

QUICK POLICY INSIGHT

Ukraine's foreign policy turn leads to a mass roadblock

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With less than 48 hours before the opening of the EU Eastern Partnership summit in Vilnius, the Ukrainian government is facing unprecedented pressure to reverse its decision to halt reforms for an Association Agreement with the EU.

Massive public demonstrations in support of the country's EU path – and against President Viktor Yanukovich – have taken place in all major cities, with protestors still occupying Kyiv's Independence Square (*Maidan*) and other areas. The jailed opposition leader and former Prime Minister Yulia Tymoshenko has announced she is beginning an indefinite hunger strike. And the leaders of the EU and Russia have weighed in – either openly or silently – on the fate of the EU-Ukraine Association Agreement, including a deep and comprehensive free trade agreement (AA/DCFTA), tentatively scheduled to be signed at the November 28-29 meeting in Vilnius.

The EU had made the agreement contingent on Ukrainian reforms, which (as of 26 November) have yet to be fully met. In particular, the issue of selective justice – exemplified by the imprisonment of Tymoshenko – has remained a major obstacle. Yet Ukraine's future hinges not only on these reforms and the geopolitical pressures that have led to the current, tense impasse. Domestic considerations, including the country's poor economic state and upcoming presidential elections, are also factors, as is the increasing pro-European bent of most Ukrainians.

Widespread public protests on '*Euromaidan*'

Of all the forms of pressure facing the Ukrainian government, the popular protests are the newest and most surprising.

Following the government's decision on 21 November to call off preparations for the Association Agreement, public activists and journalists used social networks to ask protestors to gather on Kyiv's *Maidan*. The initial demonstrations – grouping one or two thousand people on the evening of the 21 November – were largely non-partisan,

Initial protests on Kyiv's

Independence Square (*Maidan*) were non-partisan, though supported by major opposition parties.

Bolstered by students and young people, 'Euromaidan' demonstrations occurred in every major Ukrainian city.

More than 100 000 protesters gathered for a 'March for European Ukraine' in Kyiv on the ninth anniversary of the country's 'Orange Revolution'.

The Ukrainian authorities have remained recalcitrant, despite the increasingly pro-European stance of most Ukrainians.

Ukraine's refusal overshadows significant progress on EU benchmarks

Ukraine had fulfilled most conditions for signing the Association Agreement.

although supported by opposition leaders Arseniy Yatseniuk (of Yulia Tymoshenko's *Batkivshchyna*, or All-Ukrainian Union 'Fatherland' party), Vitali Klitschko (of the pro-European Ukrainian Democratic Alliance for Reform, or UDAR) and Oleh Tyahnybok (of the nationalist *Svoboda* party). Grassroots political movements, such as the Democratic Alliance, played a role in organising the protest.

During the following days, protests swelled. Some 5 000 protestors assembled in Maidan in Kyiv, and more in the western city of Lviv. More surprisingly, 'Euromaidan' gatherings also convened in the predominantly Russian-speaking cities of Donetsk, Odessa, Kharkiv, Dnipropetrovsk and Mykolaiv. By some estimates, 90 % of participants were under 30, including many students.

On 24 November, the ninth anniversary of the 'Orange Revolution', opposition parties organised a 'March for European Ukraine' in Kyiv that assembled more than 100 000 participants – the largest demonstration since the Orange Revolution in 2004. Marchers called for a 'European future without Yanukovych'. Most government-controlled media outlets covered the event only lightly, although TV5 (owned by the pro-EU MP and oligarch Petro Poroshenko) and online media provided extensive coverage.

Since the march, demonstrators have remained on Ukraine's streets, erecting tents in Kyiv to advertise their persistence. At times, riot police have used tear gas. Protestors and opposition leaders called for an extraordinary session of the parliament to be held on 27 November to adopt the two bills that block the Association Agreement – one that would reduce the power of the prosecutor's office and another 'medical discharge law' that would allow Tymoshenko to leave the country.

While the authorities seem to be taken by surprise by the scale and tenacity of demonstrations, unlike anything the country has seen in years, Yanukovych has only spoken to reaffirm his position. Yet opinion polls suggest that position of the President and his Party of Regions is increasingly at odds with the population as a whole. A survey carried out for [Deutsche Welle](#) in November 2013 revealed that 58 % of Ukrainians support the country's EU integration – more than the 52 % who supported it one year earlier – while only 31 % oppose it.

Only one week ago, Ukraine appeared remarkably close to fulfilling the EU's conditions for an Association Agreement. A draft law on parliamentary elections was adopted on 21 November and the one on the prosecutor's office was passed in the first reading on 8 November, pending final adoption before the Vilnius summit. The major outstanding issue – Tymoshenko's release – was discussed for several weeks in the Ukrainian parliament, and a compromise was nearly passed: a 'medical discharge law' that would have allowed her to seek treatment abroad.

The final two bills were expected to be passed in the parliament on 21

On what some media called 'Black Thursday', the government unexpectedly called off preparations for the agreement.

November. Instead, the Ukrainian government adopted a [decree](#) suspending preparations for the Association Agreement and calling for a closer relation with Russia and other post-Soviet states. Some Ukrainian media labelled the day 'Black Thursday'. The government's announcement was a surprise to many, as it appeared to contradict numerous prior declarations by Yanukovich and Prime Minister Mykola Azarov endorsing the Association Agreement.

Why did Ukraine's government put the Association Agreement on hold?

While Yanukovich has said he is trying to protect 'vulnerable' Ukrainians, his Prime Minister and Deputy Prime Minister have spoken blamed both the EU and Russia.

Members of the Ukrainian government have offered varying – and often contradictory – explanations for their political gyrations.

In the last few days, President Yanukovich has argued his decision to delay the agreement with the EU was motivated by a desire to protect the 'most vulnerable' Ukrainians, who 'may carry the brunt during a transitional period'. Prime Minister Azarov has blamed a lack of macrofinancial support from the EU and the IMF, while not wholeheartedly endorsing Russia; Azarov blamed Moscow's trade restrictions for a USD 2-billion loss. His Deputy Prime Minister, Yuriy Boyko, similarly attributed the principal culpability to the EU, which he said hesitated to open its market to Ukrainian trade, while also estimating the cost of Russia's trade embargo to his country at EUR 3-4 billion.

Pressure from Moscow underpins a number of Kyiv's political turns.

Many outside observers have attributed Kyiv's about-face to pressure from Moscow. The Kremlin has significant influence on Ukraine, as was underscored by the proposal of the Ukrainian government – seconded by Russian President Vladimir Putin – that trilateral consultations between the EU, Ukraine and Russia precede any Ukrainian commitment to the EU. Azarov and his Russian counterpart, Dmitry Medvedev, met on 20 November 2013, and Yanukovich has quietly visited Russia a number of times in the past weeks. While no announcements have been made, Moscow is reported to have offered Ukraine – whose credit rating was downgraded to B- earlier this month – a multi-billion financial package and new gas contracts. Further pressure on Kyiv has come from the Eurasian Economic Commission, which launched anti-dumping investigations against Ukrainian steel exports on 22 November.

EU leaders made reference to Russia and its pressure in an unusually strong statement issued on 25 November 2013.

These tactics were condemned in a strongly-worded [joint statement](#) issued by EU President Herman Van Rompuy and Commission President José Manuel Barroso on 25 November 2013: 'We [...] strongly disapprove of the Russian position and actions in this respect', the statement said, while reiterating that the agreement was 'still on the table'.

Yanukovich may well be thinking domestically: he faces re-election in 15 months.

While geopolitics and economics are clearly major factors in the Kyiv's muddled politics, domestic politics are the main explanation. Yanukovich hopes to gain a second presidential term in the presidential elections to be held in 15 months. His victory will be more likely with Moscow's financial backing and cheaper gas, and without the political conditionality (or a free Tymoshenko) required by the EU. Modernising the country's economy and integrating with the EU will be a gradual project, perhaps requiring more patience than candidate Yanukovich can afford at the

moment.

Balancing the EU response

Pressure on the EU to loosen demands has been, ironically, released by the events of the last few days.

The EU– and the European Parliament in particular – had worked hard to bring Ukraine on board, and ‘disappointment’ has been a common reaction to Kyiv’s reversal.

The EU should keep the door open for Ukraine – rejecting trilateral talks while possibly negotiating the applicability of the Association Agreement – and above support Ukrainian society.

While the pressure on the Ukrainian government has grown exponentially in the last few days, Kyiv’s reversal has in fact lessened the stress on EU leaders. The Union no longer faces the difficult choice of either abandoning its partnership with Ukraine or compromising its demands for reform, particularly in the field of selective justice. In fact, some Member States have hesitated whether or not an Association Agreement could be signed while Tymoshenko remained in prison. The Union’s quandary has been effectively ended by Kyiv’s repudiation, Tymoshenko’s hunger strike and mass protests, and the EU can now hold to its values without geopolitical compromise.

Before the Ukrainian’s government announced it had halted its pursuit of the Association Agreement, the EU – and the European Parliament (EP) in particular – had invested heavily in convincing Kyiv of the benefits of EU integration. An EP monitoring mission, led by former European Parliament President Pat Cox and former Polish President Aleksander Kwasniewski, conducted 27 visits to Ukraine. When Kyiv announced it would halt efforts to reform for the agreement, EP President Martin Schulz [responded](#) on 25 November by labelling the decision 'a missed opportunity for Ukraine and the EU [that] resulted from enormous outside pressure and blackmail'. EU High Representative for Foreign Affairs and Security Policy Catherine Ashton used similar words, [expressing](#) 'disappointment'.

Yet the weighty [joint statement](#) of Presidents Barroso and Van Rompuy has also left the door open for the Ukraine to adopt the necessary reforms and join the EU, in Vilnius ('an important moment to take stock of the situation and take forward the relations with our Eastern partners') or later. This is a significant opening, and may be accompanied by some negotiation – without geopolitical compromise.

The EU and Ukraine both have an objective interest in pursuing their engagement and avoiding Ukraine’s greater dependence on Russia. The trilateral talks proposed by Azarov and Putin would only serve to undercut what Presidents Barroso and Van Rompuy described as ‘the sovereignty and independence of our Eastern Partners and the bilateral nature of Association Agreement and DCFTAs.’ And finally, the great surprise of the past few days – the clear and determined voice of the street – should be heard by all parties, both in Ukraine and abroad.