



# “Ukraine Fatigue” and a New U.S. Agenda for Europe and Eurasia

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By Stephen Blank and Younkyoo Kim

**Stephen Blank** is a Senior Fellow for the American Foreign Policy Council in Washington, D.C. **Younkyoo Kim** is Associate Professor in the Division of International Studies at Hanyang University, Haengdang-Dong, Seongdong-Gu, Seoul, Korea. The views expressed here do not represent those of the U.S. Army, Defense Department, or the U.S. Government. This work was supported by the National Research Foundation of Korean government (NRF 2012S1A3A2033350).

*Abstract: Ukraine’s current policy line is counterproductive, according to the authors. Not only may potential supporters be unable to help Ukraine, they will probably not want to help it and will ignore the consequences of its distress given their preoccupation with other problems. Then many wolves will flock not only to Ukraine’s but to Europe’s door obliging us then to confront a much greater crisis with fewer resources at hand to meet it.*



(Map of Ukraine is courtesy of the Central Intelligence Agency)

**N**ew administrations or presidential terms often provide opportunities for new policies or at least for rethinking existing ones. Ideally, this should also be true for U.S. (and EU) policy towards Ukraine. But without fundamental changes on both sides, it probably will not take place. Indeed, while failure to rethink both U.S. and Ukrainian policies and implement new ones can only rebound against both parties’ interests, this is an inauspicious time for new

thinking and policies. Analysts talk openly about a mutual indifference to one another that bodes ill for all concerned.<sup>1</sup>

Both sides suffer from delusions. Many Ukrainian elites wrongly believe that Ukraine's intrinsic geopolitical importance will persuade Washington to support it regardless of its policies. Therefore, the Ukrainian government apparently also believes that it can discount U.S. rhetoric on democratization in the belief that this is merely a public position, not the true private posture of U.S. leaders, and that there are divisions within the U.S. government upon which it can play to ensure continuation of the status quo just as it does with Russia.<sup>2</sup>

Other elites, including those incited by Moscow to spread this idea, claim that Washington and Moscow have already agreed to keep Ukraine in the Russian sphere and that Washington, therefore, does not care about Ukraine.<sup>3</sup> For both sets of elites the beauty of these self-serving myths is that they exonerate Ukrainian leaders from doing the hard work to reform Ukraine, allowing everyone to continue playing the same old games.

Moreover, despite Ukraine's contentious relations with Russia, it is doing little to win over the EU to its side. In fact, it professes disappointment and puzzlement over the EU's lack of interest in upgrading Ukraine's pipeline system, as if Brussels had not been down this road before.<sup>4</sup> Instead Kiev's regression away from democracy is having an opposite effect in distancing the West and frustrating any Western initiatives towards Kiev. Consequently, states such as Poland, which clearly understands the stakes in Ukraine, must constantly pressure the EU to maintain a significant engagement and activity with Ukraine, lest it fall completely into the Russian orbit.<sup>5</sup>

For its part, the United States continues to emphasize engagement with Russia to solve global issues at the expense of addressing the urgency of European and Eurasian issues, and having a policy towards the post-Soviet states that is truly strategic. Consequently, a fundamental gap exists between what America and/or the EU *should do* regarding Ukraine and what they probably *will do*. Unfortunately, there is also a similar gap between what Ukraine should do, especially if it wants Western—and particularly American—economic and political support, and what it almost certainly will do. Recent trends strongly suggest that without a major shock, Ukraine will not undertake enough to generate a U.S. or EU response to the country's needs. Ukraine's actions to date cannot stimulate either entity to do more than is already the case because the regime has reached a dead end.

<sup>1</sup> Alexander J. Motyl, "West-Ukraine Relations Marked by Indifference," Nov. 26, 2012, [www.kyivpost.com](http://www.kyivpost.com).

<sup>2</sup> Conversations with U.S. analysts in Washington, D.C., Dec. 2012.

<sup>3</sup> *Ibid.*

<sup>4</sup> "Kyiv Disappointed By Lack of EU initiative in Upgrading Ukraine's Gas Pipeline System-Azarov," Kyiv, *Interfax*, in English, Dec. 3, 2012, *Open Source Center, Foreign Broadcast Information Service Central Eurasia*, (Dec. 3, 2012)

<sup>5</sup> Natalia Shapovalova and Balasz Jarabik, *The EU and Ukraine: Hapless But Not Hopeless*, Frider Policy Brief, No. 141, Nov. 2012, p. 2.

## “Ukraine Fatigue”

The present crisis conclusively demonstrates the bankruptcy of the Yanukovich government’s economic and political policies. According to the Sigma Bleyzer Private Equity Investment Firm and the Bleyzer Foundation in Kiev,

Ukraine’s industrial output fell by 4.7% yoy [year on year] in August and 7% yoy in September. Slipping global demand for steel and iron ore weighed on the steel and mining industries. In addition, production of machinery equipment and transport vehicles suffered from increased trade tensions with Russia, the largest consumer of Ukraine’s machinery products. In particular, output production in the machine-building industry fell by almost 17% yoy on average over August-September. ... Domestic demand has also been cooling. A steep decline in the construction sector (by about 9% yoy over January-September 2012) signaled the subdued investment activity. Due to strained public finances, an ongoing credit squeeze and restricted access to foreign financing, the current level of investment spending cannot fill the gap left after the completion of large infrastructure projects related to the Euro 2012 football championship. Moreover, a deceleration in retail sales growth to 16% yoy over January-September indicates that private consumption has started to ease. While a deceleration in real wage growth to 11.7% yoy in September contributed to softening demand, consumer spending was likely affected by growing political and economic uncertainties. Due to weaker external and internal growth factors, the Ukrainian economy is forecast to increase by about 1% yoy in 2012.<sup>6</sup>

The *Economist* recently observed, “As a result of the Kiev authorities’ heavy-handed approach, the EU has now frozen ties. Investor confidence has shrivelled.”<sup>7</sup> Moreover, its new government faces a widening budget deficit, and has appealed to the IMF for a fresh multibillion dollar loan.<sup>8</sup>

U.S. and Western conditions undoubtedly contribute to that gap between what the EU and the United States should do and will probably do. The 2012 presidential candidates said virtually nothing about Europe or Ukraine, and mentioned Russia only in passing. Nevertheless, the primary cause of the continuing Western failure to achieve positive results with Ukraine is the Ukrainian government. The visible fatigue, skepticism, and frustration in both Europe and

<sup>6</sup> Olga Pogarzka and Edilberto L. Segura, “Ukraine: Macroeconomic Situation,” Sigma Bleyzer Investment Fund and Bleyzer Foundation, Oct. 2012, p. 1.

<sup>7</sup> “Trembling in Tbilisi,” *The Economist*, Dec. 1, 2012, p. 16.

<sup>8</sup> Roman Olearchyk, “Ukraine Requests Fresh IMF Bailout Loan,” *Financial Times*, Nov. 30, 2012, [www.ft.com](http://www.ft.com).

Washington when Ukraine is mentioned owes much to Ukraine's emulation of a Putinist structure of state, criminality, and authoritarian repression, as well as the failure of governments since 2004 to realize the promise of the Orange Revolution. As one recent Western assessment concludes,

Kiev's dependence on Moscow is becoming more pronounced. "Ukraine fatigue" has become a term of art in Western circles, connoting disillusion with the results of an extensive and costly commitment to democratic transformation. Ukraine's re-orientation, which may or may not be affected by changing electoral fortunes in the future, has weakened the substance of a Western policy of integration.<sup>9</sup>

A recent article by former U.S. Ambassador Steven Pifer argued that Ukraine's presidential administration has decided to emphasize Ukraine's relationship with the United States by focusing on energy development and the recent tender to Chevron to exploit its shale gas deposits. Kiev evidently believes that "Washington would somehow ignore the decline of democratic values in Ukraine." Sadly nothing could be farther from the truth; this argument shows how the government is completely disconnected from American realities.<sup>10</sup>

What Washington most fears is that Ukraine will regress to its own worst impulses, and continue to emulate a Putinist or neo-Soviet style of government, which already is increasingly the case. The oft-repeated U.S. line that it does not conduct an anti-Russian policy of geopolitical rivalries accurately expresses the administration's policy. Washington's main concerns regarding Ukraine are not geopolitical, as Kiev seems to believe, but democratization and liberalization. Therefore, tolerance for the Ukrainian government's antics is steadily diminishing while calls for sanctions grow louder and more insistent in response to Kiev's anti-democratic policies.<sup>11</sup>

Ukraine's exercise in wishful thinking ignores the visible unhappiness of both Washington and Brussels about the regime's backsliding from democracy. Consequently, there is little U.S. interest in Ukraine or in meeting with President Yanukovich. And when such meetings occur, President Obama and his officials invariably raise the issue of Yulia Tymoshenko's (former Ukrainian Prime Minister and Yanukovich's political rival) incarceration for purely political reasons despite Kiev's counter-arguments. Neither do the recent tenders for Chevron or Royal Dutch Shell to explore shale gas in Ukraine represent any sort of a genuine contract. Indeed, such tenders may yet turn out to be merely the latest in a long history of unkept promises by Ukraine to both Western and Russian investors.<sup>12</sup>

Meanwhile, the barriers to foreign investment remain intact. Over the last

<sup>9</sup> R. Craig Nation, "The U.S. and the Wider Black Sea Area," *Harvard Black Sea Security Program*, 2011, p. 6.

<sup>10</sup> Steven Pifer, "Wishful Thinking about Washington and Energy," *Kyiv Post*, June 27, 2012.

<sup>11</sup> Conversations with U.S. analysts in Washington, D.C., Dec. 2012.

<sup>12</sup> Pifer and Oles M. Smolansky, "Ukraine and Russia: An Evolving Marriage of Inconvenience," *Orbis*, Winter 2004, pp. 117-134.

20 years, these include barriers in the non-transparent Ukrainian energy sector—gas price controls at the burner-tip and wellhead, selective access to the market and even data, state assets hijacked for private use, corporate raids on private energy investors, corrupt middlemen in energy trading, ineffective regulation, inefficient state energy companies—remain in spite of campaign promises made in 2009 on energy reforms by the current government.<sup>13</sup>

Until Ukraine creates conditions that facilitate what the United States and Europe should do—invest in Ukrainian reform, support democracy, open the energy sector to transparent behavior that encourages foreign investment, and move to integrate Ukraine in European security structures—there is little likelihood that the West will pursue any initiatives in Ukraine.

Ukraine must also take its impending chairmanship of the Organization for Security and Co-operation in Europe (OSCE) seriously with regard to upholding the democratic Aquis of the Helsinki Final Act and subsequent Pan-European documents. Unless Ukraine reverses its current anti-democratic trend as well as its willingness to abet similar actions elsewhere (for example, the abduction of foreign dissidents), it will forfeit its opportunity to enhance its reputation throughout the OSCE, and it could also lead the West to write it off completely as a viable partner after 2013.<sup>14</sup>

Ukraine's failure to overcome the pathologies of its current economic and political development can only make things worse between the EU and United States, on the one hand, and Ukraine, on the other. Kiev's failure to enact a reform agenda consigns Ukraine to economic-political backwardness and underdevelopment, which evokes a Western lack of interest. This failure means Ukraine remains a weak state that is getting weaker compared with its neighbors and interlocutors. Most troubling for Ukraine, its failure to liberalize political life and the economy, ensures that the country will remain vulnerable to Russian threats against its sovereignty and territorial integrity. Thus, much of the burden for stimulating a desirable change in U.S. policy rests upon Kiev, not Washington.

Admittedly this is a harsh accusation; unfortunately it is founded on the facts: President Obama's first term was characterized by Washington's visible lack of interest in Ukraine, and for that matter Eastern Europe as a whole.<sup>15</sup> Indeed, if Ukraine wants the United States and Europe to adopt what should be the optimal policy for the Ukrainians—and namely, support for a wide range of policies that integrate Ukraine more firmly with Europe even if they do not bring about membership in NATO—or the EU—it must demonstrate to them in word and deed its readiness to initiate policies that will stimulate Western interest to undertake those major policy initiatives.

<sup>13</sup> Pifer, "Wishful Thinking about Washington and Energy."

<sup>14</sup> Conversations with U.S. analysts in Washington, D.C., Dec. 2012

<sup>15</sup> Conversations with U.S. and East European experts, Washington, D.C., Sept. and Nov. 2012, *Nation*, pp. 7-11

## Ukraine's Dilemma: Ukrainian Sovereignty and Russian Great Power

To understand what the United States and Europe should do, we must examine Ukraine within the strategic context of Europe and, more broadly, Eurasia. Ideally, Washington should fashion a broad economic-political initiative to rescue European economies and the EU (and thus NATO) during the present crisis. Ukraine is essential to that project. It is a cliché that without Ukraine, Russia is merely a great power but with it an empire. But the strategic issues at stake in Ukraine transcend that truism. The development of Ukraine's true and lasting sovereignty and security, as well as the preservation of its territorial integrity—presumably the objectives of any Ukrainian government—are crucial to the stability of the post-Cold War settlement and European security. If Ukraine's independence, sovereignty, and/or integrity are curtailed, then peace in Europe is imperiled. And each of those attributes of Ukrainian statehood are already at risk.

Ukraine faces two distinct but interrelated threats to its security, sovereignty, and territorial integrity. One threat comprises the defects of its political-economic structures, institutions, practices, and policies, while the second is Russia's threat to its independence, sovereignty, and territorial integrity. The many reports by the Razumkov Center in Kiev or by Western analysts show how Ukraine's political structures, institutions and practices inhibit the development of a truly prosperous, secure, and democratic Ukraine. These structural deformities also preclude construction of an effective national security system or policy process for Ukraine.<sup>16</sup>

Indeed, to the extent that Ukraine remains a stunted and endangered democracy and what foreign analysts like Moises Naim call a “criminalized state,” it cannot ensure its own security.<sup>17</sup> It is precisely these multiple weaknesses in politics and economics, not least the massive corruption that characterizes Ukraine's energy sector, that keep Ukraine weak and make it continually vulnerable to Russian pressure. Democratization leading to genuine democracy, and free markets leading to genuine integration into Europe, at least in the EU, if not NATO, would ensure Ukraine's integrity and security against Russia's continuing threats. While the Ersatz or pseudo-Putinism of the Yanukovich regime may preserve it in power

<sup>16</sup> “Ukraine in Global and European Security Coordinates Spanish-Ukrainian Strategic Dialogue,” Razumkov Center, *National Security & Defense*, Nov. 4, 2010, p. 4; “A Hundred Days of the New Government – Which Model of Governing Is Being Formed?” Kyiv: Razumkov Center, 2010; Sherman W. Garnett, “Does Ukraine Matter,?” Unpublished paper; Slawomir Matuszak, *The Oligarchic Democracy: The Influence of Business Groups on Ukrainian Politics*, OSW Studies, Centre for Eastern Research, Warsaw, 2012, [www.osw.waw.pl](http://www.osw.waw.pl), Serhey Kudelia, “Politics and Democracy in Ukraine,” Taras Kuzio and Daniel Hamilton, eds., *Open Ukraine: Changing Course Towards a European Future*, Washington, D.C.: Center for Transatlantic Relations, Nitze School of Advanced International Studies, Johns Hopkins University, 2011, pp. 1-20.

<sup>17</sup> Moises Naim, “Criminal States: Organized Crime Takes Office” *Foreign Affairs*, May-June, 2012, <http://www.foreignaffairs.com/articles/137529/moises-naim/mafia-states>.

temporarily, democracy and free markets are the surest and most enduring guarantee of Ukraine's sovereignty, integrity, prosperity, and security.

Ukrainian Putinism perpetuates those pathologies in economics and politics that inhibit Ukraine from achieving true and effective self-government. Worse yet, preserving this system all but guarantees recurring major systemic crises like that of 2004 and Ukraine's weakness and instability. Meanwhile, Moscow has made it clear that it accepts neither the actual sovereignty and integrity of any of the East European states created after 1989 nor that of post-Soviet republics such as Ukraine.<sup>18</sup> This is illustrated by recent Russian actions. For instance, in August 2012, Putin admitted that the 2008 war in Georgia was a planned war of aggression to dismember Georgia, using Abkhaz and South Ossetian separatists for this purpose.<sup>19</sup> Putin's and Medvedev's public statements about Ukraine in 2008 and 2009, as well as ongoing Russian efforts to engineer a covert and creeping takeover of the Crimea, confirm that this revisionism is Russian policy even as it maintains embassies and formal recognition of all these states. Russia derives maximum benefits from that formal recognition while simultaneously seeking to subvert them.<sup>20</sup>

In 2008 at the NATO Bucharest summit, President Putin told President Bush, "But George don't you understand that Ukraine is not a state." Putin further claimed that most of its territory was a Russian gift in the 1950s. Moreover, while Western Ukraine belonged to Eastern Europe, Eastern Ukraine was "ours." Furthermore, if Ukraine did enter NATO, Russia would then dismember Ukraine

<sup>18</sup> Taras Kuzio, *The Crimea: Europe's Next Flashpoint?*, Washington, D.C.: Jamestown Foundation, 2010; Stephen Blank, "The Values Gap Between Moscow and the West: the Sovereignty Issue," *Acque et Terre*, Nov. 6, 2007, pp. 9-14 (Italian), 90-95 (English); Stephen Blank, "Russia and the Black Sea's Frozen Conflicts In Strategic Perspective," *Mediterranean Quarterly*, Summer 2008, pp. 23-54.

<sup>19</sup> Putin Admits Russia Trained S Ossetians Before 2008 Georgia war - Transcript President of Russia, Aug. 10, 2012, [www.kremlin.ru](http://www.kremlin.ru).

<sup>20</sup> Vladimir Socor, "Moscow Makes Furious But Empty Threats to Georgia and Ukraine," *Eurasia Daily Monitor*, April 14, 2008; "Ugroza Kremlya," [www.kommersant.com](http://www.kommersant.com), April 7, 2008, *Radio Free Europe Radio Liberty Newslines*, April 8, 2008; "Putin Hints At Splitting Up Ukraine," *Moscow Times*, April 8, 2008; "Putin Threatens Unity of Ukraine, Georgia," *Unian*, April 7, 2008, [www.unian.net](http://www.unian.net); [http://www.kremlin.ru/eng/text/speeches/2009/08/11/0832\\_type207221\\_220745.shtml](http://www.kremlin.ru/eng/text/speeches/2009/08/11/0832_type207221_220745.shtml); William Varretoni, "Sweetness of the Status Quo: Strategic Patience and the Technology of Russia's Capture of Crimea," Paper Presented to the Annual Convention of the Association for the Study of Nationalities, Columbia University, New York, April 15, 2010; Lada Roslycky, *The Soft Side of Dark Power: a Study in Soft Power, National Security and the Political-Criminal Nexus With a Special Focus on the Post-Soviet Political-Criminal Nexus, the Russian Black Sea Fleet and Separatism in the Autonomous Republic of Crimea*, Doctoral Dissertation, University of Groningen, 2011.

and graft its parts onto Russia. Thus Ukraine would cease to exist as a state.<sup>21</sup>

On August 11, 2009 Medvedev published an open letter, ostensibly to President Viktor Yushchenko of Ukraine, but actually to the whole country, lambasting Ukraine's policies, announcing that he was delaying the dispatch of a Russian ambassador to Ukraine, and urging the Ukrainian people to elect a new pro-Russian president.<sup>22</sup> Medvedev specifically charged that Kiev had adopted an openly anti-Russian stand during the war with Georgia, by shipping weapons to Georgia to kill Russian civilians and peacekeepers, by harassing the Black Sea Fleet, and by failing to fulfill Russian-Ukrainian bilateral agreements.

He continued that Kiev had allegedly inculcated an anti-Russian campaign, including the exclusion of the Russian language from Ukraine and rewriting Ukrainian history to emphasize the totalitarian nature of the Soviet experience. Similarly though economic relations were better, they had not realized their full potential. Instead, "Bypassing Russia, Ukraine's political leaders do deals with the European Union on supplying gas—gas from Russia—and sign a document that completely contradicts the Russian-Ukrainian agreements reached in January this year."<sup>23</sup>

Thus, the publication of this extraordinarily insulting letter illustrated Moscow's overt contempt towards Ukraine's sovereignty and Yushchenko personally. Its authorship and, a fortiori, its publication, made it clear that Medvedev and Putin have no respect for the sovereignty of Ukraine, or any other CIS governments. It demonstrated that the source of Russian anger is Ukraine's actual exercise of the prerogatives of an independent sovereign state that demands that Russia not meddle in its politics and elections, uphold the 1997 treaty on the Black Sea Fleet, desist from trying to take over Ukraine's energy economy and wage energy wars against it, and come to terms with the Soviet (not just Stalinist) legacy. Indeed, in 2008 President Putin threatened that Russia would target Ukraine with nuclear weapons should it join NATO or host elements of U.S. missile defenses. The Russian army also threatened military measures against Ukraine.<sup>24</sup>

In late 2006 Putin offered Ukraine unsolicited security guarantees in return for permanently stationing the Black Sea Fleet on its territory, a superfluous but ominous gesture since Russia had already assured Ukraine's security through the Tashkent treaty of 1992 and the Tripartite agreement with Ukraine and America to

<sup>21</sup> Vladimir Socor, "Moscow Makes Furious But Empty Threats to Georgia and Ukraine," *Eurasia Daily Monitor*, April 14, 2008; "Ugroza Kremlya," [www.kommersant.com](http://www.kommersant.com), April 7, 2008, *Radio Free Europe Radio Liberty Newsline*, April 8, 2008; "Putin Hints at Splitting Up Ukraine," *Moscow Times*, April 8, 2008; "Putin Threatens Unity of Ukraine, Georgia," *Unian*, April 7, 2008, [www.unian.net](http://www.unian.net).

<sup>22</sup>[http://www.kremlin.ru/eng/text/speeches/2009/08/11/0832\\_type207221\\_220745.shtml](http://www.kremlin.ru/eng/text/speeches/2009/08/11/0832_type207221_220745.shtml).

<sup>23</sup> *Ibid.*

<sup>24</sup> "Putin Issues Nuclear Threat to Ukraine," *NTI Global Security Newswire*, Feb. 15, 2008, [www.nti.org/d\\_newswire/issues\\_2008\\_2\\_15.html](http://www.nti.org/d_newswire/issues_2008_2_15.html).

denuclearize Ukraine in 1994.<sup>25</sup> Putin's offer also coincided with his typically "dialectical" approach to Ukraine's sovereignty in the Crimea where he stated that,

The Crimea forms part of the Ukrainian side and we cannot interfere in another country's internal affairs. At the same time, however, Russia cannot be indifferent to what happens in the Ukraine and Crimea.<sup>26</sup>

Putin, thus, hinted that Ukrainian resistance to Russian limits on its freedom of action might encounter a Russian backed "Kosovo-like" scenario of a nationalist uprising in the Crimea to which Russia could not remain indifferent. Obviously,

Moscow has the political and covert action means to create in the Crimea the very type of situations against which Putin is offering to "protect" Ukraine if the Russian Fleet's presence is extended. Thus far such means have been shown to include inflammatory visits and speeches by Russian Duma deputies in the Crimea, challenges to Ukraine's control of Tuzla Island in the Kerch Strait, the fanning of anti-NATO—in fact anti-American—protests by Russian groups in connection with planned military exercises and artificial Russian-Tatar tensions on the peninsula.<sup>27</sup>

We see similar policies and high-level statements regarding Moldova, Kosovo and the former Yugoslavia, Georgia, and throughout the entire former "Soviet bloc" and Soviet Union.<sup>28</sup>

They are all part of a determined revisionist assault not only on Ukraine but also on the entire post Cold War settlement in Europe and the former Soviet Union. If Ukraine, due to internal weaknesses, were to succumb to this pressure, the other post-Soviet states along with Central and Eastern Europe would become more vulnerable to Russian pressure and threats. Thus, Ukraine remains the keystone in the arch of Eurasian and European security.<sup>29</sup>

Russia has orchestrated systematic and unrelenting pressures across the

<sup>25</sup> Vladimir Socor, "Putin Offers Ukraine "Protection" for Extending Russian Black Sea Fleet's Presence," *Eurasia Daily Monitor*, Oct. 30, 2006.

<sup>26</sup> *Ibid.*; Steven Pifer, *Averting Crisis in Ukraine*, Council on Foreign Relations Council Special Report No. 41, 2009, p. 29

<sup>27</sup> Socor, "Putin Offers Ukraine "Protection" for Extending Russian Black Sea Fleet's Presence."

<sup>28</sup> Stephen Blank, "Russia and the Black Sea's Frozen Conflicts In Strategic Perspective," *Mediterranean Quarterly*, Summer, 2008, pp. 23-54; Stephen Blank, "The Values Gap Between Moscow and the West: the Sovereignty Issue," *Acque et Terre*, Nov. 6, 2007, pp. 9-14 (Italian), 90-95 (English); Herman Pirchner Jr., "A False Start With Russia," *Journal Of International Security Affairs*, Fall, 2012, p. 91.

<sup>29</sup> Sherman W. Garnett, *Keystone in the Arch: Ukraine in the Emerging Security Environment of Central and Eastern Europe*, Washington, D.C., 1997.

spectrum of Ukrainian politics to undermine Ukraine's *de facto* independence, sovereignty, and independence. Prominent Russian commentators, like Konstantin Zatulin, argue that Crimea has never felt itself part of Ukraine and outline a program for re-attaching it to Russia, while prominent Russian politicians like Deputy Prime Minister Dmitry Rogozin advocate the reunification of all Russians.<sup>30</sup>

Moscow threatens missile and military strikes, deploys its navy in Ukrainian territory in violation of Ukraine's constitution, subverts Kiev's authority in Crimea and persistently seeks to corrupt key Ukrainian business and political elites. It undermines the government through linkages with organized crime and intelligence penetration of political institutions, and subordinates Ukraine's economy to its own by trying to compel it to join the Eurasian Union and take over its gas lines, production, and distribution. The South Stream gas pipeline project, an entirely political project that makes no economic sense and is exorbitantly expensive, is an example.<sup>31</sup>

South Stream's main purpose is to preempt an alternative pipeline, thereby isolating Ukraine and ensuring that Kiev is totally dependent on Russia for gas. It is part of a larger Russian grand design intended to force erstwhile transit states for Russian gas, for example, Poland, Belarus, and Ukraine, to cede much of their political authority to Moscow by making them dependent on Russian energy supplies.

South Stream would also isolate Ukraine from European customers and businesses, making the latter also dependent on Russian energy contracts. Although Ukraine has begun to explore shale gas deposits in order to reduce Russian gas imports and pursue other sources of oil and gas from Europe, Azerbaijan, the Gulf and Central Asia, contracts take years to negotiate, pipelines take longer than predicted to build. Accordingly, no deals are remotely in sight and Ukraine will remain dependent on Russia until Kiev can exploit these other sources of energy, which may lie far in the future.<sup>32</sup>

South Stream's other goals are equally destructive to Eurasian and European security. It perpetuates Central Asian suppliers' exclusive dependence upon Russian pipelines to sell their gas to Europe, preempting projected Trans-Caspian gas pipeline that would free Caspian and CIS producers from this dependence on Russian pipelines. It ratifies the dependence of many European countries, particularly in the Balkans and Eastern Europe, upon Russian supplies with onerous long-term fixed prices and take-or-pay contracts. Moscow then uses the revenues to buy influence and subvert the political institutions of all these states from the Balkans to Central Asia. Indeed, the revenues Russia obtains from energy

<sup>30</sup> Konstantin Zatulin, "Russia and the Crimea – Mutual Interests and a Common History," Aug. 27, 2012, [http://www.valdaiclub.com/near\\_abroad/48160.html](http://www.valdaiclub.com/near_abroad/48160.html).

<sup>31</sup> While the projected cost is \$16 billion estimates of a total cost of \$32 billion are not unrealistic, "Gazprom and Partners Kick Off Construction of South Stream Pipeline," Dec. 7, 2012, [www.r.com](http://www.r.com).

<sup>32</sup> Ryan W. Lijdsman, "Unconventional Gas in Ukraine: Boom or Bust," [www.usukraine.org](http://www.usukraine.org).

sales are the principal lubricant of the financial corruption that pervades Russia's bilateral economic and political relationships. Moscow's systematic and unceasing effort to undermine the bases of Ukrainian power, independence, integrity, and democracy is thus part of a larger strategic goal.

### Russian Pressure on Ukraine

At present Moscow is conducting an unrelenting campaign to gain complete control of Ukraine's pipelines and gas distribution network and prevent Ukraine and the EU from cooperating in modernizing those networks.<sup>33</sup> Thus, Moscow is pressing Kiev to join a partnership between the two state gas companies, Gazprom and Naftohaz Ukrainy, to take over Ukraine's gas distribution and production networks. To entice Ukraine, Russia has offered to cut gas prices from a record \$432/TCM to \$160/TCM if Ukraine accepts this takeover and joins the Eurasian Customs Union, (EURASEC), the cornerstone of Putin's grand design for essentially reintegrating the former Soviet empire with Russia at its center.<sup>34</sup> Absent a positive Ukrainian response, Russia will resort to coercion by accelerating construction of the South Stream gas pipeline through the Black Sea into the Balkans and then on to Eastern and Central Europe.<sup>35</sup>

But for Ukraine to join EURASEC would essentially terminate its economic independence, reestablish Ukraine's economic subservience to Russia, and prevent Kiev's membership in the EU. The totality of these Russian policies and threats against Ukraine belie Moscow's evocation of an alleged centuries-old Russian-Ukrainian friendship and mutual respect. Indeed, they bear out James Sherr's observation that for the Russian elite it is an article of faith that *samostoyatel'naya Ukraina nikogda ne budet*, (a self-standing Ukraine will never happen).

In fact, Russia has legislated grounds for military intervention in the CIS that are strikingly reminiscent of the pretexts that Hitler and Stalin employed to justify revising the map of Europe in the 1930s.<sup>36</sup> This legislation clearly permits the president to wage a war on behalf of Russian citizens abroad whose "honor" and

<sup>33</sup> Steven Pifer, "Ukraine, Geopolitics and Miscalculation," English version of an article published in the Ukrainian weekly Korespondent, June 1, 2012, [www.brookings.edu](http://www.brookings.edu); Vladimir Putin, "Novyi Integratsionnoi Proekt Dlia Evrazii Budushchee- Kotoryi Rozhdatestia Segodnya," *Izvestiya*, Oct. 3, 2011, (A New Integration Project for the Future Eurasia that is being Born Today) <http://izvestia.ru/news/502761>; James Greene, "Russian Responses to NATO and EU Enlargement and Outreach," *Chatham House Briefing Paper*, Chatham House, [www.chathamhouse.org](http://www.chathamhouse.org), 2012; "Gazprom, ENI to Start South Stream From December," *Reuters*, July 22, 2012.

<sup>34</sup> *Ibid.*, "Talks Behind Closed Doors," Kyiv, *Holos Ukrainy*, Nov. 23, 2012, *FBIS SOV*, Nov. 23, 2012.

<sup>35</sup> "Gazprom, "ENI to Start South Stream From December."

<sup>36</sup> Yuri E. Fedorov, *Medvedev's Amendments to the Law on Defence: The Consequences For Europe* Finnish Institute of International Affairs, Briefing Paper No. 47, Nov. 2009.

“dignity” have been violated without even having to go to the Duma for support. Not only would this law provide a “legal” basis for the offensive projection of Russian military force beyond Russia’s borders and thus justify the war of 2008 and any subsequent attack against Georgia, it also provides a basis for justifying the offensive use of Russian force against every state from the Baltic to Central Asia on the basis of supposedly defending the “honor and dignity” of Russian citizens and culture from discrimination and attack.

This situation should not surprise us. After all, in the wake of the Russo-Georgian war, President Medvedev explicitly justified the war on that basis. Medvedev also asserted that Russia has privileged interests in countries that he would not identify, demonstrating that Russia not only wants to revise borders or intervene in other countries, but that it also demands a sphere of influence in Eurasia as a whole.<sup>37</sup>

Regrettably, this law passed and on December 16, 2009 the Federation Council, the upper house of Russia’s Parliament meekly gave Medvedev (and implicitly his successors) sole and full authority to decide how, whether, and when Russia’s forces could be used beyond its borders. This law has several other potentially dangerous consequences for all of Eastern Europe. In many respects the language of this new law contradicts international law, the Helsinki Final Act, and the UN’s language pertaining to relevant situations. Beyond that, the law expands the range of circumstances and pretexts by which Russian external military intervention could be carried out. Neither does it specify what constitutes the basis for defense of Russians abroad, leaving that decision strictly to Russian authorities.<sup>38</sup>

Third, this law radically alters the security situation in the CIS and the Baltic by giving Russia a legal platform for justifying its unilateral intervention into any of those states’ territory that is not provided for in the founding documents of existing treaty organizations in the CIS. Thus, it undermines their validity and with it the protection of those other states’ sovereignty and integrity. Fourth, this law directly contradicts the language of the draft treaty on European security submitted by Medvedev to European governments on November 29, 2009.<sup>39</sup> Finally this law may shed light on Moscow’s thinking about future power projection scenarios beyond its borders, for example, incitement in the Crimea, or the Baltic disturbances of 2007, or the pretexts for launching war on Georgia after 2006. Specifically, Moscow could engineer incidents in any of these theaters that would then justify military intervention.<sup>40</sup>

Russian efforts to subvert European governments through “asymmetric” means—the linkage of energy, organized crime, intelligence penetration, political

<sup>37</sup> “Interview given by Dmitry Medvedev to Television Channels Channel One, Russia, NTV, “Aug. 31, 2008,

[http://www.kremlin.ru/eng/speeches/2008/08/31/1850\\_type82916\\_206003.shtml](http://www.kremlin.ru/eng/speeches/2008/08/31/1850_type82916_206003.shtml).

<sup>38</sup> Yuri E. Fedorov, *Medvedev's Amendments*, p. 5.

<sup>39</sup> *Ibid.*; “The Draft of the European Security Treaty,” Nov. 29, 2009,

<http://eng.kremlin.ru/news/275>.

<sup>40</sup> Fedorov, *Medvedev's Amendments to the Law on Defence*, p. 7.

subversion, and military threats, specifically nuclear and missile threats against all of Eastern Europe from the Baltic to the Black Sea—are constant and unremitting. Moscow has illustrated its continuing addiction to aggressive actions in its neighborhood, as Putin admitted regarding the 2008 war with Georgia.<sup>41</sup> Therefore, complacency about European contingencies in the future is clearly unwarranted.<sup>42</sup> Given Putin’s admission and the record of Russian policy, we cannot take European security for granted.<sup>43</sup> Such concerns must engage the strategic planner, especially one who is looking to events a decade or more from now.

### **A U.S. Agenda for Europe and Ukraine**

Given Ukraine’s importance for European and Eurasian security, the U.S. (and European) response ideally should be multi-dimensional and include economic, political, and military means. But that approach must take its point of departure from the practical vision of Ukraine as a central element in European and Eurasian security, aiming to strengthen its capacity to play a truly independent role in those arenas.

We must also remember that while Ukraine will not join NATO anytime soon (for many reasons, not all of which are connected with the West) a rapprochement with NATO admirably serves Ukraine’s interests. This happened during Leonid Kuchma’s presidency and would probably occur again if Ukraine effects a new rapprochement with NATO. That would also moderate—if not deter—Moscow’s subversive activities in the Crimea. Moreover, that rapprochement would increase Ukraine’s defense capabilities and ability to formulate and implement a coherent overall national security policy and action program for its armed forces.

If Ukraine actually showed a genuine desire to join NATO, or even to draw closer to it, then this would mean encouraging Ukraine to follow the required steps outlined in previous NATO documents for aspirant members. Although that is not necessary, at present, and there is no political basis for Ukraine to join NATO; this policy approach does mean taking military, as well as political-economic steps, to support Ukraine’s independence and foster its integration with Europe, a process that is the most reliable, and actually the only way to guarantee that independence,

<sup>41</sup> Putin Admits Russia Trained S Ossetians Before 2008 Georgia war - Transcript President of Russia, Aug. 10, 2012, [www.kremlin.ru](http://www.kremlin.ru).

<sup>42</sup> For examples see Edward Lucas, *Deception: The Untold Story of East-West Espionage Today* (London: Walker & Company, 2012); Edward Lucas, *The New Cold War: Putin's Russia and the Threat to the West*, 2nd Edition (New York: Palgrave Macmillan, 2009); Jakub J. Grygiel, Robert Kron, and A.Wess Mitchell, “Conclusion in,” Center for European Policy Analysis, *Navigating Uncertainty; U.S.-Central European Relations*, Washington, D.C., 2012, p. 91.

<sup>43</sup> Indeed, one recent analysis openly argues that there is a reasonable chance of Russo-Ukrainian hostilities given the issues that divide them and the two states’ military capabilities, Ryan Maness and Brandon Valentino, “Russia and the Near Abroad: Applying a Risk Barometer for War,” *Journal of Slavic Military Studies*, Nov. 2, 2012, pp. 125-148.

integrity, and security, as well as to create the basis for Ukraine's prosperity.

### **Military Measures**

Here we must remember that, by virtue of the tripartite treaty of 1994 with Ukraine and ensuing accords, the United States and Russia are committed to the preservation of Ukraine's security and integrity. Therefore, Washington cannot and should not remain oblivious to potential threats to that security and integrity. In peacetime with no threat on the horizon, even if defense budgets everywhere are constrained, there are ways to implement meaningful defense cooperation with Ukraine in keeping with U.S. interests and commitments. A primary military activity of U.S. armed forces with partner states is security cooperation. Security cooperation activities include training, advisory missions, joint exercises among all services, courses, and arms sales. Such activities are mutually beneficial and are normally very cost-effective—an important selling point at times of fiscal austerity and budgetary constraint. They facilitate lasting mutual contacts and ultimately a considerable degree of interoperability among militaries, should it become necessary.

In the case of Ukraine and other East European and post-Soviet militaries, such activities would also help inculcate NATO standards of democratic civil-military relations and enhance military proficiency. Indeed, U.S. strategic doctrine, for example, the 2010 Quadrennial Defense Review, openly states that “U.S. Forces—will continue to treat the building of partners’ security capacity as an increasingly important mission.”<sup>44</sup> In fact one writer argues that providing such cooperation is the primary purpose today of U.S. forces in Europe.<sup>45</sup> Obviously such activities also materially assist host armed forces in coping with the plethora of threats that they may face depending on where they are located. As a result of the benefits accruing to both sides from such a pattern of activities, a substantial U.S. literature has grown up articulating the benefits of an emphasis on security cooperation during peacetime for the U.S. and its partners in deterring future threats.<sup>46</sup>

Given the emerging security environment in Europe and elsewhere, an enhanced investment by all branches of the U.S. military in security cooperation is not only fiscally necessary but also strategically necessary. Indeed, if we could enhance our own strategic cooperation with Moscow and Russian forces it would be mutually beneficial. For example, in 2012, the U.S. military conducted the annual

<sup>44</sup> U.S. Department of Defense, *Quadrennial Defense Review*, Washington, D.C.: 2010, p. 26.

<sup>45</sup> John R. Deni, *The Future of American Landpower in Europe: Does Forward Presence Still Matter? The Case of the Army in Europe* (Carlisle Barracks, PA: Strategic Studies Institute, U.S. Army War College, 2012), p. 34

<sup>46</sup> *Ibid.*; and John R. Deni, “The American Role in European Defense Reform,” *Orbis*, Fall, 2012, pp. 530-546.

RIMPAC exercises with Russian forces.<sup>47</sup> But the larger strategic point is that U.S. armed forces, at least in peacetime, must adopt an operational concept that prioritizes security cooperation as a means to both deter potential adversaries from striking at US partners and to forestall war rather than to deter by means of the threat of punishment. Any hint of deterrence by means of war in Europe raises concerns among all European governments, even those who benefit from such deterrence. Hence, the European and U.S. preference for security cooperation with at-risk countries with the threat of responding military operations to coercive threats lying in the background. This course of action makes eminent sense for the United States and Ukraine as both rethink their strategy and confront the challenges of austerity in a fast-paced and uncertain threat environment.

At the same time, this program should ideally not be merely a self-standing defense program but should be part of a comprehensive multi-dimensional defense and broadly conceived security program *vis-a-vis* Ukraine that engages with as many aspects of security as Ukraine wants to emphasize. Neither are the benefits of such a program purely operational. For example, it would be highly desirable for the United States to also work with Ukraine to raise the capacity of its defense industrial sector to compete on a European rather than a Russian standard in producing weapons for self-defense and for sales abroad. This kind of program would have many other benefits for Ukraine's defense sector.

In emancipating itself from the connection to Russia and approaching European standards, Ukraine would be able to produce weapons to that standard. Then it could escape being tied to a defense sector that repeatedly cannot produce quality weapons for its own military let alone truly compete globally.

### **Political and Economic Cooperation**

Similar considerations hold true in political and economic affairs. Political and economic cooperation are equally important factors in an overall U.S. and Western strategy towards Ukraine. Indeed, military cooperation without those forms of partnership with Ukraine would produce only limited results and without a shared political vision defense cooperation cannot amount to much. So too the scope of this economic-political cooperation should be as wide as possible even if Ukraine will be unhappy about U.S. or western positions, namely on human rights and the need for political reform.

<sup>47</sup> Chairman of the Joint Chiefs of Staff Admiral Michael G. Mullen, *The National Military Strategy of the United States: Redefining America's, Military Leadership*, Washington, D.C., 2011, p. 13; Sunny Lee, "Russia Emerging From the Cold," *Asia Times Online*, Feb. 11, 2011, [www.atimes.com](http://www.atimes.com).

Nevertheless neither the EU nor the United States has any choice if they are to uphold the policies and values for which they publicly stand. Indeed, Ukraine's backsliding from democracy, repudiation of the constitution, farcical and falsified elections, criminalization of political opposition, incarceration of political opponents, attempts to emasculate the media, judiciary, and Parliament have generated a situation that, as former U.S. Ambassador Steven Pifer has observed, stimulates a general vision abroad that Ukraine is no longer a democratic country.<sup>48</sup> Indeed, Pifer warned that, should Ukraine's regression away from democracy to something like Putinism continue, the US will impose sanctions on Ukraine notwithstanding its efforts to draw closer to Washington.<sup>49</sup>

Even more strikingly, former Secretary of State Hillary Clinton joined with the EU's Foreign Affairs Commissioner, Lady Catherine Ashton, to criticize Ukraine's democratic deficits in a public newspaper article.<sup>50</sup> Indeed, Pifer advocates that both the US government and the EU minimize high-level contacts with the Yanukovich regime so it is not inconceivable that if this backslide continues Congress might legislate something analogous to the Magnitsky law barring Russian officials involved with the death of Sergei Magnitsky and the looting of the company he represented from traveling to the US and placing their assets at risk of being frozen.<sup>51</sup>

Pifer also warned that Ukraine's elites should not delude themselves into thinking that Ukraine's alleged geopolitical weight is so great that it can induce the West to have productive relations with it regardless of these trends. Although some governments and official statements have previously inclined to that view; Western opposition to Yanukovich's regressions from democracy are mounting and telling. Moreover, they add to Ukraine's isolation and vulnerability to Russian pressure.

Thus the government's calculation in March-May 2010 that, if it reached agreement with Russia on existing issues like the Black Sea Fleet, gas prices, language, etc., Russia would desist from further pressure proved to be a woeful miscalculation. Within months disillusionment had set in as Moscow merely (and predictably) pocketed these concessions while maintaining its pressure on gas prices, building South Stream, etc. As a result relations with both Moscow and the West have worsened and Ukraine has little or nothing to show for its troubles. Yet it persists in its delusions.<sup>52</sup> Thus here too if Kiev wants to elicit from Washington the attention and investment of material and political resources that it needs and claims to want, it must decisively change its policies. This change, as in defense

<sup>48</sup> "Ambassador Steven Pifer: Ukraine No Longer Democratic County," Nov. 19, 2012, [www.democracy4ukraine.com](http://www.democracy4ukraine.com).

<sup>49</sup> "Pifer: US to impose Sanctions Against Ukraine Should Backslide on Democracy continue," *Kyiv Post*, June 7, 2012, [www.kyivpost.com](http://www.kyivpost.com).

<sup>50</sup> Hillary Rodham Clinton and Catherine Ashton, "Ukraine's Troubling Trends," Oct. 25, 2012, [www.nytimes.com](http://www.nytimes.com).

<sup>51</sup> "Steven Pifer: US and EU Should Minimize High-Level Contact With Yanukovich," *Unian*, March 2, 2012, [www.unian.info](http://www.unian.info).

<sup>52</sup> *Ibid.*

policy, would not represent a turn to Washington against Moscow, for estranging Kiev from Moscow should not be and is not the aim of U.S. policy. Rather it represents U.S. support for a truly strong sovereign Ukrainian state that is resolved to defend its interests with all foreign powers and conduct foreign policy and foreign economic relations to the greatest possible degree of business-like transparency. The current opacity benefits nobody except a few members of the elite, but it certainly cannot serve a truly patriotic policy or adequately defend Ukraine's interests as the present crisis shows.

### **Economics and Energy**

Similar conditions hold true regarding energy. Indeed, this is the most corrupt and difficult sector to reform, as Pifer and others suggested above, and where Ukraine's record of dealing with both Moscow and the West leaves much to be desired.<sup>53</sup> Here too ideally Washington and Brussels should aim for the following conditions:

- Although this subject goes beyond Ukraine, Washington should formulate and implement a program with Europe to foster the EU's overall economic and hence political recovery. This would have many benefits, among them being the revitalization of the EU and the liberal democratic model for socio-economic-political development against the insidious but false claims, and supposed benefits, of a Putinist-type regime.

- Washington and Brussels should act to sustain not only Ukrainian security but broader European security by promoting diversity of gas suppliers and pipeline routes for Europe.

- This means sustaining Ukraine's independent capacity to maximize its economic capabilities by exploring for shale gas, organizing a consortium through the EU to reform the gas distribution network and overall energy economy, promoting greater economic efficiency, helping Ukraine open up to foreign investment on a strictly commercial and transparent basis without special deals or barriers favoring a corrupt few elites.

- Washington and Brussels should help Ukraine place its entire energy economy on a strictly commercial and more transparent basis with all of its partners, not least Russia so that it will benefit from improved business conditions with all of its trading partners not only in the energy sector.

- Regarding specific projects, this means not only exploring for shale or other energy sources in Ukraine and encouraging their safe and environmentally sound development, it also includes constructing pipelines from Azerbaijan if not Central Asia to Odessa and opening the Odessa–Brody oil pipeline to enhance

<sup>53</sup> Pifer, "Wishful Thinking About Washington and Energy"; Smolansky, "Ukraine and Russia: An Evolving Marriage of Inconvenience," pp. 117-134.

Ukraine's energy security and Caspian producers' ability to ship to Europe without reliance upon Russian neo-imperial and corrupt control of the pipelines.

- As a specific policy recommendation, Europeans and Americans should support what appears to be the most viable gas pipeline project that is competing with the wholly politicized South Stream project—namely, the TANAP pipeline from Azerbaijan (and hopefully across the Caspian) to Turkey and then into Europe, also known as the Trans-Anatolian pipeline. Branches could be built to Ukraine as well through the Black Sea (for example, as in the case of oil to connect to the Odessa-Brody pipeline). This would also entail strong U.S. diplomatic support for TANAP and for a “trans-Caspian pipeline”

- Ultimately Eastern Europe as a whole should be connected to all suppliers—Russia, Azerbaijan, Central Asia—through a series of multiple pipelines and interconnectors that would ensure true energy security through diversity of suppliers and routes. That would depoliticize as far as possible the energy business. This also means substantial reforms in Ukraine to eliminate inefficiency, corrupt opacity, insider deals, barriers to investment, etc.

However, little of this will happen without fundamental changes in both Ukrainian and Western policy. Unless Ukraine substantially reforms its energy policy, Western policy is unlikely to change given the Western preoccupation with its own deep-seated economic crisis. Indeed, it is reasonably certain that unless there is a genuine move towards democratization—namely, freeing political prisoners, removing curbs on other non-governing parties, and rescinding constitutional manipulations—the EU will not even begin to consider the Deep and Comprehensive Trade Agreement (DCFTA). And unless Ukraine eliminates unsustainable natural gas subsidies for consumers and establishes freer exchange rates, the IMF will probably not consider the loan request it just received.<sup>54</sup>

These are only minimum steps to avert the immediate emergency. Much deeper structural reforms, such as enhancing transparency throughout the energy economy and Ukrainian politics as a whole, are needed to restore Ukraine to a position of health from which it can then move forward independently. Signifying U.S. policy, on November 13, 2012 Assistant Secretary of State Phillip Gordon told a U.S. and Balkan audience that the United States would not support one or another pipeline in Europe or Eurasia over the other.<sup>55</sup> In other words, Washington will not block South Stream despite its wholly negative implications for Ukraine or the Balkans. Thus the road for Russia on energy policy is wide open and unobstructed while Ukraine is on its own in the cold. Kiev has nobody to blame for this outcome but itself.

At present, neither Washington nor Brussels will move quickly on security or energy issues. As the reset policies have shown, Washington will not challenge Moscow on issues of importance to it in Eurasia, and this does not only include no

<sup>54</sup> Olearchyk, “Ukraine Requests Fresh IMF Bailout Loan.”

<sup>55</sup> The author was in the audience for this occasion. Also see Janusz Bugajski, “Russian Offensive in the Balkans,” Sarajevo, *Al Jazeera Balkans Online*, in Bosnian, Croatian, Serbian, Nov. 24, 2012, Nov. 25, 2012.

NATO membership for Ukraine or Georgia. The silence of the United States concerning Ukraine's current difficulties with Russia should make it clear that arguments about Ukraine's geopolitical importance, while true, do not register with this administration. It favors Russia and its ties with Moscow over a Ukraine that makes it virtually impossible for Washington to help it even if it wanted to. Indeed, this silence essentially confirms the belief, also shared by Russian experts and similarly attributed to the Kremlin, that the reset policy entails not challenging Russian hegemony over the Commonwealth of Independent States in any overt fashion. Thus, Dmitri Trenin of the Moscow branch of the Carnegie Endowment for International Peace wrote that,

The opinion that has predominated in our country to this day that the 'reset' is above all Washington's apology for the mistakes of the earlier Bush Administration and their rectification certainly does not correspond to the idea of the current team in the White House. For example, in our country the concept of the 'reset' is understood as almost the willingness in current conditions to accept the Russian point of view of the situation in the Near Abroad which essentially is wishful thinking.<sup>56</sup>

The overall energy situation Ukraine faces is no better. The Nabucco project appears to be unable to move forward while Azerbaijan and Turkey have begun the TANAP pipeline and will sell gas to Eastern Europe. Thus what is necessary is the completion of a series of interconnectors, including from Azerbaijan to Ukraine, throughout Eastern Europe to bring trans-Caspian gas to those markets. If the Odessa-Brody pipeline for oil works out this will help but under the best of circumstances it will take years to build a pipeline bringing any Caspian gas to Ukraine. But Ukraine does not have years as Russia began building South Stream on December 7, 2012.

Moreover, the U.S. support for the only viable alternative—namely, the TANAP pipeline plus interconnectors, including one to Ukraine—is inconsistent as Gordon's remarks suggest. The State Department's budget for fiscal year 2013 eliminated the ambassadorial position devoted to securing a trans-Caspian pipeline signaling diminishing capability and interest in building it.<sup>57</sup> And it probably did so because the obstacles to bringing Caspian gas from beyond Azerbaijan (which is only sending 16 BCM annually to Turkey and Europe to start) are formidable. While the United States may support Chevron or Exxon's investments in Eastern

<sup>56</sup> Trenin is quoted in Sergei Strokan and Dmitry Sidorov, "In the World: and Now the Rest," Moscow, *Kommersant Online*, in Russian, July 27, 2009, Foreign Broadcast Information Service, July 27, 2009

<sup>57</sup> Conversation with Alexander J. Motyl, "West-Ukraine Relations Marked by Indifference," Nov. 26, 2012, [www.kyivpost.com](http://www.kyivpost.com).

<sup>57</sup> Conversations with U.S. analysts in Washington, D.C., Nov. and Dec. 2012.

Europe, at best the results of exploration for shale gas within Ukraine will also take years to materialize. Furthermore, unless Ukraine behaves transparently with those companies, little will come out of their explorations. Similarly Ukraine's armed forces or Ministry of Defense would have to request upgraded partnership with either NATO or the Pentagon to increase defense and/or security cooperation to any significant degree and that is not happening.

### **Conclusion**

If Ukraine seeks extensive U.S. support without fundamental changes in its economics and politics, it illustrates that Kiev continues to operate under the delusions spelled out earlier in this article. We can already see that these policies are increasingly dangerous to Ukraine. Yanukovich's policies have revealed their bankruptcy and dangerous consequences for Ukraine, not only leading the Ukrainian economy into a dead end, but also causing the West essentially to write off Ukraine. In addition, the beginning of South Stream's construction should tell Ukraine and its leaders that the wolf is at the door regarding Ukraine's politics, economics, security, integrity, and independence. But there is still no sign that Kiev has either heard the message or absorbed its meaning. If Ukraine procrastinates much longer and persists in its delusions, then it may quickly reach a point where neither Brussels nor Washington can help it. Worse yet, if the current policy line continues, not only might potential supporters be unable to help Ukraine, they will probably not want to help it and ignore the consequences of its distress given their preoccupation with other problems. Then many wolves will flock not only to Ukraine's but to Europe's door, obliging us then to confront a much greater crisis with fewer resources at hand to meet it.

