consequences resulting from the establishment of such communicative networks, in cases where there is a weakening of controlling functions of national states they become a convenient corridor for expansion of illegal migration, smuggling of goods, organized crime, drug and human trafficking.

Global challenges and threats

For Ukraine, as a transit country, these threats used to be and still remain vital. In 2006, **illegal migration ranked first** among these threats. Currently most of illegal migrants who tried to use the territory of Ukraine for illegal migration to Western countries come from South-Eastern Asia (59.5%) and the Middle East (38.7%), specifically from Afghanistan, India, China, Vietnam, Sri-Lanka, and Africa. Despite actual decrease in the number of migrants, who tried to illegally cross the state border of Ukraine, they constitute 1/3 of trespassers (and the majority of 70% at the border of Ukraine and Slovakia). Assessment of detections of migrants at the borders of Ukraine proves the transit nature of migration: Russian Federation – Ukraine – Western Europe countries.

The number of revealed crime groups that pass over migrants to the West, as well as the number of organizers and intermediaries, increases annually. Despite measures that have been undertaken, in 18% of cases illegal migrants do get to the West¹.

The presence of illegal migrants in Ukraine significantly worsens demographic and sanitary-epidemic situation in the country. Being socially unprotected, illegal migrants become the disseminators of contagious diseases, such as TB, AIDS, malaria, etc. In some regions the intake of dangerous diseases has already been registered.

Another danger – associated with accession of Ukraine to the network of global transport lanes given the unreadiness of its Eastern borders – is import into Ukraine of the products that do not meet quality standards and sometimes fall under the category of substances *dangerous for the life of people*, that is poisonous or radioactive wastes of chemical, pharmaceutical, or food industry. Transit of drugs, phony currency, arms, and smuggled goods (which are sold in Ukraine without payment of import and excise duty) represents a threat to internal and economic policy of Ukraine.

Another global threat, which directly affected the status of national security of Ukraine in 2006, was expansion of *avian influenza epidemic* to the territory of Ukraine. Avian influenza

¹ *E.B. Kish*. The Issue of Security on New Eastern Border of the European Union // Strategic Panorama. – 2004. – № 1. – P. 25.

affected Crimea (since Crimea lies in the middle of migration routes of migrating birds). As a result, quarantine was declared in Crimea that enabled the authorities to localize this highly pathogenic epidemic. The last focus of avian influenza was detected in June 2006 in the village Pisky located in Sumy Oblast².

One more trend that predetermines global impact on national security of Ukraine is related to the development of global information networks and struggle for influence in global information space. In the context of this trend the following takes place: *seizure of information space of Ukraine by other states, cultural and religious-political expansion into Ukrainian territory*, exposure to Ukrainian citizens of ideology, stereotypes, and views incompatible with the concepts of national sovereignty, territorial integrity, national values and national interests of the state.

Among foreign countries that exercise information influence on Ukraine, Russia represents a danger for Ukrainian information space. The strategy of Russian policy regarding Ukraine is aimed at reintegration and return of Ukraine to the fold of Russian nationhood. Currently, ever more attention is paid to the information war as a means of implementing this strategy. It happens, first of all, due to the fact that the use of means of information war is hidden by nature. They can be easily disguised or presented as the struggle of ideas, private views and opinions, criticism, etc. In addition, the means of waging information war are used within the framework of current laws and international right of a person to information. In other words they tend to take an official nature and are not qualified as abusive actions. An important factor for the use of these means is the fact that Russia has all technical, linguistic and mental capacity to exercise dominating information influence on the population of Ukraine. Therefore, no wonder that strengthening of Ukrainian language as an official state language in Ukraine is considered by Russian Federation as a threat to its national interests since expansion of Ukrainian language narrows down the use of Russian language as the means of communication among Ukrainians and, as a result, reduces the scope of Russian information influence. This, by the way, is one of the reasons explaining Russia's persistent attempts to secure the recognition

² Emergency Situations Ministry: Situation with avian influenza in Ukraine is tight. – Velyka Epokha. – July 18, 2006 // www.epochtimes.com.ua.

of Russian language in Ukraine as a state language. As for manifestations of such information war on the part of Russia, it was easy to notice the attempts aimed at creating a negative political image of Ukrainian leaders and discrediting the ideas of Ukrainian nationhood. Positive facts and trends were never mentioned, and negative and distorted information about Ukraine prevailed.

Also close to critical is also the security status of computer information systems in the area of state management, transport and energy sector, and banking system.

Regional challenges and threats

Despite comprehensive nature of challenges, which are the derivative of global processes, their impact on the national security of Ukraine is mostly indirect by nature and the threats resulting from such global processes can be classified as potential threats. It is regional level processes that have a direct impact on national security of Ukraine.

If Ukraine strives to attain gain a geopolitical status of an average European state, it must form around itself a safe geopolitical environment. Proximity of the EU and NATO, on the one hand, and Russia's attempts to create its own Eurasian civilization in a post-soviet space and thus establish itself in the capacity of a great power and one of influential centers of multi-polar world, on the other hand, **transform the territory of Ukraine in a kind of «buffer zone»**. Ukraine's status of a «buffer zone» currently suits the European Union and complies with its concept of «society», since it does not envisage further expansion or any obligations regarding future membership of Ukraine in this organization. On the other hand, the «buffer zone» can be used as a filter for illegal migration, organized crime, and other soft and tradition threats to European security.

From military point of view, «Ukraine-buffer zone» scenario could also be acceptable to some extent for NATO, since it does not require additional deployment of forces in the territory of new members and significant expenses on their defense and security.

However, this scenario can hardly suit NATO from political standpoint. First, it slows down the process of further expansion of the Alliance. Second, it facilitates strengthening of authoritarianism and political instability in Ukraine.

The fact is that Ukraine as a «buffer» can contribute towards higher Euro-Atlantic security only if it has internal political stability. The role of a buffer deprives Ukraine of external conditions for securing such stability.

Uncertainty with regard to the «buffer zone» will provoke Russia to regain full control over this territory. Under condition of its military presence in the «buffer zone», Russia will inevitably try to exercise its political and economic domination in this country. Moreover, trying to develop its relations with NATO and EU, Russia will seek to isolate Ukraine from integration in these organizations.

«Buffer zone» status not only opens ample opportunities for Russia's interference in internal affairs of Ukraine, but also provokes certain political forces in Ukraine to rely on Russian foreign policy factor. This trend significantly undermines national sovereignty of Ukraine and constitutes a threat to its national security.

Therefore, a vital **need and top priority geo-strategic objective for Ukraine is abandoning the status of «buffer zone» and accession to the European and Euro-Atlantic security space.**

However, in 2006 Ukraine faced serious challenges on its way to achieve this major geo-strategic objective.

One of these challenges is related to the relations between the EU and USA and lies in geopolitical rivalry between these two parties. This situation provokes differences between countries inside NATO and EU and undermines the unity of their attitude to the key international problems. On the other hand, it leads to weakening of the US role in maintaining stability and security in Europe. These differences between the EU and USA expand the field for possible manipulations to promote own interests and Russia's influence on the development of situation on European continent.

Losing the pace of progress towards European and Euro-Atlantic integration became a challenge for Ukraine in the second half of 2006.

Momentous events of this dangerous trend included the following:

- the speech of the Prime Minister of Ukraine, V. Yanukovich, during his September visit to Brussels regarding unreadiness of Ukraine to join the Action plan on obtaining EU membership;
- declaration of certain Eastern region of Ukraine (controlled by the Party of the Regions) to be NATO- free territories;

- provocations in Feodosiya related to Ukraine-American military exercises «Sea Breeze» organized by the political forces that created «anti-crisis coalition» in the Parliament;
- and as a result – absence of official representatives of Ukraine on Riga summit of NATO and withdrawal of Ukrainian issue from the agenda of this forum.

EU refusal to specify any perspective for Ukraine's membership in this organization in a new Agreement on Partnership and Cooperation became a serious signal for Ukraine with regard to implementation of its Euro-integration aspirations.

The year 2006, especially its second half, was also marked by **deterioration of international image of Ukraine and loss of its positions on the international scene**. Inability of «orange forces» to form a democratic coalition in Ukrainian Parliament and creation of «anti-crisis coalition» that shares foreign policy priorities other than those of the President of Ukraine resulted in internal political crisis.

As a result of introduction of Constitutional reform and assumption of power by a new Government, two centers of power for adoption of foreign policy decisions were created in Ukraine. **Conflict between the Government and the President of Ukraine (related to the distribution of powers) led to crisis in Ukrainian foreign policy**. It became unbalanced, unpredictable, and ineffective. The above mentioned conflict led to differences in formulation of the official position of Ukraine, when the Government and the President of Ukraine sometimes made contradictory declarations. That was the case with regard to the term of Russian Black Sea Fleet presence in the territory of Ukraine, management of assets of gas transmission consortium, Euro-Atlantic integration, etc.

All these factors disoriented foreign countries in identifying the official standpoint of Ukraine, as well as officials empowered to represent the country on the international scene. This trend resulted in a **loss of trust to Ukraine and its leaders on the part of international community**. The Minister of Foreign Affairs and his Ministry fell the victim and became the hostage of the above conflict between the Government and the President. A number of official visits and interstate negotiations were jeopardized.

Escalation of conflict between the branches of power leads to destruction of state institutions, weakening of national sovereignty, increased danger of foreign states' interference with

internal affairs of the country and influence on the adoption of both foreign and domestic policy decisions.

The above mentioned internal political conflict resulted in the attempts of the Government and «anti-crisis coalition» not only to draw over Presidential powers in the area of foreign policy, but also to change foreign-policy course of Ukraine through the revision of respective laws.

On October 12, 2006, the Prime Minister of Ukraine, V. Yanukovich, declared about the intent to reconsider the fundamentals of Ukraine's foreign policy, justifying it by the existence of respective opinions in the Ukrainian society and support of these opinions in the Parliament. On October 16, further confirmed his attitude during a press conference in Kyiv, by saying that a relevant draft law had been prepared on behalf of the coalition (including Party of the Regions, Socialist Party, and Communist Party) and will be submitted for consideration of the Parliament. Consensus positions in this document (based on which it could have been approved) were non-aligned status of Ukraine and comprehensive integration in the Single Economic Space. The attempt to revise foreign-policy course of Ukraine can be classified as a threat to its national security, since it deprives the state of vital mechanisms for protecting its security and defense capacity.

The challenge to national security was also the attempt to adjust the fundamentals of foreign policy to the vision of ruling coalition. In this case each reformation of Parliamentary majority will result in the revision of foreign-policy course of the state. The danger of such trend lies in the fact that in this case foreign policy will reflect corporate or narrow-clannish interests and party programs rather than national interests. Thus, it will be merely meaningless.

Russia as challenge for Ukraine

Preservation of such dangerous trend will result in Ukraine's losing its national sovereignty and independence, and aggravate a number of problems in relations with Russian Federation. The events, that took place in 2006, serve as obvious evidence that these problems acquired a dangerous nature to the national security of Ukraine. These events include the following:

- conflict between Ukraine and Russia regarding gas transit to Europe and prices for Russian gas;
- Aggravation of the situation related to the presence of Russian Black Sea Fleet in the territory of Ukraine;
- Strengthening of Russia's informational influence in the territory Ukraine;
- Trade wars.

However, despite the importance of each of these problems, **the largest threat for Ukraine lies in Russia's attempts to regain the status of large power and one of influential centers of multi-polar world through reintegration of post-soviet space countries into the fold of its nationhood.**

With regard to Ukraine, this reintegration project is focused on Ukraine's involvement in the establishment of the Single Economic Space. This project is aimed at becoming an alternative to the EU, which at some point is supposed to prompt Ukraine to abandon its European and Euro-Atlantic integration ideas and move in the tideway of Russian and Eurasian geopolitical and geo-economic projects.

Gas war between Russian and Ukraine, that reached its culmination during the first days of January 2006 and ended by the signing of respective agreement between the Governments of Russia and Ukraine on the 6th of January, as well as trade wars that found their manifestation in Russia's prohibition to import meat and dairy products from Ukraine, served as the evidence of the emergence of numerous threats to the economic security of Ukraine.

First, it is a direct threat of termination of energy carriers supply to Ukraine due to its critical dependence on Russian in this specific sector of economic relations.

Second, it is a potential threat for Ukraine to lose the competitiveness of its economy, especially gas dependent industries.

Third, loss of external sales markets for Ukrainian products, especially those products where the share of Russian market totals 50% and more (as this is the case with cheese market – 67%).

Fourth, potential threat of losing transit potential of Ukraine predetermined by Russia's aspiration to gain the control of Ukrainian gas transmission system.

Fifth, the threat that Ukraine can discredit itself before the EU as energy carriers transit country.

Russia uses economic levers of pressure on Ukraine in order to obtain geopolitical preferences, specifically on such issues as synchronization of acquiring membership in the WTO, Ukraine's rejection of NATO membership, prolongation of Black Sea stationing in Ukraine after the year 2017, Ukraine's refusal to participate in the activity of such associations as GUAM and Democratic Choice Community, coordination with Moscow of Ukraine's foreign policy related to its relations with NATO and EU.

Concessions of Ukraine on such key issues vital for foreign policy of Ukraine will constitute a real threat to national security interests in political area. It is only natural that British newspaper «The Time» justly emphasized that «Ukrainian gas agreement was clouded with a fear to lose independence»³. Aggravation of relations around the transfer to Ukraine of the system of navigation and hydrographic equipment (beacons) (that until now were under the management of Russian Black Sea Fleet) lies in the same area of security issues. In addition to threatening the maritime traffic, this situation undermines trust to Ukraine as to a maritime nation.

During 2006, the specter of threats in *humanitarian area* of relations between Ukraine and Russia also intensified. It referred first of all to Russia's attempts to increase the role of Russian language in social and political life and promote it for the status of a state language in Ukraine. Apparently, the goal of such attempts is to restore a unified historic and cultural space. Further this interests envisages a return to spiritual unity between Ukrainian and Russian people based on Russian national idea, Russian nationhood, and Orthodoxy.

Therefore, as viewed by Russian strategists (in addition to the creation of gas transmission consortium), no less important condition of Ukraine's access to oil and gas extraction in Russia must be the refusal by Ukraine to «undertake to create Ukrainian local church» and preservation of Russian orthodox church as a religious navel-cord that links Ukraine and Russia, as well as Ukrainian orthodox church (as an integral part of Moscow patriarchy – author's comment)⁴.

³ The Time // www.inopressa.ru/times/2006/10/25/10:42:43/antonomy.

⁴ Frolov K. Putin made historic proposal to Ukraine / KM.RU. – 2007. – February 5.

Therefore, for Ukraine the year 2006 was marked by a number of threats.

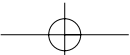
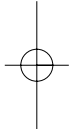
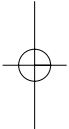
On the global level these threats included:

- Decreased competitiveness of Ukrainian economy due to the increase of world prices for energy carriers;
- Carriage into Ukraine of dangerous, high toxic, radioactive, and chemical materials, wastes of chemical, pharmaceutical, and food industry;
- Increased influence of multinational corporations and groups that weaken national sovereignty;
- Illegal migration;
- Expansion of avian influenza epidemic;
- Seizure of national information space of Ukraine by other states, cultural and religious and political expansion.

On the regional level these threats and challenges to national security included:

- Transformation of Ukraine into a «buffer zone» that will lead to the loss of the status of an average European state;
- Loss of dynamic progress towards European and Euro-Atlantic integration;
- Worsening of international image and positions of Ukraine on international scene;
- Crisis in foreign policy of Ukraine resulting from redistribution of powers between different branches of power;
- Russia's attempts to regain the status of great power and one of influential centers of multi-polar world through reintegration of post-soviet space countries, specifically Ukraine (resulting in a number of challenges in Ukraine-Russian relations, as well as threats to national security of Ukraine).

Most likely, the majority of these trends and threats will remain in 2007. Accordingly, this will require from Ukraine a set of actions and measures well-coordinated between respective branches of power, as well as the development of strategy aimed at neutralization and prevention of these negative (and sometimes dangerous) processes. Therefore, security related component must rank among top priorities of Ukraine's foreign policy.



§ 3. Trends that emerged in foreign policy of Ukraine over the year 2006

In 2006, Ukraine continued to implement its **primary foreign-policy course**, to include **European and Euro-Atlantic integration**, **development of cooperation with neighbor states and strategic partners**, **initiative regional policy** aimed at securing democracy, security, and stability, as well as **support of Ukrainian citizens abroad and foreign policy support of economic positions of Ukraine in the world**¹.

At the same time, Ukraine's foreign policy was implemented on the background of contradictory functional, structural, and personnel transformations of the entire system of state power resulting from the implementation of political reform. Transition to parliamentary-presidential republic (to which the state political elite proved to be unprepared), reflected on the effectiveness of implementation of foreign-policy course.

Implementation of foreign policy, despite objective achievements, included a number of **acute problems** that not only complicated its effective realization, but also bore evidence of accumulation of crisis trends.

Political and diplomatic dialogue was not supported by respective domestic actions, such as effective social and economic reforms, creation of institutional and legal mechanisms for implementation of foreign policy, and coordination of actions undertaken by state authorities.

Confrontation within power triangle President-Government-Parliament, as well as differences in the attitudes of Government Ministers and parliamentarians to the key areas of Ukraine's

¹ See: Information materials on the results of activity of the Ministry of Foreign Affairs in 2006 and vital issues in the area of Ukraine's foreign policy. – <http://www.mfa.gov.ua>.

foreign policy resulted in disbalance and decreased efficiency of mechanisms for the development, adoption, and implementation of foreign policy decisions. It led to the threat of revision of foreign-policy course and creation of several centers for execution of foreign policy of the state.

Ukraine failed to secure the transparency, openness, and control of society over the elaboration and implementation of foreign policy. State power often acted in a «manual» and non-public fashion. This led to disorientation of society and in general limited the rights of citizens to receive objective information. As a result, Ukraine's foreign-policy course failed to gain a broad and stable public support.

Problems of Institutional and Legal Support for Implementation of Foreign-policy course

Reorganizations of state power structures (Government, Secretariat of the President, National Security and Defense Council) were contradictory by nature and aimed at strengthening of their position in internal political confrontation rather than creation of a unified state mechanism for implementation of domestic and foreign policy.

Coordination of branches of power in foreign policy area got weaker. Lack of clear coordination of actions within the triangle President-Government-Parliament was observed even with regard to the issues, on which these power institutions seemed to have consensus – specifically, regarding Ukraine's accession to the WTO. The President stressed the need to become WTO member in 2006. To vitalize the work of the Government, the President had to lead the way and submit a set of 16 top priority draft laws for consideration of the Parliament.

Ukrainian leaders also demonstrated different attitude to the term of stationing of Russian Black Sea Fleet in the territory of Ukraine. Thus, the President of Ukraine stressed the need to resolve this issue pursuant to constitutional norms that do not stipulate the presence of foreign military bases in the territory of Ukraine². At the same time, the Prime Minister of Ukraine pre-

² Interfax-Ukraine, November 1, 2006.

sented an entirely different position and declared the possibility for prolongation of Russian Black Sea Fleet stationing in Crimea³.

Differences in the attitude of high state officials to the «sensitive» issues also deepened. On October 17, press service of the Ministry of Foreign Affairs of Ukraine declared that MFAU does not receive from the Ministry of Fuel and Energy the information on the course of negotiations with Russian Federation regarding gas supply in 2007⁴. On October 24, the Minister of Foreign Affairs further stressed that some ministries (contrary to the Decree of the President of Ukraine) do not agree their foreign policy contacts with the Ministry of Foreign Affairs⁵.

Contradictions between the President and the Prime Minister with regard to the pace and mechanisms of Euro-Atlantic integration of Ukraine got aggravated.

The problem of Euro-Atlantic integration got in the limelight of a fierce internal political dispute and provoked broad international resonance when on September 14, 2006, at the press conference on the results of the meeting with NATO leaders in Brussels, the Prime Minister Yanukovich declared about the unreadiness of Ukraine to join the Action Plan on Accession to the Alliance. The Minister of Foreign Affairs of Ukraine and the Minister of Defense severely criticized this position, and President Yuschenko disowned Prime Minister's declaration. This was a clear evidence of differences (in the attitude to the pace and actual prospects for NATO integration) not only between the President and the Prime Minister, but also between the members of the Cabinet of Ministers.

In fact, Ukraine's foreign policy was implemented through several state institutions. Specifically, Ukraine's policy line in its relations with Russia was simultaneously determined by several state institutions (President, Government, Parliament) that had different attitude to separate specific problem issues and poorly coordinated their actions (for example, different positions were declared by representatives of Ukraine with regard to the use of

³ UNIAN, November 2, 2006.

⁴ UNIAN, October 17, 2006. In fact, the Ministry of Foreign Affairs of Ukraine and the Ministry of Justice (which are supposed to secure political and legal support of negotiations) were barred from the negotiations process with Russian Federation.

⁵ Interfax-Ukraine, October 24, 2006.

navigation and hydrographic equipment of Russian Black Sea Fleet in Crimea). This situation has a negative impact on negotiation process and weakens the positions of Ukraine.

Problems related to the improvement of legal support of Ukraine's foreign policy also aggravated due to the confrontation between country leaders. Presidential team lost time and failed to comprehensively legislate a new foreign-policy course⁶. An outdated document «Major Areas of Foreign Policy of Ukraine» approved by the Parliamentary Resolution dated July 2, 1993 is still in force. Conceptual documents regarding European integration of Ukraine have not been revised and updated⁷.

The situation became critical when under conditions of revision of powers vested in different branches of power and lack of an effective system of «check and balances» system among the President, the Government and the Parliament, Ukrainian legislation did not specify a clear system of functions and mechanisms for the implementation of foreign policy. At the same time, legislative initiatives on the adoption of a new document were actually aimed at the revision of strategy line of Ukraine, rather than improvement of situation.

Under new conditions, lack of clearly specified procedures governing the exercise of powers, resulted in conflict situations and had a negative impact on the implementation of foreign policy. Specifically, it led to «legal» confrontation between the President and the Government regarding the procedure for signing by the Prime Minister of several Decrees of the President issued in August-September 2006. Among other things, these Decrees were related to the appointment and withdrawal of Ukrainian Ambassadors in several countries.

The above mentioned confrontation between state institutions in the area of implementation of Ukraine's foreign-policy course hampered the elaboration of a unified vision for the development of foreign relations in middle and long term perspective. In its turn, this provoked doubts regarding predictability and stability of Ukraine's strategic policy line in the world arena.

⁶ Action plan on implementation of the previous Government's Program «Toward People» envisaged submission of a draft law «On Fundamentals of Foreign Policy of Ukraine» for consideration of the Parliament. This task has never been fulfilled.

⁷ Strategy of Ukraine's integration into the EU (1998), Program of Ukraine's integration into the EU (2000).

Securing Public Support of Foreign-policy course

Based on the results of sociological surveys, public support of foreign-policy course was rather low⁸. Obviously, it was mostly predetermined by declining trust in state institutions and decreasing support of their activity (See Table – «*Support of Foreign-policy course of Ukraine*»).

Support of Foreign-policy course of Ukraine,
% of surveyed respondents

	April 2005	December 2005	November 2006
Support	59.0	29.7	30.8
Do not support	24.3	44.4	29.4
Hard to say	16.7	25.9	39.8

Ukrainian citizens are rather critical in their assessment of transparency and openness of state foreign policy – most of respondents (56.5%) do not consider it to be open and transparent. Only 23.3% of respondents have an opposite opinion. At the same time, as viewed by 57.3% of respondents, current foreign policy of the state is unclear for the general public. Only every fifth of the surveyed respondents does not share this opinion (19.4%).

The level of general public awareness of Ukraine's cooperation with other countries and international institutions is very low. In this respect, citizens' assessment of their awareness of Ukraine's relations with the countries – strategic partners and international organizations is quite demonstrative (See Table – «How do you assess the level of your awareness...»).

⁸ Here and further in the text of his chapter we provide the data of sociological survey for the year 2005–2006 conducted by Razumkov Center. See: The year of activity of new power: outlook of non-government think-tanks. – National security and defense. – № 12. – 2005. – P. 84–104. 100 days of coalition government: outlook of non-government think-tanks. – National security and defense. – № 10. –2006. – P. 60–69.

**How do you assess the level of your awareness regarding
Ukraine's relations with the following countries and interna-
tional institutions?**

% of surveyed respondents

	High	Medium	Low	Do not have infor- mation	Hard to say
With EU	6.1	41.2	38.7	10.4	3.6
With Russia	15.7	52.9	25.4	3.2	2.8
With USA	5.7	37.0	40.6	12.7	4.1
With NATO	6.8	29.3	40.7	18.7	4.6
With WTO	3.5	24.2	39.2	27.7	5.4
With SES	4.7	29.7	35.7	23.9	6.0
With GUAM	2.3	16.2	31.9	41.2	8.3
With CIS	8.6	35.0	34.3	15.4	6.8

At the same time, change in the assessment of state foreign policy to some extent is predetermined by the fact that **state power failed to create conditions for securing broad public support of European and Euro-Atlantic integration.**

As evidenced by the results of sociological surveys, in general, positive attitude to Ukraine's membership in the EU dominates within Ukrainian society. However, over the last years citizens' attitude has not changed for the better⁹.

The most critical problem is the problem of information support for Euro-Atlantic policy line of Ukraine. Ukraine failed to achieve national consensus with regard to Euro-Atlantic integration. Lack of effective actions of state power in this area, as well as lack of effective public awareness campaign, rank among the major reasons of the fact that NATO integration policy line remained rather a dividing factor for Ukrainian society, failed to gain a broad public support, and thus has no social legitimacy.

The level of public awareness about NATO remains very low. The share of respondents that assess their awareness about NATO

⁹ Based on the survey results, in October 2006, 48.4% of respondents supported Ukraine's accession to the EU, and 31.4% – were against it. For previous surveys' data see: European integration of Ukraine: attitudes and assessments of citizens. – National security and defense. – 2005. – № 7. – P. 52.

as high, does not exceed 7%. Over September-October 2006, the number of citizens that consider their NATO awareness to be low significantly increased (from 38.5% to 47.3% respectively).

How do you assess your awareness about NATO?

% of surveyed respondents

	December 2005	January 2006	September 2006	October 2006
High	6.5	6.2	6.2	3.0
Medium	39.3	43.1	36.6	31.8
Low	37.8	35.7	38.5	47.3
Do not have information	11.5	11.0	12.2	11.7
Hard to say	4.8	4.1	6.7	6.2

It is obvious, that the level of public awareness about the EU and NATO to some extent predetermines the level of support for European and Euro-Atlantic policy line. A higher support of EU and NATO integration is observed among more aware respondents as compared to those respondents who assess their awareness level as low or have not information.

On the one hand, deficit of public support for Euro-Atlantic integration provokes doubts of the Alliance whether Ukrainian power is capable of actually implementing this policy line. On the other hand, it creates very dangerous conflict situation inside the country and serves as a subject for dangerous political manipulations, thus deepening differences among Ukrainian citizens.

European and Euro-Atlantic Integration

EU integration and accession to NATO were defined among the top priorities of Ukraine's foreign policy. With regard to EU integration Ukraine managed to achieve certain level of success – development of cooperation in different areas of interest, work on improvement of legal framework governing EU-Ukraine relations, progress in implementation of joint projects. During a series of meetings with EU leaders the Prime Minister of Ukraine declared about inalterability of Euro integration policy

line of Ukraine and stressed that «Ukraine is ready to follow the way that would take it to the European Union»¹⁰.

Agreements on readmission and simplification of visa requirements were intialled during Ukraine-EU Summit held in October. The parties also finalized a new plan in the area of justice, freedom and security, as well as agreed on cooperation in diversifying the sources of energy resources.

In September 2006, Ukraine and EU concluded the Memorandum on securing support for joint energy related projects. In this context, EBRD planned to double in 2007 (from EUR 200 mln. to EUR 400 mln.) the financing for implementation of projects aimed at enhancing the effectiveness of Ukraine's energy system. At the same time, the parties signed a joint Ukraine-EU report on implementation of provisions specified in the Memorandum of Understanding regarding cooperation in energy sector. In October 2006, Ukraine and the European Union signed the Memorandum aimed at the development of cooperation in agricultural sector.

Over this period, EU launched in Ukraine a number of projects aimed at the support of small and medium business, reform of state management system, technical equipment of borders, fighting corruption, and resolution of migration problems.

However, at the same time the EU took a more critical stance towards Ukraine. In general, growing confrontation between the President and the Government and political context of staff changes in state power structures had a negative impact on the nature of dialogue between Ukraine and EU. EU leaders expressed their concern with «rapid and often» changes in the Government. As viewed by certain European officials, Ukraine lost its positive image in the West.

In September-October, EU leaders made a series of statements making it clear that the issue of European prospects of Ukraine (that is membership in the European Union) is not on the agenda. Specifically, these statements were made by the President of the European Commission, Mr. José Manuel Barroso, EU High Representative for the Common Foreign and Security Policy, Mr. Javier Solana, European Commissioner for External Relations and European Neighbourhood Policy, Mr. Benita Ferrero-

¹⁰ Interfax Ukraine, September 21, 2006.

Waldner. A similar attitude was also expressed by German's Federal Chancellor, Angela Merkel.

Over the year 2006, certain success was achieved in the implementation of legislatively stipulated Euro-Atlantic strategy of Ukraine.

As viewed by both Kyiv and Brussels, in 2006 the level of practical cooperation between Ukraine and NATO was the highest compared to the previous years. Major 2006 results with regard to Ukraine-NATO relations included successful development of the Intensified dialogue on membership issues and respective reforms, as well as fulfillment of tasks specified in short-term cooperation actions and other programs related to cooperation with NATO (specifically in Special plan Ukraine-NATO for the year 2006 within the framework of Ukraine-NATO Action Plan).

A number of steps have been made towards intensification of cooperation with NATO. Specifically, joint Ukraine-NATO projects have been implemented (including projects related to utilization of excessive ammunition). Ukrainian Parliament approved the Memorandum on the use of strategic transport aviation of Ukraine in NATO operations and military exercises.

On September 14, a meeting of Ukraine-NATO Commission (attended by the Prime Minister of Ukraine, Viktor Yanukovich) took place in NATO Headquarters in Brussels. During the meeting the Prime Minister emphasized that the Government intensified its work on informing Ukrainian public about NATO activities. The Prime Minister of Ukraine stressed that currently there is no alternative to the strategy that Ukraine has already chosen in its relations with NATO.

At the same time, the problem of Euro-Atlantic integration found itself in the limelight of a fierce internal political dispute and provoked broad international resonance when at the press conference on the results of the meeting of Ukraine-NATO Commission the Prime Minister Yanukovich declared about the unreadiness of Ukraine to join the Action Plan on Accession to the Alliance. The Minister of Foreign Affairs of Ukraine and the Minister of Defense severely criticized this position. This was a clear evidence of differences (in the attitude to the pace and actual prospects for NATO integration) not only between the President and the Prime Minister, but also between the members of the Cabinet of Ministers.

Thus, the pace of Ukraine's integration to NATO became uncertain and there are valid grounds to talk about a break in Ukraine's dialogue with NATO. Lack of national consensus with regard to Ukraine's integration in NATO hampers effective implementation of Euro-Atlantic integration policy and aggravates internal political situation in Ukraine.

The problem of Ukraine-NATO relations led to a hot internal political discussion around the model of national security of Ukraine. The advocates of Ukraine's neutral status as an alternative to NATO membership became ever more active (respective draft laws were submitted for consideration by Ukrainian Parliament). Actually, all this is about a broader problem of global civilized choice of Ukraine. Unfortunately, public discussion of this problem acquired an extremely political nature, became an instrument in the struggle of political forces, and a subject for manipulating public opinion. Unbiased expert discussion of this topic was missing.

Confrontation around NATO problem in Ukrainian political elite has a negative impact on the effectiveness of implementation of foreign-policy course of Ukraine and weakens its positions on the international scene.

Thus, despite certain degree of success, the situation in European and Euro-Atlantic areas has not changed for the better in qualitative terms. As for relations with the EU, Ukraine managed to achieve certain positive results that lay the foundation for securing prospective systematic progress. However, it is worth noting that the dialogue with EU was not supported by adequate effective actions inside Ukraine and was complicated by aggravating political confrontation within state management system. As a result, the pace of Ukraine's integration to the European Union slowed down and attractiveness of Ukraine as that of a prospective EU partner decreased.

The year 2006 can be characterized as «the period of uncertainty» in relations with NATO. The Alliance received a signal on slow-down in the pace of integration. At the same time, the issue of Euro-Atlantic integration aggravated the differences within Ukrainian political elite and acquired highly conflict nature. This situation jeopardizes further implementation of Euro-Atlantic policy line.

Development of Relations with USA

Development of relations with USA was defined as one of top priorities of Ukrainian foreign policy. Over the previous years Ukraine managed to achieve significant progress in its relations with the United States. However, the euphoria of «break through» was replaced by more pragmatic relations. Formation of parliamentary majority and creation of Coalition Government was assessed by USA in the context of democratic changes in Ukraine.

A number of improvements were achieved, namely:

- US Government cancelled trade sanctions with regard to the goods originating from Ukraine;
- USA restored preferences for Ukrainian export pursuant to Generalized system of preferences;
- US Government recognized Ukraine as a country with market economy;
- Within the framework of negotiations on Ukraine's accession to WTO, Ukraine and USA signed bilateral Protocol on conditions for access of goods and services to the markets;
- USA terminated Jackson-Wennik amendment regarding Ukraine.

However, the analysis of bilateral cooperation makes it possible to mark certain changes in the nature of mutual relations and emergence of new aspects. Previous declaration regarding the establishment of strategic partnership based on democratic values and «promotion of freedom» remained outside the scope of negotiation process. One can feel a growing restraint in the bilateral dialogue, which is mostly predetermined by internal political situation in Ukraine. Overall, it is hard to say that current status of relations secures an effective formation of conditions for real strategic partnership a new stage in the development of which was declared during the visit of the President of Ukraine to the United States in 2005. Cooperation with USA failed to become a solid counterargument to Russia's attempts to keep Ukraine in the area of its influence.

Internal political situation had a negative effect on further support of Ukraine's foreign-policy course by the United States of America. It is obvious that the results of non-transparent «gas agreements» with Russia, slow down in Ukraine's progress towards WTO membership, as well as declarations of the Prime

Minister, V. Yanukovich, regarding Ukraine's unreadiness to join NATO membership action plan and possibility for prolongation of Russian Black Sea Fleet stationing in Crimea had a negative impact on the atmosphere of bilateral dialogue and US attitude to Ukraine.

Ukraine failed to establish the effective mechanisms of bilateral cooperation. The activity of Ukraine-American Commission on the highest level (as well as that of commission profile committees) has not been renewed. The deficit of mechanisms for inter-parliament cooperation has not been eliminated. Stable channels of cooperation with Ukrainian expat community in USA (to lobby the interests of Ukraine) have not been established.

Qualitative results in the area of economic relations have not been achieved so far. New bilateral projects are being launched in Ukraine (and those already launched continue their activity). Specifically, this refers to such areas as effective use of resources, health care, and improvement of investment climate of Ukraine. However, these programs are local by nature and do not result in a significant impact on the development of economic partnership. At the same time, there still remain a number of problematic aspects. In October 2006, Ukrainian Government adopted the decision on licensing and quotation of grain export from Ukraine that provoked a sharp criticism on the part of the US. In general, the indicators of trade and economic cooperation do not correspond to the potential of bilateral economic relations.

In 2006, Ukraine failed to achieve systematic success in its relations with USA. Due to internal political problems, US support of foreign-policy course of Ukraine remains practically unrealized. Ukraine proved unprepared for implementation of a number of joint initiatives. The status of relations between Ukraine and USA inadequately contributes towards the formation of strategic partnership between the countries.

Development of Cooperation with Russian Federation

After the creation of parliamentary majority and appointment of coalition Government new aspects emerged in Ukraine's relations with Russia. The Cabinet of Ministers of Ukraine declared «restoration of mutually beneficial neighborly relations with Russia» to be one of its key priorities. Dialogue with the leaders of

Russian Federation was revitalized to some extent. Preliminary compromise decisions on certain issues have been achieved and the work of Ukraine-Russian interstate commission has been unblocked. A series of agreements in the priority cooperation areas have been concluded (power industry, aviation industry) and certain steps towards resolution of «chronic problems» in mutual relations have been taken. Ukraine and Russia signed long-term Program for interregional and frontier cooperation until 2010 and a number of other documents, as well as started the work on bringing the activity of Russian Black Sea Fleet in line with concluded agreements and Ukrainian legislation.

Ukraine and Russia worked on the implementation of provisions of «Road Map» – Action plan for the years 2005–2006. In this document the leaders of Ukraine and Russia defined 20 top priority objectives for Ukraine-Russian cooperation. Among other things these priority objectives include formation of a free trade zone, completing delimitation of sea zones of interstate frontier and demarcation on the ground, settling problematic issues of temporary stationing of Russian Black Sea Fleet in the territory of Ukraine, as well as signing of a series of agreements related to energy sector, legal and consular aspects.

The first joint meeting of Ukraine-Russian interstate commission held on December 22 and chaired by the presidents of both countries made it possible to defuse the crisis in bilateral relations and achieve certain progress in resolution of a number of sensitive issues. The agreement has been reached to continue the work on defining the role and goal of strategic partnership between Ukraine and Russia, formalizing them in the Declaration on substance of Ukraine-Russia strategic partnership, and preparing a new Plan of top priority measures in the development of bilateral relations between Ukraine and Russia for the years 2007–2008.

Despite these improvements, it would be true to state that in general Ukraine failed to achieve a break-through in its relations with Russia. Moreover, certain negative trends increased.

First, there are certain grounds to assert that the practice of «political and economic barter» (i.e. economic preferences in exchange for political concessions) resumed¹¹. Specifically, on

¹¹ The newspaper «Kommersant-Ukraina» published the information with reference to the sources in Russian Government and Open JSC «Gazprom».

November 2, 2006, after «gas agreement» with Russia, the Prime Minister, V. Yanukovich, during a press conference declared about possible prolongation of Russian Black Sea Fleet stationing in Crimea¹². This format of relations – under conditions of growing pressure on the part of Russia and incommensurability of countries' potentials – in essence leads to the dependence of Ukraine's foreign policy upon Russia's geopolitical interests.

Second, bilateral relations remain in the «mode of manual control». There is no clear cooperation strategy. The practice of relations rather testifies to a short-term, operational nature of agreements. This state of things does not correspond to the principles of strategic partnership stipulated in the Agreement on friendship, cooperation, and partnership.

Third, contacts with Russia became non-transparent by their nature. Specifically, on October 24, 2006, the agreement between «RosUkrEnergo» and «UkrGas-Energo» was signed in «closed mode». The issues on securing reliability of gas supply schemes and price formation mechanisms remained unaddressed. Non-transparency of gas agreements resulted in a wave of rumors (including those among the representatives of Ukrainian political elite) on «betrayal of national interests». Government representatives had to refute this information.

Fourth, Russia did not put off the pressure on the issues sensitive for Ukraine. Specifically, on October 24, 2006, during his visit to Kyiv, the Prime Minister of Russian Federation, Mr. M. Fradkov, stressed the need to synchronize Ukraine's and Russia's accession to the WTO¹³. On the other hand, Russia positions itself as a country capable to «patronize» Ukraine on the international

According to this information the approval of gas agreement is accompanied by a number of political and economic conditions on the part of Russia. These conditions include the soonest possible conducting of referendum regarding Ukraine's accession to NATO, prolongation of Russian Black Sea Fleet stationing in Crimea, and 5 year guaranteed cooperation with RosUkrEnergo. See: «Kommersant-Ukraina», October 20, 2006. – <http://www.kommersant.ua>.

¹² V. Yanukovich stressed that Russian Black Sea Fleet stationing in Crimea will depend on how necessary and beneficial it would be for Ukraine and Russia. In his opinion, this issue will be considered «under the angle of both political and economic relations with Russia». – Interfax Ukraine, November 2, 2006.

¹³ Interfax Ukraine, October 24, 2006.

scene. On October 25, 2006, Russia's President, V. Putin, declared during a live TV and radio interview that Russia can protect Ukraine from interference with its internal affairs.

Overall, the status of relations with Russia is far from being satisfactory or providing for stable prospective development of mutually beneficial and equal partnership. Analyzing current status of Ukraine-Russian relations the following trends can be emphasized:

General atmosphere of bilateral relations somewhat improved on the level of interstate and interparliamentary contacts. However, this happened not due to the establishment of equitable partner relations, but rather as a result of a series of «loyal» declarations on the part of Ukraine (i.e. prospective status of Russian language as that of a state language, agreement of positions regarding Ukraine's and Russia's accession to the WTO, restoration of the idea on creation of gas consortium, etc). Such «warming-up of bilateral relations» is situational by nature.

Over the year 2006, a series of conflict situations emerged. State authorities of both countries, as well as parliamentarians, politicians, mass media, and NGOs were engaged in these conflicts. In September-October 2006 (as a result of the ruling of Sevastopol business court of appeal), the problems related to navigation and hydrographic equipment and security of maritime traffic were severely aggravated. On September 27, 2006, the Ministry of Foreign Affairs of Russian Federation made a harsh statement regarding discrimination of Russian language in Ukraine. The Ministry of Foreign Affairs of Ukraine defined this step as «interference with the internal affairs». The year 2006 was also marked by diplomatic conflicts when Ukraine declared certain Russian politicians and public officials persona non grata.

The list of problematic issues was not reduced. There were differences in the vision of the parties regarding the ways for resolving both «chronic» problems (delimitation of sea zones of interstate frontier, division of USSR property abroad, fulfillment of agreements on temporary stationing of Russian Black Sea Fleet in Ukraine, «frozen» conflicts in post-soviet state, etc), and relatively new problems already mentioned above (creation of SES, accession to WTO). On the other hand, some problematic issues (that lately were left out of the scope of negotiations) were raised again. Russia «reanimated» the topic of Ukraine's accession to

Eurasian Economic Community during the meeting of the Prime Ministers in Sochi on August 16, 2006,. The parties also expressed different positions on the above mentioned issue of Russian Black Sea Fleet stationing in Crimea¹⁴.

The status of economic cooperation remains unsatisfactory. Despite the growth of trade volume as compared to the previous period, the intensity of trade decreased. Ukraine still faces the problem of overcoming negative balance of trade. Ukraine failed to persuade Russia to abandon the practice of economic pressure. In addition, Russia's decision to withdraw from joint project on construction of AN-70 aircraft had an obvious negative impact on bilateral cooperation.

In general, the pace of growth of bilateral trade volume does not correspond to actual potential of economic cooperation. The level of investment cooperation remains low.

Over the year 2006, Ukraine failed to achieve systematic progress in its relations with Russia. Despite certain success, Ukraine's policy with regard to Russia lacks proper coordination, strategic approaches, and effective actions in protecting its national interests. This set of problems, on the one hand, significantly weakens positions of Ukraine under conditions of asymmetry of relations and incommensurability of economic, military and political potential. On the other hand, it objectively provokes ever growing pressure on the part of Russian Federation.

Unresolved key problems include search of the ways and mechanisms for transparent resolution of controversial issues in bilateral relations, as well as securing of equitable, mutually beneficial, and predictable partnership with Russian Federation. Effective implementation of Ukrainian policy on the international scene greatly depends on the above mentioned aspects.

¹⁴ On October 25, 2006, during live broadcasting, the President of Russia, Mr. Putin, said that «Russia will be ready to negotiate the prolongation of Black Sea Fleet stationing in Ukraine». See: Interfax Ukraine, October 25, 2006. In its turn, on October 27, 2006, the First Deputy Minister of Foreign Affairs of Ukraine, Mr. V. Ohryzko, said that «We proceed from the fact that the Agreement on Russian Black Sea Fleet stationing in Ukraine is valid until 2017 and the Constitution of Ukraine does not envisage the presence of foreign military bases in the territory of Ukraine». See: Interfax Ukraine, October 27, 2006.

Regional Policy

In 2006, major areas of Ukraine's regional policy included the following:

- Development of friendly, constructive relations with neighbor countries and completion of legal finalization of the state border of Ukraine;
- Goal-oriented actions aimed at the settlement of «frozen conflicts» (first of all – Transnistria conflict);
- Active support and promotion of regional unions/associations and initiatives based on European standards and values and economic interests of Ukraine (first of all Organization for Democracy and Economic Development – GUAM, and Democratic Choice Community);
- Participation of Ukraine in international regional unions/associations – such as Central European Initiative (CEI), Organization for Black Sea Economic Cooperation, Visegrad Group, etc. – within the framework of diversification of international contacts and cooperation in the context of the region's integration to the European Union;
- Development of bilateral partner relations with the countries of Baltic-Black Sea- Caspian region and Central Asia within the framework of promotion of trade and economic interests of Ukraine on the regional and global markets.

Analyzing the activity of Ukrainian state power in the area of regional policy, the following aspects can be emphasized:

Ukraine continues to limit its participation in CIS and shifts its cooperation with CIS member states to the format of bilateral relations. On the one hand, this is predetermined by the change in approaches to regional integration, on the other hand – by CIS degradation, inability to settle «frozen conflicts», escalation of «trade and economic» wars between CIS members, as well as extremely low level of fulfillment of adopted decisions. At the meeting of the Ministers of Foreign Affairs of CIS countries (held on October 16, in Minsk) Ukraine signed 7 out of 19 considered documents (one of them – with comments and observations) and approved two protocol decisions. At the same time, during this meeting GUAM member states (except Moldova) expressed their joint position and signed the draft statement of the Presidents of CIS countries on legal formalization of state borders among CIS

member state, as well as promulgated the statement regarding the settlement of conflict in Georgia-Russian relations.

It is worth noting, that over the year 2006, Ukraine changed the tonality of CIS assessment. Previously Ukraine publicly put to doubt the prospects of CIS activity¹⁵. In 2006, Ukraine's position softened significantly¹⁶. It was declared on the official level that «In political terms Ukraine supports the transformation of CIS into an interstate mechanism for consultations and negotiations aimed at qualitatively new full-fledged bilateral and multilateral relations between member states»¹⁷.

Situation regarding Ukraine's participation in the Single Economic Space remains uncertain. Currently there is a pause in the implementation of SES project, which remains a complex political problem. The parties failed to achieve any significant results. Ukraine's position regarding the limitation of its participation by the framework of a free trade zone and without further prospects of accession to a future customs union was repeatedly confirmed by the Prime Minister, V. Yanukovich, during his meeting with the President of the European Commission, Mr. José Manuel Barroso, held on September 21, 2006 in Brussels.

This situation does not suit Russia. Russia takes a tough stance and stresses the need for signing a full set of documents that would lay the foundation for the establishment of customs union. Within the framework of negotiation process Russia intensified its pressure on Ukraine seeking Ukraine's involvement in an integration process within the scope of both SES and Eurasian Economic Community. On August 16, 2006, during intergovernmental negotiations in Sochi, Russia's Prime Minister, Mr. M. Fradkov,

¹⁵ On December 22, during the press conference dedicated to 2005 results, the Minister of Foreign Affairs, Mr. B. Tarasyuk, said: «All constructive proposals of Ukraine within the framework of CIS proved that this structure is ineffective. Therefore, we put to doubt the perspective of CIS activity». – UNIAN, December 22, 2005.

¹⁶ On September 1, 2006, the Minister of Foreign Affairs of Ukraine, Mr. B. Tarasyuk, said: «If the initiatives of President Yushenko expressed last year during CIS summit in Kazan are at least partly fulfilled, nobody in Ukraine will ever say that CIS is a club for exchange of opinions». See: UNIAN, September 1, 2006.

¹⁷ The results of the meeting of the Ministers of Foreign Affairs of CIS member states – <http://www.mfa.gov.ua/mfa/ua/publication/content/7123.htm>.

declared that «this issues ranks among the principal issues of restoration of relations between Ukraine and Russia»¹⁸.

SES project remains a possible «Eastern» reintegration alternative to the European integration policy line in condition of confrontation between Ukrainian branches of power and differences in their foreign policy positions.

GUAM accents and the line of activity changed. During the summit of GUAM member states in Kyiv (May 23, 2006), a new international regional structure was created (Organization for Democracy and Economic Development – GUAM), the charter of this organization was approved, and the protocol on implementation of agreement on creation of a free trade zone was signed.

The steps aimed at transformation of GUAM into a full-fledged international organization were accompanied by vitalization of security aspect of its activity. It was predetermined by the aggravation of situation in post-soviet space, strengthening of separatism trends, inability to settle conflicts within the framework of CIS, as well as the need for joint response to power politics of Russian Federation.

In August 2006, representatives of the Ministries of Defense and General Staffs of GUAM member states approved the draft charter and structures of joint peacekeeping battalion. On September 19, Baku hosted the first meeting of experts from security services and law enforcement agencies of GUAM member states. This meeting was dedicated to the issues of antiterrorism protection. On September 26, the Council of Ministers of Foreign Affairs of GUAM member states instructed the Council of National Coordinators of GUAM to intensify the activity on the establishment of collective peacekeeping forces and civil police units.

At the same time, GUAM member states became more active in their international activity (specifically, within the framework of the UN and CIS) aimed at the settlement of «frozen» conflicts. The third meeting of GUAM Parliamentary Assembly (October 15, 2006) approved the communiqué that stressed the need for enhanced inter-parliamentary cooperation to resolve unsettled conflicts in some GUAM member states. The next day, at the meeting of the Council of Ministers of Foreign Affairs of CIS member

¹⁸ Information bulletin of the Ministry of Foreign Affairs of Russian Federation dated August 17, 2006. – <http://www.mid.ru>.

states, GUAM countries made a statement on the need for peaceful settlement of Georgia-Russian conflict. GUAM member states achieved the biggest international resonance when they included the issue on frozen CIS conflicts in the agenda of the 61st Session of the UN General Assembly.

However, due to the reasons specified below, it is premature to talk about transformation of GUAM into an effective international organization. **First**, it is just a foundation that has been laid for qualitatively new functioning of GUAM. At the same time, development prospects of this organization are complicated due to the lack of adequate financial support. **Second**, the idea of regional leadership (within GUAM framework) so far has not been supported by specific economic projects and investment programs on the implementation of idea related to the formation of Eurasian oil transmission corridor. **Third**, accent on GUAM security component strains the relations with Russia that tries to dominate in CIS space (among other things through military presence in the countries of the region), revitalizes reintegration processes (specifically, within the framework of Collective Security Treaty Organization), and limits GUAM influence.

Settlement of Transnistria problem remains one of top priority issues for the national security of Ukraine and its regional policy¹⁹. Ukraine's vision of Transnistria problem (as specified in the Ukrainian Plan for Settlement of Transnistria Conflict) is based on the respect of sovereignty and territorial integrity of the Republic of Moldova, as well as elaboration of a special status for Transnistria. This plan remains the only framework document supported by all participants of negotiation process.

In 2006, Ukraine endeavored to renew negotiations in the format «5+2». Specifically, as a result of the measures undertaken by Ukraine railway traffic through Transnistria region was renewed, the mechanism of simplified registration of businesses in Transnistria region of the Republic of Moldova was extended till January 1, 2008, agreement with Moldovan party was reached regarding renewal of the work of expert groups on problematic issues of cooperation between Moldova and Transnistria (specifically on development of joint projects to be financed within the

¹⁹ See: Information materials on the activity results of the Ministry of Foreign Affairs in 2006 and vital issues in the area of Ukraine's foreign policy. – <http://www.mfa.gov.ua>.

framework of US «Millennium Challenge» program and EU technical assistance for the years 2007–2009). Ukraine demonstrated openness and transparency of actions, as well as aspiration to stop negative developments at the border and readiness to join the European legal, economic, and security space.

Customs regime in line with European norms and standards was restored at Ukraine-Moldovan border. To create modern integrated security system at Ukraine-Moldovan border (first of all in Transnistria segment), EU Mission was established to provide frontier related support to both Ukraine and Moldova.

Overall, despite certain success, in regional policy Ukraine failed to achieve maximum results. An active line towards the status of regional leader is hampered by a number of internal and external factors and lacks adequate financial and economic support. Ukraine proved unprepared to new challenges resulting from aggravation of situation on the regional level. At the same time, so far Ukraine failed to find adequate responses to Russia's power policy in post-soviet space.

Conclusion

The year 2006 was a difficult period for Ukraine's foreign policy. Due to political reform, implementation of foreign-policy course was carried out under conditions of controversial functional, structural, and staff changes in the entire system of state power. Transition to parliamentary-presidential republic (to which Ukrainian political elite proved to be unprepared) had a negative impact on the effectiveness of implementation of foreign-policy course.

Internal confrontation, conflicts on President-Government-Parliament level, principal differences in the attitude of Government Ministers to the goals and mechanisms for execution of foreign-policy course, as well as actual emergence of several centers for execution of foreign policy led to disbalance and decreased effectiveness in the development, adoption, and implementation of foreign policy decisions, as well as complicated the process of elaboration of a unified clear strategy in Ukraine's relations with foreign partners.

There was the danger of revision of foreign-policy course. This situation had a negative impact on international image of Ukraine.

Execution of foreign policy was often carried out in a «manual mode». The level of openness, transparency, and public control over the formulation and implementation of foreign policy decreased. Ukraine failed to secure broad and stable public support of its foreign-policy course.

Situation in European and Euro-Atlantic areas has not changed for the better. In its relations with the EU, Ukraine managed to achieve certain positive results. However, these results just lay the foundation for securing further systematic progress.

A «phase of uncertainty» arose in Ukraine's relations with NATO. The problem of Euro-Atlantic integration intensified contradictions within Ukrainian political elite and acquired a high conflict nature. This poses a threat to further implementation of Euro-Atlantic policy line.

Ukraine failed to achieve systematic success in its relations with USA. Current status of relations does not contribute towards the establishment of strategic partnership between Ukraine and USA.

Ukraine's policy in relations with Russia lacked proper coordination, strategic approaches, and effective actions in protecting national interests. It significantly weakened positions of Ukraine given incommensurability of economic, military and political potential of the two countries, and provoked ever growing pressure on the part of Russian Federation.

State power efforts were insufficient to generate an adequate political and economic potential required for effective implantation of regional policy. Policy line aimed at gaining the status of a regional leader was hampered by a number of internal and external factors.

In general (despite certain achievements of Ukrainian diplomacy), quite obvious is a direct dependence of the effectiveness of foreign policy upon the effectiveness of internal transformations and consolidation of political elite and public at large around Ukraine's strategic goals and development priorities. In 2006, Ukraine managed to prevent the transformation of foreign policy from the instrument for upholding its national interests into a factor of internal political confrontation. At the same time, the situation clearly demonstrated the need for strict compliance with foreign policy and security related laws, responsible attitude of all branches of power and political forces, and clear orientation towards protection of national interests and achievement of strategic country development goals.

§ 4. Place and role of Ukraine in regional and global security systems and international organizations

The world has become amazingly complex and inconsistent at the beginning of the 21st century and features simultaneous polar processes where international entities are forming security systems which vary by their quality and scope. The synergy of global and national security systems based on the right to sovereignty, i.e. equality of states in protection and inviolability of their territories, has become a crucial driver to promote stability of the present-day international relations. The international law traditionally stops at the frontier of a sovereign state where the state exercises its jurisdiction. Therefore, the principle of non-interference – other actors' commitment not to interfere in domestic affairs of the other state without its consent – has evolved from the principle of sovereignty protection.

At the current development stage, our civilization features close linkage between opposite and deeply interconnected processes and phenomena. This trend apparently has dual nature: globalization of international relations and intensification of new distinctive trends contributing to deeper regionalism. Regionalism is getting strengthened at the level of integrated economic formations rather than at the level of cultures and civilizations as claimed by lead experts in world system development¹. In the era of globalization, the world leaders dictate their own behavior and

¹ *Waltz K.* Theory of international politics / International politics: anarchy, force, imperialism / Edited by Robert J. Art [and] Robert Jervis. - Boston: Little, Brown, 1973. - 108 s.; /<http://www.polit.ru/research/2004/11/15/konyshhev.html>.; Kupchan Ch. After Pax Americana: Benign Power, Regional Integration, and the Sources of a Stable Multipolarity // International Security. - 1998. - N. 2. - P. 40. - 79; *Bull H.* International

interfere in other countries' domestic affairs by exercising their right to humanitarian interventions. Hence, objective changes in the international systems have come along with changes in the elements of such systems.

The contemporary centrist approaches bring new requirements to the notion of the state viewing the state as the major political form of social organization and reviewing the criteria of its existence i.e. sovereignty. Over the history of the bipolar system, the term sovereignty has become a fundamental notion of international law and served as the basis to build the entire post-war system of international relations, develop security concepts, and establish the global international organization – the United Nations – and the regional framework (including OSCE, OAS, LAS, OAU and others), and to negotiate international instruments. Being too much absolutized, the notion of sovereignty was sought for the model of absolute power and autonomy from threats of external power.

Under the new circumstances, it is quite difficult to define security mechanisms for any medium-sized country, develop respective criteria and find efficient elements, and to adequately direct foreign policy to solve security issues and achieve absolutely pragmatic results. In this connection, formation of security space around Ukraine requires particular attention to theoretical and practical aspects of global, regional, and sub-regional political systems and bilateral and multilateral cooperation framework so Ukraine being involved in the present-day deep transformation processes could succeed in implementing its foreign policy.

Among such mechanisms are global and regional (including sub-regional) security systems embodied in a number of international structures, paradigm of Ukraine's European and Euro-Atlantic integration, bilateral relations realized through bilateral cooperation with major partners to develop the global network of strategic unions. In this connection it should be taken into account that Ukraine's security is based on international and political system of human rights embodied in global and regional security framework and in the principles of bilateral cooperation.

theory: the case for a classical approach // K. Knorr, J.N. Rosenau (eds.) // *Contending Approaches to International Politics*. – Princeton, N. Y.: Princeton University Press, 1969. – P. 20–38; Huntignton S. *The Crash of Civilizations*; translated from English. – Moscow.: Ast, 2003. – 603 pages.

The current practice of international relations shows that global and regional security structures Ukraine joins to achieve its foreign political goals are the most powerful way to overcome present-day challenges. What is meant here is the cooperative security system i.e. integration of diverse security tools. To this effect, Ukraine not only takes advantage of international security schemes but contributes to their improvement.

Notably, the term *collective security* is interpreted differently by various scholars. Ukraine views cooperative security which has eventually replaced the global or collective security as the system requiring the participating states to join their efforts in strengthening their security.

As an international entity, Ukraine pursues its foreign policy independently and develops its own security system, addresses challenges of foreign policy based on its national interests and geopolitical drivers in Europe. Ukraine builds its security by promoting security for all actors with due consideration of the principle of legal succession and taking into account the respective security schemes based on generally accepted rules and principles of international law² and various provisions of fundamental instruments of such global, regional (including sub-regional) and cross-regional organizations as the United Nations, OSCE, Council of Europe, NATO, EU, CEI, CEFTA, BSEC, Vishegrad Group, CIS, GUAM and others. Under the Law of Ukraine 'On Principles of the National Security of Ukraine', the State has continued its way to equal participation in the West-European and regional collective security systems and accession to the European Union and North-Atlantic Treaty Organization.

Ukraine was actively involved in **United Nations** and **OSCE** peacekeeping missions around the globe. In this connection, Ukraine views its primary tasks in taking efforts to combat against international organized crime and international terrorism and prevent dissemination of nuclear and other mass destruction weapons and their means of delivery.

President Viktor Yushchenko outlined the major security tasks of Ukraine's foreign policy for 2006 in its Message to Verkhovna Rada *Ukraine's Domestic and Foreign State in 2005*

² International law / executive editor: Prof. Y.M. Kolosv. – Moscow: International Relations, 2000. – 720 pages.

(9 February 2006). Among other tasks, the President stressed in his message on such key priorities as European and Euro-Atlantic Integration (closer relations with EU and NATO) and Ukraine's active regional policy to form background for our European integration. These major tasks include pro-active support and promotion of regional associations and initiatives sharing European values and goals (GUAM, Community of Democratic Choice and others), their closer cooperation with multilateral structures and organizations (CEI, BSEC, Vishegrad Four, PS/SEE and others) to establish a network of organizations facilitating region's integration into EU, and completion of legal formalities with the Ukrainian state border along the entire perimeter³.

Among Ukraine's economic priorities are strengthening of the national energy security, integration into the global economic system, primarily to WTO, support to Ukrainian exporters, promotion of Ukraine's positive image making Ukraine more attractive for prospective investors and other tasks. These goals will be unlikely achieved successfully without active dialogue with leading partners and without Ukraine's attempts to strategically improve relations with them.

Formation of security area around Ukraine would be incomplete without due consideration of security issues in cultural and humanitarian cooperation. Such issues include propagation of the best Ukraine's cultural heritage abroad, better support to restoration of architectural monuments and historical places throughout Ukraine, taking efforts to return Ukrainian cultural values back etc. Promotion of Ukraine's positive image required active involvement of the Ukrainian Diaspora and foreign community, avocation and protection of rights and interests of Ukrainian individuals and legal entities abroad, and improvement of mechanisms for protection of labor migrants etc. Based on realistic positions which require security imperatives in the foreign policy of any state to uphold the basic national interests⁴, Ukraine is actively involved in formation of the new security system in Europe.

³ <http://www.mfa.gov.ua/mfa/ua/publication/content/7932.htm>.

⁴ Morgenthau H. *Politics among Nations. The Struggle for Power and Peace*. – N.Y., 1949. – P.13; <http://www.polit.ru/research/2004/11/15/konyshev.html>; Introduction into the Theory of International Relations / executive editor: A.S. Manykin. – Moscow: Moscow State University, 2001. – 48 pages

Ukraine and UN

The basis of such collective security system is international peacekeeping efforts by taking part in Peacekeeping Operations, acting as 'Groups of Friends of the Secretary-General', observer, and taking other peacekeeping efforts. Being supported by the United Nations, Ukraine strengthens its peacekeeping presence near Ukrainian border and regions which are strategically important for Ukraine's national interests. The Ministry of Defense of Ukraine established a peacekeeping coordination center and specialized peacekeeping training center. Taking efforts to strengthen security through human rights protection, Ukraine came up with an initiative to hold the United Nations Peacekeeping Forces Protection Conference and to open it to all states for signature. The Ukrainian party took part in the signing ceremony for the Optional Protocol to the 1994 UN Convention on the Safety of United Nations and Associated Personnel at the 61st Session of the United Nations General Assembly (18–25 September 2006, New York). Being among the initiators of this instrument, Ukraine takes a strong stand on the need to universalize these instruments and calls all states to join its efforts⁵.

Ukraine is a major contributor to United Nations peacekeeping operations: more than 1,300 servicemen and interior officers represent Ukraine in 8 peacekeeping operations in such states as Georgia, Ethiopia and Eritrea, Sierra Leone, Democratic Republic of Congo, Kosovo, Liberia, Lebanon, and Timor-Leste. In cooperation of UN Peacekeeping Forces, Ukraine promotes stability in the West Balkans. Ukraine shares the opinion to give a fresh impetus to the political process of defining the Kosovo status and proceeds from the urgent need to finally stabilize political, economical and security situation in this region based on efficient execution of UNSC Resolution 1244. This issue was in the focus of attention during the visit of Ukrainian representatives to Serbia and Montenegro (24–25 January 2006). The Ukraine's delegation held negotiations with the regional leaders, representatives of the United Nations Interim Administration Mission to Kosovo (UNMIK), commanders of the Ukrainian military units from the Ukrainian Polish Battalion and with Ukrainian interior officers working for UNMIK Police.

⁵ <http://www.mfa.gov.ua/mfa/ua/publication/content/2922.htm>.

Ukraine's participation in international peacekeeping operations and active involvement in formation of the cooperative security system bring good results and promote its positive image abroad, strengthen its authority, promote favorable climate for closer bilateral economic cooperation with respective countries and expand professional experience of our military forces⁶.

Overcoming Chernobyl accident consequences remains the urgent challenge to the global community. The United Nations held a memorial meeting on the occasion of two decades after Chernobyl accident and other special events to keep the community informed about Ukraine's government efforts to monitor the closed Chernobyl Nuclear Power Plant. For this purpose, special information materials were prepared. The capital of Ukraine hosted the international research and practical conference Twenty Years after Chernobyl Catastrophe: Future Outlook attended by the Director-General of UNESCO Koichiro Matsuura. All these steps are aimed to improve nuclear and radiation security and further develop international cooperation on Chernobyl issues.

Among the latest challenges to the security of the Ukrainian nation was avian influenza. To address this problem, Ukraine has introduced a Government Avian Influenza Prevention Program in close cooperation with the United Nations agencies. Ukraine attended the International Fundraising Conference on Human and Avian Influenza held on 17–18 January 2006 in Beijing (People's Republic of China) by the World Health Organization (WHO), Food and Agricultural Organization (FAO), World Organization for Animal Health (OIE) and the World Bank⁷. Such issues as further cooperation between Ukraine and United Nations system combating against avian influenza and preventing pandemics of human influenza have been discussed with the Deputy Secretary-General of the United Nations, and Dr. David Nobarro, United Nations System Coordinator for Avian and Human Influenza (Kyiv, 14th February) who expressed his confidence that Ukrainian experience would be very useful for other countries.

⁶ *Chekalenko L.D.* Foreign Policy and Security of Ukraine. – Kyiv: State Administration Department, 2004. – 315–316 pages; *Annan's Decade // Zgranitsa*. – 2006. – № 43. – 29 April.

⁷ The conference raised \$ US 1,900,000,000 including 1 billion as grants and 900 millions as loans <http://www.mfa.gov.ua/mfa/ua/publication/content/7932.htm>.

Ukraine tries to combine universal security system and bilateral cooperation to overcome new challenges, for example, negotiations between Ukraine and the Kingdom of the Netherlands (President Viktor Yuschenko's visit, 7–8 June 2006) and signing of the Ukrainian-Dutch Joint Action Plans for 2007–2009, Memorandum of Cooperation in Energy and Memorandum of Understanding between the Governments of Ukraine and the Netherlands on Cooperation in Implementing UN Framework Convention on Climate Change and Kyoto Protocol, including slowdown of the increase of greenhouse effect as required by Article 6 of Kyoto Protocol, and many other efforts.

Ukraine takes a strong stand in protection of human rights and freedoms. As a party to 1951 Refugee Convention and 1967 Protocol, Ukraine faithfully executes its international commitments. On 14 February 2006, Ukraine had to deport 10 citizens of Uzbekistan who illegally entered and stayed in Ukraine. Although this step was much criticized by the Office of the United Nations High Commissar on Refugees in Ukraine, Belarus and Moldova, Ukraine continues to uphold its position since illegal migrants may threaten its national security⁸. Therefore, while advocating and protecting the rights of migrants and refugees, Ukraine urges other states to deal with this issue under international law and draws attention of the parties to these international instruments to the need to adhere their commitments. The round table discussions held on 22–23 November 2006 by the International Organization for Migration (IOM) «Justice and Migration Policy – Basic Values in Human Rights, Readmission, and Migrant and Minority Integration» discussed migrant treatment and analyzed impediments migrants usually face in exercising their rights.

Ukraine's election as a member of the United Nations Human Rights Council, a new UN agency in human rights, in May 2006 recognizes its fruitful efforts in human rights protection. Founded following the World Summit 2005 to replace the United Nations Human Rights Commission, the new Council has wide

⁸ UNHCR started its operations in Ukraine in March 1994. More than 10 years of close cooperation between the State Committee for Nationalities and Migration of Ukraine and UNHCR is aimed to support development of modern asylum system, its institutional development, and refugee integration into the Ukrainian community.

powers to implement efficient policy in protecting fundamental freedoms and promptly respond to violations of human rights around the globe. Being among the first members of the major UN human rights agency, our mission is extremely important and responsible since the first members will adopt the fundamental decisions to ensure functioning of the new and more efficient global system to protect and observe human rights in the world.

Ukraine uses the UN platform to coordinate activity of regional and sub-regional security organizations. For example, the 61st Session of the United Nations General Assembly (18–25 September, New York) became a venue for the meeting Ukraine – the EU Three, meeting of GUAM Foreign Ministers and GUAM – USA⁹. Hence, by using UN structures and instruments, Ukraine takes an active part in formation of the global security system. Ukraine's pro-active preemptive diplomacy aims to prevent and address conflicts or restrict the scope of existing ones. Ukraine takes a clear stand on the need to reform the system of the United Nations which tends to be less efficient. At the same time, Ukraine's work in the United Nations allows Ukraine to be well informed in the latest global environment, political and economic challenges. In the absence of the global protection mechanism, the United Nations continues to be responsible for peace and security since there is no global political institution having the similar international status, comprehensive experience, expertise, coordination efforts and being impartial in peacekeeping missions.

Ukraine and OSCE

The special role in the regional security framework, conflict prevention and resolution in CIS was assigned to the Organization for Security and Co-operation in Europe (OSCE). OSCE gradually transformed into the international regional security organization aimed at addressing the disarmament issue, strengthening security and promoting confidence by acting through the Forum for Security Co-operation represented by delegations of OSCE participating states. The OSCE deploys missions to troubled regions

⁹ United Nations. Information. – http://www.mid.ru/international_organizations.

through the Office for Democratic Institutions and Human Rights and tries to prevent ethnic conflicts through OSCE High Commissioner on National Minorities.

Ukraine viewed cooperation in combating terrorism, organized crime, corruption, money laundering, human trafficking, arms and drug trafficking among its major lines of cooperation during the Belgian chairmanship of OSCE (2006). At the same time, Ukraine took advantage of OSCE framework to strengthen stability and security, in particular, in the Black Sea – South Caucasian region especially in so called ‘frozen’ conflicts.

Discussions centered on CIS involvement in the development of the common European security model showed that the Russian Federation, Belarus, Kirgizstan, as the one group, and Ukraine and other CIS members, as the other, have principally different positions. The Russian Federation called CIS to positively respond to OSCE Chair-in-Office on the CIS readiness for European cooperation as a regional organization. Ukraine builds its position on the regulations of the Ukrainian parliament against granting the status of an international entity to CIS and its transformation into the regional organization¹⁰. Polar views on this issue lie in unwillingness of many countries to give peacekeeping mandate to CIS structures to resolve conflicts on their territory since such countries prefer OSCE and the United Nations.

The last decade brought new urgent threats including international terrorism, drug trafficking, arms trafficking, and unauthorized possession of nuclear weapons. Such internal threats as supply of energy resources, growing gap between the rich and the poorest, unemployment, demographic and environment threats, threats of ethnic conflicts and other challenges tend to expand. OSCE adopts instruments to focus its efforts on ‘security issues’ and strengthen economic aspects of its activities to address interests and ambitions of the participating states, including Ukraine. The new OSCE security mechanism is based on the platform of cooperative security.

Therefore, Ukraine views the new security model as a politically binding platform for cooperation which will eventually lead to common European security space. Such platform should confirm

¹⁰ *Voloshin V.* To take better advantage of OSCE political and legal instruments // *Politika i chas.* – 2006. – № 5. – P. 54–60.

the urgency and the need to strictly adhere to the principles and rules of the new OSCE, in particular with regard to inviolability of borders as the basis of the entire security system. Ukraine expects that OSCE's support in the event violations and territorial claims of neighboring countries. Looking for leverage for protection and trying to strengthen its power within OSCE, Ukraine spoke against deployment of nuclear weapons in the Central and Eastern Europe and for establishment of the mechanism which would provide additional security guarantees to non-participants of the collective defense system which require such guarantees, including Ukraine.

OSCE activities in 2006 were quite traditional: monitoring of elections to government authorities and stabilization of 'frozen conflicts'. Being concerned with domestic stability in Ukraine, OSCE paid its particular attention to the parliamentary elections (26 March 2006).

In its report, the OSCE Election Observation Mission (EOM) consisting of 60 long-term observers and 600 short-term observers were of high opinion of the elections showing Ukraine's commitment to observe European democratic norms and standards in preparing and carrying out elections. Thus, the Mission Report states that the election campaign was 'in line with Ukraine's commitments within OSCE, Council of Europe and other international standards of democratic elections'¹¹.

As the most important security issues, peacekeeping in the region is an urgent challenge to address since conflicts occur from time to time in the Commonwealth of Independent States. Such conflicts apparently feature short latent stage and quick armed conflicts, for example, Tajikistan, Nagorny Karabakh, Georgia, Moldova etc. In each such conflict at least more than 10 thousands were killed: more than 40 thousand died in Tajikistan, and 20 thousands in each Karabakh and Abkhazia. Such high death rates and conflict intensity not only approximate the post-Soviet conflicts to the global conflicts of the 1980s and 1990s, but give rise to consider the CIS as the most dangerous and unstable area of the world.

Therefore, enhancement of OSCE efficiency in addressing new challenges and preventing threats to the security on the continent and, primarily, in conflict resolutions were the special focus of OSCE and Ukraine's efforts in 2006. This requires the participat-

¹¹ OSCE. 2006. – [http:// www.president.gov.ua/2006](http://www.president.gov.ua/2006).

ing countries to resolve so called 'frozen' conflicts in the Transnistria region (Moldova), Abkhazia and South Ossetia (Georgia), Nagorny Karabakh (Azerbaijan). Ukraine continues to co-sponsor peacekeeping process in the Transnistria region. President Viktor Yushchenko's peacekeeping proposal to create an international mechanism under the auspices of OSCE to deal with the self-proclaimed Transnistria Moldavian Republic was supported by OSCE¹², while the Republic of Moldova vigorously opposed the draft resolution in this regard (according to the Moldavian party, Moldova and Transnistria cannot be treated as equal negotiating parties)¹³. Another round of negotiations in Transnistria problem held 27–28 February 2006 in Chisinau and Tiraspol proceeded to negotiations to implement Viktor Yushchenko's Plan. The negotiating parties discussed the draft mandate to deploy OSCE needs assessment mission to develop suggestions on how to hold democratic parliamentary elections and how to monitor military companies (OSCE mandate) as well as the efforts to be taken to strengthen confidence between the parties.

In its desire to improve OSCE efficiency, Ukraine advocates adherence to consensus-less-one principle in its work and view it as the major decision-making principle, in particular, in situations requiring urgent UNSC intervention. Under this scheme, OSCE should make decision based on the formula: consensus less violating states and agree it with the United Nations. Thus, Ukraine believes that efficacy and efficiency of the regional security system may be successfully achieved in close cooperation with universal and regional mechanisms of international organizations.

The ways how to improve the OSCE institutional efficiency and bilateral and multilateral regulation of 'frozen' conflicts on Euro-Atlantic space were discussed with OSCE Chairman-in-Office Belgian Foreign Minister Karel De Gucht (6th March, 1st–2nd June 2006) with special emphasis on the situation with the Kuchurgan-Pervomaysk Checkpoint at the Transnistria Section of the Ukrainian-Moldavian border and assistance of the EU Mission. Such issues as regulation of Transnistria problem and achievements of OSCE Project Coordinator in Ukraine were

¹² OSCE welcome Yushchenko Plan // The Day. – 2005. – P. 22.

¹³ Meeting of intermediaries and observers to regulate Transnistria problem // Press release /2211// www.mid.ru/ 2005/24.10/.

discussed with Mark Perin de Brichambo, OSCE Secretary-General, during his visit to Kyiv on 3–4 October 2006.

The negotiating parties could not stand off the problem of Georgian – Russian relations. Being much concerned with the situation with Georgia, the Presidents of Lithuania, Poland and Ukraine made a joint declaration to invite international organizations to resolve conflicts in Georgia to promote sovereignty, security and territorial integrity of Georgia. Ukraine would welcome the opportunity to act as an intermediary between the parties.

During OSCE High Commissioner on National Minorities Rolf Ekeus visit to Ukraine (23–25 October 2006) such complex issues as further development of the domestic law with due consideration of the minority rights, language issues, the situation in the Autonomous Republic of Crimea (ARC), and the ways to involve the Crimean Tatars into Crimea's civil life were under discussion¹⁴.

Therefore, Ukraine is an active stakeholder in developing the common European security framework, promotes improvements in the OSCE institutions and structures, supports proposals to enlarge partnership between OSCE and such global security organizations as the United Nations, NATO, European Union and Council of Europe. Ukraine is an active participant of OSCE peace-keeping missions. Ukraine takes its best efforts to boost cooperation with OSCE and provides assistance to international observers during parliamentary and presidential elections, keeps OSCE informed of its domestic situation, plays pro-active role as an intermediary in resolving Transnistria conflict, and promotes increased presence of Ukraine in OSCE missions and structures, in particular, in Macedonia, Kosovo, Georgia, Tajikistan and Croatia.

Ukraine and others regional organizations

As a powerful and representative political intergovernmental organization at the continent and a unique pan-European forum where member states conduct their political dialogue as equal partners, such international body as the Council of Europe (CE) plays a prominent role in strengthening social security, human rights and democratic government institutions in the European

¹⁴ <http://www.mfa.gov.ua/mfa/ua/publication/content/7932.htm>.

region. The movement to integrate efforts of the European security organization is a momentous event: in practice, this approach takes the form of cooperation at the trilateral level: OSCE – Council of Europe – Ukraine (launched in November 2005, Brussels). The Three discuss current issues and prioritize their future cooperation¹⁵.

In 2006, Ukraine focused its foreign policy on priority tasks defined by the Ukraine's President. As outlined above, such efforts were focused on strengthening energy security, Ukraine's integration into the global economy, WTO accession, providing assistance to Ukrainian manufacturers in establishing business contacts with foreign partners and supporting Ukrainian exporters, promoting positive Ukraine's image and attracting foreign investors. Formally, Ukraine has entered the final stage on its way to WTO accession. At this point, Ukraine monitors the Schedule for Harmonization of National Laws on a monthly basis, regularly submits draft laws prepared by Ukraine to Working Group Secretariat and makes updates for Working Group reports in cooperation with the Working Group Secretariat. Bilateral protocols on access to commodity and service markets have been signed with the majority of countries so far (Mexico, Uruguay, New Zealand, Canada, Republic of Korea, Slovenia, Georgia, Latvia, India, Hungary, Czech Republic, Slovakia, Bulgaria, Cuba, Israel, Brazil, Poland, Thailand, Estonia, Switzerland, Paraguay, Malaysia, Lithuania, Argentina, Turkey, Sri Lanka, Mongolia, Honduras, Dominican Republic, European Union and other states).

With full WTO membership, Ukraine will make a step towards its membership in the Central European Free Trade Agreement (CEFTA) which, among other things, requires its members to join GATT/WTO, to be an EU associate member, and have bilateral free trade agreements in place. Based on the present state of negotiations, the level of agreements and the degree of coordination of positions between the stakeholders, Ukraine is expected to complete the technical part of negotiations on its WTO accession by the end of 2007.

In 2006, Ukraine focused its regional policy on such strategic goals as active support and promotion of regional associations and

¹⁵ *Perga T.Y.* Lisbon and Goteborg Ways // *Politika i chas.* – 2006. – № 3. – P. 27.

initiatives based on the European values and goals (GUAM, Community of Democratic Choice and the like); closer cooperation between this regional framework and multilateral structures and organizations (Central European Initiative (CEI), Organization of the Black Sea Economic Cooperation, the Vishegrad Four, Pact on Stability in South-East Europe and others) to promote networking aimed at region's integration into EU; completion of legal formalities with the state border of Ukraine along its perimeter. Committed to democratic ideals and values, Ukraine considers that promotion of such values is a key driver to ensure stability and sustainable development. Hence, the Ukraine's new regional policy for 2006 was to promote our state as the major advocate of the European democratic values and standards throughout the region and contributor to the global security.

Besides the regional framework, the regional security system comprises sub-regional level as well. Participation in such structures allows Ukraine to successfully resolve certain tasks of the national security, extend its experience in using international sub-regional framework in achieving its goals. In this respect, Ukraine was invited by the **Vishegrad Four (V-4)** to implement several projects, including promotion of cross-border and interregional cooperation which is considered as an element in the common European process. Such issues as further intensification of friendly partner relations between V-4 and Ukraine, V-4 practical support in implementing Ukraine's strategic foreign policies focused on integration into European and Euro-Atlantic institutions were the most important issues at the regular V-4 summit (5 September 2006, Slovakia). In this connection, V-4 defined priorities of cooperation with Ukraine which include learning how to run information campaigns to form positive social and political opinions as to prospective advantages of membership in European and Euro-Atlantic structures, extend available programs for training Ukrainian specialists in European integration at government authorities in V-4 member states and involve resources available to the International Vishegrad Fund¹⁶. Considering all objective drivers, cooperation between Ukraine and the Vishegrad Four will continue to share common foreign political goals and will promote further development of good neighborhood and multilateral cooperation.

¹⁶ <http://www.mfa.gov.ua/mfa/ua/publication/content/7932.htm>.

Further development of **euoregions** will be the next level of Ukraine's involvement in the European security framework and, at the same time, the way to strengthen its national security. Among the euoregions to be further developed are Euroregion Bug covering four Polish voivodeships (Lubelskie, Chelmskie, Zamojskie, Tarnobrzeskie wojewodztwa) and Volyn region in Ukraine; Carpathian Euroregion (Poland, Hungary and Ukraine). The experience in cooperation between these regions has been shared with other countries. Romania, Moldova and Ukraine (Odessa region) have already established Euroregion Lower Danube. Furthermore, Moldavian, Ukrainian and Romanian stakeholders have agreed to found Euroregion Upper Prut where Ukraine is represented by Chernivtsi Region.

The Organization of the Black Sea Economic Cooperation (BSEC) which geographical borders extend beyond the Commonwealth of Independent States (CIS) is considered to be a perspective inter-governmental structure. BSEC implements a number of specific programs focused on trade, industry, energy, transport and communication, research and technology, agriculture, environment protection, tourism and other sectors. The Council of BSEC Foreign Ministers held its 15th meeting on 1 November 2006 (Moscow) chaired by the Russian Federation to summarize its performance over the last six months (May – October 2006). Ukraine's representatives supported the regional project to develop Black Sea Highway Circle, water transport and other projects to be implemented in close cooperation with OECD, UNDP and the United Nations Office on Drugs and Crime. Ukraine was appointed to coordinate BSEC IT and Communication Working Group. Poland renewed its BSEC observer status. Launched in 2006, the policy to involve the European Union into the Black Sea regional cooperation will be continued once Ukraine chairs BSEC (1 July – 31 December 2007)¹⁷.

The new ways for cooperation have been opened so far. Relations between the Black Sea countries within BSEC have been an important political precedent in the regional security system development. BSEC cooperation with international security framework is built on the principles of complementarity. BSEC

¹⁷ http://www.niisp.gov.ua/vydanna/panorama/issue.php?s=nazh0&issue=2006_2/.

has an opportunity to negotiate with international security organizations to define the limits of complementarity and the scope of responsibilities. In terms of NATO and EU enlargement towards the Black Sea region, BSEC expects adequate support from these organizations. Similarly, establishment of such substructures as BLACKSEAFOR¹⁸ and other bodies promoting security and stability in the Black Sea Region may be complementary to BSEC tasks. Using BSEC working mechanisms and further cooperation with European and Euro-Atlantic structures (such as NATO, EU, OSCE and others) are aimed to contribute to higher efficiency and to improve political and economic attractiveness of the project for both major global stakeholders and countries and organizations within the region.

BSEC is important for Ukraine since a number of the new independent states facing CIS inability to efficiently operate consider BSEC as a good alternative to overcome domestic and external problems. Therefore, Ukraine pays much attention to BSEC because it seeks alternatives to ensure national security and promote closer cooperation between states within the region.

As a security mechanism on the Post-Soviet area, **the Commonwealth of Independent States** was aimed to facilitate amicable settlement of international conflicts and disputes. Among the most urgent security issues of Ukraine's cooperation with the CIS is fighting against illegal migration, which may be prevented and stopped under bilateral readmission agreements.

For this purpose, Ukraine attended the summit of the CIS Foreign Ministers held on 16 October 2006 in Minsk and signed a number of documents including the Draft Declaration on Closer Cooperation against Illegal Migration (initiated by Ukraine) and the Draft Declaration of Heads of the CIS Member States on Contractual and Legal Formalities as to Borders between the CIS Member States proposed for discussion by President Viktor Yushenko at the CIS Summit held on 26 August 2005 in Kazan. Ukraine joined the draft Decision to Memorize the Victory in

¹⁸ BLACKSEAFOR (a special group of experts representing member states of the Black Sea Naval Cooperation Group (Bulgaria, Georgia, Russia, Rumania, Turkey and Ukraine)) is involved in solving tasks associated with preventing new security challenges including terrorism, mass destruction weapons, organized crime and other tasks.

World War II (1941–1945) at Minsk Summit (2006). Furthermore, the Ukraine's delegation presented the declaration of GUAM member states with regard to the progress in bilateral Georgian-Russian relations. This Declaration called Russia to stop unilateral sanctions against Georgia aimed at terminating economic, humanitarian and other inter-governmental relations and to resume negotiations based on generally accepted rules and principles of international law. The Ukraine's delegation confirmed our state's position to improve efficiency of CIS activities and reform the CIS structure. In political context, this means the CIS transformation into intergovernmental framework based on counseling and negotiation and aimed to boost efficient full-scale bilateral and multilateral relations between the CIS member states and facilitate mutual problem resolving. In terms of economy, this allows the CIS to be transformed into the well-balanced mechanism of mutually beneficial cooperation focused on establishing a free trade zone for 12 states in line with WTO requirements. Notably, the Ukraine's initiatives have been eagerly supported by GUAM members and disregarded by other CIS members.

Therefore, disintegration and decentralization processes in the CIS became more apparent resulting in slump in trade turnover between the member states, trade wars and uncoordinated efforts taken by the member states. Different resources, various trends, different vectors in foreign policies of CIS member states are unable to improve and move the Commonwealth to the new level of cooperation. Such decentralizing trends intensified deeply in 2006.

The pro-Russian four countries – Kazakhstan, Belarus, Kirgizstan, and Tadzhikistan – as well as Uzbekistan tending to support the Four over the recent years have established several intergovernmental bodies. Asian groups within the CIS have been formed so far. The recent developments suggest that such leaders as USA, European Union and China compete with Russia in extending their influence over the region.

CIS regional crises exacerbate from time to time: relations between Georgia and Russia, Armenia and Azerbaijan, Moldova and self-proclaimed Transnistria Republic and others. The approach of Turkmenistan and GUAM Group and Russia's failures to observe CIS treaties and agreements shows that the countries have lost their interest in the CIS. As a result of countries'

differentiated approach to the CIS and their struggle for leadership, countries appeared to group around two centers: pro-Russian and pro-Ukrainian centers. Belarus, Kazakhstan, Kirgizstan and Tajikistan are grouped together to support Russia. Besides economic framework, these countries have established the Collective Security Treaty Organization (CSTO) and Shanghai Cooperation Organization (SCO) which undertake to share responsibility for keeping peace and stability in the Asian region within the CIS.

As an international framework, the Commonwealth of Independent States would have a future if relations between its members had adequate priority. At the same time, Russia tends to transform the CIS into supranational body under its protectorate. Ukraine approaches the CIS as a place for international negotiations and considers the CIS is economically advisable. Ukraine has not joined the CIS Collective Security Treaty and refrains from any attempts to get involved in military unions within the Commonwealth of Independent States. It was the time when Ukraine was against granting the status of an international entity to the Commonwealth.

While all member states criticize the CIS, none of them withholds. The CIS leaders search for new forms which prevent the CIS from collapse. In terms of economy, their neighborhood largely affects their development strategy. The CIS structure and the way it functions remind the 'club of presidents' supporting each other during elections and in solving their domestic problems¹⁹. At the same time, there is no denying that among CIS achievements are avoidance of Yugoslavian scenario in the post-Soviet countries.

It is crucial for Ukraine to develop criteria of its involvement in CIS projects, ensure guarantees based on equal partnership acceptable for all stakeholders and to take steps to change certain rules of cooperation in its favor (such as veto right granted to Russia only, chairmanship and the like).

The analysis of the processes within the CIS gives rise to conclude that the CIS structures are inadequate. Some of them lack legal framework to comprehensively develop and be fully established within the system of international relations, while the others lack economic and political power.

¹⁹ *Mursaliev A.* Interview // Glavred/08/12/04.

GUAM. Ukraine is much interested in the comprehensive development of multilateral economic cooperation with regional structures and especially with those who shares its strategic goals like the European integration. Among such organizations, **GUAM** is able to successfully unite states with similar political and economic external targets: Ukraine, Georgia, Azerbaijan, and Moldova. The geography of GUAM Group strengthens the unity with two important geopolitical centers: Ukraine and Azerbaijan. The top priority in the foreign policy of GUAM founding states is closer cooperation with the west countries. In its efforts to decrease the Russia's pressure, GUAM has to strengthen economic and political relations in partnership and promote broader cooperation in solving global problems²⁰.

Ukraine pays much attention to GUAM since its interests lie in energy transportation and development of Trans-Caucasian transport corridor, security support, market development to sell domestic products and diversification of import channels for products which are crucial for Ukraine. As the most developed member, Ukraine may become a regional leader.

At the same time, the present realms show that GUAM members are weak economic partners. Almost every member faces domestic conflicts (Abkhazia, Nagorny Karabakh, Transnistria etc.). GUAM united counties which have certain military problems with Russia: The Russian Black Sea Fleet is based in Ukraine; the Russian 14th Army is remained in Moldova, Russian military bases are still stationed in Georgia; Azerbaijan is concerned with increased Russia's presence in Armenia). A kind of security vacuum is being developed. To overcome such situation, the region needs to take joint steps supported by all states concerned and global security structures.

The member states consider Ukraine as a leader and hope that Ukraine could successfully promote and guarantee stability in conflict regions within the CIS. Taking active steps to settle so called 'frozen' conflicts in Abkhazia, Nagorny Karabakh and Transnistria is one of Ukraine's tasks in GUAM²¹.

²⁰ *Zlenko A.M.* Preface. On the Post-Soviet Space. Excerpts from the meeting of the Academic Council of the Ministry of Foreign Affairs of Ukraine // *Politika i chas.* – 2003. – № 6. – P. 16.

²¹ GUUAM has been an OSCE observer for the first time. – <http://part.org.ua/index.php?news=62987417>; Three scenarios for GUUAM <http://www.versii.com/material.php?pid=1806/>.

GUAM members consider cooperation in energy security as an important element of their cooperation. A number of the Black Sea countries continue to keep diversification of energy supply from Central Asia to Europe in their view. This issue was discussed by representatives of Ukraine and Poland during presidential negotiations in Kyiv, Kharkov (28 February – 1 March 2006) and in Warsaw (12 – 13 May 2006). This issue is being discussed by representatives of various government departments during international negotiations.

The stakeholders look how to efficiently combine their efforts in the energy sector. For this purpose, Ukraine supported by Lithuania came up with the initiative to develop the common European energy security strategy and found a new deliberative body, an Energy Dialogue of Three Seas. The project described in the Joint Declaration aims at promoting large-scale infrastructure development projects which are strategically crucial for both the Black Sea countries and the entire Europe. In this connection, GUAM is likely to develop into a powerful international body and will have good future prospects.

Kyiv Summit held on 22 – 23 May 2006 was an important step on this way. Member states have agreed to transform GUAM Group into the full-fledged GUAM Organization for Democracy and Economic Development and establish the Permanent Secretariat in Kyiv, Ukraine. Besides security issues, GUAM discussed how to cooperate within global antiterrorist organizations (project to establish Virtual Center for Combating Terrorism). In addition, GUAM discussed some sensitive issues of the energy sector and how to diversify energy sources, increase cooperation in resolving ‘frozen conflicts’ (Joint Declaration of the Heads of States on the Issue of Conflict Settlement) and how to better implement projects under GUAM-USA Frame Program (GUAM – USA Joint Declaration).

Security issues included settlement of conflicts in GUAM member states. Since it is very difficult for the country to settle the conflict on its own, it was proposed to present the Joint Declaration of the Heads of States on the Issue of Conflict Settlement at the 61st session of the UN General Assembly (18–25 September 2006, New York) to adopt the respective resolution²¹.

²¹ For definitions please refer to Long War Conflicts in GUAM Region and Their Consequences for Global Peace, Security and Development. –

At the same time, the process of transforming the Pact on Stability for South-East Europe was intensified. As a part of this process, the Pact management functions will be transferred to the South-East European countries by 2008, and the focus will be shifted to regional economic cooperation promoting European and Euro-Atlantic integration. As an initiator of the Community of Democratic Choice and active GUAM member, Ukraine is much interested in promoting coordination and partnership between these organizations as European regional initiatives sharing the same goal i.e. EU integration.

Political developments allow using new options and specific forms of European cooperation. **The Black Sea Forum for Dialogue and Partnership** (5 June 2006, Bucharest) was a significant event in 2006. This forum was attended by the President Viktor Yushenko. In fact, the forum continued taking efforts to strengthen democracy, stability and development initiated by the Community of Democratic Choice (December 2005, Kyiv; Common Vision for Common Neighborhood Conference, May 2006, Vilnius)²².

At the same time, as far as CIS is weakening, stakeholders renew the idea of the Weimar Triangle which could be used to strengthen stability in the region. The prospects of cooperation in the format: Weimar Triangle (Germany, France, Poland) + Ukraine were discussed during visits of the heads of foreign political bodies of Ukraine and Germany (7 and 28 February 2006) and with the Exterior Minister of Ireland (8 February, Kyiv), and conferences where Ukraine and the Weimar Triangle were present (17 and 18 February 2006).

In summary it should be noted that by taking steps to form the national security system Ukraine tries to use and strengthen available instruments and institutional framework of global cooperation: United Nations, OSCE, EU, NATO, Council of Europe, and the CIS. Ukraine focuses its efforts on promoting the public spirit and common values shared by these organizations. Ukraine is a member of the United Nations, OSCE, Council of Europe, and sub-regional organizations and takes its best efforts to join the

A. Veselovsky. GUAM as a Bridge from the Past to the Future // *Gazeta* 2000. – 2006. – 3 Nov.

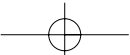
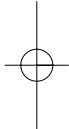
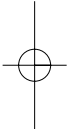
²² <http://www.mfa.gov.ua/mfa/ua/publication/content/7932.htm/>.

European Union in the future. With all these steps Ukraine will build a sound base to achieve one of its most crucial security goals – to avoid separating lines in Europe or so called ‘grey areas’.

The global and regional security framework used by Ukraine to implement its foreign policy appeared to be the most powerful tools in promoting security and preventing current challenges. The matter is a present-day cooperative security system based on security schemes of global, regional and sub-regional international organizations, bilateral cooperation instruments, various unions and other stakeholders.

CHAPTER II

STRATEGIC DIRECTIONS FOR IMPLEMENTATION OF UKRAINE'S FOREIGN POLICY



§ 1. Identification of the national interests of Ukraine

In the present-day world, national interests prevail in the attempts of any state to pursue its policy and establish good ties with other countries. Over the centuries, this realistic concept had underlain foreign policies of many states and justified both their force and interventions and self-isolation and pacifist policies. This theory has apparently evolved since Machiavelli; however the principles prevailing in present-day international relations are best described by scholars representing the modern realist school both in Europe and the USA.

At the same time, there are certain discrepancies in interpreting this concept. Such discrepancies are mainly associated with the definition of the term a national interest, on the one hand, and impartial identification of the national interests and the ruling elites' desire to identify their own corporate interests as the nation's or global interests, on the other.

In Ukraine, these difficulties in identifying national interests are complicated by the traditionally diverse views on national self-identification and lack of common views as to social and political organization, religious preferences, ethnic or even geographical origin and other issues. Recent political developments in our country – attempts by some political groups to take advantage of such discrepancies to promote their own political and economic dividends make this task more difficult.

The existence of such quite controversial approaches to the concept of national interests sets Ukraine apart from European and other countries and slows down its social, political and economic development.

In such circumstances, it is particularly important to identify the fundamental values which should be based on such principles

inherent in the existence of any state, such as sovereignty and territorial integrity combined with the general principles shared by Ukraine and the present-day world with regard to the citizens' social role, democratic organization of society, citizens' rights and obligations, and other principles. The majority of states have laid down such fundamental values in their constitutions.

Ukraine has its own publicly approved Constitution based on common democratic principles. This Constitution is considered by experts to be one of the best constitutions in the world. Therefore, our national interests should be identified based primarily on the principles laid down in the Constitution with due consideration for external impacts and such crucial world development trends as globalization, which decrease the role of the state in the present-day system of international relations and, therefore, discredit the concept of *raison d'état*, i.e. public interests.

Speaking about the Constitution as the key source for identifying Ukraine's national interests, it should be noted that the national interests laid down by this fundamental instrument are described as the external environment which is essential for the state's existence and domestic relations in the country. Ukraine's vital interests have been declared in the Strategy of the National Security of Ukraine as approved by the President of Ukraine (2007). Such interests include ensuring human and citizens' rights and freedoms, Ukraine's sovereignty and its territorial integrity, inviolability of Ukrainian borders, democratic constitutional order, supremacy of law and national collegiality based on the consolidated efforts of territorial communities, people at large and ethnical groups focused on the values of the independent, free, sovereign and democratic development of the entire country. Furthermore, among our key national interests are: the promotion of Ukraine's competitiveness and economic welfare through the human, research, technological and innovative development of our country and a better distribution of legislative, executive and judicial power to promote judicial independence and restrict public interventions in business; to ensure a safe living environment and environment protection; to protect and develop the cultural and spiritual values of society and build harmonious relations with other states; and to promote Ukraine as a full and equal member of the global community.

Therefore, the national interests of Ukraine constitute a group of drivers required to promote vital material, intellectual and spiritual values of the Ukrainian nation, the single source of authority, and to ensure the needs of the citizen, the society and the state. These will guarantee national sovereignty and shape its evolutionary development.

Among the major ways to pursue the national interests is the appropriate foreign policy primarily aimed to ensure strategic and geopolitical interests in national security, sovereignty and territorial integrity, protect political independence, democratic development and inviolability of borders as well as promote economic interests, including protection of the national economy, its smooth integration into the world economy, and form a favorable external environment and regional and local interests to cover domestic market needs, and protect lawful rights and freedoms of its individuals and entities in other countries of the world.

The national interests are long-term by their nature and are crucial for the state in forming its strategic goals, priority objectives and key dimensions of our domestic and foreign policy.

Ukraine's major national interests have been statutorily defined as the basic priorities and strategic goals of our foreign policy (Verkhovna Rada Regulation 'On Basic Areas of Foreign Policy of Ukraine' (1993); Law of Ukraine 'On the Principles of the National Security of Ukraine' (2003); Resolution of the National Security & Defense Council of Ukraine and Presidential Decree 'On Ukraine's Strategy as to the North-Atlantic Treaty Organization (NATO)' (2002); The Strategy of the National Security of Ukraine (2007) and other laws and regulations).

Such priorities and strategic goals include:

- building a secure international environment around Ukraine, strengthening the European and transatlantic collective security system, promoting global and regional cooperation;
- protection of and support to Ukrainians and their interests in other countries;
- ensuring Ukraine holds good positions in the global division of labor, ensuring smooth integration of Ukraine's economy into the global economic system, in particular, through the WTO, attracting foreign investors and ensuring sustainable growth of Ukrainian exports etc.;

- European and Euro-Atlantic integration and Ukraine's accession to the European and Euro-Atlantic security systems; Ukraine's promotion as an equal member of the common European collective security system and Ukraine's accession to NATO;
- Development of partnership with the Russian Federation based on pragmatic principles and open and mutual cooperation as the major way to ensure national and regional security;
- Development of priority areas for Ukraine's involvement in the regional framework based on the major priorities of European and Euro-Atlantic integration; searching for new approaches to the regional policy, in particular, settlement of such 'frozen' conflicts as Trans-Dniester conflict, intensification of bilateral and multilateral cooperation with the Black Sea countries, final delimitation and demarcation of Ukrainian borders with its neighboring countries;
- Development of bilateral cooperation, in particular, with such strategic partners as the USA and neighboring countries;
- Active involvement in peacekeeping efforts and security assistance primarily aimed at preventing dissemination of weapons of mass destruction, international terrorism, transnational organized crime, money-laundering, human and drug trafficking.

Such political, social and economic processes of the present-day international relations as globalization and international, economic and political integration have become the crucial drivers in determining these key priorities and strategic goals of Ukraine's internal and external national interests.

Under such circumstances, the national and economic systems tend to be more interdependent, their information environment tends to depend largely on external exposure, and integration processes are growing more intensified. Thus, the European region, where our country lies, currently features the most intensified integration process requiring its participants to take certain steps to adjust their own national interests in line with the collective interests of the integrated organization. At the same time, promotion of national economic interests and, subsequently, political and security interests appeared to be the key driving force of the European Union.

Current political realities show apparent advantages of participation in this integrated organization to promote the economic

welfare of participating states, their democratic development, the strengthening of political power in the world arena and other advantages. Ignorance of common European integration processes would marginalize the role of any European country on the world political stage and in international economic relations, and, therefore, would substantially limit the country's capacity to pursue its national interests.

Taking into account the external circumstances, European integration was declared Ukraine's strategic priority in its foreign policy. Ukraine's European integration plays an important role among our other priorities in international relations. European integration covers all aspects of Ukraine's presence in the European system of internal relations, including social and economic integration, financial and business cooperation, formation of common security space, and strengthening of humanitarian links. Such factors as joining the Euro-Atlantic security system, protection of human rights, formation of present-day business management models, improved competitiveness and increased foreign investments to Ukraine are considered as the essential elements of this process.

The Ukraine's strategic course towards European integration is a current determinant in its foreign and domestic policy. It is a key prerequisite for Ukraine to pursue its national interests in different areas. While various political forces have different approaches to the nature and milestones of Ukraine's European integration and specific steps to be taken by our country in this process, social and political communities have already reached a consensus to pursue European integration.

Ukraine's achievements in terms of democracy and freedom of speech have substantially improved its image in the world and brought certain political and economic dividends since the prevalence of democratic values in the state evidences a politically mature community sharing the values of developed countries. It is a good sign for business and its more active involvement in the economic development.

At the same time, significant challenges in forming an efficient public management system, reorganizing the judiciary system, ensuring human rights in line with democratic principles shared by European countries have not been addressed so far and have slowed down our progress towards European integration.

Recent political events in Ukraine showed how the Ukrainian political system was vulnerable and unprepared to adequately address the citizens' interests. The main lesson learned was the need to bring political forces to consensus and intensify domestic reforms. Along with the formation of an efficient social and economic model of the country's development, which will improve living standards, Ukraine could promote its European ambitions and eventually find a good place in such global geopolitical center of power as the European Union, – a future global leader.

Our country has a good capacity to achieve this ambitious goal, particularly by transiting energy sources to the European Union, approaching new regional markets, promoting European values in the East region, and building stability and security in the Black Sea – Middle East region which is facing many difficulties and conflicts. At the same time, Ukraine's 'attractiveness' for the European Union should be ensured by its adequate capacity to take better advantages of such attractiveness: more developed civil society, sound economic development etc. The dialogue between Ukraine and the European Union is being built on these interests.

Long negotiations brought many positive achievements. Currently, signing of the new agreement is on the agenda of Ukraine and the European Union. This Agreement would improve the relationship between Ukraine and the EU. At the same time, the slowing down of the EU's enlargement as result of certain internal institutional problems within the EU may **threaten new lines of division in Europe**. Now, with the EU facing certain institutional problems, prospects of being outside the EU do not sound so incredible for Ukraine any more.

With the development of mutually beneficial and well balanced relations with such world leaders as the USA, Russia and neighboring countries, Ukraine could better promote its national interests in its foreign policy.

The **Russian Federation**, our major neighbor and the country with close humanistic and civilization ties with Ukraine, plays a key role in this regard. Ukraine could provide a sound political and legal basis for our relations with the Russian Federation where Ukraine's national interests are clearly identified. Acting in line with the basic provisions of the Treaty of Friendship, Cooperation and Partnership (1997), Ukraine makes its best efforts to develop mutual cooperation in every aspect of social life.

However, Ukraine and the Russian Federation have to settle a number of economic, humanitarian, military and political issues which are not governed by their basic treaties but are crucial not only for further development of our bilateral relations but for the situation on the entire European continent.

Economic security in Ukraine and Europe in terms of energy dependence on Russian energy sources is crucial in this regard. Among urgent problems to be comprehensively addressed by the parties concerned are gas transport consortium projects and the Common Economic Space, delimitation of borders in Azov and Kerch Strait, and the Russian Black Sea Forces stationed in Crimea. Due to these reasons, bilateral relations between Ukraine and Russia have not corresponded to the level of globalization processes so far and have failed to efficiently use their capacity of economic and social development to the full extent possible.

Moreover, the Russian Federation sometimes tends to treat Ukraine's course towards European integration as a challenge to the development of their bilateral relations while controversies between Ukraine and the Russian Federation adversely affect its relations with the European Union threatening its achievements on the way towards European integration. Some issues which have not been resolved in Ukrainian – Russian relations yet are actively used in domestic political fights, sharpen the existing contradictions in our country, impact and undermine the social and economic stability in the country and endanger the internal and external national interests. The tight connection between exacerbated Ukrainian – Russian relations and Ukraine's course towards European integration is a typical example. Therefore, Ukraine is interested in promoting a harmonious combination of both strategic priorities based on the principle of a common European integration policy.

Some internal factors which prevent Ukraine from successfully pursuing its foreign political interests, including European and Euro-Atlantic integration and cooperation with the Russian Federation, should also be taken into consideration. Lack of a definite view by the Ukrainian elite as to national foreign policy results in a negative attitude of the world community. Since an unpredictable foreign policy is considered as a potential challenge to global security, such situation worsens the Ukrainian position in the world arena and weakens its position in its relations with the Russian Federation.

The priority of the European integration shapes models and the intensity of Ukraine's cooperation with the new independent states. Ukraine participates in such intergovernmental organizations as the CIS and the CES for pragmatic economic reasons. The Commonwealth of Independent States is a valuable multilevel forum for Ukraine where our country can successfully achieve its goals.

It is very important for Ukraine **to develop a strategic partnership with the USA** to pursue its national interests. The U.S. support to Ukraine's European and Euro-Atlantic ambitions, its interest in cooperating in the Black Sea – Caspian region and with energy supplies and energy supply routing, helps Ukraine to resolve such crucial issues as obtaining market economy status, addressing some challenges with WTO accession, supporting GUAM and Ukraine's NATO membership.

The energy sector and such issues as enlargement of economic cooperation and joint peacekeeping efforts to promote security and prevent terrorism and dissemination of weapons of mass destruction and other issues, as well as Ukraine's NATO integration will be put on the agenda of the Ukrainian – U.S. relations in the near future.

Present-day realities of global security featuring **shifting from military to asymmetrical threats** originated mainly from non-governmental entities and such urgent issues as non-dissemination of weapons of mass destruction, uncontrolled arms trafficking, illegal migration and other issues should also be considered. Some of them directly threaten Ukraine: uncontrolled mass migration through Ukraine may challenge our national security. This problem should be addressed urgently through negotiation with neighboring countries and other CIS member states.

In the present-day globalized world, global and regional international organizations play a very important role in promoting the national interests of their participating countries especially in national security. Although Ukraine is actively involved in collective security efforts being taken by the United Nations, the OSCE and sub-regional organizations, it is still outside such a powerful collective security system in Europe and apparently in the world as the North-Atlantic Treaty Organization.

Notably, so far as the common global security space is being formed, neutrality and out-of-bloc status gradually lose its significance. Ukraine's out-of-bloc status and refusal to join NATO

contradicts the general trend of global and European security and expands further the challenges and threats to the national security of our country. Ukraine considers that under present-day circumstances, **no country in the world could independently ensure its own security and avoid global challenges and threats.** In the globalized world, a self-isolation policy in any form tends to be not only practically impossible but may be even very dangerous.

At the same time, particular attention should be given to prevent Ukraine's transformation into a 'buffer' country during further NATO enlargement since our country is outside this organization. Ukraine's political decision to acquire **fully-fledged membership in NATO** adopted in 2002 was significant in Ukraine's attitude to the Alliance and crucial for Ukraine's future as a powerful regional state. Such political course clearly defines Ukraine's priorities in the development of its domestic and its foreign political behavior in international relations.

Among important areas of the foreign policy of Ukraine are our involvement in establishing a sub-regional security and cooperation framework viewed by Ukraine as elements of common European integration processes in a wider sense: from various forms of cooperation in Central and East Europe to Baltic and Black Sea strategic relations; from establishing Euroregions to promoting multilateral regional cooperation schemes.

To form the structure and ensure dynamic development of foreign trade, Ukraine's key goal is to promote foreign economic cooperation with the Eurasian states. The current prospects of Ukraine's foreign economic relations feature opportunities to improve the competitiveness of the national economy, cooperate with the EU on a parity basis and strengthen pragmatic economic cooperation with the Russian Federation, and develop strategic economic initiatives with Asia.

In the new world order which is under formation where energy supply is directly connected with the national sovereignty and independence of many states, **development and integration of the transport and transit capacity of Ukraine into the world transport system** is a crucial condition to guarantee its national interests in economic, security and foreign policy. In this connection, it is vital for Ukraine to efficiently use its transit capacity, and not to lose through unbalanced and unreasoned political decisions its capacity to pursue its own interests under current conditions in

the global energy markets. Ukraine's interests in this sector are of strategic importance as shown by such legislative instruments as the Strategy of the National Security of Ukraine (2007). To pursue such interests Ukraine needs to efficiently negotiate with the European Union, Russia, neighboring states and Caucasian states, lobby its own energy interests at such regional forums as BSEC, CEU, GUAM to prevent competitive energy supply routes to Europe.

Among the major trends of present-day global development is the economic boost of many Asian countries which have evolved into powerful international actors. **The Black Sea Region** is a link for Ukraine and many other European countries to Asia where democratic, social and economic transformations are underway. Such global organizations as NATO and the European Union border the Black Sea which is included in the common European cooperation and security system.

Ukraine's interests are focused on such key Asian regions as the Middle East, Asia-Pacific Region, Caucasus, and Central Asia. Ukraine is interested in establishing equitable relations with countries of these regions based on pragmatic reasons and mutual benefit, in promoting economic cooperation and taking part in settling crises and conflict situations through efficient mechanisms in security cooperation, military and technical cooperation.

For this purpose, the major political tasks of Ukraine are:

- to develop alternative sources of energy supply and implement common economic and energy projects;
- to enhance Ukraine's geopolitical role through intensified political, security and economic cooperation in ODED/GUAM and other regional organizations;
 - to take part in the settlement of 'frozen' conflicts;
 - to take part in EU regional programs as a part of EU Neighboring Policy, to promote European integration policy and ensure the most efficient partnership with the Russian Federation;
- to intensify bilateral cooperation with the Black Sea countries.

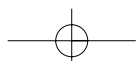
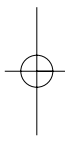
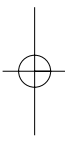
ODED/GUAM may and should play an important role to further develop the Black Sea region. Partnership within the Organization for Black Sea Economic Cooperation (BSEC) is another dimension of our Black Sea policy.

With the development of economic, political, and security cooperation and joint efforts to promote the principles of democratic development within the region, this region may become a valuable partner at the global level, in particular, for the European Union. As initiator of ODED/GUAM, Ukraine should take further steps to strengthen its leading positions within the region.

Taking advantage of cooperation prospects in the South – East allows Ukraine to pursue its foreign policy in a more balanced and pragmatic way and opens an opportunity to take part in the new global and trans-European energy, economic, and security projects. **Intensification of the South – East dimension of Ukraine's foreign policy is an important element in adapting to the new trends and realities of the global development. This will allow Ukraine to take part in the present-day globalization processes.**

In the present-day globalized world, the foreign policy of any country seeking its place in the system of international relations and pursuing its own interests and its citizens' interests should be flexible, well-balanced and adaptable to the major economic and political trends in the world. The issue of the 'national interest' is not a good reason to pursue a self-isolation policy or develop satellite relations. It is paradoxical how globalization and integration processes which restrict the national interest, at the first sight, open new opportunities for better development

The mixture of these factors – national interests and intensified world economic relations – based on the targeted achievement of the national competitive capacity i.e. its competitive advantages identify the national interests of Ukraine and how they affect our foreign policy.



§ 2. A models for the implementation of the foreign-policy course of Ukraine

The draft law 'On the Principles of Domestic and Foreign Policy of Ukraine' initiated in 2006 by the Government and 'anti-crisis coalition' demonstrated the efforts of the parliamentary majority to change the foreign policy or, at least, to implement their own vision of what foreign policy Ukraine should pursue. The questions are: to what extent do these visions of foreign policy comply with objective drivers and what prospects will they bring for the future of Ukraine? To answer them we need to review implementation models of the foreign policy of Ukraine. Such modeling process allows us to forecast both positive and negative impacts of foreign policy scenarios. With the modeling technique, certain global situations may be reconstructed, various dimensions of foreign policy may be better optimized with due consideration of the country's national interests and, therefore, the most rational foreign policy solutions may be identified.

Model here means a certain standard or reference scenario to be followed in practice, and a certain ideal form to build new realities thereon. On the other hand, a model reconstructs the existing reality as its prototype; it is an image and a description of an object, a process or an environment with features and parameters of the existing reality in an abstract form. For the purposes of this methodological approach, the model of the foreign policy of Ukraine should be built with due consideration of its geopolitical conditions, global environment, development trends and domestic policy. At the same time, this model should clearly address the question: what foreign policy is the most probable and optimal for Ukraine in such an international environment at this point?

Since international relations may be viewed as a type of subjective and objective relations, this very nature of interrelations

should be reflected in the model of the foreign policy of Ukraine. The nature of such interrelations shows to what extent both international environment and its major actors affect Ukraine and its foreign policy and how Ukraine and its foreign policy respond to shifts in international relations. Therefore, the foreign policy model should comprise such elements as the national interests, geopolitical conditions and global environment as well as ends and means to achieve its goals in an international environment.

The model should also show how to mitigate adverse impacts and maximize positive benefits and favorable trends in the global environment and country's geopolitics. On the other hand, the model is a prototype of the foreign policy which is able to form a global environment where the country will grow and develop. In this sense, foreign policy is the main area where the country pursues its foreign political interests based on such structural elements as national sovereignty, national security, and economic prosperity and development.

Therefore, at the first stage of modeling of Ukraine's foreign policy we need to describe objective and subjective relations where Ukraine is exposed to the international environment, and major international actors and geopolitical conditions are subject to such exposure.

A country's geopolitical conditions are decisive when the system of political power and its foreign policy are being formed. Geopolitics includes such elements as (1) geomorphology, massive of continental plateaus, mountain ranges, islands and the life; (2) rivers, sea basin divisions; (3) economy and transport infrastructure; (4) climatic conditions; (5) allocation of population; and (6) civilization dimension (code).

Ukraine is situated in the Dnieper sector of the forest-steppe belt of the East-European Plain. The landscape of this sector is a natural steppe and forest zone divided by the Dnieper River into two large segments. Such conditions promoted the development of two axes of political integration: Vertical Dnieper Axis and Horizontal Forrest-Steppe Axis with Kyiv, the capital of Ukraine, located at their crossroads. At the same time, depending on the political vectors, these axes may be dividing lines or disintegration lines. Vector directions are defined by the nature of country's relations with its geopolitical neighbors along the East-West Axis and North-South Axis.

The Kievan Rus, grand-motherland of modern Ukraine, achieved great developments when its integration links North – South prevailed and the Dnieper (known as the trade route from the Varangians to the Greeks) was the main communication channel that promoted such integration.

However intensified confrontation along the East-West Axis, primarily the Golden Horde, destroyed Ukraine's development focused on integration along the North-South Axis.

When Kyiv was destroyed by Tatar-Mongols, new geopolitical centers started to rise: Galician-Volyn Principality in the forest zone in the west of Ukraine, Great Moscow Principality in the Upper Volga Basin and the Great Lithuanian Principality in the Baltic region. Ukraine was invaded by the Great Lithuanian Principality and by the Polish-Lithuanian Commonwealth northwards a few centuries later and by the Crimean Tatar Khanate and Ottoman Empire southwards. Transformation of the North-South Axis from the integration axis into the confrontation axis forced Ukraine to seek salvation in the east geopolitical vector and Ukraine eventually joined the Centralized Russian State in the 17th century since the West vector represented by the Polish-Lithuanian Commonwealth threatened Ukraine with invasion.

However, when Ukraine joined Russia and became a part of the Eurasian geopolitical space, it lost its national and European identity and sovereignty for several centuries.

On the other hand, by joining Russia in the eighteenth century, Ukraine avoided many threats it traditionally faced from the south. Subsequently, the East-West Axis became prominent in Ukraine's development, while the North-South Axis became less significant. Being on the outskirts of the Russian Empire and, subsequently, the Soviet Union, Ukraine served as an outpost protecting Russia from invasion from the West on the one hand, and as a bridgehead for Russia's westward expansion to extend its borders and annex West Ukraine, on the other hand.

Having achieved its independence, Ukraine was at the junction of two civilizations: the European civilization and the Eurasian civilization identified with Russia.

Hence, the first determinant of Ukraine's geopolitical conditions is its location at the crossroads of two civilizations: the East Eurasian (Russian) Civilization and the West European Civilization. This points to the fact that modern Ukraine appeared

to be a **divided periphery**. Eastern and south-eastern Ukraine is pro-Russian, while the western and central Ukraine is pro-European. The dividing line between these regions with different vectors lies along the Dnieper River.

As a dividing periphery, Ukraine has quite limited capacity in pursuing its foreign political interests. Such capacity mainly depends on the relations between the West and the East.

Under conditions of conflict of interests and civilization confrontation, Ukraine is being transformed into a 'buffer zone'. Squeezed between the European and Eurasian civilizations, Ukraine is being transformed from a marginal state into a medial state. According to Collings, such states sooner or later lose their sovereignty and territorial integrity under the influence of the East or the West's desire to invade and divide geopolitical space of a medial state. From a geopolitical point of view Ukraine is a 'medial' state or a 'buffer zone'. Such geopolitical conditions define its national security.

In terms of Ukraine's geopolitical conditions, four foreign policy models should be analyzed: disintegration model, integration model, isolationist model and East – West balance model.

Disintegration Model

This model is embodied in the two-vector integration. It is the situation when the country tends to simultaneously integrate into two opposite alliances and into two antagonistic systems. The recent modification of this policy is known as 'equally approximated policy'. Appearing quite efficient at first glance, this model eliminates the internal conflicts between eastern and western Ukraine which have different geopolitical orientations. However, the continuous competitiveness between eastern and western Ukraine will eventually polarize the country and break it into at least two regions, with one region focused on integration into Russia, and the other one – into Europe.

East-West Balance Model or Equidistant Policy Model

This model is reasonable when neither East nor West seeks expansion or dominance in the 'buffer zone', when they neither confront nor compete and lack cooperation at the same time. Such

model is efficient when the East and the West establish cooperation or partnership with each other. Power balancing appears to be inefficient in conditions of confrontation or, conversely, integration of two poles.

Isolationist Model

In this model, the country is distancing itself from both geopolitical centers. In the Isolationist Model, the West and Russia have lower impact on domestic policy in Ukraine. Since this model strengthens domestic social and political processes in Ukraine, it would be efficient in achieving internal integration of the Eastern and Western Ukraine. In this case, isolationism is considered as a way to promote collegiality throughout Ukraine. However isolationism may be efficient to a certain extent only, provided that the country's economy is self-sufficient, its market is captive, the country has enough natural resources and its nation is consolidated. In the absence of these conditions and in conditions of continuous struggle for power inside the country, any political power tends to rely upon the foreign policy of i.e. Russia for one political power and the West for another. Therefore, isolationism would unlikely take the curse of a 'buffer zone' off Ukraine and would be unlikely to prevent Russia from interfering in the domestic affairs of Ukraine.

The Isolationist Model is traditionally embodied in the neutralization of the state in its security policy. Such status is considered as a way to slow down foreign economic expansion or geopolitical prevalence of the neighboring country or a group of countries. The country may seek such neutral status based on both political and economic interests of the major political forces or the ruling elite. By promoting the neutral status of the country, they seek isolation from external exposure.

Some countries trying to take advantage of a neutral status to avoid the dominance of the more powerful state or decrease its political pressure appeared to be more motivated. This may be exemplified by Turkmenistan and many other countries afraid of both Russian economic expansion and military and political dependence on Russia.

Security safeguards provided by the neutral status are quite hypothetical and unreliable. In addition, they mainly depend on

whether or not any other country recognizes such neutral status. Such recognition mainly depends not on the neutral country's adherence to its commitments but rather on whether and to what extent such neutral status meets geopolitical interests of the others. Uncertain guarantees and geopolitical conditions of the major global actors forced neutral countries to primarily rely upon the military capacity of their armed forces rather than on international guarantees. As a result, the neutral status has become 'exotic' in the system of international relations with only a few countries left with their 'traditional' neutral status.

In terms of foreign policy, neutrality may be considered as a way of avoiding or decreasing the influence of another state and as an impediment in integration processes. Having declared neutrality, the country cannot join military and political alliances or such political organizations as the European Union which has defense and security elements in their structure. The idea of neutrality was abused by the old pro-USSR political elite in such countries as the Czech Republic and Slovakia on their way to accession to the North-Atlantic Treaty Organization.

Now, when the EU has a powerful security and defense policy, the neutrality of such countries as Austria, Finland and Sweden impedes deeper integration of political processes in Europe. Therefore, these countries tend not to emphasize their neutral status and treat it as their tradition rather than their actual policy. Moreover, these countries acceded to the EU when the EU's military and political functions were focused on a quite independent military/political organization as the West-European Union. At that time, neutral countries could join the European Union without acceding to the West-European Union and without compromising their neutral status. Today, when the European Union develops its defense capacity, neutral status tends to be incompatible with EU membership.

Nonalignment policy is another type of foreign policy with some elements of neutrality. Countries pursuing such policy are grouped together in the Nonaligned Movement against the major west countries and neocolonialism. Such policy is based on off-bloc status i.e. non-participation and nonalignment with any military alliances or military and political organizations.

However, when the major world or regional actors promote the country's neutral status, the inverse process may also take

place. This may occur when the new world order is being formed or areas of influence or areas of interest in the new buffer zones are being divided and considered. Such guarantees are based on international treaties between the major actors and neutral countries. Switzerland (1815) and Austria (1955) obtained the guarantees of their neutral status at that time.

Ukraine has never considered its neutral status directly. We take the same steps as Finland and the Baltic countries did on their way to independence from Russia; as Malta and Ireland did on their way to independence from the Great Britain. The idea of neutrality is considered as a way of getting beyond the control of the former mother country or empire or as a way of weakening its dominance.

These very reasons had underlain the Declaration of the State Sovereignty of Ukraine stating Ukraine's intention 'to become a neutral country in the future'. It should be noted that the Declaration was adopted in 1990 when Ukraine was one of the Soviet republics. At that point, Ukraine sought independence and sovereignty. The USSR's transformation into the Commonwealth of Independent States (without features of statehood) and Ukraine's intention to become a neutral off-bloc country were the main foreign policies to become a sovereign state. With its off-bloc status, Ukraine could avoid such military and political traps as a CIS transformation into a military and political alliance and formation of common strategic forces, common defense system and the like.

Ukraine viewed its neutral status as a temporary declarative status which was necessary when Ukraine sought its independence. That historic period featured both an uncertain domestic policy in Ukraine and an uncertain military and political situation in Europe. Nobody knew what would happen to NATO after cold war. The system of European security had not been formed by that time. It was also unclear how Russia and the CIS would further develop.

While Ukraine was trying to identify features and vectors of global trends, its intention to become a neutral off-bloc state was becoming less apparent in its legal framework. Thus, although Ukraine's military doctrine considered its off-bloc status as the major principle of security guarantees in 1993, the military doctrine adopted in 2004 replaced it by the principle of collective defense to be achieved by acceding to NATO as a full member.

The only feature of the neutral status mentioned in the 1996 Constitution was the obligation not to allow foreign military bases

to be stationed in Ukraine (Article 17). However this feature of neutrality is denied in final provisions of the Constitution (under Clause 14 military bases may be used for temporal stay of foreign military units). Finally, the Law of Ukraine 'On National Security' (2003) declared Euro-Atlantic integration (accession to NATO) as one of the major principles in guaranteeing the national security of Ukraine.

However, the country's intention to become a neutral state evidences uncertainties in its domestic policy bringing uncertainties to its foreign policy. This means uncertain priorities of the foreign policy of Ukraine. Today, those who promote the neutral status of Ukraine apparently aim to hinder its efforts to NATO and EU accession. In fact, they use neutrality as the way to impede Ukraine on its way to European and Euro-Atlantic integration.

Who proclaims this and why? Two groups of interests are associated with Ukraine's neutral status. The first group is represented by regional oligarchic financial and industrial groups interested in strengthening their monopoly and control over the country's economic resources and avoiding the competitiveness of foreign investors. Political and economic isolationism under such circumstances would enhance their monopoly. The second group of interests tends to be more politically diverse. The interests result from the inability of the majority of the political elite and social community to identify themselves with Ukraine. This causes a certain complex when the need to get neutral status is justified by the Russian interests rather than the interests of the national security of Ukraine. Advocating neutrality for Ukraine, this group believes that Ukraine's accession to NATO would endanger Russia since NATO would use its territory as a bridgehead for aggression against Russia. Ukraine's neutrality would make it a buffer zone preventing NATO from aggression against Russia. Interestingly, the question of whether the status of a buffer state meets the security interests of Ukraine is completely disregarded. This group does not take into account that the national sovereignty of Ukraine does not meet the geopolitical interests of Russia. NATO member states are considered as self-destroyers taking the risk of attacking a country with the second greatest nuclear missile potential in the world. But the question is whether the neutral status of Ukraine actually meets the national interests of Russia (as advocates of Ukrainian neutrality used to

believe). Tactically – yes, strategically – no. Russia would be likely to support Ukraine's initiatives to become a neutral state since it would make it impossible for Ukraine to join NATO. However, Russia would never recognize such neutrality since it would require Russia to withdraw the Russian Black Sea Fleet from Ukraine and not to operate military facilities in Ukraine.

Does the neutral status meet the interests of the Ukraine's national security? We should consider this matter in terms of its major task. If Ukraine was a neutral state, it would fall into such a geopolitical trap as Finland, Lithuania, Latvia and Estonia did when they believed in the efficiency of guarantees of their neutrality. Their price was very high indeed: lost territory in one case, lost independence and national sovereignty in the other. The national security and defense of neutral countries is actually ensured by the power of their military forces, by national unity and by a consolidated community able to defend the country with its own forces rather than through guarantees anticipated from other states or international geopolitics. Unfortunately, Ukraine lacks both. Therefore, we have no reason to expect that neutral status will allow Ukraine to avoid aggression and other threats to its national security. Failing to accede to the Euro-Atlantic system of collective security and defense (the most efficient one so far), we may be at risk to go the same way as such European countries as Finland, the Netherlands, Belgium, Denmark, Luxembourg and the Baltic countries did whose neutral status cost them their national sovereignty when World War II began. The neutral status may bring immunity to a certain extent and allow the country not to become a battleground. However, at the same time, it is unable to prevent the country from foreign occupation or annexation, breach of territorial integrity or sovereignty.

Therefore, the Isolationist Model as well as the Balancing Model would be unlikely to help Ukraine solve the problem of choice of civilization and civilization development. Quite the contrary, such a model would slow down the development and may be used as a transient or temporal model only. It is a model with a deferred and unclear development pattern for the future Ukraine which makes Ukraine dependent on conditions and shifts in the international situation. In this model, Ukraine would be a passive object of relations between Russia and the West.

Integration model

«Integration model» of implementing foreign policy on the East-West axis is determined by two factors: interests and threats. Positioning itself within «interests-threats» coordinates will determine its movement either to the East or to the West. In case the danger stems from the West, it will intensify the Eastern vector of Ukraine's integration and turn its territory into Russia's potential base to rival with the West. It is the promulgation of the Western vector, represented by NATO and the US, as a dangerous one that stipulated the necessity and expediency for Ukraine to be a part of the USSR as a Soviet Republic. Since this threat from the West was eliminated, Ukraine no longer had this necessity with regard to security. Emerging threats to the state sovereignty of Ukraine will inevitably strengthen the objective to integrate with the European and Euro-Atlantic securities structures.

Another factor that determines the integration model of the foreign policy of Ukraine on the East-West axis is the national interest connected with the economic and political development needs of the country. In this respect, the integration vector will depend on which direction – Western or Eastern- Ukraine will choose to fulfill its needs for civilized development.

The influence of this factor on the formation of the integration model is rather complex. However, it is decisive given there are no real or potential threats from either the East or the West.

The absence of such threats and the unification of European and Eurasian geopolitical fields make Ukraine a so-called «bridge», a communicator between the East and the West. Such a position gives Ukraine considerable benefits in the fulfillment of its own interests in foreign policy. The ties with the East and the West shift the accent in foreign policy from geopolitical to geo-economic aspect. Given the current relations between the West and Russia, Ukraine becomes not only an important player but also the geo-economic center of this system of ties. Ukraine acquires such role due to the transportation and communication function it performs in the system of relations between the East and the West since by virtue of its cross-border position it can access both civilization systems.

Ukraine could perform a similar communicative function if the Wider Europe project was implemented. However, it seems that

the reality will be developing in another direction in the upcoming 10–20 years. At the same time, the North-South axis is open for Ukraine to pursue its foreign policy. There are no serious threats for Ukraine on this axis. Only the spectrum of Ukrainian national interests will determine this model of foreign policy in this area. This model will draw on the specific character of resources and possibilities of the «**Baltic-Black Sea Cooperation**».

The Baltic-Black Sea Cooperation Model opens a perspective to switch from the status of outsider to the regional leader because there is no such rivalry between the centers of power in this region, unlike the East-West axis. On the Eastern vector of the North-South axis, Ukraine has immense communicative possibilities to develop trade relations with the overwhelming majority of world countries and enter their national and regional markets due to the sea access. If the implementation of the foreign policy model for Ukraine on the Eastern vector does not decrease tension, at least it does not exacerbate the separation between the Eastern and Western parts of Ukraine. Developing integration projects on the Southern vector makes it possible to avoid the role of «buffer zone» and somehow compensate the dependence on Russia and lessen its pressure on foreign policy and influence on the situation in Ukraine.

Therefore, the geopolitical position outlines the spectrum of possibilities to implement different models of foreign policy. However, it does not give priority to a certain model or to the level of its reliability and consistency. These characteristics depend on internal factors and with due regard they will allow **considering Ukraine as an international entity**.

In the context of relations between the entities, the national interests of the country, political regime, availability of resources and possibilities of fulfilling foreign policy objectives are of paramount importance for analyzing foreign policy models.

«National interests of Ukraine», as referred to in the Concept (Fundamentals of the State Policy) of National Security, «reflect the fundamental values of Ukrainian people, their needs for a decent living environment as well as civilized ways of its creation and satisfaction».

This definition indicates that national interests are fundamental interests because they reflect fundamental values such as security, national consolidation and sovereignty of the country,

democratic rights and freedoms, economic prosperity and social protection, national unity and moral values of the nation.

It is self-evident that fundamental interests should be the basis for developing the model of a country's foreign policy. In this respect, the model should follow such foreign policy of the state that these fundamental values be satisfied to the greatest extent or such foreign policy vector which indicates the most favorable international environment to implement its fundamental interests.

The model of foreign policy should also factor in essential interests and indicate the most auspicious and optimal way of their implementation.

Essential interests are the needs recognized by the society, without them the survival and progressive development of the nation is impossible. These needs include the following:

- needs for energy carriers and natural resources;
- access to international supply lines and world markets;
- keeping safe borders and territorial integrity of the country;
- strengthening the gene pool;
- preserving the environment;
- creating civil society.

The model shall also set priority for certain fundamental and essential interests for a specific period in history. In turn, the priority of these interests will predetermine the priority of certain vector of foreign policy and give the first priority for its implementation. The priority indicates the vector which should be of major concern and efforts in foreign policy of the state to fulfill its national interests.

The model of the country's foreign policy along with national interests should also determine the following:

firstly, major ways of implementing national interests and foreign policy of the country;

secondly, relations with those countries and organizations that have decisive influence on the implementation of national interests of Ukraine;

thirdly, the major vector in the foreign policy, foreign economic and military and political orientation of Ukraine.

Once the major elements in the structure are determined, the next task of the foreign policy model is to find a vector in foreign policy which could help best fulfill fundamental interests. This task can be solved by extrapolating on the geopolitical position of the country and its international environment.

If we take such a fundamental value as security, the most favorable will be the vector having no threats and all possibilities to ensure its territorial integrity, counciliarity, sovereignty and other constituents of the country's national security.

Therefore, the foreign policy vector as regards ensuring security of the country will be determined by the level of threats. If we look at the East-West axis from the same standpoint, we will see that this axis has threats to the country's national security and they are of a systematic character. The concentration of threats on this axis puts Ukraine in the position of the «buffer zone». In the past centuries, predominantly, west posed external threats on this axis; however, nowadays they are in the eastern part as well. The major threat from the East is the threat to the geopolitical code of Ukraine which is the backbone of its independence and state sovereignty. This threat lies in the desire of Russia to become the great state and one of the most influential centers of the multi-polar world by reintegrating with the post-soviet space and first of all with Ukraine. Ukraine's existence as a sovereign independent country as well as the development of a self-sufficient and unitary Ukrainian nation is incompatible with such geopolitical interests of Russia. The Russian experts in geopolitics are unequivocal about this idea. «The separation of Ukraine became the most serious stroke for Russian territorial space and caused an irreversible damage to this single geopolitical organization. In terms of geopolitics, Russia and Ukraine constitute an integral entity, breaking off this unity created a dangerous trouble spot. Strictly speaking, almost all Ukraine, except for its western part, constitutes a single homogeneous space with the European part of Russia...Russians are more or less consistent in claiming their rights for Crimea and Sevastopol city, Donbas region, Novorossia, since almost half of the Ukrainian territory are the lands conquered by Russia from Turkey and settled with both Russians and Ukrainians»¹.

«Further existence of the unitarian Ukraine is in no way possible. This territory must be divided into several zones according to the range of geopolitical, ethnic and cultural realities»².

¹ *Tuzikov A.P.* Fundamentals of Geopolitics. – M.: KNOPUS, 2004. – P. 69.

² *Dugin A.* Fundamentals of Geopolitics. Geopolitical Future of Russia. – M.: Arktogeja, 1997. – P. 379.

«Ukraine's attempt to become a supply line link between NATO and Russia may be viewed as secretly proclaiming war on Russia because Ukraine with its territorial ambitions can be of great danger for the whole of Eurasia and it makes no sense to address the question of continental economy without resolving the Ukrainian issue»³.

As is seen from the above statements, **Russia considers Ukraine its own strategic geopolitical resource to revive its position as one of the influential centers in the multi-polar world.** The scenarios for return this resource to Russia can be of different forms depending on the situation – namely from uniting integration institutions like SES or creating an asymmetric confederation with Russia like the single Allied Power of Russia with Belarus, to decomposing Ukraine according to Dugin's idea as it was manifested by the Party of Regions during the presidential elections – 2004 with Ukraine being divided into 3 classes and having intentions to create a South-Eastern Autonomy Republic.

Given such intentions and scenarios Ukraine's being a sovereign country or a «buffer zone» or all the more an EU or NATO member will not be in accord with Russia's geopolitical interests. On the other hand, on the Eastern integration vector Ukraine will not be able to maintain its fundamental values such as counciliarity and sovereignty of the state, national security, national unity and moral values. Authoritarian tendencies which dominate in Belarus, Russia and the CIS countries also make no sense for Ukraine to stick to this integration vector.

Therefore, threats and challenges stemming from the East force Ukraine to move to the West on the East-West. The West does not pose a threat to the majority of fundamental interests of Ukraine. Moreover, it provides the most favorable opportunities to fulfill these interests. Ukraine's entrance into such Euro-Atlantic Security Structure as NATO will open more prospects and guarantees for the national security and sovereignty of the country. Ukraine's integration with the European space by joining the EU or NATO will secure the implementation of such fundamental values as counciliarity of the country, democratic rights and freedoms, national unity and moral values of the nation, social protection and economic prosperity.

³ *Nartov N.A.* Geopolitics. Textbook for higher educational establishments. – M.: UNITY, 1999. – P. 149.

The foreign policy vector of European and Euro-Atlantic integration will promote the fulfilment of such essential interests as creating a civil society, preserving the environment, strengthening the gene pool, keeping the borders safe. Yet, following the western integration vector may cause certain risks for Ukraine since Euro-Atlantic plans of Ukraine could cause the following:

- rising separatist movements in Crimea and southern-eastern regions of Ukraine can pose threat to its territorial integrity;
- exacerbation of relations between Ukraine and Russia and Russia's support of the separatist processes in the Crimea, east and south of Ukraine as well as refusal to extend the Fundamental Treaty signed in 1997.

Well-thought out domestic regional policy can help minimize these risks.

Therefore, implementing the foreign policy model of European and Euro-Atlantic integration meets the fundamental and essential interests of Ukraine to the maximum extent.

However, implementation of the model on this vector has considerable difficulties. First and foremost, the EU does not consider it appropriate to provide Ukraine with the membership perspective in this organization. In the middle-term perspective, the EU intends to establish relations with Ukraine on the principles of «Neighborhood Policy» under the formula of «economic integration and political cooperation». Given such conditions, Euro integration is possible only through membership in the North-Atlantic Alliance.

Consequently, the integration of foreign policy model should factor in these difficulties and foresee two stages of its implementation.

The first stage embraces the task to enter NATO in the short-term and middle-term perspective as well as create the prerequisites for entering the EU. This stage will open up an opportunity to implement such priority-oriented and essential interests as maintaining sovereignty of the country, ensuring its national security, creating a civil society and securing the rights and freedoms of citizens i.e. strengthening democratic processes in the country.

The second stage of implementing this model can be carried out only in the middle-term and long-term perspective. It envisages resolving such major tasks as EU membership, profound structural reforms and fully-fledged integration with the European Economic and Political Space. On this stage, the following fundamental interests can be met: economic prosperity and

social protection and development of the moral values of the nation.

The model of foreign policy of Ukraine aimed at European and Euro-Atlantic integration must be completed with the multi-vector and Baltic-Black Sea cooperation models. These two last models should ensure successful development of the national interests of Ukraine on the North-South axis and in the eastern direction.

Ukraine-Russia relations were developing within the framework of «strategic partnership». However, the relations lacked real significance. In such a way, strategic partnership resembled an asymmetric strategic dependence. Because of the impracticability of this formula, it is necessary to adopt such a multilateral economic cooperation model of relations with the Russian Federation that would help implement such major Ukrainian interests as procurement with energy carriers and natural resources and access to Russian markets. Such a model will, in turn, open up broad perspectives to use the transition potential of Ukraine.

On the **Southern vector** Ukraine faces both a variety of threats and a rather wide range of possibilities to fulfill its national interests. Besides local conflicts typical of the Black Sea region, the threats are predominantly of a domestic nature, such as the unstable situation in the Crimea, foreign military presence and lack of proper regulation of the sea borders with the Russian Federation, and the sea economic zone with Romania in the Azov Sea and Kerch Strait.

On the other hand, southern vector opens up multifold possibilities for Ukraine to fulfill such essential interests as getting access to alternative ways of supplying energy carriers and natural resources as well as international communications and world markets. On this very stage Ukraine will manage to strengthen most efficiently its potential in the area of transportation. There are extremely important Bosphorus and Dardanelles straits, a lot of ports and naval bases, therefore the Black Sea is considered to be an important transport artery which joins Ukraine with world raw materials and international markets. It is also a major transport artery of the coal mining and metallurgic centers of the southern-eastern region and industrially developed southern region of Ukraine. The Azov-Black Sea basin is of great importance not only for the developed regions of Ukraine but also for the regions of Caucasus and Transcaucasia that supply their production to domestic and world markets.

The Black Sea region acquires ever more importance due to its increasing transcontinental role. In terms of geopolitical and geo-economic importance, the region lies in the crossing of the vertical axis of transportation and communication linkages between Nordic, Mediterranean and Middle East countries as well the horizontal axis which joins two geopolitical world centers, two civilizations – Europe and Asia. From time unmemorable these ties determined the development of civilization of the countries in the Black Sea region as well as Europe and Continental Asia and were known as trade routes – «From the Varangians to the Greeks» and «The Great Silk Road». Ukraine and Turkey are two of the most important points in these routes.

Considering the extremely dynamic development of Europe and Asia, the connection between these advanced world geopolitical centers will be of crucial significance for their own as well as global development. Russia tries to be Europe's principal opponent and rival in relations with Asia, in particular with China; therefore the European Union will largely rely on the Black Sea region as a «Eurasian highway» that will join the EU with the countries of Central Asia and Far East. Another crucial factor for the West to make the European main so important was the possibility of delivering raw materials from Central Asia in this direction. This region is transforming into one of the largest world oil and gas centers.

In such a way, the Black Sea region with its potential possibilities allows Ukraine to fulfill the whole range of essential interests. Among them are interests in the area of geopolitics, geo-economics and security.

In **geopolitical dimension**, Ukraine is still in the post soviet geopolitical space and Russia is trying to reintegrate the country with its own state system. It is no coincidence that Russia claims its right to monopoly dominance in this part of Eurasia. Such tendency poses a threat to state sovereignty and the independence of Ukraine. Ukraine could avoid such a menace to its sovereignty by integrating with the Commonwealth of European States. However, Ukraine's movement to the political Europe in the short and middle-term perspective turns out to be extremely complicated. EU integration became problematic because of external reasons and Ukraine's movement to NATO membership was blocked by domestic reasons. Thus, being lodged between West and Russia, Ukraine must concentrate its efforts on moving in the southern direction i.e. the Black Sea Region.

Following this direction, Ukraine could in the middle-term perspective solve a string of strategic objectives to fulfill its geopolitical interests.

Firstly, affirm its independence and sovereignty by increasing cooperation and partnership with countries in the Black Sea Region. Transferring Ukraine's activity to the Black Sea Region will decrease Russian geopolitical dominance over Ukraine to a great extent. The Black Sea Region where Russia lost its dominance could become a definite geopolitical alternative to post Soviet space. In the Black Sea Region, Ukraine has more chances to affirm itself as a viable and influential country.

Secondly, the civilization choice of Ukraine is closely connected with the Black Sea Region. It is vitally important to know what system of geopolitical and civilization coordinates will give Ukraine the best chances for development. After Ukraine gained independence it associated and still associates its future with European civilization. The Black Sea Region is part of Europe. The EU enlargement and its emergence in the Black Sea after Romania and Bulgaria joined the organization makes this region part of political Europe.

Still, in the upcoming 15–20 years, Ukraine is deprived of the possibility of entering the EU. The EU plans to develop its relations with Ukraine only within the framework of Neighborhood Policy. So, Ukraine will have to change its strategy, tactics and directions of its course to Euro integration. Within the framework of Neighborhood Policy such a course could be implemented by strengthening subregional cooperation with the EU countries. In this context, enhancing cooperation with the EU Black Sea member countries will be in accord with the Euro integration objectives of Ukraine.

Thirdly, strengthening the North-South communication axis will promote improvement of geopolitical stability of Ukraine unlike West-East axis that splits the country in terms of geopolitics. That's why developing the Baltic-Black Sea Cooperation System is one of the major geopolitical interests of Ukraine. The development of the Baltic-Black Sea Cooperation System, transportation, energy, economic, and political components will increase the stability and prosperity of Eastern Europe from Scandinavian to Black Sea countries. In this context, the Organization of the Black Sea Economic Cooperation can serve as

the bases for implementing innovative projects to develop the Baltic-Black Sea Cooperation System.

Economic interests of Ukraine in the Black Sea Region are closely connected with geopolitical interests. Moreover, cooperation in the Black Sea area as regards economy may be viewed as the alternative way of resolving the problems Ukraine faces on the post Soviet space. These are predominantly the following interests:

- diversifying the sources of energy carriers supplies;
- developing transitional potential of Ukraine to supply energy carriers to Europe;
- diversifying product markets of Ukrainian agricultural production;
- developing transport corridors in the North-South, Europe-Russia, Europe-Asia directions;
- attracting investments of the countries located in the Black Sea Region to improve Ukrainian economy;
- developing recreation capacity and tourism industry.

Taking into account the complexity of the whole range of national interests of Ukraine on the southern vector, the Baltic-Black Sea Cooperation model must include areas of geopolitics, security and economy. This model of the foreign policy of Ukraine must be implemented in the following main directions:

- promoting economic development of the countries in the Baltic-Black Sea Region and its integration with the European economy;
- leading role of Ukraine in such subregional organizations as OBSEC and GUAM as well as the Community of Democratic Choice which will bring Ukraine closer to the role of regional leader;
- settling frozen conflicts, especially Trans-Dniestrian conflict;
- strengthening democracy in the Baltic-Black Sea-Caspian Region.

The structure of the national interest course is developed by social entities who are the bearers of these interests. The possibility of implementing a particular foreign policy model of the country will be determined only if both the authorities and society understand and implement these interests by introducing this model.

According to the subjective dependence, Ukraine being a sovereign state, tried to adhere to different models of foreign policy course on different stages.

Ukraine gained independence but also inherited from the Soviet Union authoritative soviet elite. The Pragmatic «nomenklatura» (privileged party elite) was able to compromise both with national intellectuals who personified spiritual national elite and with the West. The compromise with these spiritual national elite was based on the common interests such as gaining independence and state sovereignty for Ukraine. However, neither national ideology nor national values were of any significance for these «nomenklatura». Just like the communist ideology they were and still are rules of the game for this part of ex-soviet «nomenklatura» that they need to follow for a certain period of time to achieve success. State sovereignty is not the end in itself for these authoritative pragmatic «nomenklatura». It is only a means of protection for their authoritative economic and political interests.

Compromise and openness to the West shown by the pragmatic ruling nomenklatura were stipulated, first of all, by the attractiveness of the private ownership institute and mechanisms of market economy. However, having Soviet roots, such nomenklatura cannot share the democratic values of the West and identify themselves with the European community. In terms of language, mentality and psychology, Europe remains and will remain an alien civilization for this part of the Ukrainian ruling elite.

The course of the above determined interests stipulated for the necessity to maintain a partnership between the nationally oriented spiritual elite and the pragmatic party nomenklatura which remained in power at the first stage of Ukraine's independence, from 1991 until 1994. Such a partnership, as well as the interests of the ruling nomenklatura, determined for the respective foreign policy course of the country. It was aimed at the recognition and strengthening of Ukraine's state sovereignty and independence. Such a course provided for the estrangement from Russia – «stepping out of the big neighbor's shadow», formalization of the attributes of Ukraine's state sovereignty under international law, development of the long-term relations with the West and adherence to the off-bloc status.

However, based on the interests of the ruling party nomenklatura, their partnership with the nationally oriented spiritual

elite, which advanced national and democratic slogans, could not be stable. The main and only values of the ruling nomenklatura were and remain power and property. It was the possession of those values that allowed them to stay at the top of the social pyramid. Having gained the power, the party nomenklatura sought to put state property at their disposal as well. To take hold of state property it was necessary to engage heads of the state enterprises in that process. Compromise between the economic executives and party nomenklatura lay, on the one hand, in providing the party nomenklatura with an opportunity to join the corporate ownership of the state enterprises and, on the other hand, in recruiting the «red directors» to the governing structures.

It was customary to call the «red directors'» rise to power in Ukraine «the second wave» of the Soviet ruling elite. That process presented the creation of the symbiosis of the ruling nomenklatura and management elite. The embodiment of such an alliance of the nomenklatura and management elite was the election of President L. Kuchma, a former and Director of the high-capacity missile plant «Pivdenmash» in Dnipropetrovsk. Mr. Kuchma was an outstanding representative of the regional elite who was presented by the Eastern regions of Ukraine. Upon his being elected head of state, a change of the regional elites began to take place in the governing structures. While, at the first stage, the party nomenklatura engaged the representatives from the elite groups of the capital in the governing structures, as well as those from the Western and Eastern regions of Ukraine, who presented themselves under the national and democratic slogans, the elite groups, having assumed power with Mr. Kuchma at the head, were indifferent to those slogans, as well as to the national values. It wasn't by chance that in his first inaugural speech Mr. Kuchma stated that the national idea had failed in Ukraine.

Those management elite considered the state formation in Ukraine from a merely functional point of view, as a kind of production and technological process. It is to be noted that due to such a technological approach the new ruling elite managed to put an end quite successfully to separatism in the Crimea, strengthen the vertical power structure, sign a full-scale agreement with the Russian Federation recognizing Ukraine's territorial integrity and state sovereignty and settle territorial disputes with Romania.

The foreign policy of that management elite headed by Mr. Kuchma was based on the model of **balancing between Russia and the West**. Technologically, such scheme presented the use of cooperation with the West as means of counterbalance or «trade» with Russia; at the same time the West itself was regarded as a source of financial and technical assistance. As before, Russia remained the key strategic partner in economic, politic and cultural spheres. Integration in two opposite directions was introduced: in Euro-Asian (integration with Russia) and European and Euro-Atlantic. It's obvious that movement in two opposite directions couldn't be efficient. Such bipolar foreign policy was presented as a multi-vector one. It was the demonstration of the weakness of a merely technological approach to the implementation of the country's interests and was characterized by the lack of strategic, ideological and civilization guide lines, as well as by changeability, inconsistency, uncertainty and unpredictability. World outlook guide lines of the management elite were concentrated, as before, on Moscow and Russian energy supply which was reflected in president Kuchma's statements that Ukraine cannot exist as an independent state without Russia.

Russia was immensely close and dear to that management ruling elite, not only in terms of mentality and world outlook, but in the nature of state property misappropriation process as well. As in Russia, the misappropriation process in Ukraine was of nomenklatura nature when the lack of financial resources of the privatization subjects was made up by the administrative resource. Since it's obvious that nomenklatura privatization provided for the simultaneous privatization of state property as well as of state power. Such privatization provides the ruling elite with the possibility of receiving excess profits without taking much care of the increase in production and labor productivity.

The State property misappropriation process gave rise to the oligarchic clans that sprang up from the regional elite groups mainly from the Eastern and South-Eastern regions of Ukraine where the key industrial centers were situated, such as Dnipropetrovsk, Kharkiv, Donetsk, Lugansk, Zaporizhzhya, and Mykolaiv. The servicing by Ukraine's ruling elite of those groups' interests in foreign policy sphere became particularly evident starting from Mr. Kuchma's second term in office.

Parliamentary elections of 2002 finally consolidated the victory of the three largest (Donetsk, Dnipropetrovsk and Kyiv) oli-

garchic groups in the highest structures of the government. Since then the governing model of the political elite was transformed into the oligarchic one. Such a type of the pro-governmental elite was comprised of oligarchic groups whose representatives held key positions in the highest public authorities.

Given such a type of pro-governmental elite, the state's functions lose their socially intended purpose and are aimed at servicing the needs of the oligarchic groups that begin to play a key role in adopting decisions of strategic importance for the country. According to expert surveys, the influence of those oligarchic groups on adopting the decisions in the foreign policy sphere amounted to 41.4% in 2003⁴. Disregard of the national interests, elimination of the sense of patriotism in the public conscience of the Ukrainian citizens, disparagement of the national values and discredit of the national symbols are typical features of behavior of such an elite's representatives.

In foreign relations, the most distinctive feature of such an oligarchic elite is the plain disregard and trade of the country's national interests. Defining foreign policy priorities by this elite is dictated only by their own needs. That's why it was of no surprise that the foreign policy assigned by this elite presented a mixture of controversial principles and concepts from **multi-vector policy to moderate isolationism and neutrality**.

It is obvious that solutions such as the decision to reverse the Odessa-Brody oil pipe, joining the Common Economic Area, creation of the gas transport consortium, demilitarization of the Crimea by way of reducing the military contingents and the military infrastructure on the peninsula, the construction of the underground tunnel between the Crimea and the Russian Federation were made contrary to the interests of Ukrainian national security to satisfy the needs of some clan or oligarch groups.

These facts also demonstrate that the foreign policy of Ukraine is orientated towards Russia as well as the interests of these clan and oligarch groups that have the power in Ukraine. This orientation of the interests of the oligarch elite and clan or oligarch groups in Ukraine toward Russia is due to their inability to integrate the economy they control into the global economic

⁴ Aggregate results of the 2003 opinion poll of experts in foreign and security policy and its international status: <http://www.foreignpolicy.org.ua/ua/polls/>.

system with transparent business practices. Only the Russian shadow and semi-criminalized economy was a convenient environment for them, in which no questions arose in regard to the movement of shadow capital.

The oligarch elite rejects the European values at the level of political, as well as economic interests, because the norms of political behavior in developed democratic countries are principally different from the political practices established in Ukraine by the clan and oligarch groups.

Undoubtedly, such deformation of democratic norms had a direct effect on the foreign relations of Ukraine. One of the key objectives of the foreign policy of Ukraine, especially in the relations with the European structures such as the Council of Europe, the European Union, NATO and their members was to advocate the country's political system, which is distorted toward authoritarianism, and to justify the actions of the country's leaders aimed at implementing the so-called «oligarch democracy» model in the country. This is how Ukrainian foreign policy began to gradually change focus from the national interests that it was supposed to promote on the international arena, to serving the needs of the clan and oligarch groups and the ruling oligarch elite in Ukraine. Beginning from 2000, the main foreign policy efforts of the country have been directed at the justification of the legitimacy of the referendum held in 2000, resolution of the «tape scandal», improving the image of the country's leaders and overcoming the political mistrust that European countries demonstrated towards Ukraine as a participant of the European integration processes, resolution of the claims made by European countries in regard to human rights violation, pressure on the mass-media and persecution of independent journalists in Ukraine.

It would be logical for the development of the «oligarch democracy» to end with an authoritarian regime in the country. Since the three main class and oligarch groups in Ukraine would begin to fight for the monopoly of power and ownership once they have divided the state property and power, this would inevitably require authoritarian forms of power in the country. This scenario of Ukrainian development had to be reinforced with the victory of the ruling party candidate Victor Yanukovich at the presidential election in 2004. In this case, the foreign policy priorities of Ukraine would have changed. The orientation towards European and Euro-

Atlantic integration would have been replaced with orientation towards Euro-Asian integration, which would have meant reintegration of Ukraine into the sphere of interests of the Russian Federation, since the members of the Euro-Asian organizations on the FSU territory such as the Euro-Asian Union, Belarus-Russia Union, and the Common Economic Area were countries with authoritarian regimes. Under this scenario, Ukraine would have lost the prospects of full membership in the NATO and the EU, i.e. the European community of democratic countries, and would have isolated itself on the international level.

However, the Orange Revolution that occurred as a result of the attempts to falsify the presidential elections disrupted the implementation of this scenario and orientated the development of the country toward national democracy and European integration. To implement this approach, the foreign policy model should have been aimed at the assertion of national interests, stimulation of democratic values, strong protection of national interests, and stimulation of European, Euro-Atlantic and sub-regional integration processes. In this integration context, the main objectives of such a foreign policy should have been the full membership in NATO and the EU, building cooperation in sub-regional organizations and acquisition of the sub-regional leader status.

However, the formation of a governing «anti-crisis coalition» in the Verkhovna Rada after parliamentary elections 2006 cast discredit on the expediency of implementing such a model of foreign policy.

«Malorussiya's model»

Instead, the governing coalition put on the agenda another project which can be conventionally called «**Malorussiya**» («Small Russia»). This project is characterized by rather stable historic tradition connected with Left-Bank Ukraine being part of the Russian Empire and then Soviet Union. Therefore, the economic base, social structure and mentality of the population located in that part of Ukraine formed in line with the needs of the Russian Soviet Empire.

The economic base of these territories formed in the industrial period. Rich resources of raw materials made it possible to build

powerful centers of heavy industry and machine building. The country's major industrial potential is centered in these eastern and south-eastern regions. However, along with the above advantages, industrial production depends heavily on cooperation with Russia and Russian energy carriers since industrial enterprises in these regions were part of a single Soviet national and economic complex.

Despite powerful industry, the social medium of these regions was highly differentiated. Two major layers constitute the social cut: impoverished working class and a small layer of extremely well-off people united in the clannish and oligarchic groups. Though this social medium prefers Russian political leaders and Russian mass culture as regards political and cultural tastes, it cannot be called Russian. It can be better characterized as «Malorussian». As contrasted with the Russian social medium, the messianic tradition is not inherent to it, and it is also deprived of patriotic and chauvinistic feeling. Great-power idea is not an end in itself.

Given such quality of the social medium and regional elite who is now governing in Ukraine, there are no reasons to speak about the possibility of forming a sovereign independent state on such basis. Lack of citizenship position, underdeveloped feeling of national dignity and traditions of the civil society, dullness of its social consciousness and political apathy give very little chance for the rapid success of any state-building processes in Ukraine.

Any state formed on such a social basis will have little prospect of surviving and still less of development. Sooner or later, it will turn into a relatively independent autonomy of another state. **Foreign policy of the state** built on such a basis will be characterized by a pro-Russian position, Eurasian authoritarian tendencies, reintegration processes directed at being in the sphere of interests of the Russian Federation and the implementing of geopolitical projects to reestablish «Great Russia», and self-isolation tendencies in relation to the West and the international community.

Therefore, the year 2006 is marked by the intention to implement the 2 models of foreign policy of Ukraine. The first model prevailed in the first six months under Ehanurov's premiership, the second model dominated in the second half of the year when the government led by Yanukovich came to power and the «anti-crisis coalition» won in the Verkhovna Rada. In this regard,

implementing both the first and the second models proved to be indistinct and inconsistent.

There were some achievements on the path to implementing the Euro-integration model, namely, considerable progress on its way to entering the WTO and signing Agreements between Ukraine and the EU on Simplification of Visa Regime and Readmission. Another achievement is canceling the Jackson-Venick amendment on Ukraine. Related to success on the southern vector is GUAM's transference into fully-fledged international organization which advocates democracy and economic development.

However, the government led by Ehanurov failed to make the necessary efforts to implement the Ukraine-EU Action Plan. The Verkhovna Rada did not care about adjusting national legislation to European. The post of Vice-Premier on European Integration was canceled.

On the other hand, after coming to power, during the second half of the year, the Yanukovich government and «anti-crisis coalition» showed intentions to fulfill their own course of foreign policy. This course is characterized by rejecting Euro-Atlantic integration and replacing it with the format of NATO cooperation, proclaiming intentions to keep up with the path of Euro-integration and EU membership without giving it specific sense and making respective steps, actual rejection from Baltic-Black Sea Cooperation Model and a stand-off position, as regards the southern vector, of advancing national interests.

It is evident that an eastern direction is the major direction for the government and «anti-crisis coalition» in implementing the course of foreign policy. On this very direction, the government and parliament's majority intend to implement the Russian Integration Model.

Specific features of implementing such a model are the following:

- readiness to participate in the Russian integration projects, in particular, fully-fledged membership in the SES, attempts to synchronize Ukraine and Russia's WTO accession;
- concessions to Russia in implementing its geopolitical interests with regard to Ukraine, in particular, refusal to join the Ukraine-NATO Membership Plan, readiness to consider prolongation of the Russian Federation Black Sea Fleet on the territory of Ukraine after 2017, issues concerning gas transmission system;

- removing from the agenda such political issues that are problematic or undesirable issues for Russia. This matter concerns in particular the legal standing of the naval unit on the state boundary in the Azov Sea and Kerch Strait, issues connected with the Russian Federation Black Sea Fleet being on the territory of Ukraine and other issues.

It is evident that using such approaches, the government and governing coalition are unlikely to advance substantially in implementing the fundamental and essential interests of Ukraine in the international arena. Still, the advantage of the Party of Regions coming to power in Ukraine is that it thereby refused to fulfill the Russian scenario of decomposing Ukraine. Under this scenario Ukraine would be disintegrated by federalizing and by granting national language status to Russian, and by the transformation of the state into a combination of independent autonomies.

Under this scenario, Eastern Ukraine, which is close and related to Russia in terms of culture, history and religion should be an independent geopolitical region with extensive rights of autonomy from Kyiv, but still in absolute cooperation with Moscow. The advantage of such a scenario should be given to the meridian integration and connection between Kharkiv and Donetsk regions with Bilgorod, Kursk and other near-border Russian regions that are Russian as such, and spreading such a structure to the south of Ukraine.

The 2006 breakthrough is that the governing Party of Regions shifted away from such a dangerous scenario. However, the shortcoming is that it also did not introduce the distinct vision of such a foreign policy model with Russia that would make it possible to advance Ukrainian national interests in the eastern direction. However, such a model can be created and implemented only upon reaching a consensus between Ukrainian political forces and consolidating joint efforts in maintaining the national interest of Ukraine. Given the rather complex situation in the domestic policy of Ukraine, the bilateral economic cooperation model would be the optimal for the time being and in the near future. The year 2007 will demonstrate how far Ukrainian political forces will manage to approach this model.

§ 3. Euro-Atlantic course of Ukraine; problems by the way to NATO membership

Problem Definition. Euro-Atlantic Integration in New Political Conditions: Evaluation of Results and 2006 Dynamics. Prevailing Trends and Their Effects

Political developments of 2006 in Ukraine materially impacted the implementation of Ukraine's NATO accession policy declared in the Law of Ukraine on Basics of National Security, Military Doctrine and other related documents. The major effects were the result of: Parliamentary elections and the election campaign of 2006; formation of the «Anti-crisis Coalition» in the Parliament that united political forces sceptical about Ukraine's accession to NATO; Prime Minister Viktor Yanukovych's visit to Brussels of 14 September during the course of which he actually revised Ukraine's officially proclaimed path towards accession to NATO; and attempts to divest President Yushchenko of his influence in foreign policy making, specifically in respect of the dismissal of Foreign Affairs Minister, Borys Tarasyuk.

As regards the 2006 election campaign that resulted in the March 26 Elections, it was permeated by rather aggressive attempts of certain political forces (the Block of Vitrenko, SDPU(u)) to marshal their political campaigns on confrontation with NATO. At the same time, the elections only corroborated the marginal status of those political forces that, in the final count, did not make it to the Parliament. That way, attempts to use anti-NATO rhetoric to build one's main political capital failed, the majority of voters supporting their choice with other types of arguments.

At the same time, the March 26 Elections demonstrated the voters' preference for parties that supported the Orange Revolution;

three of the five political forces that entered the Parliament (BUT, Our Ukraine, SPU) represented the ones that supported the Orange Revolution. Throughout the election campaign their leaders repeatedly declared their commitment to democratic gains and the impossibility of any collaboration with the Party of Regions. The three political forces won almost 42 per cent votes against 35.5 per cent collected by the Party of Regions and the SPU.

The results obtained made it possible to continue with the course towards European and Euro-Atlantic integration, even despite SPU's reservations concerning certain nuances in the approach towards the issue (specifically, on the obligation to hold a referendum on NATO accession.)

At the same time, it turned out shortly after, that all the negotiation nuances were mere formal reasons for the Socialist Party to breach its covenants with the BUT and the Our Ukraine in pursuit of major posts and leverage to influence the economic situation in union with the Party of Regions and the CPU.

That led to the «Anti-crisis Coalition» formed from the Party of Regions, the SPU and the CPU on 6 July. After a period of long deliberations, the President, though having the legal option of dismissing the Parliament and declaring new elections, motioned the Party of Regions leader, Viktor Yanukovych, to the Verkhovna Rada as a candidate for Prime Minister.

In exchange for Yanukovych's nomination as Prime Minister, President Viktor Yushchenko effectively succeeded in pushing through the execution of the Universal of National Unity where the issue of integration in NATO was declared, as follows:

«Mutually beneficial cooperation with NATO will develop in accordance with the Law of Ukraine on Basics of National Security of Ukraine», (in the version in force as of the Universal execution date.) The issue of accession to NATO shall be resolved based on outcomes of a referendum to be carried out after the compliance of Ukraine with all necessary procedures to that effect».

Thus, Yanukovych and the «Anti-crisis Coalition» (excluding the CPU that ventured a reservation to the NATO paragraph) *de facto* agreed to Ukraine's accession to NATO – given that the Law on Basics of National Security of Ukraine had been approved by the Verkhovna Rada of Ukraine on 19 June, 2003, at the time when Viktor Yanukovich was Prime Minister. This law remains in effect to date and serves as the tool for charting guidelines for

national domestic and foreign policies. After the covenant on united opposition initialled by the BUT and the Our Ukraine in February, 2007, the «Anti-crisis Coalition» has only slim chances of making any changes in the Law, particularly given the future need to overturn the Presidential veto for that.

Article 8 of the Law states:

'The principal lines of the national policy of national security of Ukraine are: assuring the fully-fledged participation of Ukraine in the European and regional collective security frameworks; accession to the European Union and the North Atlantic Treaty Organisation'.

Besides that, the Verkhovna Rada adopted its Resolution on Recommendations for Parliamentary Hearings on Relations and Cooperation Between Ukraine and NATO as early as 21 November, 2002. In that Resolution the Verkhovna Rada supported 'the course of Ukraine towards Euro-Atlantic integration for the final purpose of attaining full membership in NATO':

'The Euro-Atlantic integration of Ukraine is a material factor of strengthening its national security meant to assist the development of democratic institutions, the civic society, protection of human rights and freedoms and, therefore, complying with vitally important interests of the Ukrainian people. The geostrategic and geopolitical status of Ukraine as a component of the common European environment identifies its place in European matters, conditions an influential role of the Ukrainian nation in the development of a new continent-wide security framework, in the heart of which the North Atlantic Treaty Organisation is destined to be. The Euro-Atlantic integration of Ukraine aims to guarantee its independence, territorial integrity and social progress, and prevent new threats to stability and security on the European continent'.

The President expected Yanukovich to confirm Ukraine's aspirations to join the NATO Membership Action Plan during his visit to Brussels on 14 September, 2006, as the provision on 'the compliance of Ukraine with all necessary procedures to that effect [i.e., NATO accession]' enshrined in the Universal was construed to specifically mean Yanukovich's consent to the Government applying its commitment to implement the NATO Membership Action Plan.

Moreover, September, 2006, marked the outbreak of the «Decree War» and the fight over authority between the President

and the Cabinet of Ministers. Shortly afterwards, the standoff expanded to foreign policies, also, despite the Constitution reserving for the President the rights to manage foreign policy activities and to motion candidates to Minister of Foreign Affairs to the Verkhovna Rada etc.

That went in parallel with the Government broadening its contacts in the Russian direction: Ukraine hosted visits of Russian President Putin, Defence Minister S. Ivanov, RF Security Council Secretary I. Ivanov, Prime Minister M. Fradkov etc.

Thus, the foreign policy activities of Ukraine in the mentioned period was a combination of enhanced contacts between the Government of Ukraine and Russian leaders, on one hand, and the conflict between the Government and the President of Ukraine, on the other.

After the conclusion of contracts on Russian gas supply to Ukraine, the top official in the Government started denying any political concessions or promises for Russia's benefit made by political allies in the «Anti-crisis Coalition».

The list of concessions included the rejection by Yanukovych's Cabinet of Ukraine's accession to NATO, and an early launch of the NATO accession referendum before any public awareness campaign (Ukraine's non-accession to NATO obviously being the key priority for Moscow in its Ukrainian policy.)

Moscow's increased activity became a sign of Russia delving into the real breakdown of political powers after the nomination of Yanukovych as Prime Minister, as well as possibilities of launching necessary-for-Russia projects bypassing the 'non-negotiable' President and the Ministry of Foreign Affairs. At the same time, Presidential control of such law enforcement agencies as the SSU and the national Military Forces does not allow of the Party of Regions and the «Anti-crisis Coalition» fully monopolising their enforcement potential to affect foreign policy.

Thus, the preservation of Ukrainian foreign policy in its currently unwieldy condition because of growing discrepancies among the nation's top leaders in the area of foreign political course implementation became the key trend in the Euro-Atlantic integration policy in mid-2006.

The foreign policy of Ukraine lost its manageability, and that has resulted in the slowed pace of progress towards Euro-Atlantic integration.

Ministry of Foreign Affairs of Ukraine Actions to Implement Euro-Atlantic Integration Policy in New Political Conditions

In spite of the complex domestic political situation and unfavourable foreign-political factors and owing to the efforts of Ukrainian diplomats, Ukrainian-NATO relations in 2006 **preserved their generally positive dynamics** in the context of the implementation of the legislatively enshrined strategic task of Euro-Atlantic integration.

By Kyiv and Brussels' estimates, the level of practical cooperation between Ukraine and NATO in 2006 **was the highest compared with previous years**. While the political dialogue played a somewhat lower key as per the number of high-level measures (compared with 2005), the year 2006 was more successful in terms of the number of launched practical projects, first of all, within the context of continued military reform, reforms in the security sector, and cooperation within the framework of peace and security keeping efforts.

A successful development of the Intensified Dialogue on Membership and Related Reform Issues and performance of targets identified in the short-term cooperation agenda and other NATO cooperation programmes, specifically, in the Ukraine-NATO Target Plan for 2006 within the framework of the Ukraine-NATO Action Plan have become **the principal output of the past year of Ukrainian-NATO relations**.

The foreign policy department provided coordination of the performance of (more than 50, in general) measures of **the Ukraine-NATO Target Plan for 2006** by line ministries and national institutions concerned. According to the analysis by the National Centre for Euro-Atlantic Integration of Ukraine, out of the total of **409** measures envisaged in the Target Plan, **297 (72.6%)** were completed in full, **82 (20%)** were performed partially, and **24 (5.9%)** remained unperformed; beside that, 2 measures were postponed for the coming year and 1 measure was cancelled.

In March 2006, the Ministry **initiated the establishing of an institute of national coordinators of Ukrainian-NATO cooperation in selected areas** (15 now), as well as the establishing and launching of the **National System for Coordination of Ukraine-**

NATO Cooperation – the driving mechanism of which is the Interdepartmental Commission for Preparation of Accession of Ukraine to the North Atlantic Treaty Organisation. The Commission held its five meetings throughout 2006.

During the course of the UNC meeting at the level of ministers of foreign affairs on 28 April, 2006, in Sophia (Bulgaria), the NATO Member States highly appreciated the free and just Parliamentary elections in Ukraine held in compliance with universally accepted democratic standards. Speaking at the Summary Press Conference after the Summit, **NATO Secretary General J. Scheffer noted the positive attitude inside the Alliance to the issue of involving Ukraine in the MAP** underscoring in that regard expectations of a new Ukrainian government being formed and related confirmation of the nation's Euro-Atlantic course.

The national foreign policy department considerably enhanced its **information and awareness activities** in 2006. Regular visits of the MFA's top officials to regions (around 150 visits to more than 40 Oblast and district centres), targeted briefings for the media and meetings with foreign representatives were arranged. Some 11 awareness and education projects were implemented with the following outputs: press-club meetings on issues of Euro-Atlantic integration of Ukraine carried out in 17 regions of Ukraine; 3 brochures for the attention of the wider public on topical issues of Ukraine-NATO cooperation were published; 15 photo kits on the historical background and current status of Ukraine's relations with the Alliance were prepared by joint efforts with the Ukraine-NATO Public League for presentation at photo exhibitions at public and international events in Ukraine and abroad. Three more projects, specifically related to production of TV and radio broadcasts on Euro-Atlantic integration of Ukraine and on production of a NATO: *Friend of Foe?* Documentary series for broadcasting on Ukrainian TV in 2007 have been performed commissioned by the MFA.

In 2006, the MFA of Ukraine participated in the implementation of 14 individual and joint events within the framework of the National Public Awareness Programme on Euro-Atlantic Integration Issues for 2004 – 2007. The MFA developed a concept of a similar programme for 2008–2011 by joint efforts with other central authorities.

If is added to here information notices on topical issues of NATO activities and Ukrainian-NATO relations development delivered by the MFA on a monthly basis to the Secretariat of the President of Ukraine, the Cabinet of Ministers of Ukraine, Verkhovna Rada of Ukraine committees concerned, the State Committee for Television and Radio Broadcasting of Ukraine, other government authorities, regional media, universities, and non-governmental associations, the systemic nature and scope of the awareness activities carried out by the Ministry to comply with existing legal requirements becomes pre-eminently clear. Among the principal sources of reliable information about NATO activities and the Euro-Atlantic policy of our nation are MFA's media briefings, the official MFA web site, and a specialised Ukraine-NATO information site (www.ukraine-nato.gov.ua) developed by the MFA and presented in October 2006.

Based on the assessment of the progress made by our State in the implementation of the Ukraine-NATO Action Plan, there was an internal consensus in understanding Ukraine's actual commitment to upgrading its level of relations with the Alliance within the framework of the Membership Action Plan developed inside the Alliance in early summer 2006. With that in view, **the key task for 2007** should concern **the upholding of a proper dynamics of cooperation with the Alliance** within the scope of existing cooperation mechanisms rather than the next regular confirmation of the already declared final target.

The Ukraine-NATO Target Plan for 2007 within the framework of the Ukraine-NATO Action Plan will become the main **short-term agenda** in the Euro-Atlantic integration area for 2007. The above Plan was developed in pursuance of the resolution of the Ukraine-NATO Commission session (at NATO's Prague Summit of 2002) for the purpose of enhancing Ukraine's relations with NATO. The document currently reflects the Strategy of Ukraine-NATO relations and is based on the provisions of the Special Partnership Chart of 9 July 1997 that remains the framework paper for Ukraine's relations with NATO, the enhancement of relations with which with a view to future expected membership remains one of strategic priorities of Ukraine.

International Climate and Ukraine's NATO Accession Issues

In 2005–2006, Ukraine managed to get support for its future membership from the majority of NATO members and the Alliance itself. It was due, first of all, to the mature and European nature of the Ukrainian public as demonstrated during the Orange Revolution. The Orange Revolution ushered in Ukraine's worldwide acceptance specifically as a naturally European nation fraternal to the people of the Euro-Atlantic community. Europe and the USA became cognizant of the possibilities an independent Ukraine could offer to the European security framework.

Political elites in the United States have currently developed a rather unanimous stance towards the support of independence, sovereignty and territorial integrity and democratic development of Ukraine. The fact that the USA and NATO are ready to build on their relations with Ukraine independently from other nations, thus supporting the foreign-political independence of Ukraine, is of importance for the national security interests of Ukraine.

Besides that, restoration of certain tensions between Europe and Russia compels European nations to be more attentive to the position of the USA which provides the key force component for the security of European NATO members. The United States of America is a country of Euro-Atlantic dimension with the most technical opportunities for action beyond its borders. The key point here is that the USA does deem its security as an unalienable component of the Euro-Atlantic region's security. They in the USA have become increasingly aware of the role of Ukraine in the security of the nations in the region since Ukraine gained its independence. And the USA has been paying more and more attention to Ukraine's capacities as a European security framework player since the mid-nineties.

The interest in the USA and Europe towards Ukraine can be explained by Ukraine's position as the key geopolitical linking point in the region providing access to the Balkans and the Caucasus, as well as connections with Central and Eastern Europe. The implementation of the European and US common target of Ukraine's involvement in Euro-Atlantic integration generally corresponds to the national security interests of Ukraine.

It should be stressed here that the EU that unites the majority of NATO Member States is a formation considerably dependent on Russia for its energy supplies. Russia provides almost 40% of the total oil and gas consumption in Europe. Moreover, Europe depends on Russia in its attempts at playing a more US-independent geopolitical role. In this regard the absence of the NATO factor might bring about the risk of European nations not being ready for the involvement of Ukraine in European institutions because of Russia's critical attitude towards that choice of Ukraine.

Such an understanding of cooperation between Ukraine and Europe could make Ukraine's European and Euro-Atlantic integration dependent on the position of Russia; it would be detrimental to the national security interests and, in particular, the right of free selection of priorities of the foreign policy of Ukraine. NATO is able to influence European nations in the issue of Ukraine's accelerated European and Euro-Atlantic integration.

Another certain problem with Ukraine's cooperation in the security area with European nations, the NATO factor disregarded, is the polycentric nature of Europe: Germany, the EU's biggest Member State and NATO's greatest European partner, has only 86 mln residents (compared with around 450 mln in the whole the EU.) There are four big countries (Germany, France, Great Britain, and Italy), several mid-size (Poland, Spain), and a number of smaller countries in Europe. Disputes historically inherited in Europe often make barriers towards common policy development. This becomes even more relevant for the common active geopolitical strategy necessary for involving Ukraine in cooperation in the security area. Therefore, without NATO Europe is a political organism with a reduced capacity for «external» action at continent periphery or beyond its borders, i.e., Europe itself is hardly capable of incorporating Ukraine.

NATO solidarity strengthened after the 1999 and 2004 waves of expansion that incorporated into the Alliance those European nations most committed to the idea of close Euro-Atlantic integration. Therefore, NATO, both as an institution and a union of nations, is generally ready to incorporate Ukraine today – after Kyiv complies with necessary and not so burdensome procedures.

The Key Issue of NATO Accession: A Critical Mass of Political Elites

Absence of a political elite able to put national interests above corporate and individual ones remains the main obstacle in the way of Ukraine's Euro-Atlantic integration course implementation. The situation dates back in its origin to USSR times when «negative selection» was practised to the extent that the UkrSSR public administration and republican «elite» were formed from individuals incapable of acting in the interests of Ukraine, many a time incapable of working at all but clearly focused on working in the interests of the imperial centre.

These people together with their genetic and ideological heirs have been the majority in the political and economic «elites» in Ukraine until today.

«Negative selection» continued at the time of Kuchma's regime when a corrupt public governance system and the same kind of economy were formed inside the country. It was practically impossible then to be a top manager of a public administration body or an enterprise of at least some importance without becoming involved in a corruption scheme of sorts; the only difference concerned the extent of involvement. The same situation has de facto persisted to date. Hence, the «elite» thus grown is naturally incapable of building national policy stemming from the national interests of the country – still more that such national security-oriented policy may adversely affect the economic interests of such «elite» representatives.

The chance for a radical clean-up of the political elite was lost during the Orange Revolution when the winners clearly failed to use the human resource potential of the society.

Meanwhile, the preservation of such an «elite» is undermined by the appearance of new leaders better oriented towards self-fulfilment within their native country domain. A new phase of political elite upgrade will commence as soon as the number of new leaders and their accumulated influence reach the critical mass point. Such rejuvenation will be most probably in the form of elections, though one might not also exclude other mechanisms to work.

At the same time, the prospect of such an upgrade is under a substantial impact of subjective factors.

Whatever happens, time works in favour of the development of a national elite able to make decisions for the benefit of the national interests and specifically, towards the accession of Ukraine to NATO.

Overcoming Stereotyped Public Perceptions of NATO: Current Situation and Perspectives

The paradox goes, as follows: despite the fact that NATO has been providing incentives to democracy development in Ukraine, the final decision of the Ukrainian public in conditions of democratic public choice regarding accession to the Alliance may be opposite to the integration path.

300 years of a policy of Ukrainian identity extermination made it rather complex and unusual for a portion of Ukrainian residents to think of their country as a unique and self-sufficient state. There is a considerable group in Ukraine the representatives of which have no expressed Ukrainian national identity and shape their approach towards NATO based on, first of all, habitual, cultural or linguistic perception, a wish for a certain level of well-being, or on momentary situational circumstances.

The idea of Ukraine's integration in Europe became a rather popular trend in public opinion in Ukraine in the early 90s. According to social analysts, that was prompted, first of all, by the attractive quality of living standards in the countries of Europe. One should never underestimate the importance of that choice: by making its massive «pro-European choice» the Ukrainian public merely shows its sympathy towards the European lifestyle and standard of living, European culture and ultimately, to some European states. Meanwhile, such spectrum of motivations of little importance for the population will not be able to promote the development of a strong pro-European majority in Ukraine; such a majority could be created only in the event of conscious public recognition of the nature of Ukraine's «European choice» and implementation of Ukrainian interests in the process.

An important role in the perception of NATO belongs to the Russian mass media which have retained their effect on the Ukrainian public in spite of Ukraine's independence. On top of that, certain political figures indulge in concerted anti-NATO

actions prompted by their specific economic links with Russian businesses.

According to a public opinion poll held by the Democratic Initiative Foundation, the idea of accession to NATO is mostly supported by young people aged below 30, while most adversaries to that can be found among the 55+ cohort. Such a structure of preferences may condition a change in the geopolitical orientations of the population in future.

The spread of anti-NATO moods among the public is, to a greater extent, dependent on situation-specific factors; according to a public opinion poll carried out by the Ukrainian Institute of Social Research and the Social Monitoring Centre, after the Ukrainian-Russian conflict over the Isle of Tuzla in autumn 2003, 10% of citizens changed their position in respect of NATO accession, 60 per cent of them changing their attitude to positive. At the same time, NATO's military campaign in Kosovo and US and UK operations in Iraq considerably weakened the perception of NATO among the Ukrainian public.

Ukrainian residents' attitude towards NATO can be generally characterised, as follows:

- There are considerable possibilities for the State or other points of influence to externally affect geopolitical choices of the public. A considerable part of the Ukrainian population is indifferent to the issue. It should be noted that, judging by public opinion poll data for Poland, the proportion of NATO accession supporters made less than 25% in 1991, 35% in 1992, 57% in 1993, and 73%, in 1995. In Hungary, they increased the proportion of NATO membership supporters from 40 to 80%, and in the Czech Republic – from 30% (1995) to 70% (1999);
- The attitude towards NATO intimately depends on situational changes in politics and media coverage;
- The Russian media have retained a considerable influence on Ukrainian public priorities regarding the issue;
- Co-existence of mutually annihilating geopolitical orientations (i.e., a possibility of opposing ideas cohabitating in the outlook of one and the same individual) is widespread in Ukraine;
- The attitude towards NATO has split the population into three groups, the two groups being conservative in their polar geopolitical orientations, and the third one showing irrelevance to

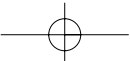
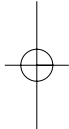
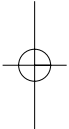
the issue, the majority of the residents showing no die-hard preference for either point);

- The most positive perception of NATO can be found in those most knowledgeable about it.

The issue may not be resolved by a simple change of generations, both in terms of the time necessary and because the accession to NATO, though having the more support among the young (than among the older generation), nevertheless enjoys no absolute support among them. Therefore, the problem might be resolved by arranging an awareness campaign based on explaining to the Ukrainian public its own interests.

The main deficiencies of the NATO awareness campaign identified to date have been the following: the lack of an information campaign about NATO of scale; inability to establish efficient and targeted cooperation with the media; the lack of proper financing; the lack of an efficient campaign management, specifically in respect of involvement of necessary personnel; «anonymity» of the current campaign; the loss of pace in the campaign progress (with the anti-campaign being actually unleashed, also through using leaflets, printed and electronic media, and public appearances of Yanukovich's Cabinet members); failure of attempts to keep the leading national TV channels (at least) neutral towards the NATO campaign; the campaign measures keep being chaotic.

Therefore, the overcoming of the above mentioned deficiencies should be the priority task of the NATO awareness campaign in Ukraine in 2007.



§ 4. Priorities for implementing European integration policy of Ukraine

Ukraine and the EU are developing cooperation in a **qualitatively new political environment** based on shared values and standards, primarily, in areas of democracy, rule of law and promotion of human rights.

The underlying framework for the bilateral relationship is **Ukraine's EU accession strategy**, which acts both as an incentive to strengthen internal democratic and social and economic reforms, and as an additional consolidator of Ukrainian society.

Evaluations

Ukraine-EU political dialogue has picked up speed. On March 3, 2006 an EU-Ukraine (troika) meeting was held with the attendance of Mr. B.I. Tarasyuk, Ukraine's Foreign Minister, where participants discussed preparations for the Parliamentary elections in Ukraine at the end of month, the progress made in the negotiation process on closing agreements for simplified visa regime and re-admission, and energy security in view of the January «gas wrangle» between Ukraine and the Russian Federation.

September 14, 2006, Mr. V.F. Yanukovich visited a European Council's meeting in Brussels dedicated to the EU-Ukraine cooperation, where Prime Minister of Ukraine used the opportunity to reiterate to the EU government that Ukraine's European integration course remains unchanged, present to European high-ranking official Ukraine's new government's priority areas of action, and confirm Government of Ukraine's readiness to pursue a consistent policy in handling the Transdnisrian issue. Within the framework of this event a Pro Memoria to the Memorandum on

Cooperation in Energy Sector was signed, whereby the parties undertook to cooperate in order to raise investment for the implementation of joint energy projects.

On October 27, 2006, in Helsinki, a summit Ukraine-EU was successfully held with the attendance of Ukrainian President V.A. Yushchenko. The key outcomes of the event included: agreements to begin negotiations on establishing a European Union – Ukraine new basic treaty (NBT), called to replace the Partnership and Cooperation Agreement expiring in 2008; giving by the EU of a positive assessment to the progress made by Ukraine in fulfilling European Neighborhood Action Plan, as well as initialing of bilateral agreements on simplification of visa regime and re-admission.

In 2006, the Foreign Office ensured escalating dynamics of meetings at expert level. Accordingly, meetings EU-Ukraine (troika) on the level of political directors were held on February 6, 2006 and October 12, 2006, a meeting of Troika Ukraine-EU dedicated to OSCE and Council of Europe was held on February 16, 2006; meetings Ukraine-EU Political Security (troika) were held on April 12, October 4 and November 29, 2006; meeting Ukraine – EU Troika Working Group on Export Control issues – on April 21, 2006; meetings Ukraine – Troika EU working group on global non-proliferation and disarmament – on April 21 and September 22, 2006; while meetings Ukraine-Troika EU Working Group on issues of Eastern Europe and Central Asia (COEST) were held on April 26 and September 19, 2006.

In the course of the year, Ukraine-EU inter-parliamentary dialogue had livened up. The primary achievement to this end is approval of **the European Parliament's Resolution as of April 6, 2006, on the Parliamentary Elections in Ukraine**, whereby for the first time, inspired by the democratically administered election process, members of European Parliament called on the European Commission to begin negotiations on closing a Treaty on Association between European Communities and Ukraine as a replacement of the effective Partnership and Cooperation Treaty.

To strengthen inter-parliamentary dialogue, on November 5, 2006, a parliamentary delegation of Ukraine chaired by O.O. Moroz, Speaker of Verkhovna Rada, visited the European Parliament. During this visit, the Ukrainian met with H. Borrel, President of the European Parliament, management of the Committee on Foreign Affairs, the EP Delegation on relationship with Ukraine,

and the EP faction of socialists. The parties discussed the status of the bilateral relationships and agreed upon promotion of inter-parliamentary dialogue between Ukraine and the EU.

After a time break caused by the Parliamentary elections in Ukraine, the Committee of Ukraine-EU Parliamentary cooperation resumed its work. On November 9, 2006, in Kyiv, the Bureau of the Committee of Ukraine-EU Parliamentary Cooperation held a meeting of co-chairpersons of Ukrainian and European parts of the Committee, which has evidenced commitment of both parties to intensify inter-parliamentary interaction by increasing the number of meetings to two per year (ninth meeting of the Committee was held on February 26–27, 2007 in Kyiv and Donetsk). Also, with the active support of the Ministry of Foreign Affairs, the Ukrainian Parliamentary delegation resumed its participation (for four years in a row Ukraine had not been invited to participate) as a special guest in 36th Conference of Communities and European Affairs Committees of Parliaments of the EU Member-States, and European Parliament (COSAC), which was held on November 20–21 in Helsinki.

The dynamic political dialogue between Ukraine and the EU was **held up by Ukraine joining a number of EU declarations and statements** on regional and international issues (Ukraine became entitled to join EU statements on May 17, 2005). By the end of 2006, Ukraine had joined **799** of **856** declarations and statements of the EU, which represents over **92%** of the total (as of March 1, 2007, Ukraine has joined 854 of the total 934 statements).

These political dynamics of Ukraine-EU dialogue are a keystone underpinning long-term success on the path of Ukraine's preparation for EU membership, which must be achieved through accomplishments in the internal development of the nation. Thanks to the coordinated efforts, Ukraine is capable of reaching respective economic performance results, and reinforcing its progress in adopting European norms and standards, which eventually will ensure Ukraine's accession to the EU.

There are certainly grounds for that: on March 26, 2006, Ukraine facilitated **free and fair democratic parliamentary elections which became a milestone in relationships with the EU**. Official reports quote OSCE/ODIHR statement as regards parliamentary elections of March 26: Parliamentary elections of March 26 were held predominantly in accordance with commitments

within OSCE, Council of Europe, and other international standards of democratic elections.

The Program Statement of the Ukrainian Government states that, «According to the revised Constitution of Ukraine, in August 2006, the coalitions of Parliamentary factions formed the Government as a political body accountable to the President and Verkhovna Rada of Ukraine, supervised by and reporting to Verkhovna Rada of Ukraine». Saying that, the document fails to point to significant difficulties in implementing a new constitutional model, which subsequently led to notable problems in realizing the common internal and external policies of Ukraine after August 2006, up to the permanent confrontation of the President's and Prime Minister's branches of the executive power. Parliamentary elections were recognized as one of the key political priorities of EU-Ukraine Action plan and were fulfilled by Ukraine in full measure.

Generally, the **Action Plan** is one of the important too for realizing a qualitatively new format of partnership with the EU. In the period between January and December 2006, our country made significant progress in fulfilling agenda of the Action Plan with regard to economic and political reforms. Key directions of its implementation include: **simplified visa regime and re-admission, cross-border and customs cooperation, economic and social reforms and development, WTO accession as precondition for establishing a free trade area between Ukraine and the EU, and increase in goods turnover.**

Simplification of visa regime and re-admission. Agreement on simplification of visa regime is arguably the most notable accomplishment in Ukraine-EU relations in 2006. Ukraine became the second country after Russia to complete negotiations on the simplification of the visa regime (Moldova is at the initial stage of the negotiation process, while no talks on this topic are in progress with any other country). However, the visa agreement and agreement on readmission may be expected to come into effect no earlier than the beginning of 2008, since this must be preceded by official signing and ratification, as well as coordination of technical issues related to practical implementation.

At the time of initialing the readmission agreement, the parties succeeded in reaching consent on the 2-year transition period, shorter than solicited by Ukraine, but longer than initially sug-

gested by the EU. Previously, the Ukrainian party underscored the discriminatory nature of EU requirements to establish a one-year transition period, while in the past the Russian Federation had been granted 3 years. Eventually, a compromise was reached, whereby the Ukrainian party was given additional time to make technical infrastructural arrangements required under terms of the agreement, and to finalize negotiations and put into effect (preferably – simultaneously) readmission agreements with Russia, which will significantly reduce the likelihood of Ukraine turning into a shelter for illegal migrants from third countries.

Cross-border and Customs cooperation. Fruitful cooperation on cross-border and customs issues in the triangle Ukraine – EU – Moldova became a true success story in Ukraine-EU relations. Establishment of the EU Mission to help sort out cross-border issues between Ukraine and Moldova (December 2005) and the putting in place by Ukraine and Moldova of a new customs regime on March 3, 2006 were two first examples of successful multi-lateral cooperation under the EU aegis. However, the ultimate goal of this cooperation, i.e. settlement of the Transdnistrian problem, was not achieved. Lack of progress in this area gives rise to justified doubts about the sufficiency of efforts made by the EU together with Ukraine and Moldova to this end. The increasing role of the EU in settling the Transdnistrian problem revealed notable differences in the EU and Russia's approaches to this problem, which eventually affected the climate of Ukrainian and Russian relations.

In July 2006, to be in a better position to handle cross-border issues, the EU mission expanded its presence in Ukraine by opening an additional office in Illychivsk and setting an analytical center within the Mission's headquarters in Odessa; the staff of the Mission was increased by 40 persons, and overall EC funding was boosted by 6 million EURO.

Economic and social reforms and development. On December 30, 2005, Ukraine was recognized by the EU as a market economy (it was taken off the list of «countries with economies in transition» under EU anti-dumping legislation). In 2006, the US government gave the status of a market economy to Ukraine. On March 23, 2006, the US President signed a law revoking the amendment of Jackson-Venick. On October 25, 2006, Fitch international rating agency improved its forecast for Ukraine from

«stable» to «positive» for default rating of the issuer in foreign and national currencies.

November 10, 2006, Moody's Investors Service changed from «stable» to «positive» Ukraine's forecast for foreign and national currencies mid-term to long-term bonds rated B1 and for marginal foreign currency bank deposits rated B2. Rating forecast for marginal level of ratings for foreign currency bonds rated «Ba3» was also changed from «stable» to «positive».

Based on analysis of improved investment climate in Ukraine, the Government document states that according to findings by the World Bank survey, in 2005 Ukraine ranked tenth among European countries where registration of a business entity was least time-consuming.

WTO accession. The landmark achievement in the economic section of the Ukraine-EU Action Plan was the completion by Ukraine of internal procedures (December 13) in order to be entitled to join the WTO. Ukrainian diplomacy provided external support to the country's preparation for WTO accession: their efforts facilitated the signature in 2006 of **six bilateral protocols** with member-countries of the Working group and secured our country full political support on the part of all WTO member-countries – participants of the negotiation process.

In the period of October and November, the Government of Ukraine put forward and Verkhovna Rada approved a package of 20 draft laws that bring Ukrainian legislation in compliance with bilateral protocols, signed during negotiations between member-countries of the Working group.

However, on December 18, during a Working group's meeting in Geneva, these draft laws were not accepted for review, as most of these had been submitted to WTO management after the deadline, November 23. If the Working group discovers in the adopted laws discrepancies with the achieved agreements, the Parliament of Ukraine will need to make revisions. If the Working group's report is not approved, the decision of the WTO General Council as regards Ukraine's accession may be expected no earlier than in summer 2007.

Increase of the goods turnover. Goods turnover between Ukraine and the EU during 2006 demonstrated a clear growing tendency. However, Eurostat's data on the size of these volumes somewhat differ from those of Ukraine's Derzhcomstat (State

Statistical Committee). Thus, according to Ukraine's Derzhcomstat, the volume of foreign trade between Ukraine and EU member-states in 2005 was \$ US 21.1 bln, a 10.0% increase against 2004. Export of goods from Ukraine to EU member-states decreased by 5.9% in this period to 9.2 bln, while import of goods from EU member-states to Ukraine went up by 26.6% to reach \$ US 11.9 bln. EU member-states accounted for 29.9% of Ukraine's foreign trade.

Volume of trade with goods between Ukraine and the EU for January-September 2006 amounted to \$ US 18.48 bln. Exports grew by 14.1% (\$ US 7.84 bln), imports increased by 27.9% (\$ US 10.64 bln). Ukraine's negative balance totaled \$ US 2.8 bln. **Portion of EU member-states in Ukraine's foreign trade with goods reached 30.9%.**

According to Eurostat, in 2005, volumes of trade between Ukraine and the EU grew by 16.6% compared to 2004 and totaled 20.68 B.Euro, while in January-March 2006, the respective figure was 5.65 B.Euro, which represents a 28.9% increase compared to 2005.

Summary assessment of Ukraine-EU relations. As of early 2007, varied progress had been made in fulfilling different sections of the Action Plan. The biggest success was achieved in cooperation on international issues, whereas the least successful were efforts in areas of standardization, and in administrative and economic reforms. Scheduled activities in the most successful areas have been performed by 75–80%, while in the least successful they were completed by 20–30%.

Priorities

Successful completion of the Action Plan, primarily of its political priorities, opens opportunities for Ukraine to close a **qualitatively new document with the EU**, and domestic diplomacy is already working on it.

Thus, the most important mid-term priority for Ukraine-EU relations is signature of a new European basic treaty based on principles of integration and association between Ukraine and the EU.

Inception of formal negotiations on this topic was announced at the regular meeting of Ministers of Foreign Affairs Ukraine – EU Troika in Kyiv, on February 6, 2007.

This new treaty is called to lay a qualitatively deeper legal framework of bilateral cooperation and replace the Partnership and Cooperation Treaty, which terminates in early 2008. At this current stage parties appear to have different perceptions of some conceptual issues. Ukraine stands for fixing in the new deeper treaty of **associated relations with a view to future EU membership**, while the EU appears not prepared to grant such prospects to Ukraine.

At this point, the official title of the treaty is not yet known, since under the mandate approved by the Council of the EU on January 21, 2007, the official title of the treaty will be determined upon completion of work on its text, in accordance with the pre-agreed content of the document.

German Presidency of the EU effective January 1, 2007, is unlikely to change the situation regarding Ukraine-EU relationship. This became evident after France and a few other Western European countries had blocked informal German propositions to differentiate European Neighborhood Policy towards the closest EU neighbors as opposed to more distant ones, and make immediate neighbor-countries a privileged group (where the primary target was Ukraine), as opposed to African and Middle East neighbors of the EU.

Contents of the new Ukraine-EU treaty will have a determinative impact on Ukraine's future for the upcoming decade – since it will determine the status and algorithm of actions in the main strategic area of Ukraine's external and internal policy, i.e. European integration and transformation of Ukraine in accordance with European standards. That is why the Ukrainian side must be shaping the text of the Treaty so as to make it as close to **European agreements** as possible.

Ukraine-EU negotiations of the new treaty will not be easy and are not likely to finish by the established deadline to facilitate direct transfer from the Partnership and Cooperation Treaty (PCT) to the new Treaty exactly on the date of expiry of the former (March 2008). Together with the process of ratification, PCT negotiations may take from 2 to 3 years or more before it comes into force (the process of PCT ratification lasted almost 4 years).

So, if no decision on temporary extension of effective treaty is taken by March 2008, Ukraine and EU relations will be facing a legal vacuum, since both PCT and Action plan will have expired and the new treaty will not be ready for implementation.

Related to the first priority in Ukraine-EU relations, is the creation of a **free trade area**, a particularly important thing for Ukraine, since it may significantly expand access of Ukrainian goods and services to the EU common market. Formal negotiations on the deeper FTA under the new treaty will commence immediately after Ukraine's WTO accession. EU's conceptual approaches are strongly influenced by a «**deep free trade**» concept suggested by the Brussels Center for European Policy Studies (CEPS), the key points of which include alleviation of tariff barriers and significant steps in adoption of European law into Ukrainian legislation.

Signing an agreement on **simplification of visa regime** initiated on October 27, 2006, should become one of the important elements of a qualitatively new format of our relations with the EU. After official signature of agreements on readmission and simplification of visa regime (tentatively, in June 2007), Ukraine will have to address the task of their effective enforcement. Ukraine should get prepared for increased budget expenditures connected to fulfilling the commitments undertaken under the agreement, particularly, as regards arranging new receiving points to temporarily keep foreign citizens, sent back to Ukrainian territory.

Insofar as the visa agreement is concerned, Ukraine should be prepared to confront attempts by some EU countries to limit applicability of the Agreement, or freely interpret some of its clauses; as well as to curb possible abuses of the new opportunities by Ukrainian citizens. Although this agreement will not imply cancellation of the visa regime for Ukrainian citizens, it will certainly serve as an important step to this end. **Our goal is to create a genuine visa-free regime between Ukraine and the EU, and ensure that our citizens can travel unimpeded.** To achieve that, Ukraine should study the best practices of Romania and Bulgaria, who in the past had successfully dealt with the problem and were taken out from the EU «visa list». Elements of greatest importance in this policy must be measures of political and legal arrangement of Ukraine's borderlines with Russia, Belarus and Moldova, development of border infrastructure, enhanced measures to combat penetration into Ukrainian territory of illegal migrants from third countries, anti-trafficking efforts and fighting cross-border crime, improvement of passport preparation

practices in accordance with European standards, and meeting requirements provided for by the EU readmission agreement.

Action Plan will also need revisions, depending on the progress of its fulfillment and considering the prospects of moving on to new contractual and legal relations.

For the sake of the achievement of qualitative progress in relations with the EU with the purpose of integration into the EU internal market and raising in the mid-term period the question of Ukraine's eligibility for EU membership, Ukraine will be better off if it focuses on implementation of systemic reforms in those areas where progress has been modest thus far, including: **fight against corruption, standardization, entrepreneurship and government procurement policy, justice and internal affairs, transport and energy sectors.**

Fulfillment of the Ukraine-EU Action Plan, Ukraine's accession to WTO, initiation of negotiations on establishing free trade area with the EU and negotiations on closing a new basic European treaty on principles of integration and association with EU make up **a mid-term roadmap of our country's European integration course.** Its successful realization, and signature and progress in enforcement of the European agreement on association, pave the way to further negotiations on joining the EU by means of submitting application for membership.

§ 5. Ukraine-Russia relations – seeking a strategy for relations with Russian Federation

Clearly, strong Ukrainian-Russian relations are of critical importance for Ukraine, as they affect and to a certain extent shape its present day and future fundamental and vitally important interests. Therefore, quite natural is the need for development of an effective external policy towards the Russian Federation, finding methodological fundamentals for outlining an optimal model of Ukraine-Russia relations which would ensure Ukraine's secure existence and development as an independent sovereign state. Meanwhile, it is important to remember that asymmetry is the principal characteristic of Ukraine-Russia rapports, where Russia dominates Ukraine by virtually all major parameters. Inequality, imbalance and disparity appear to be inherent in the relationship between Ukraine and the Russian Federation.

The imbalance is particularly notable in the area of trade and economic relations. While Russia contributes almost 30% to Ukraine's trade and foreign economic relations, Ukraine's part in Russia's turnover of goods is only 6%. Disparity in relations between the two countries is an attribute of both economic and foreign economic interests. While Ukraine pursues primarily its economic interests in relationship with the Russian Federation, Russia tends to realize its geopolitical and geostrategical interests. This asymmetry is first of all revealed through disparity of the two states' pretensions to their place and role on the international scene.

It is common knowledge that the place of any state in the hierarchy of international relations is an outcome of two major inputs: scale of its interests or ambitions, and availability of required resources to accommodate these interests. A resulting effect of

these two inputs is the expansion of states' influence over certain areas: a sub region, a region, a continent or globally. It is well-known that controlling a certain area, exercising interests in it, organizing political power and implementing political will are the categories of geopolitics. Hence, it is geopolitical interests that become determinant where a country wishes to occupy leading positions in the hierarchy of international relations. Russia is no exception to this rule. Geopolitical interests have always driven Russia's foreign policy. Geopolitical interests do so for present day Russia.

Ukrainian and Russian relations go far beyond bilateral international relations, and therefore they are critically important both for Ukraine's foreign policy, and for its future. The influence exerted by Russia on Ukraine does not fit into the format of foreign policy, due to its total and systemic nature. On the other hand, trends inherent for domestic policy and development of society in Ukraine to a certain extent reproduce Russia in Ukraine, reinstate Russian genetic legacy manifested in the body and features of the Ukrainian state and Ukrainian people, if they can be recognized as such. Therefore, Russia plays the roles of both external and internal factors in shaping and pursuing Ukraine's foreign policy. It is this discourse that forces a look at the topic in three main aspects: world outlook (conceptual), internal policy and international.

Conceptual approach

Conceptual approach indicates what place Russia takes in shaping the state organization of Ukraine as a subject of foreign policy, what role Russia plays in determining Ukraine's place within the world's framework and in international processes. In this sense, Russia acts as the main criterion in the self-identification of Ukraine as a state and as to people residing on its territory. In this frame of reference of Ukraine's self-identification towards Russia, one may find a few versions all of which are to a certain extent present in Ukraine and deployed by various segments of Ukrainian political elite.

First version. Ukraine is identical to Russia. They are a single whole. Followers of this version try to support it by denying the

existence of the Ukrainian nation as such, ignoring ethnical or cultural differences between Ukrainians and Russians, and by recognizing common Slavic roots, common Orthodox Christian religion, common Russian language and other things. However, the mere availability of two names serves evidence of the existence in this unity of the whole and of the part. Hence here arises a question, who is the whole and who is its part; or in other words, who is the center, and who is a periphery; who is senior and who is junior, and whether a part reports to the whole or the whole reports to the part?

As a result of answers to the set questions we may offer several generalized modifications of this first version. Some of them include:

- 1) Russia is a past part of a future Ukraine;
- 2) Ukraine is a part of Russia;
- 3) Ukraine is a past part of Russia;
- 4) Ukraine is a past and future part of Russia.

First modification is based on a retrospective, a wish to reconstruct the past along the line Kyiv Rus – Ukraine: Moscow Princedom – Russia, which makes no sense at all.

Second modification is alive in the perceptions of a prevailing majority of Russians and a great portion of Russian-speaking Ukrainians. This paradigm rules out the existence of a foreign policy of Ukraine in principle, and the existence of a Ukrainian state generally. Maximum possible for such a paradigm is a perception of Ukraine's foreign policy as a specific form of exercising Russian interests in the international environment (e.g. Ukraine's UN membership prior to 1990). This paradigm is still present in certain perceptions of Ukraine by the West.

Third modification is where Ukraine is «a part» of Russia in «past and future». This is the desired scenario for Russian foreign policy. Moreover, it is pre-established in the strategic course of the Russian Federation and is offered for acceptance by the worldwide community as a particular development prospect for Ukraine. The strengths of such a modification include the fact that it enables recognition of the formal existence of a sovereign and independent Ukraine, only however, as a temporary phenomenon that came into being as a result of accidental coincidence. In other words, according to this modified version, a Ukrainian state

exists by virtue of accident, not as a result of historic regularities. That is why the Ukrainian state is a temporary and unviable phenomenon, because Ukraine cannot survive in the world as an independent subject of international relations not being supported by the bulk of «Mother Russia». Any foreign policy of this temporary subject of international relations must be under strict supervision of its guarantor, Russia.

Under this modification, Ukraine must build its foreign policy exclusively around reintegration, meaning, going back to a common Russian social, energy, economic, legal, Ruble, political and defense space. European and North-Atlantic integration of Ukraine is regarded as utterly undesirable, albeit possible theoretically, but only in a case where it will take place jointly with Russia.

Second version: Ukraine is not Russia. This version points at differences between Ukraine and Russia and denies belonging to a single whole. This version was used in the external policy of L. Kuchma, and was manifested in its multi-vector or double-vector nature. This multi-vector policy served evidence of notable differences and facilitated separation of Ukraine from Russia by means of finding various partners or balance in relations with the West and Russia. This policy led to the soft isolationism of Ukraine and did not stipulate genuine integration neither with Russia, nor with the West. Meanwhile, such a foreign policy failed to secure a future for Ukraine, since it left unanswered questions as: what is Ukraine like and what should it be like in future, if it is not Russia. Is not the answer to this question, likewise to the prospect, given by the third version?

Third version: Ukraine is a part of Europe. This is the version that gives satisfactory explanation of Ukraine's position in the international framework and opens up prospects for development of the state built on European democratic values.

Representation of Ukraine as part of political and economic Europe in relations with the Russian Federation, gives it tremendous preferences and allows, on the one hand, the removal of the whole set of Russia's geopolitical encroachments, and on the other – considerably boosts economic cooperation.

Russian policy towards Ukraine

In this conceptual context of the views of Russia's political elite on Ukraine's place in the system of that country's national interests and ways of their realization, one could formulate a few key theses that would contour present-day and future Russian policy towards Ukraine.

First. The outlook of the high-ranking elite is dominated by the first version, according to which as previously, Ukraine keeps being perceived as a Russian province, which happened to gain temporary independence, and whose sovereignty is extremely weak and hopeless. Based on this perception, this elite tends to build Ukraine-Russia relations as an integration project, the ultimate goal of which is to return Ukraine into the domain of Russia's statehood and society either in the long-term, or, possibly, in the mid-term period, by means of diluting Ukraine's state sovereignty and restricting its independence. The elite do not recognize big differences between Ukrainian and Russian societies. This view is based on a commonality of historical and ethnical roots of the two Slav peoples, common religion and to very recently belonging to the «Soviet people» as a community¹.

Ethnical distinctions and differences in mindsets of Russians and Ukrainians must be leveled off by means of adapting Ukrainian society to the Russian social and spiritual landscape. Therefore, the main frame of reference in which Ukraine finds itself, in the view of this Russian elite, is **internal systemic asymmetric connections**. Hence, the vision that Ukraine must be the object of largely internal, rather than external policy of Russia is very understandable. Moreover, the Russian elite will build relations with Ukraine as those between the center and periphery, perceiving Ukraine as a Russian province, and, consequently, exporting stereotypes of Russia's relations with its regions, to Russia's relations with Ukraine.

Second. Russian elite in power recognizes that Ukraine's sovereignty in the short-term will remain the reality to put up with. Based on this reality, the model of «limited sovereignty» of

¹ *Trenin D.* The end of Eurasia: Russia on the border between geopolitics and globalization. – Carnegie Endowment for International Peace Washington, D.C., 2002. – P. 80.

Ukraine appears to them the most optimal and acceptable for realization of Russia's national interests. This model would accept the existence of a sovereign Ukraine in this historical period. However, this sovereignty should not go beyond Russian national interests, even less so to impede their realization. In other words, this is a type of sovereignty restricted by Russian interests. This model was repeatedly vocalized in theses about Ukraine being an exclusive area of Russia's vital interests. «Restrictedness» allows to a certain extent Ukraine's independence in its foreign relations, especially in its relations with NATO and the EU. However, this independence should comply with Russia's foreign policy course. This means, that the foreign policy of Ukraine must be coordinated with Russian foreign offices and remain under manual control with main levers being in the hands of the Kremlin.

Third. Realization of the model of «**limited sovereignty**» requires creation of the whole **system of control over external and internal policies of Ukraine**. Primary tools of control would include creation of various integration unions like Single Economic Space (SES), DKB, Union of Russia and Belarus and formation with their help of a common economic, currency, political, legal, defense, informational, linguistic, social and cultural «realm» with Russia. Konstantin Zatulin, Director of CIS Institute offers other mechanisms of the Kremlin's control over foreign and internal policies of Ukraine: democratization of Ukraine by means of decentralization (obviously, implying disintegration – P.G.), and federalization; recognition of Russian language as the official language; retention of most believers within the Orthodox Church of Moscow Patriarchy, i.e. preservation of the unity of parishioners of the two countries. Moreover, K.Zatulin regards these mechanisms as guarantee and precondition of the genuine friendship, cooperation and partnership between Russia and Ukraine.

Fourth. Ways of realization of the model of «limited sovereignty» stipulate establishment of a vertical and horizontal system of influence on decision-making in foreign policy and managing internal political processes in Ukraine. This requires, first of all, making up a list of the most suitable agents of influence, the

² *Zatulin K.* Battle for Ukraine: what to do? // *Russia in Global Policy*. – Vol. 1. – № 1, January-February, 2005. – C. 80.

so-called «providers» of Russian interests in Ukraine. Such providers may include: political forces, business elites, representatives of regional elites within high-ranking government bodies and other actors, who: first, are influential both within the system of government bodies, and in the society; second, support Russian integration projects; third, may combine their own interests with Russian interests.

Therefore, Russia's treatment of Ukraine is based on an internal policy-related approach. This approach emphasizes Russia's capability, as opposed to other neighbors, to formulate in Ukraine a powerful Russia-oriented environment. Main prerequisites of the capability include both the greatness of Russia and the expansionist-like nature of its policy, and the regionalization of Ukraine. Regionalization may be an advantage and simultaneously a weakness. In the case of Ukraine this is clearly a weakness, since we are dealing with geopolitical regionalism where two parts of Ukraine almost equal in size have opposite vectors of geopolitical focus. Moreover, these differences have a systemic nature, as they manifest themselves in all areas of social life. These systemic variations were confirmed by the results of Presidential (2004) and Parliamentary (2006) elections and the Orange Revolution in Ukraine. These systemic distinctions may serve as additional confirmation of a thesis by S. Huntington about civilization break of Ukraine. However, it does not at all mean that these distinctions are irreparable, or that they lead to a conflict or confrontation between these two large parts of Ukraine, or that these parts may not peacefully co-exist within the borders of one country. Unfortunately, in the years of Ukraine's independence, these distinctions have not become less visible. The extent of these distinctions is big enough to build two principally different models of development of the society, and the domestic and foreign policies of Ukraine.

In this context, Russia is strongly tempted to instigate a «Little Russia» project as a future prospect for Ukraine. This project has quite well-established historical traditions, dating back to times when the left-bank part of Ukraine belonged to the Russian Empire and was part of the Soviet Union later on. Therefore, economic base, social structure and mentality of the population of this part of Ukraine was shaping in accordance with the needs of the Russian and then Soviet Empires. It is likely that Russia will succeed in this part of Ukraine with the implementation of various reintegration

scenarios, such as engaging Ukraine to the Belarus-Russia Union, or having it merged with the common economic, political, legal and defense space. The scenario of Ukraine's fragmentation under which Eastern and South-Eastern regions would split off and reintegrate into Russia also deserves some attention. This policy may be pursued with the help of such means as a roll-out of a large-scale campaign to protect compatriots and the Russian-speaking population of Ukraine, advocate federalism or autonomy, promote internal opposition to European and North-Atlantic democratic course of the country, attempts to set up pro-Russian parties in Ukraine, and give Russian language official status.

To what extent were these strategic objectives of Russia realized in its relations with Ukraine in 2006? The most significant geopolitical success of Russia in the Ukrainian direction in 2006 was the formation of the Russian-oriented «anti-crisis» coalition in Verkhovna Rada of Ukraine, and blocking by Yanukovich's Government of the Euro-Atlantic course of Ukraine. Obviously, the «anti-crisis» coalition in the Ukrainian parliament is well-suited to play the role of providers of Russian geopolitical interests. It has already proved a capability to do that, having rolled out an anti-NATO propaganda campaign in Ukraine, and running anti-NATO actions, aimed at discrediting Ukraine's Euro-Atlantic course. Examples of these acts include:

- Provocation facilitated by communists and the Party of Regions' representative in Feodosiya against American-Ukrainian «Sea Breeze» military exercises;
- Organization of the anti-NATO referendum in Crimea;
- At the initiative of the Party of Regions, declaration of territories free from NATO by Eastern Ukraine oblast councils;
- Attempts of Yanukovich's government and communist factions to have Verkhovna Rada approve draft legislation ruling out Ukraine's membership in NATO;
- Prime Minister Yanukovich's resistance to having Ukraine join the Action Plan for NATO membership, and his other steps fully in line with Russia's objectives to disrupt Ukraine's Euro-Atlantic and European integration projects.

All these appear quite logical considering how very anxious Russia is not to lose its power over Ukraine. As was clearly stated in the Concept of Ukraine-Russian Federation Relations: «...Ukraine's aspiration to join European Union (EU) and NATO, and its desire to

as quickly as possible access the World Trade Organization (WTO) present serious challenges for the Russian Federation».

Another of Russia's important strategic achievements in 2006 is the revision by V. Yanukovich of Ukraine's position – consistent until this year – as regards the terms of the stationing of the Russian Black Sea Fleet on the territory of Ukraine, and his assumptions that the stationing may be extended well beyond 2017 on terms benefiting both parties³.

This position of the Ukrainian government has significantly strengthened Russia's possibilities of retaining navigation-hydrographic surveillance facilities and of resolving in its favor other problems, caused by the stationing of its Fleet on the territory of Ukraine.

The attempt to synchronize Ukraine's WTO accession with Russia appeared to be not so successful. Representatives of both governments had repeatedly vocalized intentions to this end⁴. O. Moroz, Ukraine Parliament Speaker, also discussed this question during the visit to Moscow on October 12–13, 2006. The synchronization of WTO accession for the Russian side obviously pursued two objectives: to gain additional time to convince Ukraine join the SES, and deprive Ukraine of WTO levers to influence Russia's trade policy.

However, in December 2006 Ukrainian Parliament did adopt the last 13 laws required for Ukraine's accession to WTO. But delays with the review of Ukraine's application for WTO membership in 2007 may result in Ukraine and Russia's concurrent accession to WTO. Russia's tentative date of accession is end of 2007.

Year 2006 also saw the failure of another project aimed at integration of Ukraine into SES. SES was actually created specifically to avert Ukraine from moving towards the EU. Ukraine's joining SES would demonstrate, first, the declarative nature of Ukraine's Europe-integration course, and second, would lead to setting up such structural and functional mechanisms, as currency and customs unions, which would make Ukraine's membership with the EU impossible both in the near and in the distant future.

³ Yanukovich: Ukraine would be better off if Black Sea Russian Fleet continued using some of the objects after 2017 / UNIAN. – 2.11.2006. 18:07.

⁴ WTO Moscow time / Pershodzhereo 26.10.2006 12:15.

In April 2006, Russia, Belarus and Kazakhstan announced they were ready to make up a full-scale Single Economic Space, having signed 38 founding documents, which did not provide for integration at different speed. Ukraine is ready to sign only 11 agreements related to free trade area. However, it is the vision of other participants that joining the UES begins with entering the customs union with these states, which would make European integration impossible for Ukraine even in as small an extent as in the form of a Free Trade Area with the EU. Notwithstanding, during his visit to Sochi at the EuroAZES summit on August 16, 2006, Prime Minister Yanukovich confirmed Ukraine's desire to integrate into the SES negotiation process⁵. Meanwhile, Ukraine's weaker prospects of future EU membership, observed in the second half of 2006, have significantly curbed Russia's desire to integrate Ukraine to SES.

So, termination of Ukraine's advance to NATO, as declared by V. Yanukovich and the Parliament's anti-crisis coalition, and the SES integration are two effective mechanisms of Ukraine's isolation from Europe and realization of Russian reintegration projects.

Another organization used by Russia to retain Ukraine in the post-Soviet geopolitical space is CIS. In this sense, as was demonstrated by the meeting of the Council of Foreign Ministers (April 2006), the meeting of the Council of Chairs of Governments (May 2006), and the meeting of the Council of Heads of CIS States (November 2006), Russia succeeded in blocking Ukraine's economic initiatives and gradually orient the organization towards social and humanitarian and ideological aspects of multilateral relations.

The language issue appears to be an important factor in the ideological battle, and one of the most powerful tools of Russia's reintegration policy towards Ukraine. Russia's attempts of 2006 to impose the official status of Russian language in Ukraine were observed all year long. Thus, the Information Department of Russia's MFA in March 2006, supported a decision of Kharkiv city council to give the status of the regional tongue to the Russian language, and expressed hope that similar decisions would be adopted in the rest of Ukraine's regions. «Upon results of the latest survey, in the East of the country, 93% of respon-

⁵ Azarov: Ukraine has fallen out of negotiation process on CES // «Ukrainian Monitor». – Weekly. – № 40. – 2006. Facts and Comments. 25.09.06–30.09.06.

dents believe it is important to recognize Russian as the official language and only 6% of respondents disagreed. In Ukraine's South, 80% of population have supported the idea of giving official status to the Russian language»⁶.

Ukraine's MFA regarded this statement as a sample of undisguised interference in the country's internal affairs and recognized as illegal and provocative the calls to give «special status» to Russian language in certain regions of this country. The agency urged the Russian side to cease any political speculations with language issues and return to the constructive inter-state dialogue on the basis of good neighborhood and non-intervention in internal affairs⁷.

Notwithstanding, if we look at the pre-election commitments of the «anti-crisis coalition» leaders, the language factor remains an effective lever of Russia's influence on internal policy in Ukraine. S.Lavrov, Russia's Minister of Foreign Affairs reminded everyone during his visit to Kyiv in November 2006, that it was ever so crucial to meet the Russian-speaking population's desire to «live, think and work in their native language».

It is important to note, that while building a system of influence on foreign and domestic policies of Ukraine, prior to 2002 the Kremlin put the largest stake on communists, who were regarded as the greatest advocates of Russia's interests; after 2002 the stake was made on President Kuchma's Administration, Headed by V. Medvedchuk and the related clannish oligarchic group. To date, main components of the vertical of Russian influence on Ukraine is the Government of V.Yanukovich, with the large portion of ministers in this or in other ways having strong ties with Russian business interests, and «anti-crisis» coalition in Verkhovna Rada of Ukraine. Communist faction and the Party of Regions in the «anti-crisis» coalition serve the driving force in promoting Russian interests. It was the Party of Regions that put forth requirements to establish federalism in Ukraine, grant official status to the Russian language and fully engage with the SES.

A religious project, represented by Moscow Patriarch and his Orthodox organizations in Ukraine appeared to be quite a good channel of horizontal influence. In the course of 2006, Moscow

⁶ www. PRAVDA. com.ua. 22.03.2006, 10:33.

⁷ MFA of Ukraine calls Russia to cease all political speculations with regard to language issues // Ukraine and the World. – 2006. – March 24.

Patriarch took an active part in the anti-NATO campaigns, anti-presidential acts and parliamentary elections.

This project is likely to remain one of the key projects in the realization of Russia's reintegration policy towards Ukraine well into 2007. The project, particularly, states that two equally important prerequisites for permitting Ukraine to mine oil and gas in Russia would be: (i) creation of a gas transit consortium, and (ii) have Kyiv give up the idea of the creation of a «Ukrainian local church and recognize for Ukraine the single «Russian Orthodox Church, the integral part of which is Ukrainian Orthodox Church», and to title Moscow Patriarch as the Patriarch of Moscow and Kyiv and Entire Rus», which would reinforce spiritual unity» of the two people⁸.

Attempts to establish horizontal channels of influence by means of constructing political projects related to the creation of public movements during the pre-election campaign in Ukraine in 2006, failed. However, in the opinions of many experts, Moscow believes that «it makes sense to maintain active cooperation with parties controlled and subsidized by Russian sources, particularly: representatives of the opposition bloc «NE TAK!», bloc of N.Vitrenko «People's Opposition», election bloc of political parties «For the Union», Communist Party of Ukraine, «Party of Putin's Policy», and the «Party of Patriotic Forces of Ukraine»... This would enable the setting up of a sustainable pro-Russian coalition and as a result, would achieve the desired influence on the situation in Ukraine in favor of Russia»⁹.

The Kremlin seemed to be especially active in building horizontal channels of influence in 2006, through cooperative connections of Russian business elites with Ukrainian business corporations, and officials in Ukraine's government. Of all channels of economic influence, the focus was made on Donetsk and other clannish-oligarchic groups, primarily from the East and South of Ukraine, having business interests in Russia. Particularly helpful in this respect were gas and oil supply from Russia via the company «RosUkrEnergo» and other Russian business entities.

⁸ *Frolov K.* Putin makes a historical proposal to Ukraine / KM.ru. – 2007. – February 5.

⁹ Parliamentary Elections in Ukraine against the Backdrop of 2006 Political Crisis (Analytical Review) // Guliay-pole. www. 20.02.2006.

Economic factors of influence also dominated Russia-Ukraine relations in 2006. The so-called «gas factor» ranked first by importance; in early 2006, Russia even called it «the gas war». This gas conflict demonstrated that OJSC «Gazprom» was ready to firmly stand for both the economic and political interests of Russia as they were formulated by the Russian government», as the address of the President Yushenko to Verkhovna Rada has it.

Certainly, with help of this conflict, Russia displayed its «muscles» to Europe and demonstrated its intention to play the leading geopolitical role in European affairs. The Ukrainian context of this big geopolitical gas game was chosen because through this behavior Moscow intended to boost the rating of political forces, which during the pre-election campaign declared them in opposition and were most loyal to Russia. In the international arena, it was an attempt to undermine the reputation of Ukraine in the eyes of the European community as a reliable route of Russian gas transit to Europe. From the standpoint of economic interests, Russia wanted to exert pressure on Ukraine in order to gain control over Ukrainian gas transit pipeline.

Trade wars became the second most important factor of economic pressure on Ukraine. Trade wars happened in the form of a partial ban and restriction of import into Russia of Ukrainian cheeses and meat and dairy produce. Ostensibly, the ban was related both to economic interests and to political intentions of Russia to impact on the course of internal political situations in the period of parliamentary elections in Ukraine. Other means of running Russia's trade wars with Ukraine in 2006 was the sponsorship of special and antidumping investigations against Ukrainian goods, obstructions to their free movement and introduction of transit tariffs and regimes.

Economic strategy employed by Russia vis-à-vis Ukraine had a clear geopolitical and geoeconomical coloring. It was aimed at achieving a few strategic goals, particularly:

- forcefully stimulate Ukraine's engagement into Russian reintegration projects;
- as much as possible force out Ukrainian producers from the Russian market;
- gain control over gas transit pipeline of Ukraine and other strategically important segments of Ukraine's economy by encouraging expansion of Russian corporation and private companies, politically loyal to the Kremlin.

- complete regional reintegration by exercising control over political and economic situations in Eastern and Southern regions of Ukraine.

The investment expansion of large Russian business groups was supposed to play the leading role in achieving these goals in 2006. Key areas of expansion by Russian business groups included, primarily, strategic sectors of Ukraine's economy, such as non-ferrous metallurgy, petrochemical, telecommunications, machine-building, power and gas complex. Thus, Russian companies control four of Ukraine's six largest oil refineries (Kremenchuk, Lysichansk, Kherson, and Odessa). Companies «Alyans», «TNK-BP», «Lukoil» and «Tatnafta» dominate Ukraine's market of oil products. Ukrainian refineries process raw material shipped from Russia.

Russian investors control non-ferrous metallurgy. In black metallurgy, Russian corporations control Ingulets and Pivdenny ore mining and processing plants, as well as a large segment of scrap metal. Merger between Industrial Union of Donbass and «Severstal» is likely to become a key step towards absorption of Ukrainian production.

In machine-building, Russian car-makers are purchasing Ukrainian Completely-Knocked-Down and Medium-Knocked-Down assembly facilities. Ukrainian aircraft-building appears to be of particular interest for Russia, especially Antonov Design Bureau, which, due to the completion of construction of an aircraft building corporation, must consolidate a significant portion of assets of Russian aircraft industry.

In the telecom sector of Ukraine, Russians own big packages of shares in leading domestic mobile operators. MTS controls UMC, while «Alfa» owns controlling stakes in Kyivstar (43.4%) and «Golden Telecom» (43.6%).

Russian investors control major parts of the Ukrainian dairy sector. Through offshore companies, corporate Russia controls a big chunk of assets in the power sector and gas complex. Seven Ukrainian Oblenergo's power generation and distribution companies are under their full control.

Overall, Russians control the major portion of Ukrainian telecommunication, non-ferrous metallurgy, oil refining, and a third of the dairy sector. However, according to official data, the portion of Russia in total investments in Ukraine's economy is under 6%. This is evidence of the shady and politicized nature of

Russian capital's expansion. Moreover, this expansion is done on the regional principle. Russian investments are concentrated largely in Eastern and Southern regions of Ukraine. Particularly, in Crimea, 50% of all investment was contributed by Russian capitalists. In 2005, Southern and Eastern oblasts received a total of \$ US 227 mln of investment, while Central and Western oblasts of Ukraine – \$ US 167 mln, which fully corresponds to the economic and political interests of Russia¹⁰.

Ukraine's policy towards Russia

In 2006, Ukraine demonstrated two external policies towards Russian Federation.

First model of policy was dominating in the first six months of 2006 under the Government of Yekhanurov. The main problem faced by this Government in relations with Russia was about being perceived by the Kremlin as «orange government» and therefore not worthy of trustful relations. At that time the Kremlin tended to have more liking for the opposition, which was associated by Moscow primarily with the Party of Regions. The «Orange» government and the President of Ukraine attempted to pose Ukraine against Russia as a part of political and economic Europe.

Building its relations with the Russian Federation on the international scene, Ukraine sustained its strategic foreign policy priorities, related first of all, to ensuring its accession to EU and NATO, and to interests of social and economic development of Ukraine. Political dialogue with Moscow, led by Ukrainian diplomacy, consistently stood for the national interests of the country and shared EU views at the democratic development and handling gas conflict with Russia. Doing that, the Ukrainian side made every effort to avoid excessive ideological bias and to build its relations on a pragmatic basis.

Political objectives included strengthening state sovereignty, specifically: demarcation of overland and completion of delimitation of sea borders between Ukraine and Russia, and settlement of controversial issues of the temporary stationing of the Russian Black Sea Fleet on the territory of Ukraine. Ukraine's involve-

¹⁰ Ukraine: Strategic priorities. Analytical assessments – 2006. – K.: NISD, 2006. – P. 487.

ment in Russian reintegration projects, such as SES and CIS was acceptable as far as it did not intervene with the implementation of the course towards European and Euro-Atlantic integration.

In the realm of economy, Yekhanurov's government needed to handle the negative consequences of Russian economic pressure, gas and trade wars, seeking compromise with Russia, primarily, in corporate interests. But for Russia, geopolitical interests were more important than economic ones in relations with Ukraine. Therefore, the first half of the year was characterized by aggravation of relations with Russia; the most painful issues included: transfer to Ukraine of lighthouses under management of the RF Black Sea Fleet, another encroachment by Russia' Duma Deputies to the Crimea and announcement of these people «persona non-grata» by Ukraine, rejection of Ukrainian suggestions regarding reform of CIS, and pushing Ukraine to recognize official status of the Russian language.

It's not by accident that with the «anti-crisis» coalition coming to power, and Yanukovich's government formation, Russia resumed the realization of its geopolitical interests with additional vigor. The vision of Yanukovich and his «anti-crisis coalition» of Ukraine's foreign policy was based on an assumption that Ukraine is part of Russia. Therefore, all foreign policy vectors of Ukraine are closely intertwined based on priorities and interests of the Russian Federation. This vision of foreign policy priorities is brought about by both external and internal factors, specifically, by corporate interests of Donetsk business elite and constituency of the Party of Regions.

Second half of 2006 demonstrated that the foreign policy of Yanukovich overrides the genuine political interests of Ukraine, related to state sovereignty and economic interests, including corporate. Key component of Yanukovich's policy is to gain economic preferences from Russia in the form of cheap energy resources and increase volumes of trade on both sides. For the sake of these economic preferences, Yanukovich's government and «anti-crisis» coalition are ready to make geopolitical and political concessions to Russia, including refusal of NATO membership and of regional leadership, giving up development of GUAM and Baltic and Black Sea Cooperation, reversing democratic standards in foreign policy, retreating from the demarcation of land and the delimitation of sea borders between Ukraine and Russia. Yanukovich's government and «anti-crisis» coalition are ready to recognize the European integration of Ukraine as a part of a large geopolitical project of

Russia, discuss extension of the RF Black Sea Fleet stationing in Ukraine after 2017, and coordinate the foreign policy activity of Ukraine with the Foreign Office of Russia in accordance with its interests. They agree to embrace membership in SES, recognize the official status of the Russian language and support on the highest government level activity of Moscow Patriarchy in Ukraine, tolerate demarches of pro-Russian separatist forces in Crimea and in the East of Ukraine, give Russia access to participate in management of Ukraine's gas transit pipeline, play the role of Russia's satellite in geopolitical and military-political rivalry between Russia and the West, specifically, USA, including: issues of location of American elements of PRO or gas problems, and ready to make many other geopolitical and geo-economical concessions. However, the Yanukovich government is not prepared to give these all at once. First they want to receive huge economic preferences.

It is important to note that in response to a demonstration of this readiness, Russia did make some economic concessions in the second half the 2006. A truce was announced in trade wars. In October 2006, governments of Russia and Ukraine agreed to maintain the practice of holding preliminary consultations prior to introduction of limitations in trade. Governments also resumed their practice of signing annual protocols about volumes of oil and gas supplies to Ukraine. Parties decided to continue work on having grids of CIS countries and the Baltic States integrated with the European UCTE. Ukraine and Russia's governments also agreed to resume export of electricity to the grid of Moldova. In addition, Russia made a commitment to increase the volume of crude oil supplied to Ukrainian refineries.

Overall, efforts of Yekhanurov and Yanukovich Governments in 2006 succeeded in improving dynamics of trade relations between Ukraine and Russia. According to Derzhcomstat, the volume of trade in goods and services between Ukraine and RF was worth \$ US 26.18 bln, a 12% increase against 2005. Meanwhile, total exports grew by 17% and reached \$ US 11.79 bln, while RF imports increased by 8.4% and totaled \$ US 14.39 bln.

In the area of foreign policy, Ukraine's major accomplishments in 2006 in relations with the Russian Federation include agreements between Putin and Yushchenko, reached in Astana on January 10–11, to take under Presidents' control the most complicated issues of Ukrainian and Russian relations, and resume work

of the Yuschenko-Putin Interstate commission. Both Presidents included into their «roadmaps» issues of bilateral relations that needed to be addressed urgently. These are the following:

- signature of agreement between Cabinet of Ministers of Ukraine and Russia's government on the procedure of crossing state borders in the frontier areas.
- begin operations of the Joint commission on demarcation of overland part of Russian-Ukrainian border;
- boost negotiation process on Kerch strait and sign agreement on delimitation of border in the Azov and Black Seas;
- close bilateral treaties on readmission and simplified procedures of acquisition and termination of citizenship;
- settlement of outstanding issues of the stationing of Black Sea on the territory of Ukraine.

Following the meeting in Astana on January 11, 2006, President of Ukraine V.Yushchenko stated that bilateral Ukrainian-Russian relations became «more understandable, predictable, more transparent and mutually beneficial». In the course of 2006, the issue of simplified crossing of state border in frontier areas was completely settled and the President gave order to sign a bilateral agreement on readmission, which was done on December 22, 2006. As for the Black Sea Fleet, even though the Russian side formally agreed to take inventory, it made all possible efforts to put it off. Overall, by the end of 2006, still outstanding were 132 unregulated cases on usage of land-plots, nearly 170 – on real estate used by the RF Black Sea Fleet, and the issues of transfer to Ukraine of radio frequencies and navigational facilities.

The parties did not make any progress on settlement of issues of demarcation of overland and delimitation of sea borders in the Azov and Black Sea and in Kerch strait.

Accomplishments of both countries in the normalization of Ukraine-Russian relations undoubtedly include the beginning of the work of the Ukrainian-Russian interstate commission «Yuschenko-Putin». On October 24, the first meeting of the Committee on economic cooperation chaired by heads of governments of Ukraine and RF was successfully held; on November 8 – the first meeting of the Subcommittee on international cooperation chaired by Foreign Ministers of Ukraine and RF; on December 1 – the first meeting of the subcommittee on humanitarian issues, and on December 7 – the first meeting of the subcommittee on security issues.

In the course of the year, three meetings of the subcommittee on issues of functioning of RF Black Sea Fleet and its stationing in Ukraine were held. As a result of their work the parties signed the Program of interregional and cross-border cooperation for the period until 2010 and Steps towards its implementation, as well as a number of other working documents. Work was begun to bring operations of the RF Black Sea Fleet into compliance with the closed agreements and legislation of our country.

The most important event in Ukraine-Russian relations was the convening on December 22, of the first joint meeting of the Commission chaired by presidents of both countries during the working visit to Ukraine of the Russian President V.V. Putin. The course of the meeting and its results enabled the removing of tension in bilateral relations, the achieving of certain progress in the settlement of a number of sensitive issues and the laying of a reliable foundation for further expansion and the deepening of rapport between Russian and Ukraine. It was agreed to continue work on determining the role and goal of strategic partnership between the two nations, their formalization in the Declaration on the content of Ukraine-Russia strategic partnership, and Ukraine-Russia action plan for 2007–2008. By this document, heads of both states determined the list of 20 high priority objectives of cooperation between Ukraine and Russia. The first block includes: completion of delimitation of sea-running portions of interstate border and demarcation of overland border, and closure of agreement on the Kersh Strait.

President of Ukraine included in the second block the issue of stay of the Russia's Black Sea Fleet on the territory of Ukraine. These issues concern land usage, real estate, radio frequencies and navigation.

A separate block is composed of issues of economic cooperation in the sectors of aviation, fuel and energy, humanitarian sector, international cooperation and others. Basic interest for both parties in this block is transport and tariff policy, implementation of joint high-tech projects and formation of a free trade area present particular.

The presented analysis of the status of Ukraine-Russia relations enables us to state that Russia may present both significant opportunities for cooperation and colossal threats for the future of Ukraine. Vital interests are tied to the present and future of the country.

So, it's quite natural that there is a need to prepare an effective foreign policy strategy towards the Russian Federation, which would ensure the safe existence and development of Ukraine as an independent sovereign state.

The Foreign policy strategy of Ukraine towards Russian Federation

Taking into consideration that the principal essential feature of Ukraine-Russia relations is their asymmetry, foreign policy of Ukraine nowadays has to be founded on an asymmetric strategy, which would enable our country to pursue its national interests and develop mutually beneficially relations with Russian Federation. Therefore, the asymmetric strategy needs to give answer to the question: how can Ukraine survive immune to these threats, and at the same time benefit from the huge opportunities of cooperation with Russia?

This strategy should be developed taking into consideration principles and specifics of asymmetry in bilateral relations. Central element in this strategy needs to be recognition of Ukraine's national interests in relations with the Russian Federation in economic, cultural, geopolitical and military areas. Another important aspect of the strategy is to determine short-term, mid-term and long-term goals and objectives, accomplishment of which would make realization of Ukraine's national interests possible. Third element (fundamental for the strategy) is to determine ways of accomplishing the said goals. The fourth element should determine tools and resources needed to achieve these goals.

The highest priority strategic interest of Ukraine vis-a-vis Russia is a stable supply of Russian energy carriers and expansion of exports of Ukrainian industrial and agricultural produce to Russian markets.

In the area of industrial cooperation, strategic interests of Ukraine stem from the same needs as Russia's: the need for supply of Russian parts and components for Ukrainian industrial goods, non-existence of certain types of industrial production in Ukraine, need for Russian customers and investments in industrial production.

However, realization of strategic interests of Ukraine in the area of industrial cooperation in the mid-term and long-term period will be limited by the following factors: Russia shifting to

closed production cycles, setting up by Russia of production facilities to substitute Ukrainian goods, low technological nature of Russian industrial produce, small capacity of Russian market for certain Ukrainian goods.

Generally, strategic interests of Ukraine in bilateral economic relations in short-term, mid-term and long-term perspectives will be challenged by two principal things:

1. Relatively small portion of Ukraine's goods in the foreign trade turnover of the Russian Federation (6–7 %).
2. Domination of geopolitical and geostrategical interests of Russia.

The dominant nature of geopolitical and geostrategical interests of Russia allows it to disregard its economic interests and use economic levers of influence on Ukraine for the sake of the first. This situation severely narrows down opportunities of economic cooperation between the two countries and restricts realization of economic interests of Ukraine in Ukraine-Russian relations.

Main vitally important geopolitical interests of Russia towards Ukraine include:

1. Restoration of the Ancient Rus Eastern-Slavic space as the core of Russian state and establishment of full control over it. Establishment of such control over this space, with Ukraine right in the middle of it, would immensely strengthen the foreign policy influence of Russia as the «great» nation on the whole European continent. As a matter of fact, it may mean that Ukraine would turn into the «place of arms» for Russian influence.

2. Establishing control over resource potential of Ukraine, which would strengthen the sustainability of Russia and reinforce its status as one of the most powerful centers of influence in the multi-polar world.

3. Bolstering, at the cost of Ukraine, of Russia's transport and communication ties with Europe that should become an important element of geopolitical might of the Russian state.

The core of the geopolitical interest in the RF foreign policy requires it to recognize that its economic interests, connected to transport communications, labor, mineral and industrial resources have the largest geopolitical significance. It is through these geopolitical and geoeconomical means that the Russian Federation would approach the realization of its strategic and economic interests in Ukraine.

However, the **largest differences** in the strategic interests of Ukraine and Russia are forecast in the **area of foreign policy**. They are an outcome of the formation after the 2004 Orange Revolution of the systemic contradiction between Ukraine and the Russian Federation, which is about the establishing in these two countries of two principally distinctive types of political regime – a democratic regime in Ukraine, and an authoritative one in Russia.

Existence of a democratic Ukraine is a natural challenge to Russia which gives preference to authoritative imperial values. That's why, trying to get rid of this challenge, Russia will pursue the policy aimed at discrediting and knocking down the democratic regime in Ukraine.

Realization of this particular mix of strategic, geopolitical, political and geoeconomical interests of Russia generates threats to Ukraine's national security.

These threats include:

1. Interference with Ukraine's domestic policy.
2. Discredit of democratic regime and constitutional set-up in Ukraine.
3. Limiting national sovereignty and independence of the country.
4. Encroachments to territorial integrity and inviolability of Ukraine's borders.
5. Liquidation of Ukrainian statehood, which according to O.Dugin, will always strike «a terrible blow on Russia's geopolitical security».
6. Establishing by Russian Federation of control over strategic businesses, resources and transportation communication, and foreign and defense policies of Ukraine.

Considering the above mentioned mix of strategic interests of Ukraine and the Russian Federation, as well as threats and challenges brought about by discrepancies between and clashes of these interests, **the ultimate goal of the asymmetric strategy of foreign policy of Ukraine** in relations with Russian Federation should be:

1. **Neutralization of threats and challenges to Ukraine's national security posed by the Russian Federation.**
2. **Expansion of possibilities of economic cooperation between the two countries and reduction of the field of Russia's geopolitical perspectives towards Ukraine.**

The asymmetric strategy was selected because of the following conditions:

- Russian Federation's manifold superiority in forces and resources;
- disparity of interests, goals and values;
- ineffective means of realization of own interests;
- Ukraine and Russia's standing on different levels of hierarchy of international relations.

Defense asymmetric strategy should be chosen as top priority among asymmetric strategies.

Its top priority status is explained by the following:

- significant advantage of the Russian Federation in terms of forces and resources;
- dominating standing of the Russian Federation in the system of bilateral Ukraine-Russian relations and in CIS regions, as well as its great importance on the international scene;
- aggressive foreign policy of Russia, that entails imposition on Ukraine of political will and interests of the Russian Federation.

The Main objective of defense asymmetry of Ukraine's strategy is the protection, sustaining and realization of the national interests of Ukraine, and achievement of certain advantages in the environment of the aggressive policy of the Russian Federation and imbalance and disparity in relations between the two countries.

Defense asymmetric strategy of Ukraine should be based on the following key principles:

1. Decrease extent of vulnerability.
2. Mitigate negative consequences of Russia's actions towards Ukraine.
3. Resist intentions to damage national interests of Ukraine and its national security.
4. Bring advantages of the Russian Federation to a minimum and achieve parity of interests of the two countries by means of indirect actions with application of non-power means.

Decrease extent of vulnerability. Pursuit of this principle must be focused on neutralization of the disastrous impact of internal factors that weaken the unity of Ukraine, its economic, social, political and cultural potential.

Economic factors, that cause such negative impact include:

- dependence on Russia's energy resources and economy;
- shadow nature of the Ukrainian economy;
- shady and politically biased operations of Russian capital

in Ukraine.

Negative influence of these factors may be neutralized by achieving the following.

1. Diversification of sources of energy supply to Ukraine
2. Finding and production of alternative energy resources.
3. Introduction of energy saving technologies.
4. Construction in Ukraine of alternative oil refineries and power generation capacities free from control by Russia
5. Introduction of closed cycles of production of strategically important produce.
6. Structural overhaul of industries in Eastern and South-Eastern regions of Ukraine, and diversification of their sales markets.
7. De-politicization, de-shadowization, decriminalization of Russian capital in Ukraine.
8. De-shadowization of Ukraine's economy.
9. Fight with graft on all levels of public administration in Ukraine.

Political factors that contribute to Ukraine's vulnerability include:

- clannish and oligarchic nature of the political regime in Ukraine;
- regionalization of political forces in the country, which is next to manifestations of separatism. Political forces nurtured by regional interests may be easily reincorporated into the domain of interests of neighboring countries, since these forces are likely to recognize only as secondary the importance of the all-Ukrainian and national interests. In his respect, Russia has huge opportunities, through regional and territorial cooperation, to reincorporate regional elites of Eastern and South-Eastern regions of Ukraine into the field of its interests, or advocate its interests through representatives of these regions to the central bodies of public administration of Ukraine;
- availability of old Soviet nomenclature in most government bodies in the country.

The negative impact of these factors may be neutralized by completion of the following strategically important objectives of internal policy:

1. Eliminate clans and oligarch-centered groups as subjects of political process in the country.
2. Combat political extremism.
3. Neutralize manifestations of reincorporation of regional elites into Russian foreign policy and economic interests.
4. Fight demonstration of separatism, and eradicate preconditions for its reemergence.
5. Bring up a new generation of national elite and have it substitute old Soviet nomenclature on all levels of government power in Ukraine.

The following spiritual factors may be recognized as increasing Ukraine's sensitivity to outside influences:

- artificially boosted controversial situation with language, where the Russian language is promoted to be given official status, which in a political sense will mean weakening one of the key attributes of Ukrainian statehood;
- deep deformation in the mindset of Ukrainians, which brought about problems with their own ethnical, cultural and civil self-identification;
- domination of Russia in Ukraine's informational and cultural space;
- split of Ukrainian Orthodox church and political activity of Moscow Patriarchy of UOC, aimed at the promotion of foreign policy interests of the Russian Federation;
- lack of an all-national ideology.

Reduced vulnerability to these factors in the spiritual field may be achieved by resolving the following strategically important objectives of cultural and informational policy:

1. Full-scale realization of the status of the Ukrainian language as the formal language throughout the territory of Ukraine with simultaneous creation of conditions for functioning of languages of ethnical minorities in regions of their compact residence.
2. Make information policy in Ukraine commensurate with the ethnical composition of the country's population.
3. Protect Ukraine's information space from Russian information expansion.

4. Produce in Ukraine high-quality Ukrainian information products.

5. Overcome deep-enrooted cultural and mindset differences between residents of Western and Eastern regions of Ukraine.

6. Eradicate remnants of Soviet and Russian Empire identification of Ukraine's population.

7. With citizens of the country, shape a new mentality built on the basis of a European project with the Ukrainian language and cultural nucleus, which would give Ukraine possibility of identifying itself as a self-sufficient part of civilized modern Europe.

8. Establish a single local Ukrainian orthodox church.

9. Depoliticize Moscow Patriarchy of Ukrainian Orthodox church in Ukraine.

10. Shape and pursue on the government level in Ukraine the all-national ideology, built on European democratic values, national traditions, symbols and ideas.

Principle of minimization of negative consequences of the Russian Federation's actions towards Ukraine will be realized by means of the following:

1. Closely monitor developments in the most important areas of Russia-Ukraine relations.

2. Forecast possible scenarios of development of key trends in Ukraine-Russia relations and their influence on the situation in Ukraine.

3. Develop and introduce preventive measures, which would help minimize likely negative impacts of the Russian Federation's actions towards Ukraine.

4. Form a highly professional government of Ukraine.

5. Increase domestic market capacity.

6. Build capacities to redesign industrial production to facilitate output of other goods

7. Diversify foreign trade partners.

8. Prepare well for smaller volumes of trade or the ceasing of supplies from the Russian Federation, which would be achieved through:

a) accumulation of domestic resources;

b) substitution of suppliers;

b) reorientation of trade to other countries.

By orientation, Ukraine's asymmetric strategy must be positive, i.e. built on deployment of its own benefits.

Application of negative asymmetric strategy in relations with Russian Federation appears counterproductive and fraught with risks for Ukraine's national interests. Negative asymmetric strategy may be acceptable only in humanitarian information areas in conditions of ideological and information opposition. Negative asymmetric strategy towards Russian Federation may be applied only on a limited scale, due to the following factors:

- Ukraine intends to have friendly good-neighbor relations with the Russian Federation;
- Ukraine's opportunities to influence the economy and internal situation of Russian Federation are limited;
- Russia is much less dependant on Ukraine in the system of interdependence of the two countries. Moreover, the government of the Russian Federation attempts to further diminish this minimal dependency by shifting the economy to the closed production cycle and substituting Ukrainian suppliers with international market suppliers.

Key components of a positive asymmetric strategy of Ukraine must include:

First, usage of civilization benefits of Ukraine that will enable shifting bilateral relations to the plane «Ukraine is the leader, Russia is outsider»;

Second, deployment of geopolitical and geo-economics advantages;

Third, benefiting from demographic advantages;

Fourth, capturing niches of technological development and production, as well as market segments where Ukraine has bigger potential opportunities than the Russian Federation.

Civilization nearness to Europe gives Ukraine a unique chance to correct a frame of reference for shaping its identity from the formula «Ukraine is not Russia» to the formula «Ukraine is an integral part of Europe». Representation of Ukraine as part of political and economic Europe in relations with the Russian Federation gives it colossal preferences and enables it to remove the whole mix of geopolitical ambitions of Russia on the one hand, and on the other, to considerably strengthen the potential for economic cooperation.

Located at the cross-road of geopolitical interests of Western, Northern, Eastern and Southern countries, Ukraine has huge opportunities to vary the said interests, and consequently, find

partners and allies, and promote its own interests in all four directions, gaining the status of the regional leader to be taken into account by the Russian Federation.

Geopolitical advantages are complemented by geo-economic benefits. Bordering with the EU and Russia, Ukraine should use its location to become both a trade and economic bridge between these two powers, and a corridor through which Western capital will flow into Russia and all post-Soviet terrain.

Key areas where Ukraine may take benefits from its geopolitical advantages include:

1. Development of transport communications.
2. Creation of an enabling investment environment for both foreign and local capital.

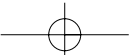
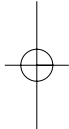
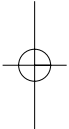
Geopolitical benefits should be used to implement a new economic model of relations between Ukraine and the West, and Ukraine and Russia according to the formula: **«Import technologies, investment, living standards and democracy from the West, and cooperate with Russia as a sale market for Ukraine's agricultural and industrial products and a source of imported energy and raw material».**

A separate target strategy must be developed to capture niches of technological development in the sales markets. This strategy should be aimed at attaining leading positions in narrow segments of industrial production and Hi-Tech development, where Ukraine, having concentrated its not so lavish intellectual and economic resources, could offer Russia most attractive and long-term projects for economic cooperation. This relates first of all to agribusiness, space and missile sector and machine-building industries.

A target mix of asymmetric strategies should be prepared for separate areas of relations with the Russian Federation, adjusted to their specifics. These may include, primarily, economic relations, defense and security.

CHAPTER III

UKRAINE IN THE SYSTEM OF BILATERAL INTERNATIONAL RELATIONS



§ 1. Ukraine and bilateral relations with the leading European countries

Active policy of Ukraine in bilateral relations with leading European countries is a precondition for implementation of Ukraine's strategic policy line aimed at European and Euro-Atlantic integration. Major goal of bilateral relations policy is to make sure that Ukraine is perceived as European identity state and promote mutually beneficial cooperation.

Ukraine – Great Britain

Political dialogue. Current status of Ukraine-British relations is characterized by rather high level of mutual understanding, specifically on the issues of Euro integration policy line of Ukraine and development of interaction in political, economic, military, and cultural areas.

Extremely fruitful 15 year experience of Ukraine-British cooperation, high level of mutual understanding between Ukraine and Great Britain, and similarity of approaches to top priority problems of contemporary world serve as a solid ground to consider our bilateral relations as special partnership relations.

Great Britain is invariable in its positive assessment of consistency and predictability of Ukraine's foreign policy, and views Ukraine as a key state called to play an important role in maintaining European security.

Great Britain treats with understanding Ukraine's position regarding the importance to receive a clear political signal from the EU supporting Ukraine's aspirations to join the European Union. Great Britain sets a high value and confirms its readiness to facilitate preparation of a qualitatively new agreement between

Ukraine and the EU called to replace current Agreement on Partnership and Cooperation.

Great Britain actively demonstrates its positive attitude and supports Ukraine's cooperation with NATO within the framework of «Partnership for Peace», Charter on Special Partnership, and Intensified Dialogue. At the same time, much attention is paid to the fulfillment of bilateral program of Ukraine-British cooperation in military and political areas.

Official contacts. On May 4, 2006, within the framework of a working visit of President V. Yuschenko to Lithuania, the Minister of Foreign Affairs of Ukraine, B. I. Tarasyuk, met with the Minister of State for Europe, Mr. Alexander. The parties discussed the issues on Great Britain's support of Ukraine's efforts to join NATO and the EU.

On March 9, 2006, Special Envoy of the President of Ukraine, First Deputy Minister of Foreign Affairs of Ukraine, Mr. A.D. Buteyko, visited Great Britain. He handed over to the British party President Yuschenko's message regarding the support of the initiative related to signing of the Action Plan on Ukraine's accession to NATO.

The year 2007 in Ukraine-British relations started with the meeting of the Prime Minister of Ukraine, V. Yanukovych, with the Prime Minister of Great Britain, Tony Blair, within the framework of World Economic Forum in Davos (January 27).

Trade and economic cooperation. Based on the results of the year 2006, the volume of foreign trade between Ukraine and Great Britain increased 35.5 % and totaled \$ US 1.941 bln.. The volume of Ukrainian export to Great Britain increased by 18.2 % and totaled \$ US 778.2 mln. In its turn, import of British products into Ukraine increased by 50.2 % and totaled \$ US 1.163 bln. Negative balance totaled \$ US 384.3 mln.

Great Britain occupies a prominent place among the countries that invest in Ukrainian economy. As of October 1, 2006, Great Britain ranked 4th among 118 investor-states by the volume of direct investment in Ukraine – \$ US 1520.2 mln. (of 7.6% of total investment volume). Over January-September 2006, British investments in Ukraine totaled \$ US 350.3 mln. (or 11.4 % of total investment volume).

As of October 1, 2006, Ukrainian investments in the economy of Great Britain totaled \$ US 13.880 mln., or 6 % of total

Ukrainian investment abroad. Great Britain ranks 5th place after Russia (\$ US 110.2 mln.), Poland (\$ US 22.4 mln.), Panama (\$ US 18.9 mln.), and Vietnam (\$ US 15.9 mln.) by the volume of Ukrainian investments in world economies.

Cultural and humanitarian cooperation. Cultural and humanitarian cooperation between Ukraine and Great Britain is governed by the Agreement on cooperation in the areas of education, science, and culture (concluded on February 10, 1993 between the Government of Ukraine and the Government of Great Britain and Northern Ireland). In the United Kingdom, the British Council is responsible for international cultural ties.

Ukraine and its culture are continuously in the focus of attention of British society. This is evidenced by a high level of representation of Ukraine's cultural potential in the United Kingdom: annual tours of Odesa State Academic Theatre of Opera and Ballet, State Choral Kapelle after Revutskoho, numerous artistic and photo exhibitions, permanent exposition of Ukrainian cultural heritage in the British Museum and Somerset House, ever increasing publications about Ukraine, etc.

Bilateral cooperation between Ukraine and Great Britain was also carried out in the form of mutual participation in festivals and youth exchange programs. On April 20 – 27, 2006, Kyiv hosted the Third International Music Festival after Benjamin Britten. Young musicians from Ukraine and Great Britain participated in this festival.

Representatives of Royal Opera House (Covent Garden) took part in the 6th International Ballet Contest after Serge Lefar held in Kyiv on April 2–9, 2006.

In July 2006, musicians from Kyiv, Dnipropetrovsk, and Kharkiv participated in international music festival (Llangollen International Musical Eisteddfod) held in Llangollen (Wales). The same month, at the annual Peterborough festival Ukraine was represented by Vinnytsa city youth center for artistic and choreographic education «Barvinok».

Active cooperation between Ukraine and Great Britain was observed in the area of education. Due to successful implementation of higher education reform and Great Britain's accession to Bologna process, the prestige of British higher education institution has been steadily growing. The year 2006 was characterized by both increase of Ukrainian students studying in Great Britain and

intensification of bilateral relations between Ukrainian and British higher education.

In 2006, direct contacts between Ukrainian and British educational institutions became more active. Among other, these institutions include London Metropolitan University and National Academy of State Management under the President of Ukraine, as well as legal department of Kyiv-Mohyla Academy and three British colleges.

Partnership contacts are maintained between North-London University and Kyiv National University after T. Shevchenko, De Montfort University and Sevastopol State Technical University and State University «Lvivska Polytekhnikha».

In 2006, to promote the development of Ukraine-British relations in the area of education, the following Ukrainian students' fellowships were acting in Great Britain: Ukrainian students' union, association of CIS students, Ukrainian students' community of London University, students' communities of Cambridge and Oxford Universities.

Important educational events in 2006, among other things, include Global Seminar «Support of Youth Intellectual Development» held on January 9–11 in London and attended by representatives from 65 countries and 15 Ministers of Education.

Currently, Ukrainian cultural life in Great Britain requires proper planning and state support through Ukrainian cultural and information center in London. The establishment of such center would be an important mechanism for effective cooperation.

Ukraine – Germany

Political dialogue. Political changes in Ukraine, openness of new Ukrainian power, its readiness to a meaningful dialogue created positive conditions for taking Ukraine-German relations to a qualitatively new level. It is obvious, that sustainable and effective cooperation between the states is impossible without substantial common interests.

Over the year 2006 Ukraine's relations with Germany were characterized by constructive nature and mutual interest in further development of cooperation in such priority areas as construction, energy sector, and public utility sector (one of pilot

projects is related to modernization of public utility infrastructure of Alchevsk city).

Considering these relations in general European context, it is worth emphasizing that democratic development of Ukraine and development of modern economy are inseparably associated with the establishment of European democratic values. Currently Ukraine seems to have better understanding of this factor. Interparliamentary cooperation also has exceptional value for the development of Ukraine-German relations. Respective parliamentary groups have been created in the Parliaments of both Ukraine and Germany.

Success of Euro integration policy line of Ukraine greatly depends on whether it can rely on support of such key players as Germany on European political scene (especially in the context of Germany's chairmanship in the EU and G8).

Official contacts. In October 2006, the President of Ukraine, V. Yuschenko, had a short working visit to Germany. An important result of this visit was determination of major activity areas of Ukraine-German High Level Group on economic issues.

Second working visit of President Yuschenko (February 8–10, 2007) became an important event in terms of vitalization of dialogue on the highest level between Ukraine and Germany. Within the framework of this visit President Yuschenko met with Federal Chancellor of Germany, Angela Merkel.

In October 2005, Kyiv hosted the regular meeting of bilateral high level group on economic issues. During this meeting the parties defined priorities and perspectives of further cooperation, as well as specific projects in top priority areas.

As a result of joint efforts, Ukraine and Germany created effective mechanisms of political, trade, economic, military and technical cooperation, as well as facilitated convergence of Ukrainian and German societies through cultural and humanitarian exchange programs. The agreement has been reached to hold the 6th Ukraine-German political consultations on the highest level in the second half of the year 2007 after the expiration of German's chairmanship in the European Union.

Trade and economic cooperation. Currently Germany is our primary economic partner in Europe and the leading investor of Ukrainian economy (29.9% of total foreign investment volume).

Ukraine and Germany established a solid legal framework of bilateral relations that includes 53 documents of international legal nature (of these, 37 documents are interstate and intergovernmental agreements). Germany has a good understanding of the role of Ukraine as that of an important contributor to European security and promising trade and investment partner. Current Ukraine-German relations are characterized by a high level of interaction in resolution of important international problems. Specifically, this refers to Germany's support of Ukraine in such principal issues as accession to the WTO.

New quality of bilateral relations will make it possible, on the one hand, to optimize bilateral cooperation in such important areas as receipt of targeted financial and technical assistance for implementation of reforms, simplification of visa requirement, conclusion of bilateral agreement on social security, etc. On the other hand it will facilitate the creation of favorable conditions for German and other foreign investors, harmonization of Ukrainian legislation with EU legal framework, as well as generate new opportunities for implementation of joint large scale projects.

Cultural and humanitarian cooperation. Democratic transformations in Ukrainian society preconditioned significant increase of the Germans' interest in Ukraine and stimulated cooperation in humanitarian area. Ukraine received interesting proposals to implement in the near future joint large scale cultural projects (including those under the patronage of state leaders). It is planned to establish the Ukrainian information and cultural center in Berlin. Thus, a solid foundation for the development of perspective mutually beneficial cooperation has been laid.

Common interests, Germany's role as that of a guide to European integration, important role of Ukraine in East-European region make it reasonable to believe that under current conditions Ukraine-German relations can be transformed into those of «European partnership».

Ukraine – France

Political dialogue. During 2006, bilateral relations with the Republic of France developed in accordance with the «Road Map of Ukraine-French Relations» signed on November 11, 2005 in Kyiv by the Ministers of Foreign Affairs, Mr. Borys Tarasyuk and Mr. Philippe Douste-Blazi upon the instruction of the Presidents V. Yuschenko and J. Chiraque. This document stipulates the following:

- Intensification of political dialogue;
- Measures aimed at supporting the reforms in Ukraine and Ukraine's integration into the European Union;
- Strengthening of economic cooperation;
- Cooperation in the area of security, justice and internal affairs, as well as in the area of culture and science.

Activities aimed at the implementation of the above «Road Map» include visits on the level of Ministers of Defense, Ministers of Internal Affairs, Secretaries of National Security Council of both countries, establishment of cooperation and trust-based dialogue on the issues of internal and international security, fighting terrorism, organized crime, and illegal migration.

Official contacts. On October 19–20, 2006, the Minister of Foreign Affairs of Ukraine, Mr. B. Tarasyuk, visited France and held negotiations with the Minister of Foreign Affairs of France, Mr. Philippe Douste-Blazi and the Secretary General for National Defense of France Mr. Francis Delon. Mr. Tarasyuk also met with the Chairman of the «France-Ukraine» Friendship Group of the French Senate, Jean-Pierre Placade, and the Chairman of the Friendship Group of the French National Assembly, Thierry Mariani. Mr. B. Tarasyuk handed out Ukrainian state awards – «Order of Merit» of second degree to the Chairman of the «France-Ukraine» Friendship Group of the French Senate, Jean-Pierre Placade, and the President of NATO Parliamentary Assembly, Mr. Pierre Lellouche.

On February 2, 2006, the First Deputy Minister of Foreign Affairs of Ukraine, Mr. A. Buteyko, held consultations with diplomatic advisor to the President of France, Mr. Maurice Gourdault-Montaigne, advisor on European issues to the Prime Minister of France, Mr. Pascal Andriani, and Secretary General of the

Ministry of Foreign Affairs of France, Mr. Jean – Pierre Lafon. The parties discussed the issues related to Ukraine's cooperation with the EU and NATO. On November 9, 2006, political consultations between the First Deputy Minister of Foreign Affairs of Ukraine, V. S. Ohryzko, and Secretary General of the French Foreign Ministry, Philippe Faure, were held in Paris.

On November 30, 2005, the colloquium «Ukraine and France: Vision of Future European Development» was held at the National Assembly of France. On May 26, 2006, the dialogue was continued within the framework of the meeting of NATO Parliamentary Assembly held in Paris when the Minister of Foreign Affairs of Ukraine, B.I. Tarasyuk, met with the President of NATO Parliamentary Assembly, Mr. Pierre Lellouche, and members of French delegation in the Assembly, as well as members of the «France-Ukraine» Friendship Group of the French Senate and French National Assembly.

On May 31, 2006, the colloquium «European Prospect of Ukraine» was held in the French Senate under the auspices of the Institute «France-Europe-Asia».

Regular contacts of Ukrainian and French parliamentarians within the framework of permanent delegations of Ukraine and France in the Parliamentary Assembly of the Council of Europe, NATO and Western European Union Assemblies.

On June 4 – 7, 2006, Border Police Director, Eric Le Doiron, visited Ukraine. The visit was aimed at familiarizing with the activity of Ukrainian border guard service, identifying the areas of competence and establishment of personal contact. During this visit the agreement on further cooperation (specifically, the next meeting of the heads of border guard agencies in May 2007) has been reached.

Trade and economic cooperation. According to the State Statistics Committee of Ukraine, since the year 2000 trade volume between Ukraine and France has almost doubled (195% increase). In 2006, total trade volume reached \$ US 1.5 bln.

Cooperation in agricultural area was established within the framework of Ukraine-French agricultural club that includes entrepreneurs and representative of respective ministries from both Ukraine and France (the meetings of this club were held in Paris and Kyiv in November 2005 and January 2006 accordingly). Cooperation in transport area is carried out within the framework

of the «Road Map of Ukraine-French Relations». On January 18–19, 2007, the Minister of Transport and Communications, M.M. Rudkovsky, visited France. During this visit the parties signed an administrative agreement between the Ministry of Transport and Communications of Ukraine and French Ministry for Infrastructure, Transport, and Housing.

Ukraine and France initiated cooperation on fighting fakes and protection of consumer rights. In March 2006, the program for prospective cooperation areas has been signed between State Committee of Ukraine on Technical Regulation and Consumer Policy and French Association for Standardization.

Ukraine – Italy

Political dialogue. Development of bilateral relations with Italy, which is one of the most influential members of global community and one of the most industrially developed countries in the world, contributes towards strengthening of international positions of Ukraine (specifically, on European political scene).

In 2006, the intensity of high level political dialogue between Ukraine and Italy somewhat decreased. This trend resulted from practically simultaneous parliamentary elections in both countries (March in Ukraine and April in Italy), as well as replacement of ruling coalition in Italy and election of a new President of the Italian Republic (May 2006). Despite the above, over the year 2006 a series of steps was taken to deepen Ukraine-Italian relations in a various areas.

Official contacts. ON February 10, 2006, the First Deputy Minister of Foreign Affairs of Ukraine, A. Buteyko, visited Italy and held negotiations with Italian officials on deepening Ukraine's cooperation with NATO. On March 30–31, 2006, the Minister of Foreign Affairs of Ukraine, B. Tatasjuk, visited Rome and took part in the 30th Congress of European People's Party. During this visit Mr. Tarasyuk met with Chairman of the Italian Parliament's Chamber of Deputies, Pier Ferdinando Casini, and discussed the status and perspectives for the development of Ukraine-Italian relations. In February 2006, the Minister of Agrarian Policy of Ukraine, S. Baranivsky, Vice Prime Minister of Ukraine, V.A. Kyrylenko, and Minister for Family,

Youth, and Sports, Y.O. Pavlenko, visited Italy to participate in the opening of the 20th Winter Olympic Games in Turin. In addition, the Minister of Culture and Tourism of Ukraine, I.D. Likhovy, and the Minister of Transport and Communications, M.M. Rudkovsky, visited Italy in June and October 2006.

Trade and economic cooperation. Over the last years Italy remains one of the major trade and economic partners of Ukraine and ranks third by Ukraine's trade volume with the world countries. In its turn, Ukraine ranks second by Italy's trade turnover with CIS countries. Since 1995, trade volume between Ukraine and Italy has been growing annually (except the year 1999, when there was a decline from \$ US 1.23 bln. in 1998 to \$ US 736 mln). According to the data of the State Statistics Committee of Ukraine, over the year 2006 the trade turnover between Ukraine and Italy increased by 74% compared to the previous year and totaled \$ US 4 bln. (export – \$ US 2.5 bln, which is 32% higher compared to January-November 2005, and import – \$ US 1.5 bln., which is 42% higher compared to the same period). Positive balance of trade – \$ US 1 bln.

As of October 1, 2006, Italy invested in Ukrainian economy just \$ US 126.1 mln, that constitutes a mere 0.6 % of the total volume of foreign investments in Ukraine. As of today, 378 enterprises with Italian investments have been registered in Ukraine, while only 3 enterprises with Ukrainian investment effectively operate in Italy. By investment volume Italy ranks only 13th among 112 investor states.

In February 2006, Kyiv hosted the 6th meeting of Ukraine-Italian Council on the issues of trade, industrial, and financial cooperation. During negotiations the Italian party confirmed its positive attitude to Euro integration aspirations of Ukraine, as well as Italy's intent to promote Ukraine's accession to global economic structures, including WTO.

Ukraine and Italy actively develop interregional cooperation. Direct relations have been established between Lombardy and Dnipropetrovsk Oblast, Liguria and Odesa Oblast, Emilia-Romania and Kharkiv Oblast.

Cultural and humanitarian cooperation. Ukraine-Italian cooperation in cultural and humanitarian areas is characterized by traditional dynamism. Over the year 2006, the most important events in this area included: participation of Ukrainian teams in

the 20th Winter Olympic Games (February 2006 p.), Paralympic Games (March 2006) and Special Youth European Olympic Games (September – October 2006). During these games Ukrainian athletes won a lot of awards.

It is also important to mention the performance of Ukrainian orchestra «Kyiv-Classic» at 15th international festival «Mittelfest» (July 2006); performance of the National Academic Theater of Opera and Ballet after T. Shevchenko at Genoa Opera Theater «Carlo Felice», Municipal theater of the city of Luca, and Piacenza Opera Theater (January 2006); second festival of Ukrainian folk art «Hilka Kalyny» (February 2006) with participation of Ukrainian National Orchestra of Folk Instruments; opening of the theater after Evheniya Borysenko (under National Dancing Academy in Rome).

A large Ukrainian Diaspora (that significantly increased over the last years) is an important factor in Ukraine-Italian relations. It predetermines the need for higher attention to protection of cultural and ethnic rights of Ukrainians. This is why priorities of Ukraine's bilateral cooperation with Italy include institutional support to the protection of rights and interests of Ukrainian citizens that live and work in Italy.

Ukraine – Poland

Political dialogue. As generally known, Poland was the first to recognize the independence of Ukraine. The agreement on friendship, neighborliness, and cooperation between Ukraine and Poland was concluded during the first official visit of the President of Ukraine to Poland in May 1992. Relations on the level of strategic partnership between Ukraine and Poland were fixed in a joint statement «Towards Understanding and Unity» signed during the visit of the President of Polish Republic to Ukraine on May 20–22, 1997.

The experience and support of Poland on Ukraine's way to European and Euro-Atlantic integration is really invaluable. Polish initiative (put forward in January 2003) regarding the development of «Eastern dimension» of the EU policy (that would include the concept of special relations with Ukraine) can serve as a vivid example of such support. Poland's proposals envisaged the

need to clearly identify Ukraine's perspectives regarding EU membership, as well as immediate recognition of Ukraine as market economy state. In addition, Poland proposed to create within EU framework the European fund for democracy in order to support NGOs in Ukraine, Belarus, Moldova, and Russia. It also proposed to establish the European program of scholarships to support students' exchange programs, and European traineeship program to promote the exchange of graduates and young specialists. Poland also proposed to support programs and departments for European integration at Ukrainian universities and create European investment fund for Eastern European countries to support SME development. Both Poland and Ukraine hoped that new «Eastern dimension» would become an integral component of the EU policy. However, Poland's proposals failed to receive required support with European Union institutions¹.

Current cooperation between Poland and Ukraine pursues an ambitious goal – to bring Europe back to its historic borders and overcome the split-up of European continent inherent to the second half of the 20th century. Poland's accession to the European Union creates a new reality for Ukraine: for the first time leading EU members include the country that clearly declares its support of Ukraine's policy line aimed at EU membership. Therefore, the conditions for lobbying Ukraine's interests and positions at EU decision-making centers significantly improved.

In its turn, Poland receives a real chance to realize its leadership potential within the framework of expanded European Union, as well as propose and assert its own vision of unified Europe as the community which potential territory is not limited by Western Bug borders. Poland's accession to the European Union (if it is successful) will strengthen the positions of those European forces that view Ukraine as a prospective EU member.

Ukraine is interested that Poland's integration into the European Union becomes a success story of expansion paradigm, that complications related to the integration of such big country are minimal, and consequences of integration into common eco-

¹ *Zhovkla I.I.* Strategic partnership of Ukraine. Theory and Practice / Edited by Academician of National Academy of Science, Doctor of Technical Sciences V.P. Horbulin. – Kyiv: DP «NVT» «EuroAtlanticInform», 2006. – P. 116.

conomic and social space of the European Union are as positive as possible. Both prospects of further EU expansion and Poland's capacity to effectively lobby this policy depend on the success of the above mentioned efforts.

New opportunities require the use of new instruments for Ukraine-Polish cooperation. Significant modernization of both structure and substance of Ukraine-Polish dialogue is required to effectively use current situation.

In the context of current trends, cooperation aimed at securing Ukraine's compliance with the first of Copenhagen criteria of EU membership (i. e. «political criteria») tends to be of principal importance. This criterion envisages securing the stability of democratic institutions, protection of human rights, and rule of law. A key thesis of Ukraine-Polish political dialogue is acknowledgement of the fact that only democratic Ukraine can actually use the benefits resulting from participation in European integration processes.

Ukraine and Poland do not focus on a bilateral dialogue only. Poland tries to engage Ukraine in multilateral initiatives like Vishegrad Group and Weimar Triangle.

Preservation of Trans-Atlantic unity and elimination of contradictions that emerged between USA and certain Western European countries corresponds to the national interests of both Poland and Ukraine.

The year 2006 was characterized by stable and dynamic political dialogue between the two countries. However, despite intensive contacts between Ukrainian and Polish presidents, political relations between the two countries were not deprived of superficially and asymmetry. Bilateral relations are too dependant upon mutual relations of high officials, they are built «form the above» and often lack day-to-day cooperation on the so-called middle level. Cooperation on intergovernmental and inter-parliamentary levels not always corresponds to the standards of real strategic partnership. Bilateral relations lack direct communication between government experts, institutions, and departments responsible for the development of political decisions based on mutual interests².

² «Ukraine and Poland - Strategic Partnership in a New Europe»: Final document of the international conference held on January 23–24, 2004 in

Implementation of strategic partnership between Ukraine and Poland is carried out through a system of institutional mechanisms. These mechanisms include: Consultative Committee of the Presidents of Ukraine and Poland, Commission on economic cooperation, Ukraine-Polish conference on European integration, Interstate coordination council on interregional cooperation, annual Ukraine-Polish economic forum, and Parliamentary assembly of Ukraine and Poland.

Consultative Committee of the Presidents of Ukraine and Poland (created in 1993)³. During these meetings various issues of bilateral relations were discussed, specifically: cooperation on development and protection of state borders; organization of trans-border traffic; cooperation of various border guard units; principles for the use of trans-boarder railway and automobile traffic and other transport infrastructure; cooperation of Ukrainian and Polish law enforcement agencies; exchange of information and experience on organization of joint projects on fighting international crime; trans-border cooperation between Polish voivodships and Ukrainian local administrations in the area of economy, culture, and environmental protection⁴.

Polish-Ukrainian Intergovernmental Coordination Council on Inter-Regional Cooperation. The agreement on interregional cooperation was signed on May 23, 1993. Pursuant to this agreement Polish borderline voivodships and Ukrainian regions created two Euroregions: «Bug» and «Carpathians». In May 1999, Ukraine and Poland signed joint application to the European Union on provision of grants from the funds of TACIS and PHARE programs to modernize frontier crossing points between Poland and Ukraine⁵.

Kyiv// «Ukraine and Poland – Strategic Partnership in a New Europe»: Information and analytical composite book – Institute for Euro-Atlantic Cooperation. – K., 2004. – P. 83–84.

³ Based on the protocol dated January 12, 1993, on creation of Consultative Committee of the Presidents of Poland and Ukraine. W. Sz. Staszewski, *The Consultative Committee of the Presidents of Poland and Ukraine, Studies and Materials of the Centre for Eastern Studies of the Warsaw University* 84, Warszawa 2000.

⁴ *Staszewski W.Sz.* *The Consultative Committee of the Presidents of Poland and Ukraine.*

⁵ *Wujec H.* *The Strategic Partnership of Poland and Ukraine in View of the EU Enlargement Process* // Posluszny J., Steciuk P. (ed.) *Polish-*

Permanent Polish-Ukrainian Conference on the Issues of European Integration has been acting since 1998 and was inaugurated during the visit of Polish Minister of Foreign Affairs, Bronislav Geremek, to Kyiv. The Conference is aimed at promoting the exchange of opinions on integration issues and provision EU accession know-how to Ukrainian partners, as well as development of proposals on minimizing negative consequences of Poland's introduction of visa regime for Ukraine.

Other forms of institutional cooperation (although less effective) also made certain contribution to the development of bilateral relations. These initiatives include Polish-Ukrainian committee on economic and commercial cooperation, Polish-Ukrainian inter-parliamentary assembly and Ukraine-Polish inter-parliamentary assembly, Polish-Ukrainian and Ukraine-Polish forums (for support of NGOs), and Polish-Ukrainian economic forum «Peremyshl Brama».

Official contacts. In 2006, there was a series of important working visits that contributed towards closer mutual relations and cooperation between Ukraine and Poland. The following official visits were deemed to be a success:

- visit of the Minister of Foreign Affairs of Poland, Stefan Meller, to Ukraine (January 9–10);
- visit of the Prime Minister of Ukraine, Y. Ekhanurov, to Poland (February 16–17);
- visit of the President of Poland, L. Kachynsky, to Ukraine (February 28 – March 1);
- visit of the President of Ukraine, V. Yuschenko, to Poland (May 12–13);
- visit of the Chairman of the Council of Ministers of Poland, Y. Kachynsky, to Ukraine (November 15); during this visit Mr. Kachynsky met with the Prime Minister of Ukraine, V. Yanukovych, and the President of Ukraine, V. Yuschenko;
- official visit of the Speaker of Ukrainian Parliament, O. Moroz, to Poland (December 5–6); this visit was of great importance for the development of parliamentary relations.

Ukrainian Relations in Evolving European Conditions, High School Administration and Management in Przemysl. – Zeszyty naukowe. – No. 11. – Przemysl, 2002. – P. 109–110.

⁶ Ibidem.

In addition, Poland was visited by the Secretary of the Council for National Security and Defense, A. Kinkh, (February 20–21); the Minister of Foreign Affairs of Ukraine, B. Tarasyuk, (April 10–11, and August 29); the Prime Minister of Ukraine, V. Yanukovich, (September 6). Ukraine was visited by the Minister of Foreign Affairs of Poland, A. Fotyga (June 8), and the President of the Republic of Poland, L. Kachynsky (September 30).

Trade and economic cooperation. Poland is the primary economic partner of Ukraine in Central Europe. By export volume Ukraine ranks second among Poland's primary partner states. Over the period of 1998–2005, trade volume between Ukraine and Poland almost tripled. Bilateral trade trends evidence that in the near future trade turnover between Ukraine and Poland can exceed the amount of \$ US 3.5 bln.

§ 2. Ukraine's relations with the United States of America and Canada

Ukraine – USA

Political dialogue. Ukraine declared its relations with the most powerful nation in the world to be those of «strategic partnership». However, it is true that from the moment of declaration of Ukraine's independence its relations with USA were not entirely cloudless. It is general knowledge that in July 1991, the US President, Jorge Bush, called Ukraine «to preserve the USSR and not to give preference to separatism over the democracy»¹.

During the first evolution stage of Ukraine – American relations in security area, USA acted as an intermediary between Ukraine and Russia. Ukraine failed to find a solid political foundation to normalize its relations with Russia. The strain in relations with Russia represents a major foreign policy problem for the national security of Ukraine. Initially, this problem was related to the distribution of property of former USSR, and later shifted to the spectrum of Russia's foreign policy.

Having no international security guarantees and being weaker than Russia in terms of economic and military potential, Ukraine used the factor of «nuclear disarmament» as a security mechanism. This policy coincided with the interests of the United States, since at that time USA strived to eliminate major barriers on the way to full implementation of the treaties on reduction of nuclear weapons START I and START II. This goal to a great extent shaped USA outlook on Ukraine through the prism of «nuclear weapons». This approach was characterized by Washington's

¹ *Bodruk O.S.* Structure of military security: national and international aspects. – K.: НІІМБ, 2001. – P. 218.

intent to resolve Ukrainian «nuclear problem» through pressure, persuasion, and reassurance. Inability to resolve the problem by the above mentioned methods forced USA to reconsider its attitude to Ukraine and perceive it not just as a storage depot of nuclear weapons, but also as an important player on European geopolitical map.

Intermediacy policy turned out to be productive for USA, since it enabled the United States to achieve its major goal (that is to realize American interests related to Ukrainian nuclear weapons). The US intermediacy policy also proved positive for Ukraine. It facilitated the conclusion of trilateral agreement between the Presidents of Ukraine, USA, and Russia. This agreement stipulated nuclear disarmament of Ukraine on condition of provision of economic support and security guarantees (although, a number of people in Ukraine disagree that it was a «fair bargain»). Of course, this trilateral agreement has not resolved all the problems. Nevertheless, real value and significance of this agreement is in the fact that it represents certain mechanism for consideration of a wide spectrum of issues that Ukraine might face in the future.

The next stage in the development of Ukraine-American relations (that is their current stage) started after nuclear disarmament of Ukraine. This stage is characterized by the US shift from «Russia comes first» political concept to the concept of «stability expansion from West to East». At this stage USA and Ukraine made a transition to «strategic partnership» relations. These relations envisage a wider scope of cooperation in security area, including military cooperation issues and common policy with regard to strengthening of European security. US military experts provide significant consulting and technical assistance to their Ukrainian counterparts in the development and implementation of different aspects of military reform in Ukraine.

It is obvious that it is security area where strategic interests of Ukraine and USA coincide. Ukraine's strategic interests with regard to USA have global dimension, since they are predetermined by the US capacity (being the only «super power») to influence global processes. Therefore, «strategic partnership» with USA could serve as a solid foreign policy anchor enabling Ukraine to resist external threats to national sovereignty, territorial integrity, and other national security challenges. It is only natu-

ral that 54% of polled experts specified USA as the state, on which Ukraine could count in the first place in case of the threat of aggression². As viewed by the majority of experts (90% of respondents), cooperation with USA is of primary importance for realization of foreign policy interests of Ukraine.

As a «strategic partner» Ukraine is important for USA, first of all, in regional context. This context has two dimensions: European and Russian. In European context independent and sovereign Ukraine is viewed by the United States as an important factor of stability and security in Europe. As for Russian context, Ukraine's importance for USA was clearly defined by Zbignev Bzezinski: «On cannot say for sure that without Ukraine Russia will not be the empire, but with Ukraine it automatically becomes the empire»³. «Independent and secure Ukraine transforms Russia into post-imperial, potentially democratic state that can maintain fruitful relations with the West... Democratization and europeization of Russia is incompatible with power based empire»⁴.

However, despite high coincidence of strategic interests in security area, one can hardly say that they fully match in other areas. American investments in Ukrainian economy total 6.7%. Compared to other countries they are miserable to provoke US strategic interest in Ukraine. Apparently, this is the reason why only 24% of respondents believe that USA perceives Ukraine as a strategic partner⁵.

Lack of common strategic interests in economic area created vacuum in strategic partnership between USA and Ukraine. Actually, without economic foundation and given the lack of internal factors this partnership was mostly declarative by nature (both on the part of Ukraine and USA) and sustained only due to mutual foreign policy and security interests.

² Military and political cooperation. Analytical report «Strategic partners of Ukraine: declarations and reality» // National security and defense. – № 12. – 2000. – P. 43

³ Zbignev Bzezinski. Premature partnership / Developments in Crimea: International conference materials. – K., 1994. – P. 195

⁴ The New York Times. – 1994. – June 29.

⁵ See: Relations with strategic partners in the context of regional integration. Analytical report «Strategic partners of Ukraine: declarations and reality» // National security and defense. – № 12. – 2000. – P. 39.

Geopolitical interests of Russia (another strategic partner of Ukraine) were an important factor that hampered the development of strategic partnership with USA. Having chosen USA and Russia as its strategic partners, Ukraine found itself in a situation when the level of its relations with these partners was predetermined by the level of geopolitical rivalry and contradictions between USA and Russia rather than position and intentions of Ukraine. This is conflicting interests of USA and Russia that reduce to a minimum the effectiveness of Ukraine's efforts aimed at the development of strategic partnership with these two countries.

Current stage of Ukraine-American relations is characterized by the transition to **the development of bilateral strategic partnership based on commitment of both countries to democratic principles and values.**

Conceptual substance of these relations was defined in a Joint Statement of Ukrainian and American Presidents «The Agenda of Ukraine-American Strategic Partnership in a New Century» approved during the visit of the President of Ukraine to the United States of America (April 4–6, 2005) This document specified political accents, as well as defined current steps and prospects for the development of bilateral relations.

First of all, it includes the following:

- Cooperation geared towards strengthening of democratic institutions in Ukraine, promotion of freedom in Europe and outside its boundaries, fighting terrorism, and peaceful settlement of regional conflicts (first of all Abkhazian and Transnistria conflicts);
- Interaction in economic area, Ukraine's accession to WTO, continuation of energy-sector dialogue to support Ukraine's plans on reforming and restructuring energy sector of its national economy;
- US support of Ukraine's Euro-Atlantic aspiration (specifically, support in the implementation of required reforms);
- Strengthening cooperation in fighting the dissemination of mass destruction weapons and their components, as well as in the area of export control, cross-border security, and protection of the rule of law;
- Cooperation on a wide spectrum of social and humanitarian issues, such as fighting the spread of infective diseases (HIV/AIDS and TB), organized crime, human trafficking and child pornography, as well as completion of «Shelter» project in Chernobyl.

USA invariably views Ukraine as a key partner in achieving two strategic goals:

- Assuring general security and fighting terrorism (this is evidenced by the inclusion of Ukraine to the Coalition Solidarity Fund; beneficiaries of this Fund receive support in execution of peacekeeping operations and securing the compatibility of their armed forces with NATO forces);

- Preventing illegal arms trafficking.

An important characteristic feature of current stage of Ukraine-American relations is determination of the parties to practically implement the ambitious current and prospective plans. Respective multi-level interaction mechanisms are aimed at implementing these plans. An active dialogue between Ukrainian and American leaders has been established lately.

Official contacts. On May 4, 2006, within the framework of Vilnyus conference, the President of Ukraine, V.A. Yuschenko, met with the US Vice-President, D. Cheney. On December 3–7, 2006, the Prime Minister of Ukraine, V. Yanukovych, visited USA. Vice-Prime Minister of Ukraine, D.V. Tabachnyk, also visited USA in December 2006.

The leaders of foreign policy agencies also maintain close contacts. On March 9–10, 2006, the Minister of Foreign Affairs of Ukraine, B.I. Tarasyuk, visited the United States. In autumn 2006, Assistant Secretary of State for European and Eurasian Affairs, Daniel Fried, visited Ukraine.

In addition, an adequate strategic nature of Ukraine-American relations was maintained through visits to the US of the Minister of Internal Affairs of Ukraine, Minister of Economy, Minister of Health Care, Minister for Youth, Family, and Sports, and officials from the Secretariat of the President of Ukraine; visits to Ukraine of official representatives of the US State Department and National Security Council; through the exchange of parliamentary delegations, as well as due to successful resolution of a number of vital bilateral relations' problems.

In order to analyze and adjust strategic partnership development priorities (specified in the Joint Statement of Ukrainian and American presidents) the parties created conceptually new bilateral cooperation mechanisms. First of all, this refers to **Ukraine-American Interagency Coordination Group** (the first meeting of this group was held on July 7, 2005 in Washington; the second

meeting – on January 24, 2006, in Kyiv; the third meeting will be held in the first half of 2007 in Washington). The Coordination Group includes representatives from relevant agencies and is co-chaired by deputy heads of the US and Ukrainian foreign policy agencies.

The characteristic feature of current Ukraine-American dialogue at all levels and in all areas is determination of USA to develop comprehensive cooperation and support Ukraine in achieving the declared goals on condition of practical efforts and initiatives on the part of Ukraine. In this respect, over the year 2006 the United States made significant steps towards Ukraine:

- On January 23, 2006 (based on the results of special revision of Ukrainian situation in the area of protection of intellectual property rights) the Office of the U.S. Trade Representative adopted the decisions on moving Ukraine from the category of «priority foreign state» to «priority supervision list», and on restoration of preferences for Ukrainian export pursuant to the US Generalized Preferences' System;

- US Government granted Ukraine a market economy status. Pursuant to the above decision this regime with regard to Ukraine came into force on February 1, 2006;

- On March 6, 2006, Ukraine and USA signed a bilateral protocol on conditions of access to goods and services' markets within the framework of Ukraine's preparation for accession to WTO;

- On November 18, 2005, the Senate voted to terminate Jackson-Wennik amendment regarding Ukraine. On March 8, 2006, the House of Representatives adopted similar decision. At the same time, since the wording of the law adopted by the Senate differed from that approved by the House of Representatives, on March 9, 2006, the above decision was repeatedly approved by the Senate pursuant to the established procedure. On March 23, 2006, President George Bush signed the above law to make it effective;

- On November 8, 2006, the Board of Directors of «Millennium Challenge» Corporation adopted the decision on inclusion of Ukraine to «Millennium Challenge Account» program and signing of a large-scale program document;

- On October 11, 2006, the US State Department declared about allocation of \$ US 150 thousand for implementation of technical assistance programs in Ukraine aimed at enhancing the

capacity of law enforcement agencies in the area of intellectual property right protection;

- Promotion of practical participation of Ukraine in the G8 initiative «Global Partnership Against Dissemination»;
- US Government adopted the decision on provision of assistance to Ukraine in fighting avian influenza.

Ukraine and USA continue a productive dialogue on nuclear safety issues. In May 2006, the Minister of Health Care of Ukraine and the wife of the President of Ukraine, K. Yuschenko, visited USA. This visit gave a powerful impetus to interaction in medical area. During this visit the Statement on Cooperation between the Ministry of Health Care of Ukraine and US Department of Health and Human Services was signed. Organization of two reconnaissance visits for Ukrainian health care professionals serves as the evidence of the US readiness to secure practical implementation of measures stipulated by the above mentioned Statement.

In addition, USA ranks among the largest donors of international technical assistance to Ukraine (according to the Ministry of Finance of Ukraine, overall volume of US technical assistance to Ukraine totals almost \$ US 3 bln.). At this stage US technical assistance to Ukraine is provided in the following two areas: support of democratic and social reforms (within the framework of the Law on support of freedom) and fighting corruption (under Millenium Challenge Threshold Program). In addition, under the initiative of Senator R. Lugar, the US Congress annually allocates \$ US 5 mln. for the projects on enhancing the safety of nuclear reactors and safety in coal mining industry.

Within the framework of the law on support of freedom, the US federal budget for fiscal year 2007 (Oct. 1, 2006 – Sept. 30, 2007) envisages assistance to Ukraine totaling \$ US 85 mln. (in 2006 – \$ US 82.16 mln). In addition, USA finances such programs as: health care and child survival (\$ US 2.176 mln); external assistance in military area (\$ US 10 mln); international military exercises and traineeship (\$ US 1.725 mln); non-dissemination, antiterrorism, mine disarming (\$ US 1.360 mln); Peace Core (\$ US 5.132 mln).

Trade and economic cooperation. As of November 2006, the overall volume of commodity trade totaled \$ US 2.1 bln, which almost by 50% exceeds the trade volume for the same period of 2005. If current trends preserve, expected increase of Ukrainian

export to USA will constitute 40–50%, and total trade volume can reach \$ US 2.3–2.4 bln.

As of January 1, 2007, the United States rank 6th by the volume of investments in Ukrainian economy (\$ US 1.418 bln. or 6.7% of total investment volume). American investors are mostly interested in such sectors as internal trade, food industry, financial services, metallurgy and metal working, chemical industry, construction and telecommunications.

As of October 1, 2006, Ukrainian investments in the United States totaled \$ US 5.6 mln. (financial services, water transport, processing industry).

Among American enterprises operating in Ukraine, about 250 enterprises are powerful strategic investors («John Deer», «Coca-Cola», «Boeing», «Procter and Gamble») that have long term investment programs in Ukraine. Active steps on expansion of current operations and initiation of new projects with Ukrainian partners are being taken by such corporations as «AIS», «Fairchild», «Lokhid-Martin», «Shevron», «Armor Holding», «Floor», etc.

There is a trend for growing interest in Ukraine on the part of powerful corporations representing American military and industrial complex («Boeing», «Northrop Grumman», «Lokhid Martin», etc.). These corporations are interested in establishing cooperation with Ukrainian aerospace and other military and industrial complex enterprises. On December 14, 2006, the Director of National Space Agency of Ukraine, Y.S. Alekseev, visited Washington and held negotiations with managers of «Northrop Grumman», «Orbital Sciences», and «Boeing» corporations. The above negotiations resulted in the agreement to organize in 2007 a series of visits of representatives of American corporations to Ukraine in order to identify potential cooperation areas and discuss the details of respective contracts.

Cultural and humanitarian cooperation. Quite dynamic was cooperation with US state, non-governmental, religious, and private institutions that provide humanitarian assistance to Chernobyl disaster victims. In 2006, 50 Ukrainian children went through rehabilitation and health improvement course in the US. The largest (in the history of joint Chernobyl related activities) humanitarian consignment of medicines and medical equipment was shipped to Kyiv within the framework of sponsor assistance of

the US State Department. On the 20th anniversary of Chernobyl disaster, the House of Representatives of the US Congress approved the resolution that emphasizes the need for provision of further assistance to Ukraine in overcoming the consequences of Chernobyl disaster.

Last year much attention was paid to preparation for 73rd anniversary of 1932–1933 Holodomor (Famine) in Ukraine. A momentous event was the fact that US President, George Bush, signed the Law on allocating to Ukrainian Government a land plot in Washington to build a monument to Holodomor victims.

In the near term, **major goals and objectives** of Ukrainian diplomacy in Ukraine's relations with USA include the following:

Political area:

- Vitalization of bilateral contacts through exchange of visits and organization of meetings at the highest level, as well as by deepening interagency contacts and cooperation;
- US political support of Euro-Atlantic aspirations of Ukraine regarding NATO membership;
- US involvement in Ukraine's energy security issues, specifically regarding the creation of alternative network for energy supply to Europe;
- Further participation in drafting and conclusion of top priority agreements between Ukraine and USA;
- Deepening interaction in non-dissemination area through the conclusion of Cooperation Agreement on preventing dissemination of mass destruction weapons through the seaways;
- Securing political support of further interaction with USA in such areas as fighting infectious diseases and non-dissemination of mass destruction weapons.

Economic area:

- Cooperation with USA within the framework of Ukraine's accession to WTO;
- Interaction with USA in the context of enforcement and compliance with Ukrainian legislation on protection of intellectual property rights;
- Expanding regional cooperation between Ukrainian regions and American states;
- Establishment of permanent energy related dialogue on the level of profile state agencies;

- Securing transparency and attractiveness of Ukrainian energy sector for American investors;
- Further attraction of American capital and technologies;
- Initiation of new projects related to trade, economic, scientific, and technical cooperation;
- Access to American markets in terms of selling both raw materials and finished products manufactured in Ukraine.

Ukraine – Canada

Political dialogue. At current stage Ukraine-Canadian relations are based on more than 100 years history of mutual relations, close family ties, and shared values, such as democracy and rule of law.

As a result of four migration waves, Ukrainians created one of the largest communities in Canada (according to Canadian Statistics Department, Ukrainian Diaspora in Canada totals about 1.2 mln. persons). Ukrainian Diaspora in Canada played a vital role in securing the recognition of Ukraine's independence. On December 2, 1991, Canada became the first Western state (and second country after Poland) to recognize independence of Ukraine.

On December 4, 2006, to distinguish Canada's role in facilitating international recognition of independence of Ukraine 15 years ago, the President of Ukraine, V. Yuschenko, awarded the then Prime Minister of Canada, Bryan Malruni, with the First Class Order of the Prince Yaroslav Mudry (Yaroslav the Wise) for «an outstanding personal role in recognition of Ukraine's independence by Canada and valuable contribution in the development of Ukraine-Canadian relations».

Orange revolution, which was actively supported by both Canadian society and practically all Canadian politicians, created favorable conditions for a new impulse in the development of Ukraine-Canadian political relations. Canada sent to Ukraine the largest mission of observers (500 persons) led by Ex-Prime Minister, John Turner. In addition, over 500 volunteers (delegated with support from Ukrainian organizations in Canada) acted as observers during the elections.

Positive image of Ukraine, active position of Ukrainian community in Canada, willingness of Canadian Government to further

develop the political dialogue and expand the spectrum of bilateral contacts created preconditions to take Ukraine-Canadian relations to the level that would correspond to a special partnership between Ukraine and Canada declared in 1994 and 2001.

The foundation for new political dialogue laid during Orange Revolution further strengthened after the elections to Ukrainian Parliament in March 2006. Canada welcomed «another free and democratic elections in Ukraine that demonstrated a significant progress of state power and Ukrainian society on their way to democracy» and declared its readiness to cooperate with any government formed on the basis of factions of democratically elected Ukrainian Parliament.

In 2006, bilateral relations between Ukraine and Canada were characterized by a high level of trust and mutual understanding, as well as Canada's interest in the development of further cooperation with and provision of active support to Ukraine. Currently there exist favorable conditions for intensive development of Ukraine-Canadian political dialogue and activization of bilateral contacts at all levels.

Despite the fact that the year 2006 was the year of Parliamentary elections, formation of new governments in Ukraine and Canada, and dynamic internal policy development in both countries, the leaders of both states paid significant attention to the development of political dialogue and vitalization of bilateral contacts at all levels.

Official contacts. On February 14, 2006, the President of Ukraine, V.A. Yuschenko, had a telephone conversation with the Prime Minister of Canada, Stephen Harper, in which the parties discussed a wide spectrum of bilateral cooperation issues.

In addition, during 2006 Ukraine and Canada regularly exchanged letters at the highest level. Specifically, in his letter to the President of Ukraine, V.A. Yuschenko, dated July 28, 2006, the Prime Minister, Stephen Harper, stressed that «Canada will continue to provide full support to Ukraine in the implementation of ambitious reform programs» and assured that «Canada supports ultimate Ukraine's accession to NATO».

In 2006, the heads of Ukrainian and Canadian diplomatic services maintained regular communication. On April 28, 2006, the Minister of Foreign Affairs of Ukraine, B.I. Tarasyuk, met with the Minister of Foreign Affairs of Canada, Peter Gordon

MacKay, within the framework of the meeting of Ukraine-NATO Commission in Sofia, and on September 20, 2006 – within the framework of UN General Assembly Session in New-York.

In 2006, bilateral contacts in specific cooperation areas and on the expert level were also characterized by active development. Ukraine and Canada exchanged delegations. On 21–28 January 2006, Toronto (Ontario province) hosted Ukraine-Canadian business forum attended by representatives of Ukrainian National Committee of International Chamber of Commerce. On February 28–29, 2006, Deputy Minister of Economy of Ukraine, V.T. Pyatnytsky, visited Canada to hold bilateral consultations. On March 20–22, 2006, delegation of the State Service of Ukraine for Supervision of Aviation Safety took part in the Conference of general directors of civil aviation dedicated to the issues of global strategy in the area of flights safety. The conference was held at the headquarters of International Civil Aviation Organization in Montreal (Quebec). On May 15–25, 2006, Deputy Director of Department for adoption and protection of children under the Ministry for Family, Youth, and Sports, S.M. Olynyk, and Deputy Director of Department for civil legislation and entrepreneurship of the Ministry of Justice of Ukraine, O.V. Verkhovska, participated in consultations on the issues of international adoption and accession of Ukraine to the Convention on international adoption. On June 13–16, 2006, First Deputy Minister for Protection of Environment, S.O. Lyzun, and Deputy Minister of Economy of Ukraine, V. Ihnaschenko, took part in international oil and gas exhibition «Global Petroleum Show 2006» in Calgary (Alberta province)

On July 11–15, 2006, Ukrainian delegation led by the Minister of Agrarian Policy, O.P. Baranivsky, participated in the meeting of the World Congress on Industrial Biotechnologies and Bioprocessing (held in Toronto) and met with Canadian Minister of Agriculture and Agri-Food, Chuck Strahl. On October 10–20, 2006, representatives of the Ministry of Economy of Ukraine visited Canada within the framework of Canadian technical assistance project «Regional Governance and Development» to study the experience of regional development strategic planning, development and practical implementation of respective programs, and engagement of general public in resolution of economic problems of the regions. On October 25–27, 2006, permanent delegation of

Ukrainian Parliament in the Parliamentary Assembly of the Council of Europe (PACE) took part in the meeting of PACE committee held in Quebec City. On November 13–17, 2006, representatives from the Ministry of Foreign Affairs of Ukraine and the Committee on European Integration of the Secretariat of Ukrainian Parliament took part in 52nd Session of NATO Parliamentary Assembly held in Quebec City.

In 2006, Ukraine and Canada continued active cooperation in international organizations. Democratic changes that took place in Ukraine after Orange Revolution preconditioned certain changes in Ukraine's approaches to vital issues of international life and created additional opportunities for coordination of joint Ukraine-Canadian actions within the framework of multilateral cooperation. For instance, Ukraine and Canada took a similar position with regard to such problematic issue as securing of human rights in Iran and Ukrainian Government adopted a political decision on supporting the UN resolution on this issue.

Also worth noting is productive cooperation between Ukraine and Canada in the context of the program for global partnership against dissemination of arms and mass destruction weapons established in 2002 upon the initiative of Canada.

In 2006, inter-parliamentary cooperation between Ukraine and Canada was also quite dynamic. After the parliamentary elections in Canada (that took place on January 23, 2006) and the beginning of activity of a new Parliament of 39th convening (April 4, 2006), inter-parliamentary friendship group Canada-Ukraine resumed its work. This group includes nearly 150 persons (compared to about 40 persons in the previous Parliament). The group is chaired by Peter Goldring, who, along with his Deputy, Borys Vzhnevsky (former chairman of the group, Ukrainian descendant and deputy from the Liberal party), played an important role in securing Canada's support of Orange Revolution in Ukraine and delegating the largest Canadian mission of observers (500 persons) for the 3rd round of presidential elections in Ukraine and March 26 parliamentary elections. Other deputies of the group's chairman are Senator Raynell Andreychuk (Ukrainian descendant), P. Nash and J. Smith. Senator Di Nino is the group's Director, and I. Mark is the group's secretary.

Ukrainian Parliament of the 5th convening also created the group on inter-parliamentary relations with Canada. The group

includes 55 deputies and is chaired by People's Deputy O.F. Bondarenko.

In the context of inter-parliamentary cooperation it is also worth noting that within the framework of Canada-Ukrainian parliamentary program (that has been acting since 1992 under the department of Ukrainian studies of Toronto University) 30 Ukrainian students passed traineeship in the Canadian Parliament in 2006.

Trade and economic cooperation. According to the State Statistics Committee of Ukraine, in 2006 Ukraine's trade turnover with Canada totaled about \$ US 221 mln. In 2006, export of Ukrainian products to Canada totaled \$ US 122.4 mln., which is by 135.9% higher compared to the last year. Import volume increased by 113.5% and totaled \$ US 98.7 mln.

In 2006, the trend for increase of trade turnover between Ukraine and Canada preserved. Positive foreign trade balance for Ukraine constituted over \$ US 23 mln.

The analysis of commodity structure of Ukrainian export to Canada over 9 months of 2006 shows that despite 24.7% decrease (to \$ US 21.6 mln) of Ukrainian hot rolled steel export (due to prolongation of Canada's antidumping duty with regard to this product), the total export volume of Ukrainian ferrous metals to Canada increased. Over January-September 2006, the volume of Ukrainian ferrous metals and ferrous metal products exported to Canada totaled \$ US 59.6 mln (47.8% of total Ukrainian export for the period under review), which is 24% higher compared to the same period of the previous year.

It is worth noting, that despite Canada's protective measures with regard to certain Ukrainian products, positive dynamics of Ukrainian export to Canada preserved due to the expansion of export product mix and sale of other types of Ukrainian products that previously were not exported to the Canadian market.

According to the State Statistics Committee of Ukraine, as of October 1, 2006, 191 enterprises with direct Canadian investments totaling \$ US 159 mln. operated in Ukraine. The share of Canadian capital in the total volume of foreign direct investment in Ukraine constitutes 0.8%.

The break-up of the largest Canadian investments is as follows: Kyiv – \$ US 53.1 mln. (33.4% of total Canadian investments), Mykolayv Oblast – \$ US 27.1 mln. (17%), Kharkiv

Oblast – \$ US 14.8 mln. (9.3%), Ivano-Frankivsk Oblast – \$ US 13.5 mln. (8.5%), Dnipropetrovsk Oblast – \$ US 12.5 mln. (7.9%), Lviv Oblast – \$ US 11.3 mln. (7.1%), Volyn Oblast – \$ US 7 mln. (4.4%).

During «Canadian Trade Days in Ukraine» in Kyiv, Ukrainian party raised the issue on further activity of Ukraine-Canadian intergovernmental commission on economic cooperation (ICEC). In the course of bilateral negotiations (December 6–12, 2006) at the Ministry of Economy of Ukraine the parties agreed not to hold traditional ICEC meetings as it was practiced 5 years ago, but rather introduce the practice of annual exchange of visits of trade and economic agencies' executives during business forums held in Canada and Ukraine. ICEC planned activities include bilateral working consultations on economic development issues, conducting specialized exhibitions and business summits on the issues related to oil and gas sector, power engineering, agriculture, and construction industry. All these activities are in line with top priority areas of Ukraine-Canadian economic cooperation.

On January 21–28, 2006, the delegation of Ukrainian National Committee of International Chamber of Commerce (UNCICC) led by its president, V.I. Schelkunov, visited Canada in order to create favorable conditions and explore new opportunities for enhancing economic cooperation between Ukrainian and Canadian organizations. During this visit Ukrainian delegation visited Toronto and Montreal. In addition, Ukrainian Embassy in Canada assisted in organizing Ukraine-Canadian business forum, bilateral business meetings and negotiations, holding the presentation and official opening of UNCICC office in Canada (Toronto), as well as organizing meetings with senior officials of Toronto and Montreal municipalities and representatives of Ukrainian Diaspora.

On February 24, 2006, the Memorandum of Understanding was signed between State Department for Financial Monitoring of Ukraine and Financial Transactions and Reports Analysis Center of Canada (FINTRAC).

On February 28, 2006, within the framework of the working visit to Canada, Deputy Minister of Economy of Ukraine, V.T. Pyatnytsky, met with Thomas A. MacDonald, Director General of Central, East and South Europe Bureau of Canada's Department of Foreign Affairs and International Trade, and other DFAIT

officials. The meeting of Ukraine's Deputy Minister of Economy with the Vice-President of Canadian International Development Agency, Gilles Rivard, deserves a special attention. During this meeting Mr. Pyatnytsky and Mr. Rivard discussed the aspects related to acceleration of Ukraine's accession to WTO and continuation of Canada's consulting assistance to Ukraine after WTO accession, initiation of a special Canadian technical assistance project focused on antidumping issues and engaging a wide spectrum of experts from relevant state agencies and business community, as well as issues related to improvement of general business climate and promotion of Ukrainian export.

Canadian technical assistance to Ukraine is mostly aimed at agricultural sector reform, SME development, improvement of regional governance and economic development of Ukrainian regions, nuclear safety improvement, strengthening of financial sector, enhancing the role of general public in formulation of government decisions, and fighting HIV/AIDS.

Cooperation with CIDA played a decisive role in the establishment and development of bilateral scientific and technical cooperation, cooperation in legal field, as well as facilitated the establishment of contacts between Ukrainian and Canadian state agencies, scientific and educational institutions. Specifically, CIDA actively promotes partnerships between Ukrainian counterparts and Canada's Department of Foreign Affairs and International Trade, Ministry of Agriculture and Agri-Food, Ministry of Justice, and Canada's Border Services Agency.

Currently CIDA coordinates 27 Ukraine-Canadian projects implemented with participation of Canadian state agencies and scientific institutions, non-governmental and international organizations. Most of these projects include training programs for Ukrainian specialists and students' traineeship.

Since 1991 through 2006, Canadian technical assistance to Ukraine totaled about \$ US 302 mln. CIDA ranks fourth among the largest donors for Ukraine. In 2006, due to expiration of the validity term of CIDA's program document «A Path to Reforms: Ukraine Programming Framework 2002 – 2006», CIDA initiated the development of a new five-year program for Ukraine.

Summing up its cooperation with Ukraine, Canada officially acknowledged «constant strategic importance of Ukraine as one of priority focus countries for CIDA». Due to high assessment of

Ukraine-Canadian interaction in the area of technical assistance, the decision was made to preserve key cooperation areas.

Practical results of Ukraine-CIDA cooperation over the period of 2002 – 2006 include the following:

- 200 Ukrainian state officials received training on improvement of concept and methodology for the development of state policy of Ukraine;
- monitoring of municipal services provided to the population was introduced in 6 cities of Ukraine;
- five business centers established within the framework of CIDA project in Ivano-Frankivsk provide consulting services on business related issues;
- Over 5 000 jobs have been created as a result of implementation of SME support program;
- About 7.5 thousand specialist of agricultural advisory services receive respective training and currently provide assistance to Ukrainian agrarians;
- 610 grain elevators were certified for compliance with internationally accepted grain quality standards;
- three model courts were established on local level to enhance the effectiveness of legal proceedings, as well as secure the independence of courts and observance of international ethical standards.

An important 2006 event was the approval and start-up of a new CIDA Project «Canada-Ukrainian Judicial Reform» aimed at enhancing the quality of training at the Academy of Judges of Ukraine. This is a 4 year project with 4.9 mln. Canadian dollars budget. Major Canadian contractors for the project include the Office of the Commissioner for Federal Judicial Affairs, Canadian National Law Institute and Canadian Service for Judicial Proceedings.

Expected project results:

- creation (in addition to the three model courts mentioned above) of 37 model courts in Ukrainian regions;
- enhancing the quality of training at the Ukrainian Academy of Judges and its five regional branches;
- improving public awareness regarding the activity of courts through effective work of model courts with Ukrainian citizens.

On October 13, 2006, the project «Socio-Economic Performance and Potential Analysis Capacity» held an opening presentation on the official start-up of its activity. On the part of Canada the project will be implemented by the International Center for Policy Studies. Ukrainian counterparts include the Ministry of Economy, Ministry of Finance, National Bank, State Statistics Committee, and National Security and Defense Council. This project envisages training for 50 Ukrainian state officials on the issues of macroeconomic analysis and forecasting, as well as preparation and publication of analytical reports. These reports (based on comparative analysis of specifics of social and economic development of Ukraine and other countries) will spell out the ways for overcoming current and possible future problems of Ukraine. The budget of this project is 2.3 mln. Canadian dollars

In 2006 CIDA launched the project «Promoting Ukraine's Global Integration». This project is aimed at enhancing the effectiveness of protection of economic interests of Ukraine on international scene. The official opening of the project took place on December 5, 2006, at the Diplomatic Academy of Ukraine. Project's executing agencies include York University and Canadian Diplomatic Service Institute. This is a four year project with 2.2 mln. Canadian dollars budget.

On September 28–30, the fourth scientific conference on democratic development of Ukraine was held in Yalta. This conference was organized within the framework of CIDA «Building Democracy» Project implemented by Queen's University (Kingston, Ontario) in partnership with the Ministry of Education and Science of Ukraine, and Ministry of Internal Affairs of Ukraine. The goal of this conference was to promote scientific research on the issues related to the improvement of state governance, rule of law, and development of civil society.

In 2006, CIDA continued to fund Science and Technology Center in Ukraine created pursuant to the Agreement dated October 25, 1993, and concluded between Ukraine, Canada, USA, and Sweden (currently EU replaced Sweden as a party to this Agreement).

During the period under review Canada additionally allocated 8 mln. dollars for Chornobyl «Shelter» facility (respective CIDA Program «Chornobyl Shelter Fund» scheduled for 1997 – 2007 has been completed). This contribution was made in accordance

with Canada's obligations within the framework of Global partnership against dissemination of mass destruction weapons initiated in 2002 upon the initiative of Canada. After the additional allocation of funds in April 2006, Canada's Foreign Affairs Minister, Peter Gordon MacKay, confirmed that Canada will continue to support Ukraine in overcoming the consequences of Chernobyl disaster. Taking into account the above mentioned additional contribution, total amount allocated by Canadian Government for this purpose constitutes 66.2 mln. Canadian dollars.

Currently CIDA is one of the donors contributing to the Chernobyl Recovery and Development Program, which is the third phase of the UN Chernobyl Program. This Program is based on the UN recommendations «Consequences of Chernobyl Nuclear Disaster for Humankind. Recovery Strategy». Canadian share of Program funding is \$ US 1.16 mln. (total funding – nearly \$ US 4 mln). Other Program donors include the UN Fund for Humankind Security, Governments of Japan and Switzerland, UNDP, UNV Special Voluntary Fund, and UN Office for Coordination of Humanitarian Affairs). The Program is aimed at assisting Ukrainian Government in overcoming social, economic, and environmental consequences of Chernobyl disaster, creating better living conditions and conditions for sustainable development in 17 affected districts of Kyiv, Zhytomyr, Chernihiv, Rivne Oblasts.

Cultural and humanitarian cooperation. In 2006, separate deputies of the House of Commons and the Senate continued to declare the need for official recognition of Holodomor to be the act of genocide. This is the evidence of deep mutual understanding between Canadian and Ukrainian people. Previously such declarations were made in 1994 – by the deputy and Parliamentary Secretary of the Minister of Transport, Joe Fontana, in 1998 – by deputies R. Borotsyk, S. Bult, I. Mark, J. Solomon, and Senator Raynell Andreychuk, in 1999 – by the deputy I. Mark and Senator Raynell Andreychuk, in 2001 – by deputies Ken Epp and U. Lastivka, in 2003 – by Senator Raynell Andreychuk, in 2005 – by the deputy B. Vzhesnevsky. On June 19, 2003, Canadian Senate approved the resolution proposed by Ukrainian descendant Senator Raynell Andreychuk that called to the Government of Canada «to recognize 1932–1933 famine/genocide in Ukraine and condemn any attempts to deny or distort this historic truth and present it as something other than genocide».

In the near future Ukrainian diplomacy will have the following major objectives with regard to Ukraine-Canadian relations:

Political area:

- Revitalization of bilateral contact on the highest level;
- Further involvement of Canada in resolution of the issues related to strengthening of energy independence of Ukraine;

Trade, economic, scientific, and technical area:

- Deepening of trade, economic, scientific, and technical cooperation through conclusion of respective agreements, initiation of new project, and engagement of business community in the visits of Ukrainian delegations to Canada;
 - Exploring the possibility for Canada to provide expert assistance and technologies in energy-saving area;
 - Promoting full realization of cooperation potential in a high tech sector;
 - Promotion of Ukrainian producers' interests in the Canadian market and attraction of Canadian investments in Ukrainian economy.

§ 3. Ukraine's relations with the countries of Middle East, Asia, Africa, Latin America, and Asia-Pacific Region

Ukraine – Countries of the Middle East, Asia and Africa

Political dialogue. In the context of a political dialogue over 2006 the actions have been taken towards optimization of the diplomatic presence in countries of the Middle East, South and Central Asia and Africa. The mechanism of political consultations had been developed actively. In 2006, political consultations were held between the Ministry of Foreign Affairs of Ukraine (MFA) and the Ministries of Foreign Affairs of Israel, Morocco, Nigeria, India and Pakistan.

In the Middle East the MFA of Ukraine duly responded to challenges arising in connection with the dramatic escalation of the situation caused by the armed conflict between Israel and «Hezbollah» organization in Lebanon in the period from middle July to middle August, 2006. In the environment where lives and safety of hundreds of Ukrainian citizens and their family members, who for various reasons, found themselves in the zone of the armed conflict, were under threat, the Ukrainian diplomacy assisted the Embassies of Ukraine to Beirut, Damask and Nicosia and related Ukrainian departments in coordination the efforts on evacuation of Ukrainian citizens.

Besides, the MFA of Ukraine initiated sending a package of humanitarian aid to Beirut to help suffering Lebanon population. Ten state scholarships for University education and five grants for post-graduate studies in Ukrainian institutes were awarded to Lebanon citizens.

Official contacts. The MFA of Ukraine arranged for visits to Ukraine of the President of Israel (September 26–27, 2006), the State Minister of Foreign Affairs of Nigeria (May 24–28, 2006) as well as visits of the heads of other branch departments on aviation issues (Nigeria), diaspora relations issues (Syria), cooperation in the sphere of space (Nigeria), the internal affairs (Angola), industry (Syria), trade (KSA), and defense (Pakistan, Afghanistan).

Visits of the Ukrainian leaders and government representatives abroad were successfully prepared and conducted: in particular, Viktor Yushchenko's, the President of Ukraine, visit to Kazakhstan, S. T. Stashevsky's, the First Vice-Prime-Minister, visit to Syria and others. In December, 2006 Viktor Yanukovich, the Prime Minister of Ukraine, had an operational (state, working) visit to Kazakhstan. The same month the seventh meeting of the Mutual Inter-State Ukraine-Kazakh Committee on Economic Cooperation was held. A number of events were organized to prepare for the opening and holding the Year of Kazakhstan in Ukraine in 2007.

Trade and economic cooperation. The intergovernmental committees, which Ukraine has with many countries, prove that they are a valuable tool in the development of trade and economic cooperation. These committees are an acting mechanism for coordinating mutually agreed effective decisions towards activation of cooperation in different spheres as well as for proper supervision of implementation. In 2006, Ukraine successfully arranged for and held Ukraine-Iraqi, Ukraine-Syria, Ukraine-Saudi Arabia and Ukraine-Indian bilateral committees meetings, and the general session of the Committee on issues of trade regimes between Ukraine and Iran.

Proper attention was given to the establishment of direct contacts between representatives of business circles of Ukraine and countries of two continents, encouragement of Ukrainian enterprises to take part in the international conference, round tables, exhibitions which were held in the Middle East Countries, the South and Central Asia and Africa.

In July, 2006 with assistance of MFA of Ukraine and the Embassy of Ukraine to Nigeria the Ukrainian company «Industrial Union of Donbass» acquired the controlling stake and invested 6,5 million US dollars in modernization of an old factory, abandoned almost 30 years ago, in Joss city (Plato state). After

modernization, the plant's annual production capacity will be 450 thousand tons of rolled steel, manufactured from Ukrainian billets. At least 50 Ukrainian specialists will work at this enterprise.

In 2006, volume of trade and economy cooperation demonstrated a remarkable growing tendency. For example, in 2005 volume of trade between Ukraine and the Middle East Countries was close to \$ US 5.13 bln, export – \$ US 4.58 bln and import – \$ US 0.54 bln. In 2006, the respective figures were \$ US 5.4 bln, with nearly 90% contributed by Ukrainian export. While turnover of goods between countries of the South and Central Asia was \$ US 6.188 bln in 2005, in 2006 it totaled up to \$ US 8 bln. In particular, the goods turnover with Kazakhstan and Uzbekistan increased respectively, by 110% and 77%, which in money terms gives increases worth of \$ US 1793.67 mln and \$ US 628.74 mln in 2006.

Speaking about relations with the South and Central Asian countries in 2006, the issue of payment for Turkmen gas, received by Ukraine between 2003 and 2005, was settled for good and all, and as a result, Ukraine's debts to Turkmenistan for shipped gas were fully repaid. Also, cooperation on implementation of investment projects by Ukrainian companies in Turkmenistan is still in progress, with most notable projects being: the building of a drainage tunnel in Ashgabat, laying engineering systems, construction of a railway bridge across the Amudarya River, and renovation and building of compressor stations.

Cultural and humanitarian cooperation. The two countries cooperate most actively in the area of education. In 2006, 25 state scholarships were awarded for education of African countries' citizens in the institutes of Ukraine, and it was decided to set up special preparatory training courses in a number of African countries.

Ukraine – The Asia-Pacific Region Countries

In 2006, political cooperation with the countries of this region developed most actively. In particular, the MFA of Ukraine arranged for a visit to Ukraine of the Speaker of the National Assembly of the Republic of Korea (October 24–26, 2006), and a visit the Minister of Foreign Affairs of New Zealand (April 19–21, 2006). Foreign visits were successfully arranged for Ukraine's state

leaders and government representatives of Ukraine, in particular: Victor Yushchenko's, the President of Ukraine, visit to the Republic of Korea. A meeting of the joint Ukraine-Korea Committee was very good. In 2006, the MFA of Ukraine held political consultations with the Foreign relations ministries of Japan, Vietnam and the Republic of Korea.

Nowadays the Asian-Pacific region is viewed as the most important market for realization of Ukrainian produce. Thus, in 2006, goods turnover between our country and countries of the Asian-Pacific Region totaled \$ US 6.217 bln (a 7% increase vis-à-vis 2005). While in 2005, turnover of goods totaled \$ US 5.81 bln (26.03% increase in comparison with 2004), in 2004 it was \$ US 4.618 bln (a 16,8% increase against 2003).

The Ukrainian Agency of International Development was created in 2006 with the purpose to further promote the multilateral extension of cooperation with countries of the region.

Of all countries of the Asia-Pacific Region, China and Japan appear to be the largest partner countries for Ukraine.

China

Political dialogue. The arrangement of the official visit to Ukraine of Jia Qinglin (fourth person in the state and party hierarchy of PRC), the Chairman of the All China Committee of the National Political Consultative Council of China (AC CONPCCC), which took place from October 30 to November 03, 2006 was a landmark event in the context of political dialogue. This visit resumed political dialogue on the top government level. It sent a political signal that Ukraine confirmed its invariable policy towards recognition of the «United (indivisible) China» and readiness to further cooperation with PRC.

The regularity of political dialogue is also guaranteed by the consultations between the Ukrainian external political departments and PRC on the level of foreign affairs ministers and deputy ministers. To-date eight rounds of bilateral consultations and several rounds of consultations between consular, legal-treaty international, information and personnel departments of both countries' MFAs were held. The last political consultations between foreign deputy ministers of foreign affairs of Ukraine

(A. Veselovsky) and China (Li Huei) took place in Beijing in April, 2006.

Both countries actively cooperated within the framework of international organizations. Examples of such cooperation include effective coordination and mutual support of Ukraine and RPC in the process of election of members to the UN Committee on human rights in 2006.

Taking into consideration Ukraine's strategic interests in APR, with two administrative and financial hubs Siangan and Aomin, strong efforts are made to encouraging new sources of investment into Ukrainian economy, and assisting Ukraine's business exporters in entering local market of produce, services and capital markets. With this purpose «Ukreximbank» and «Naftogaz of Ukraine» were given support in holding a road-show of their own financial projects in Siangan. Other evidence of closer ties between two countries in the last year are regular visits of the delegations of the General Prosecutor's of Ukraine to Siangan, and progress in signing a number of important bilateral documents.

Legal framework regulating bilateral cooperation between Ukraine and People's Republic of China includes over 140 documents. Although the legal framework of Ukraine-China cooperation was recognized by Ukrainian experts (in particular, the experts of the Ministry of Justice of Ukraine) as satisfying major requirements of the parties, the expansion of cooperation into new areas and industries demonstrates that the framework needs further development and qualitative improvement. The important event in this regard was the first round of Ukraine-China consultations on issue of inventory of bilateral agreements signed in the period between January 2, 1992 and December 31, 2005. This consultation round took place in Beijing on June 6–7, 2006 and was initiated by the Ukrainian side. Ukrainian delegation at the consultations was headed by V. G. Krokmal, the Director of the Legal-Treaty Department of the MFA of Ukraine, while Chinese delegation was headed by Su Wei, Director of the Legal-Treaty Department of the MFA of PRC. During consultations over 40 bilateral international and intergovernmental documents were revised with the purpose of inventory take and definition of their formal effectiveness. The parties concluded that 26 international and intergovernmental documents were still in effect while 8 of

the documents came out of effect either due to expiry of their term or termination of enforcement.

Analysis and generalization of numerous inter-regional documents (about 40 Ukrainian regions established sister relations with PRC regions by means of signing of appropriate documents) revealed the need for a more in-depth legal analysis, and bringing the documents in compliance with both countries' legislation related on regional policies.

Trade and economic cooperation. China has been steadily one of Ukraine's top ten foreign trade partners. In its turn, Ukraine is China's third most important foreign trade partner amidst East-European countries (after Russia and Hungary) and among CIS countries (after Russia and Kazakhstan).

In 2006, volume of goods turnover between Ukraine and China continued to grow. However, for two years in a row Chinese import demonstrates a tendency to rapid growth against the reduction of Ukrainian exports (first of all, due to the drop in exports of Ukrainian metal produce, which was the key Ukrainian export to China). It resulted in increase of the negative trade balance between Ukraine and China. However, it should be noted, that negative balance persists in bilateral trade with majority of PRC trade partners, including EU, USA and the Republic of Korea. In January-October, 2006 the PRC positive balance of trade in goods reached \$ US 133.6 bln.

Taking into consideration the real needs of Chinese economy it is possible to determine several perspective directions, where, giving a good thought and amount of effort, Ukraine could increase its the volume of export to PRC:

- participation of Ukrainian enterprises in large-scale projects in China;
- industrial cooperation of Ukrainian enterprises, Science Research Institutes and Science Manufacturing Associations with Chinese partners towards development of rocket-space, aviation, energetic and nuclear industries of PRC;
- implementation of joint science-technical projects.

Mechanisms of coordination of bilateral science and technical cooperation have been established and put into operations successfully (two interdepartmental Subcommittees in the area of research and peaceful use of outer space and on science and technical cooperation issues within the Intergovernmental Ukraine-

China Committee of trade and economy, science and technical cooperation).

The Sixth meeting of the Ukraine-China Committee on science and technical cooperation was held in Kiev, on June 6–10, 2006; during this meeting a wide circle of problems regarding development of science and technical cooperation were reviewed and a number of mutual projects identified which were to be financed by the governments of both countries.

Another landmark event was the 5th Meeting of the Subcommittee on cooperation in sphere of peaceful use of outer space held in Beijing in June, 2006. The Ukrainian delegation was headed by Yu. S. Alekseyev, the Director General of the National Space Agency of Ukraine. During this meeting the parties signed a Plan of cooperation in the sphere of space research and realization of the national space programs for 2006 – 2010.

Cultural and humanitarian cooperation. In April, 2006 the delegation of the «Sun Jinlin» All-China charity fund headed by Ms. Tan Wenshen, the Deputy Head of the Fund, visited Ukraine. In Kyiv, she met K. Yushchenko, the Ukrainian President's wife and the Head of the «Ukraine-3000» Board of Trustees. During the meeting the participants decided to establish partner relations between these two influential charity organizations of Ukraine and China.

During 2006 tens of higher education institutes of Ukraine and PRC established friendly ties. Presently, about 10 thousands of Chinese students and trainees are studying in Ukrainian institutes. This became possible thanks to participation of representatives of Ukrainian institutes and Embassy's diplomats in educational fairs, seminars and forums, which took place in the capital and regions of China, PRC Mass Media reports on education issues, visits to China of Ukrainian institutes' directors.

The two countries continue sending their students and trainees on exchange programs. During August-September, 2006, 20 Ukrainian students went to study in Chinese institutions. However, Ukrainian students mainly go to study Chinese languages in PRC. Many important disciplines such as traditional Chinese medicine, literature, history and history of art are left out of training schedule.

Mutual contacts and cooperation in the area of physical culture and sports require additional efforts to be boosted to a high-

er level as well. Ukraine maintains working ties with the directors of the Olympic Committee of PRC and Managerial Committee on preparation for Olympic Games 2008 in China, headed by Wang Qishan, city mayor of Beijing. These ties are maintained with the purpose of coordination activities in the area of physical culture and sport between Ukraine and PRC, especially in the period of preparation to Olympic Games 2008. In June, 2006 S. O. Kamyshev, the Ambassador of Ukraine met S. N. Bubka, the Chairman of the National Olympic Committee of Ukraine, and member of the Steering Committee of the International Olympic Committee, in Beijing. During this meeting they discussed questions regarding preparation to Olympic Games 2008.

By the end of 2006, the interregional cultural and humanitarian cooperation was regulated by 34 bilateral agreements, memoranda and protocols on comprehensive cooperation, establishment of friendly and sister links at the regional and city levels. More and more region level delegations' visits ended up with signing of contracts and inception of economic projects.

With the purpose of realization of economic potential of inter-regional cooperation, in the course of 2006, seven delegations from Zaporizhzhya region, AR Crimea, Kyiv city, Kharkiv city, Dnipropetrovsk city and other regions with their heads have visited China. During the above-mentioned visits 5 bilateral agreements and letters of intentions on cooperation in various areas, including investment were signed. In addition, a number of Ukraine-China business forums were held with participation of representatives of business community from Ukraine, and their Chinese counterparts.

Of all participants of Ukraine-China regional cooperation, Kyiv city, Donetsk, Ivano-Frankivsk, Zaporizhzhya, Luhansk, Rivne, and Kharkiv region state administrations appeared to be the most active, consistent and regular collaboration with Chinese counterparts is very much commendable.

On September 7, 2006, the Autonomous republic of Crimea signed an Agreement on trade and economic, science and technical and cultural cooperation with Hainan province (PRC), on September 8, Odessa region signed a Protocol of intentions towards cooperation with the Chinese province of Hubei. An Agreement on establishment of partners' relations between Kharkiv region and Shandong province is being prepared for signing.

Japan

Political dialogue. Of all areas of political cooperation, cooperation within international organizations appeared to be most productive in 2006. In particular, a joint decision was made to support the candidacy of K. Matsuuri from Japanese side for reelection to the position of UNESCO Director General at the 33rd session of the General conference of the organization. In May, 2006 both countries became members of the newly created UN body – The Human Rights Council. During the election to members of the Council, the Ukrainian candidate received great support from Japanese side.

On February 15, 2006, during the visit of the delegation headed by Dz. Maruyama, the Deputy Director General of the European Bureau of the MFA of Japan the first meeting of Ukraine-Japan Committee on science and technical cooperation issues took place in Kiev.

Official contacts. On May 16–18, 2006, S. Yati, the Deputy Minister of Foreign Affairs of Japan visited Ukraine, he conducted the political consultations in the MFA of Ukraine. On June 30 – July 1, 2006, T. Aso, the Minister of Foreign Affairs of Japan came with an official visit to Ukraine. During this visit a meeting of Ukraine-Japan Committee of Cooperation at a foreign affairs ministers' level was held. At the time of negotiations the sides paid particular attention to the questions of realization of agreements, attained during V. A. Yushchenko, the Ukrainian President's visit to Japan in July, 2005. T. Aso confirmed the Japanese government's support of the democratic reforms implemented in Ukraine. The Participants of negotiations exchanged their points of view regarding ways of promotion of trade and economic and investment cooperation between Ukraine and Japan, and implementation of the projects of the Official Developmental Aid program. The Ukrainian side greatly appreciated the assistance, which was provided by Japan to our country in the liquidation of Chornobyl nuclear power plant accident consequences.

The development of inter-parliamentary contacts is an important component of the interstate relations. In May, 2006, the inter-parliamentary relations were fostered owing to the visit to Ukraine of the delegation headed by H. Yanagisawa, the Chairman of the Japan-Ukraine Friendship Inter-Parliamentary Association.

During this visit the parties discussed ways of activation of political dialogue and switching to practical implementation of the current potential in economic and cultural cooperation spheres. Special attention was given to the questions regarding realization of arrangements which were attained during President V. Yushchenko's visit to Japan.

Cultural and humanitarian cooperation. At the meeting of Ukraine-Japan Committee of Cooperation at the level of foreign relations ministers, both sides admitted existing opportunities to boost cultural and humanitarian cooperation as well as cooperation in environmental sphere, particularly in projects, implemented under Kyoto Protocol to the UN Framework Convention on Climate Change. The parties highly evaluated performance of the Ukraine-Japanese Center of the National Technical University of Ukraine «Kyiv Polytechnic Institute». As a result of the meeting the sides signed a Memorandum regarding agenda of the Ukraine-Japanese Committee of Cooperation at the level of foreign relations ministers and an Agreement (in the form of exchange of Notes) between the government of Ukraine and government of Japan on awarding a Japanese cultural grant for the implementation of a project on modernization of lighting equipment in the Donetsk Solovyanenko Academic State Opera and Ballet Theatre.

On October 7–8, 2006, I. Likhovy, the Minister of Culture and Tourism of Ukraine, visited Tokyo city to participate in the opening ceremony of the Month of Ukrainian Culture in Japan, which was the first in the history of Ukraine-Japan cultural relations and held in October-November, 2006.

Ukraine – Latin American countries

Political dialogue. In 2006, efforts of domestic diplomacy in the development of Ukraine's relations with Latin America and Caribbean countries were directed primarily to strengthening positions of our state in this region by means of active political dialogue with leading countries of the region both on bilateral basis, and within the framework of international organizations, encouragement of cooperation in trade, economy and investments, promotion of Ukrainian goods in the markets of the continent, and strengthening of humanitarian and cultural ties. Specific

attempts were made to deepen interaction with Latin American regional groups, i.e. Organization of American States, Andes Cooperation of Nations, Association of Caribbean States. In March 2006, Ukraine received the status of observer in the Latin American Association of Integration which unites 12 South American countries.

Political consultations between foreign relations ministries were held on extensive scale. Specifically, in 2006, political consultations took place between deputies Foreign Ministers of Ukraine and Paraguay (February), Argentina and Brazil (March), Mexico and Panama (December). In the course of bilateral meetings between Foreign Minister of Ukraine with heads of Foreign Relations Ministries of Suriname L.Kraag-Keteldidgk, of Guatemala G.Rosental, of Peru Jose Garcia Belaunde within the framework of 61st UN General Assembly in New-York (September), important emphasis was placed on promotion to markets of these countries of high-tech products manufactured in Ukraine.

In 2006, a legal agreement framework with countries of Latin America was expanded, specifically, a treaty on friendly relations and cooperation with Peru was drafted and prepared to ratification (ratified in March); an Agreement with Venezuela on abandoning of visa requirement for citizens that use diplomatic and service passports was signed in February, a joint Communiqué on establishment of diplomatic relations with the Republic of Suriname was issued in September, a framework agreement with the government of Republic of Argentina on cooperation in the area of usage of outer space for peaceful purposes was signed in October, and Provision on Ukrainian-Mexican Intergovernment Commission initialed in November.

Trade and economic cooperation. Main prospects of developing bilateral cooperation between Ukraine and Latin American and Caribbean countries are found in the area of trade and economy. They are based on needs for economic, and primarily, industrial development of countries of the region. This encourages Latin American and Caribbean communities to find new partners that would be able to supply them with affordable high technologies, and be prepared to build relations on a parity basis. Today, the prevailing majority of countries in the region (Peru, Venezuela, Brazil, Mexico, Ecuador, and Argentina) have sectors of industry, development of which in the short and mid-term peri-

od could greatly benefit from supplies of Ukrainian machinery and import of Ukrainian technologies. In response, Latin America can satisfy Ukraine's needs for strategic import of raw material and prefab goods.

Scientific, technical and technological cooperation between Ukraine and Latin American countries also appears quite beneficial. Both sides are immensely interested in deepened cooperation in utilization of outer space for peaceful purposes, research and technological cooperation in nuclear power, science, and agribusiness, introduction in Latin American countries of Ukrainian aviation, oil-mining and oil-refining technologies, conduct of joint investigation in Antarctica and South Atlantics.

Pragmatic nature of bilateral relations and reciprocal interests in realization of mutually beneficial projects in trade, economic and scientific areas was demonstrated by successfully held in 2006 visits in Ukraine of the Minister of Foreign Affairs, International Trade and Culture of Argentina Mr. J.E.Taiana (October 1–3), minister of Defense Nilda Garre (October 29–30), and fifth joint meeting of Interstate Ukraine-Argentina Commission on issues of trade and economic cooperation (Buenos Aires, October 9–11).

Steady dynamics in the development of political contacts in 2006 facilitated initiation of a number of specific projects in high-tech industries, particularly, in aerospace, energy generation and aircraft building. Thus, in September 2006, Brazilian side approved the statute of a joint venture «Alcantara Cyclon Space», which enabled to move on to the practical implementation of the project on launching commercial satellites from the Alcantara Space Center with help of Ukrainian launcher «Cyclon-4». Argentine side expressed its interest in engaging Ukrainian businesses in the project on modernization and capacity expansion of the Argentine hydropower station «Salto Grande» (estimated project value \$ US 65 mln). Ukrainian side also received a proposal regarding upgrade of 18 AN-32 aircrafts, utilized by military forces and national police of Peru (Peru is the world's third country by the number of possessed and utilized Antonov aircrafts).

During the negotiation process on Ukraine's accession to WTO, bilateral protocols on reciprocal access to markets of goods and services were signed with Panama (March 30, 2006), and Columbia (June 15, 2006).

Year 2006 ended with stable growth of volumes of bilateral trade with Latin American countries. In 2006, Ukraine's overall goods turnover with countries of the region amounted to \$ US 1.71 bln, a 136.8% increase vis-à-vis 2005. Meanwhile, Ukrainian export was worth \$ US 1.219 bln, and import – \$ US 485,163 mln, resulting in Ukraine's positive balance – \$ US 734.254 mln.

According to State Statistical Committee of Ukraine, by results of 2006, major trade partners of Ukraine in the region of Latin America were:

Brazil – total trade turnover is \$ US 418.2 mln:

Ukrainian export – \$ US 138.4 mln, import – \$ US 279.8 mln,

Mexico – total trade turnover is – \$ US 226.7 mln:

Ukrainian export – \$ US 204.1 mln, import – \$ US 22.5 mln,

Ecuador – total trade turnover is – \$ US 102,7 mln:

Ukrainian export – \$ US 38.5 mln, import – \$ US 64.2 mln,

Argentina – total trade turnover is – \$ US 100,6 mln:

Ukrainian export – \$ US 42.8 mln, import – \$ US 57.7 mln,

Columbia – total trade turnover is – \$ US 44.3 mln:

Ukrainian export – \$ US 39.0 mln, import – \$ US 5.3 mln,

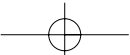
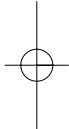
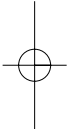
Guatemala – total trade turnover is – \$ US 43,6 mln:

Ukrainian export – \$ US 38.7 mln, import – \$ US 4.9 mln,

Panama – total trade turnover is \$ US 42.0 mln:

Ukrainian export – \$ US 39.2 mln, import – \$ US 2.8 mln.

Cultural and humanitarian cooperation. In the context of development of humanitarian and cross-cultural relations with Latin American countries, in March-April 2006, Ukraine held Days of Mexican culture. Days of Ukrainian culture in Brazil are scheduled for the second half of 2007. Ukraine's government supports organization and provides for visits of Ukrainian delegations of artists, scientists, educationalists, cultural workers, athletes and mass media to countries of the region.



Afterword

Publication «Foreign Policy of Ukraine – 2006: Strategic Assessments, Forecasts and Priorities» is the first attempt of the Foreign Policy Research Institute to undertake a comprehensive analysis of country's accomplishments in foreign policy for one year period. The scientific analysis, presented in the form of an Annual Strategic Review, is typical for many countries of the world. However, in Ukraine it will appear in print for the first time. This format was chosen because it allows highlighting the most vital issues of Ukraine's foreign policy, and invites everybody to join the all-national discussion in order to find best solutions.

Forecasting value of this publication is great because on the basis of a comprehensive assessment of what happened yesterday one may peep into the future, see consequences of adopted decision in foreign policy, foresee future challenges and suggest preventive measures.

No doubt, that the publication of the Yearbook presenting accurate information and unbiased assessments is evidence of transparent foreign policy of Ukraine and its compliance with democratic standards. The Annual Strategic Review incorporates scientific analytical part, laid out in conclusions and opinions of leading experts in international affairs, and information data, provided by the Ministry of Foreign Affairs of Ukraine.

Having analyzed foreign policy of Ukraine for 2006, authors of the Annual Strategic Review arrived at the following conclusions:

In late XX – early XXI century, the world stepped into the era of global and regional transformations. On a more general stand, global transformations in Ukrainian context may be presented as follows:

- For objective and subjective reasons, Ukraine failed to adopt globalization as a strategic imperative of its national development;

- Unclear paths of societal modernization prevents Ukraine from mobilizing its internal resources to take the nation up to the level of informational and technological competitiveness in the environment of globalization;
- Low level of national identity and cohesion of Ukrainian nation determines its place in the global competition.

Frontier communicativeness and regional conditions of economic activity objectively facilitate expansion of globalization processes in Ukraine. It should be added, that Ukraine needs to clearly state its position in the conceptual and political context as regards the globalization and regional processes. This position must become determinant in pursuing the policy of social and economic transformations, and actively implemented through the strategy of long-term sustainable development. The basic thesis in determination of hierarchy of foreign policy priority must be that Ukraine cannot stand aside the global economic process where, as yet it is present as an object of subregional level.

Therefore, global and regional trends in the worldwide development have systemic nature, which obliges the national government to permanently take care of implementing preventive measures both to alleviate negative consequences and optimally use positive consequences of their influence on social systems of countries that participate in this multilateral process.

Ukrainian aspect of this problem lies in specifics of geopolitical location and social and economic position of the country, and depends on the capability of its political establishment to take into consideration these factors, and take responsibility for pursuit and protection of the national interests in the environment of total competition in the time of globalization and regionalization of international communicative space.

Despite certain accomplishments, situation in European and Euro-Atlantic directions has not qualitatively changed for the better. A number of positive results were achieved in relations with the EU, which may serve as a foundation of a systemic progress in these relations in future. Meanwhile, it is important to note, that the dialogue with EU was not supported by adequate effective actions inside the country, and was complicated with political confrontation in the system of public administration. As a result, pace of EU integration has slowed down, and Ukraine's appeal as a reliable and promising partner of EU has dimmed.

Year 2006 may be characterized as a «period of uncertainty» in relations with NATO. The Alliance received a signal of slower integration. Simultaneously, the topic of European integration has deepened disintegration in the government and political elite of the country, and gained clearly conflicting nature. The resulting situation jeopardizes further pursuit of the Euro-Atlantic course.

No systemic accomplishments were achieved in 2006 in American direction. USA's support to Ukraine's foreign policy course remains virtually unrealized due to problems in domestic policy. Ukraine appeared unprepared to implementation of a number of joint initiatives. State of Ukraine-USA relations is not to a sufficient extent conducive to formulate strategic partnership between the two countries.

In 2006, no systemic progress has been achieved in relations with the Russian Federation. Despite certain accomplishments, Ukraine's policy in Russian direction lacked coordination, strategic approaches and effective action in standing for national interests. This mix of problems weakens Ukraine's positions in the environment of asymmetric relations, and disproportionate economic and military and political potentials of the two countries. Moreover, it objectively leads to growing pressure on the part of RF.

Finding ways and mechanisms for transparent settlement of controversial issues in the bilateral relations, ensuring fair, mutually beneficial and transparent partnership with RF, on which to a certain extent depends effectiveness of realization of Ukraine's policy on the global arena generally remains one of the key problems.

Overall, in the regional policy, despite certain accomplishments, Ukraine failed to achieve maximum results. Active course towards gaining the status of a regional leader is held back by a number of internal and external factors. Financial and economic support to the course is practically inexistent. Ukraine appears to be taken aback by new challenges caused by the escalated tension on the regional level. At the same time, adequate response has not been found to the growing forceful activity of Russian Federation on the post-Soviet area. So it is quite natural that there is a need for development of an effective foreign political strategy towards Russian Federation, which would ensure safe existence and development of Ukraine as an independent sovereign state. Considering

the fact that asymmetry is the principal attribute of Ukraine-Russia relations, some asymmetric strategy must be laid as basis of Ukraine's foreign policy in Russian direction, which would enable our country to pursue its national interests and develop mutually beneficial relations with the Russian Federation.

Ukraine's foreign policy was in no easy situation in 2006. Pursuit of foreign political course was taking place against the backdrop of contradictory functional, structural, personnel-related transformations of the entire public administration, generated by implementation of political reform. Switch to a parliamentary-presidential republic, to which the state political elite appeared unprepared, impaired implementation of the foreign political course.

Internal political confrontation, conflicts between President-Government-Parliament, availability of principal divergences in perceptions of CMU members of goals and mechanisms of foreign policy, as actual formation of several foreign policy centers, resulted in unbalancement and deficiencies in development, adoption and enforcement of foreign policy decisions, complicated preparation of the single and clear-cut strategy in relations with foreign partners.

One could observe threats of revision of the foreign political course. This situation tarnished international image of Ukraine.

Generally, in the background of successes of Ukrainian diplomacy, it became ever so evident that effective foreign policy directly depends on effective internal transformations, consolidation of elites and entire society around strategic goals and developmental priorities of Ukraine. In 2006, foreign policy of Ukraine was not turned from an instrument of ensuring national interests to the factor of internal policy confrontation. However, the situation demonstrated the need for invariable compliance with laws and other regulations in the area and foreign policy and policy of security; responsible attitude of all branches of power and political forces; clear orientation towards pursuit of the national interests and achievement of strategic goals of the development of the country and the nation.

Successful fulfillment of the Action Plan, primarily of its political priorities, open up to Ukraine opportunities for closure with EU of a qualitatively new document, and domestic diplomacy

is already working on it. Therefore, the most important mid-term priority in Ukraine-EU relations is closure of a new European basic agreement on principles of integration and association between Ukraine and EU. The new agreement is called to lay a qualitatively deeper legal base for bilateral cooperation and replace the Partnership and Cooperation Treaty, the ten-year terms of which will expire in early 2008. It is obvious at this stage, that parties have different perceptions of some of the conceptual issues. Ukraine pushes for fixation in the new deepened agreement of **association relations with the prospect of EU membership**, while European Union does not appear prepared to grant such prospect to Ukraine.

Ukraine-EU negotiations of the new treaty will not be easy and are not likely to finish by the deadline to facilitate direct transfer from the Partnership and Cooperation Treaty (PCT) to the new Treaty sharp on the date of expiry of the former (March 2008). Together with the process of ratification, PCT negotiations by the date of its coming into force, may take from 2 to 3 years or even more (the process of PCT ratification lasted almost 4 years).

Major problem in realization of Ukraine's Euro-Atlantic integration course is lack of political elite, capable to recognize precedence of national interests above corporate and personal interests. As a result of policy of Ukrainian identity obliteration, a portion of Ukraine's population found it very difficult and unusual to treat Ukraine as a self-sufficient country. Ukraine has a large layer of people that have no explicit Ukrainian national identity, and are guided in their attitude to NATO by habit, cultural or linguistic attributes, aspiration to achieve certain level of well-being or by force of circumstances.

This problem can't be solved by simple change of generation, both due to the long time period, and because of the fact, that even though NATO membership is better supported by young people than by elderly population, even this young group can't see the value in support of NATO membership. That's why, this problem should be addressed through running extensive awareness campaign which should be built around explaining to Ukrainian broad public of its own interests.

To-date, main drawbacks of awareness campaign on NATO included: lack of large scale information campaign about NATO,

inability to establish effective and focused cooperation with media, lean financial resources, poor management of the campaign, particularly, in staffing, «anonymity» of the existing campaign, slow pace of its running, as anti-campaign has already begun, including with help of flyers, press and TV, and through speeches of Yanukovich government members; leading TV channels failed to retain albeit neutral attitude towards NATO campaign, which specific events on the campaign are largely chaotic.

In relations with Russia, pro-government parliamentary majority headed by the Party of Regions and the Government failed to outline a clear vision of the model of foreign policy course of Ukraine, which would allow to promote Ukrainian national interests in this Eastern direction. This model may be created and implemented only under condition of achieved consensus between political forces of Ukraine and consolidation of their efforts in standing Ukraine's national interests. Considering complicated situation with domestic policy in Ukraine, the model of multilateral economic cooperation would appear most optimal for present day and for the future. How close Ukrainian politicians can approach this model will be evident in 2007.

Civilization proximity to Europe gives Ukraine a unique chance to change the system of reference of its identity formulation from the pattern «**Ukraine is not Russia**», to the pattern «**Ukraine is an integral part of Europe**». Representation of Ukraine as part of political and economic Europe in relations with the Russian Federation gives it colossal benefits and allows, on the one hand, removes the entire mix of geopolitical claims of Russia, and on the other – considerably strengthens potential of economic cooperation.

Standing on the cross-roads of geopolitical interests of countries of the West, East, North and South, Ukraine faces huge opportunities for variations with the said interests. It empowers it to find best partners and allies, and promote its interests in all four directions, gaining the status of the regional leader, to be respected by the Russian Federation.

Appendix

List of International Multilateral Treaties, signed by Ukraine in 2006

Document	Date of signature
European Agreement on the Exchange of Therapeutic Substances of Human Origin	10.04.06
Additional protocol to the Convention on Human Rights and Biomedicine, on Transplantation of Organs and Tissues of Human Origin, related to banning of human cloning	10.04.06
Protocol on temporary rules of traceability of goods from states-participants of GUAM for further sale. Agreement on establishing a free trade zone between GUAM states	22.05.06
Protocol on cooperation between operational bodies of border guard agencies in GUAM member-states	22.05.06
Resolution on endorsement of the Policies and Procedures, Regulations on the Secretariat and Financial Provisions of the Organization for Democracy and Economic Cooperation – GUAM	23.05.06
Kyiv Declaration on Establishment of the Organization for Democracy and Economic Cooperation – GUAM	23.05.06
Joint Declaration of the heads of States of the Organization for Democracy and Economic Cooperation – GUAM on the Issue of conflicts settlement	23.05.06
Charter of the Organization for Democracy and Economic Cooperation – GUAM	23.05.06
Loan agreement within the framework of the project «Extending access to markets of financial services» between Ukraine and International Bank of Reconstruction and Development	23.06.06
Letter-agreement on the Japanese Government's grant to support the judicial reform in Ukraine (№TF 056727)	26.06.06

Document	Date of signature
Guarantee agreement (Second Project for promoting Ukraine's exports) Between Ukraine and the International Bank for Reconstruction and Development	26.09.06
Memorandum of Understanding between Government of Ukraine and Council of Europe on Establishment of the Council of Europe local office and its legal status	06.11.06
Agreement (in the form of exchange of letters) between government of Ukraine and Organization for Economic Cooperation and Development on participation in the OECD Committee on Metal and Steel	23.11.06