Reconsidering Ukraine’s Future
Backgrounds and aims of prospective EU’s Ukraine policy

Austrian Marshall Plan Foundation fellowship article
by Vladislav L. Inozemtsev

Washington (DC), June – December 2017
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Introduction

Ukraine, Russia, and ‘Europe’ in historical retrospective

The word ‘Ukraine’ (in old-Russian – Украина or Въкраина) emerged in late 12th and early 13th century in several historical sources, among which one should note the Kievan Chronicle and the Galician-Volhynian Chronicle\(^1\), which both are parts of the famous Hypatian Chronicle\(^2\). The first uses of the word, attributed to the years 1187 and 1213, refer to Pereyaslav’ and Volhynian lands which might point on their remote positioning vis-à-vis Kiyv. In Russian the term ‘украина’ was used for description of frontier portions of the state, e.g. to the Pskov lands or to those adjacent to the Volga river\(^3\). The Poles called as ‘ucraina’ different lands at the south-east part of the Rzechpospolita, even such a term was never used in official texts or decrees. So a kind of consensual opinion has build up in the 19th and 20th centuries on the clear connection between the word ‘украина’ and some kind of remotedness and/or borderness of the territory labelled by such a term\(^4\). But Ukraine’s biggest virtue – and problem – resides in the fact that the region which developed itself into an independent state under this name by 1991, never was any kind of ‘outskirt’, or ‘province’ of the great Russian civilization, being actually one of its prominent centers, and, perhaps, even the most prominent of them all.

Historical outlook should therefore precede any kind of study of today’s Ukraine if the researcher wants not only get some knowledge about country’s economy or culture, but also to understand its role and importance in global geopolitical game that is now underway, in which Russia and the European powers became the central players. This outlook might be short, but it must focus on several crucial elements which shaped, and will continue to shape, Ukraine’s geopolitical role.

First of all it should be mentioned that Kiyv, a strategically positioned town founded by the descendants of the Normans who ruled Novgorod since the mid-9th

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\(^3\) See: Гайда, Фёдор. ‘От Рязани до Москвы и Закарпатья: происхождение и употребление слова «украинцы’ / Родина, 2011, № 1, c. 127 (in Russian language).

century, by the beginning of the 10th century developed into the major center of this section of the great East European plain. The Kievnians effectively controlled the North-South trade route that came from the Gulf of Finland through Volkhov, Western Dvina and Katyn rivers to Dnieper and then to the Western coastline of the Black Sea all the way to Constantinople, as was called ‘the path from the Varangians to the Greeks’. The city with a population of up to 30 thousands by the early 12th century was by far the largest in this part of Europe. It became also the most prominent military center after its princes fought victorious wars against the Kipchaks and the Khazars and even reached the suburbs of the Byzantium’s capital in an unexpected raid in 860; even more significant was the fact that the current Ukrainian capital became the most crucial Christian outpost as Prince Volodymyr baptized his subjects in 988 and Kyiv was elevated to be the seat of a Metropolitan bishop immediately thereafter making this as a clear sign of the economic, political and, maybe, military importance the city had to the Byzantians.

The Kievan princes, declared the ‘Great Princes’ by the 1020s, were considered the older sovereigns among all other Russian princes. The country itself, being a perfect example of the feudal domain of the time, was called Rus’, and this name was used even after the Mongol invasion of mid-13th century (the Roman Pope Innocentius IV, praising the conversion of Prince Danylo of Galicia, who was seeking Western assistance in his fight with the Mongols, into the Catholic faith in 1253, proclaimed him King Daniel, Rex Ruthenorum, or Rex Ruse). The younger princes, which in their multitude were descendants and/or relatives of/to the Great Prince of Kyiv, got their domains with expectation they will extend the borders of the great state. So I would say colonization of some kind was an immanent feature of the Rus’ since its early age: the cities of Yaroslavl’, Vladimir or Ryazan’, founded by Yaroslav the Wise, Vladimir Monomakh and Svyatoslav Yaroslavitch, were its outposts on the eastern borders. Therefore it wouldn’t be an exaggeration to say that Moscow which later became the metropolis to the largest colonial empire ever built, was itself a product of successful Kievan colonization of the 12th century, and this bears a crucial significance for the entire Russian history.

Second important point that should be mentioned consists in an amount of European influence that might be found in Ukraine’s history. I already reminded that Kyiv’s statehood itself was established by the Normans, and for all the early centuries of its existence Rus’ (especially its northern and north-western parts) developed under great influence from the Europeans. As early as in the 10th century the first dynastic marriage occurred as Prince Volodymyr took princess Anna, the sister of the Byzantine Emperors Basil II and Constantine VIII, as his wife in 988. Later his son, the Kievan Great Prince Yaroslav the Wise, earned the nickname ‘Father-in-law of Europe’ by marrying his two sons to Polish and Byzantine princesses, and his three daughters to the Kings of Norway, Hungary, and France. The sons of already mentioned Prince Danylo of Galicia married the daughter of the King of Hungary and the daughter of the Duke of Austria. After being invaded by the Mongols, the current Ukraine has fallen under their domination as a multitude of tribute-paying vassal states, but its path differed greatly from that of Muskovy since after the death of Prince Danylo’s grand-grandsons in 1323 Galicia was overtaken by Polish dukes who appear in line for the throne because of dynastic marriages. Successively, the western part of Ukrainian lands of today became the palatinates Ruthenia and Podolia inside Poland by the beginning of the 15th century. A bit later much more important historical event took place as the significant part of nowadays Ukraine, including Kyiv, was incorporated into the Grand Duchy of Lithuania which became strong enough to push the Mongols back and defeat them in a crucial engagement at Blue Waters in 1362, eighteen years before the famous battle of Kulikovo between the Mongols and the Muscovites. The Lithuanians accepted the Orthodox faith and the Slavonic language that developed in early ages of the Kievan Rus’ and so became the legitimate heirs to this civilization. As many contemporaray researches point out, “it can be referred not as a Lithuanian state but as Lithuanian-Rus’, or even Rus’-Lithuanian polity”. It was the first time today’s Ukraine in most of its parts became a European land, and this part of its history imposed a fingerprint of a not lesser amount than the Mongol domination challenged the Muscovite identity.

The third issue which cannot be avoided in this short historical introduction is the story of the cultural and religious reception that the Kievan princes initiated in the 10th century. The Orthodox tradition as it came from Byzantium was based

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on the concept of the ‘Symphony’ of the Church and the State; it completely lacked the sense both of the distinction between the sacred and the secular in political sphere and of the judicial tradition that developed in the Western Europe because of the re-discovery of the Roman Law and the rise of the judicial studies in early Italian universities. So even the old Kievan Rus’ had its rules, or Pravdas, it never was able to develop a codified law as it was present in Western Europe. Because of this there was no place at all for the independent judiciary in the Russian tradition while the ruler and his close circle in the capital cities, and its envoys or military commanders in smaller towns possessed all the powers to execute justice. This cultural peculiarity became the most important one that binded the former Kievan Rus’ lands with Russia since as the time went on it became more and more evident that the Orthodox faith and the rule of law are simply incompatible. The idea of a total conjunction between the law, the faith and the secular authority might be mentioned as early as in Metropolitan Hilarion’s ‘Sermon of Law and Grace’ dated by mid-11th century, and transcends the Russian history for centuries. The Orthodox faith, adopted and introduced by Prince Vолодимyr, continuously shaped the nature of the people that inhabited the current Ukrainian lands: on the one hand, it forever bound them to the center of this religion (first to Constantinople, and later to Moscow), and, on the other, it developed a unique understanding of the state being seen as a complete hegemon executing its powers above any other institutions and even above people’s rights. Therefore I would argue that by the 15th century the people inhabiting the nowadays Ukraine, possessed a fractioned identity and a divided loyalty. They were a portion of the state that was a part of the current European civilization, but they were people who at the same time remained included into the Orthodox world governed not from any of the European capitals, but after the demise of Byzantium directly from Moscow. These circumstances shaped a unique path of Ukraine’s history turning the country into a distinctive ‘frontier’ society that was (and

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18 The formula of this relationship may be found in the Epanagoge, the Byzantine law book promulgated in 886: ‘The temporal power and the priesthood relate to each other as a body and soul; they are necessary for state order just as body and soul are necessary in a living man. It is in their linkage and harmony that the well-being of the state lies’ (quotation according to the website of Moscow Patriarchate: https://mospat.ru/en/documents/social-concepts/iii/, site retrieved on July 15, 2017).

19 Russkaya Pravda was the legal code of Kievan Rus’ or even a set of laws. It was created from the beginning of the 11th century. This code was discovered by the historian Vassily Tatischev.

20 Some experts supposes that Russkaya Pravda is a digest of court rulings which have only recommendatory character, while the main source of law were the custom and opinion of ruler and his inner circle (see for more details: Сергеевич, Василий. Лекции и исследования по древней истории русского права, 4-е изд.; Санкт-Петербург: типография М. М. Стасюлевича, 1910, c. 95 [in Russian language]).


still is) divided along many different lines, and, I would argue, possesses no single identity, but rather a collection of overlapping identities, loyalties, and even competing histories. All this makes the political and cultural conflicts in the region incredibly deep and painful as we all can witness even in the 21st century.

The ‘frontier’ character of Ukrainian society is often attributed to the early ages of Kievan Rus’ existence – in this case the historians point out that it was the last frontier of the settler civilization, and everything to the east belonged to the Great Steppe. I would not contest this notion, but I believe that such a deep dig into the historical roots of the current Ukrainian state makes no sense. All the ‘frontier’ elements might be traced to the years between 1385 and 1389 when the Lithuanians adopted the Catholic faith after the Union of Krewo. From this time on, the rift between ‘Europe’ and ‘Muscovy’ became obvious (I should note that at the famous battle of Grunewald in 1410 more than half of the Polish-Lithuanian army that faced the Teutonic Order’s forces, was made up from the Russians, Belarussian and Ukrainian warriors who at that time fought together with the Lithuanians and Poles). As the Grand Duchy became a Catholic country the dividing line between the two branches of Christianity broke through what might be called the proto-Ukrainian society, and it turned into Europe’s eastern frontier.

From this time on, I would argue, the principal gap in the Ukrainian society emerged – the gap between the cultural and spiritual ‘Russianness’ and political and in some part economic ‘Europeanness’. Ukraine remained a territory where the Orthodox religion prevailed even after the Grand Duchy of Lithuania adopted Catholicism in 1385. Several attempts to bridge the gap that resulted first in the Union of Florence (Laetentur Caeli) in 1439 and much later in the Union of Brest in 1595, were not entirely successful as the Union of Florence was not recognized by the major part of Orthodox clergy, and the Union of Brest failed to produce a broad support in eastern possessions of the Rzechpospolita: by 1647, there were only around 4 thousand Uniat parishes there compared to more than 13,5 thousand Orthodox ones. This spiritual bond with Muscovy that by this time became the undisputable center of religious Orthodoxy after the proclamation of the independence of the Russian Church in 1448, the fall of Constantinop-
le to the Turks in 1453, and the introduction of the Moscow Patriarchate in 1589, remained the most powerful instrument of preserving the unity of the East Slavonic people. Another one was the language and the Cyrillic alphabet that were in use since the 10th century and were not assimilated into the Polish language. Or course, the upper classes of society in general were much more ‘European’-oriented since they were incorporated into the everyday live of first Lithuanian, and then Polish society – but the dividing lines between ‘European’-oriented elites and the ‘Russian’-oriented people deepened during the most part of the 16th and the beginning of the 17th century, resulting finally in a huge uprising led by Bogdan Khmelnitsky who declared himself the defender of the Orthodox faith and of the peasants’ vital interests in 1648. The ideas of the rebels resonated strong among the locals, and by the early 1650s they controlled a vast territory from Zaporizzha to Kyiv and even besieged Lvov. In 1653 after the uprising turned into a devastating war their leaders appealed to the Russian Tsar Aleksei Mikhailovich for protection, and in December of the same year the Pomestny Council declared that the Zaporizzha Getmanship is allowed to join the Russian state. This decision was then approved by the Rada of Pereyaslavl’ in 1654.

But the fight was far from over – actually it continues to our days. The incorporation of the major part of Ukraine into Muscovy finally turned this state into Russia (the very term became widespread since the late 16th century as Muscovy succeeded in conquering Novgorod and expanding into the vast lands of Siberia). Actually I would say that Russia in its modern sense emerged after the reunion between Moscow, Novgorod, and Kiev – even the two latter cities remained the remote provincial centers for centuries to come. But the feeling that Moscow now controls the main centers where the ancient Russian civilization once started, was the basic ground for Russia’s self-assumption as the great and successful power.

Consequently, the Ukrainian lands lose their authonomy that existed on the early stages of the union with Russia – and this process was accompanied by the growing Russification of Ukrainian people. The famous Russian academician Vladimir

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32 The army of Muscovy won a decisive victory in the Battle of Shelon River in July 1471, which severely limited Novgorod’s freedom to act thereafter, although the city maintained its formal independence for the next seven years. In 1478, Ivan III sent his army to take the city. He dissolved the veche, destroyed both the library and the archives, and at this point the history of the Novgorod Republic can be said to have ended (see for more details: Pipes, Richard. Russia under the Old Regime, New York; Scribner & Sons, 1974, p. 80 and Wood, Alan. Russia’s Frozen Frontier: A History of Siberia and the Russian Far East 1581-1991, London: Bloomsbery, 2011, pp. 55–70).
33 The Tsardom of Russia (also known as the Tsardom of Muscovy) was the name of the centralized Russian state from assumption of the title of Tsar by Ivan IV in 1547.
Vernadsky, who presumably traces his ancestry from the Cossacks of Zaporizzha, wrote in 1916, that beginning from 1654, ‘a long, evolving till nowadays, period of tensions between the Ukrainian population and the Russian authorities has started, being caused by the latter’s centralizing aspirations’, adding that ‘in the 17th and 18th centuries Russian-Ukrainian relations came down to continuous absorption and digestion of Ukraine by Russia since it believed Ukraine was a non-indigenous political (italics are mine – V.I.) body’\textsuperscript{34}. This policy became even more straightforward in the 19th century, when the Russian government decided to marginalize the Ukrainian culture and Ukrainian language, switching all educational institutions to the Russian language since it was declared that the Ukrainian one is nothing more than a dialect of the Russian. In 1863 Russia’s Minister or Interior issued a decree banning the printing of Ukrainian books and newspapers which later was reinforced by the decree signed by Emperor Alexander II in 1876. The Ukrainian people was treated like a part of the Russian one, possessing a culture that was considered inferior to Russia’s; territory’s official name during the imperial times was Malorossiya, or Little Russia. That was a position that in our days, by the way, is openly expressed by Vladimir Putin who reiterated once again quite recently that the Russians and the Ukrainians ‘are one nation with practically no differences; there are some cultural differences, and the linguistic colouring is a little different; but in essence, on the whole, we are one people’\textsuperscript{35}.

But I would argue that despite all these efforts from the Russian side the Ukrainian people never revolted against the Russian rule – first of all because the majority of measures were aimed on preventing Ukrainian political and cultural self-determination that wasn’t a primary concern of the ordinary people. Some kind of unrest was recorded back into 17th century when the Russians abandoned the historical freedoms of the local Cossacks; some Ukrainian leaders have tried to struck alliances with the Poles and other European nations in hopes to ‘liberate’ Ukraine from the Russian rule (the most known was a ‘betrayal’ of Peter the Great by the Ukrainian hetman Ivan Mazeppa who took the side of Charles XII of Sweden during Russo-Swedish war in the early 18th century\textsuperscript{36}). I would argue that for several centuries the idea of Ukrainian freedom lived only in the minds of several local writers and artists and was very rarely expressed in philosophical and historical writings. It was unable to catch the attention of broad masses, but even after Ukraine was politically nullified, the aspiration for revival was quite strong among the Ukrainian intelligentsia. The more educated a person was, the more pro-Western she or he appeared, while the majority of peasants and workers actually were unaware of the idea of Ukraineness. There was a kind of a ‘dormant identity’ that was able to surface only if being demanded by some political groups.

\textsuperscript{34} Вернадский, Владимир. ‘Украинский вопрос и русское общество’ в: Дружба народов, 1990, № 3, с. 247 (in Russian language).


The change came by the end of the 19th century with some visible revival in Ukrainian literature and art which got support from the Russian educated classes and St. Petersburg liberals. In 1905 the Imperial Academy of Sciences recognized the Ukrainian as an independent developed language, breaking with the notion it was a dialect of the Russian one, which was common to official point of view. Inside Ukraine and in both Poland and Austro-Hungary historians and philosophers started to study Ukrainian history as a history of a distinctive nation writing and publishing their works in Ukrainian37. Some Ukrainian parties were set up there as early as by the very end of the 19th century, and the seminal ‘History of Ukraine-Rus’ [История Украины-Руси]’ written by Michael Grushevsky came out in Lviv between 1904 and 1907 in several volumes38. As the World War I undermined the Russian statehood, the ideas of Ukrainian authonomy took ground, and after the Emperor Nicholas II was toppled by the February Revolution of 1917, the Ukrainian People’s Republic was declared in Kyie, with Professor Grushevsky as the Chairman of its Centralna Rada39. I will not go into all the developments in the Ukrainian affairs of 1917-1920, but what is worth to be mentioned is the fact that the Ukrainian elite at the time was actively seeking any help from the Western powers – Austro-Hungary, Germany, and Poland – in its attempt to counter the Russian/Soviet military advance caused by the Bolshevik’s aspiration to restore the country in its imperial borders. And even after the Soviets succeeded in their enterprise, Ukraine emerged as a republic with one of the most visible national self-consciousness in the whole early Soviet Union. In 1923 the central Communist government in Moscow sanctioned a large process of ‘Ukrainisation’ aimed on restoring the role of Ukrainian language and culture40. Michael Grushevky was sensationally allowed to return from his exile in Vienna for being elected a full member of Ukrainian and the USSR’s Academies of Sciences, but by the early 1930s the rise of Soviet totalitarianism reversed these policies.

The next chance for the revival of Ukraine’s hope for independence came in late 1980s during the perestroika years when the new Ukrainian pro-reform grouping ‘Narodny Rukh (People’s Movement)’ became the most radical proponent of independence from the Soviet Union. But once again, the secessionist drive was largely embodied in the political elite and in the educated population of big cities. When a referendum on the perduration of the USSR was conducted on March, 17, 1991, the total result for Ukraine came the lowest among all the Soviet and authonomous republics, at only 70.2 percent ‘yes’, while in Kyiv pro-Soviet vote


was limited to a mere 44.1 percent\textsuperscript{41}. The independence was in the end proclaimed by the act of Verkhovna Rada on August 24, 1991, after the conservative coup attempt finally failed in Moscow. But even after the declaration of independence and after the dissolution of the USSR in December, 1991 the Ukrainian society hasn’t show a deep devotion to contradict itself to the Russian one. Funny enough, that the famous book by second President of the independent Ukraine, Leonid Kuchma, entitled ‘Ukraine isn’t Russia’ was first published and presented in Moscow written in the Russian language\textsuperscript{42}. His successor, Viktor Yuschenko, the most pro-Western Ukrainian leader so far, apologized to me in 2004 during his campaign saying that for him recording an interview in Russian would be much easier than to do it in Ukrainian\textsuperscript{43}. The Russian language dominates not only the eastern sections of the country, but is equally widespread in Kyiv; only after the Russian aggression of 2014 and the wave of Ukrainisation some measures were introduced to limit its use both in the public sphere and in the mass media.

I would argue that Ukraine, nowadays – and, hopefully, forever – an independent state, is an extremely complex political and social phenomenon which cannot be treated as an ordinary European nation. For many centuries of its history it served not only as a ‘frontier’ that divided ‘Europe’ from ‘Russia’, but rather as a land, that was itself divided between ‘Europe’ and ‘Russia’; between Catholicism and Orthodoxy; between the traditions of comparative liberty and absolute serfdom. In some sense I would even say that the whole ‘belt’ that stretches from the Baltic states in the north to Moldova in the south and from Poland in the west to Donbass in the east can be called such a frontier. The major difference between Poland and Ukraine may be reduced to three points: the former possessed a solid political class that valued freedom over the subordination, the Catholic church that symbolized the Europe-centered civilization, and the language that highlighted the uniqueness of the Polish people; in the latter there was no huge political elite and the one that existed thought its future in a framework of some other state where Ukraine may be a constituent part, the Orthodox faith staged a wall between Ukraine and Europe while producing a direct link to Muscovy and later Russia, and, last by not least, for centuries there existed a strong feeling of a cultural and linguistic union between Ukraine and Russia. Therefore, how many times the Europeans and the Russians tried to divide and scramble both Poland and Ukraine, the first remained a part of Europe, and the second – a portion of Russia; this is why (and I will address this in the next section) the recent departure of Ukraine is believed in Russia a kind of a national disaster and why not only President Putin but the majority of the Russians can hardly imagine this departure is final.


Therefore I assume that the showdown between Russia and the rest of the world concerning the fate and the future of Ukraine will last for decades and for the Ukrainians there is no other choice to preserve their sudden independence than to side themselves with the West, to integrate into the Euro-Atlantic political and military alliances and to become the first part of the historical Rus’ to join Europe as it looks in the 21st century – i.e. the European Union. Under such circumstances no one might expect that Ukraine will terminate its efforts to drive westwards, so the most crucial question for the European politicians is how to help Ukraine to succeed and how to profit from its success. But prior to addressing these topics, I want to explain and clarify Russia’s current position since this country now appears to be the most pro-active agent of the crisis it provoked three years ago.
Chapter 1
Ukraine’s Significance for the Russian Federation in the 21st Century

The bloody conflict that erupted between the Russian Federation and Ukraine in 2014 possesses a long history and was predictable well before eventhough nobody actually envisioned that it will rise to such levels of hostility and hatred.

Since the time Kyiv gained its independence from Moscow (it would be incorrect to say either “from the Soviet Union” or “from Russia”) the Russian political elite considered the fact as a historical mishapening. This feeling aroused not so much from the geopolitical considerations (even the late Zbigniew Brzezinski once said that without Ukraine, Russia ceases to be an empire\footnote{See: Brzezinski, Zbigniew. The Grand Chessboard: American Primacy and Its Geostrategic Imperatives, New York: Basic Books, 2016, p. 46.}, in the first years after 1991 quite few Russians reflected the world in such a way), but from the deep conviction that the “brotherly union” between the two nation simply cannot break. On the one hand, Russia and Ukraine have been seen as a kind of the same civilization sharing common history for centuries, possessing similar languages and having their peoples intertwined in all the possible ways (there were more than 4.3 million of Ukrainians living in the Russian Soviet Federative Republic by 1989, and 11.4 million of Russians residing in Ukrainian SSR at the time\footnote{According to 1989 USSR Population Census, see: https://www.demoscope.ru/weekly/ssp/census.php?cy=6, site retrieved on August 1, 2017; for more details see: Sakwa, Richard. Soviet Politics in Perspective, London, New York: Routledge, 1998, p. 244.} with around 3 million Russo-Ukrainian families inhabiting all other parts of the Soviet Union). On the other hand, the Soviet economy was for decades reshaped in a way that turned it into a unique industrial complex that was thought inseparable since many republics complemented all the others, and Ukraine was a real industrial powerhouse of the empire: more than 5 thousand enterprises in Russia employing more than 1,000 people each, were critically dependent from the supplies from their Ukrainian counterparts as were around 3.7 thousand of Ukrainian factories (I do not mention energy and raw materials interdependence at all). So from the very beginning Moscow considered Kiyv as a capital of only partially departed land; no visas and restrictions for travel were introduced, the Russian language was extremely widespread in Ukraine, in Crimea and Donbass it was the most used even in official correspondence. Being viewed as a kind of a puppet state by the Rus-
sians, Ukraine was deprived of the Soviet nuclear weapons by 1994, it was not admitted to the partitioning of the Soviet assets abroad, and the Russian Black Sea fleet was not only almost entirely appropriated by Moscow but was allowed by the Ukrainian authorities to retain its principal base in Sevastopol till 1997, with the term later extended till 2027 in exange for a ‘promising’ natural gas deal.

Therefore Ukraine was not recognized as a state free from the Russian influence and even some kind of a dictate. The best formula that was invented in Moscow sometimes in the 1990s, sounded that the Ukrainian state is “independent, but not sovereign” – and in its essence it was quite a true and valuable statement.

For the most part of the 1990s as Russia was preoccupied with its internal problems being unable to reconsider its geopolitical aspirations, and Ukraine remained economically weak and politically fragile, the relationships between the two were quite friendly. One should mention that Ukraine indicated its course for a fill independence from the very beginning: even it first President, Leonid Kravchuk, appeared to be one of the founders of the Comminwealth of the Independent States, creating it in late 1991 alongside with Boris Yeltsin of Russia and Stanislav Shushkevich of Belarus, the country had never ratified the CIS Charter.

For years, Ukraine remained indifferent to all the Russian proposals for joining the Common economic zone or the Eurasian Customs Union. Its share of trade with the Russian Federation tumbled from 58.5 per cent of exports and 52.2 per cent of imports in 1993 to 18.1 and 40.7 per cent in 2004. Well before the current Russian aggression the Ukrainian government struck an alliance with the nations expressing the most doubtful attitude towards Russia – with Uzbekistan, Georgia,


47 According to the agreement finalized in the first Russian-Ukrainian treaty on the Black See Fleet, see: https://ria.ru/spravka/20140328/1001483988.html, site retrieved on August 7, 2017.


50 This was one of strange elements of Ukraine’s foreign policy: although the country’s parliament ratified the Treaty establishing the Community of the Independent States it never voted on its Charter, thus making Ukraine formally staying outside the Community for the whole post-Soviet times even it had participated in much of its activities (for greater detail see: Стримов, Евгений. 'Україна-СНГ: полюбився, чи полюблял? ні, навіть на впливу не можна піддавати' at: https://www.rian.com.ua/analytics/20161011/1017641914.html (in Russian language), site retrieved on August 17, 2017.

and Moldova, which resulted in creation of the GUUAM block in 1999. Nothing of the above produced concern in Moscow till in the early 2000s the government in Kyiv started to talk about its intentions for a deeper Euro-Atlantic integration.

By this time Russia got an authoritarian President, Vladimir Putin; reconsidered its foreign policy in a manner that presupposed a huge degree of anti-Americanism; became preoccupied with the ideas of reintegrating post-Soviet space; and, last but not least, was very concerned with any “foreign influence” that might derail its political course for the consolidation of its President’s personal powers.

So when in 2004/05 the pro-democratic and pro-Western crowd in Kyiv claimed for recount of the votes casted during the presidential election which finally put Viktor Yuschenko on the top of Ukrainian political scene defeating Putin’s lackey, Viktor Yanukovich, the rift between Russia and Ukraine, quite non-existing before, became the single most important issue in Ukrainian politics. Ukraine’s westward drive and the chance for a democratic opposition to the ruler’s will it has shown, provoked at the same time both the reactionary wave in the Russian political life and ruined the cooperation between Russia and the West. By 2007-2008, at the time of President Putin’s Munich speech and his famous remarks during the Russia-NATO summit in Bucharest, the Russian leadership definitely opted for a strategy that presupposed a ‘zero-sum game’ with its former Western partners, and from this time on, I believe, any options able to stop Ukraine’s crucial moves towards Europe were considered if not fully rational, but rather acceptable.

Why the Kremlin looks to be so stubborn in its efforts directing to secure Ukraine’s positioning within Russia’s ‘natural sphere of influence’? To be quite short, I would mention at least three important reasons that make this decision obvious.

The first one, listed by its ideological soundness, but definitely not by its real importance, was defined by Ukraine’s history as a centerpiece of the Russian civilization. The Kievan sources of Muscovy; the emergence of the notion of Russia (Россия) at the times when a new union between Muscovy and the Cossacks was declared in 1654; the religious continuity that binded Byzantium, Kyiv, and Moscow – all these points were well known to any ordinary Russian and therefore were easy to be “sold” to the Russian public. Whatever stood behind Ukraine’s will to become integrated with Europe - either some conspiracies created in Washington, or the free will of the Ukrainian people – in Russia such a drive produced a growing discontent since it was taken for an annexation of a part of “historical Russia” by the hostile and alien Western world. One should mention, that

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the questions of Crimea and Donbass were of additional importance for the Russians. The first resonated in Russian politics from early 1990s when many politicians, among them the powerful Mayor of Moscow, Yury Luzhkov, openly argued that the peninsula, given to the Ukrainian SSR from Russia by Nikita Khrushchev in 1954, was a Russian land55, and Sevastopol was a city of Russia’s military and naval glory56. The second was fueled by the fact that in Ukraine’s eastern provinces ethnic Russians constituted the vast part of the local population (up to 32.8 per cent in Donetsk and 39.0 per cent in Luhansk regions57, with the majority of populations of both regions considering Russian as their native language), and Mr Putin declared the Russians as the world’s most numerous “divided people” as it appeared after the collapse of the Soviet Union58. By all these means the Russian leadership prepared the people for a prospective taking over Ukraine or its parts; in 2014, when Crimea was annexed by the Russian forces, Mr Putin produced a speech saying that there were the spiritual believes of the Russian people which made the Crimean lands “sacred” for the nation since Prince Volodymyr was presumably baptized in Chersonessos before bringing the Christianity to Kyiv; because Crimea has a unique symbolic meaning for Russia’s statehood, etc.59 So I would say that the idea of reintegrating Ukraine into Russia was (and still is) considered in Moscow as a crucial task at the times Russia “rises from its knees” because it might in any possible sense recall the memories of either the emergence of contemporary Russia in the mid-17th century or the formation of the Soviet Union through the reassembling the “Russian” lands in a more “voluntary” manner after the Bolshevik victory in the post-revolutionary Civil War. So the first reason why Ukraine is so important for Russia is that it is sought as a part of Russia, and Russians do not want to lose a portion of what they think is their native land.

The second reason, which definitely came to the front in the early 2010s, was the new Russian strategy in the post-Soviet space aimed on its reintegration, presumably crafted alongside main lines of a common economic agenda. After its meteoric rise in the 2000s, Russia once again felt itself strong enough to exchange a part of its economic well-being into a political loyalty expressed by its former po-

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57 As in 2001, there were 1.84m ethnic Russians living in the Donetsk region and close to 992 thousands in Luhansk region (see data provided by Ukraine’s State Statistical Bureau http://2001.ukrcensus.gov.ua/rus/results/general/nationality/donetsk/ and http://2001.ukrcensus.gov.ua/rus/results/general/nationality/lugansk/, on the basis of 2001 Census data, both sites retrieved on July 26, 2017).


sessions in Eurasia. The idea of a new economic union was in place since 2000\textsuperscript{60}, but by early 2010s it became a kind of \textit{idee fixe} for the Kremlin leaders. One reason for this came from the renaissance of the post-Soviet nostalgia in Russia that was carefully crafted by the Russian elite itself; this nostalgia definitely needed some proofs, and the prospective reassemble of the lost territories might be considered the most powerful of all. Another reason came from the fact the the European Union has become a forceful appeal for some post-Soviet states, and in the Kremlin a decision was made that Russia should lead an equally spectacular, but maybe a bit less far-reaching, integration project in Eurasia. Both of these ideas were openly expressed in Mr Putin’s article in \textit{Izvestia} daily newspaper in November, 2011, as he, at that time Prime Minister, prepared his return to the Kremlin\textsuperscript{61}. But Ukraine’s role in the prospective union was absolutely crucial: Russia was itself a Eurasian country, but for animating the new Union and for securing its support by the Russian public, the Kremlin should be able to build two of its “wings”: one being the European, the other – Asian. On the European side Russia possessed only a client state of Belarus with population of 6.6 percent of Russia’s (according to the 2013 census) and economy of around $1/20$ of the size of Russia’s; on the Asian there where Kazakhstan, Kyrgyzstan and Tadjikistan with 30,4 million people (around $1/5$ of Russia’s population) (according to the 2011-2013 censuses) and the economies that were the least developed into whole post-Soviet space. Therefore the new “Eurasian Union” without Ukraine would become a symbol for “asiatization” of Russia\textsuperscript{62}, but not of its successful rise as a center of a dynamic “Eurasian” civilization. But turning to the Central Asia, Russia would focus on the zone of contested interests of both itself and China, which now invests heavily into the local former Soviet republics. Moreover, the progress in creating of this “Russo-Asian” union was contested by the Russian pro-nationalist partiesand movements who disagreed with the growing immigration from the region into Russia. Last but not least, the only composition of the Eurasian union without Ukraine would represent an alliance between Russia and all the landlocked nations in post-Soviet Europe (Belarus), Caucasus (Armenia), and Central Asia\textsuperscript{63} created in the time when the seaborne economies definitely reign

\textsuperscript{60}On October 10, 2000 a treaty establishing an Eurasian Economic Community was signed in Astana by the leaders of the Russian Federation, Kazakhstan, Belarus, Kyrgyzstan and Tajikistan; it constituted the Customs Union and the Common Economic Space between these nations. The EAEC was replaced by the Eurasian Economic Union in 2014 (for more details on EEC significance for Russia, see: Inosemzew, Wladislaw und Kusnezowa, Ekaterina. ‘Putins unnütziger Spielzeug’ in: \textit{Internationale Politik}, 2012, № 1 (Januar-Februar), SS. 78–87).

\textsuperscript{61}Путин, Владимир. ‘Новый интеграционный проект для Евразии: будущее, которое рождается сегодня’ в: \textit{Известия}, 2011, 4 октября, сс. 1, 3 (in Russian language).


\textsuperscript{63}See: Иноземцев, Владислав. ‘Евразийский экономический союз: потерянные в пространстве’ in: \textit{ПОЛИС (Политические исследования)}, 2014, № 6 (ноябрь-декабрь), сс. 76–
over those who are “lost” inside huge continental landmasses. So, to make this story short, Ukraine became a necessary precondition for turning the Russia-led “Eurasian” union into actually Eurasian group of nations, and not only an “Asian” one – and this factor was, and, it seems, still is considered of enormous economic, political, ideological, and, of course, of “geopolitical” importance to the Kremlin.

The third major reason was truly a geopolitical one: President Putin since the mid-2000s became very aware about any foreign presence in the post-Soviet space he considers Russia’s “natural” zone of influence and interest. Except of the Baltic states which already were included into both the EU and NATO at the time of Russia’s resurgence, any advancement of the Western powers was considered as threatening Russia’s vital interests. And it wasn’t only Ukraine that attracted Moscow’s attention – the doctrine of “controlled instability” was in use against all the newly independent states that became not enough friendly to Russia, already from the 1990s. The Kremlin’s doctrine was absolutely clear: only those states who were not “hostile” (i.e. have no strategic interests in joining NATO, EU, or to align with China) possessed a “privilege” to remain well organized and not to become destabilized by the Russian policies and initiatives. All the other should be plagued by separatism, political unrest, economic crises, etc. largely facilitated by Russian efforts. It was quite evident in the cases of Moldova (which declared a pro-Romanian course in the early 1990s and eventually got a separatist republic of Transdnistria at its territory with the Russian military forces present as well with a huge economic assistance from the Russian side) and Georgia, where the two breakaway regions of Abkhazia and South Ossetia, both bordering Russia, gained their actual independence after bloody wars in 1992-1994, and later, after the Georgian forces attacked South Ossetia’s capital in August 2008, the Russians intervened, establishing Moscow’s client states protected by the Russian army.

So, I would argue, that any attempt of cutting its historical ties with Russia and of joining the Western (i.e. European) world will definitely result in a war with Moscow (or in a low-intensity military conflict, or in an internal destabilization) for every post-Soviet country. This is a risk which comes as the price of “divorce” from the former imperial metropolis since the Kremlin desperately wants to re-

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64 See: Иноземцев, Владислав. Евразийский экономический союз., сс. 71-74 (in Russian language).


tain its zone of influence by any possible means and to counter the enlargement of Euro-Atlantic structures. Russia these days do not understand a win-win language of contemporary politics, and because of this she and her counterparts are predestined to massive losses⁶⁸ – all humanitarian, social, economic and political. Russia, and the events in Ukraine simply proof this fact, cannot imagine herself as a post-imperial nation, as anything else as the great power, and for “selling” this image to its own citizen it will do its best to fight the West’s incursions into the territories she considers being her own for many decades and even centuries.

But I would argue that all the three major reasons mentioned above might be called “offensive” since all they presuppose either a prospective Russia’s aggrandizement or the consolidation of the sphere of influence that well transcends Russian borders. But there is also another reason which I would call a “defensive” one and which may have a much greater importance for the Russian political elites.

The idea that Russia and Ukraine are actually one country, and the Russians and the Ukrainians are one people is deeply enrooted in the Russian worldview. Even those who oppose President Putin these days, sharing the democratic and liberal views and praising the Western values, in their majority support the Russian advance into Ukraine and the annexation of Crimea (as well as the future one of Donbass). But this very idea causes a sequence that the Kremlin is well aware about. No one in Russia has been surprised by the fact Poles, or Estonians, or Lithuanians were able to join the European Union, to adopt the European values, and to transform their lives in accordance with the European rules – because everybody realizes that these nations were for centuries European, eventhough they have been governed from Saint-Petersburg for centuries and from Moscow for decades. Today, as the Russian propaganda counterposes the “decadent” Europe and the “spiritual” Russia, it’s easy to explain why the former Soviet allies are now NATO members – but at the same time it would be close to impossible to articulate why either Ukraine or Belarus – the nations that are, according to the Russian mythology, “the same Russia” – might become decent European Union member states. Therefore one of the most dangerous developments from the Kremlin’s point of view would be the emergence of some prosperous European states in the place of today’s Russia’s western neighbours – and this explains why it’s much better for Moscow to turn Ukraine into a failed state than to see it a successful Western nation. Today, as Ukraine struggles trying to counter both the Russian aggression and the internal economic difficulties, Russian elite can be happy since the Ukrainian example is discouraging the Russians to follow suit⁶⁹ – but the people in the Kremlin realize that trends may change, and therefore they will do their best to destroy the Ukrainian statehood (actually, the whole idea of Minsk


agreements comprising country’s “federalization”\textsuperscript{70}, has been directed for achieving such a goal) and undermine Ukraine's economic development. As the cases of Transdniestria, Abkhazia and South Ossetia well before, the case of Donbass serves the same goal – to add problems to the newly independent states and so to block their integration into the Euro-Atlantic institutions since Ukraine’s success will show to the majority of the Russians that a people which is considered to be a part of the Russian world and an element of the Orthodox civilization might organize its social live and its economic development in a European way, becoming more prosperous, more secure, and more democratic than Russia itself.

Mr Putin has spent several years of his life in the German Democratic Republic which in the Soviet Union was called “the first workers’ and peasants’ state on the German soil”\textsuperscript{71}, and witnessed the 1989 Revolution – so he perfectly understands how seducing the existence of a more successful state might be for a divided nation. Therefore the Kremlin elite realizes that Ukraine’s incorporation into the EU would dramatically change the Russians’ attitude towards the West, and finally erode all the myths about Russia’s “uniqueness” and “superiority”. So for Russia losing Ukraine means not so much losing a vital geopolitical ally or staging ground, but rather to lose itself – its identity, its self-esteem, its historical mission. This explains why Moscow’s response to Ukraine’s attempt to join Europe evolved into a full-scale aggression that later made Russia a global outcast and evil power.

Without any doubt, Ukraine’s detachment from the Russian Federation caused many other difficulties and challenges for Moscow. Many experts point out that all the Western sanctions that were introduced against Russia since 2014, have lesser effect for the country that the meltdown of the economic ties with Ukraine. Gazprom, which supplied close to 45 bcm of natural gas to the neighboring country in 2011, shipped there only 2,4 bcm for the whole 2016\textsuperscript{72}, losing at least $13b in annual revenues. The overall Russian exports to Ukraine declined by a factor of 4,8 between 2011 and 2016 that represents $25b loss in exports\textsuperscript{73}. More than 70 projects in the military and space industry were postponed or cancelled due to the disruption of supplies; Russia seems unable to finalize the construction of its newest ice-breaker, Arctica, due to the lack of turbines that were previously produced by Kharkiv Turbine-building enterprise\textsuperscript{74}. Russian air companies are for-


\textsuperscript{74} See: ‘Арктика’ легла в дрейф’ (at: https://www.kommersant.ru/doc/3351960 [in Russian language], site retrieved on July 26, 2017).
ced to circumflex Ukrainian airspace and therefore increase their costs; Russian retailers are unable to buy cheap foodstuff from Ukrainian producers; Russian commercial banks were recently forced to terminate their operations in Ukraine that resulted in massive losses. But I would reiterate that nothing may change President Putin’s stance vis-à-vis Ukraine since he believes that the country’s departure will end the Russian statehood in the way it was practised for centuries.

To put it short, Russia these days – and all the events that evolved from 2004 onwards proof this fact – is ready to wage war against the post-Soviet nations that decided openly to left its orbit and join the foreign alliances – first of all NATO and the European Union. The bigger and more strategically important the country is, the bigger is Russia’s willingness to fight and suffer for withholding it. But even more important is another question: how significant is the readiness of the Western blocs for not only seducing the young post-Soviet states, but also for incorporating them in a formal way and for confronting Russia if Moscow goes wild.
Chapter 2
Ukraine’s Role for the West and the EU in the 21st Century

Today, Ukraine is the seventh-biggest European country by population, if one considers Russia as a European nation and do not take Turkey into account. But for years following the dissolution of the Soviet Union it hasn’t gain an important, not to say crucial, role in European affairs. At the time it gained its independence the Western leaders praised Ukrainians’ aspirations for democracy but in their majority wished the USSR to continue rather than to deal with separate entities that might replace it. President George W.H. Bush, addressing the Ukrainian parliament in August, 1991 several months prior to the demise of the Soviet Union, said: ’…freedom is not the same as independence. Americans will not support those who seek independence in order to replace a far-off tyranny with a local despotism. They will not aid those who promote a suicidal nationalism based upon ethnic hatred’ 75. After Ukraine gained its independence, it immediately faced all the shortcomings of the Soviet economic system of which it was a part for almost three quarters of a century. By 1989, the Ukrainian SSR accounted for around 20.2 percent of Soviet industrial production, but only for 17.9 percent of its agricultural output and for a mere 8.4 percent of overall energy resources production with the major part of the latter represented by coal, not oil or natural gas 76. In the Soviet Union the industrial goods have been overvalued for decades, while raw materials were constantly underpriced – and for that reason Ukrainian gross regional product seemed much higher than it would appear under the market economy conditions. Therefore in the 1990s when Russia abandoned a huge portion of its industry and turned into a resource economy, Ukraine saw its economy plunging because it had to use expensive commodities for producing uncompetitive industrial products. By 1996, Ukraine’s GDP stood at $44.5b, or $1.74k per capita 77 being one of the lowest in Europe. By mid-2000s, the average incomes in Poland were around 3 times higher than in 1989, and in Ukraine there were twice as low.

as then\textsuperscript{78}, Soviet ‘division of labour’ binded Ukraine to Russia with more than 50 percent of country’s exports going to the Russian Federation in 1995\textsuperscript{79}. Even by the turn of millennium Ukraine hasn’t become a significant trade partner for the European Union with only €10.3b in annual bilateral trade and less than €1.9b of cumulative European investment in 2000\textsuperscript{80}. And as the time goes on, it ceases to become much more important for its European neighbours in almost any terms – first of all due to a aggravating business climate, mushrooming corruption and to the growing emigration devastating the country’s once experienced workforce\textsuperscript{81}.

But what seems much more important is Ukraine’s place of Europe’s geopolitical map of the 21\textsuperscript{st} century. After the dissolution of the USSR a huge ‘belt’ emerged on the European map composed of nations that were more or less dependent – i.e. were either a part of the ‘historical Russia’ or its vassals or clients – on the Russian (or Soviet) empire. These nations were considered either as a ‘belt of instability’\textsuperscript{82} or as a ‘sanitary cordon’\textsuperscript{83} dividing Western and Eastern Europe, on the one hand, and Russia and post-Soviet Asia, on the other. But eventhough the full sovereignty of all these states became possible only because of the Soviet Union’s demise and fall, their faiths differ greatly from each other – whether one likes this or not.

Some of the post-Communist states – which are now labelled as belonging to the Central Europe (all the Warsaw Pact nations plus the former Soviet Baltic republics) – from the first post-Soviet years got the direction of their further development since historically and culturally they definitively belonged to the European civilization. Czech Republic and Hungary were parts of great European Empires; Lithuania and Poland were themselves the centers of complex Empire-building efforts for centuries; the vast majority of these nations were marked by Western Christian traditions, either Catholic or Protestant; many of them waged wars with Russia for a huge part of their history and their citizens considered Russia if not as an enemy then as a dangerous and unpredictable neighbour. A part of them were incorporated into the Russian Empire several centuries ago while the others


\textsuperscript{79} See: Szeptycki, Andrzej. Trade Relations Between the Russian Federation and Ukraine, annex 1, p. 43 at: https://www.files.ethz.ch/isn/93310/2008_0.pdf, site retrieved on August 19, 2017.


fell victims to the Communism and became ‘the prize’ Soviet Union was rewarded by after its victory in the World War II which resulted in the Cold War and in the decades-long division of Europe by what was known as ‘Iron Curtain’. Therefore the path forward for all the countries there didn’t belong to the Soviet Union but were its satellites for some time looked extremely clear: away from the East, closer to the West. The major goal for them was the return to Europe whatever price it would cost – and there was complete national consensus behind such a desire. The Western Europeans recognized this fact extremely well. Even the French were scared by the prospects of German reunification of 1990, the majority of the European governments praised the pro-European drive expressed by the former Soviet satellites who openly declared their intentions to join the European Economic Community, the EU’s predecessor. The EU Association Agreements negotiations were started between accession talks were opened with several Central European countries as early as in 1990, and the first Agreements were signed with Poland and Hungary on Dec. 16, 1991 – at the time the Soviet Union still formally existed. By 1998 such Agreements with Poland, Hungary, Czech and Slovak Republics, Romania, Bulgaria and all three Baltic countries – Estonia, Latvia, and Lithuania – all entered into force and around this time the mentioned nations got the candidate statuses which meant the opening of the final accession talks. The timing of the European integration of all these nations looks extremely important since they have passed through the most difficult stages of the process well before Russia reemerged as a significant player even in the post-Soviet space, not to say of the global scale. This was a result of two factors: of the willingness of Central European governments to reengage with their Western neighbours and of the readiness of the latter to recognize them as true Europeans which were taken out of the European family of nations mainly and foremost against their own will.

I would argue that the deep sense of Europeanness divided the community of fully sovereign states that emerged between the EU and Russia, into two different camps. The border of the former Soviet Union represented and represents till now the crucial line between what can be called ‘historical Europe’ and what can be called ‘historical Russia’. The Baltic nations were, of course, easily attached to the first part due to several reasons: they were attached to Russia only in the 18th century; they never were completely Russiafied; they regained their independence, recognized by the Soviet Union, in 1991; and, finally, they were once again recaptured in 1940, and this fact was never recognized by the West. But except of these countries, the European Union nations considered the main post-Soviet lands not as a part of Europe, but as a part of Russia – and they had good reasons for doing so, since at the same time as the Central European nations did their best to infiltrate the united Europe, their Eastern counterparts moved in the opposite direction. In 1994 newly elected Presidents both in Byelorussia, and in Ukraine embarked on the course for much tighter cooperation with Moscow, and a new ‘Union State’ of Russia and Belarus, created in 1996, seemed to become a sign of a reintegration of former Soviet republics – a sign that was observed by the Europeans.
If one compares several declarations made by the outstanding European politicians on the fate and future of, e.g., Poland or Estonia, on the one hand, and of Belarus and Ukraine – on the other, the difference would be striking. Even after the Revolution of Dignity organized under pro-European slogans and resulting in signing of the Association Agreement between Ukraine and the European Union, the rhetorics hasn’t changed much with its central point remaining that Ukraine will not become an EU member in forever, but at least ‘for a foreseeable future’.

How might this attitude be explained? If putting aside the principles of political correctness, I would argue that the core reason behind it is the feeling that Ukraine doesn’t belong to Europe not in geographical, but in historical and cultural sense. Such an assumption definitely has some grounds – Ukraine was for centuries a part of the ‘greater Russia’ that never was considered a truly European nation; inside that Russia it occupied the peripheral positions with its culture called inferior to the Russian one; the Orthodox religious practices however formal they might appear, seem to be not entirely consistent with the Western European tradition. Moreover, Ukraine was a part of the Soviet Union for its whole history; the bourgeois traditions were diminished here; the planned economy prevailed and ruined the national well-being; the bureaucracy and the oligarchy both gained an incredible power over the civil society, and corruption became an earmark of Ukraine’s system of governance well before the most recent revolution. Ukraine therefore is widely seen as a non-European country accidentally inhabited by Europeans and positioned in the heart of Europe – but its non-Europeananness remains its core feature, and, I suppose, little can be done to ‘repair’ such a notion.

Reiterating that Ukraine isn’t a European country and therefore has no chance to join the EU any time soon, both the pro-Russian Ukrainian elite and the EU leaders succeeded in a tremendous postponement of Ukraine’s integration into Europe. While the Poles initiated the Association Agreement talks back in 1990, the Ukrainians did it, with a lot of hesitations, only in 2013, a full quarter century later. While for the Czechs of the Hungarians no question existed whether they belonged to Europe or not, the discussion about the ‘historical identity’ of Ukraine is well under way even now, three years after the start of the Russian aggression84.

These doubts have serious grounds since for deciding whether to allow Ukraine to integrate further into the European Union or not, the Europeans should have precise understanding of why or what for do they need Ukraine to be in the EU.

And here the most important question arises: should Europe treat Ukraine’s integration into the EU as a historical obligation or as a matter of pure interest? I argue that the Central European countries wouldn’t be allowed to join the European Union less than fifteen years after some of them have left the Soviet one if the Europeans didn’t possess some sense of injustice caused by the fact those nations were left outside the formal framework of Europe. In the case of Russia, Ukraine, Bela-

rus and even Moldova such an element simply doesn’t exist. The existential tragedy of Ukraine arises from the fact that it cannot claim being a part of today’s Europe simply because it newer was its part in the past – at least in the past that is considered to be valid as a ‘proof’ of one or another nation’s Europeanness. So the crucial challenge that Ukraine is facing all the recent decades is determined by its inability to formulate a set of arguments which might proof its necessity (or, simply saying, its ‘utility’) for the existing commonwealth of the European nations\(^{85}\).

This is a difficult task – first of all because of Russia’s positioning vis-à-vis Europe. Since the fall of the Soviet Union the new Russia – consciously or accidentally – developed a concept of its relationship towards Europe. It consists of the ideas that ‘Russia is not Europe’\(^{86}\); that it will never join the European Union since it is greater than every its member if not than the EU as a whole\(^{87}\); that Russia might secure its future as an ‘energy superpower’\(^{88}\) to which Europe is an ‘industrial appendage’\(^{89}\), and so on. Many aspects of such a positioning disturb the Europeans because they lead to counterpositioning of Russia and Europe and admit that Russia might me a real – and dangerous – enemy of the European Union. But at the same time the Europeans realize quite well that Russia is a necessary partner for them in economic sense. In 2013, on the wake of the Revolution of Dignity, Russia absorbed around €120b in exports from the EU nations - exceeding Ukraine by 5 times\(^{90}\); it was the 5\(^{th}\) largest trading partner of the EU and the destination for $427b in European FDI\(^{91}\). Dozens of big European companies were interested in securing their investments and market shares in the Russian Federa-


\(^{88}\) The idea of turning Russia into an ‘energy superpower’ was put forward by President Putin in December, 2005 (see for more detail: [https://www.politcom.ru/4142.html](https://www.politcom.ru/4142.html), site retrieved on August 14, 2017); about its implications see: Oxenstierna, Susanna and Tynkkynen, Veli-Pekka (eds.) *Russian Energy and Security up to 2030*, London, New York: Routledge, 2014.


tion. On its part, Russia was and still remains the largest energy supplier to the European Union, providing it with 25.8 percent of all solid fuels (predominantly coal), with 27.7 percent of crude oil and with 32.4 percent of natural gas it imports from abroad (as of 2015)\(^92\). To conclude, Russia appeared extremely successful in creating of its image as of a nation that doesn’t want to Europeanize, but remains highly needed for the Europeans and desirable for the European businesses. Ukraine cannot become as needed for Europe economically as Russia appears to be these days, and partially because of this it tries to develop another set of arguments, which attempt to proof its Europeanness through its ‘non-Russianness’.

I already mentioned President Kuchma’s book entitled ‘Ukraine isn’t Russia’ – and it seems that the argument has not so much changed in the last fifteen years. The only visible difference consists in the fact that if in 2003 the Ukrainian elite ‘advertized’ its state as a non-Russian entity positioned to the East of ‘core Europe’, in 2016 it claimed that it serves as Europe’s protector against Russia that eventually turned into an unpredictable and aggressive state. President Petro Poroshenko put it extremely clear saying: “Today there are we, the Ukrainians, who secure Europe from barbarism, tyranny, terrorism, aggression, and militarism that hung over all our continent. We, Ukrainians, are today at the forefront of the protection of the European civilization”\(^93\). But the problem here stems from the very fact that Europe, being connected to Russia by thousands of links, simply doesn’t want to be ‘protected’ (or, one may read – isolated) from it by the Ukrainians.

The fact that Ukraine is unable to provide Europe with any kind of ‘protection’ from Russia doesn’t mean that the European Union and the West in general feel themselves safe and secure if it comes to their eastern neighbour. Russia these days is believed to be one of the biggest existential threats both for Europe\(^94\) and the United States\(^95\) – and it seems the Western powers obviously possess no coherent strategy of rather challenging it or even containing it\(^96\). And if one recognizes this, she or he might also think on Ukraine in two quite different perspectives.


The first one is based on traditional geopolitical considerations. I already mentioned Zbigniew Brzezinski’s words that ‘without Ukraine, Russia ceases to be a Eurasian empire’, and therefore if the West succeeds in incorporating Ukraine into the Euro-Atlantic community, such a move may weaken Russia considerably in military and territorial aspects. Such an approach might be based on the common assumptions that Ukraine is not Russia, that it may act as Europe’s defender, that the West should pay for the continuation of the process of decoupling the ‘historical Russia’ and that as the result if such a policy the Russian ‘empire’ may break apart into different regions. The idea of destroying the ‘empire’ currently dominates the Ukrainian intellectual landscape and is widespread in many countries of Central Europe. But there are two important obstacles here that are often dramatically undervalued. First, Russia after the dissolution of the USSR turned into a single-national state with ethnic Russians representing around 82 percent of the population; into a country facing three greatest superpowers at its borders – the EU to the West, China to the South-East and the U.S. to the East – so it feels itself challenged from every direction; into a nation united by its natural wealth and realizing that the centrifugal forces eventually may lead to decline and poverty. Therefore I would argue that the more the West pressures Russia from outside the more united inside it becomes; moreover as Ukraine departs, Russia will become more revanchist and imperialistic since the Russians would be once again considered a divided people hungry for a kind of imperial reunification. Therefore accepting that Ukraine isn’t Russia and should be used for containing Russia, the West may engage in a highly counterproductive affair that will increase, and not decrease, the grade of the Russia–Europe contradictions and cause new conflicts.

The second one might be derived from the seducing power of the European Union. Today’s Russian opposition to the Union is based – partially, at last – on the assumption that Europe consolidates the nations that are not only hostile, but – and this is even more important – different from Russia. The Russian policy vis-à-vis Europe was and is therefore based on attempts to split and divide the different EU states for undermining the unity of non-Russian nations that disturbs Russia per se. But if Ukraine becomes a member of the European Union, Russia would be shattered not so much geopolitically as culturally and ideologically as it would appear that a nation which was considered a part of the Russian one for centuries, now joins the community that was believed is incompatible with Russian values and Russian history. If taking this cause seriously, a complete different strategy should be applied: the one that is based on the idea that Ukraine is actually a part of Russia, or even the Russia (Rus’) itself, and what is now known

97 Several alternative scenarios of Russia’s breakup were recently presented by The Economist magazine, see: ‘If Russia Breaks Up’ in: The Economist, 2015, July 31, pp. 22–26.


as the Russian Federation is nothing more than the extended state of Muscovy, arised after its emancipation from the Mongol rule in the 15th century and later subjugated nowadays Ukraine to its rule. In this case Ukraine might be seen not as a borderland, or a country that belongs to the ‘in-betweens’, as some authors now label the nations that are ‘squeezed’ between Europe and Russia, but as a key to Russia, as a first milestone in reestablishing the European influence in the East. This attitude makes Ukraine not a last frontier of the European expansion as it might be seen these days not only by some European, but also by a majority of Ukrainian politicians, but as the first step for a completely new adventure. With Ukraine an EU member, a prosperous democratic country based on the rule of law, a constituent part of Euro-Atlantic military alliances, at its border Russia would be forced to rethink the entire its ideological doctrine since the ties between the Russians and the Ukrainians are so strong that Ukraine’s Europanness will ruin the very concept saying Russia is, and will forever be, non-European.

Therefore I would argue that the only point reflecting Ukraine’s necessity for the West in general and for European Union in particular is its closeness to Russia and, in fact, its deep and profound Russianness – as opposed to what one might call Muscovity. Those who has Ukraine on its side will not so much get a unique chance to defend itself from Russia, but rather a chance to advance on Russia and in the future to integrate it inside the Atlantic community, in one way or another.

The European Union, as the recent decades had proved, needs Russia as a vital prerequisite for future economic expansion. It is not so much important because of its natural resources as since it could make Europe a global economic powerhouse, provide it with control of the greater part of Eurasia, secure its outreach to the Pacific that might become mare interna for the world’s greatest economies of the 21st century. Europe itself faces several challenges mostly coming from the overpopulated South and from fragile and vulnerable Middle East, at it cannot allow itself to stop enlarging because such a decision will eventually ruin the entire European project. So I believe that making Russia once again a part of Europe it was for many centuries should become the main objective for EU’s policy of the coming decades – and this can be achieved only by seduction, and not by the means of pressure. The Europeans – however sad it might sound for the Ukrainians – have no reasons for integrating Ukraine into the European Union since it cannot greatly benefit the united Europe in any possible sense. The main treasure of to-

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day’s Ukraine are its creative and adventurous people – but Europe can make use of them simply easing the immigration laws while allowing Ukraine to turn into a failed state on Europe’s eastern border. Looking on the past quarter century, one might be sure that if Ukraine was of greater value for Europe, its fate would be different. And assessing the current state of affairs, one might be sure that the time of getting some benefits from being an ‘in between’ has ended. Ukraine has a certain value for the West simply because it’s Russia – a small (and better) part of it that can be more easily reintegrated into Europe and therefore make Russia first a more Europe-friendly country, and later fully return it into Europe. So I would say Europe is now the greatest – and probably the only – force that shapes Ukraine’s future and determines how this country will look like in several decades.
Chapter 3

The current situation in Ukraine and the Chances for Success

Of course, talking of EU’s policies towards Ukraine, one should not only assess its history, identity, and its geopolitical positioning, but concentrate on the current economic, political, and military situation in which the country in thriving these days. And all its aspects, I would argue, provide few reasons for being optimistic about the nation’s future. I would like to begin with overall economic condition.

Economic Problems and Why they Will Endure

Ukraine entered the second decade of the 21st century as a very poor country led by extremely rich people. On the wake of the economic crisis of 2008, the average wages stood at $357/month, but the nation was a proudly home for 11 billionaires, with the richest person of whole Eastern Europe (Russia included), Rinat Ahkmetov (whos net worth was estimated by the leading Ukrainian business magazine Korrespondent at $31.1), at the top of the list. More than a half of the Ukrainian economy was controlled by just five financial and industrial groups that belonged to the people who became rich incredibly fast and managed to get very strong political connections inside the Kyiv’s elites, and the combined wealth of 50 wealthies citizens of the country equalled to 80 percent of its GDP. The rise of Mr. Yanukovich to the presidency was a beginning of a new stage of elite’s self-enriching as the country’s leader decided to amass an incredible wealth personally, not via his relatives (as it was dome during Kuchma-Pinchuk times). The lowest estimates of Mr. Yanukovich’s wealth at the time of his departure stood at $12b while some Ukraine officials claimed that the ousted President ‘cost Ukraine up to $100b’, and the Russian sources testified that two A320 planes fully

103 Calculation based on hryvna-denominated wages (see: https://www.ukrstat.gov.ua) and the average hryvna to dollar exchange rates for the first half of 2008, according to the Finance Ministry of Ukraine (https://www.index.minfin.com.ua), both sites retrieved on October 29, 2017.
106 See: Faulconbridge, Guy; Dabrowska, Anna; Grey, Stephen. ‘Toppled “Mafia” President Cost Ukraine up to $100 Billion, Prosecutor Says’ at: https://www.reuters.com/artic-
loaded with cash dollars had landed in Rostov-on-Don and in Moscow days after
president was toppled by the Revolution of Dignity. But little changed as Mr.
Poroshenko became the first ever official dollar billionaire to be elected as a Eu-
ropean head of state in 2014: there is quite a consensus opinion these days that
corruption became even greater in recent years. I would say that it’s not a ‘con-
nection’, or ‘link’, between the state and the business that one can see this time –
it’s the public service that per se became a kind of business, and, presumably, the
most profitable among all the other businesses. In this case Ukraine is not differ-
ent at all from either Russia or Belarus; its only peculiarity resides in the fact that
here we can witness some elements of democratic (or, better to say, populist) rule
that limit the time a person could stay in power – but immediate result of this is
that such individuals want to use their powers as effective as possible to get the
most they can from their controls over the state property and public regulation.
The politics in contemporary Ukraine not only depends from business (as it hap-
pens in most of the post-Soviet countries) but it openly relies on it. Even the time-
line of the conflict in the Eastern Ukraine shows quite well that the separatists
were not only supported by the Russian agressors, but they arose from inside Ri-
nat Akhmetov’s business group and for a long time preserved his properties in
the ‘People’s Republics’107. The Party of the Regions itself was created as a pow-
erful business group since its main goal was to channel the state subsidies from
Ukraine’s budget into money-losing coal-mining enterprises of the Donbass108
which, in turn, was needed to keep the metal-processing plants, controlled by the
pro-Yanukovich gang, running. When the separatists in Donbass went out of
control of Ukrainian oligarchs, Mr.Poroshenko was forced to install two other
billionaires, Ihor Kolomiyskyi and Serhiy Taruta, as the governors of Dnipropet-
rovske and Donetsk regions, and the first became Ukraine’s ‘saviour’ since he de-
fended the country as his business area. When Mr.Poroshenko decided to get rid
of Mr.Kolomiyskyi, he spend close to $5.6b of state funds for bailing out his ailing
bank, PrivatBank, in echange for allowing Mr.Kolomiyskyi’s companies not re-
paying their debts to the bank and himself to depart safely to his home in Gene-
va109. Ukraine’s National Bank in most cases acts as a private financial institution
favoring the decisions that benefit personally the country’s ruling elite110. The
government is usually headed by president’s loyalists who were (and are) his
friends for decades and originate from the same towns as president himself. So I

107 See: Webb, Isaac. ‘Billionaire Akhmetov Denies Claims that he Finances Separatism’ at,
https://www.kyivpost.com/article/content/war-against-ukraine/donetsk-peoples-govern-
or-claims-akhmetov-is-financing-separatism-347469.html, site retrieved on October 11, 2017.
(in Russian language), site retrieved on October 13, 2017.
109 See: Kramer, Andrey. ‘Questions Surround Ukraine’s Bailouts as Banking Chief Steps
Down’ at: https://www.nytimes.com/2017/05/12/world/europe/ukraine-central-bank-
valeria-gontareva.html, site retrieved on December 16, 2017.
would say that this kind of ‘commercial state’ that arose in Ukraine in recent decades due to a very specific mix of an oligarchic economy and competitive politics, is the first reason why the country’s economic problems will not be solved soon. What one sees now in Ukraine isn’t the corruption that, as the economy minister Pavlo Sheremeta said ‘is an enemy that eats the country from the inside’111 – it’s a state, captured and a ‘privatized’ by both the high-ranked bureaucrats and their fellow oligarchs which cannot be successfully rescued by any traditional means.

The second reason, well connected with the first one, is the quality of governance and the penetration of the economy by the bureaucrats. In this case the problems may not come from corruption per se – they rather originate from the outdated laws and regulation that the ruling elite tries to preserve simply because it wants to assure its full control over the country. One crucial thing that illustrates this phenomenon is Ukraine’s ‘market’ for arable land, which might be treated as the country’s main asset. Even it was officially privatized in early 1990s, Verkhovna-Rada succeeded in establishing a ‘temporary moratorium’ on selling the land plots formally remaining in private possession, back in 2002112. Since that time the Ukrainian parliament successfully voted for the expansion of moratorium’s term – and as the result it is in place even now. The measure empowers the bureaucrats who now are able to manage and to lease the lands that are still in the state’s possession, and big landlords who lease the plots from proprietors for a bargain price. Even there are more than 6.9 million private landowners in the country, the ruling bureaucracy – disregarding who serves as President – Kuchma or Yuschenko, Yanukovich or Poroshenko – neglects their interests and keeps the moratorium in place. This summer the Constitutional Court broke its own rules of proceedings for the first time failing to review the appeal by 55 Rada deputies on this issue during 6 months after it was deposited with the Court113. Ukraine is now becoming one of the powerhouses of European agriculture, being the first sunflower oil producer in the world, the second-biggest global exporter of wheat and the fourth-biggest producer of honey and exporter of corn114. Agriculture these days accounts for 12.1 percent of Ukraine’s GDP, 17.5 percent of total employment and 38 percent of total exports115 – and all this represents the


112 See: ‘Мораторий на землю с/х назначения для чайников и не только...’ (see: https://voxukraine.org/2016/06/03/moratoria-na-zemli-ru/ (in Russian language), site retrieved on September 1, 2017).


sector that still is completely captured by the local bureaucrats and the oligarchs. Their grip over Ukrainian countryside appears to be so strong that quite recently President Poroshenko said that he ‘is not willing to squeeze the land reform out of the [Verkhovna] Rada’116, and the International Monetary Fund excluded the lifting of the moratorium on land sales from the long list of its conditions Ukraine needs to met for productive cooperation (resulting primarily in new loans) between the country and international financial institutions to be continued117.

The growth of the Ukrainian economy is also jeopardized by a very special regulations in infrastructure: to begin with, I would say that the time needed for connecting a new industrial or storage facility to the power grid, is now estimated to be around 285 days – 16.7 (!) times more than, e.g., in Germany118. The entire state apparatus is organized in a typical Soviet way with overlapping zones of responsibility that makes it extremely hard to get any decision made on time. The system doesn’t want to change – one of the proofs for this might be the fate of those reformers who came to Ukraine from the countries that succeeded in fighting the old bureaucratic traditions in several post-Soviet nations – namely in Lithuania, Estonia, and Georgia: all of them were squeezed out of the government, and the former President of Georgia, Mikheil Saakashvili, after short serve as the governor of the Odessa region, was even expelled from the country and his Ukrainian citizenship was revoked119 (even he is back now after a successful crossing the Polish-Ukrainian border, he still cannot be a legal actor in country’s politics). I put the bureaucracy issue into a special category because it is not equal to the widely debated corruption – it stems from the business environment that is shaped for reflecting the needs and the will of the middle strata of the ruling elite. The state machine needs to treat people not like citizens but as subjects, and this is made not so much for collecting bribes but for demonstrating that the state is superior to the individual – which comes in line with the old Russian tradition and which actually secures the preservation of status quo both in economic and political spheres badly needed for country’s rulers to profit from their powers.

The third reason that puts Ukraine’s recovery under question, is the overall structure of its national economy. The main industries as in 2013 were machine-bu-

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ilding, metal-processing and agriculture which accounted correspondingly for 6.9, 11.4 and 17.5 percent to GDP and 10.3, 27.0 and 28.5 percent to Ukraine’s exports\textsuperscript{120}. Except the agricultural sector that arose to the one of the top ones just recently, after mid 2000s, the largest sectors of Ukraine’s economy are very vulnerable to the global economic trends that lie beyond the control of the government in Kyiv. If the global economy is on the rise – and therefore the steel-producers are in good position for advancing the output and export volumes – the oil and natural gas prices are going higher, and that requires the government to allocate more financial resources for buying them abroad, mainly from Russia. As the global economy faces slowdown, not to say crisis, the demand for investment goods goes down in much greater degree than in other sectors – and this means Ukrainian steel-producers and chemical enterprises are losing steam. Actually all this was, and is, one of the main reasons behind the rise of agriculture which seems able to keep the economy afloat – but the price for this is the archaization of the society, the growth in the rural population, and the slowing of the drive of the rural population into the cities. If agriculture, the economic sector that everywhere is considered as being the most outdated, now assumes the leading role, one can hardly argue about any quality of the economic growth in the country. Moreover, there is another crucial problem – the quality of fixed assets and the overall profitability even of those enterprises that are considered the leaders of Ukraine’s industry. Even though Ukraine was one of the most developed Soviet republics, its industrial basis was built in the 1960s and 1970s, so the largest factories and plants are now more than 50 years old and become ineffective by any contemporary standards. Very little was done in recent years for improving overall economic effectiveness; I would just argue that Ukraine is one of the world leaders in energy consumption per $1 of GDP: it takes almost twice the amount of energy resources to produce the same value output than in Slovakia, and 3.8 times more than in France\textsuperscript{121}. I would argue that Ukraine’s unique competitive advantage these days is its unbelievably cheap labour – the average monthly wages in Ukraine stood at 4.36 thousand hryvhas ($164) in 2016\textsuperscript{122}. The problem however comes from the very fact that taking such a dismal situation into account one would say that Ukraine now stays in a perfect condition for an export-driven modernization since the goods that might be produced by this cheap labour cannot be consumed inside the country just because of the lack of demand. This was very common to the Asian nations from the 1960s to 1990s when modernization

\textsuperscript{120}See for GDP composition: data by the State Statistical Service of Ukraine (see: \url{http://www.ukrstat.gov.ua/}, site retrieved on November 20, 2017), for exports see: Зовнiшня торгiвля України товарами та послугами у 2015 роцi: статистичний збiрник, Киiв, 2016, с. 52 (in Ukrainian language).

\textsuperscript{121}According to the data on energy intensity level, as of 2011, by the World Bank Group, see: \url{https://data.worldbank.org/indicator/EG.EGY.PRIM.PP.KD}, site retrieved on September 20, 2017.

\textsuperscript{122}According to the State Statistical Service of Ukraine (see: \url{https://ukrstat.org/en/operativ/operativ2016/gdn/reg_zp_p/reg_zpp16_e.html}, site retrieved on September 20, 2017.)
was managed by using the inflow of Western capital and exporting the most part of the goods produces back to the developed countries. But Ukraine looks now jeopardized by several political issues such as corruption, conflicts between the oligarchs, absense of the rule of law, and, last by not least, by the Russian aggression. All these factors restrained the inflow of foreign capital and technologies at the time when only they might transform the Ukrainian economy, integrating the local enterprises into both pan-European and global production and sales chains.

The fourth problem that plagues Ukraine’s economy for decades comes from the country’s financial sphere – and splits into several independent issues. First of all I would cite nation’s huge indebtedness in general. After the dissolution of the Soviet Union Russia negotiated with the former fellow republics a condition that it would pay all the Soviet debts but retain all the foreign assets and liabilities of the USSR\textsuperscript{123} – so Ukraine emerged in 1991 as a completely debt-free nation while Russia’s foreign debt was estimated at $117.9b, or 91 percent of its GDP, in 1993\textsuperscript{124}. But since than the paths of two countries led in opposite directions: Russia was able to repay its debts (primarily due to high oil prices that created budget surpluses in 2000s): by end of 2017, Russia’s foreign debt stood at $532b, just 14.7 percent of its GDP\textsuperscript{125}, while Ukraine got more and more money it needed from both commercial banks and (inter)governmental entities, so by the same summer 2017 its debt approached $114b, or staggering 131 percent of GDP\textsuperscript{126}. This indebtedness definitely makes Ukraine a risky place for investment using all international standards as its current credit ratings are set at Caa2 by Moody’s and by B-/B by S&P\textsuperscript{127}.

Another challenge poses an extremely complicated system of state subsidies that account for at least 15 percent of all budget allocations\textsuperscript{128}. These are distributed to the ordinary people allowing them to pay their heating and electricity bills; to en-


\textsuperscript{125} For the foreign debt Bank of Russia’s data at: http://www.cbr.ru/statistics/?PrtId=svs on the foreign debt as a portion of GDP see: http://tass.ru/ekonomika/3998827, both sites retrieved on November 20, 2017.


\textsuperscript{127} Moody’s upgrades Ukraine’s rating to Caa2 from Caa3, outlook changed to positive from stable (see https://www.moodys.com/research/Moodys-upgrades-Ukraines-rating-to-Caa2-from-Caa3-outlook-changed--PR_370205); S&P Global Ratings affirmed B-/B long-and short-term foreign and local currency sovereign credit ratings (see: https://economics.unian.info/2237716-sp-affirms-ratings-on-ukraine-at-b-b-with-stable-outlook.html, both sites retrieved on November 20, 2017.

enterprises which provide services that people aren’t able to buy at the market prices (e.g. a ride in Kiev underground costs 5 hryvnas, or 18¢, while even in Moscow the price goes up to 55 rubles, or $1.02); to the whole branches of the economy, as for example coal industry that allows the metal-processing factories in the East to run, etc. The international financial organizations spent years in persuading the Ukrainian government to cut these subsidies, but the process is extremely slow – so the current situations supresses the businesses since the state needs to collect taxes equal to 29 percent of GDP that puts Ukraine well ahead all non-EU post-Soviet by any of existing comparisons; it allows the outdated oligarchic plants in the East to run on a state-subsidized coal and to neglect any needs for modernizing; and, of course, it makes it possible to keep the citizens’ incomes low – and so the consumer demand. The whole system of subsidies makes the Ukrainian economy resembling much more the Soviet one than Russia’s now does – and therefore preserves the state control over the economic development at the time when Ukraine badly needs to become the most deregulated and business-friendly nation in Europe to secure its economic growth and to cut ties with its Soviet past.

Not less important is the situation in Ukraine’s banking sphere and in private financial sector. The combined assets of Ukrainian banks equal to only 41.2 percent of country’s GDP as of November 1, 2017, which lacks far behind Poland (with 65 percent, Germany with 100 percent, or China with more than 143 percent); since the banks are weak, they rely on high-yield lending – so the average real rate for a 1-year loan for an industrial enterprise is now as high as 17.8 percent per annum, which makes many businesses completely incompetent. Moreover, the banking system for years was dominated by the Russian-controlled banks (they accounted for at least 15 percent of all banking assets just prior to the Russian agression, as of January 1, 2014 and did very well thereafter till the government decided to ban the operations of those of them who were controlled by the Russian state-own insitutions). Now as the Russian banks either disinvest or are banned from their operations, it appears that no one wants to substitute them, and many of Ukrainian banks are in fact insolvent (the government spent more that 130 billion hryvnas, an equivalent of incredible 5 percent of nation’s GDP,

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131 See: ‘Кредиты на развитие бизнеса в банках Украины’ at: https://www.prostobiz.ua/business/develcredit (in Ukrainian language), site retrieved on December 11, 2017.

for saving the once largest private oligarchic banking institution, *Privatbank*, in 2016). Several crises that appeared between 2007 and 2016, have killed the Ukrainian stock market as well as the local brockereage - I believe Ukraine is the only country in Europe where the national stock market simply disappeared after 20 years of existence, and these days the index of real estate prices is considered to be the most realistic indicator of country’s economic performance. Without a strong presence of the European financial structures the revival of the Ukrainian economy looks impossible – but those institutions flooded the Central European nations only after they came on track for their integration into the EU in the 1990s. The fifth reason that makes the economic growth in Ukraine much more problematic these days is the disruption of the country’s economic ties with Russia after 2014. The importance of the Russian Federation as Ukraine’s trade partner fell constantly over years: Russia’s share in total trade turnover went down from ≈ 40 – 50 percent for 1993 to around 29.35 percent in 2012; but then it suddenly dropped to a mere 13.5 percent for 2016. The problems loom even larger since Russia was the biggest market for many Ukrainian industries – from military-industrial complex to metal-processing and machine-building enterprises, and these branches can hardly diversify from the eastern market to the western ones. At the same time since Ukraine’s westward drive became obvious back in 2005, the Kremlin begun to use country’s dependence of Russia’s natural resources – oil and – in particular – natural gas as a mighty ‘energy weapon’, rising the price for natural gas supplied to Ukraine from $50 to $104 for thousand cubic metres just between 2004 and $225 in 2006. But what fascinated me all these years is that both Ukrainian government and businesses did actually nothing to get rid of this dependence either building facilities for LNG supply, or simply by modernizing the industry for using much less energy. Whatsoever, the Ukrainian economy will spend several more years in depressed mode just because the industries must to reorient themselves from a huge Russian market to some different ones.

The sixth issue, being the last but not least in our list, is also connected with Russia – and, of course, with the Russian military aggression against Ukraine. The country lost to Russia and to the Russia-backed rebels 2.5 percent of its landmass, previously inhabited by 8.9 percent of its citizens and accounting for at least 16

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percent of GDP as of 2012. Around 11 thousand Ukrainians were killed in this war, and more than 1.5 million people were forced to relocate to other regions inside the country. I doubt there are any reliable estimated of either direct or total damage caused by the aggression, but it is huge, and the related cost are even larger. But I would argue that the economic cost of war seems to be not the biggest issue in today’s Ukraine, since much more important is the effect that it produces on the political life and on any decision-making process in the country. Both economic and political reforms actually have been stalled in 2015-2016 as the leadership found out that the war with Russia is a perfect excuse for refraining from any kind of changes since this stance may be motivated by extraordinary circumstances the country is in. The war time in every nation is considered as one when it’s not a right time for any cost-benefit calculations – so it opens widely all the options for bribery and corruption. The examples of supplying of ammunition or clothing to the war zone that was bought for state funds at prices that exceeded market ones by several times, might be found almost everywhere and happened all the time the conflict evolved. The idea that both the fight against corruption and the vital economic reforms should be postponed until the conflict is over, are to be found in dozens of comments my the highest-ranking official including the President. So the war actually turned Ukraine’s eastern parts into a military emergency zone, while the whole country successfully became an economic emergency zone with a very little chance to turn back to normal life any time soon.

The Military Conflict with Russia at a Stealmate

The ongoing Ukrainian-Russian conflict has been maturing for years but it was fostered by the Revolution of Dignity when the Kremlin decided that it was a good time to seize the Crimean peninsula where Russia previously traded its cheap natural gas for a long-term lease of a naval base in Sevastopol’, thus acquiring a perfect assault position for the whole of Crimea, and at the same time to undermine Kyiv’s rule in Donbass which was considered vulnerable since people there were believed to be the supporters of the ousted President Yanukovich. At the

137 Calculated after official statistical data on Ukraine’s regions (see: Статистичний збірник ‘Регіони України 2016’, Частина 1, Київ: Державна служба статистики України, 2016, c. 261 (in Ukrainian language); the data on the gross regional product varies from 16 percent of Ukraine’s GDP (see: http://www.ier.com.ua/files/publications/Policy_Briefing_Series/TN_04_2014_en.pdf) to more then 20 percent (see: https://www.kyivpost.com/ukraine-politics/ukrinform-ukrainian-economy-lost-20-4-percent-gdp-due-war-donbas-2016.html), all sites retrieved on December 1, 2017


first phase of the conflict, from February to June, 2014, the Russians advanced well, taking the Crimea and incorporating it into the Russian Federation, and also managing to proclaim new ‘independent’ entities on Ukraine’s East, achieving all this with little or no casualties. But by July, 2014 the Ukrainian army started the counter-offensive, and the Russians were forced to send regular troops and an immense amount of weaponry into Ukraine’s territory. After heavy fighting in July and August, 2014 and a crushing defeat of Ukrainian regiments at Ilovaysk both parties with the OSCE mediation orchestrated a ceasefire agreement in Minsk (Minsk-1), that had little importance, as the next events showed. Half a year later, in January and February, 2015, the fighting resumed and this time the Ukrainian forces were once again defeated at Debaltsevo, so soon thereafter new Minsk negotiation produced another kind of agreement, the so called Minsk-2. Today, three years after the first agreement and two-and-a-half years after the second one, no progress in political reconciliation was made, and Ukraine isn’t now closer to its reunification as it was at the first phases of anti-separatist fightings.

Why Ukraine’s conflict with the Russian Federation cannot be resolved and what actually does Russia want to achieve participating in this continuous showdown?

As I tried to show in earlier parts of my essay, the Russian leadership cannot come to terms with Ukrainian indepedence, and will not become ready for it for decades – just because the people in the Kremlin believe into ‘civilizational unity’ between both nations and feel themselves obliged to prevent the incorporation of ‘a part of historical Russia’ into contemorary Europe. Russia’s aim was and is to block any possibilities for Ukraine to join the Atlantic community (actually, the conflict of 2014 arose just from the Russian opposition to Ukraine signing the Association Agreement with the European Union). The means to achieve this goal are also clear: Ukraine should not become a normal state possessing the full control over its entire territory or must be fetlocked by some kind of quasi-federal political structure allowing the Russia-controlled territories to impose veto on the most important and crucial political decisions that might me adopted in Kyiv. Even as Russia realized that it is beyond its reach to turn Ukraine into a client state being part of Moscow-led Eurasian Union, it decided to turn it into a real borderland, a no man’s land situated in between of Russia and the European Union.

The Minsk agreements of February 12, 2015 became the most important document signed during the conflict in presence of President Hollande of France and Chancellor Merkel of Germany – but this document serves till now and will serve for years for perpetuating the conflict, and not for resolving it. It was, I would say, a tremendous success of the Russian diplomacy and a huge fault on both Ukraine’s side and the side of European politicians being engaged in negotiations. Being signed under incredible pressure from the advancing Russian forces, the protocol demanded from the Ukrainian side not only to declare amnesty to all separatists and to exchange all the ‘prisoners of war’ from both sides, but to acknowledge the legitimacy on the new authorities of the so called ‘Peoples’ Republics’ and to engage into negotiations with them about new elections – I would menti-
on that it was the primary request that was present in the conditions’ text\. But what was much more important was that Ukraine agreed to change its Constitution (which now defines Ukraine as a unitary state) to allow some degree of decentralization (in Russia this claim was widely interpreted as a call for ‘federalization’) in order to elevate the status of self-proclaimed republics to some autonomous level empowering them to block a wide range of decisions that Kyiv government was able to make. Ukrainian parliament was thought to approve a law on a temporary governance regime in some areas of Donetsk a Luhansk regions to facilitate both the elections there and the reincorporation of this entities into the Ukrainian state. Only under these conditions the government in Kyiv was able to regain the full control over the border with Russia which at the moment actually didn’t exist. So, if one tries to summarize the idea of the Minsk agreement, it looks as follows: 1) Ukraine de facto recognizes the separatist entities being legally engaged into negotiations with them; 2) it legalizes their status by recognizing the elections that will inevitably conducted under extremely high Russian influence; 3) it declares Ukraine a ‘federalized’ state where these new entities have a voice (if not veto) upon the most crucial decisions taked by the state; 4) after all this happens, Ukraine will regain control over its border with Russia. When translating all this into medical terms it looks like a recipe that if one has him leg wounded with a high risk of sphacelus to develop, one should not decontaminate the wound, but to put even more dust into it, to let the gangrene to develop a bit, and than to stitch the wound up and to look what happens next. The rationale behind this plan from the Russian side was extremely clear: the Kremlin wanted – and still wants – to turn Ukraine info a failed and ungovernable state, being formally united, but in fact possessing two new entities, directly governed from Moscow, inside its political structure. So the choice for Kyiv was either to give up a part of Ukraine’s sovereign territory or to face the destruction of a previously unitary Ukrainian state in favour of a strange kind of a federation. The Minsk agreements were useful since they put and end to the most acute phase of the Ukrainian-Russian conflict – but at the same time they haven’t stopped the process of fighting. According to different sources, from 1500 to 2300 Ukrainian servicemen were killed to date after the agreements were signed; at the same time, no visible progress was reported in any direction that was mandated by the agreements. Verkhivna Rada elaborated and enacted the law on a tempo-

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141 See: ‘Minsk Agreement: The Complete Text’ at: https://www.ft.com/content/21b8f98e-b2a5-11e4-b234-00144feab7de, site retrieved on November 20, 2017.


ary governance regime in some areas of Donetsk a Luhansk regions quite fast – it was passed on September 16 was signed by Ukrainian President Petro Poroshenko into law on October 16, 2014[144], intending to stay in force for two years and this term was consequently extended in both March 2015 and in October 2017[145]. But nothing else happened – no elections under this law were held in the ‘Peoples’ Republics’; no news of the Russian troops withdrawal came public; no any steps towards the reestablishing Ukrainian control of the border were made.

According to Ukraine’s Chief Military Prosecutor, as of July 1, 2017, the average amount of Russian troops in separatist regions exceeded 3 thousand (here we do not count the local ‘military forces’ and armed ‘volunteers’), and they possessed 650 tanks, 1300 armoured vehicles, not less than 500 canons and up to 260 multiple rocket launcher systems, to name just the most subversive ammunition[146]. Even the Ukrainian army has been actively modernized in last years (officially, the state budget allocations for defence skyrocketed from a bit under 33 billion hryvnas in 2012 to almost 87.5 billion hryvnas for 2016[147]), it can only supposedly defend the frontline between the separatist entities and the rest of the country, being definitely unable to advance into their territory and to crash the separatist ‘states’: on the one hand since the Russians will move more forces inside eastern Ukraine in that case, and on the other because this will be seen as a massive violation of the Minsk agreements the international community still pretends to respect. Several attempts to internationalize the conflict consequently failed as Russia reiterated that it will oppose any peacekeeping forces except those who monitor the frontline between the separatist entities and the rest of Ukraine while the control over the republics’ territories, not to say over their ‘borders’ with Russia is out of question[148]. Even while the Russians haven’t formally recognized both Donetsk and Luhansk ‘Peoples’ Republics’, they officially allowed to used the documents issued by their authorities (such as travel passports, vehicles registra-

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147 The data on current Ukraine’s military expenditures according to the World Bank statistical data (see: https://data.worldbank.org/indicator/MS.MIL.XPND.CN?locations=UA site retrieved on December 4, 2017).

tion plates, etc.) as being legitimate inside Russia. Addressing the current session of the Valdai Club, a gathering of pro-Putinist Russian and international political experts, President Putin reiterated that ‘if [the Ukrainians] fail to provide these territories with a special status… then closing the border between Russia and the breakaway republics will lead to a situation similar to Srebrenica; there will be a bloodbath; we cannot let this happen’, therefore confirming the fact that the Russian forces would be send to the conflict zone if the Ukrainian ones will try to advance. Russia says once and again that Ukraine should now act first and go forward with adopting and enacting the ‘decentralization’ measures – so a classic ‘Catch-22’ appears once and again: the Ukrainian side doesn’t want to incorporate the new ‘republics’ into its new ‘federalized’ state under the Russian conditions, while Russia would never cease its support to them because they can play their role of an ‘inner destabilizer’ of the Ukrainian statehood that, as Moscow hopes, will prevent Ukraine from any further moves towards EU and NATO. Therefore I believe both the beginning of the conflict and the Minks agreements were Russia’s greatest successes in diminishing Ukraine’s aspirations for driving westwards – the conflict now is turning into the same endless affair that happened long before in Transdniestria where the Russian forces actually safeguarded the informal independence for a breakaway ‘republic’. These days, the cost of subsidizing the Donetsk and Luhansk ‘Peoples’ Republics’ is estimated at $2 billion annually, that equals to a mere 3.8 percent of overall Russia’s defense spendings, so no one should expect that Russia will terminate its efforts due to economic reasons – while politically the need to detain Ukraine into its ‘sphere of interest’ looks the major task for Moscow for many years, if not decades, to come.

The situation looks even more dramatic these day since it seems for the Western observers that it’s Kyiv who now impedes the realization of Minsk agreements since the Ukrainian authorities are not speeding up in amending their country’s Constitution or in ‘federalizing’ its political system. So I cannot see any chance for progress here – and the low intensity conflict will endure, thus depriving Ukraine from any chance of reforming itself, rejuvenating its economy and fighting corruption and mismanagement inside its own political and bureaucratic classes.

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The only option that could lead to some visible progress resides in a desperate move on ‘cutting off’ the rebel republics – and the advantage of such a decision lies, to my mind, in the very fact it can be made unilaterally by the Ukrainian side without any negotiations with either Russia, Europe, or any other ‘external’ mediators. As both the Donetsk and Luhansk ‘Peoples’ Republics’ organized their ‘pro-independence referendums’ back in May, 2014, and reported that between 90 and 96 percent of voters were in favour of this option153, the Ukrainian authorities could simply recognize these results at any moment, to declare both breakaway entities as new independent states and rename the current frontline into a new border. This will cause a completely new reality: in Donetsk and Luhansk the pro-Russian rebels would be unable to say they want their ‘states’ to be reincorporated into Ukraine; Russia will face a very hard reality that it should finance two new ‘states’ on its own for decades and to get on its border (which looks very porous) the ungovernable entities stuffed by thousands of armed guerillas that may freely infiltrate into Russia; Europe would feel free from the Minsk agreements and could deal with Ukraine as with a state not waging war with anyone and preoccupied with political and economic reforms. As I argued earlier154, in this case the government in Kyiv may amend its Constitution in a way that was used by West Germany’s authorities in 1949 as they declared that territories turned by the Soviets into the German Democratic Republic may once again become a part of a united Germany if they wish to do so155. With such an option being chosen, Kyiv will put Moscow in an extremely difficult situation since the Russians will lose all their levers for influencing Ukraine and get a huge ‘headache’ connected by the managing of Donetsk and Luhansk regions which definitely are now unable not to prosper, but I will say, even to survive on their own. Moreover, I would say, the sense of defeat – instead of hopes for striking back and succeed – many times in history proved to be a much stronger promoter of different kind of modernization and change, than military victories156; all the nations that became the leaders in economic development – from the post-WWII Germany and Japan to South Korea and Taiwan – previously went through the wars in which they were defeated and humiliated only for using the national dream of resurgence for changing the path of their economic development. So I


155 This option was formally outlaid in the Art. 23 of 1949 Grundgesetz saying that ‘For the time being, this Basic Law shall apply in the territory of the Länder of Baden, Bavaria, Bremen, Greater Berlin, Hamburg, Hesse, Lower Saxony, Horth Rhine-Westphalia, Rhineland-Palatinate, Schleswig-Holstein, Württemberg-Baden and Württemberg-Hohenzollern. In other parts of Germany is shall be put in force on their accession’.

would propose Ukraine to do the same, and European Union to encourage its move in the direction of abandoning a part of the country’s territory in exchange for building of a more western-oriented society and a market-driven economy.

Of course, I realize quite well that this scenario looks now quite unlikely since the current government in Kyiv derives much of its legitimacy just from the fact it is fighting to the re-establishment of Ukraine’s territorial integrity, so the surrender of Donbass to the Russians would be a move that might cost the nation’s leadership its power. This very fact underlines the point I took to the headline of this paragraph: the military conflict between Russia and Ukraine (and it’s a real interstate conflict, and not a ‘civil war’ of any kind, as many Russian politicians pretend it looks like\textsuperscript{157}) cannot be resolved in coming years – so Ukraine has no other option as to accustom to it and to find its ways to continue its way towards the West even under such difficult and challenging foreign policy conditions.

\textbf{‘Ukrainness’ as an Asset and as a Kettlebell}

Facing the Russian aggression, the Ukrainian society successfully ‘finalized’ the anti-Russian turn which was in some degree visible at least from the early 1990s. As in the previous decades many Ukrainian politicians failed to distinguish between the Russian people and the Russian Empire/Soviet Communist dictatorship, these days they turned the disillusionment and anger towards Putin’s regime into a full-scale campaign in favour of complete ‘Ukrainization’ of Ukrainian society.

On the one hand, this turn looks absolutely natural since the nationalistic rhetorics goes side by side with any secessionist or pro-independence movement, so the Russians shouldn’t feel these moves immoderate. Without a growing sense of national unity a young Ukrainian state simply cannot survive all the recent hardships. In fact, President Putin, even he’s continuously talking about ‘the Russians and Ukrainians are one people, one ethnic group, at least; each with their own peculiarities and cultural characteristics, but with a common history, a common culture and common spiritual roots’\textsuperscript{158}, with his actions helped to consolidate Ukrainian society, emerging, as many people now argue, as the greatest promoter of Ukrainness in the whole history\textsuperscript{159}. Moreover, some excesses might be easily explained because both Ukrainian policymakers and Ukrainian citizens have all the good reasons to consider not only Russia as a state, but Russians as well as some


force that undermines the Ukrainian statehood – one should remember that both in Crimea and in Donbass the separatists declared their support not so much for political ideas of either democracy of Europeanness but for the ‘Russian world’ to which they supposedly belong (in general, all the secessionist moves of 2014 have been continuously labelled in the Russian political circles ‘the Russian spring’\textsuperscript{160}).

On the other hand, the Ukrainian politicians and activists deliberately chose the specific time frame that was used to highlight their opposition to the Russian power – and that frame included first of all the 20\textsuperscript{th} century being marked by Holodomor, Stalinist repressions, and by at least two attempts of establishing an independent Ukrainian state undertaken in the course of the First and the Second World Wars. Therefore several extreme Ukrainian nationalists – like S.Bandera or R.Shukhevich, who were the leaders of the pro-Nazi brigades during the WWII and tried to organize anti-Soviet resistance shortly thereafter – were chosen to be the most reliable ‘reference persons’ during today’s anti-Russian campaign. And here at least two crucial problems arise: first, most of these nationalists (except those mentioned, there were many others) were engaged in several acts of ethnic cleansing in WWII years, especially in the Volyn Massacre, that makes the case of their glorification quite sensitive, e.g., for the Poles; second, taking these people for ‘perfect Ukrainians’, the current political regime focuses on quite recent events, failing to reconstruct the long history of Ukrainian statehood and depicting Ukraine not as a legitimate heir to old Russian states, but as a completely new political and cultural phenomenon that actually arose mostly in the 20\textsuperscript{th} century.

The sense of ‘Ukrainness’, based on the feeling of belonging to a sovereign nation, might become a basic foundation for Ukraine’s revival, and therefore it must be praised and nurtured as a major engine for moving the society forward – but at the same time it should be used wisely because it creates two obvious obstacles for a successful Europeanization: on the one hand, Europe now puts the idea of a tolerant and multicultural society to the top of its political and social agenda; and, on the other hand, the European Union still seeks a strategy for improving its economic and political relations with Russia which are, and will remain, of much more crucial importance for Europe than the relations vis-à-vis Ukraine.

The first case could be illustrated well by the recent events that followed after President Poroshenko signed the law demanding the public schools and tertiary educational institutions should use only Ukrainian language in their courses\textsuperscript{161}. The law was drafted as a means of limiting the use of the Russian language (or the language of the aggressive state) in public sphere – as were some other regu-

\textsuperscript{160} The term emerged in early 2014 being derived from the widespread notion of ‘Arab Spring’ but underlying the ‘constructive’ and ‘etatist’ approach to the proclaimed changes. In less than a year, dozens web-sites were created popularizing the ideals of the movement and praising the ideas of Russians’ (or Russian-speakers’, or Orthodox Christians’) self-determination inside any of the ‘sovereign’ states they are living at the moment.

lations, e.g. the rules that demanded a complete ban on using the popular Russian social networking websites and a strict limit on broadcasting the Russian-language content of Ukrainian television and radio channels. But even all these measures caused many critical remarks from the Russian officials in Moscow, a much more influential opposition came from the European side as Hungary has threatened Kyiv of blocking the Association Agreement between Ukraine and the EU since the new regulation runs against the basic proposals of the European Convention on Human rights which secures the minorities’ right of being taught in their native languages, so the authorities in Kyiv were forced to review and rewrite the new legislation. Both in this and in other similar cases which were already recorded and/or will arise in the future, the concept of ‘Ukrainization’ will run into conflict with the basic principles of the ‘post-national’ Europe, and therefore might become a strong obstacle for Ukraine’s westwards moves.

The second case is much more of economic nature: European Union’s trade turnover with Russia even in 2016, under all sanctions and embargoes, stood at €191b, or was almost 6.5 times larger than EU’s trade with Ukraine. European investments into the Russian economy exceeded those into the Ukrainian one by factor of 10.5. Many European countries crucially depend from the Russian oil and natural gas supply, and little was done in the last ten years for limiting this kind of dependence. Therefore I would argue (as I already did earlier) that Ukraine’s deliberately chosen counterposition to the Russian Federation would hardly facilitate its relationships with the European Union which do value a lot its well established and solid economic and financial ties to Russia. Moreover, since Russia for years was the single biggest foreign investor into the Ukrainian economy, the complete breakup with the eastern partner could (and actually do) harm Ukraine’s economic and social development. All this, I would argue, makes it necessary for Kyiv to elaborate a brand new strategy of explaining the nature and the roots of Ukraine’s statehood and also its place in the history of European civilization.

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My proposal, based on the analysis of the historical facts I mentioned earlier in this report, and being made public several times before\textsuperscript{167}, anticipates a dramatic shift of looking for the Ukrainian civilizational ‘roots’ into much earlier times than the first half of the 20\textsuperscript{th} century. The divergence of Russia’s and Ukraine’s paths appeared, I would argue, as early as in the 13-15\textsuperscript{th} centuries, when Muscovy became a collection of vassal states of the Golden Horde, while nowadays Ukraine was incorporated into loose empires built by either Lithuanian or Polish kings. If one wants today to strengthen the idea of Ukraine’s European choice, she or he must turn to the events of these old times, praising, e.g. Prince Danylo of Galicia who countened the Mongol invasion together with his fellow Europeans, rather than Stephan Bandera who took the side of the Nazis during the bloodiest conflict in European history. Such shift would produce a point of view completely different from one that dominated these days: it will allow to depict today’s Ukraine as a natural heir to the Kievan Rus’, i.e. to the state that was in fact founded by the Normans, enlightened by the Byzantians and several centuries thereafter governed by Lithuanians and Poles – to the state that was European in all its sources and foundations. With such a method applied, today’s Russia will appear as Muscovy, a state that came into existence because of Kievan Rus’ eastward expansion, later fell to the Mongols, and after its revival continued to expand to the East, colonizing and conquering non-European peoples, and remaining hostile to Europe for centuries. Moreover, such an approach allows to drop the false and misleading argument that ‘Ukraine isn’t Russia’ for developing an opposing one – one claiming that Ukraine itself is Russia, while Muscovy isn’t.

Such an approach, I would agree, may have two important consequences, one being predominantly intellectual and social, and the second one purely political.

From my point of view, one of the biggest problems of today’s Ukraine is a type of a ‘provincial’, of ‘frontier’, kind of thought dominant in the country. Ukraine, being for centuries a part of the Russian state, fails to think of itself as of a nation possessing an autonomous meaning. The entire concept of ‘Ukrainness’ comes out of this notion of Ukraine as a country and culture that were marginalized for centuries, now trying to regain their ground. Changing the paradigm can solve this problem as Ukraine positions itself as the historical center for the East Slavonic civilization, definitely superior to Moscow. This may justify the use of both Ukrainian and Russian (and even Byelorussian) language in the country praising slavonic multiculturalism as the concept directly opposing the Kremlin-backed doctrine of the ‘Russian world’; encourage the development not of a ‘single-nation’ state based on its historical memories but rather of a East European ‘melting pot’ for the Ukrainians, Russians and other people who admire the ideas of freedom and Europeanness more that the pure sense of national belonging; and, the last but not least, promote an understanding that Ukraine is not a state that seals

Europe’s borders with contemporary Russia, but rather promotes a crucial foothold for either expansion to the east or for building strong relations with Moscow.

The political reason for these new accents looks also clear: Europe today fears that its backing of Ukraine’s cause will jeopardize Brussels’ relations with Moscow and therefore harm Europe’s vital economic interests. Ukraine – with all my respect to its people – is unable to become as important economic partner for EU as Russia these days is. So I would propose to position Ukraine not so much as a final frontier of the European eastern expansion but as a means of transforming Russia and of making it more Europe-friendly than it looks nowadays. This may change the whole EU’s policy vis-à-vis Ukraine and may help to prevent the domination of the current short-sighted vision that supposes that Europe should provide backing to Ukraine first of all since it became the victim of the Russian aggression. I believe that without a much broader picture closely linking the futures of Europe, Ukraine, and Russia, Ukraine itself cannot be firmly incorporated into the fabric of contemporary Europe – both into a political or a societal one.

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Summarizing this part of my essay, I should reiterate that today’s Ukraine looks as being captured in three dangerous traps, somehow connected with each other.

First of all, the country suffers from a prolonged economic crisis and financial disarray caused by both external and internal factors; for more than a quarter century so far it failed to discover its right place in the global economy and has been plagued by falling behind all the industrial nations – even its closest neighbors that started the market and political reforms as early as it did. The nation still proves unable to overcome the Soviet-type approaches to both management and business, producing an immense corruption and failing to provide a modern business environment for both domestic and foreign investors. The deep conflict between the economic interests of the political elite and people’s desire to make the country better causes a huge list of contradictions that jeopardized country’s development and prevents it from becoming region’s best performing economy.

Secondly, the Russian aggression (and before it became open – the Russian influence) was, and still is, the factor to which the Ukrainian leadership has no strategy to counterpose. The politicians both in Kiyv and in several European capitals failed to elaborate a comprehensive doctrine for countering the Russian advances and therefore allowed President Putin to deliver the agreements that were entirely designed in the interests of Russia and were aimed on turning Ukraine into a non-viable vassal state. Now these conditions are still in force allowing Moscow to accuse Kiyv of breaking the agreements and to press its European partners for influencing the Ukrainian government to adopt the decisions that seem dangerous for the country. The diverging political interests inside Ukraine’s elites are making it impossible to elaborate any new strategy – so the ongoing war with perpetuates itself, giving quite little hope for Ukraine’s peaceful developments.
Thirdly, the natural renaissance of the Ukrainian nationalism in recent years may provoke more conflicts both with Europe and Russia while not benefiting the country and contributing almost nothing to its economic and social progress – but under conditions of war and crisis I expect the nationalistic feeling only to strengthen, thus kidnapping the chances for Ukraine to appear not as a ‘frontier’ between Europe and Russia it has been never before but rather a kind of a solid bridge between these two civilizations it appeared to be many times in history.

All this pushes me to a conclusion that Ukraine is unable to find its way into the future without a genuine help from the European Union – the help that looks now far from becoming a centerpiece of Europe’s eastern strategy. Therefore I should now concentrate on European Union’s prospective agenda vis-à-vis Kiyv.
Chapter 4
Why the EU Approach to Ukraine Must Be Different

The European Union is a community of values, but the union of norms. From its very first steps the mission of first EEC, and later the EU encompassed the promulgation of laws and regulation of the most successful countries and their application to those who wished to become a part of the union. Although the EU declares that it’s open for admitting new members which need to meet three major criteria: to possess stable institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities; a functioning market economy and the capacity to cope with competition and market forces in the EU; and the ability to take on and implement effectively the obligation of membership, including adherence to the aims of political, economic and monetary union, article 49 of the Treaty of Lisbon mentions that all these provisions should apply to ‘any European state which respects the values [of the Union] and is committed to promoting them’. But what looks quite important here is the fact that no one tried to explain what does the word ‘European’ mean in this case. Back in 1987, Turkey, a country that takes its roots from an empire that many times has threatened to the very existence of the European civilization, was considered to be a good prospective member, and negotiates the full membership in the EU from 2006 onwards. In 1987 the Kingdom of Morocco tried to join the European Communities, and its application was turned down just because of the fact the country was not ‘European’ in purely geographical sense. The same applies to Israel where opinion polls continuously show 80+ percent popular support for an application even the EU authorities once and again persuade the Israelis not to produce one. At the same time Cyprus, a purely Asian territory by any geographical means, was admitted to the European Union during one of the current enlargements in 2004.

As one looks on the Eastern European nations, the meaning of ‘Europeanness’, or belonging to Europe, becomes extremely contested. The borderlines between ‘Eu-

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rope’ and ‘its Other’ has been moving for centuries. During the Middle Ages the Muscovy was definitely taken for a ‘barbarian’ state, while Krakow or Riga were without any doubt ‘European’. After Russia turned into an Empire under Peter the Great, engaged into the pan-European ‘great game’ and became increasingly Westernized, it was considered a part of Europe for at least two hundred years, especially at the times when the Russian armies took the European capitals and the Russian fleet dominated the Eastern Mediterranean. When Bolsheviks seized power in the country it once again turned hostile to ‘Europe’ remaining as such till the advent of Perestroika, when Mikhail Gorbachev finally destroyed the line that cut ‘Europe’ in quite different portions than any other historical division.

Earlier I mentioned that the EU enlargements to the East resemble more a process that was driven not so much by some kind of political rationale or some strategy of economic development. The Europeans, I would reiterate, just ‘rediscovered’ and ‘reconquered’ in a peaceful way those territories that they previously controlled for centuries. Latvia or Lithuania were definitely European since they were controlled by the westerners and fell to Russia only when it itself became westernized – and fifty years of the Communist rule were unable to change the national character and identity. All Central European nations can prove this even better. But as Europe approached to the nations that have been significantly different from the Western Europeans due to their history and cultural traditions, the problems and challenges begun to mount. One may cite the problem of Greece that became a big headache for the entire Union, or the cases of Romania and Bulgaria remaining the most corrupt and worst governed nations inside the EU. Now, if one looks further East, to either Ukraine or Moldova, one sees poor nations ruled by the kleptocrats that once and again fail to initiate meaningful changes even their citizens turn into the most pro-European people in ‘Europe’.

So I would call to accept a harsh reality: the citizen of the post-Soviet states (or those of the old provinces of the Russian Empire) historically suffered most from both Russian authoritarianism and Communist rule – and therefore they possess a strong commitment to both European values and the European way of life. In Russia the word ‘European’ has an extremely positive connotation, as it has both in Ukraine and Belarus. But at the same time these people absorbed so much of these authoritarian and Communist social practices that while expressing their pro-European sentiments, they remain subjugated to these old habits. Contrary to the Central European nations, Ukraine, Belarus, Moldova and Russia remain post-Soviet while Poland, Czech Republic, and even Lithuania and Estonia at any particular time in their history were anti-Soviet. This constitutes a tremendous difference since the anti-Soviet nations were willing to wipe out all the remains of both the Soviet era and the Russia-dominated past, while the post-Soviet ones actually wanted to combine old social practices with a new life-style and well-being. Therefore the advent of the European Union provoked a profound societal transformation in the anti-Soviet states and only a skin deep change in those one
might consider a post-Soviet ones. This fact by no means can be neglected if it comes to elaborating a strategy of intercommunion between the EU and Ukraine.

Assessing Ukraine’s drive to join the European Union, one should compare it with the same drive that was for decades present in Turkey. In late 1950s and in early 1960s the European Community was seen by the Turks not only as a zone of prosperity, but as a society that was superior to their own almost in every of its elements. The opening of negotiations between EU and Turkey brought massive European investments into the nation (by 2010, the companies from all over the EU invested into Turkey more than $60b, or 73 percent of all its accumulated FDI). Exports surged, the industry was booming. But later numerous cultural and political differences surfaced, and both in Europe and in Turkey the joy of a future broader Union calmed down. The Europeans, I would stress, contributed greatly to this process since they tried to impose too much of their rules on Turkey while keeping the perspective of full membership completely unclear.

So no one should be surprised by the fact that the last time the share of Turks who supported the EU membership, was greater than that of the opposers, in 2007, and by 2013 barely 35-40 percent of all Turks consider EU membership a good deal.

I would argue that the Ukrainian story may become a kind of follow-up to the Turkish one. The nation feels itself deeply disappointed for more than a quarter of a century. First, there was a dream of a democratic, free, and wealthy society that was to be build after the dissolution of the Soviet Union. Later the people who took to the Maidan in December 2004 dreamed of joining the European Union as soon as their neighbours in Poland did (I would remind that if these aspirations were realized, Ukraine should become EU’s full member by mid-2018). And quite recently hundreds of people died in Kiev for the European Ukraine, and once again a massive stock of EU regulation was enforced, but the only visible consequence was, I would say, a visa-free travel regime between Ukraine and the EU, where at least 4 million Ukrainians already worked at the time. Of

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172 See: Spillius, Alex. ‘Turkey Will Probably Never Be EU Member’ at: https://www.telegraph.co.uk/news/worldnews/europe/turkey/10325218/turkey-will-probably-never-be-EU-member.html, site retrieved on October 22, 2017).


176 According to the acting Director of Ukraine’s State employment service, as quoted in: https://www.apostrophe.ua/news/society/2017-02-09/v-mid-soobshili-skolko-ukraincev-uehalo-na-zarabotki/86399, site retrieved on October 22, 2017.
course, these days Ukraine’s pro-Europeanness is fueled by the Russian aggression, but even this factor might not last forever. If the European Union fails I would not say to incorporate Ukraine into itself as a new member-state, but also to provide it with a Candidate status that – at least formally – becomes a ground for future membership, the Ukrainian ‘Europeanness’ might fade – and it will do as sooner as more instructions Kiyv will get from the EU with no chances of moving closer to the ‘ever closer Union’. This is, I believe, the major challenge the European-Ukrainian relations are facing in the coming years not to say decades.

If the European Union wants to avoid such developments, politicians in Brussels should reflect on the difference between the nations I called anti-Soviet and post-Soviet. I would argue that the most striking feature of the post-Soviet states is the fact they cannot be effectively changed from within. The whole sphere of the Russian influence was for centuries characterized by the single most important element – by a complete absence of the rule of law. Therefore if this system is destroyed by whatever events, and if it is left to itself for some time, it begins to restore its most crucial elements, with the negligence to the rules being a central one. The political and social systems of the post-Soviet states may become closer to the European ones only during the periods of their decay (as it was in the Soviet Union between 1989 and 1991, when all the free elections in Russia’s history took place and when the private initiative was on the rise). As the new regime is established, it begins to reconstruct all the authoritarian and/or arbitrary practices the previous one was based upon. In Russia Putinism evolved well from the mid-1990s even at the time the future dictator was a medium-range clerk in St. Petersburg. In Ukraine every consecutive President tried to establish himself as a sole ‘owner of the nation’s destiny’ immediately after taking office. I would say that no political force exists either in Russia, or Ukraine, or Belarus, who will work hard for meeting the criteria set forward by the European Union, for two obvious reasons: on the one hand, it looks simply unbeneficial for these politicians, and, on the other hand, they realize that the EU membership still looks an impossible option for the nations they lead – and this reverses any positive trend.

So, to put it bluntly, in case of anti-Soviet states the best strategy was the traditional European strategy of changing-and-admitting, when the conditions of the Association Agreement, and later of the Candidate status transformed the country making it ready to be allowed to join the EU. But in the case of post-Soviet states this strategy will not work – instead one should elaborate an opposite one, that of admitting-for-changing, based on taking a country in, imposing on it all

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the European laws, in fact substituting the supreme court by the European Court of Justice, apply the antitrust regulation for breaking the oligarchic rule, advance European social norms for gaining support among ordinary citizens – and to do so while promoting all the common European spaces and all the political and economic liberties the EU citizens enjoy. Of course, taking into consideration the hard process of accession unredwent by the Central European nations this proposal looks completely unrealistic. But I would propose to think about it twice.

The European Union has developed another form of association that differs substantially from the one that is prescribed by Association Agreements with ‘Eastern Neighborhood’ nations. I mean EU’s relations with the countries that are not less developed than its members, but which are even more affluent – i.e. Norway, Switzerland, and Iceland. All three are not members of the EU, but they enjoy a freedom of travel, full-scale custom union, and participation rights in several of the Union’s programs, bodies and initiatives, including European Defence Agency and Frontex\(^{180}\). All these countries adopt the major part of both the Acquis and the new laws and regulations enacted in the European Union: in Norway, up to 70 percent of all the EU directives being in force in the EU in 2008, were installed as regulatory laws by 2010\(^{181}\). Most of the same applies also to Iceland and Switzerland\(^{182}\). All the three countries either were invited to join the European Community of the European Union, or applied to join it but lacked the consent of their own citizens to do so. But what I want to mention here as the most important fact is, on the one hand, that all the three countries are not part of the EU decision-making process and do not send their representatives to the European Parliament while de facto adopting the most part of the EU directives and regulation; and, on the other hand, all these countries contribute substantial financial funds to the European budget paying for the free access to EU’s internal market (as for 2016, these figures were as high as €122.5m for Iceland, €479m for Switzerland and €890m for Norway\(^{183}\)). So therefore we see a completely different model if to be compared to one applied to the pre-accession nations – in a sense that it’s not the EU who contributes financially to its neighbours prosperity, but rather vice versa.

I would argue that it’s this framework that should be used in determining future relationships between the EU and Ukraine. My assumption is based on the notion


\(^{183}\) See: ‘Switzerland and Norway – An Alternative to EU Membership?’ (see: [https://www.one-europe.net/switzerland-and-norway-an-alternative-to-eu-membership](https://www.one-europe.net/switzerland-and-norway-an-alternative-to-eu-membership)), for Norway, see: [https://www.fullfact.org/europe/norway-eu-payments/](https://www.fullfact.org/europe/norway-eu-payments/), both sites retrieved on November 26, 2017).
that in recent years the European Union was actually involved into an intergovernmental dialogue with Kyiv refusing to capitalize on the popular will to get closer to the European Union that was (and is) openly expressed by the Ukrainian people. But – as it was easy to predict – the Ukrainian authorities mostly asked for political support in the wake of the Russian aggression and for financial one that the country needed for repaying its debt and for keeping its ailing economy running. From the outbreak of the Revolution of Dignity the European leaders met either the Ukrainian President or Prime Ministers in Kyiv and Brussels more than 40 times, and the both the European Union and some of its member countries disbursed around €4.9 billion in loans out of €12.8 billion credit line and €1.2 billion in direct financial assistance\footnote{See: ‘European Commission Support for Ukraine’ at: https://www.europa.eu/rapid/press-release_MEMO-15-4863_en.htm, site retrieved on November 26, 2017.} to Ukraine (atop of more than $8.7 out of $17.5 billion worth Extended Fund Facility from IMF and the World Bank\footnote{In more detail. see: Каткова, Екатерина. ‘Дайте ещё: Украине срочно нужны кредиты’ at: https://www.gazeta.ru/business/2017/12/19/11500892.shtml, site retrieved on December 21, 2017.} in which the European nations are among major members). The local authorities used these money for funding their current expenses quite often neglecting crucial reform requests that both the European Union and the IMF/WorldBank group put forward. As the result, the EU finally announced that it will not disburse another tranche of the promised credit line that was due to be paid to Kyiv this November and accounted for €600 million\footnote{See: ‘European Commission Ready to Consider Further Macro-Financial Assistance to Ukraine, Provided Report Momentum is stepped up’ at: https://www.europa.eu/rapid/press-release_IP-17-5064_en.htm, site retrieved on November 26, 2017.}. One should mention that till the end of 2017 the Ukrainian government failed to meet at least four crucial conditions put forward by the donors: it still kept in place a moratorium on the free selling and purchasing of agricultural land; haven’t lift several kinds of export bans that were introduced by previous governments; and declined to initiate a special anti-corruption court. The Ukrainian civil society actively promoted most of these reforms for years, but the government remained reluctant to them and is now widely seen as rapidly becoming more and more corrupt and inefficient (with some activists comparing it openly to the Yanukovich government in all these points\footnote{See, e.g. Соболев, Єгор. ‘Петро Порошенко став новим Віктором Януковичем’ at: https://www.nv.ua/ukr/opinion/sobolev/petro-poroshenko-stav-novim-viktorom-yanukovichem-95709.html, site retrieved on November 26, 2017.}).

All the above suggests that any new loans and new financial assistance will hardly contribute to future Europeanization of Ukraine. What should be proposed, as I believe, is quite the opposite. Taking the relationships between the EU and Norway, Switzerland and Iceland as an example, the European Commission should propose Ukraine the same kind of association. Within this framework Ukraine will be forced to implement the most part of the acquis communautaire and to adopt a tuff schedule for it full implementation in a foreseeable future; it should declare that all the antitrust, investor-related and other commercial disputes are to be re-
solved not in the Ukrainian arbitration courts, but at the European Court of Justice; that the Ukrainian banking system should be incorporated into the European one, including the IBAN accounts system that will allow to control the transfers of money between Ukrainian enterprises and private persons; and, atop of all this (and, maybe, some additional measures), Ukraine will pay the EU between €1 and €1.5 billion annually as a fee for effective entering the European economic zone, also in legal issues as well. The idea behind this proposal looks quite simple: any financial assistance to Ukraine under the existing political conditions in the country will once and again fail to improve the domestic governance and to eliminate corruption. For implementing real reforms in the country one should rely on the will of the people and on the interest of the businessmen in becoming more European and in joining the European economic space. The adoption of the acquis and the proclamation of the ECJ as in fact Ukraine’s supreme court will change foreign investors’ attitude for developing their project in the country as in happened in Poland, Czech Republic, or the Baltic nations as they were the EU Candidate status. The inflow of funds will enable both local and foreign companies to settle up new production facilities, and the government – to tax them. So the money which should be paid to the EU must originate from the new businesses established in Ukraine due to the change of political environment and judicial regulation. The same issue of the moratorium on the agricultural lands’ sale would in this case be disputed not in Ukraine’s Constitutional Court that failed even to consider the case brought in by 55 Rada deputies, for months188, but by the ECJ that would be able to overturn Rada’s rulings on the issue. In other words, the European Union may impose something close to the ‘external management’ of Ukraine using a huge willingness of both ordinary Ukrainians and the businesspeople to Europeanize. For the European Union itself this move will be a relatively cheap one and might become a good substitute for the current ‘Eastern Partnership’ policy. The problems with all the enlargement topics that arise for the European Union, actually are associated with two major issues. On the one hand, it’s the issue of governance: if a new nation gets a Candidate status, it means that either at some point it will be allowed to join, or it might turn into a hostile power if disappointed over time. And if it’s allowed to join, all the corresponding problems arise: the structure of the European Parliament should be changed, the new Commission members appointed, the more countries are in, the more complicated the trade-offs become, and so on. And even there might be not a huge problem if a rather small country joins, like Cyprus or Malta, it becomes an enormous one if it comes to Ukraine that under current conditions may qualify for 55 MEPs and 1-2 Commission members. On the other hand, there is even bigger problem with financial allocations: as a nation acquires the Candidate status it becomes eligible for the adjustment funds

that the European Commission provides to the nations that prepare to join the EU. And these are not small: Poland got around €4 billion in EU financial assistance between 1997 and 2004. As a new (and supposedly economically backward) nation is finally in, the assistance increases since the European Union should start disbursing the funds that are allocated for infrastructure projects and other structural adjustment measures (in 2016 they accounted for 6.2 percent of all budget incomes in Estonia, for 9.7 percent in Bulgaria and for 13.5 percent in Lithuania) forcing Brussels to transfer billions of Euros from Europe’s wealthy parts to its poorer regions. Last, but not least, one shouldn’t forget about the Common Agricultural Policy: under its provisions, the new members get huge subsidies for their farmers. In case of the same Poland, it comes up to €900 milion per year as in 2014. Ukraine, by the way, might become even larger agricultural producer since it possesses one of the most fertile grounds in Europe and is competing these days with Russia its steadily and rapidly growing grain exports. So, if one expects Ukraine’s aspirations lead it from the current ‘Eastern Partnership’ membership further into the European Union, she or he should be well aware about how huge the cost of this may be. Therefore the European Union should definitely find a way to incorporate Ukraine much faster and much cheaper than the traditional ‘gradualistic’ approach to the enlargement procedures might finally bring it in.

Returning to the beginning of this chapter, I should argue that this might be the one and only way to secure Europe’s advance to the East which the European Union badly needs. On the one hand, Europe is strong because, as it was long ago noted, it possesses an enormous ‘soft power’ and has a unique experience in organizing the world and in expanding the territory of both order and democracy. Its ability to do this is its distinctive feature, and if it stops expanding it loses ist most essential element. On the other hand, Europe needs both economic and demographical boost, and both might come from the East with its ultra-cheap labour and its skilled Christian population which may easily adjust to the European way of life. So in any case I think in the future Ukraine is predestined to become a part of European Union – but a new way of incorporating it should be invented to make this process more comfortable for the Europeans. Also, and this is even more important, I should reiterate that the countries that haven’t been a part of ‘Europe’ during the last several centuries, seem to be unable to develop all the features the European authorities demand from them while remaining outside the EU framework. What all of us have seen with Russia, or Belarus, not to say with the Cent-


\[190\] Calculated for 2016 country’s budget statistics; the inflows of funds from the EU as at: [https://www.money-go-round.eu/](https://www.money-go-round.eu/), for different countries, site retrieved on October 20, 2017.


ral Asian or Transcaucasian nations, shows that these countries all embark on an authoritarian way after a short period of quasi-democratic rule. Also in Ukraine and Moldova, which are much more ‘European’ than Russia we see a series of revolts rather than revolutions which allow different groups of the oligarchs to unseat each other while in general the kleptocratic political regimes survive quite well even a quarter century after the collapse of both Communism and the Soviet Empire. The Europeans may open the borders, introduce a visa-free regime, pump more money into these nations – but all this will result in a simple consequence: the elites will get richer, the most ambitious and educated citizen will emigrate to the West, and the new leaders will rule their remaining subjects even easier than their predecessors did. So therefore if the Europeans really care about those territories that several U.S. scholars already begun to call ‘in-beetwen’ of ‘frontier-like’\(^{193}\), they should embark on a risky enterprise: to take them in and to transform them while they’re already inside. The method I’m staying for may be the best in such a situation, allowing the European Union to introduce a really ‘two-speed’ Europe, to economize on subsidies and at the same time to use all the economic, societal, and even geopolitical energy of those people who these days should be called Europeans in a much greater degree than their political elites ever were.

In mid-2016, the Chairperson of Verkhovna Rada’s Foreign Relations Committee, Ms. Hanna Hopko, famously proposed Ukraine should fill Britain’s place in the EU as the United Kingdom pulls out\(^ {194}\). I would describe the issue in a different way: as the ‘Brexit’ creates the western flank of a ‘two-speed’ Europe, ‘Uktrance’ must develop its eastern flank producing a all-new European architecture – a one that might be not only more stable, but also more inclined for a future expansion that, I will repeat once and again, is, and will remain, crucial for the European project.


Chapter 5
Ukraine’s Mission in EU-Russia Conundrum

Another important problem that complicates the EU-Ukrainian relations comes from the very fact that the Europeans use to treat Ukraine if not as a part of ‘historical Russia’ than as a nation included into Russia’s ‘sphere of interests’ – so therefore whether one wants it or not the build-up in EU-Ukraine relations will forever be somehow attached to the wider milieu of European-Russian relationships, and there cannot be any solid solution of the ‘Ukrainian problem’ if the European Union doesn’t firmly elaborate a rather long-range vision for its Russia policies.

Such an approach seems inevitable first of all because that the very existence of an independent Ukraine is a part of the problem the Europeans are now trying to solve through rethinking their relations with Russia. The collapse of the Soviet Union, pushed and facilitated by the Ukrainians, dramatically changed the conditions of both Russian foreign policy and the Russian mindset. Quite soon after the dissolution of the Soviet empire the Russians begun to think of the end of the Cold War not as of the establishment of a long-awaited peace with the West, but rather as of their defeat caused mainly by some sort of treason; they believed that it was not the empire, but the very Russia that collapsed and crashed into parts\textsuperscript{195}; the rhetorics of a ‘divided Russian people’\textsuperscript{196} became extremely popular. I would say all these developments were completely missing from the picture developed at the time by the Western authors, who were first of all addressing either the political fight between the Democrats and Communists, or the hardships of Russia’s economic reforms\textsuperscript{197}. Being preoccupied with these two aspects, they draw parallels between Russia and the Central European nations, expressing their beliefs that in some not-so-distant future Russia will be put onto the typical path of a post-Communist transformation. The essence of this extremely simplified approach might be found in Andrei Shleifer’s famous book, ‘A Normal Country’\textsuperscript{198} published in 2005.


\textsuperscript{196} See: e.g. Зюганов, Геннадий. ‘Русская нация может исчезнуть’ (Zyuganov, Gennadii. ‘The Russian Nation May Disappear’ [in Russian]) at: https://www.kprf.ru/crisis/edros/98131.html, site retrieved on December 4, 2017.


But the real problem was much more severe. Unlike the other imperial nations, the Russians didn’t make any strict distinction between their homeland and the empire; one of the strong reasons for it was the singularity of its territory. Therefore after the collapse of the Communist regime the Russians found their space shrunk by more than 26 percent, with more than 18 million ethnic Russians left inside the newly independent states. President Putin might be wrong insisting it was the greatest geopolitical catastrophe of the 20th century, but the scope of change in many aspects exceeded the case of Germany after the World War I, when Germany lost 11 percent of its landmass and around 6 million Volksdeutsche were either left abroad or displaced into different areas of the new German Republic199. All this, I would argue, provoked a strong will for some kind of revenge – and Mr Putin not accidentally is now speaking that what he did in recent years was the raising Russia from its knees to which it was put by its Western ‘partners’. The loss of Ukraine was, of course, a powerful blow to Russia’s power – but no one should forget that at the same time it became the single most important reason calling for its revival. While the Europeans dealt with Ukraine as with a fully independent country and reinforced its pro-Western aspirations, Russia has becoming more and more hostile towards those who ‘orchestrated’ the Soviet Union’s collapse. Therefore the Kremlin propaganda that depicted the Orange Revolution of 2004 as entirely conspired by the West, was perfectly absorbed by the Russian population.

To make this part of the story shorter, I would say that the fall of the Soviet Union left Europe (and the West in general) in a rather problematic situation: it was unable to withdraw its support from an independent Ukraine, but with providing it it immediately turned into Russia’s adversary and fuelled up Russian imperialistic aspirations. I would conclude that there wasn’t – and there isn’t – any good way out from such a conundrum, and Ukraine will for long remain a hostage of the relationships between the Russian Federation and the wider Western community.

The problem in Russia-Europe relations stems out from a complicated dichotomy presented by two competing strategies in dealing with the current Ukrainian issue.

One choice may be described as a ‘defensive’ and may be based on the trend that became visible in the last ten years. Under this scenario Ukraine positions itself as an anti-Russian (or, would one say, different from Russia) force that aspires to become a part of the Western community – but failing once and again in its efforts to integrate into it. In this case Russia seems to ‘tolerate’ its neighbour (even launching offensive against it, as we saw in 2014). For the Russian leadership (and not only for President Putin personally) it’s crucial to see Ukraine being unsuccessful in both its political and economic development. Back in 2004 a huge part of then vivid Russian opposition became electricized by the Orange Revolution looking on Ukraine as on a kind of example their country may follow suit in a continuing

post-Communist transformation. But as the Ukrainian leadership later abandoned much of the revolutionary legacy, as the oligarchy returned to power with President Yanukovich and the country became even more corrupt then ever before, the Kremlin tend to calm down. As the new revolution gained momentum, Moscow struck back, but today it seems to be absolutely happy with the ongoing developments as Ukraine becomes poorer, more divided, and once again as corrupt as it ever was. President Putin, recently responding to a question on his annual press conference in Moscow, argued that noone in Russia should dream about their nation resembling Ukraine where some strangers are running across the streets and try to break into the government offices. Since Ukraine remains a weak and poor country that might be depicted by the Kremlin leaders as suffering because of its departure from either Russia or the Eurasian Union, it seems posing to immediate threat for a quasi-imperial Russia, and therefore the Russia-Ukraine conflict might be considered frozen. Today, I would argue, Ukraine isn’t seen from Russia as an attractive model for moving forward, and if the Europeans would simply sustain such a situation for a prolonged time, a relative peace will be kept in place.

Another option is to offer much broader support to Ukraine and to try to turn it into an economically successful and politically stable country integrated into the united Europe one or another way. In this case – and it seems to be seen as what is thought amore desirable solution both in Kyiv and Brussels – the strategy should be completely different. With all my respect to the Ukrainian army and to the European politicians it would be impossible to make Ukraine successful and prosperous if it still positions itself as an open adversary to Russia. I would reiterate that such a scenario poses an existential threat not only to President Putin’s rule but to the very existence of the contemporary Russian political nation. To put into another way, with Ukraine going westwards the Russians feel their nation split in a more acute way then ever since the end of the Cold War and the fall of the USSR. And here I see only one strategy that might change the grand ideological and political game in the region, putting the whole Russian leadership on the defensive.

Such a strategy should be based on a kind of accepting the idea that both Ukrainians and the Russians are one people in a historical sense – the idea that actually has quite strong underlying grounds. But, contrary to the Kremlin’s point of view one should focus not on Russia’s greatness, but rather on Ukraine’s historical roots as the ‘keeper’of the old Rus’ traditions. Today the idea of ‘Ukrainess’ stems out of the very fact that the Ukrainians believe they aren’t Russians – and we just addressed this issue earlier. Taking for granted that the name ‘Russia’ is ‘monopolized’

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200 During his recent annual press conference President Putin asked the audience: ‘Do you want dozens of people like Saakashvili running around here? Do you want such Saakashvilies to destabilize your country? Do you want us to live from one Maidan to the next?’ (at: [https://www.en.kremlin.ru/events/president/transcripts/56378](https://www.en.kremlin.ru/events/president/transcripts/56378), site retrieved on December 20, 2017).

by the Muscovites, the contemporary Ukrainians are trying to build a ‘wall’ between ‘Russia’ and ‘Europe’ voluntarily associating themselves with the latter. As I mentioned earlier, this reinforces their national proud, but makes a little help in advancing towards Europe – in particular since the Europeans begin to believe that any kind of rapprochement with Ukraine brings them closer to a conflict with Russia which most of the European countries try – and will keep trying – to avoid. So the ‘grand game’ might start from creating a new ideology based on the assumption that today’s Ukraine is much less a unique and special country as it is a kind of Russia and that it represents not a ‘fence’ that might ‘safe’ Europe from Russia, but rather a key that allows Europe to seduce Russia and to continue its expansion to the East. With all my respect to my fellow Ukrainians I should say that the incorporation of Ukraine inside the united Europe might be worth only if the European Union doesn’t exclude a further eastward expansion from its agenda. If such an option is on the table there is a great sense in incorporating Ukraine and in turning it into a prosperous nation Russia may follow suit; if there are no such intentions, it would be much better for the European Union to allow the situation to stagnate as it is stagnating nowadays. Getting Ukraine closer to Europe, the Europeans must insist they are doing this because they want to see Russia as a part of the Union in some distant future (or at least that they do not exclude such a possibility). The main reason for this is that Ukraine’s importance for Europe – as I believe – is determined by its prospective status as a Russia-Europe ‘intersection’. If the Europeans succeed in persuading the Ukrainian leadership to change its rhetorics and to embrace the ideology of reestablishing a ‘European Rus’, it will attract pro-European Russians to Ukraine as they feel that the country is not hostile to them and has the first chance to join Europe. I would say there are thousands active and pro-Western Russians that are looking for leaving the Putin’s empire, and more than 300 thousand people actually emigrate from Russia every year beginning from 2014. These people differ a lot from those ethnic Russians that have been left in different post-Soviet states after the dissolution of the Soviet Union and later became President Putin’s loyal ‘fifth column’. En masse, they are educated risk-takers, self-made and active, who wish to succeed in business and in different kinds of professional activities. Both in Europe and in the U.S., statistics proves, those Russians are earning more than the average locals; they do not build diasporas and perfectly integrate into the local communities. Majority of them are quite successful in business and possess perfect entrepreneurial skills: my earlier calculations prove that today those Russians who left Russia after the fall of the Soviet Union, on a global scale control assets exceeding Russia’s GDP in value.

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The capital flight from Russia actually intensifies: while in 2001-2010 it accounted for $120.2b, according to the Central Bank of Russia’s official data, in 2011-2017 it stood at $425.6b\(^\text{205}\), being 5 times (!) higher in annual terms. It means that if only ¼ of these outflows might be diverted into Ukraine, the incoming amount would become bigger than Ukraine’s foreign debt, in just 4 years. Actually I doubt the EU would be able to channel a sum close to that into Ukraine in any foreseeable future. So therefore my advice to the Europeans is clear: the most effective strategy vis-à-vis Ukraine comprises three major elements: first, the EU should find some means for integrating Ukraine into the formal European framework (e.g., on terms of nowadays’ Norway or Switzerland, or of the post-Brexit UK); second, it should openly declare that it’s ready to expand further eastwards and Ukraine looks not as some ‘final frontier’ for the united Europe, but only as a foothold for taking on Russia, and therefore is considered not as a ‘non-Russia’, but as a more European Russian state that Russia itself; third, the European Union should make its best to attract – together with the Ukrainian leadership – as much of Russian private capital as well as much of business-minded Russians they can, allowing the Russian capital to rebuild the economy of the European Ukraine. I fully agree that such a scenario might look unrealistic, but I would say that nothing else looks now possible due to at least several obstacles few people are now ready to acknowledge. First, Ukraine these days looks as a ‘captured state’ ruled by a complex mix of bureaucrats and oligarchs, and the link between them seems too strong to be broken either by several popular revolts or by the outside challenges and dangers. This kind of alliance is the modus operandi of Ukrainian politics, and I would say that the existing problems cannot be resolved from within even as generational changes occur (here we have the phenomena I analyzed applying to Russia close to ten years ago, and was perfectly right predicting no change to happen\(^\text{206}\). If being left as it is, Ukraine would undergo through several more revolts rather then revolutions\(^\text{207}\), and finally become a nation marked by a profound and universal disillusionment. The young Ukrainians will do their best to leave the country, and alongside the pro-European aspiration will fade making from Ukraine another Turkey or Russia with a quite limited willingness to Europeanize. The Europeans, I would argue, have nowadays neither instruments nor will to avoid these developments. Secondly, for being effectively Europeanized, Ukraine lacks two major prerequisites. On the one hand, it isn’t a ‘natural’ part of Europe that might justify its return to the European Community of nations, and the more Ukrainians talk about their values and their rights to become European, the more the Europeans become doubt-


ful about these arguments’ virtue. On the other hand, Ukraine, frankly speaking, doesn’t possess any kind of competitive advantages or strategic resources making it in any sense indispensable for the Europeans – therefore the country will not be too successful in making its way into the European Union (as I mentioned earlier, to become a second-tier nation alongside with the leaving UK would be the greatest possible success for many years to come). Both these issues pose a threat for Ukraine to remain in its status of an ‘in-between’ country for decades – and if this happens, no optimistic forecasts should be made considering its distant futures.

Thirdly, and this point was not actively debated till now, Ukraine, equipped with its ideology as of longtime oppressed nation, is much less easy neighbour than it’s often believed. Historically it was for centuries dominated by different European empires – from the Grand Duchy of Lithuania and Rzeczpospolita to Russian and Austro-Hungarian monarchies\textsuperscript{208}. Therefore the spirit of Ukrainness now praised in this newly independent and assaulted nation, naturally bears the signs of exclusivity and anger towards its former masters. During the last years we saw not anti-Russian movements, but also glorification of anti-Polish fighters that caused some aggravation of Ukraine-Poland relations\textsuperscript{209}; the willingness to Ukrainize education, that provoked a harsh response from the Hungarian authorities trying to defend their compatriots living in Ukraine’s west\textsuperscript{210}; and, I believe, more cases of the kind are to follow. Therefore I believe that if the European Union does will not succeed in changing gradually Ukraine’s emerging ideology, the nation can soon become largely marginalized and therefore will lose its even rather a hypothecical chance to be successfully integrated into the European Union any time soon.

I mention all these points for once again reiterate the same thought I developed earlier in this chapter: Ukraine can survive as a modern European state only if it is taken inside the Union, and for doing this Europeans must be courageous enough not only to incorporate Ukraine but to elaborate and enact a prospective Russia strategy since to get Ukraine in while making Moscow a mortal enemy for Europe looks like a truly suicidal option. Therefore the three pillars of Europe’s strategy vis-à-vis Ukraine should be: 1) to destroy Ukraine’s basic bureaucratic-oligarchic connection and to subjugate the country to the European judiciary procedures if it comes to fighting corruption, the misuse of power, and implementing the anti-

\textsuperscript{208} The idea about Ukraine’s identity as being formed during centuries because its position of the flanks of different European empires hostile to each other, is developed by Mykola Vorobiov at the Center for Transatlantic Relations at the Johns Hopkins University in a series of his yet unpublished texts.


trust regulations; 2) to change the entire nature of the European-Ukrainian dialogue from using the language of values and geopolitics in order to concentrate upon the economic and financial benefits Ukraine’s ‘partial membership’ in the Union may offer to Europe; and 3) to transform Ukraine into a base for the pro-European Russians who can both contribute to the country’s economic resurgence and to its new status of a ‘European Russia’, a place from where one day the entire Russia will be made free and European. If these three elements might be combined in one strategy, its realization might open a new page not only in the European, but in the whole Western history.
Conclusion
Towards a Northern Alliance?

Ukraine’s fate, for better, or, supposedly, for worse, forever will remain dependent of two great civilizational entities of which this nation was a part of several centuries – i.e. of Europe and of Russia. The people of Ukraine suffered greatly from both its neighbors with the culmination of the hardships coming in the 20th century as cruel totalitarian regimes arose both in Europe and in the Soviet Union. Holodomor and Communist repressions of the 1930s and the Nazi ethnic cleansings in the 1940s definitely represent darkest and most dramatic times in Ukraine’s history.

During the last 50 years Europe has changed a lot to become a truly post-modern polity, while Russia, I would say, reappeared as a 19th-century power after it failed to adjust to the newly developed European set of values. The ‘returning Muscovy’ shouldn’t be now treated like a new Mongol Horde – it’s simply a European empire of the 19th century, while the EU represents a new voluntary ‘empire’ of the 21st. These two entities can hardly understand each other, and Ukraine has been caught in the midst of the lines of their geopolitical competition (or rather rivalry).

All the developments in and around Ukraine from the start of the new millennium actually proved three crucial points. First, Ukraine itself still is not able to become a nation that can conduct an independent policy aimed on realizing its own goals. It is too weak in military terms to stay against Russia; it doesn’t want to become a part of any Russia-led political or economic union; it possesses no competitive advantages to become interesting for the Europeans; and, last but not least, it has no responsible leaders who might wish to transform it into a truly modern country.

Secondly, Russia now seems turning back to its imperial past (if not towards a real one, so towards its imaginary substitute), and under such circumstances it will never allow Ukraine to become a constituent part of the competing geopolit-

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ical block. Thirdly, the Europeans who praise Ukraine’s willingness to turn into a free and law-abiding country, aren’t ready neither to engage into a military confrontation with Moscow over Kiyv not to accept Ukraine into their union for securing at least its economic future. All this suggests that Ukraine’s current position will not change anytime soon, and the Russia-West showdown will simply continue.

Taking all the above into account, I would argue for considering on option that actually never was on the table in global politics in recent years, but from the 1980s looks promising and, I would even say, desirable. I’m talking about a West-Russia union, but not about a loose ‘common European house from Lisbon to Vladivostok’, but rather about something that is much more serious and mutually binding.

In the 21st-century world Europe’s, as well as the West’s, influence is shrinking. And this happens not because of the rise of Russia, which also is a declining power, but first of all due to both economic and military strengthening of China and due to the resurgence of anti-democratic and authoritarian regimes in many sections of the world. In such a condition both the West and Russia, however strange it might seem, have a lot of common interests, with the most important consisting in their possible cooperation against the rising South. I would say that today both Russia and the West are obsessed with an old geopolitical ‘West-East’ dilemma, which actually does not longer exists. Yes, there is an undergoing shift of economic power from the Atlantic to the Pacific, but I would argue that this shouldn’t be treated – as the Russians are now doing – at ‘pivoting to the East’. If one goes to the East of Moscow, she or he fill find oneself in Novosibirsk, in southern Kamchatka, then pass through the entire Southern Canada and return to Europe via Wales and Danemark. Neither Shanghai or New Delhi aren’t ‘an East’ to Russia – and if one remembers that the Earth is round, it would be easy to realise that Russia’s East in actually the West. I would also say that Russia from time to time tries to rejoin with the West (to which it in many aspects belongs), but the latter seems unready to accepts these rare bids (not long ago President Putin confessed that he addressed President Clinton back in 2001 on whether Russia could join NATO).

So my point is quite clear: the only possible solution on ‘the Russian question’ in this century lies in incorporating the country into the ‘wider West’ and so to turn it into the ‘global North’. I would say that this corresponds perfectly well with the long term European dynamics since the Europeans – Western and Eastern altogether – started their territorial expansion in the 16th century only to meet each other in the Russian River valley in nowadays northern California. That conclud-

ed that Northern Belt which was later discontinued after the World War II – and today the best what can be done by both parties is to reconsider the European history, and – if Russia wants to see her empire revived, to put it inside a much larger union where it will count herself as a part of a truly global power and not as a part of the global periphery. If this happens, the ‘Northern belt’ nations would control 26 percent of global natural gas and 20 percent of oil reserves, possess exclusive rights for Arctic offshore fields; up to a third of other natural resources; 96 percent of nuclear arsenals and 61 percent of world’s military spending; possess around 48 percent of global GDP at market exchange rates and roughly \( \frac{3}{4} \) of registered patents\(^{218} \). Their combined population exceeds 1 billion people, and territory encompasses 27 percent of the Earth’s landmass. Even the current Russian elite that seems to be autarkic and nationalistic, might become an enthusiastic supporter of such Grand projet since it’s deeply concerned both by the current rift with the West and by growing economic and demographic pressure from the South. If this new entreprise is depicted as the biggest (voluntary) empire ever built, Moscow would support it although Russia is not its leader. These days Russia is by no means a ‘First World’ country in Parag Khanna’s sense\(^{219} \), but if properly engaged, it might change the global geopolitical game. By incorporating Russia into a free trade zone and into a military alliance, to offer its citizens to become equal to the westerners, and its elite to be considered a part of the ‘Northern’ community, the current West might finally both get rid of its longtime opponent and secure a new global architecture that would become distinctive for the 21st century.

I would also argue that there is no other nation that should be more interested in a gradual West-Russia rapprochement, than Ukraine. I’m deeply convinced that its successful development is completely dependent from the future relationships between the West and Russia, and, moreover, all its competitive advantages arise solely from its historical ability to deal both with the Europeans and the Russians. The drama and the tragedies of Ukraine were for centuries determined by a vast number of contradictions between the West anf the East. This can be traced back to the time of the first Christian schisms and the conflict between the Catholic and Orthodox faiths. For the following millennium the lands of today’s Ukraine, and the people who used to inhabit them, became one of the major casualties of the West-East confrontations – and the current war in Donbass unleashed by the Russians once again proves that the peace and prosperity will not return here till this old conflict persists. While the global geopolitics is thought in East-to-West contradictions, Ukraine – and potentially the whole dividing line between the Western Europe and Russia, stretching from the Baltics to the Black Sea – will remain the territory plagued by the old, but unnecessary and irrational, confrontations. Therefore the only realistic option for rescuing today’s Ukraine lies in reuniting

\(^{218} \) See, for greater detail: Inozemtsev, Vladislav. “Russia and America can reset relations by looking North” in: Financial Times, 2017, October 9, p. 9.
the North while transcending the East-West contradictions. I fully realize how un-
easy this road towards peace and progress may look, but both the history of the
Russia-Ukraine-Europe relations and the current situation that we all witness, sug-
gest that the problems we encounter may be resolved in a more simple manner...