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UKRAINE-RUSSIA: FROM CRISIS – TO EFFECTIVE PARTNERSHIP

Today, the Ukraine-Russia relations are in a critical state. Conflicts are on the rise in the key fields of cooperation – political, socio-economic, humanitarian. A number of problems complicating bilateral contacts actually remain “frozen”. The parties’ positions divided on a number of key foreign policy issues, the geopolitical orientations of Ukraine and Russia are totally different. The process of estrangement of the state and political elites of the two countries goes on, while the political-diplomatic dialogue acquired numerous traits of mutual accusations and demarches. The intensity of bilateral contacts between representatives of the political establishment, expert communities, business circles, academic communities and the public notably goes down. Numerous declarations of Kyiv and Moscow of “normalisation, rationalisation, de-politicisation” of relations did not lead to success.

Probably, the most alarming is that the recent years saw deterioration of relations between citizens of the two countries. Sociologists record growth of estrangement, prejudice, enmity. This trend witnesses the threat of breakup of traditional socio-cultural ties of the two countries.

Such processes and trends give grounds to note a systemic crisis in the Ukraine-Russia partnership, unreadiness of the parties for positive reformatting of cooperation.

The atmosphere of relations was strongly undermined by the conflict in the Caucasus (August 2008) that affected the security architecture on the regional and global scale, the Ukraine-Russia “gas war” of January 2009, which involved countries of the European continent.

Escalation of conflicts poses a double-edged threat, devaluates “geopolitical assets” of both countries. For Russia, there is a threat of staying an unpopular regional power player overburdened by the post-imperial syndrome, with inadequate claims of control of the post-Soviet space. For Ukraine – a threat of staying in a state of uncertainty, transition, in the “grey zone” of collision of interests of the West and East.

Unfortunately, there are grounds to suggest that in the near future, the character of bilateral relations will not fundamentally change. Another “unfriendly pause” arose in the dialogue of Kyiv and Moscow, most probably, in connection with the forthcoming presidential elections in Ukraine.

What is also evident is that such state of affairs does not meet the national interests of both Ukraine and Russia, aggravates the regional situation, complicates contacts of the two countries with the European community, NATO, and the USA.

There is no alternative to establishment of good-neighbourly partnership between Ukraine and Russia. Such partnership should rest on the European norms and rules, parity and mutual benefit, transparency, mutual respect of the sovereignty and territorial integrity, consideration of each other’s interests, peaceful settlement of disputes without the use of force, political-economic and other tools of pressure.

This Analytical Report consists of six sections.

First section analyses the specificity and trends of development of Ukraine-Russia relations in the policy domain.

Second section surveys the state and prospects of interaction in the economic sector, problem factors in the development of trade and economic ties.

Third section outlines the problems of relations in the energy sector. Issues of energy supply and energy security of the country are examined in the context of bilateral relations.

Fourth section considers the humanitarian aspect of bilateral partnership; satisfaction of national-cultural needs of Ukrainians in Russia and the Russia-speaking population in Ukraine.

Fifth section assesses the state of Ukraine-Russia military cooperation in the political-military, operational and Military and technical cooperation.

Sixth section carries general conclusions from the performed survey and proposals aimed at enhancement of the effectiveness of bilateral partnership.

1. POLITICAL FACTORS OF BILATERAL COOPERATION

The Ukrainian authorities pursue their policy in relations with Russia mainly in a manual mode, it looks inconsistent and controversial. Ukraine's position in the dialogue with the Russian Federation is weakened by sharp confrontation within the political elite, deregulation of the system of state governance, permanent home policy crises. There is a critical deficit of strategic ideas of the prospects of partnership with the Russian Federation, regular forecasting of the consequences of current actions of the country leadership.

Russia's policy towards Ukraine is more coordinated, target-minded and tough. The Russian leadership is actively using tools of political-diplomatic pressure, Ukraine's "gas dependence", pro-Russian spirits in the political establishment and among many Ukrainian citizens. There are evident attempts of the Russian Federation to influence Ukraine's foreign political course, strengthen the "pro-Russian component" in its home political developments and generally keep it within its sphere of influence.

This section examines the format and specificity of the political-diplomatic dialogue on different levels, assesses contacts between the parties within the framework of bilateral cooperation mechanisms (Ukrainian-Russian Interstate Commission), analyses the state of regulatory-legal relations. Special attention is paid to some problem aspects of the policy domain dealing with the Euro-Atlantic integration of Ukraine, Russia's Black Sea Fleet stationing in Crimea, processes of reintegration into the post-Soviet space, information background of cooperation.

1.1. SPECIFICITY OF BILATERAL DIALOGUE, MECHANISMS AND LEGAL FUNDAMENTALS OF PARTNERSHIP

Evidently, the parties' relations are largely shaped by the nature, tone and trend of the political-diplomatic dialogue. It may be said that today, this dialogue is waged a critical mode. The political elites of both countries are guided by old and new stereotypes.

The development of partnership is hindered by the state of institutional-legal support. Mechanisms of bilateral cooperation are not fully used. The regulatory-legal framework is largely obsolete, requires modernisation and specification of a number of framework agreements – first of all, concerning Russia's Black Sea Fleet stationing on the territory of Ukraine.

Now, the political-diplomatic sector of cooperation is one of the most problem-struck. The parties cannot settle a number of acute problems affecting the entire set of bilateral relations.

Relations of state and political elites of Ukraine and Russia. Political-diplomatic dialogue

After the presidential elections of 2004 in Ukraine, the top of the Russian state and political elite took a clear stand of disapproval of the Orange Revolution and the foreign-political course proclaimed by the new authorities. A doctrine of "unconstitutionality", "destructiveness of revolutionary shocks" in the post-Soviet space was formulated on the national level¹. The Russian propaganda machine was tuned to the mode of strong criticism of the activity of Ukraine's leadership. Special information operations were waged (especially during election campaigns). Support was provided for the Party of Regions, staying in opposition to the country leadership. By contrast to the "casual diplomacy" practiced under the presidency of L.Kuchma, contacts between the Russian and Ukrainian leadership were utmost formalised and limited.

Under the presidency of V.Putin the Russian foreign policy notably intensified, both globally and regionally. It took a stand towards greater influence in

¹ For more detail see: Problems and prospects of Ukraine-Russian cooperation. – "National Security & Defence", 2006, No.5, p.4.

the post-Soviet space. Russia positioned itself as an “energy superpower”. By and large, the new head of the Russian state D.Medvedev continued that course. Under his presidency, a number of fundamental political documents were passed (including the Foreign Policy Concept of the Russian Federation and the National Security Strategy of the Russian Federation through 2020), where development of partnership in the post-Soviet space (CIS) is termed a priority of Russia’s foreign policy². In particular, D.Medvedev said that Russia had “regions of privileged interests”, where it “will act very attentively”³. Evidently, Ukraine is one of such regions.

Implementing its foreign political course, the Russian side exerts target-minded and coordinated politico-diplomatic pressure on Ukraine designed to keep the neighbouring country in its sphere influence⁴. The Russian leadership does not seem to view Ukraine as an equal economic and geopolitical partner. There is an impression that a great part of the Russian establishment has a stereotype of Ukraine’s “due” behaviour at home and abroad, and actions not meeting that stereotype are seen at least as unfriendly. This complicates contacts between the two countries’ elites.

The relations of the Ukrainian and Russian elites are also influenced by residual stereotypes. The Russian establishment tends to see Ukraine as a subordinate, puppet state with a dependent foreign policy, a scene of collision of the Russian and Western interests. Ukraine’s political community is wary that deeper cooperation with the Russian Federation will inevitably lead to greater control of Ukraine, interference in its home and foreign policy.

At that, the Ukrainian elite is not united on how to build relations with Moscow, there are different ideas of tactical issues of cooperation, evident deficit of a strategic vision of future partnership with Russia⁵.

Presidents and premieres of both countries more than once noted the need of building constructive, friendly and pragmatic relations between Ukraine and Russia. For instance, President D.Medvedev on September 18, 2008, accepting credentials from the Ukrainian Ambassador to the Russian Federation K.Hryshchenko, stressed that “Russia is ready for honest, all-embracing, deepest and absolutely mutually

advantageous cooperation with Ukraine in the spirit of genuine partnership”⁶. In turn, Ukraine’s President V.Yushchenko in an interview for foreign media on February 10, 2009, noted that Ukraine sought constructive relations with the Russian Federation, “the main thing is that those relations rest on mutual respect, equality and good will”⁷. A similar stand was reported by the speakers, foreign ministers, other representatives of the supreme echelons of power of the two countries.

However, those statements did not change the tone of the dialogue for the better. The heads of states exchanged harsh, confrontational statements on the most acute problems of bilateral relations witnessing fundamental differences in positions. For instance, in November 2008, the country leaders in fact exchanged mutual accusations in connection with the events dedicated to the 75th anniversary of Holodomor (the famine of 1932-1933)⁸. In December 2008, D.Medvedev sharply criticised ineffectiveness of the Ukrainian authorities that “harms Ukraine-Russia relations”⁹.

Flat refusal of the Russian leader to visit Ukraine for participation in the events devoted to Holodomor was demonstrative in this respect. Under the presidency of D.Medvedev (since March 2008) the heads of states have not made official or full-scale working visits to Ukraine and Russia. There was only one working meeting during an informal CIS summit (June 2008, Saint Petersburg). Therefore, the mechanism of top level contacts is actually defunct.

The current political-diplomatic dialogue is full of accusative notes, statements, critical comments of representatives of foreign offices of the two countries.

The Russian leadership formulated a package of claims to Ukraine. Their fullest least is presented in the Russian Foreign Ministry Statement on Russia-Ukraine relations of September 11, 2008. The document says that “recently, the Ukrainian authorities have been pursuing a policy that cannot be termed otherwise than unfriendly towards Russia”.

According to the Russian side: (a) the Ukrainian leadership tried to lay the blame for the bloodshed in Georgia on Russia; (b) official Kyiv continues its course of soonest accession to NATO, contrary to security interests of the Russian Federation; (c) attempts are being made to complicate operation of Russia’s Black Sea Fleet in

² Strategy of National Security of the Russian Federation through 2020. – Official web site of Russia’s Foreign Ministry, <http://www.mid.ru>

³ Interview of D.Medvedev to Russian TV channels, August 31, 2008. – Official web site of the Russian President, <http://president.kremlin.ru>

⁴ The Statement of Ukraine’s Foreign Ministry of January 20, 2009, stressed: “Ukraine has already formed lasting immunity to unfriendly and disrespectful statements sometimes heard from high-ranking officials of the Russian Federation about Ukraine and its leadership. Such unbalanced rhetoric is taken up by the obedient party elite and controlled media of the Russian Federation. The Kremlin consistently exerts undisguised pressure on Ukraine for its independent foreign and home policy”. – Official web site of Ukraine’s Foreign Ministry, <http://www.mfa.gov.ua>

⁵ It is suffice to recall the critical reaction of Prime Minister Yu.Tymoshenko to President V.Yushchenko’s Decree (August 2008) on the procedure of the Ukrainian border crossing by units of Russia’s Black Sea Fleet.

⁶ Timeserving considerations and internal crises should not undermine fraternal relations between the peoples of Russia and Ukraine – Medvedev. – Interfax, September 18, 2008.

⁷ Issue of improvement of Ukraine-Russia relations is in the hands of the President of the Russian Federation – Yushchenko. – Interfax-Ukraine, February 10, 2009.

⁸ Medvedev does not consider it possible to take part in events on the occasion of anniversary of Holodomor marked in Ukraine. – Interfax, November 14, 2009; Viktor Yushchenko: It was genocide. – Interview to “Dziennik” newspaper, November 20, 2008. See: Official web site of the President of Ukraine, <http://www.president.gov.ua/news/12094.html>

⁹ Ukraine has no effective authorities, which hinders Russia-Ukraine relations. – UNIAN, December 24, 2008.



Crimea; (d) ill practice of bans on entry of Russian MPs and politicians to Ukraine continues; (e) the Ukrainian authorities are trying to review the common history in an anti-Russian spirit; (f) rights of the Russian-speaking population in Ukraine are suppressed, there is a trend towards pressing the Russian language out of public life, education, education, culture, mass media¹⁰.

A response statement of Ukraine's Foreign Ministry (September 2008) terms the assessments of the Russian side as tendentious, remote from realities and therefore, erroneous¹¹.

Expert assessments¹². The majority (90.5%) of Ukrainian experts believe that the Russian state and political elite is swept over by a negative, critical attitude to the current Ukrainian leadership. Meanwhile, 53% of Russian experts term that attitude pragmatic, restrained, 39% – negative, critical. Experts also note the need of removing harsh, confrontational statements from the political-diplomatic vocabulary.

In March 2008, Ukraine's Foreign Ministry strongly responded to a speech by the Russian representative at the 7th session of the UN Human Rights Council. Meanwhile, the Russian side argued that Kyiv tried to refuse from the fundamental principles of the entire set of bilateral ties. In April 2008, Ukraine's Foreign Ministry sent a note to the Russian Foreign Ministry in connection with S.Lavrov's comments on the Euro-Atlantic integration of Ukraine¹³. It also said that the Russian Federation ignored Ukrainian interests in the issue of division of foreign property of the former USSR. Sharp diplomatic polemics arose in connection with deliveries of Ukrainian arms and military equipment to Georgia.

In the summer of 2008, the parties exchanged diplomatic demarches – the Russian side in response to a ban for Yu.Luzhkov to come to Ukraine barred entry to the Russian Federation for the Verkhovna Rada member V.Kaskiv and First Deputy Minister of Justice of Ukraine Ye.Korniychuk. Ukraine's Security Service made a warning to the State Duma member K.Zatulin.

A new tide of confrontation arose in January 2009, with the "gas conflict" between Ukraine and Russia that involved the EU countries. Russia unleashed a large-scale campaign accusing Ukraine of unfair partnership, unauthorised siphoning of gas, violation of international commitments, etc. Ukraine termed Russia's actions as "gas blackmail", an attempt to destabilise the home policy situation, control the gas transportation system, punish it for its Euro-Atlantic integration.

In February 2009, a sharp conflict arose in connection with sayings of the Russian Ambassador to Ukraine

V.Chernomyrdin about the home political situation in Ukraine. The list of conflict situations may be continued.

Analysis of the tone and content of the parties' dialogue shows that it is largely confrontational, premeditatedly denunciatory. Estrangement of the state and socio-political elites of the two countries goes on. Such relations of the elites are not conducive to emergence of a productive format of bilateral relations.

Mechanisms of bilateral cooperation

The key mechanism of interstate cooperation is presented by the Ukrainian-Russian Interstate Commission (hereinafter – the Commission) established by a decision of the Presidents of the two countries on May 8, 2005¹⁴. The Commission's structure covers actually all sectors of bilateral relations, new divisions are formed within it on as-needed basis¹⁵.

In course of four years, the Commission only twice met in presence of the presidents (December 2006, February 2008). Under the office of the Russian President D.Medvedev, the Commission never met at full strength (although according to its Procedures, the Commission meetings are held in accordance with an agreed plan of work twice a year). Optimistic statements of the Ukrainian side of a possible meeting of the Commission in March 2009 did not come true¹⁶. Three specialised subcommittees (for security, international and humanitarian cooperation) have not met since 2007. The work was mainly reduced to the sub-commission level.

Such a pause in the Commission's work is attributed to a number of reasons.

First, the political factor plays a role. As we noted, the dialogue between the heads of states is waged by correspondence, involves problems and conflicts.

Second, the Commission's work is complicated by "frozen problems" of bilateral cooperation: official delimitation of the borders, problems and prospects of Russia's Black Sea Fleet stationing in Crimea, issues of guarantee of national-cultural rights of Ukrainians in the Russian Federation and Russians in Ukraine, security problems, etc. In a number of key sectors of the Commission's work, the parties did not come to terms, did not approach joint decisions, to be legitimised by the Presidents.

Third, the Commission's work is affected by home political instability in Ukraine: early parliamentary elections and, respectively, change of the top echelon of the executive branch. Operation of the Commission is also complicated by the uncoordinated approaches of representatives of the Ukrainian side.

¹⁰ Statement of Ministry of Foreign Affairs of the Russian Federation on Russia-Ukraine relations of September 11, 2008. – Official web site of Russia's Foreign Ministry.

¹¹ Statement of Ministry of Foreign Affairs of Ukraine on Ukraine-Russia relations. – Official web site of Ukraine's Foreign Ministry.

¹² Cited hereinafter are results of the latest expert poll. For more detail see: "Ukrainian and Russian experts about the state, problems and prospects of bilateral relations", pp.61-71 of this magazine.

¹³ Simultaneously, UN Headquarters disseminated the Statement of Ministry of Foreign Affairs of Ukraine with a call upon Russia to stop the practice of threats in connection with the country's intention to join NATO.

¹⁴ The Commission Procedures were signed by the Presidents of Ukraine and the Russian Federation on October 15, 2005.

¹⁵ The Commission includes: Committee for economic cooperation (12 sub-commissions), subcommittees for security (2), international cooperation (6), humanitarian issues (9), Sub-Commission for operation of Russia's Black Sea Fleet and its stationing on the territory of Ukraine (5 working groups). All in all, 34 structures are active within the Commission. In 2008, a new Sub-commission for inter-regional and transborder cooperation was set up. It first met on February 26, 2009, in Kharkiv.

¹⁶ Top level meeting of Interstate Commission Yushchenko-Medvedev may be held in March – Deputy Head of the President of Ukraine Secretariat. – Interfax-Ukraine, February 12, 2009.

Gains in the Commission's work included operation of the key Committee for economic cooperation chaired by the Prime Ministers of the two countries. The Committee met four times. The latest meeting (April 29, 2009) discussed implementation of previous agreements, specified measures at development of economic and energy cooperation, partnership in the industrial policy, transport and agriculture. Following the meeting, a number of documents were signed in pursuance of provisions of the Ukraine-Russia Action Plan till 2009¹⁷.

Currently, the dialogue continues mainly of the level of sub-commission heads. According to unofficial sources, the Russian side signalled that in the near future, contacts of the parties to the Commission will be maintained on that level¹⁸.

It may be assumed that full-scale activity of that structure in the short run will remain "frozen" (at least, until the presidential elections in Ukraine).

Regulatory-legal relations

In relations with the Russian Federation, Ukraine has the most elaborate system of agreements on the interstate, intergovernmental, departmental and regional levels, covering actually all aspects of cooperation¹⁹.

The parties have signed more than 380 bilateral documents (some 250 of them – on the interstate and intergovernmental levels)²⁰. The bulk of the passed agreements (more than 200) dealt with trade and economy, defence and military technologies, scientific research, the rest regulated contacts in political, humanitarian, information, consular and other domains of cooperation. Since 2005, the Presidents of Ukraine and the Russian Federation approve a short-term Action Plans listing priority measures in bilateral relations²¹. Ukraine and Russia also maintain regulatory-legal relations in the multilateral format – within the CIS.

However, the regulatory-legal framework of Ukraine-Russian cooperation is largely obsolete, needs revision and modernisation. *First*, some treaties are of a framework nature and need to be specified by special agreements. In particular, the parties should agree the list of bilateral documents specifying provisions of the Treaty of Friendship, Cooperation and Partnership ("Big Treaty").

Second, some agreements are either through, or lost their relevance. So, the process of inventory of the regulatory-legal framework should be intensified.

Third, the parties should complete intrastate procedures for final "legitimation" of a number of agreed documents. In particular, this refers to agreements on mutual recognition of ownership rights and regulation of ownership relations, on establishment and conditions of activity of information-cultural centres, on the procedure of crossing the Ukraine-Russian state border by residents of border regions of Ukraine and the Russian Federation, etc.

In 2008, the situation aggravated in connection with prolongation of the basic document – the "Big Treaty". In April 2008, the State Duma of the Russian Federation held hearings on implementation of that document, and in June, issued an Appeal to the President and the Government of the Russian Federation raising the issue of possible withdrawal of Russia from the "Big Treaty"²². The conflict concerning the basic agreement was initiated as part of Russia's campaign of obstructing Ukraine's Euro-Atlantic course. In fact, this endangered the pillar of the entire system of the bilateral regulatory-legal framework, which could have unpredictable consequences. However, in October 2008, the parties "by default" extended the document for 10 years.

Assessing the overall Ukraine-Russia regulatory-legal relations, one should note the following problem aspects.

Present-day realities of partnership, actions of the parties are often inconsistent with the letter and spirit of treaty-based relations.

For instance, the current state and nature of cooperation in a number of key sectors (energy, aircraft building, military and technical, humanitarian) do not meet the format of strategic partnership envisaged by Article 1 of the "Big Treaty". Moreover, it is hard to speak of strategic relations in presence of fundamental differences in geopolitical positions of the parties, absence of common long-term priorities in cooperation.

The situation that arose in 2003 around Tuzla island, "freezing" of the process of regulatory-legal settlement of the borders are inconsistent with mutual respect for territorial integrity and inviolability of existing borders

¹⁷ In particular, the parties signed an intergovernmental agreement of opening divisions of the Trade and Economic Mission at the Ukrainian Embassy in the Russian Federation and branches of the Trade Mission of the Russian Federation in Ukraine, and a protocol of deliveries of goods within the framework of production cooperation in 2009.

¹⁸ Meeting of V. Yushchenko with his Russian counterpart D. Medvedev announced for March may not happen. – "Ekonomicheskie Izvestia", February 13, 2009, <http://www.eizvestia.com/state/full/4176981>

¹⁹ The basic documents include, in particular: Treaty of Friendship, Cooperation and Partnership ("Big Treaty", 1997), Agreement of Status and Conditions of the Black Sea Fleet of the Russian Federation Stationing in Crimea (1997), Agreement of Strategic Cooperation in Gas Sector (2002), Treaty of Ukraine-Russia State Border (2003), Agreement between Cabinet of Ministers of Ukraine and Government of the Russian Federation of Readmission (2006), Programme of Inter-Regional and Transborder Cooperation till 2010 (2006).

²⁰ 308 documents entered into effect.

²¹ In September 2005, the Action Plan for 2005-2006 was approved, in January 2008 – the Action Plan through 2009.

²² Appeal of State Duma to President of the Russian Federation and Government of the Russian Federation in connection with results of parliamentary hearings on the subject "State of Russia-Ukraine relations and performance of obligations under the Treaty of Friendship, Cooperation and Partnership between the Russian Federation and Ukraine". – Web site of Strategic Culture Fund, <http://www.odnarodyna.ru/topics/6/33.html>



between the countries declared in Article 2 of the “Big Treaty”. Article 3 of the Document contains the commitment of peaceful settlement of disputes, non-use of force or threat of force, including economic and other means of pressure. However, the “meat and milk wars” of 2006, gas conflicts 2006 and 2009 witness that in the practice of bilateral relations, that article does not work.

Formalisation (delimitation) of the state border in the Azov and Kerch water area and demarcation of its land segment are frozen. The land border line is settled by the Treaty of Ukraine-Russia state border (2003). Simultaneous ratification of that document and the Treaty of Cooperation in Use of the Sea of Azov and the Kerch Strait (2004) completed the process of delimitation of the land border and started delimitation of water areas.

However, in the past years, border settlement actually deadlocked. Numerous rounds of talks only recorded fundamental differences between the parties and did not bring solution of the problem closer²³. Negotiations on delimitation of the Azov and Kerch water area lasting 13 years (since 1996) stalled. In January 2009, Kyiv hosted the 30th round of talks. The Russian delegation in fact returned to its basic point, reverting to the issues of joint use of the Kerch Strait and movement of the border line towards Ukraine²⁴. There are no grounds to expect progress at the next meeting in June 2009 in Moscow. Motives of the Russian side are illustrated by words of Ambassador at Large of the Russian Foreign Ministry A.Tolkach: “Any Euro-Atlantic aspirations of Ukraine presume that it settles all its issues, including border. They need the border for one simple reason: to join NATO as soon as possible”²⁵.

Demarcation of the land segment of the border is delayed. The first meeting of the Joint Commission for Demarcation of the Ukraine-Russia border planned for March-April 2008 was never held. The Russian side has not accomplished intrastate procedures of preparation for signing of the Agreement of Demarcation. Repeated initiatives of Ukraine aimed at the document signing failed. Item 10 of the Ukraine-Russian Action Plan envisaging practical steps for demarcation of the border remained on paper. It may be said that the Russian side is using a “package approach” to solution of issues of

formalisation of land and water segments of the state border. Such situation prompts the Ukrainian side to raise the issue of unilateral demarcation of the border with the Russian Federation.

Basic agreements of the conditions of the Russian Black Sea Fleet stationing in Crimea (1997) require elaboration, specification and effective mechanisms of implementation. Those arrangements are of a framework nature and not backed with documents describing the detailed procedure of their implementation. This gave rise to a set of acute problems (political, financial, legal, environmental, etc.) aggravated by the changing political situation, legislative novelties²⁶.

Negotiations of legal grounds for Russia’s Black Sea Fleet stationing in Crimea should concentrate on attainment of concrete agreements in the following domains: (a) navigation-hydrographical support for shipping in the Black Sea and the Sea of Azov²⁷; (b) procedure of crossing Ukraine’s state border and movement of military servants and military equipment of Russia’s Black Sea Fleet on its territory; (c) actions of Russia’s Black Sea Fleet in crisis situations; (d) presentation of information about the total strength and basic weapon systems of Russia’s Black Sea Fleet; (e) inventory of property and land plots transferred to Russia’s Black Sea Fleet in use for establishment of their market value and legalisation of lease relations in line with the legislation of Ukraine; (f) cooperation in the field of navigation, fishing, protection of the marine environment in the Black Sea and the Sea of Azov; (g) legal status of military servants of Russia’s Black Sea Fleet and their families, including issues of citizenship.

Unfortunately, the level of negotiations on those problems was lowered. After the latest (January 2008) meeting of the Sub-commission for operation of Russia’s Black Sea Fleet and its stationing on the territory of Ukraine, it worked only on the level of working and expert groups, and meetings of the Sub-commission co-chairmen²⁸. Repeated proposals of Ukraine’s Foreign Ministry to hold a full-scale meeting of the Sub-commission were not supported by the Russian side. There are ground to note kind of “decay” of negotiations²⁹.

²³ The Russian side questions the border line between former USSR and RSFSR in the Azov and Kerch water area and insists on a so-called selective approach to different segments of the border (principle of the middle line, proportionality, justice). This does not suit the Ukrainian side. Noteworthy, the universal principle of the middle line was used for division of the water areas between Russia with Estonia, Lithuania and other states.

²⁴ Ukrainian diplomat accuses Russia of uselessness of talks of delimitation of Azov-Black Sea basin. – Interfax-Ukraine, January 27, 2009.

²⁵ Russia’s Foreign Ministry refutes Kyiv’s statements about Russian claims to Ukrainian territory. – Interfax, January 29, 2009.

²⁶ In 2000, the Law of Ukraine “On Procedure of Access and Conditions of Stay by Units of Armed Forces of Other States on the Territory of Ukraine” was passed that prohibited transfer of navigation-hydrographical facilities to foreign forces.

²⁷ According to international norms, Ukraine is responsible for security of navigation in its territorial waters.

²⁸ 22 such meetings were held in that timeframe. Some positive results were achieved. The Russian side presented data of land inventory for some facilities, removed environmental violations at the most “problem” sites of Russia’s Black Sea Fleet, confirmed readiness to sign a protocol between the defence ministries the two countries about presentation of information about the personnel and armaments of Russia’s Black Sea Fleet.

²⁹ Over the entire time of the Sub-commission work, it met three times in 2006, two – in 2007, one – in 2008. The next (seventh) meeting of the Sub-commission is scheduled for June, 2009.



1.2. SOME PROBLEM POLITICAL FACTORS IN BILATERAL RELATIONS

Development of the system of political relations is seriously complicated by a number of problem issues that add conflicts to the dialogue. They are caused by the different civilisational choice of the two countries. Evidently, the mutual relations are most of all affected by the Euro-Atlantic integration of Ukraine that has a cumulative effect of deterioration of contacts in actually all sectors of cooperation. The parties' positions fundamentally differ in the issues of integration in the post-Soviet space. Recently, there appeared an alarming trend towards the emergence of the unfavourable information background for cooperation, affecting the relations between citizens of Ukraine and Russia.

Euro-Atlantic integration of Ukraine

The course of Euro-Atlantic integration proclaimed by Ukraine's leadership and provided by the national legislation is the main irritant in Ukraine-Russia relations. The Russian side views further expansion of NATO as a direct threat to its security and claims that Ukraine's accession to the Alliance will fundamentally change the relations between the countries and contacts of the Russian Federation with NATO, affect the security situation in Europe.

Prevention of NATO enlargement is one of the main long-term priorities of Russia's foreign and security policy. The new National Security Strategy of the Russian Federation through 2020 approved by the Russian President's Decree on May 12, 2009, reads: "...The determinant factor in relations with the North Atlantic Treaty Organisation remains unacceptability for Russia of plans moving the military infrastructure of the alliance to its borders..."³⁰.

The Kremlin leadership realises that Ukraine's accession to the Euro-Atlantic security system takes it from the Russian sphere of influence.

In 2008, Ukraine's relations with NATO went still further. The Alliance reaffirmed the prospects of Ukraine's membership in NATO (Declaration of the Bucharest NATO summit, April 2008), introduced a new tool of Ukraine-NATO cooperation – Annual National Programme³¹.

In response, the Russian side unleashed a coordinated and target-minded political-diplomatic and information campaign to bar deepening of Ukraine's contacts with the Alliance. It used international channels of influence, executive bodies, power structures, Parliament, state-owned media, the expert community, the public, employed pro-Russian forces in NATO countries and in Ukraine.

On June 4, 2008, the State Duma of the Russian Federation issued the above-mentioned Appeal to the President and the Government proposing, in case of Ukraine's accession to the NATO Membership Action Plan (MAP), to consider the issue of the Russian Federation withdrawal from the "Big Treaty"³².

The Russian position was expressly presented by Foreign Minister S.Lavrov: "We will do everything to not let admission of Ukraine and Georgia to NATO, and to avoid inevitably associated with such possible admission sharp deterioration of our relations with the Alliance, its key members, and our neighbours"³³.

The Russian leadership regularly made statements of possible revision of relations with Ukraine in case of its accession to the Alliance. In particular, it spoke of automatic introduction of the visa regime, curtailment of military-industrial cooperation. Security Council Secretary N.Patrushev predicted possible deployment in Ukraine of "big land, air and naval strike forces armed with precision-guided and tactical nuclear weapons"³⁴. Chief of the General Staff of the Russian Armed Forces Yu.Baluyevsky spoke of possible use of military measures.

Evidently, Russia's activity somehow influenced the stand of NATO countries. At the Bucharest summit, the French Prime Minister and the German Chancellor spoke out against granting MAP to Ukraine³⁵.

An extract from a speech by the Russian President D.Medvedev at an extended meeting of the Board of the Federal Security Service on January 28, 2009, is demonstrative in this respect: "Unstable socio-political situation persisted in a number of neighbouring states, attempts of NATO enlargement did not stop, including at the expense of so-called accelerated accession of Georgia and Ukraine to the Alliance. All that certainly required

³⁰ National Security Strategy of the Russian Federation through 2020 – Official web site of Security Council of the Russian Federation, <http://www.scrf.gov.ru/documents/99.html>

³¹ In March 2008, Ukraine's President and Prime Minister sent an official letter to NATO Secretary General requesting Ukraine's admission to the NATO Membership Action Plan (MAP). A similar request was addressed to the German Chancellor and French President. At the April NATO summit in Bucharest, solution of that issue was postponed till December, and the final Declaration reaffirmed prospects of Ukraine's membership in the Alliance. At the December meeting of foreign ministers of NATO countries, Ukraine was offered a new tool of cooperation – Annual National Programme.

³² Appeal of State Duma to the President and Government of the Russian Federation... – Web site of Strategic Culture Fund, <http://www.odnarodyna.ru/topics/6/33.html>

³³ Russia will do everything to not let Ukraine to NATO. – "Forum" internet publication, <http://www.for-ua.com/ukraine/2008/04/08/190342.html>

³⁴ Ovcharenko Ye. Russia's Security Council Secretary N.Patrushev: "We warned: Saakashvili behaves inadequately". – "Izvestia", October 2, 2008, <http://www.izvestia.ru>

³⁵ On March 8, 2008, on the eve of the Bucharest summit, Russian President V.Putin during the meeting with German Chancellor A.Merkel insisted on inexpediency of NATO enlargement and unreadiness of Ukraine to join the Alliance. On the diplomatic level, the Russian Federation warned the U.S. of grave consequences of Ukraine's accession to NATO for Russian-US relations.



efficient and concerted efforts of all special power structures, law-enforcement bodies and quite a high level of coordination of their activity”³⁶.

Expert assessments. The absolute majority (87%) of Russian experts reported as the main reason for deterioration of bilateral relations “Russia’s rejection of Ukraine’s course of accession to NATO”. Assessing the factors exerting the greatest negative influence on bilateral relations, both Ukrainian (89.5%) and Russian (97%) experts first of all noted Ukraine’s intention to join NATO. The opinions of respondents in both groups regarding the steps of Ukraine that would best meet Russia’s interests absolutely coincided. The majority of Ukrainian (75.2%) and Russian (88%) experts noted refusal from the decision to join NATO.

The “deferred effect” of Ukraine’s cooperation with NATO is largely attributed to the Russian influence. However, the home political situation in Ukraine may be mentioned as the key reason for slowdown of the Euro-Atlantic integration. The subject of NATO membership is very sensitive for the Ukrainian elite and entire society. However, it ceded into the background in view of the deepening socio-economic crisis, critical confrontation within the political establishment, deregulation of the system of state governance. In such conditions, attempts of soonest joining the Alliance discredit the idea of accession to the Euro-Atlantic security system.

Therefore, the events of 2008 - early 2009 in the triangle “Ukraine-NATO-Russia” witness that Russia, actively using the internal political factor in Ukraine and differences among the Alliance members, managed to influence the process of granting MAP to Ukraine. This political-diplomatic step was rather important for the present Russian leadership, given the forthcoming presidential elections in Ukraine. It may be assumed that the Russian side not unreasonably hopes that a possible replacement of the head of state will involve a shift of accents in the foreign policy, including in the Euro-Atlantic direction.

Problems of Russia’s Black Sea Fleet stationing in Crimea

The subject of the Russian Fleet stationing in Crimea is one of the most sensitive in the agenda of the bilateral dialogue. Conflicts arise with navigation facilities, exercises held without notification of the Ukrainian side, violations of the Ukrainian legislation by military servants of the Russian Federation, neglect of rules of state border crossing, etc.³⁷ The military base poses a significant

conflict potential. According to some Ukrainian and foreign experts, “there is a risk of an armed incident in the result of impulsive actions of one party in the area of Russia’s Black Sea Fleet facilities”³⁸.

It may be assumed that the Russian Fleet in Crimea plays a political-ideological rather than military-strategic role, given the level and nature of threats to Russia originating from the Black Sea region. Russia is well aware of that, which is indirectly proven by the obsolescence and low combat effectiveness of Russia’s Black Sea Fleet.

Military presence in Crimea gives Russia: (a) means of control of the situation on the peninsula, pressure on Ukraine; (b) a tool barring the Euro-Atlantic course of official Kyiv; (c) a convenient mechanism of support and retransmission of pro-Russian spirits in Crimea; (d) an ideological symbol for the home policy. The situation around the Russian military base in Sevastopol seriously aggravated after the conflict in the Caucasus that involved ships of Russia’s Black Sea Fleet. On August 13, the President of Ukraine issued a decree effectuating Ukraine’s NSDC decision establishing the rules and procedure of military servants and equipment of Russia’s Black Sea Fleet crossing the Ukrainian border³⁹. That decision met a strong negative reaction of the Russian side. On August 28, 2008, Russian President D. Medvedev spoke of precedence of international agreements over “decrees and orders of local authorities”. According to his words, “the Russian Armed Forces obey the Supreme Commander-in-Chief... One should proceed from that, the rest are emotions”⁴⁰.

Expert assessments. Answering the question what steps of Ukraine would best meet the interests of the Russian Federation, both Russian and Ukrainian experts ranked second (after the refusal from accession to NATO) extension of the term of Russia’s Black Sea Fleet stationing in Crimea. This opinion is shared by 72% of Russian and 62.9% of Ukrainian experts.

In 2008, the problem of withdrawal of units of Russia’s Black Sea Fleet in 2017 came to the forefront. The Ukrainian side made a number of attempts to formalise the subject. On December 26, 2008, the President of Ukraine issued the Decree “On Additional Measures for Socio-Economic Development of Sevastopol”. In pursuance of that document, a working group was established tasked to work out proposals “of use of infrastructure of the Sevastopol harbour for non-military goals after 2017, conversion and modernisation of the logistic, including port, infrastructure”⁴¹.

³⁶ Speech at an extended meeting of the Board of the Federal Security Service. – Official web site of the Russian President, <http://president.kremlin.ru>

³⁷ In 2008, Russian military servants committed 521 offences, 16 crimes. See: Ukraine’s Foreign Ministry is worried by growth in number of offences committed by military servants of Russia’s Black Sea Fleet. – Interfax-Ukraine, January 27, 2009.

³⁸ Ukraine’s security in the XXI century: challenges and needs of collective measures. – Kyiv, Razumkov Centre, 2009, p.9.

³⁹ President of Ukraine Decree “On Decision of Ukraine’s National Security and Defence Council of August 13, 2008 “Issues of Crossing State Border of Ukraine by Military Servants, Military Ships (Support Vessels), Aircraft of Russia’s Black Sea Fleet Arriving to the Territory of Ukraine” No.706 of August 13, 2008.

⁴⁰ Ukraine hails Russia’s desire to respect its international commitments in issues of temporary stationing of Russia’s Black Sea Fleet. – UNIAN, August 29, 2008.

⁴¹ President of Ukraine Decree “On Additional Measures at Socio-Economic Development of Sevastopol” No.1204 of December 26, 2008.



On May 20, 2008, the President of Ukraine issued another decree enacting Ukraine's NSDC Decision "On Measures Ensuring the Development of Ukraine as a Naval Power". The document suggested legislative backing of the decision of withdrawal of Russia's Black Sea Fleet from Ukraine⁴².

Official Kyiv also initiated inclusion of the subject of the Fleet withdrawal in the agenda of Ukraine-Russian political-diplomatic dialogue. During a working visit to the Russian Federation on April 15, 2008, Ukraine's Foreign Minister V.Ohryzko handed to the Russian Foreign Minister S.Lavrov the Memorandum between Ukraine and the Russian Federation concerning the Stages and Procedure of Withdrawal by May 28, 2017, of Military Units of Russia's Black Sea Fleet from Places of Its Temporary Dislocation on the Territory of Ukraine. (The document proposed beginning of consultations to that end in June 2008).

On February 9, 2009, the President of Ukraine once again spoke of the approaching "moment when foreign troops will be withdrawn from our territory"⁴³.

The Russian side strongly responded to those acts. However, the first trial "conciliatory" step was

made by Defence Minister A.Serdukov. He reported Russia's interest in prolongation of Russia's Black Sea Fleet stationing in Crimea and noted the possibility of presentation of a set of mutually advantageous proposals related with rent, cooperation in the field of defence industry and other sectors⁴⁴. Foreign Minister S.Lavrov was more definite: "In due time, we will be ready to propose the Ukrainian side to discuss the conditions of further stationing (of the Black Sea Fleet – *Ed.*) in Sevastopol. Discussion of those issues is due at a later stage, closer to 2017, with the government of Ukraine then working in that country"⁴⁵.

Regional integration

Problem aspects of Ukraine-Russia relations include regional cooperation in the post-Soviet space. The parties' stand on the content, forms and prospects of integration processes in the CIS fundamentally differs.

The Russian side views the Commonwealth as an area of its "privileged interests". As noted above, Russian President D.Medvedev approved the Concept of Foreign Policy of the Russian Federation (July 12, 2008) and the Strategy of National Security of the Russian Federation through 2020 (on May 12, 2009), describing development of cooperation in the CIS as a priority of Russia's foreign policy. The Eurasian Economic Community (EurAsEC) is viewed as the core of economic integration, and the Collective Security Treaty Organisation (CSTO) – as the main interstate tool designed to oppose regional challenges, defence policy and military-strategic threats⁴⁶. In May 2008, the new Federal Agency for CIS Affairs was established under the Russian Government.

Russia initiated modernisation and strengthening of the CIS, EurAsEC and CSTO as mechanisms of political-economic, defence policy, humanitarian influence in the post-Soviet space. In 2007-2009, a package of documents creating the legal framework of the EurAsEC Customs Union (Russia, Belarus, Kazakhstan) was passed⁴⁷. Heads of CSTO member states approved the Agreement of Peacekeeping Activity. It was decided to establish the Collective Operational Reaction Force⁴⁸.

For Ukraine, participation in the CIS is not a priority of foreign policy. The course of Euro-Atlantic integration leaves no room for cooperation within the CSTO framework. And future signing of an Agreement of Association with the EU (including creation of a free trade area) makes the issue of the country involvement in

⁴² The document suggested all-round assessment of effects of temporary stationing of Russia's Black Sea Fleet in Ukraine and drafting a bill on termination from 2017 of international treaties on temporary stationing of Russia's Black Sea Fleet on the territory of Ukraine. See: President of Ukraine Decree "On Ukraine's National Security and Defence Council Decision of May 16, 2008 "On Measures Ensuring the Development of Ukraine as a Naval Power" No.463 of May 20, 2008.

⁴³ President says, Ukraine's territory should be free from any foreign troops. – UNIAN, February 9, 2009.

⁴⁴ Russia ready to make a number of advantageous proposals to Ukraine for the Black Sea Fleet to stay in Sevastopol after 2017. – Interfax-AVN, September 23, 2008.

⁴⁵ Moscow will in the future offer to Kyiv to extend the agreement of lease of the naval base in Sevastopol – Lavrov. – Interfax, October 22, 2008.

⁴⁶ See: Concept of Foreign Policy of the Russian Federation, Strategy of National Security of the Russian Federation through 2020.

⁴⁷ At a meeting in October 2007, the EurAsEC Interstate Council signed: Decision "On Formation of Legal Framework of EurAsEC Customs Union", Agreement of Establishment of the Single Customs Territory and Formation of the Customs Union, Agreement of the Customs Union Commission, etc. In January 2008, EurAsEC Interstate Council passed nine more documents establishing the Customs Union. In October 2008, EurAsEC Interstate Council on the level of heads of states was entrusted with functions of the supreme body of the Customs Union.

⁴⁸ At the Collective Security Council session (October 6, 2007, Dushanbe) the Agreement of Peacekeeping Activity was signed and a package of documents on that subject approved, including the Agreement of Establishment of a System of Command and Control of CSTO Collective Security System Forces. On February 4, 2009, an extraordinary session of CSTO Collective Security Council in Moscow took a decision to establish the Collective Operational Reaction Force (CORF) of CSTO.

pro-Russian reintegration projects of the “second generation” – EurAsEC and SES – irrelevant.

The low profile of Ukraine’s participation in the CIS adds tension to bilateral relations. Official Kyiv views the Commonwealth as a mechanism of interstate consultations and talks, does not take part in the Joint Armed Forces, does not share the idea of a “single humanitarian space” pushed by the Russian Federation. Ukraine does not take part in the CIS observer mission, abstained from signing a number of agreements in the military, energy, humanitarian sectors.

In 2008, Ukraine’s President confined participation in the supreme CIS bodies to attendance of the February informal summit. At a meeting of the CIS heads of states (October 2008, Bishkek) Ukraine was represented by NSDC Secretary R.Bohatyryova. Ukraine’s Foreign Ministry proposed reduction of contribution to the CIS budget⁴⁹.

V.Yushchenko more than once sceptically assessed the CIS. In an interview for Russian media in July 2007, he said: “the CIS accomplished its mission, first of all, during the difficult political divorce of the former Soviet republics... Only 4% of decisions passed in CIS were implemented by the member states. 96% is a whistle that gave nothing but a sound. All this makes prospects of the CIS pessimistic”⁵⁰. In an interview for “Ekho Moskv” radio (April 3, 2009) the President noted extreme politicisation of the CIS activity and deficit of “considerate, pragmatic decisions”⁵¹.

Tension in the “Ukraine-CIS-Russia” triangle was aggravated by the conflict in the Caucasus in August 2008, and subsequent recognition of independence of Abkhazia and South Ossetia by the Russian Federation. Ukraine sided with Georgia, which caused a strong negative reaction of the Russian Federation. On August 18, 2008, the CIS Executive Committee received a note from Georgia’s Foreign Ministry of its withdrawal from CIS⁵².

Those events demonstrated: (a) inability of the CIS structures to influence conflict situations in the Commonwealth, ineffectiveness of multilateral regulatory-legal relations; (b) Russia’s intention to establish itself as a world leader in the post-Soviet space that can use military means for the attainment of its geopolitical interests; (c) in-depth differences among the Commonwealth member states.

Restriction of Ukraine’s participation in the Commonwealth is conditioned by a number of reasons, the main of them being the change of approaches to regional integration in the CIS with account of the course of European and Euro-Atlantic integration proclaimed by the new leadership of the country.



It may be assumed that the Strategy of Economic Development of the CIS adopted in November 2008, will not substantially change the situation in the Commonwealth.

The Single Economic Space project may be seen as a setback in Ukraine-Russia relations. Ukraine reduced the idea of creation of a quadrilateral customs union under Russia’s auspices to a free trade area. The present country leadership denounced advances of the previous authorities, considering assignment of powers to a single regulatory body with depositary functions and the package principle of international-legal documents coming into effect unacceptable. SES presented a rigid post-Soviet reintegration form with a bureaucratic superstructure and a supranational government body.

Ukraine’s stand was made clear in the President of Ukraine Decree of June 15, 2005, that set the goal of the country’s participation in SES – a free trade area⁵³. Such format of Ukraine’s participation did not meet the interests of the Russian Federation, and further negotiations stalled. High Level Groups meetings stopped, 11 priority documents agreed by the “four” receded into the background, and the idea of the Customs Union was implemented by Russia, Belarus and Kazakhstan in the EurAsEC format.

However, Ukraine does not seem to have passed the point of no return regarding SES. Nobody reversed the Agreement establishing SES, ratified by the Verkhovna Rada of Ukraine on April 20, 2004. SES project is not over yet, it in fact presents a deferred reintegration alternative to the course of accession to the EU. The reason lies in the unobviousness of prospects of Ukraine’s accession to the EU, lack of consensus in Ukraine’s elite regarding the “depth” of participation in SES. In the Ukraine-Russian dialogue, the subject of SES reappears from time to time. For instance, the Party of Regions’ leader V.Yanukovich said at the United Russia congress (November 2008) that “we should return to the idea of a single economic space, there is no alternative”⁵⁴.

⁴⁹ People of Yushchenko and Tymoshenko could not divide money allocated to CIS. – “Ukrayinska Pravda” internet publication, November 27, 2008, <http://pravda.com.ua/ru>

⁵⁰ Sokolovskaya Ya. Victor Yushchenko: “Meeting Putin, I will wear a pendant Cossack cross”. – “Izvestia”, July 9, 2007.

⁵¹ Yushchenko believes that relations among CIS countries involve much politics and little practical action. – UNIAN, April 3, 2009.

⁵² According to the CIS Charter, a Commonwealth member state notifies the depositary in writing of its intention to secede from the Commonwealth 12 months before secession. The official date of Georgian withdrawal from CIS will be August 18, 2009.

⁵³ President of Ukraine Decree “On Ukraine’s National Security and Defence Council Decision of May 20, 2005” No.952 of June 15, 2005.

⁵⁴ Ukraine and Russia should return to idea of single economic space – Yanukovich. – Interfax-Ukraine, November 20, 2008.

The Russian side cautiously met the EU initiative of “Eastern Partnership” that united six post-Soviet countries⁵⁵. Given the specificity and nature of the Russian Federation activity in the CIS area, it may be assumed that that project will be seen by Russia as an attempt of the EU to lead a group of the Commonwealth member states out of the sphere of its influence, as an “obstacle” for reintegration processes in the former USSR space led by the Russian Federation.

Foreign Minister S.Lavrov said at a press conference following a plenary meeting of the Russia-EU Permanent Partnership Council in Luxembourg (April 2009) that “some comments to that initiative heard from the EU made us wary”. He reminded of agreements with the EU, whereby integration processes promoted by the European Union should not run contrary to integration processes in the post-Soviet space⁵⁶.

Some Russian politicians made concerted warning, critical statements. Deputy Foreign Minister of the Russian Federation A.Grushko said that the European integration of Ukraine should not weaken its contacts with Russia and present a dilemma for Kyiv: either with the EU, or with Russia⁵⁷. Chairman of the Russian State Duma Committee for International Affairs K.Kosachev warned that if “Eastern Partnership” presents a concealed attempt to extend to those countries the most favoured status at the expense of such regime in relations with the Russian Federation, Russia will have to respond to that⁵⁸. The Russian Ambassador to the EU V.Chizhov questioned the viability of the “Eastern Partnership” project.

The CIS leadership joined the campaign. Executive secretary of the Commonwealth S.Lebedev said that “Eastern Partnership” might influence the dynamic of integration processes in the CIS, lead to revision of the regulatory-legal framework of the Commonwealth. In his opinion, the EU initiative is no good for post-Soviet countries and poses a threat to the CIS integrity⁵⁹.

Fears of the Russian side were expressly stated by the Russian President D.Medvedev at a press conference following the Russia-EU summit (May 22, 2009, Khabarovsk). He said that it was not quite clear for Russia “what forms “Eastern Partnership” will take”. According to the President, “some states see

that partnership as partnership against Russia ... We would not like “Eastern Partnership” to turn partnership against Russia, ... unite separate anti-Russian minded states with other European states”⁶⁰.

Judging by its reaction, the Russian side sees “Eastern Partnership” as a regional challenge from the EU, an encroachment on the Russian sphere of interests in the post-Soviet space⁶¹.

Information background for bilateral cooperation

As we noted above, the relations between the political elites of the two countries largely rest on conflicts and confrontation. The political-diplomatic dialogue is full of mutual accusations, categorical statements, warnings, sharp demarches.

Such tone of official contacts influences the relations in different sectors of cooperation – economy, energy, military, humanitarian. The public discourse covered in the media generally creates an unfavourable atmosphere for mutual relations.

The information background for partnership is largely shaped by large-scale propaganda campaigns run by the Russian side. This especially struck the eye during election campaigns in Ukraine (2004-2008), gas conflicts (2006, 2009), solution of the issue of MAP for Ukraine (2008), events related with the Holodomor (2008), the conflict in the Caucasus (2008), etc.⁶²

The Russian media system controlled by the authorities spares no efforts to criticise the activity of the Ukrainian leadership, its foreign and home political course. The subjects of the information flow generally form a biased impression of Ukraine in the eyes of Russian citizens. Mass media instil in the public consciousness the following stereotypes: (a) Ukraine’s leadership acts on Western orders, pushes the country to NATO contrary to the will of its people; (b) due to internal conflicts, the country’s elite is unable to pursue an effective policy of reforms; (c) the common history is distorted, attempts are being made to rehabilitate Nazi accomplices; (d) cultural rights of the Russian-speaking population are violated, forcible Ukrainisation goes on; (e) Ukraine is an unreliable partner unlawfully taking Russian gas; (f) Russian sailors in Crimea are persecuted.

⁵⁵ The Polish-Swedish initiative “Eastern Partnership” unites Azerbaijan, Armenia, Belarus, Georgia, Moldova, and Ukraine. The “Eastern Partnership” summit was held in Prague on May 7, 2009.

⁵⁶ Minutes of presentation and answers to mass media questions by Russia’s Foreign Minister S.Lavrov following plenary meeting of Russia-EU Permanent Partnership Council, Luxembourg, April 28, 2009. – Official web site of Russia’s Foreign Ministry.

⁵⁷ It is of fundamental importance for Moscow that European integration of Ukraine and Georgia does not lead to weakening of ties of those countries with Russia – Russia’s Foreign Ministry. – UNIAN, November 9, 2008.

⁵⁸ State Duma Member Kosachev asks the EU not to use “Eastern Partnership” to “tear” post-Soviet countries from the Russian Federation. – UNIAN, January 15, 2009.

⁵⁹ According to S.Lebedev, “European Union at the current stage cannot make up for the losses those states may sustain in case of participation in “Eastern Partnership”, having refused from cooperation within the Commonwealth”. See: Participation of some CIS countries in “Eastern Partnership” may require revision of agreements within the Commonwealth – CIS Executive Committee Head. – Interfax-West, May 13, 2009.

⁶⁰ Press conference upon the results of Russia-EU summit, May 22, 2009. – Official web site of the Russian President.

⁶¹ In this connection, one should also mention the unexpectedly tough position of Russia regarding the Declaration of the international conference in Brussels (March 23, 2009) on modernisation of the Ukrainian gas transportation system.

⁶² For instance, according to the Deputy Head of the National Council for Television and Radio Broadcasting of Ukraine, Russian media covered the 2007 parliamentary elections in Ukraine in a biased manner. Information of the political forces that formed the coalition and the Cabinet of Ministers was mainly positive, of the opposition – negative. – “Ekspert-Tsentr”, October 10, 2007, <http://www.expert.org.ua5>



Ukrainian leaders are among the most often mentioned in the Russian media (among foreign subjects). One of the leading Russian companies, “Medialogia”, compiled a “rating of mention” of the Russian media in 2008. V.Yushchenko (174,035 publications) ranked third (after V.Putin and D.Medvedev)⁶³.

The same trend is proven by regular monitoring of the Russian System for Complex Analysis of News (Interfax). In November 2008, the leaders among foreign politicians were: B.Obama (3,193 mentions), V.Yushchenko (2,677), Yu.Tymoshenko (1,963)⁶⁴. In the heat of the gas conflict (January 1-11, 2009) the top three most mentioned foreign leaders were: V.Yushchenko (589), Yu.Tymoshenko (409), O.Dubyna (389)⁶⁵.

Given the general tone of presentation of materials on Ukraine by the Russian media, it may be assumed that those mentions were mainly critical. Such popularity of Ukrainian politicians may be termed as ill fame. According to the known TV journalist Ye.Kiselev: “Citizens of Russia dislike Ukraine, USA, Great Britain, Poland, Georgia, many other countries, for one reason – pro-governmental TV propaganda depicts them as enemies, foes, sources of threat”⁶⁶.

Expert assessments. According to Ukrainian experts, Ukrainian problems are covered in the Russian media mainly critically (40%) and very critically (57.1%). 67% of Russian respondents chose the answer “mainly critically”, 19% – “very critically”.

Coverage of Russian problems in the Ukrainian media was assessed by Russian experts as mainly critical (19%) and very critical (65%). Ukrainian representatives were more reserved in assessments: 48.6% reported a neutral, reserved coverage of Russian problems, 32.4% – mainly critical and 9.5% – very critical.

In turn, Ukrainian media covering the situation in the Russian Federation not always take a balanced and impartial approach. They do not take into account the Russian realities, specificity of political processes. Some actions of the Russian side are viewed too critically, presented as direct interference in Ukraine’s home and foreign policy. The media spread around the thesis of aggressiveness of the Kremlin, of the arrogant and improper tone of its dialogue with Ukraine. Fears are expressed that development of contacts with Russia will inevitably lead to the growth of its control of Ukraine.

It should be noted here that the presence of Ukrainian media in the Russian information space is limited, and one may hardly speak of their influence on the Russian citizens. Meanwhile, the presence of Russian electronic and printed media in Ukraine’s media space is strong enough.

The information background is largely a derivative of the relations between the state and political elites of the two countries. Now, the media atmosphere of cooperation seems unfavourable – the air is dominated by confrontation of the parties, “black PR”, defamatory actions are used. Such situation, *first*, seriously complicates negotiations, bars solution of acute problems of cooperation. *Second*, undermines the international image of the parties (a recent example – exchange of series of mutual accusations during the gas conflict). *Third* (the main thing!) – the negative information background affects relations among citizens of the two countries.

Relations between countries’ citizens

Results of different sociological surveys held in Ukraine and Russia show that citizens of both countries rather critically assess the state of bilateral cooperation. Furthermore, results of some studies reveal an alarming trend towards deterioration of relations between citizens of Ukraine and Russia. Evidently, the conflict in the dialogue of the elites transmitted by the media, the generally negative information background for cooperation could not but influence the stand of citizens. This is the most threatening trend in bilateral relations.

Expert assessments. According to the majority (77.1%) of Ukrainian experts, relations between the peoples of Ukraine and Russia deteriorated. 21% believe that they remained unchanged. Deterioration of relations was noted by 54% of Russian respondents, 44% reported no change.

Ukrainian experts describe the attitude of Ukrainians to Russia as mainly positive, well-disposed (59%), of Russians to Ukraine – as mainly negative, critical (71.4%). Russian respondents are more optimistic – a positive, well-disposed attitude of Ukrainians to Russia was reported by 47% of those polled. 54% believe that Russians are well disposed to Ukraine.

The dynamic of the attitude of Ukrainians to Russia and of Russians to Ukraine is showily illustrated by results of simultaneous surveys conducted by respected sociological structures in 2008-2009 in Ukraine (KIIS) and Russia (“Levada Centre”) (Table “*What is your general attitude to Ukraine/Russia now?*”)⁶⁷.

What is your general attitude to Ukraine/Russia now?
% of those polled

	to Ukraine (in Russia)			to Russia (in Ukraine)		
	March 2008	January 2009	March 2009	April 2008	February 2009	March 2009
Very good / mainly good	55	29	41	88	91	90
Mainly bad / very bad	33	62	49	7	5	6
Hard to say	12	9	9	5	4	4

⁶³ Yushchenko appeared among top three politicians mentioned the most in Russia. – UNIAN, December 25, 2008.

⁶⁴ Medvedev and Putin, Obama and Yushchenko with Tymoshenko lead by mentions in Russian press in November – SCAN data. – Interfax, December 1, 2008.

⁶⁵ “Gazprom” CEO ranked second in rating of mention of Russian and foreign figures in the media since year beginning – SCAN data. – Interfax, January 12, 2009.

⁶⁶ Ye.Kiselev: “Anti-Ukrainian spirits in Russia can hardly be durable”. – “Glavred” Internet publication, May 19, 2009, <http://www.glavred.info>

⁶⁷ Press release of Kyiv International Institute of Sociology “Assessments of Ukraine-Russia relations by population of Ukraine and Russia”. – Kyiv, March 2009.



As one may see from the Table, the positions of Ukrainian and Russian citizens seriously differ – Russians are mainly critical about the neighbouring country, while Ukrainians cherish mostly positive emotions to Russia.

Surveys by the leading Ukrainian and international sociological services (KIIS, “FOM-Ukraine”, “Eurasian Monitor” international research agency, “Research & Branding Group”, etc.) record mainly positive attitude of Ukrainians to the Russian Federation. (In particular, according to a poll held by “FOM-Ukraine” (October 2008), 68.6% of Ukrainian respondents reported a good attitude to Russia⁶⁸. According to the “Eurasian Monitor” survey (November 2008), 58% of Ukrainian citizens consider the Russian Federation a friendly state⁶⁹).

Meanwhile, Russians demonstrate sceptical spirits. They are witnessed by surveys held by different sociological services in the Russian Federation. The report of the Institute of Sociology of the Russian Academy of Sciences “What are Russians afraid of?” (2008) notes a drop of sympathies to Ukraine. Only 23% of Russians reported good feelings to Ukraine, 60% – mainly bad. Sociologists attribute that to V.Yushchenko’s support for Georgia. They note that “the share of “Ukrainophiles” among Russians fell, compared to the previous year (2007 – *Ed.*), more than two-fold.... Respectively, the negative attitude to that recently closest to Russians “sister republic” grew in almost the same proportion”⁷⁰.

It may be suggested that the stand of the Russian citizens was strongly influenced by the generally critical information coverage of developments in Ukraine⁷¹. Russian media make emphasis on problem aspects of the situation in Ukraine, draw the audience’s attention to unfriendly actions of the Ukrainian authorities towards the Russian Federation, the “pro-Western course” of the leadership of the neighbouring country.

According to a poll held by the Russian Public Opinion Research Center in April 2008, Russians mentioned among the three countries with which the Russian Federation has the most tense and hostile relations the USA (25%), Georgia (25%) and Ukraine (21%)⁷². Multiyear surveys (2001-2009) by the above-mentioned “Levada Centre” witness a decrease of Russian sympathies to Ukraine and corresponding growth of critical spirits. (In 2001, 71% treated Ukraine positively, 23% – negatively. In 2009, their ratio made 41% to 49%⁷³).

What is witnessed in fact is some “psychological estrangement” of citizens of the two countries. Their

relations show signs of mistrust and suspicion. It may be suggested that such assessments largely apply to the strong and mighty, and generally the relations between the elites. So, establishment of a productive, friendly dialogue, removal of confrontation and intolerance may contribute to improvement of relations among citizens of the two countries.

Problems in the political segment of relations are caused by divergence of geopolitical course, different civilisational choice of the nations. This is probably one of the main reasons for the estrangement between the Ukrainian and Russian elites, conflicts in the political-diplomatic dialogue, largely bearing an accusative nature. Political confrontation involves growth of tension in all sectors of cooperation, bars solution of long-standing problems of bilateral partnership.

Exactly political reasons cause skidding of bilateral cooperation mechanisms, more than a year-long break in full-scale work of the Ukrainian-Russian Interstate Commission. Actions of the parties are often inconsistent with the spirit and letter the treaties between them. Unfortunately, so far, there is no consensus on the issues of border settlement in the Azov and Kerch water area, basic agreements of Russia’s Black Sea Fleet in Crimea are not elaborated. The subject of the terms and prospects of the Russian Fleet stationing in Crimea is one of the most disputed in the agenda of bilateral talks.

The parties’ positions regarding the content, forms and prospects of integration in the post-Soviet space fundamentally differ. Ukraine stays off reintegration projects initiated by the Russian Federation, intended to strengthen the Russian influence in the CIS and geopolitical “linkage” of post-Soviet states to the economic and defence policy alliance formed under Russia’s auspices.

Conflicts in the political sector, confrontation on the level of the state and political elites are widely covered by mass media, creating a negative background for bilateral cooperation. Media mainly work in the mode of criticism, creating in the public consciousness distorted stereotypes and sometimes inadequate perceptions of processes in the neighbouring country. As a result, there is an extremely alarming trend toward deterioration of relations between citizens of the two countries recorded by sociological surveys. That is why it seems extremely important to change the tone, nature and format of the bilateral dialogue, to build the system of relations in accordance with European norms, rules and standards.

⁶⁸ Majority of Ukrainians is well disposed to Russia – Interfax-Ukraine, October 27, 2008.

⁶⁹ Residents of most countries of former USSR consider Russia a friendly state – international poll. – Interfax, November 25, 2008.

⁷⁰ Information-analytical bulletin “What are Russians afraid of?” – Institute of Sociology of the Russian Academy of Sciences, 2008, No.6, <http://www.isras.ru>

⁷¹ According to Ye.Kiselev: “Now, the information space in Russia is filled with Eurovision... Otherwise, if there is no top news, if the TV news editor does not know what to begin with, they make a story with some demonstration of the Party of Regions in Khreshchatyk. First, they show V.Yanukovych blaming the Orange authorities. Next goes a report from Crimea, and third – something about Russia’s President or Prime Minister. This is a norm of life”. – “Glavred” Internet publication, May 19, 2009.

⁷² Russian Public Opinion Research Center, press release No.951, May 8, 2008. – Web site of Russian Public Opinion Research Center, <http://wciom.ru>

⁷³ Attitude of Russians to the USA, EU, Ukraine, Georgia and Belarus (March 2009). – “Levada Centre” web site, <http://www.levada.ru>

2. BILATERAL ECONOMIC COOPERATION OF UKRAINE AND RUSSIA

The key principles of Ukraine-Russia economic relations are specified in the basic Treaty of Friendship, Cooperation and Partnership between Ukraine and Russian Federation ("Big Treaty") signed by the parties on May 31, 1997, that made the framework for the two countries' relations. The priority goals of the two states, very much similar, included, in particular: accomplishment of economic reforms and strengthening of national economies; enhancement of the well-being of the peoples of the two countries; integration into the world community as equal and influential partners.

On February 27, 1998, the parties signed the Agreement of economic cooperation for 1998-2007 that approved the Programme of economic cooperation between Ukraine and the Russian Federation for 1998-2007 and a relevant plan of measures. Upon the expiry of the latter, on June 22, 2007, the heads of governments of the two countries signed the Programme of economic cooperation of the Russian Federation and Ukraine for 2008-2010.

Furthermore, the heads of states signed the Russia-Ukraine Action Plan for 2005-2006 and the Russia-Ukraine Action Plan till 2009 that specified priority measures in bilateral relations. Those documents envisage a set of measures aimed at harmonisation of the legal framework of economic relations, deepening Russia-Ukraine cooperation in the trade and economy, fuel, energy and agricultural sectors, machine-building, transport and communications, industrial policy, aircraft building, science and technology, use of space and nuclear energy for peaceful purposes.

The sides have signed and put into effect 58 interstate and intergovernmental treaties and agreements and many bilateral inter-regional and interdepartmental documents in one or another way aimed at development of cooperation in the economic sector.

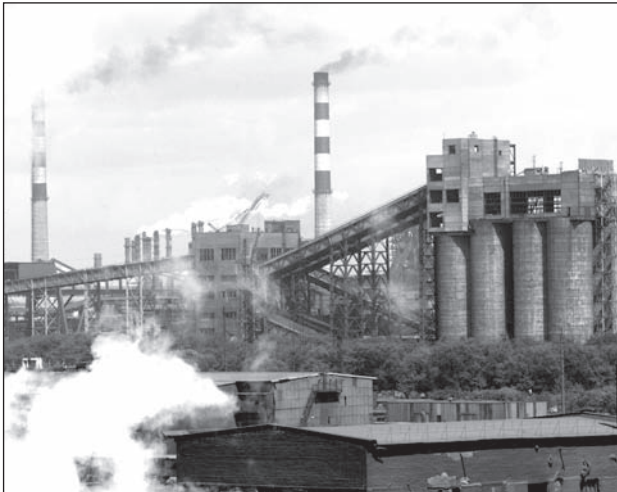
2.1. HISTORY OF ECONOMIC RELATIONS: DECLINE, RISE, STAGNATION

Decline: 1990s. After the USSR breakup, the existing potential of economic ties was derailed, for external and internal reasons. At that, hi-tech branches sustained the greatest losses. For instance, the chemical industry of the former USSR, concentrated mainly in the Russian Federation and Ukraine, ranked among the most powerful in the world. It produced more potash fertilisers, synthetic rubber, ammonia than any other country in the world. Chemical products enjoyed high demand on domestic markets. However, in the post-Soviet period, in Ukraine alone, production of mineral fertilisers fell by 50%, chemical fibres and threads – almost six times, plant protection means – 50 times.

Inability to independently solve economic problems in the conditions of remaining strong mutual dependence of the economies was among the reasons for economic conflicts between Ukraine and the Russian Federation.

For instance, reorientation of the extracting industry to world markets to the detriment of the national manufacturing industry led to reduction of not only domestic production in both countries but also of mutual trade: the volume of bilateral trade from 1996 till 1999 fell from \$14.4 billion to \$8 billion, or by 55.5%, and the Russian share in Ukraine's exports of goods fell from 38.7% to 20.7%.

While both countries could somehow make up for the reduction of mutual deliveries of end products at the expense of growth of imports of similar products from third countries (although at higher prices than



under normal Ukraine-Russia relations), reduction of mutual deliveries of industrial goods, whose share in the total Ukraine-Russia trade yet in 1993 was close to 80%, could not be offset in principle.

Cut cooperative ties resulted in reduction of hi-tech production, drop in profitability, decline of budget revenues, and consequent deterioration of people's well-being, growth of unemployment and risk of social protests.

To prevent further deterioration of the situation, both states had to make huge efforts for conversion of enterprises to make new products. However, this required significant funds obtained, *inter alia*, from the growth of exports of strategic raw materials to third countries.

Meanwhile, due to employment of different schemes of tax evasion in foreign economic activity by businessmen and lack of effective control of export-import operations, growth of foreign currency proceeds from exports of raw materials could not help fundamentally improve the economic situation, since exports brought profit to business structures rather than the national economy as a whole.

With time, it appeared that the growth of export beyond the CIS cannot make up for losses from the reduction of mutual trade (in particular, because the structure of both Russian and Ukrainian exports to Western markets is dominated by raw materials and products with a low degree of processing, while exporting to each other's markets products with a higher degree of processing).

Rise: 2000-2004 Reorientation of trade relations between the two countries began in 2000, when after a long period of decline growth of mutual trade was recorded for the first time. In 2004, trade in goods between Ukraine and the Russian Federation reached

\$17.6 billion, or 2.2 times more than in 1999. Ukrainian exports to the Russian Federation in that period increased 2.5 times, Russian imports to Ukraine – 2.1 times.

Bilateral trade was promoted by intensification of contacts on the level of heads of actually all ministries and agencies engaged in trade and economic cooperation. Over a relatively short period, the sides managed to solve a number of problem issues in the oil and gas sector, which helped raise deliveries of Russian energy resources to Ukraine: while in 1999, Ukraine imported some 6 million tons of Russian oil, in 2004, its volume exceeded 20 million tons.

In 2001-2002, fundamental bilateral documents were signed, such as the Programme of Transborder and Inter-Regional Cooperation, the intergovernmental Memorandum of principles of non-use of special measures against imports of goods originating from customs territories of the parties, Agreement of strategic cooperation in the gas sector, etc.

With the development of trade relations the structure of Ukrainian export began improving, with a gradual increase in the share of products with higher added value, namely: metal products, whose share in Ukraine's exports rose to 30%, engineering products (26%), foodstuffs (to 17.6%) and chemical products (to 14.1%). By and large, those four branches in 2004 accounted for some 90% of Ukraine's total exports to Russia.

Activity of Russian investors also increased. While on January 1, 1998, their capital in Ukraine amounted to \$152.6 million, by January 1, 2005, it rose to \$457.5 million, or 3-fold. The greatest funds were invested in Ukrainian oil refineries, which improved the situation at those enterprises through their provision with raw materials, growth of production, modernisation of equipment, creation of new working places. Serious investments were made in trade and food industry, processing of agricultural produce. In 2004, Russian capital investments in those sectors of Ukraine's economy increased on the average 1.6 times and made, respectively, \$32.3 million and \$17.8 million.

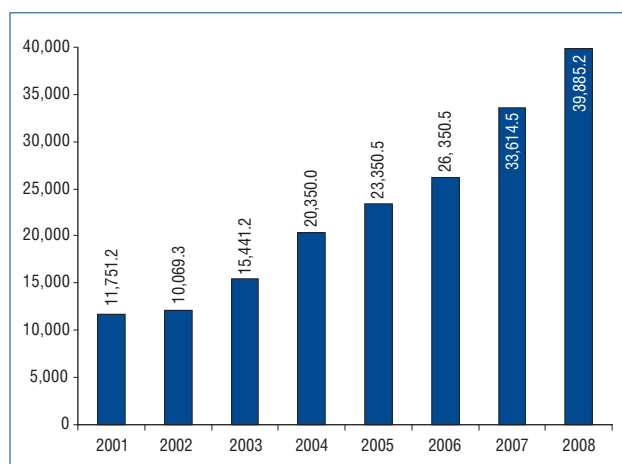
Russian investors also demonstrated keen interests in the sectors of transport and communications, metallurgy and construction industry, where they invested \$88.9 million, of 19.4% all Russian capital investments in Ukraine's economy. Noting intensification of bilateral economic relations in that period, one should keep in mind that it had a notable political dimension. A favourable for Ukraine attitude of the Russian Federation was largely caused by Ukraine's announced plans of participation in regional integration in the post-Soviet space (EurAsEC, SES) and readiness to meet Russia's economic and political interests.



Steady growth: 2005-2008. Despite cool political relations after the 2004 presidential elections in Ukraine, economic cooperation between Ukraine and Russia continued to grow.

For instance, according to the State Statistic Committee of Ukraine, Ukraine's total foreign trade in goods and services with the Russian Federation rose, compared to the previous year, in 2006 – by 12.1%, in 2007 – by 28.4%, in 2008 – by 18.7% (Diagram “*Total foreign trade in goods and services between Ukraine and Russia in 2001-2008*”)

Total foreign trade in goods and services between Ukraine and Russia in 2001-2008,
\$ million



At that, Ukraine's total foreign trade in goods only with the Russian Federation rose, compared to the previous year, in 2006 – by 10.4%, in 2007 – by 35.1%, in 2008 – by 19.1%.

Noteworthy, in that timeframe, Russia was among a few key partner states with whom the rate of growth of Ukrainian exports exceeded that of imports. For instance, compared to the previous years, in 2006, exports rose by 15.5%, imports – by 7.4%, in 2007 – by 46.4% and 22.1%, in 2008 – by 24.2% and 15.3%.

Although in value terms, imports from the Russian Federation still far exceeded Ukrainian exports, Ukraine's deficit in trade with the Russian Federation showed a downward trend – from \$5.35 billion in 2006 to \$3.67 billion in 2008.

That timeframe also saw changes in the structure of bilateral trade between the countries. Ukraine's economy remained dependent on Russian imports, but its structure was dominated by energy resources (in 2007 – 46.8%, in 2008 – 42.8%) and raw materials¹.

Meanwhile, the structure of Ukrainian exports mainly consisted of products of medium and high degree of processing, and services (in 2008, engineering products accounted for 31.7% of all exports to the Russian Federation, metallurgy – 19.6%, services – 19.6%²).

The Russian market remained important and attractive for Ukrainian manufacturers. The Russian Federation accounts for 23.5% of all Ukrainian exports and 22.7% of imports (in 2005, respectively, 21.9% and 35.5%).

Furthermore, the Russian Federation steadily ranked 6th-7th among the main investors in Ukraine. While on January 1, 2006, Russian investments totalled \$835.8 million, at the beginning of 2009 – \$1.85 billion.

Russia invested mainly in Ukraine's financial sector (growth from \$54.7 million in 2005 to \$672.5 million in 2008), construction (growth from \$19.3 million to \$129 million) and operations with real estate, lease, engineering and services (growth from \$54.7 million to \$151.4 million, Table “*Direct investments of the Russian Federation in Ukraine by kind of economic activity*”³).

In turn, Ukrainian investments in the Russian economy, at the end of 2005 totalling \$102.9 million, reached their peak of \$148.6 million at the beginning of 2008 and decreased to \$99.9 million by January, 2009.

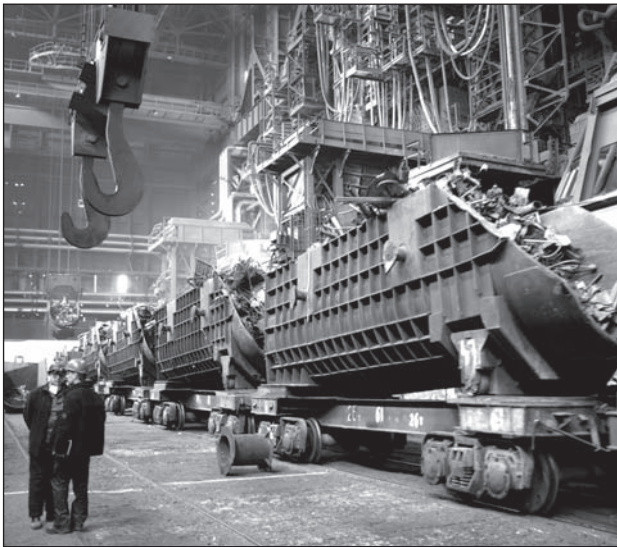
Direct investments of the Russian Federation in Ukraine by kind of economic activity,
\$ million

	Investments as of	
	01.01.2008	01.01.2009
Total, in that:	1,462.4	1,851.6
Finance	290.2	672.5
Industry	226.6	245.7
Operations with real estate, lease, engineering and services for businessmen	151.4	162.4
Construction	113.9	129.0
Trade; repair of motor vehicles, household appliances and personal items	106.8	156.8
Healthcare and social assistance	101.0	27.2
Transport and communications	81.0	73.6
Hotels and restaurants	37.4	32.1
Agriculture, hunting, forestry	20.6	18.1

¹ Data of the Ministry of Economy of Ukraine.

² Ibid.

³ Source: State Statistic Committee of Ukraine.



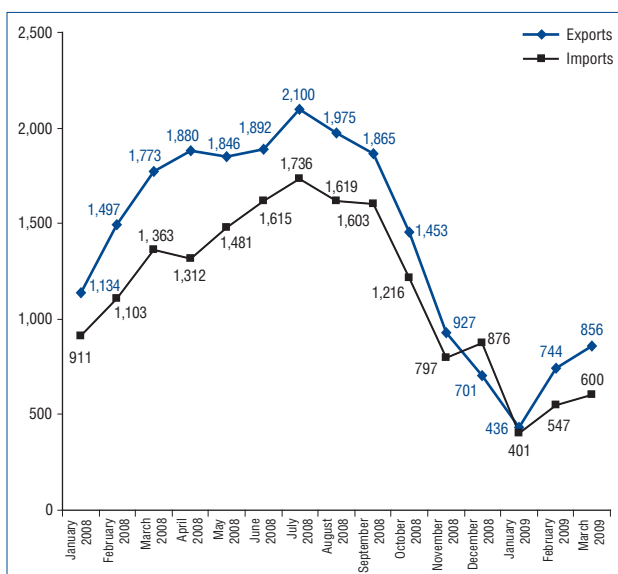
Stagnation: II half of 2008 - early 2009.

The negative influence of the global financial crisis and recession of the world economy could not but affect the trade and economic cooperation between the countries.

Sharp deterioration of the situation on both foreign and domestic markets, decline of production recorded in both countries, devaluation of the national currencies and other factors lead to significant reduction of foreign trade between Ukraine and the Russian Federation, beginning from October 2008 (Diagram “*Dynamic of Ukraine’s trade in goods with the Russian Federation in 2008 – I quarter of 2009*”).

For instance, monthly exports of Ukrainian products to the Russian Federation fell from \$1.6 billion in September 2008 to \$1.2 billion in October, \$797 million – in November, and \$876 million – in December.

Dynamic of Ukraine’s trade in goods with the Russian Federation in 2008 – I quarter of 2009,
\$ million



According to the State Customs Service of Ukraine, Ukraine’s total trade in goods and services with Russia in the I quarter of 2009 declined, compared to the same period of 2008, by 42.9%, to \$5.28 billion (against \$9.25 billion in January-March 2008).

At that, bilateral trade in goods declined by 47%, to almost \$4.3 billion (in January-March 2008 – almost \$8.1 billion). Exports of Ukrainian products to the Russian Federation declined by 54%, to almost \$1.6 billion, imports – by 58.2%, to nearly \$2.7 billion.

Significant changes took place in the structure of bilateral trade.

For instance, in Ukrainian exports, the share of services increased to 33.6%; decline was observed for engineering products (to 21.2%) and metallurgy (to 13.2%); the shares of foodstuffs (11.4%) and chemical products (7.9%) actually remained unchanged.

Meanwhile, in the structure of imports from the Russian Federation to Ukraine, the share of energy resources reached 66.5%; engineering products declined to 6.2%, metallurgy – to 4.5%).

Noteworthy, present similarity of the branch structures of industrial sectors of both countries makes them compete on both domestic and foreign markets.

2.2. DEVELOPMENT OF INTER-REGIONAL AND TRANSBORDER COOPERATION

Inter-regional cooperation between Ukraine and the Russian Federation is a key to enhancement of the effectiveness of trade and economic relations between the countries, a tool encouraging business entities to search for partners and develop their business on the basis of agreements made between Ukrainian and Russian regions with assistance from the concerned regional administrations.

Nearly 310 documents of cooperation between regions and border areas of Ukraine and the Russian Federation have been signed. However, most of them are of a framework, declarative nature and require actualisation and development of effective mechanisms for their implementation.

Now, the basic documents laying down the principles and approaches of the parties to the development of cooperation in that sector are the Programme of Inter-Regional and Transborder Cooperation between Ukraine and the Russian Federation through 2010, and the Plan of Measures at its implementation.

The most successful measures of the Programme included: implementation of a number of environmental projects; development of the transport infrastructure; creation of business centres; housing construction; development of the tourist and recreational infrastructure.

⁴ Ibid.



An attractive for both parties mechanism of inter-regional and transborder cooperation is presented by the institute of Euroregions. In particular, Belgorod and Kharkiv regions formed “Slobozhanshchyna” Euroregion, Bryansk, Chernihiv and Gomel regions – “The Dnieper”, Kursk and Sumy regions – “Yaroslavna”.

Ukraine-Russian Action Plan through 2009 plans creation of a new Euroregion – “Donbas”, made up of Rostov and Lugansk regions.

Within the Committee for economic cooperation of the Russia-Ukrainian Interstate Commission, the Subcommission for Inter-Regional and Transborder Cooperation was set up, its main tasks being: support for implementation of the above-mentioned Programme of Inter-Regional and Transborder Cooperation; implementation of joint projects on the level of regions; intensification of cooperation within the framework of the existing and creation of new Euroregions; perfection of the regulatory-legal framework of transborder cooperation, etc.

To enhance the economic component of cooperation between border regions, work out a strategy of active development of relations, new mechanisms of cooperative ties among enterprises of the three neighbour countries – Belarus, Russia and Ukraine, in April 2008, the Business Council of Chambers of Commerce and Industry of Byelorussian-Russian-Ukrainian border territories was established.

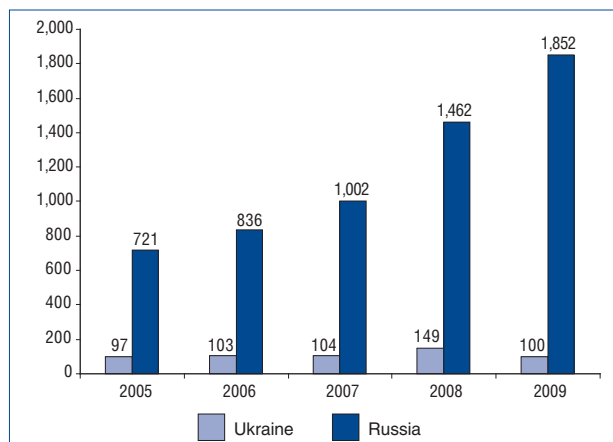
But despite formal progress, inter-regional and transborder cooperation is developing irregularly. Absence of a clear idea of development plans in both states and needs of regions of the neighbouring country, each having its specificity and interests, substantially hampers the potential of involvement in cooperation of not only potentially interested businessmen but also state enterprises.

Another impediment is presented by serious differences in the rights and powers of federal territories of the Russian Federation and regional state administrations of Ukraine, first of all – in budgeting and foreign economic activity.

2.3. COOPERATION IN INVESTMENT SECTOR

Russia remains one of the main investors in Ukraine. As we noted above, the Russian Federation steadily ranks 6th-7th among the countries investing in the Ukrainian economy, Russian investments as of January 1, 2009, totalled \$1.85 billion (Diagram “Dynamic of mutual investments of Ukraine and Russia in 2005-2009⁵”). Russian companies are present in actually all basic branches of the Ukrainian economy (Insert “Russian companies in Ukraine”).

Dynamic of mutual investments of Ukraine and Russia in 2005-2009, \$ million at the beginning of the period



RUSSIAN COMPANIES IN UKRAINE

Especially active in Ukraine are:

- **Alfa Group Consortium** (owns blocks of shares in LynOS (Lysychansk refinery), “Alfa Bank Ukraine”, “Centrenerg”, via an affiliated structure – in “Kyivstar” company, etc.);
- **Lukoil Oil Company** (Odesa refinery, a fuel station network (nearly 200), “Lukor” petrochemical enterprise, etc.);
- **RusAl Company** (Mykolayiv Alumina Plant, Dnieper Metallurgical Plant);
- **Alliance Group** (“Krymnaftoprodukt” and “Kherson-naftoprodukt”, a fuel station network (nearly 180), Stakhanov Carriage Works, etc.);
- **AvtoVAZ-Invest** (Zaporizhya Aluminium Plant);
- **“Sistema” Joint-Stock Financial Corporation** (MTS OJSC (UMC – Ukrainian Mobile Communications));
- **MAIR Group** (Cherkasy, Kherson, Kharkiv, Vinnytsia, Zhytomyr enterprises for collection and processing of ferrous metals);
- **Ministry of Land and Property Relations of Tatarstan and “Tatol” OJSC** (“Ukratnafta” company – owner of Kremenchuk refinery);
- **Smart Holding** (Black Sea Shipbuilding Yard, etc.);
- **Foreign Economic Bank of Russia** (Prominvestbank);
- **“Transmashholding” Company** (“Luhanskteplovov”).

According to the assessments of Russian experts, the Russian Federation owns 223 facilities on the territory of Ukraine, 150 of them – in Crimea.

Strong presence of the Russian capital on Ukraine’s market is conditioned by the following factors: the need of restoration, maintenance and development of production and cooperative ties, prompted by the integrity of the economic system of the former USSR; minimisation of the cost of the core production in the

⁵ Data of the State Statistic Committee of Ukraine.

Russian Federation; access to Ukraine's market; refusal from competition between similar goods on foreign and domestic markets of both countries.

The process was facilitated by the absence of language barriers, similar mentality of representatives of Russian and Ukrainian business circles, similar business practices, and similar conditions of establishment and development of market relations⁶. **Those factors gave and still give representatives of the Russian business circles substantial advantages, compared to investors from other countries (outside the former USSR).**

Gains from the wide presence of the Russian capital include, first of all, restoration of cooperative ties, orders for Ukrainian enterprises, promotion of their products on the markets of Russia and third countries; losses – conservation of obsolete technologies (first of all, in the manufacturing industry), non-fulfilment of assumed investment commitments.

The latter included refusal from construction of an aluminium-producing enterprise in Kharkiv region (a condition of privatisation of Mykolayiv Alumina Plant) and non-fulfilment of terms of the agreement of sale of Zaporizhya Aluminium Plant (the State Property Fund of Ukraine sent a draft official memorandum to that end to the "RusAl" management).

In March 2009, the Lviv Public Prosecutor's Office initiated a criminal case in connection with the intentional non-payment of wages to workers of the Lviv Bus Plants OJSC and evasion of the enterprise officials from payment of insurance premiums for obligatory state pension insurance. In this connection, the Public Prosecutor's Office detained the enterprise owner – Russian businessman I.Churkin.

Privatisation of Ukraine's strategic enterprise "Luhanskteplovoz" by the Russian "Transmashholding" Company was a subject of litigation in connection with violation of the tender rules by the State Property Fund of Ukraine officials.

Officially investigated were also disputable issues dealing with re-privatisation of production assets contributed to Ukraine-Russian joint ventures "Lukor" CJSC ("Oriana") and "Ukrtatnafta" (Kremenchuk refinery).

The presence of Ukrainian capital in Russia is much smaller than of Russian in Ukraine, as it is pressed out by stronger Russian companies.

UKRAINIAN COMPANIES IN RUSSIA

The most active in the Russian Federation Ukrainian enterprises:

- **"Soyuz-Viktan" Corporation** (two distilleries in Moscow region);
- **"Nemiroff" Corporation** (a distillery in Leningrad region);
- **"Industrial Union of Donbas" Corporation** (a metal-rolling plant in Armavir and a plant producing MDF board in Krasnodar province);
- **"Ukrprominvest" Corporation** (Lipetsk confectionery);
- **"Konti" Company** ("Konditer-Kursk" CJSC confectionery);
- **"Privat" group** (Alpayevsk Metallurgical Plant, Altai By-Product Coke Plant, etc.);
- **"Energo" Concern** ("Zarechnaya" coal mine in Kemerovo region);
- **"Bohdan" Corporation** announced plans of construction of a bus plant in the Russian Federation. The project value is estimated at about \$700 million.

The drop of Ukrainian investments from \$148.6 million in early 2008 to \$99.9 million by January 2009, is attributed to the sale of assets and return of borrowed funds by subsidiary companies to their parent structures. According to some analysts, it is more convenient for Ukrainian businessmen to engage in trade operations with Russia than to invest in its economy.

2.4. PROBLEM ISSUES OF BILATERAL RELATIONS IN ECONOMIC SECTOR

More active development of bilateral cooperation is hindered by a number of pending problems in trade and economic relations. In particular, **Ukrainian exporters supplying goods to the Russian Federation often encounter the following obstacles:**

- artificial barriers created for movement of goods, use of tariff and non-tariff restrictions for delivery of products to the Russian market;
- much time and funds needed to get certificates of compliance for Ukrainian goods in Russia;
- unfair competition on the part of Russian manufacturers and importers importing goods from outside the CIS;
- overstated transport fares.

Mutual losses are also caused by **non-coordination of activity on markets of third countries**, especially at export of competing goods (metal products, grain, defence industry products, etc.).

The sides **lack constructivism at solution of disputable issues** arising because of:

- framework nature of many executed economic agreements and absence of effective mechanisms of their implementation;

⁶ Noteworthy, such similarity of the business practices and market relations is not always good and advantageous for national interests of the parties, as it conserves the existing problems: optionality of performance of contracts, unfair competition, tax evasion, grey economy, corruption, etc.



- preoccupation with own problems, disregarding the interests and restrictions of the counterparty;
- insufficient economic calculation of the effects of some decisions (especially long-term).

The situation is further aggravated by the low awareness of businessmen about the specifics of norms and rules applied by the authorities of both states within their jurisdictions, and shortage of structures that can give them qualified advice and assistance.

Those problems might be gradually solved with the development of cooperative ties, creation of joint ventures and industrial-financial groups. However, the problem lies in the **absence of an adequate regulatory-legal framework regimenting the procedure of cooperation among business entities** and prescribing mechanisms of regulation of bilateral cooperation on the level of business entities and settlements among them.

Furthermore, mutually advantageous cooperation is hindered by lack of funds allocated by states to its promotion, and inadequate information of business entities about the opportunities for cooperation under intergovernmental protocols of production cooperation.

Noteworthy, the share of product deliveries for production cooperation in the recent years has been small – not more than 2% of the total Ukraine-Russian trade.

At the fourth meeting of the Committee for Economic Cooperation of the Russia-Ukraine Interstate Commission (April 29, 2009) the parties agreed to sign the Protocol between the Government of the Russian Federation and the Cabinet of Ministers of Ukraine on deliveries of goods for production cooperation in 2009.

Approaches of the Russian Federation to settlement of trade disputes remain tough and uncompromising.

The main obstacles for growth of Ukrainian exports include tariff and non-tariff restrictions (quotas, sanitary, veterinary standards), antidumping investigations.

This was especially vividly demonstrated by the imposition of a ban on delivery of Ukrainian livestock products to Russia in January 2006. The restrictions hit mainly manufacturers of dairy products (butter, cheese, cream), 90% exported to the Russian market.

Interestingly, by contrast to meat products, where breaches (unauthorised re-export, forgery of certificates, etc.) were recognised by the Ukrainian side, the Russian side lodged no complaints about the Ukrainian dairy products till the imposition of restrictions. Moreover, before the ban, imports of Ukrainian milk and cream were steadily rising.

On August 15, 2008, the Russian Federal Service for Sanitary and Phyto-Sanitary Supervision banned import

of dry milk originating from Ukraine to Russia under the pretext of non-compliance with phytosanitary norms, and again reduced the number of Ukrainian suppliers of cheese.

Noteworthy, a selective inspection of a number of Ukrainian dairy factories conducted in 2008 by the European Union experts also revealed non-compliance of produced cheese with the EU norms, but there were no complaints about dry milk quality.

As of the end of March 2009, 27 Ukrainian enterprises were allowed to export livestock products to Russia, including 14 meat-processing and 13 dairy factories.

Analysis of the practice of application of restrictive measures against Ukrainian products also reveals a **desire of the Russian Federation to limit presence of Ukrainian goods on the Russian market.**

For instance, currently, the Russian Federation has introduced and applies:

antidumping measures against Ukrainian casing pipes (protective duty - 11.4%) and engineering fasteners manufactured by Druzhkivka Metalware Plant;

special measures against large-diameter pipes (special duty – 8%) and fibreglass mesh (special duty – 14.2%).

Antidumping investigation is underway regarding polyamide technical thread originating from Ukraine, **special investigation** – regarding stainless pipes.

Meanwhile, Ukraine introduced and maintains final **antidumping duties on Russian products**: fibreboards (31.58%), asbestos cement corrugated plates (21.8%), abrasive tools (34.6%), ammonium nitrate (from 9.76% to 11.91%), point switches (59.4%).

Specific of restrictive measures used by the Russian side in mutual trade is their clear focus on the most vulnerable sectors of the Ukrainian economy and neglect of agreements of use of protective measures inflicting minimal damage to bilateral trade, as envisaged by Article 3 of the 1993 Free Trade Agreement.

At that, the Russian side is aware that the **Ukrainian economy is more dependent on the Russian market than the Russian economy – on the Ukrainian, and therefore, more vulnerable to the imposed restrictions.** Also in the recent years, **Russia used restrictive measures in mutual trade for political goals.**

For instance, on September 1, 2008, Vice Premiere of the Russian Federation I.Shuvalov instructed concerned Russian ministries and agencies to work out mechanisms for protection of the Russian economy from goods supplied from Ukraine.

Moreover, the Russian media actively discussed allegations about possible cancellation or toughening of the free trade regime with Ukraine by the Russian Federation.



Although officially, it was associated with Ukraine's accession to the WTO, it may be suggested that the true reason for such intentions laid in deterioration of Ukraine's relations with the Russian Federation because of the military conflict in the Caucasus.

Bilateral cooperation on the interdepartmental level faced numerous problems.

For instance, implementation of joint projects in aircraft building was suspended. Despite mutual admission of the utility of joint implementation of An-70, An-140, An-148 airplane projects, the parties failed to come to terms regarding the possible forms of cooperation.

Prioritising modernisation of Il-76 airplane, Russia in fact froze An-70 project and did not fully perform commitments of its funding⁷.

In the hi-tech sector, the Russian Federation toughens access of Ukrainian enterprises to participation in Russian projects (in the space sector) and limits access of Ukrainian designs to the Russian market (modern NPP control systems, An-140 and An-148 aircraft).

On one hand, this reveals the general trend of Russia's scientific-technological policy towards utmost independence in sensitive for the national security sectors, but on the other – those facts may be interpreted as a biased attitude to Ukraine.

Of late, Russia has actively pushed joint projects in the aerospace sector with the USA, France and other EU states. Russia started projects of development of MS-21 medium-range airplane and MTA multipurpose transport airplane.

Noteworthy, the Federal Target Programme "Development of Russian Civil Aviation Equipment in 2002-2010 and through 2015" does not contain a single Ukrainian-Russian project.

While declaring interest in cooperation with Ukraine, the Russian Federation, having established control over Ukraine's "Luhanskteplovoz", pushes talks with Western companies to solve the problem of deficit of the rolling stock at railways.

The Russian side links Ukraine's initiative of a free trade area without exemptions and exceptions with a political decision of Ukraine's subsequent accession to the Customs Union, which is contrary to the course of European integration provided by the Ukrainian legislation.

2.5. PROSPECTS AND LINES OF COOPERATION

In such conditions, the prospects of further development of Ukraine-Russia trade and economic cooperation will greatly depend on the parties' ability to provide for:

- creation of favourable conditions and removal of artificial obstacles hindering the development of mutually advantageous ties;

- promotion of restoration of mutually advantageous cooperative ties on market principles and coordination of actions for protection of national manufacturers and domestic markets from unfair competition on the part of third countries;
- coordination of the parties' actions on markets of third countries to avoid mutual competition, and positions in cooperation with international financial and economic structures and organisations.

For that, the parties should first of all concentrate efforts on the solution of the following tasks:

1. Perfection and simplification of the regulatory-legal framework and mechanisms of economic and foreign trade regulation, first of all, in the fields of taxation of foreign economic operations, pricing, customs, financial, tariff policy, etc.

At that, Ukraine's interests require obligatory consideration of the following principles:

- compliance of mechanisms of regulation of bilateral trade and economic relations with the Russian Federation with the principles working in the European countries;
- simplification of the procedure of certification of goods and quotas on imports in mutual trade;
- approximation of customs and transport fares.

2. Full-scale application of the intergovernmental Agreement of Free Trade between Ukraine and the Russian Federation and multilateral Agreement of the Free Trade Area of the CIS member states. At that, Ukraine's interests envisage:

- observance of the intergovernmental Memorandum of principles on non-use of special measures against imports of goods originating from customs territories of the parties, signed on October 4, 2001;
- development of a mechanism of removal of technical barriers and other restrictions of a similar nature hindering the development of mutual trade;
- continuation of the practice of mutual consultations on market protection means for diminution of possible negative effects for mutual trade;
- resumption of full-scale delivery of Ukrainian meat and dairy products;
- consultations on the state and prospects of bilateral trade in sugar, and on regulation of deliveries of Ukrainian treacle;
- continuation of simplification and unification of national laws.

3. Development of mechanisms of implementation of signed bilateral and multilateral agreements and contracts in the economic sector, first of all, in the field of investment and production-technological cooperation.

⁷ Some aircraft systems and alloys are produced in the Russian Federation, wings – by Tashkent Chkalov Aviation Production Association, entirely controlled by Russia.



As we noted above, the main obstacles for the development of mutually advantageous investment and production-technological cooperation between Ukrainian and Russian business entities ensue from the absence of effective mechanisms and favourable conditions for: implementation of multilateral and bilateral agreements of production cooperation and mutual cooperative deliveries; creation of transnational financial-industrial groups; pursuance of a coordinated structural policy, maintenance of enterprise specialisation; encouragement and mutual protection of investments, etc.

Development of cooperative ties is hindered by trade barriers, absence of effective and transparent mechanisms of cooperation, including sharing of end results of joint activity. **In such conditions, the parties should concentrate on:**

- removal of trade barriers for product deliveries for production cooperation;
- provision of favourable conditions for interaction of enterprises interested in establishment of mutually advantageous cooperative ties, including at construction of facilities in third countries;
- removal of obstacles and simplification of procedures of establishment of Ukraine-Russian joint ventures and transnational financial-industrial groups, first of all, among formerly technologically interdependent enterprises;
- incentives for participants of joint ventures and transnational financial-industrial groups commencing production of new types of products and goods that can reduce dependence of the parties on imports of strategic and hi-tech goods from third countries.

Given the European integration course, it makes sense to employ representatives of the Western states at creation of Ukraine-Russian joint ventures and transnational financial-industrial groups planning production of finished goods in Ukraine for further delivery to the Russian market. At that, the parties' responsibilities might be divided as follows: initial capital and technologies – Western investors, production – technologically related Ukrainian and Russian enterprises, promotion of sales on the Russian market – Russian structure.

4. Implementation of joint activities and projects envisaged by the Programme of economic cooperation of Ukraine and the Russian Federation in 2006-2010

The main problem lies in the lack of funds for implementation of the projects envisaged by the Programme. In such conditions, concentration of the parties on creation of favourable conditions for practical implementation of joint projects, especially of the national importance, acquires particular significance. First of all, this means identification of problems hindering implementation of the Programme and assistance at their solution, including through the use of effective incentives for non-state structures involved in joint projects. Such incentives might include, in particular:

- tax exemptions for enterprises involved in implementation of joint projects envisaged by the Programme;
- preferences for foreign investors already working in Ukraine and the Russian Federation and agreed to reinvest obtained profit in implementation of the Programme projects.

5. Development of scientific-technological cooperation

Ukraine prioritises cooperation in the field of missile and space technology, aircraft building, nuclear energy, radio electronics, ferrous, non-ferrous and special metallurgy, metal processing, advanced materials, agriculture, food industry, resource and energy saving science-intensive technologies, environmental protection.

To enhance the effectiveness of cooperation in science and technology, efforts should be concentrated on creation of common innovative infrastructure, e.g., common innovative-industrial complexes, and perfection of economic and financial mechanisms of innovative activity.

At preparation of an interstate agreement of partnership and cooperation in the field of nuclear energy, it is expedient to work out proposals of participation of Ukrainian scientific research institutions and production associations in development, jointly with Russia, of safe nuclear reactors of the new generation for renovation and further expansion of the base of nuclear energy in Ukraine.

A separate task is to ensure compatibility of software, an automated decision-making system, elements of engineering activity at design of the partner's nuclear units.

Cooperation in the development of technologies of safe disposal of spent nuclear fuel and radioactive waste, design and construction of a storage facility for such materials in the Chornobyl zone should also be a priority for the parties.

Development of scientific-technological ties between Ukraine and Russia also requires proper legal conditions and perfection of the legislative framework in the field of scientific-technological safety, protection of copyrights and intellectual property.

Given the differences in the legislation of the Russian Federation and Ukraine in the issues of ownership of intellectual property rights, to implement joint projects on the basis of licensing agreements between business entities of the parties.

To consider the possibility of creation in Ukraine (Kharkiv) of a Russian-Ukrainian joint venture producing navigational aids and instruments for navigation-information systems.

6. Development of inter-regional and transborder cooperation

To provide for implementation of the Programme of Inter-Regional and Transborder Cooperation between Ukraine and Russia till 2010 and the Plan of measures at its implementation, to envisage a mechanism of their funding and effective control of their performance.

3. RELATIONS OF UKRAINE AND RUSSIA IN THE ENERGY SECTOR

Ukraine-Russia relations in the energy sector have always been sensitive. Since the January 2006 gas crisis, they have become sensitive for the EU, too. There is a vast body of contracts in bilateral relations. However, performance of those contracts is highly selective.

The main intergovernmental contract in the gas sector is the Agreement between the Government of Ukraine and the Government of the Russian Federation on export of Russian natural gas to Ukraine and its transit across the territory of Ukraine to European countries of January 18, 1994; the basic agreement regimenting Ukraine-Russia relations in the oil sector is the Agreement between the Government of Ukraine and the Government of the Russian Federation on conditions of delivery of oil and petroleum products and their transportation across the territory of Ukraine of February 18, 1994.

The level of international agreements ensures some transparency in relations, since according to Article 21 of the Law of Ukraine "On International Treaties", they must be published. This gives the public access to the text of such agreements and, respectively, financial-economic indicators of cooperation contained therein. However, since the second half of the current decade, the situation has changed fundamentally. Annual intergovernmental protocols for 2006-2008 were not signed, and relations in the field of transit of natural gas across the territory of Ukraine and its deliveries to Ukraine were regulated only on the level of business entities ("Gazprom" OJSC, "Naftogaz of Ukraine" NJSC, "Ukrgezenergo" CJSC, "RosUkrEnergo" company). This reduced the transparency of Ukraine-Russia relations in the oil and gas sector, since contracts between business entities are not published.

But the lack of transparency defaces the true picture. As a result, one cannot make the diagnosis and cure diseases in bilateral relations.

3.1. CURRENT STAGE OF COOPERATION

The trend towards deterioration of bilateral relations in the energy sector became evident after the approval of Russia's Energy Strategy through 2020 in August 2003, whose Preamble expressly says: "Russia possesses significant reserves of energy resources and a powerful fuel and energy sector, being the basis of development of economy, **a tool of pursuance of home and foreign policy**"¹ (bold type – *Ed.*). Growth of oil prices on the world markets and monopoly of deliveries give rise to the temptation to use energy resources supplied from the Russian Federation to the CIS states as a tool for attainment of goals lying far beyond trade operations. It is not accidental that that timeframe evidently revealed trends previously not found in Russian trade in energy resources:

- limitation of gas deliveries to Belarus in February 2004;
- reduction of gas deliveries to Ukraine at the juncture of 2005-2006;

- limitation of oil deliveries to Belarus in January 2007;
- reduction of gas deliveries to Ukraine in March 2008;
- cut of gas deliveries to Ukraine and EU in January 2009.

As one may see from Table "Dynamic of oil and gas prices", the desire of the Russian gas monopolist to boost its profit at any cost brought about growth of the price of gas supplied to Ukraine at a much higher rate than to the EU countries. And now, as the prices on the European market went down, "Gazprom" makes up for the decline in revenues in Europe at the expense of Ukraine and the CIS. As a result, it is losing the Ukrainian market because of too high prices. Hunt for European profits, starting from 2006, when the gas price on the European market exceeded that in the US (where gas prices traditionally had been higher than in the EU), in the end result leads to contraction of the market. And political risks associated with "Gazprom's" behaviour prompt consumers to reduce, as far as possible, politicised and

¹ Energy Strategy of Russia through 2020 – Web site of the Russian Gas Society; <http://www.gazo.ru/dokumenty/es/index.khtml>

Dynamic of oil and gas prices

Year	Average price of oil (Brent) on the European market*		Average price of Russian gas exported to the EU**		Price of gas delivered to Ukraine	
	\$/barrel	%, growth (+/-) to the previous year	\$/1 000 m ³	%, growth (+/-) to the previous year	\$/1 000 m ³	%, growth (+/-) to the previous year
2005	54.57	42.6	190.0	40.0	50.0	0.0
2006	65.16	19.4	260.7	37.2	95.0	90.0
2007	72.44	11.2	272.8	4.6	130.0	36.8
2008	96.94	33.8	471.9	72.9	179.5	38.3
2009***	44.43	-54.2	380****	-19.5	360.0	+100.5

* Oil prices: U.S. Energy Information Administration – <http://tonto.eia.doe.gov/dnav/pet/hist/rbrteA.htm>

** Russian gas prices: Official web site of "Gazprom" OJSC, www.gazprom.ru

*** 2009 – only in the I quarter.

**** Estimate by East European Gas Analysis – <http://www.eegas.com/Report-IFRS-2008r.htm>

unstable gas imports from Russia. The same is proven by the current statistics: gas consumption in the EU in January-February, 2009, fell by only 2.4% – while "Gazprom's" exports in the 1st quarter fell by 39%². The situation for Ukraine is no better, since reduction of consumption of Russian gas in the EU means reduction of transit and revenues of "Naftogaz of Ukraine", against growing expenses.

One good development in bilateral gas relations was that the parties refused from the scheme employing a non-transparent mediator draining financial flows abroad.

Meanwhile, signing of a package of gas agreements for a 10-year period in January 2009, did not remove tension in relations between the two countries. The reason lies in the asymmetry of obligations and capabilities of the parties. "Gazprom" reached the European level of prices in relations with "Naftogaz of Ukraine", retaining for itself the previous level of gas transit rates. Over the contract validity term, "Naftogaz of Ukraine" will face a threat of serious penalties for underconsumption of gas – while "Gazprom" bears no responsibility for undersupply of gas for transit. Furthermore, Ukraine is prohibited to re-export gas. Meanwhile, "Gazprom" obtained from Ukraine a colossal preference – ability for its 100% subsidiary to work on the domestic market. Such asymmetry is in fact discriminatory and inconsistent with partner principles.

3.1.1. Stereotypes of gas relations

"Since the breakup of the Soviet Union and till the present time, Russia has subsidised countries of the former Soviet Union by market prices of gas. The amount of those subsidies consists of the difference between the European price of gas and the below-market price set by "Gazprom" for consumers in those countries" – it is an extract from "Gazprom's" presentation called to illustrate subsidising of Ukraine's economy by the Russian monopoly at the expense of low gas prices³. According to official

"Gazprom" information, in 1994-2007, subsidies for Ukraine totalled \$34.23 billion. Meanwhile, in the heat of the gas crisis, Premiere V.Putin spoke of \$47 billion, which proves the manipulative character of those data. In reality, such "subsidising" was highly profitable for the Russian Federation, since it was accompanied with counter-subsidising – low transit rate and nominal rate of gas storage in underground gas storages. Even the present rate of gas storage makes, according to some estimates, only 4% of the European level⁴, being an unprecedented preference of Ukraine for Russian gas export, contrary to the WTO principles.

Another thesis – of "theft" of gas – is nothing but a propaganda move. The history of the Ukraine-Russia gas relations does not know a single **legal evidence** of those allegations. Moreover, there was only one known precedent when "Gazprom" officially went to court to prove a fact of "theft". It was Case No.185/2000 in the International Commercial Arbitration Court at the Chamber of Commerce and Industry of the Russian Federation (Moscow) in "Gazprom's" suit against "Naftogaz of Ukraine" NJSC for alleged unauthorised



² Discount not offered. – "Vedomosti" Internet publication, May 18, 2009, <http://www.vedomosti.ru/newspaper/article.shtml?2009/05/18/195950>

³ Sergei Komlev "Is "Gazprom" a Threat to European Energy Security. Myths, Assertions and Facts". – Presentation, Bratislava, (October 27, 2008), slide 10.

⁴ Gas price for Ukraine and future problems. – Web site East European Gas Analysis, <http://www.eegas.com/ukr090120r.htm>

siphoning of gas on the territory of Ukraine. On May 30, 2001, the court dismissed the suit on the ground that the contract between “Naftogaz” and “Gazprom” contained an article regimenting above-contract recovery of gas, which legally could not be viewed as unauthorised recovery (theft). During the latest gas crisis “Gazprom”, speculating on the thesis of “theft” of gas on the territory of Ukraine, tried to present use of fuel gas as a fact of theft. This was not confirmed by an international monitoring group. It is high time to give up such approaches. They are of use to no one – neither Russia nor Ukraine. And the EU develops a reserved attitude to both states whose non-transparent relations in the gas sector are seen as a challenge to the EU. It does not matter who is to blame – Russia or Ukraine. Brussels identifies it as a “problem of deliveries from the East”.

3.1.2. Ukraine’s transit role

The Russian Federation is trying to nullify the transit role of the Ukrainian GTS for delivery of Russian gas to the EU. In fact it tries to build a system of gas pipelines by its capacity equal to the present Ukrainian. Such an objective may be set, but its implementation is highly improbable, since “Gazprom” does not have the required technological and financial potential. Even if we hypothetically assume that the “Nord Stream” and “South Stream” projects are implemented and Russia can meet growing needs of the EU in natural gas, even in that case Ukraine’s role of a transit link will persist. The transit role of the Ukrainian GTS may be reduced only in three cases:

- **“Crisis of deliveries”** – collapse of gas extraction in Russia (old deposits of West Siberia are exhausted, Yamal and Shtokmanovskoe projects are not developed, despite much ado, as in 1990s);
- **“Refusal from imports”** – refusal of the EU to increase gas imports from Russia or even their reduction, replacement of gas piped from the Russian Federation with liquefied natural gas from other countries;
- **“More pipes than gas”** – construction by the Russian Federation of “Nord Stream” jointly with Germany, and “South Stream” – with Italy, in the conditions of decline of gas extraction in Siberia, as Russia will have more pipeline capacities than gas for transportation.

3.1.3. Relations in the oil sector

Compared to the much publicised events in the gas sector, oil relations receded into the background. They, however, have bottlenecks of their own. Reverse operation of the Odesa-Brody oil pipeline did not increase oil transit via Ukraine, although this argument was used by Russian companies in discussions of 2003-2004. Oil flows were just redistributed, that is, the reverse route absorbed the flows previously piped by the Dnieper oil pipelines system. Russian suppliers can save through the reverse use of the Odesa-Brody pipeline only in case of dumping rates of “Ukrtransnafta”.

The jump of transit in 2007 was an exception caused by the unprecedented (almost 50%) reduction of the transit rate and cost of handling services at Pivdennyi terminal, proving that reverse means not additional volumes of oil, but those redistributed from another transit line (Table “*Volumes of transit via Ukraine’s oil transportation system*”).

Volumes of transit via Ukraine’s oil transportation system, million tons/year					
2003	2004	2005	2006	2007	2008
33.2	32.4	31.3	33.2	39.7	32.8

Since 2005, Ukrainian proposals of interaction within the framework of the Odesa-Brody project, **customarily** seen as a threat for Russian oil in Europe, are waiting for a response. For example, it proposed transportation of **additional** 9 million tons of Russian crude by a shorter and more economic for Russian oil companies route Samara-Kremenchuk-Pivdennyi instead of the reverse route Samara-Unecha-Mozyr-Brody-Pivdennyi. Furthermore, **routes offered with commissioning of the Odesa-Brody pipeline would give Russian companies access to South German and Austrian refineries, if the Russian Federation opts to transport low-sulphur Russian oil shipped from Tuapse.**

3.1.4. Relations in the nuclear sector

If relations in the nuclear sector employ a model similar to the gas sector, nothing good will go out of that. Russia painfully reacts to the Ukraine-U.S. cooperation in that sector, seeing a political dimension there, although Ukraine demonstrates first of all commercial approaches intended to create a competitive environment and improve the pricing policy of partners supplying nuclear fuel on a long-term basis. If the parties manage to sign a long-term agreement of delivery of fuel resting on mutual respect of interests rather than an attempt to preserve the supplier’s monopoly, this will bring real progress.





Russia has already got a new preference from Ukraine, since a Russian contractor will build two new power units at Khmelnytskyi NPP. But Ukraine is interested in creation of its own incomplete nuclear fuel production cycle. Proposals of the Russian side in that sector pursue conservation of the present state of affairs – domination of “TVEL” company. What is good about the U.S. proposals is that they pursue, in the end result, mainly self-sufficiency of nuclear fuel for Ukrainian NPPs. At that, the US proposals are not aimed at full exclusion of cooperation with Russia – while the Russian ones clearly demonstrate a desire to isolate Ukraine from cooperation with the USA and EU in that sector.

3.2. PROSPECTS AND LINES OF COOPERATION

According to reports, Russian President D. Medvedev on a visit to Finland proposed a draft of the new Energy Charter. Among other things, it presumed creation of a new system of legal acts in the energy sector. According to the project authors, it should be:

- universal (applicable to relations between any states);
- open (accessible for third countries);
- all-embracing (covering all sides of interaction in the energy sector);
- equal and non-discriminatory (without disparities to the benefit of separate categories of participants);
- not contrary to existing obligations under other international documents;
- effective (to include a workable joint mechanism of implementation)⁵.

Those provisions may be called guiding, first of all, for Russia itself. It is important that declaring such approaches, the Russian Federation itself begin to respect them. Otherwise it will look as a policy of dual standards, where everybody plays by commonly accepted rules, and Russia – with the rules.

With account of the consequences of the gas crisis for Russia, Ukraine and the EU, and to avoid similar situations

in the future, the parties should propose a European Energy Transparency Initiative – to provide transparency of the entire production string “extraction – transportation – consumption”. They should guarantee mutual access of consumers, suppliers and transits to information in all links of the production string, from the well head to the consumer’s flange. The consumer has the right to know how much resources is extracted and pumped to the supplier’s pipeline for transportation, how much goes out of the transit system, how much actually goes to the consumer, as well as the prices, rates, idle pipeline capacities and so on.

It is similarly expedient to initiate creation of an on-line communication system among the control centres of “Gazprom”, “Naftogaz of Ukraine” and European companies (SPP in Slovakia, PGNiG in Poland, MOL in Hungary, “Transgas” in Romania), showing **real time** movement of all gas: admission to the Integral Gas Supply System of the Russian Federation; movement along the main gas pipelines of Russia, Ukraine, Belarus, Moldova; delivery of gas to the EU territory at the concerned gas measuring stations. It will be a test of readiness to work by the rules of transparency for all participants of the production string. This would also be consistent with at least two principles declared by the Russian Federation in the draft of the new Energy Charter:

- transparency of all segments of international energy markets (production/export, transit, consumption/imports);
- creation and perfection of mechanisms of early warning involving suppliers, consumers and transit states⁶.

These and other provisions of the presented draft of the Energy Charter may be discussed only after the Russian Federation completes all procedures under the present European Energy Charter, i.e., its ratification. The true, not declarative good will of Russia would be demonstrated by the refusal from asymmetry in contractual obligations of “Gazprom” and “Naftogaz of Ukraine”. After that, the subject of the gas transportation consortium might be discussed again. Russia’s activity concerning the “South Stream” makes Ukraine once again demand from “Gazprom” additional guarantees and performance of obligations⁷.

⁵ Conceptual approach to the new legal framework of international cooperation in the energy sector (goals and principles). – Official web site of the President of Russia, April 21, 2009, <http://www.kremlin.ru/text/docs/2009/04/215303.shtml>

⁶ See: Conceptual approach to the new legal framework of international cooperation in the energy sector...

⁷ The following should be noted. Clause 60 of Russia’s National Security Strategy says: “The core of the energy security lies in steady satisfaction of demand with sufficient quantities of energy resources of a standard quality, **effective use of energy resources through enhancement of the competitiveness of national manufacturers, avoidance of possible deficit of fuel and energy resources**” (see Strategy of National Security of the Russian Federation through 2020, <http://www.scrf.gov.ru/documents/99.html>).

In this context, access of independent Russian gas producers to foreign markets seems logical, since they show a positive dynamic of gas extraction, by contrast to the stagnant and downward dynamic of “Gazprom”. For instance, “Rosneft” hopes that as soon as in 11 years, its gas production will amount to 55 BCM. In 2008, it extracted 12.5 BCM of gas (see: Gas ambitions of “Rosneft”. – “RBC Daily” Internet publication, May 14, 2009, <http://www.rbcdaily.ru/2009/05/14/tek/414202>).

4. HUMANITARIAN ASPECT OF UKRAINE-RUSSIA RELATIONS

The humanitarian sector of cooperation is related with the national and cultural self-identification of citizens and largely shapes the nature and essence of mutual relations between the countries on all levels.

It should be noted that the problems in that sector have become long-standing. Unfavourable trends towards politicisation of the dialogue on humanitarian problems gained strength. Different interpretations of historic events by the parties caused sharp political-diplomatic conflicts. The subject of satisfaction of national-cultural needs of Ukrainians in Russia and Russians in Ukraine remains disputed.

In the foreign policy, the Russian Federation prioritises protection and promotion of the Russian language beyond the country borders, expansion of the “Russian world”, first of all – in the CIS states. Russia, possessing a strong (incomparable to Ukrainian) information potential, continues to exert pressure on Ukraine in order to strengthen the stand of the Russian language, secure its official status. Language problems are politicised, permanent conflicts are provoked (especially during election campaigns in Ukraine), affecting the overall atmosphere of bilateral relations.

Actions of the parties are often inconsistent with the spirit and letter of the Treaty of Friendship, Cooperation and Partnership, specifying the key principles of humanitarian cooperation¹. Tension in the humanitarian sector leaves an imprint on the relations among citizens of both countries, complicates contacts in the fields of education, science, culture. Evidently, the topical tasks for Kyiv and Moscow now are: (a) de-politicisation of contacts in the humanitarian sector; (b) formation of productive, mutually coordinated approaches to solution of language problems; (c) professionalism of the dialogue on historic subjects; (d) development and introduction of non-conflict, civilised methods of support for ethnic minorities on the territory of both countries; (e) modernisation and expansion of contacts in the fields of science, education, culture.

This section reviews some problem aspects of bilateral cooperation in the humanitarian sector.

4.1. PROBLEM FACTORS OF HUMANITARIAN COOPERATION

Comparison of the present situation with the results of previous surveys conducted by Razumkov Centre in 2000 and 2006 shows the absence of qualitative changes for the better in the field of humanitarian cooperation over the past nine years². Moreover, new problems were added to those “laid up”. By and large, it may be said that the relations in that sector aggravated against the background of general deterioration of bilateral partnership.

Politicisation of the humanitarian sector of cooperation continues. Ethnic, socio-cultural, linguistic, historic problems have appeared in the political discourse and become subject of different speculations and manipulations. That alarming trend is noted by both Ukrainian and Russian experts. Purely cultural joint projects acquire a negative political echo, provoke conflicts involving academic institutions, public organisations, mass media of both countries. This was proven by the third international festival “Great Russian Word” held in Crimea on June 6-12, 2009, that in fact became a scene of political confrontation, a sharp conflict of media representatives of the two countries, saw harsh statements and diplomatic demarches (address of Moscow’s Mayor Yu. Luzhkov to

the festival participants, ban for the Russian State Duma K. Zatulin to take part in the event, etc.)³. *De facto*, the festival is turning into a tool of political lobbying the Russian interests in Ukraine⁴.

Other examples of politicisation of humanitarian projects included the conflicts concerning the Ukrainian library in Moscow, the Russian Cultural Centre in Lviv, etc.

Aggravation of the general political dialogue affected contacts in the humanitarian sector. Now, the format of “postal polemics” about the protection of rights of Ukrainians in Russia and Russians in Ukraine prevails. Participants of the Round-table “Ukraine-Russia: ways of overcoming crisis in relations” in their presentations stressed that mutually harsh wording on the top level affected contacts in the humanitarian sector⁵.

Bilateral cooperation mechanisms are defunct – the Sub-Committee for humanitarian cooperation last met on June 14, 2007. Since then, relevant sub-commissions have not met either.

Tension in the “language issue” does not go down. The Russian side on the political-diplomatic level regularly raises the subject of oppression of rights of the Russian-speaking population, exclusion of Russian-language media from the Ukrainian information space,

¹ Article 12 of the Treaty provides that the parties “ensure protection of ethnic, cultural, language and religious originality of national minorities on their territory... will promote creation of equal opportunities and conditions for study of the Ukrainian language in the Russian Federation and the Russian language in Ukraine”. See: Russia-Ukraine relations 1990-1997. – Moscow, 1998, p.53.

² See: Ukraine and Russia: present state and prospects of mutual relations. Razumkov Centre Analytical Report. – “Politia”, 2001, No.1, pp.92-97; Problems and prospects of Ukraine-Russian cooperation. Razumkov Centre Analytical Report. – “National Security & Defence”, 2006, No.5, pp.22-27.

³ Kiseleva N. Yuri Luzhkov: “Russophobia is imposed in Ukraine as a national idea”. – “Krymskoe Vremya”, June 11, 2009, p.7.

⁴ The festival is conducted with support from the Russian Governmental Commission for Compatriot Affairs.

⁵ Hereinafter – references to presentations by participants of the Round-table “Ukraine-Russia: ways of overcoming crisis in relations” published in this magazine.



forcible Ukrainisation of the national education system in Ukraine. Official Kyiv insists on equal rights for national minorities in both countries, viewing Russian statements as interference in internal affairs. The language problem is extremely politicised, actively used as a means of external pressure and a tool of home political struggle, first of all – during election campaigns.

Approaches to interpretation of some historic events are conceptually different. First of all, it refers to the assessments of the activity of OUN-UPA, the Holodomor of 1932-1933⁶. Those subjects have become a stumbling bloc in the Ukraine-Russia relations, caused a wave of mutual accusations and criticism. A conflict situation arose in connection with the President of Ukraine Decree on celebration of the 350th anniversary of the Battle of Konotop, denounced by Russia's Foreign Ministry⁷. The expert and academic community debate the historic role of Hetman Mazepa, etc.

Participants of the above-mentioned Round-table noted the danger of mythologisation and politicisation of separate historic facts leading to escalation of conflicts in relations, so-called "wars of memory".

As we noted, heads of states exchanges harsh statements related with the events associated with the 75th anniversary of Holodomor in Ukraine. The conflict involved executive bodies of both countries, parliaments, public organisations. The discussion drew the Russian Orthodox Church that supported the position of the "Russian leadership"⁸. In April 2008, the State Duma of the Russian Federation made a statement stressing that "that tragedy does not have and can not have internationally established signs of genocide and should not be a subject of present-day political speculations"⁹.

The subject of the Holodomor found a wide international echo¹⁰. A sharp conflict between Ukrainian and Russian sides arose in October 2008, in connection with the inclusion of the relevant issue in the agenda of the UN General Assembly session¹¹.

There is a deficit of contacts among the artistic intelligentsia, scholars, representatives of expert communities. The dialogue goes on mainly in a critical mode, in the form of exchange of rebukes and accusations. Some Russian experts, public figures, artists took a very critical stand towards Ukraine. In turn, members of the National Council for Culture and Spirituality under the President of Ukraine negatively assessed the trend of statements of the Russian side¹².

In April 2008, participants of the Conference of Academies of Sciences of Higher School of Ukraine adopted an Appeal to their Russian colleagues. It says that "the anti-Ukrainian hysteria unleashed by the Russian

ruling elites already affects the atmosphere of trust and friendship between our peoples. Scientific and innovative projects necessary for the two countries are curtailed"¹³.

In turn, a statement of the Association of Ukrainians of Russia and the Federal National-Cultural Autonomy of Ukrainians in Russia said that "...politicisation of the whole set of issues dealing with the Ukrainian humanitarian sector is observed in Russia. Since 2004, an information war has actually been waged against Ukraine, involving cleansing of the Ukrainian humanitarian space"¹⁴. Unfortunately, the format of contacts on the expert level has been shrinking in the recent years. Joint scientific research projects are occasional and irregular. One of the few exceptions is presented by the activity of the Joint Ukrainian-Russian Commission of Historians that issued a series of publications about the history of the two countries.

Cooperation in the field of education is stalled. Contacts between higher educational establishments of the two countries are irregular and limited. Contractual relations between Ukrainian and Russian educational establishments do not fully meet present-day realities, require revision and modernisation. The scope of student exchanges is below criticism, more than that – there is a trend towards the reduction of the quota of extended grants. In 2005, only 150 grants were extended to Ukrainian students in Russia. However, even that quota was used by 70%¹⁵. For 2008-2009 academic year, the Ministry of Education and Science of the Russian Federation extended to Ukrainian citizens 30 grants for the complete course of study and 3 – for postgraduate study¹⁶.

Implementation of joint scientific-cultural projects faces difficulties. The conduct of the Year of Ukraine in Russia and of Russia in Ukraine (2003-2004) was largely formal and did not fundamentally approve cultural cooperation of the countries. Interdepartmental documents of cooperation and implementation of joint projects (culture, tourism, archives, etc.) signed in the recent years are not fully implemented. The Decision of the Sub-Committee for Humanitarian Cooperation to arrange Days of Education and Science of Ukraine in the Russian Federation in 2008 and Days of Education and Science of the Russian Federation in Ukraine in 2009 remained on paper, since sources of funding were not specified.

Among the reasons obstructing implementation of such projects, one can mention: (a) tension in the humanitarian dialogue and in bilateral relations in general; (b) low effectiveness of interstate cooperation mechanisms; (c) the customary for both countries principle of "residual funding" of measures in that sector; (d) notable deterioration of the socio-economic situation in Ukraine and the Russian Federation.

⁶ President of Ukraine presented to the Verkhovna Rada for consideration the Bill "On the Holodomor of 1932-1933 in Ukraine", terming the Holodomor as genocide of the Ukrainian people. On November 28, 2008, the Verkhovna Rada passed that Law. That decision met a negative reaction of the Russian side.

⁷ Comment by Russia's Foreign Ministry Information and Press Department in connection with the question of Russian media of plans of celebration of the 350th anniversary of the Battle of Konotop in Ukraine. – Official web site of Russia's Foreign Ministry, <http://www.mid.ru>

⁸ ROC stands against attempts to call Holodomor genocide but called to condemn actions of Bolsheviks that led to it. – Interfax, November 18, 2008.

⁹ State Duma refused to recognise Holodomor as genocide. – "Ekspert-Tsentr" Internet publication, April 2, 2008, <http://www.expert.org.ua>

¹⁰ Relevant statements were passed by UNESCO, OSCE, EU.

¹¹ Russia prevents Ukraine from submission of issue of Holodomor to UN General Assembly for consideration "by pressure and blackmail". – UNIAN, October 24, 2008.

¹² Yushchenko's National Council: more cases of anti-Ukrainian rhetoric in Russia. – "Podrobnosti" Internet publication, June 20, 2008, <http://podrobnosti.ua>

¹³ Ukrainian scholars call upon Russian colleagues to stop "anti-Ukrainian hysteria" in Russia. – UNIAN, April 21, 2009. Conference of Academies of Sciences of Higher School of Ukraine – a public organisation uniting more than 250 leading scholars working at higher educational establishments of Ukraine and other countries of the world, including the Russian Federation.

¹⁴ Russian Federation hinders development of Ukrainian culture and education, Association of Ukrainians of Russia says. – UNIAN, May 6, 2009.

¹⁵ Mainly because of remoteness of offered higher educational establishments, unattractive specialities. See: Draft Concept of Relations between the Russian Federation and Ukraine in Inter-Parliamentary Sector. – Moscow, 2006, p.59.

¹⁶ Ministry of Education and Science of Ukraine in that timeframe gave 80 citizens of the Russian Federation an opportunity to study at Ukrainian higher educational establishments and 3 vacancies for postgraduate studies.

4.2. LANGUAGE PROBLEM IN BILATERAL RELATIONS

In the “problem agenda” of humanitarian cooperation, one should particularly mention the language issue, being a long-standing irritant in the relations between Kyiv and Moscow.

The Russian Federation exerts influence on Ukraine in the context of implementation of the Russia idea of expansion of the “Russian world” – a common humanitarian space, first of all, in the CIS countries. The National Security Strategy of the Russian Federation through 2020 says that national security in the field of culture in the middle and long run shall be provided, in particular, through “...development of a common humanitarian and information-telecommunication space in the CIS member states and in the neighbouring regions”¹⁷.

Russia actively promotes strengthening of the common humanitarian basis in the Eurasian space using the Commonwealth structures. Slavic universities operate in a number of states, the Forum of Artistic and Scientific Intelligentsia of CIS member states has been active since 2006. World Congresses of Russian press are held regularly¹⁸.

The thesis of expansion of the “Russian world” is present in the new Concept of Foreign Policy of the Russian Federation, viewing “the multimillion Russian Diaspora – the Russian world – as a partner, including for expansion and strengthening of the space of the Russian language and culture”. The document set the task “to encourage study and spread of the Russian language as an integral part of the world culture and a tool of inter-ethnic communication”¹⁹.

Noteworthy, the “linguistic expansion” of the Russian Federation pursues, among other things, legal establishment of the status of the Russian language in the post-Soviet space. Russian Foreign Minister S.Lavrov said at the II Assembly of the “Russian world” (November 2008): “We provide support for the Russian language, first of all, in the post-Soviet space, take steps for formalisation of the regulatory-legal fundamentals in support for its stand in the former Soviet republics”²⁰.

Support for the Russian culture in Ukraine, protection of rights of compatriots, expansion of the sphere of influence of the Russian language are components of the Russian policy in Ukraine. (Although the language policy evidently lies within the competence of Ukraine and *de jure* is not a subject of bilateral discussion).

Official Kyiv views the subject of “oppression of the Russian-speaking population” as cooked up, not meeting the actual state of affairs, and some statements

of the Russian Federation – as interference in its internal affairs²¹. A statement of Ukraine’s Foreign Ministry Press Service (January 10, 2008) said that the Russian side was trying to “artificially aggravate the language issue in this country. Evidently, that campaign is intended to disorient the international community... to bring an element of instability to inter-ethnic relations in Ukraine”²².

Unfortunately, the language problem has become long-standing, is extremely politicised and presents a source of permanent confrontation on the official level. In the recent years, a number of conflict situations arose that aggravated bilateral relations. The Russian side extremely negatively met the adoption of the Code of Civil Procedure of Ukraine and the Code of Administrative Procedure of Ukraine in September 2005, demanding conduct of legal proceedings only in the official language²³. Russian support for decisions of some local councils to grant Russian the status of a regional language provoked an acute diplomatic conflict. Moscow negatively met the Constitutional Court of Ukraine verdict concerning dubbing of foreign feature films, terming it as “unwillingness of the Ukrainian authorities to fairly fulfil their international commitments”²⁴.

Another rise of tension in the humanitarian sector was caused by the decision of the National Council for Television and Radio Broadcasting of Ukraine (October 2008) to bring transmission of foreign programmes in compliance with national legislation norms. The Russian side made harsh statements about exclusion of Russian-language products from the Ukrainian air²⁵.

Official statements of Russia’s Foreign Ministry concerning Ukraine steadily mention the language problem, in one or another form. The stand of the Russian Federation in the language issue is shared within Ukraine by a number of pro-Russian organisations, now initiating the process of unification (in October 2008, the All-Ukrainian Coordinating Council of Ukrainian Organisations of Russian Compatriots was set up, that united 70 pro-Russian organisations²⁶). The idea of official bilingualism is supported by some political forces. This was said, in particular, by the leader of the Party of Regions V.Yanukovich²⁷. It may be expected that the issue of the Russian language will become subject of all kind of speculations at the forthcoming presidential elections in Ukraine.

The language problems should be viewed in the general context of effective and full satisfaction of cultural-national needs of Ukrainians in Russia and Russians in Ukraine on the basis of bilateral agreements, with account of the existing European and world standards, including the European Charter for Regional or Minority languages²⁸. The language problem should not be a tool of political pressure, subject of manipulations and means of political confrontation at home.

¹⁷ National Security Strategy of the Russian Federation through 2020. – Web site of Security Council of the Russian Federation, <http://www.scrf.gov.ru/documents/99.html>

¹⁸ Now, the Russian language and Russian culture are promoted abroad by 50 Russian centres of science and culture and 26 representative offices of “Roszarubezhcentr”.

¹⁹ Concept of Foreign Policy of the Russian Federation. – Official web site of Russia’s Foreign Ministry, <http://www.mid.ru>

²⁰ Protection and promotion of the Russian language is a priority task of Russia’s Foreign Ministry – Lavrov. – UNIAN, November 3, 2008.

²¹ The Constitution of Ukraine guarantees free development, use and protection of the Russian language, other languages of national minorities.

²² Statement of Ukraine’s Foreign Ministry Press Service of January 10, 2008. – Official web site of Ukraine’s Foreign Ministry, <http://www.mfa.gov.ua>

²³ The comment of the Information and Press Department of Russia’s Foreign Ministry of September 6, 2005, noted that “transfer of Ukrainian legal proceedings solely to the official language suppresses rights of almost 20 million Russian-speaking citizens of Ukraine... That decision seems to be in the tideway of improper campaign around the Russian language in Ukraine...”. – Official web site of Russia’s Foreign Ministry.

²⁴ Decision of Kyiv to dub feature films, including Russian, in the Ukrainian language, reveals neglect of international commitments by Ukraine – Russia’s Foreign Ministry. – Interfax, January 10, 2008.

²⁵ Russian Foreign Ministry concerned about Russian channels cut off in Ukraine – Karasin. – UNIAN, October 31, 2008.

²⁶ Lavrov hails creation of All-Ukrainian Coordinating Council of Ukrainian Organisations of Russian Compatriots. – UNIAN, October 31, 2008.

²⁷ Yanukovich promises to make Russian the second official language if Party of Regions gets majority in Parliament. – Interfax-Ukraine, October 16, 2008.

²⁸ In this connection, one should note that the Law “On Ratification of the European Charter for Regional or Minority languages” entered into force in Ukraine on January 1, 2006. However, similar standards do not apply to Ukrainians in Russia. The Russian Federation, having signed the Charter in 2001, never ratified it.



4.3. SATISFACTION OF NATIONAL-CULTURAL NEEDS OF RUSSIANS IN UKRAINE AND UKRAINIANS IN RUSSIA

The bilateral dialogue in the humanitarian sector inevitably concentrates on the problem of satisfaction of national-cultural needs of Ukrainians in Russia and Russians in Ukraine. The subject of conditions for education in the native language for national Diasporas is very hot.

Ukraine has a broad system of Russian-language general educational establishments. It should be admitted, however, that in 2006-2009, their number was decreasing. In that timeframe, the number of state schools teaching in the Russian language declined from 1,411 to 1,199, schools teaching in the Ukrainian and Russian languages – from 2,109 to 1,628. Now, nearly 789 thousand pupils learn at state secondary schools in the Russian language²⁹.

Nevertheless, the situation in the field of education in the Russian language is far from catastrophic, as presented by some representatives of the Russian side. One should keep in mind that ethnic Russians make some 17% of Ukraine's citizens. Respectively, in 2008-2009 academic year, 17.6% of schoolchildren were studying in the Russian language. Despite all difficulties and problems, Ukraine preserved and runs an integral system of education in the Russian language. Russian-language schools dominate in regions of compact settlement of the Russian-speaking population. For instance, in the AR of Crimea, 159,359 schoolchildren study in the Russian language, 12,860 – in the Ukrainian; in Donetsk region, their ratio is 206,704 to 138,982, in Luhansk region – 103,155 to 80,558³⁰.

In the recent years, educational and methodological programmes for Russian-language classes have been developed. 31 Ukrainian higher educational establishments turn out specialists in the Russian language and literature. According to the Ministry of Education and Science of Ukraine, the shares of students studying at higher educational establishments in the Ukrainian and Russian languages made respectively 82.1% and 17.7%³¹.

The situation in Russia is different. Ukrainians (some 3 million) are the third largest ethnic group in Russia (Russians – 80%, Tatars – 4%, Ukrainians – 2%), but there are no Ukrainian-language state secondary schools, including in regions of compact settlement of Ukrainians³². Ukrainian is only studied as a subject in several schools in the Russian Federation. According to the Ministry of Education and Science of the Russian Federation, there are only 8 secondary schools with a Ukrainian cultural component in Russia³³. Secondary school No.124 in Moscow runs the Ukrainian Educational Centre where

Ukrainian language is studied optionally. The Ukrainian language is also studied in hobby groups and Sunday schools in regions with support from Ukrainian public associations.

The problem of teacher training, provision with scientific and methodological materials, training aids remains pressing. Strong protests of Ukrainian organisations in Russia were prompted by a comment of an official representative of Russia's Foreign Ministry A.Nesterenko (April 28, 2009), who explained absence of schools with the Ukrainian language of teaching by the absence of demand, due to the "kinship of East Slavic languages and cultures, a common history (Kyiv Rus, Moscow state, Russian Empire, USSR) and the common Orthodox Christian faith"³⁴.

In the recent years, some Russian higher and academic educational establishments have commenced study of Ukrainian as a foreign language³⁵. In October 2008, the second in Russia Centre of Ukrainian Studies was opened in Rostov-on-Don on the basis of the Southern Federal University³⁶.

Evidently, solution of problems in the field of education requires a balanced, tolerant and, the most importantly, depoliticised approach to effective guarantee of national-cultural rights of the Diasporas.

There are notable differences in the levels of satisfaction of cultural-information needs of Ukrainians in the Russian Federation and Russians in Ukraine. The problem of satisfaction of information needs of Ukrainians in Russia is pressing, balanced, impartial information about the events in Ukraine is deficient. Some participants of the Round-table "Ukraine-Russia: ways of overcoming crisis in relations" noted the biased, critical coverage of the situation in Ukraine by the Russian media.

There is no system of Ukrainian-language media as such in Russia. There are no all-Russian printed publications, TV and radio channels. Some Ukrainian associations (Krasnodar, Tyumen, Samara) supported by local administrations issue Ukrainian-language bulletins (e.g., "Voice of Ukraine in Western Siberia"). However, those publications cannot make up for the deficit of information. Reception of TV and radio programmes from Ukraine is limited. A system of regional Internet sites ("Zelyonyi Klin", "Gorod na Volge", "Kobza", "Soglasie", etc.) is still in the making. The Russian federal authorities do not financially support information and cultural needs of the Ukrainian Diaspora.

Nearly 100 Ukrainian public organisations are now active in Russia. On the federal level, interests of the Ukrainian Diaspora are advocated by the Association of

²⁹ Another 11,690 children learn at Russian-language private educational establishments. See: General educational establishments of Ukraine at the beginning of 2008-2009 academic year. Statistic Bulletin. – State Statistic Committee of Ukraine, Kyiv, 2009, p.59.

³⁰ In Sevastopol, 736 schoolchildren study in the Ukrainian language, 29,010 – in Russian. – Ibid.

³¹ Makhun S. Ukraine embraced by "language balance", or Challenges of tolerance. – "Dzerkalo Tyzhnya", March 31, 2007, <http://www.zn.ua>

³² Ukrainians mainly live in Moscow (253 600), Tyumen region (211,400), Moscow region (147,800), Krasnodar province (131,800), Rostov region (118 500), Primorsky province (94 100), Saint Petersburg (87,100), Voronezh region (73,700), Khanty-Mansi Autonomous Area (123,238). See: Official answer of representative of Russia's Foreign Ministry A.Nesterenko to a media question about humanitarian rights of Ukrainians living in Russia. – Official web site of the Russian Embassy in Ukraine, <http://www.embrus.org.ua>

³³ Komi Republic – 2 schools, Bashkortostan – 5, Tomsk – 1.

³⁴ Answer of representative of Russia's Foreign Ministry A.Nesterenko to a media question about humanitarian rights of Ukrainians living in Russia. – Official web site of the Russian Embassy in Ukraine.

³⁵ Ukrainian language and literature are taught at nine higher educational establishments of the Russian Federation – Moscow State Institute of International Relations, Moscow State Linguistic University, Novosibirsk State Pedagogical Institute, etc.

³⁶ The first such centre was created on the basis of the History Department of Moscow State University. See: Centre of Ukrainian Studies inaugurated in Rostov-on-Don. – UNIAN, October 21, 2008.

Ukrainians of Russia and the Federal National-Cultural Autonomy of Ukrainians of Russia³⁷. Ethnic Russians in Ukraine have rather wide possibilities for the exercise of their rights in the field of culture and information³⁸. Ukraine retransmits most of central Russian TV channels (ORT, NTV, TVTs, etc.). As of 2007, there were 4,348 registered printed media published in the Ukrainian language, and 2,772 – in Russian. Another 3,594 printed media are published both in the Ukrainian and Russian languages³⁹.

Cultural needs of ethnic Russians are also satisfied via the library system. Many libraries have departments of literature in the Russian language, their stocks contain over 60 million books, booklets, magazines. In most regions of Ukraine, the library stock is more than 50% made up of books and booklets in the Russian language, and in Crimea and Sevastopol, actually all books in libraries are in the Russian language (respectively, 87.1% and 96.4% of the total stock).

State theatres of Russian drama are active in many Ukrainian cities. 90 theatrical studios and 3 puppet theatres have a Russian-language repertoire. Another 25 theatrical studios perform in two languages – Russian and Ukrainian.

Ethno-cultural interests of the Russian Diaspora in Ukraine are represented by nearly 100 public associations. Four of them have an all-Ukrainian status: Society of Russian Culture “Rus”, National Cultural-Educational Society “Russian Assembly”, public organisations “Russian Movement of Ukraine” and “Russian Community of Ukraine”.

Evidently, a number of problems in the field of satisfaction of national-cultural rights of Ukrainians in Russia and Russians in Ukraine (including some disparity in the satisfaction of cultural-information needs of the Diasporas) require balanced and coordinated efforts of the parties, development of pragmatic and mutually acceptable approaches to the solution of those issues.

4.4. INFORMATION BACKGROUND FOR COOPERATION IN HUMANITARIAN SECTOR

The critical tone of official contacts shapes the generally unfavourable atmosphere of mutual relations, affects cooperation in the humanitarian sector. The parties' dialogue on humanitarian problems is steadily critical, with regular accusative statements, harsh official comments. Exchange of notes between Foreign Ministries and special presidential messages have become a usual thing⁴⁰.

Claims of the Russian side are summed up in a message of the Russian President V.Putin to President V.Yushchenko (December 18, 2007). The document said that “...exactly in that domain (humanitarian – *Ed.*) we, unfortunately, recently have had serious differences”, and unfriendly steps of the Ukrainian side clouded the atmosphere of mutual relations. The message contained the list of accusations of the Ukrainian side: (a) “peculiar” interpretation of events of the common history; (b) “glorification” of military criminals who collaborated with the Nazis; (c) a “war” against historic monuments and graves of Soviet soldiers

in some regions; (d) growing discrimination of the Russian language; (e) activity designed to split the Ukrainian Orthodox church⁴¹.

Those theses were duplicated in a number of subsequent statements of the Russia's Foreign Ministry, replicated by the media and shaped the Russian stand in the humanitarian dialogue with Ukraine.

Over the recent years, the information background for humanitarian cooperation has been worsening in connection with permanent conflicts. Tension in bilateral relations was caused by the State Duma draft Law “On Russian Card”⁴². Members of the State Duma of the Russian Federation initiated consideration by the Council of Europe Parliamentary Assembly of alleges violation of rights of Russian-speaking citizens, persecution of Russian dissidents by the Ukrainian authorities⁴³. Conflicts arose in connection with soldier graves in Western Ukraine, the Library of Ukrainian Literature in Moscow, above-mentioned historic events. This list of “hotbeds” in the humanitarian dialogue may be extended.

By and large, the information background for bilateral humanitarian cooperation is unfavourable. Russia pursues a target-minded, coordinated information campaign in humanitarian problems, asserting that Ukraine pursues forcible Ukrainisation, the Russian culture and language are suppressed. The Ukrainian side views such actions of the Russian Federation as interference in internal affairs. Evidently, the main danger is that creation of a negative background for bilateral partnership, including in such sensitive sector as humanitarian, deteriorates the relations between Ukrainian and Russian citizens.

Humanitarian problems in bilateral relations are strongly politicised, giving rise to permanent conflicts involving state structure, public organisations, media of both countries. The situation generally affects the development of bilateral cooperation.

The “language issue” is used to strengthen the Russian influence on home political processes in Ukraine. Differences in assessments of historic events add conflicts to the bilateral dialogue. There is a deficit of contacts between the public, academic and expert circles. The potential of cooperation in that sector is used ineffectively.

Russia, with its much stronger than Ukraine's media system, influences it, to strengthen the pro-Russian stand, expand the “Russian world”, and in the end result – to keep Kyiv within its sphere of interests. Long-standing problems of the dialogue shape a negative background for cooperation in that sensitive for both parties sector, affect relations of citizens of the two countries.

The situation requires employment of non-conflict, civilised methods of solution of accumulated problems. Evidently, the system of humanitarian contacts should be built with account of each other's interests, on the basis of commonly accepted European and world rules – on a parity basis, without pressure, threats and demarches.

³⁷ The most active regional associations include the National-Cultural Centre of Ukrainians of Bashkortostan “Kobzar”, National-Cultural Autonomy of Ukrainians of Tyumen region “One Family”, Karelian Republican Organisation “Kalyna”, Association of Ukrainians of Moscow.

³⁸ For more detail see: Mazuka L. Guarantee of language and cultural rights of ethnic Russians as a factor of social accord in Ukraine. – Ukraine in 2007: annual assessments of socio-political and socio-economic development. – Monograph, Kyiv, NISS, 2007, pp.178-187.

³⁹ According to the Book Chamber of Ukraine, in 2008, annual circulation of books and booklets in the Russian language made 22,535 thousand, or 38.7%. Out of the total 3,966,113 thousand copies of newspapers, 2,647,385 thousand, or 66.8%, were printed in the Russian language.

⁴⁰ One example is presented by the official Statement of the Ministry of Foreign Affairs of the Russian Federation in connection with anti-Russian manifestations in Ukraine (12 December 2007). It stresses that “Russia is deeply concerned with the strengthening of openly nationalist, anti-Russian and Russophobic spirits and manifestations in Ukraine... Certain political forces in Ukraine intentionally encourage such actions and in that way consciously agree to aggravation of Russia-Ukraine relations”. See: Statement of Ministry of Foreign Affairs of the Russian Federation in connection with anti-Russian manifestations in Ukraine. – Official web site of Russia's Foreign Ministry.

⁴¹ Message of Russian President V.Putin to President of Ukraine V.Yushchenko. – Official web site of the Russian President, <http://president.kremlin.ru>

⁴² Ukraine's President V.Yushchenko described the draft Law “On Russian Card” developed by the State Duma as “search of a more legitimate mechanism to keep citizens of Ukraine in the sphere of Russian influence”. Yushchenko suggests that Russia shows disrespect for Ukraine, distributing passports. – UNIAN, 10 December 2008.

⁴³ State Duma Committee for CIS Affairs suggests that PACE considers the issue of rights of Russians in Ukraine. – UNIAN, December 11, 2008.

5. STATE AND PROSPECTS OF UKRAINE-RUSSIA COOPERATION IN THE MILITARY SECTOR

Assessing the state of bilateral partnership in the military sector, it should be admitted that pessimistic forecasts of both Russian and Ukrainian experts have largely come true. Differences in geopolitical positions of the two states hinder cooperation in the defence policy and military operations sectors. Euro-Atlantic integration of Ukraine is seen by Russia as a threat to its national security. Bilateral cooperation in the military and technical sector is on the down, whereas the Russian Federation pursues the principle of self-sufficiency, creating domestic closed cycles of production of military equipment.

This section gives assessment of the current state and prospects of Ukraine-Russia cooperation in the sectors of defence policy, military-operational and military and technical cooperation.

5.1. COOPERATION IN DEFENCE POLICY AND MILITARY OPERATIONS

Cooperation in the defence policy sector rests on the general national political priorities of provision of state security by military means. Military-operational cooperation encompasses relations between military agencies of the countries, their Armed Forces, and deals with concrete measures (military education, combat training of troops, exchange of experience, etc.).

Politically, Ukraine builds military cooperation with the Russian Federation on the provision of the Law of Ukraine “On Fundamentals of National Security of Ukraine”, describing as the priority line in the security policy “provision of full participation of Ukraine in pan-European and regional collective security systems, membership in the European Union and the North Atlantic Treaty Organisation, while maintaining good-neighbourly relations and strategic partnership with the Russian Federation, other CIS states and other countries of the world”.

The defence policy stand of Russia rests on the following provisions of Russia’s National Security Strategy passed recently: “Development of relations of bilateral and multilateral cooperation of CIS member states is the priority line of foreign policy for Russia. Russia will seek to promote the potential of regional and sub-regional integration and coordination in the space of CIS member states, first of all, within the framework of the CIS, as well as the Collective Security Treaty Organisation (CSTO) and Eurasian Economic Community... unacceptability for Russia of the plans of movement of the military infrastructure of the Alliance to its borders and attempts to impart it global functions, contrary to the norms of the international law, will remain the determinant factor in relations with the North Atlantic Treaty Organisation”¹.

In line with those documents, the legitimate for Ukraine declaration of the course of Euro-Atlantic integration and refusal from participation in large-scale defence policy projects in the CIS is seen by Russia as Ukraine’s defection to the hostile camp. However, while in relations with NATO countries, Russian defence policy principles are “adapted” to its practical needs (in particular, economic), in relations with Ukraine those principles are used as a pretext to restrict cooperation. According to Russian, Western and Ukrainian experts alike, the scale of Russia’s cooperation with NATO (except the latest period, when it was frozen) far exceeds even the prospects of the Ukraine-NATO partnership.

Russian disapproval of eastward NATO enlargement became an obstacle for the Ukraine-Russia cooperation in defence policy and military operations. In particular, wider participation of Russia in antiterrorist operations in the Black Sea was hindered by its negative attitude to ships of NATO countries (France and Great Britain) arriving in the area from outside the Black Sea basin.

Ukraine-Russia military cooperation was also affected by Russia’s moratorium on observance of the Treaty of Conventional Armed Forces in Europe (December 11, 2007), the conflict in the Caucasus and the Ukraine-Russia gas conflict that also affected the European countries. Those events substantially undermined prospects of cooperation of the two countries and made them dependent on the results of the dialogue between the West and Russia on a wide range of issues of the European security system.

As part of such dialogue, the world policy conference in Evian (October 2008) discussed proposals of Russia’s President D.Medvedev that contained five basic principles of the new system European security: (1) observance of the international law; (2) inadmissibility of use of force or

¹ See: Strategy of National Security of the Russian Federation. – Official web site of Security Council of the Russian Federation, <http://www.scrf.gov.ru/documents/98.html>



threat of its use in international relations; (3) guarantees of equal security; (4) refusal of states and international institutes from the exclusive right to maintain peace and stability in Europe; (5) introduction of basic parameters of arms control and reasonable sufficiency in defence building. According to Western experts, the proposals are rather abstract, but in our opinion, they may provide the basis for negotiation of each of their aspects and resumption of mutually advantageous bilateral cooperation.

Noteworthy, at present, both NATO and Ukraine are reassessing the results (not goals) of NATO-Ukraine partnership towards greater realism and pragmatism, with account of a wider range of factors critical for security in the European region. Reassessment covers the pace of Ukraine's Euro-Atlantic integration, mechanisms of cooperation, capabilities of both parties, external factors (including priorities of relations of the leading European states with Russia)².

Ukraine's abilities of full-scale military-operational cooperation with Russia are hindered by Ukraine's non-participation in CSTO. Of late, the number of events in that field substantially dropped: in 2007, 44 joint events were held, in 2008 – only 7, out of 57. For 2009, 42 events of cooperation in military operations were planned.

New prospects of Ukraine-Russian defence policy and military-operational cooperation may be opened by the EU, Russian and Ukrainian initiatives of fighting piracy at sea. In this connection, certification of naval means (ships and equipment) of Russia and Ukraine under NATO standards, their participation in joint anti-piracy operations can play a positive role and provide an example of fruitful trilateral cooperation.

Differences in political goals, priorities and means of their attainment between Ukraine and Russia narrows room for defence policy cooperation. Too tough linkage of means of implementation of current tasks with political guidelines limits the scale of military-operational cooperation of the two countries.

5.2. MILITARY AND TECHNICAL COOPERATION

Military and technical cooperation covers a wide range of activities involving international transfers of military goods and services, joint development, production, repair, modernisation, disposal of redundant and obsolete arms and military equipment.

The main components of military and technical cooperation include: exports of domestic military and dual-purpose products (including services of repair, extension of service life, personnel training, etc.); defence-industrial cooperation in production of arms and military equipment, other military and dual-use products; participation in joint projects (including development and production of arms

and military equipment, their joint use, disposal, etc.); procurement of arms and military equipment for Ukraine's Armed Forces, other Ukrainian military formations and law-enforcement bodies; participation in export control regimes.

The Euro-Atlantic thrust of Ukraine became a pretext (but not a reason) for Russia's refusal from many Ukrainian initiatives in the fields of defence industry, law-enforcement, creation of joint ventures, disposal of arms and military equipment. There is a steady trend towards reduction of the scope and potential of Russia-Ukraine cooperation in the military and technical sector. Its main reason lies in Russia's transition, starting from mid-1990s, to the strategy of independence of the defence industry from foreign parts through creation of closed production cycles on its territory³. However, drawbacks of the defence policy component of Ukraine-Russia cooperation are not decisive in this respect but provide a "hidden political motive" for decisions passed in the military and technical sector.

Non-accession of Ukraine to CSTO is seen by many experts as the main negative factor limiting Ukraine's ability to equip its Armed Forces with Russian-made equipment and develop its the defence industry. Russia, indeed, opened a "green line" supplying arms and military equipment to CSTO member states. However, one should keep in mind that supplied equipment is far from new (mainly, of Soviet production), which in the long run will contain technical modernisation of the Armed Forces and development of the national defence industry of the countries – recipients of technical aid (firmly "tying" them to Russian defence industry capabilities and priorities).

The Russian-Georgian events of 2008 delivered a serious blow to Ukraine-Russia military and technical cooperation. Russian accusations of Ukraine of alleged illegal deliveries of weapons to Georgia on the eve of those events became another pretext for Russia's refusal from a number of initiatives (in particular, creation of a joint venture for modernisation and repair of air defence systems)⁴. For the sake of justice, it should be said that formally, Ukraine did not break the principles of the international law on arms deliveries. Meanwhile, its deliveries to Georgia run contrary to one of the key provisions of the EU Code of Conduct on Arms Export (the supplier country should abstain from arms deliveries breaking stability in the region). However, not being an EU member, Ukraine is formally not obliged to observe the provisions of that Code. So, Russia's rejection of the mentioned Ukrainian initiatives is most probably caused by the mentioned desire to create own closed production (and operation) cycles, and intention to get rid of a rival on the market of military and technical services.

Reduction of military and technical cooperation between Ukraine and Russia is observed in all sectors that previously seemed promising.

² Security of Ukraine in XXI century: challenges and needs of collective measures. – Materials of Ukraine-NATO Partnership Network for Civil Society Expertise for a conference in Garmisch-Partenkirchen on March 23-25, 2009, Kyiv, 2009.

³ This especially applies to politically unstable countries, i.e., countries having significant political risks, including Ukraine. In mid-1990s, Russia prioritised cooperation in hi-tech sectors with Germany, France and Great Britain, using proceeds from arms sales under contacts with China, India, Iran, Egypt, Algeria and Syria.

⁴ Russian President's Decree "On Measures Banning Delivery of Military and Dual-Purpose Products to Georgia" No.64 of January 16, 2008, imposed restrictions on military and technical and economic cooperation with foreign states supplying arms and military equipment to Georgia.



Missile technology programmes. Now, Russian arms experts say that in the field of development and production of a new generation of means of delivery of nuclear weapons, Russia no longer depends on Ukraine, and all latest systems accepted for service by the Strategic Missile Forces of the Russian Federation are Russian-made (in ICBM systems "Topol-M" Russia refused even from the Byelorussian tractor). In the near future (till decommissioning of missile systems of Soviet production) the only probable sphere of participation of Ukraine is the design supervision (assessment of technical condition, extension of service life, etc.)⁵.

Russia quitted the agreement with Ukraine on the use of radar stations of the missile attack warning system in Mukacheve and Sevastopol.

Modernisation of aviation equipment. Ukraine refused from Russian proposals of modernisation of the Ukrainian fleet of MIG-29 fighters (adopting the "light" variant of modernisation of Ukrainian fighters) and Mi-8, Mi-17, Mi-24 helicopters. Regarding modernisation of the helicopter fleet, Russia opposes plans of cooperation of Ukrainian and French enterprises and insists on inadmissibility of unauthorised modernisation without the main designer. The cost of modernisation of one helicopter is estimated by the designers at approximately \$4.5 million, and the cost of research and development (R&D) to determine the possibility of employment of Ukrainian enterprises – \$10-12 million. Now, Mi-24 helicopters are modernised by Ukrainian aircraft repair works "Aviakon" jointly with French companies. In late February 2009, Russia's Foreign Ministry sent a note to Ukraine's Foreign Ministry demanding termination of "illegal" repair and modernisation of helicopters without the designer's permission.

Military transport aviation. The situation in that sector is characterised by the common approach of Russian leadership aimed at utmost employment of domestic production capacities.

- In the light military transport aviation class, the Russian approach to long-term planning of the light military transport aviation fleet looks as follows: the tasks of a light transport airplane are vested in Il-112V (MIG Design Bureau, Myasishchev Factory, Tupolev JSC, Voronezh Joint-Stock Aircraft Building Association) designed to replace An-26. Furthermore, specialists do not rule out that in case of commercial success of the joint Ukrainian-Russian airplane An-148 on the Russian market, its ramp modification may entirely assume the tasks vested in the light transport airplane and partially perform the functions of a medium transport airplane.
- In the medium military transport aviation class: the joint project of An-70 airplane is actually stalled. The debt to Antonov Aeronautical Scientific-Technical Complex under the project admitted by the Russian Federation in 2000 (and still outstanding) is estimated at \$48.2 million. Completion of the airplane development, according to different estimates, will require some \$300 million. Russia

views Tu-330VT and Il-214 as domestic alternatives to that project.

- In the heavy military transport aviation class, the focus is on Il-76 and superheavy An-124 (on the condition of modernisation and maintenance of operability of the existing airplane fleet and possible procurement of a few airplanes of the new versions). Production of An-124 "Ruslan" started at "Aviastar-SP" CJSC (Samara). According to the project coordinator, some \$1.4 billion will be needed to resume serial production of upgraded An-124-100 airplanes: at the first stage (R&D and trial production) – \$407 million, at the second (serial production) – \$982 million. In Ukraine, the project involves Antonov Aeronautical Scientific-Technical Complex (design supervision of the entire project), Progress Zaporizhya Machine-Building Design Bureau (design supervision of engines), "Aviant" Kyiv State Aircraft Plant, "Motor Sich" JSC. In August, 2007, Russian "Volga-Dnepr" company and Ukrainian companies (Antonov Aeronautical Scientific-Technical Complex and "Motor Sich" JSC) signed an agreement of serial production of the upgraded version of An-124-100G-150 "Ruslan" airplane. Issues of intellectual property of the project participants have long remained unresolved. They were settled in a special agreement signed by the Governments the two countries, effective since June 26, 2008. Under cooperative contracts, Aviant Kyiv State Aircraft Plant and "Motor Sich" JSC will supply to Samara parts of airframe and aircraft engines. The project's success largely depends on the orders. The Programme of resumption of production of An-124-100 was included in the Strategy of Aircraft Industry Development of the Russian Federation till 2015. In that period, 40-50 airplanes are planned to be built – 3-5 a year. Readiness to buy 41 An-124-100 airplanes by 2025 was reported by "Volga-Dnepr" Group, "Polyot", Antonov Airlines and a company from the United Arab Emirates⁶.

Aircraft engine building. The bulk of Ukrainian exports to Russia (and other countries under Russian contracts) falls on helicopter engines, air-to-air missiles, aircraft fuel and hydraulic units. Production of the relevant systems involves deep inter-factory cooperation (for instance, "Motor Sich" OJSC employs for production of aircraft engines dozens of Russian enterprises, and the share of Russian components is close to 80%). However, cooperation in that field, too, is intentionally reduced and now largely conditioned by the uniqueness of some Ukrainian scientific-technological solutions and economic expediency. Production of helicopter engines is commencing at enterprises "Klimov" Company, "Aerosila", "Saturn", "Chernyshev" Moscow Machine-Building Enterprise. In aircraft missile production, Russia also prefers domestic products (alternative to missiles of "Artyom" State Joint-Stock Holding Company).

Shipbuilding. The bulk of Ukrainian export deliveries to Russia in the field of shipbuilding falls on the produce

⁵ According to open sources, 12 out of 20 types of land-based launch vehicles in the inventory of the Russian Federation were designed in "Pivdenne" Design Bureau in Dnipropetrovsk and built at "Pivdenmash" plant, and among some 600 missiles in the inventory of the Russian Strategic Missile Forces, only around 40 are Russian-made. See: Petrov N. Interrupted flight of An-70. – "AviaPORT. Digest" internet publication, March 6, 2006, <http://www.aviaport.ru/digest/2006/03/06/101739.html>

⁶ Information from the web site of the Centre for Army, Conversion and Disarmament Studies "Defence-Express", <http://www.defense-ua.com/rus/news/?id=25086>



of Mykolayiv-based “Zorya-Mashproekt” enterprise. The enterprise performed contracts of delivery of systems for main power units of ships built in Russia for foreign customers (in particular, “Murena” assault hovercraft for the South Korean Navy, “Molniya” fast missile boats for Vietnam). However, even in that field Russia cuts cooperation with Ukrainian enterprises. Russia’s Saturn Scientific-Production Association in cooperation with other Russian enterprises commences design and production of locally developed naval systems.

Land-based air defence means. Cooperation in modernisation and repair of air defence systems of Soviet design for foreign customers and minimal employment of Ukrainian enterprises at development and production of new systems. This is demonstrated by cooperation in production of SA-10/12/20 and new SA-21 systems: while production of SA-20 involved more than 100 enterprises from Russia, Ukraine, Belarus and Armenia, development and production of SA-21 is almost entirely Russian.

Automotive equipment and armour, artillery and small arms, ammunitions, radar and communication systems. Cooperation in development and production of those types of arms and military equipment is actually absent.

Range use. Up until recently, Russia and Ukraine exchanged services (irregular though) of provision of ranges (firing of Ukrainian air defence units at Russian ranges, use of the Ukrainian “Nytka” aviation simulation centre by Russians). Lack of pragmatism and extreme politicisation of those issues by both sides bring losses – both military-operational (level of training of troops) and financial. The plan of construction of carrier aviation training centre in Krasnodar province in 2009-2012 envisages allocation phase one facilities alone RUR 8 billion. The value of phase two is RUR 14 billion⁷. Experts from the Ukrainian Centre for Army, Conversion and Disarmament Studies calculated that with those funds, Russian carrier aviation pilots could train piloting skills for 1,500 years⁸. According to Ukraine’s Defence Minister Yu. Yekhanurov, in February 2009, Ukraine and Russia agreed to resume training of Russian pilots at “Nytka” carrier aviation training centre⁹.

Export control. Ukraine and Russia cooperate in the field of export control within the framework of international regimes to which they acceded. Bilateral cooperation is developing on the intergovernmental level. In particular, on May 22, 2009, the Governments of Ukraine and Russia signed an agreement of exchange of information about SA-18 and SA-7 man-portable air defence systems (MANPADS) exported to third countries or imported from third countries. The agreement envisages account of transferred (obtained) MANPADS and exchange of information about their transfer (receipt), in order to enhance the effectiveness of fighting international terrorism.

By and large, the scale of Ukraine-Russia military and technical cooperation is inconsistent with the two countries’ needs, their industrial-technological potential and capabilities of cooperation.

To build up capabilities of both Ukraine and Russia in the attainment of the tasks faced by their industries,

it makes sense to consider the following measures aimed at the development of their military cooperation.

1. Drop confrontational issues of Ukraine’s accession to NATO in the bilateral dialogue and begin a constructive dialogue of establishment of a pan-European security system with account of priorities of all European countries in political, economic, energy, environmental sectors. To concentrate on creation of the climate of trust in the Ukraine-Russia-NATO triangle, joining efforts in search of adequate responses to new challenges to the European and global security.

2. Initiate talks about the Black Sea Fleet stationing in Crimea with account of the actual state of the Fleet, security requirements in the Black Sea basin, economic ability of the parties to redeploy the Fleet and creation of an alternative and adequate to Ukraine’s economic needs “peaceful” infrastructure in Sevastopol. Till the withdrawal of the Black Sea Fleet, to provide for steadfast observance of the assumed commitments.

3. Intensify participation of Ukraine and Russia in multilateral projects in the military sector (including in BLACKSEAFOR, “Black Sea Harmony” operation, in anti-piracy operations).

4. Promote military-operational cooperation in sectors of mutual interest:

- restoration and creation of new effective channels of exchange of experience between the defence ministries and general staffs of the two countries;
- resumption of operation of test centres, mutual provision of ranges for military unit training;
- conduct of joint exercises of fighting terrorism, removal of effects of emergency situations.

5. Provide conditions for productive interaction in the field of military and technical cooperation. Development of contacts in that field will contribute to:

- more effective use of the potential of partnership in missile and space projects;
- solution of problems hindering development of cooperative ties among aviation concerns of Ukraine and Russia;
- creation of conditions for organisation (including with third countries) of joint ventures for production of air defence means, radar and missile systems, radio electronics, modernisation of weapons;
- implementation of joint projects of control of movement of man-portable air defence systems, disposal of redundant stocks of arms, ammunitions, and missile fuel;
- preparation of the legislative framework and guarantee of mutually acceptable and mutually advantageous participation of third countries in privatisation of strategic enterprises (including of defence industry) in Ukraine;
- provision of a mutually coordinated policy and cooperation of Ukrainian and Russian industrial enterprises and agencies on markets of third countries.

⁷ Combat training centre for naval aviation pilots will be built in Krasnodar province. – Official web site of Russian Naval Forces, May 7, 2009, <http://www.navy.ru>

⁸ Russia might use “Nytka” for another 1,500 years. – “Defence-Express”, <http://www.defence-ua.com/rus/news/?id=28454>

⁹ Russian pilots will again train at “Nytka” centre in Crimea – Defence Minister. – Interfax-Ukraine, May 19, 2009.

6. CONCLUSIONS AND PROPOSALS

The current stage of Ukraine-Russia partnership is characterised by instability, regular aggravation of the dialogue between the state and political elites, conservation of a number of long-standing problems. Relations of the parties are complicated by deepening geopolitical differences between Kyiv and Moscow, suspension of top level contacts envisaged by interstate mechanisms. Tension in political, economic, military and technical humanitarian and other sectors does not go down. Problems hit cooperation in the energy sector.

All this affects the information background of cooperation, and in the end result leads to deterioration of relations between citizens of both countries. By and large, there are grounds to speak about signs of a systemic crisis of Ukraine-Russia partnership. Such situation does not meet the interests of both countries.

Analysis of the state of Ukraine-Russia relations leads to the following conclusions.

1. Negative trends gain strength in cooperation in the political sector

First. Relations of the state and political elites are mainly contentious. The political-diplomatic dialogue is reduced to mutual criticism. Estrangement of the elites of the two countries continues. A large part of the Russian political establishment demonstrates a critical attitude to home political processes in Ukraine, actions of the country leadership on the international scene. This complicates contacts on all levels. There is a deficit of strategic approaches to development of cooperation. The official dialogue is full of accusative statements, critical comments, diplomatic demarches. The mutual practice of “black lists” banning entry of political and public figures, MPs of the neighbouring state to the country is not eliminated.

Second. Mechanisms of bilateral cooperation are not fully employed. The political factor affects operation of the Ukrainian-Russian Interstate Commission. The Commission last met at full strength in February 2008. A “pause” in the activity of relevant subcommittees continues. Contacts take place mainly on the sub-commission level. The gains included the work of the Committee for Economic Cooperation chaired by the Prime Ministers of the two countries.

Third. Regulatory-legal framework does not fully meet present-day realities of cooperation. Some framework treaties require elaboration in specific agreements, some documents lost relevance, others have not entered into effect due to unaccomplished internal procedures by the parties. The process of formalisation (delimitation) of the state border in the Azov and Kerch water area and demarcation of its land segment is actually “frozen”.

Fourth. Ukraine’s course of Euro-Atlantic integration affects actually all aspects of Ukraine-Russia relations. The Russian side views further enlargement of NATO as a direct threat to its security, wages a large-scale coordinated campaign to block accession to NATO for official Kyiv. Ukraine’s drive to the Alliance is the main “irritant” in bilateral cooperation, a pressing geopolitical challenge for Russia.

Fifth. Unsettled problem of Russia’s Black Sea Fleet stationing in Crimea cause tension in relations. Some

legally unsettled issues repeatedly cause complications, political-diplomatic conflicts. The basic agreements on the conditions of Russia’s Black Sea Fleet stationing in Crimea require elaboration and specification. After the military conflict in the Caucasus, the situation with the Russian military base in Sevastopol evidently sharpened. The problem of withdrawal of units of Russia’s Black Sea Fleet in 2017 came to the forefront. The Russian side announces a desire to extend its military presence on Ukraine’s territory. Evidently, with the approach of the date of the Fleet withdrawal, the tension accompanying that subject will grow.

Sixth. Differences in the parties’ positions regarding the content, forms and prospects of integration in the post-Soviet space deepened. Russia views the CIS as an area of its “privileged interests”. Strengthening of the Commonwealth, EurAsEC and CSTO as mechanisms of political-economic, political-military, humanitarian influence of the Russian Federation in the post-Soviet space is inconsistent with the foreign political course of Ukraine. Official Kyiv does not prioritise activity in the CIS, as well as participation in the SES project, now actually stalled. The growing conflict of interests complicates coordination of activities on the regional level, deregulates the CIS structure, deepens the geopolitical split in the post-Soviet space. Russia is cautious regarding the EU initiative of “Eastern Partnership”, seen as a suspected EU attempt to expand its sphere of influence at the expense of Russia.

Seventh. The information background of Ukraine-Russia relations is unfavourable. The generally negative tone of the official dialogue reproduced by the media creates an unfavourable background for bilateral cooperation. The national media mainly work in the mode of mutual criticism, home political processes and actions of the leadership of the neighbouring country are commented in a biased manner. Such a trend in information creates a distorted idea of the partner, forms unfavourable stereotypes and convictions.

Eighth. Trends arose towards deterioration of mutual relations of citizens of Ukraine and Russia. The information background of cooperation affects the relations of the peoples of both countries. Recent public opinion polls in the Russian Federation witness



growth of critical spirits towards Ukraine among Russian citizens. Such trends arouse grave concern. By and large, the opinions of the Ukrainian and Russian population substantially differ – Russians mainly report a negative attitude to the neighbouring country, while Ukrainians in their majority cherish positive emotions towards Russia.

2. There is a number of problems in trade and economic cooperation

First. Some actions of the parties in the economic sector are politically motivated and may be termed as pressure on the partner. Trade contacts still feel the negative consequences of the “meat and milk war” unleashed by the Russian Federation in 2006. Russian executive bodies work out mechanisms for protection of the Russian economy from goods supplied from Ukraine. They consider cancellation or toughening of free trade rules with Ukraine, in fact in connection with deterioration of bilateral relations because of the military conflict in the Caucasus. The Russian side links Ukraine’s initiative of creation of a free trade area without exemptions and exceptions with the political decision of Ukraine’s accession to the Customs Union.

Second. Contacts between manufacturers of both countries are complicated. Development of cooperative ties is hindered by the absence of the necessary regulatory-legal framework regimenting the procedure of cooperation of business entities, mechanisms of regulation of their interaction and settlements. Many agreements are of a framework nature, effective mechanisms of their implementation are absent. Mutual losses are caused by lack of coordination on markets of third countries, especially at export of competing goods (metal products, grain, defence industry products, etc.).

Third. Implementation of a number of large-scale joint projects is frozen. The parties failed to come to terms on the forms of possible cooperation at implementation of An-140 and An-148 aircraft projects. An-70 project is frozen by the Russian side. In the hi-tech sector, the Russian Federation toughens access of Ukrainian enterprises to participation in Russian projects (in the space sector) and limits access of Ukrainian designs to the Russian market (advanced control systems for NPPs).

Fourth. The main impediments for the growth of trade include the use of tariff and non-tariff restrictions by the parties (quotas, sanitary, veterinary standards), antidumping investigations. Analysis of that practice reveals the desire of the Russian Federation to reduce the segment of Ukrainian goods on the Russian market. Specific of application of restrictive measures by the Russian side is their evident focus on the most vulnerable sectors of the Ukrainian economy and neglect of agreements of use of protective measures causing minimal damage to bilateral trade.

3. The energy dialogue of the parties bears an asymmetric, conflict nature

First. Relations in the energy sector in 2005-2009 witnessed regular conflicts. The gas conflict in January 2009 grew into a political-economic crisis in bilateral relations, involving a number of European countries. The agreement of gas supply signed by the parties in January 2009

was largely asymmetrical and caused internal political differences in Ukraine.

Second. Ukraine-Russian “gas confrontation” touches interests of third countries, exerts a negative effect on the political-economic situation in the European region. The mass campaign of mutual accusations and ultimatums rather strongly undermines the international image of Ukraine and Russia alike. According to Ukrainian and Russian experts, both parties lost in the result of the January gas confrontation.

Third. Russia, acting from the position of an “energy superpower”, uses critical dependence of Ukraine on deliveries of Russian gas for the attainment of its political-economic interests. At that, the Russian Federation does not leave attempts to get control of the Ukrainian gas transportation system, to secure monopoly in the supply and transit of energy resources to Europe. For that, different means of political-economic pressure are used. Demonstrative in this respect was the strong critical reaction of the Russian side to the decisions of the international conference in Brussels (March 2009) regarding modernisation of the Ukrainian gas transportation system.

4. The humanitarian sector of cooperation presents a source of conflict situations

First. In some aspects of humanitarian cooperation, the dialogue bears a strongly conflict nature. Especially pressing are the problems of satisfaction (on a parity basis) of national cultural needs of Ukrainians in Russia and Russians in Ukraine. Mutual relations are seriously complicated by language problems, differences in assessments of some historic events.

Second. Deterioration of the situation in the humanitarian sector affects the relations between citizens of both countries, complicates contacts between the political, academic, artistic elites, expert communities. The potential of cultural exchanges is used ineffectively, contacts in the field of education, science, culture are limited.

5. Military cooperation contacts are limited

First. Differences in geopolitical positions of the parties hinder the development of cooperation in the sectors of defence policy and military operations. The Russian side views Ukraine’s Euro-Atlantic integration as a threat to its national security. That segment of cooperation suffered from Russia’s moratorium on the Agreement on Conventional Armed Forces in Europe, the military conflict in the Caucasus and Ukraine-Russian gas confrontation in January 2009.

Second. Bilateral cooperation in the military and technical sector steadily goes down. The Russian side obstructs Ukrainian initiatives in the fields of defence industry cooperation, creation of joint ventures, arms disposal. Cooperative ties are restricted in such sectors as missile programmes, modernisation of aviation equipment, production of land-based air defence systems. The scope of mutual use of military ranges of the two countries goes down. Desire of the Russian side to create domestic cycles of production of military equipment and absence of an adequate policy of the Ukrainian



Government towards the national defence industry limit Ukraine-Russian military and technical cooperation.

Permanent conflicts, political-diplomatic confrontation bring instability to bilateral relations. Both Ukrainian and Russian experts rather sceptically view the immediate prospects of cooperation of the two countries. This does not mean, however, that Ukraine-Russia partnership is doomed to stall. Evidently, there is no alternative to the establishment of good-neighbourly, mutually advantageous and equal cooperation of Ukraine and Russia.

So, the main task is to jointly find the ways and mechanisms of solution of disputed issues, to work out a new effective model of cooperation on the basis of fair coordination of national interests of the parties, refusal from forcible pressure. The countries' relations should rest on the European standards, norms and rules, with mutual respect for each other's interests.

RAISE THE EFFECTIVENESS OF PARTNERSHIP WITH THE RUSSIAN FEDERATION, THE FOLLOWING STEPS SHOULD BE MADE

1. Promote dialogue of the state and political elites within the framework of bilateral cooperation mechanisms

1.1. Intensify activity of the Ukrainian-Russian Interstate Commission:

(a) prepare and hold in 2009-2010 meetings of subcommittees for international cooperation, security and humanitarian cooperation. In the subcommittee on international cooperation, to discuss problems of global and regional security, issues of Euro-Atlantic integration of Ukraine, cooperation of the Russian Federation with NATO. To consider the possibility of participation in a meeting of NATO representatives;

(b) in the Committee for Economic Cooperation, to hold a meeting of the relevant sub-commissions for: elaboration of programmes of bilateral cooperation in the field of nanotechnologies, preparation of programmes of cooperation in the field of nuclear power engineering, adoption of an agreements on protection of technologies of research of outer space for peaceful purposes, implementation of a number of joint scientific projects in the field of space research. In the sub-commission for transport, to promote development of international transport corridors, implementation of bilateral projects boosting cargo traffic between the countries through construction of highways, creation of container and contrailer corridors, perfection of the mechanism of motor vehicle passage on the state border;

(c) create within the Committee a sub-commission for cooperation in the field of environmental protection;

(d) consider the issue of inclusion of members of the Inter-Parliamentary commission for cooperation between the Verkhovna Rada and the Federal Assembly the Russian Federation in the relevant sub-commissions;

(e) continue talks about the conduct of the next meeting of the Ukrainian-Russian Interstate Commission at full strength.

1.2. Intensify the work of inter-Parliamentary cooperation mechanisms:

(a) speed up creation of a working group for development of Ukraine-Russia transborder cooperation within the Inter-Parliamentary Commission;

(b) at the next (ninth) meeting of the Inter-Parliamentary Commission for cooperation between the Verkhovna Rada and the Federal Assembly of the Russian Federation, to consider issues of perfection of legal norms of interstate relations in trade and economic, scientific-technological, humanitarian and other sectors;

(c) create within the Inter-Parliamentary Commission stable channels for exchange of information about the legislative activity of parliaments of the two countries. To adopt the practice of preliminary mutual consultations before discussion of issues related with bilateral cooperation in parliaments;

(d) arrange joint parliamentary hearings on issues of development of Ukraine-Russia cooperation in 2010.

1.3. Improve inter-regional cooperation:

(a) promote trade and economic, scientific-technological, humanitarian contacts on the basis of the established Euroregions. To speed up creation of "Donbas" Euroregion (Luhansk and Rostov regions);

(b) resume implementation of the bilateral project "Council of Regions" for development of transborder cooperation between regions of Ukraine and the Russian Federation;

(c) in the Sub-commission for Inter-Regional and Transborder Cooperation, to consider a set of topical issues: opening new border crossing points, delegation of powers of organisation of joint transborder and customs control to border regions, introduction of a "one-stop" system for customs clearance of cargoes;

(d) arrange in the first half of 2010 a new meeting of foreign ministers of Ukraine and the Russian Federation with heads of border regions.

2. Improve the regulatory-legal framework of cooperation

2.1. In the Ukrainian-Russian Interstate Commission:

(a) accomplish all-round inventory of the regulatory-legal framework, monitoring of obsolete, ineffective agreements. To bilaterally denounce such documents. In particular, in the Sub-commission for Inter-Regional and Transborder Cooperation, to make inventory of inter-regional agreements on trade and economic cooperation;

(b) with account of the agreements reached within the Commission framework and tasks set by the Ukraine-Russia Action Plan through 2009, to provide for joint drafting of documents for further development of partnership in trade and economic, air and space, energy, military and technical, scientific-technological, humanitarian and other sectors.

2.2. Agree the list of bilateral agreements that must be passed in pursuance of provisions of the Treaty of Friendship, Cooperation and Partnership between Ukraine and the Russian Federation.

2.3. Accomplish intrastate procedures for validation of number of agreements important for the development of cooperation: of mutual recognition of rights and regulation of relations of ownership; on establishment and activity of information-cultural centres; on the procedure of Ukraine-Russia state border crossing by residents of border regions of Ukraine and the Russian Federation; on measures in support for cooperation in the gas sector, etc.

2.4. Speed up preparation and signing of a number of bilateral agreements of cooperation in the field of navigation, fishing, sea protection and environmental safety in the Black Sea and the Sea of Azov, in the Kerch Strait.

2.5. Accomplish coordination of bilateral documents in the field of pensions (Agreement of Pensions) and healthcare.

3. Intensify solution of problem issues of bilateral relations.

Draw up and consistently implement a mid-term schedule of solution of disputable issues. With that purpose:

3.1. Solve topical issues related with Russia's Black Sea Fleet stationing in Crimea:

(a) prepare and hold in Kyiv the seventh meeting of the Sub-commission for Operation of Russia's Black Sea Fleet in Crimea and its stationing on the territory of Ukraine planned for June 2009;

(b) in the Sub-commission, to work out and coordinate detailed agreements: on navigation-hydrographical support for shipping in the Black Sea and the Sea of Azov; on the procedure of crossing the state border of Ukraine; on cooperation for prevention of emergency situations and removal of their consequences; on inventory of property and land plots transferred to Russia's Black Sea Fleet for use; on the legal status of military servants of Russia's Black Sea Fleet and their families, including issues of citizenship;

(c) finally accomplish inventory of land plots leased out to Russia's Black Sea Fleet. To jointly check execution of permissive documents for the use of nature by Russia's Black Sea Fleet. To accomplish remedy of effects of environmental violations at facilities of Russia's Black Sea Fleet.

3.2. In the Subcommittee for International Cooperation, to continue negotiation of disputed border issues:

(a) prepare and hold in the II half of 2009 a meeting of the Sub-commission for Azov-Kerch Settlement. To prepare the Treaty of Ukraine-Russia State Border in the Sea of Azov and the Black Sea for signing;

(b) concentrate negotiations on the need of completion by the Russian side of intrastate procedures of preparation of the Agreement of Demarcation of Ukraine-Russia state border for signing.

3.3. Promote bilateral partnership in the CIS in the fields of mutual interest. To promote implementation of Ukrainian proposals of formalisation of borders in the CIS, deepening cooperation in the energy sector, perfection of the mechanism of the free trade area.

3.4. In the dialogue with Russia, to proceed from the fact that the initiative of "Eastern Partnership" is not an

alliance, a league of countries or sphere of influence of the EU aimed against the Russian Federation. This is not an alternative to other integration projects. This position should be backed with the following initiatives:

(a) propose to the initiative participants to involve the Russian Federation in cooperation within the framework of specific projects: integration of electricity markets, guarantee of reliable transit and deliveries of energy resources, transborder cooperation, development of small and medium business, border management;

(b) encourage participation of civil society structures of the Russian Federation in discussions of the Civil Society Forum, established within the "Eastern Partnership" framework;

(c) propose organisation of the international conference "Eastern Partnership" – Russia: bridges of cooperation" involving representatives of the programme member states and the Russian side in Kyiv in the first half of 2010.

3.5. Expand formats of bilateral contacts for improvement of the information background for cooperation:

(a) concentrate on normalisation of the tone of mutual relations, to remove harsh, confrontational sayings, categorical statements from the political-diplomatic vocabulary;

(b) hold in Kyiv in the IV quarter of 2009 media forum "Information background for partnership: from confrontation to cooperation", involving representatives of the Ukrainian and Russian media, expert communities of the two countries;

(c) encourage conferences, seminars, round-tables of state and non-governmental structures on problems of bilateral cooperation;

(d) in the Ukraine-Russian Consultative Council, to plan publication of joint information-analytical products (bulletin "Monitoring of development of Ukraine-Russia relations"), creation of a specialised web site "Ukraine-Russia: problems and prospects of cooperation";

(e) initiate a regular Kyiv-Moscow TV bridge on the problems of bilateral relations involving representatives of executive and legislative bodies, experts, public figures;

(f) exchange popular, scientific, cultural TV and radio programmes with impartial, depoliticised information about the two countries.

4. Promote economic cooperation between the two countries

4.1. Perform all-round modernisation of the regulatory-legal framework and mechanisms of economic and foreign economic regulation, first of all, in the field of taxation of foreign economic operations, pricing, customs, financial, tariff policy, etc. For that, the following should be done:

(a) bring mechanisms of regulation of bilateral trade and economic relations with the Russian Federation in compliance with the principles applied in the European countries;

(b) simplify the procedure of certification of goods and quotas of imports in mutual trade;



(c) ensure compliance of customs and transport fares.

4.2. Promote full-scale implementation of the Free Trade Agreement between Ukraine and the Russian Federation. For that, the following steps should be taken:

(a) practically observe cooperation rules provided in the intergovernmental Memorandum of principles of use of special measures against imports of goods originating from customs territories of the parties. To continue efforts at simplification and unification of national laws;

(b) work out a mechanism of removal of technical barriers and other similar restrictions hindering the development of mutual trade;

(c) continue the practice of mutual consultations on national market protection measures for minimisation of possible negative consequences for mutual trade;

(d) resume full-scale deliveries of Ukrainian meat and dairy products;

(e) hold consultations on the state and prospects of bilateral trade in sugar, and on regulation of deliveries of Ukrainian treacle.

4.3. Create mechanisms of implementation of agreements in the economic sector (first of all, in the field of investment and production-technological cooperation). With that purpose:

(a) concentrate on removal of trade barriers for deliveries of products for production cooperation;

(b) provide favourable conditions for interaction between enterprises interested in establishment of mutually advantageous cooperative ties (including at construction of facilities in third countries);

(c) streamline procedures of creation of Ukrainian-Russian joint ventures and transnational financial-industrial groups. To encourage such entities to commence production of new of products and goods that can reduce dependence of the countries on imports of strategic and hi-tech goods from third countries.

4.4. Provide for effective implementation of joint activities and projects envisaged by the Programme of Economic Cooperation of Ukraine and the Russian Federation for 2008-2010. To identify bottlenecks and to promote their removal, to employ non-state enterprises for implementation of the Programme. For that:

(a) introduce tax exemptions for enterprises involved in implementation of joint projects envisaged by the Programme;

(b) extend preferences to foreign investors already working in Ukraine and the Russian Federation and agree to reinvest obtained profit in implementation of the Programme projects.

4.5. Actively promote scientific-technological cooperation. Ukraine prioritises partnership in the field of missile and space equipment, aircraft building, nuclear energy, radio electronics, ferrous, non-ferrous and special metallurgy, metal processing, advanced materials, material and energy saving science-intensive technologies. To deepen contacts in those sectors, the following should be done:

(a) focus efforts on creation of a common innovative infrastructure (including joint innovative-industrial complexes), to improve economic and financial mechanisms of innovative activity;

(b) provide proper legal conditions, to improve the legislative framework in the field of scientific-technological security, protection of copyrights and intellectual property. Given the differences in the national legislations, to implement joint project activities on the basis of licensing agreements between business entities of the parties.

5. Promote improvement of contacts in the energy sector

5.1. With account of the consequences of the recent gas crisis for Ukraine, the Russian Federation and the EU, and to prevent emergence of similar situations in the future, the parties should put forward the initiative of ensuring transparency of the entire technological chain “extraction-transportation-consumption”. To facilitate mutual access of consumers, suppliers and transits to information in all links of the technological chain – from the well head to the consumer.

5.2. Initiate creation of an on-line communication system among the control centres of “Gazprom”, “Naftogaz of Ukraine” and European companies (SPP in Slovakia, PGNiG in Poland, MOL in Hungary, “Transgas” in Romania), showing real time movement of all gas. This would enhance the transparency of all segments of international energy markets (production/export, transit, consumption/import), perfection of early warning mechanisms involving suppliers, consumers and transit states.

5.3. At negotiation of new intergovernmental agreement of cooperation in the gas sector, to return to the discussion of the package of agreements in the gas sector signed in January 2009. To take the required measures for removal of asymmetry in the contractual commitments of “Gazprom” and “Naftogaz of Ukraine”. To intensify the activity of the joint working group for inventory of intergovernmental agreements in the gas sector.

5.4. Promote cooperation in the field of nuclear energy. For that purpose, in the sub-commission for nuclear energy and nuclear materials, to prepare programmes of establishment of cooperation in the field of nuclear power engineering and technical cooperation at NPP building in Ukraine and Russia, in third countries.

Agree the draft intergovernmental agreement of cooperation of the two countries at construction of the third and fourth power units of Khmelnytskyi NPP. To intensify cooperation of experts of nuclear power engineering sectors of the two countries.

5.5. Promote an agreement of transportation of additional 9 million tons of Russian crude by the route Samara-Kremenchuk-Pivdennyi instead of the reverse route Samara-Unecha-Mozyr-Brody-Pivdennyi. Jointly with European experts, to plan the route of transportation of low-sulphur Russian oil shipped from Tuapse using oil pipelines Odesa-Brody and Southern “Druzhba” for deliveries to the EU countries.

6. Promote humanitarian cooperation

6.1. Provide for utmost de-politicisation of the dialogue on humanitarian problems, to minimise confrontation of relations in that sector:

(a) put an end to the two-year break in the meetings of the Sub-Committee for Humanitarian Cooperation. To hold the next meeting of the Subcommittee in 2009, to work out effective coordinated approaches to language problems, to find non-conflict, civilised methods of support for ethnic minorities on the territory of both countries;

(b) consider organisation of a permanent scientific forum of academic circles of Ukraine and Russia for tolerant and impartial discussion of problems and prospects of humanitarian cooperation, ways of satisfaction of cultural needs of Ukrainians in Russia and Russians in Ukraine;

(c) encourage the work of the Joint Ukrainian-Russian Commission of Historians studying little known, disputable and mythologised events of the common history. To provide support for continuation of publication of the series of books prepared by the Commission. To create conditions for implementation of the joint international scientific project of Ukraine, the Russian Federation and Belarus “1941: country in fire”. To encourage historic conferences planned for 2009-2010.

6.2. Create conditions for more effective satisfaction of national-cultural rights of Ukrainians in Russia and Russians in Ukraine. With that purpose:

(a) more effectively employ the potential of cultural exchanges, to implement mutually advantageous projects in cultural, scientific-technological sectors. To promote cooperation within the framework of joint projects in the field of nanotechnologies, IT, material science, humanitarian sciences;

(b) solve, with account of interests of the parties, problems of work of Russian schools in Ukraine and teaching in the Ukrainian language in schools of the Russian Federation, provision with personnel, training and methodological literature. To continue the practice of regional forums of teachers of the Russian language in Ukraine, international seminars for perfection of teaching of Ukrainian studies at Russian educational establishments – in Russia;

(c) arrange a joint meeting of the leadership of the State Committee for Television and Radio Broadcasting of Ukraine and the Ministry of Communication and Mass Communications of the Russian Federation, for the development of joint media projects, cultural-educational programmes, establishment of regular exchanges of TV and radio programmes;

(d) the Ministry of Education and Science of Ukraine jointly with the Federal Education Agency of the Ministry of Education and Science of the Russian Federation, to consider a substantial increase in the quotas of students and postgraduate exchanges.

6.3. Promote cooperation between higher educational establishments of Ukraine and Russia. To continue the practice of contacts on the level of university chancellors, scientific library directors. To promote regular conduct of

scientific-practical conferences, seminars among higher educational establishments. To hold the next phase of the International Student Forum “Ukraine-Russia” in 2010. To improve the legal framework of partnership of higher educational establishments of Ukraine and Russia.

7. Optimise partnership in the defence sector

7.1. Make the defence policy dialogue more productive:

(a) in negotiations with the Russian Federation, instead of confrontational subject of Ukraine’s accession to NATO, to concentrate on creation of the pan-European security system with account of interests of all European countries in different sectors (policy, economy, energy, environmental protection);

(b) concentrate on creation of the climate of trust in the Ukraine-Russia-NATO triangle, joining efforts in the search of answers to new challenges to the European and global security;

(c) initiate talks about the Black Sea Fleet stationing in Crimea with account of the actual state of the Fleet, security requirements in the Black Sea basin, economic ability of the parties to redeploy the Fleet and creation of a “peaceful” infrastructure in Sevastopol;

(d) intensify participation of Ukraine and the Russian Federation in multilateral projects in the military sector (including BLACKSEAFOR, “Black Sea Harmony” operation, participation in anti-piracy operations).

7.2. Promote military-operational cooperation in sectors of mutual interest:

(a) promote restoration and creation of new effective channels for exchange of experience between the Defence Ministries and the General Staffs of the two countries;

(b) resume operation of trial centres, to resume mutual extension of ranges for military unit training;

(c) conduct joint exercises for fighting terrorism, removal of effects of emergency situations on the level of the Defence Ministries.

7.3. Provide conditions for effective military-technological cooperation:

(a) more effectively employ the potential of cooperation in missile and space projects;

(b) concentrate on solution of problems hindering the development of cooperative ties among aviation concerns of Ukraine and Russia;

(c) create conditions for organisation (including with of third countries) joint ventures for production of air defence systems, radar and missile equipment, radio electronics, modernisation of weapons;

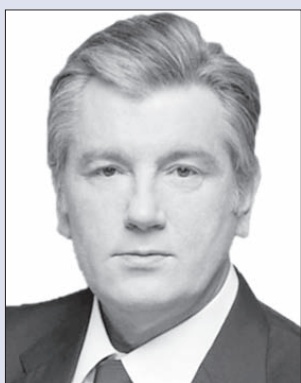
(d) promote implementation of joint projects of control of movement of man-portable air defence systems, disposal of redundant stocks of arms, ammunitions and missile fuel;

(e) create legislative framework for equal and mutually advantageous participation of third countries in privatisation of strategic enterprises (including of defence industry) in Ukraine;

(f) pursue a coordinated policy of cooperation of Ukrainian and Russian industrial enterprises and agencies on markets of third countries.

PROBLEMS AND PROSPECTS OF UKRAINE-RUSSIA PARTNERSHIP*

**LONG-TERM FRUITFUL AND MUTUALLY ADVANTAGEOUS
COOPERATION OF UKRAINE AND RUSSIA IS OF OUR
MUTUAL INTEREST**



Victor YUSHCHENKO,
President of Ukraine

– How would you assess the present state of Ukraine-Russia relations? What are the reasons for the crisis in partnership between the countries, threatening effective development of cooperation?

Ukraine and Russia are strategic partners, and this is provided in the Treaty of Friendship, Cooperation and Partnership.

This dimension of bilateral relations rests great responsibility on the partners. Irrespective of the rhetoric and persons, this partnership and neighbourhood remains a weighty factor of our cooperation on the basis of mutual respect, understanding each other's interests, good will of the parties.

We in Ukraine never forget that our state and our people are tied with the Russian Federation by countless cultural, social, historic, personal and other links. Russia is one of the main trade and economic partners of Ukraine, and our state is in the top ten main trade partners of Russia. The economies of our countries are closely interrelated.

I cannot deny that recently, an element of tension has appeared in our bilateral relations with Russia, but I would not call it a "crisis of partnership", moreover that the reasons for such an uneasy period of our relations are known.

These are the different socio-political models of development of the states, unjustified politicisation of a number of unresolved issues of bilateral relations, Ukraine's own idea of the known August events, and our steady Euro-Atlantic course.

Among the reasons, I cannot but mention also the January situation dealing with supply of Russian natural

gas to European consumers and its transit across the territory of Ukraine. Unfortunately, not only immediate parties to the conflict suffered from it. To establish control of the Ukrainian gas transportation system and dictate conditions not only to us but to all Europeans, a dangerous situation was created, questioning energy security in Europe, all stability of gas supply.

I wish to note that the reliability of our GTS and its technical capabilities made it possible to avoid the situation that occurred on April 9, 2009, in Turkmenistan, on a segment of the Central Asia – Centre – 4 gas pipeline.

There is also a number of issues whose excessive politicisation and non-productive discussion slow down the development of our cooperation. I mean the attitude to pages of common history. It is quite natural for us to produce own assessment of our history, since we have a national idea of our priorities and values. The issue of celebration or commemoration of historic dates, dates of the Ukrainian national history is a purely internal issue of our sovereign state.

We consider unacceptable any political speculations on historic subjects.

I see the way out, first of all, in close cooperation of academic communities, in particular, in the Subcommittee for Humanitarian Cooperation and the Joint Commission of Historians, to shift the discussion from the political dimension solely to the expert level.

Frankly discussing the past, analysing the mistakes made, we are clearing the road into the future. This is not a new scheme. Many European states passed this road. Why cannot Ukraine and Russia, as European democratic states, follow such examples? Why cannot the experience of settlement of similar issues between Poland and Russia be used in our bilateral relations?

Another subject, now in terms of emotional discussions – prospects of the Russian Black Sea Fleet stationing on the territory Ukraine. Our state has always remained and will remain faithful to assumed contractual commitments of the Russian Fleet stationing on the territory of Ukraine till 2017 and hopes for the same approach on the part of our Russian partners.

Initiation at the present stage of a dialogue on identification and implementation of measures related with the expiration of the validity of the basic agreements in 2017 lies, first of all, in practical terms.

Ukraine is disposed to build pragmatic, predictable, equal and mutually advantageous relations with Russia. I more than once spoke about that.

Unfortunately, our constructive stand not always finds due understanding of the Russian side.

* The Round-table by correspondence was held in May 2009. Razumkov Centre turned to the President, Prime Minister, ministers, heads of concerned committees of the Verkhovna Rada with a request to present their view of the problems and prospects of development of Ukraine-Russia relations.

We do not accept as a friendly policy the massive information campaign aimed against Ukraine, blackmail with prices of energy resources and volumes of their transit. We are concerned about the stated intention to bar the movement of our country to NATO membership by all means. It is unacceptable for us when some Russian political circles and separate persons use and play the so-called “Crimean card”, force anti-Ukrainian spirits in Crimea and stir up the public.

Of course, all this is inconsistent with the spirit of relations between two fraternal peoples and countries, with the present-day international practice, and creates the atmosphere of mutual mistrust.

– What are the ways and mechanisms to remove problems in bilateral relations?

Reiterating our disposition to development of bilateral relations with the Russian Federation, we are ready for the forms of interaction resting on mutual respect, utmost concrete and constructive, pragmatic, good-neighbourly and friendly by their nature.

We should overstep the barrier of misunderstanding, shift bilateral relations into the legal domain, make them transparent and predictable. Furthermore, in the conditions of the global financial crisis, the need arises to strengthen the economic dimension of the Ukraine-Russia cooperation. The priority task today is not just to preserve our commodity markets, cooperative ties, joint economic projects.

We should find additional opportunities to support our economies, to prevent the spread of negative phenomena, in particular – to refuse from national protectionism and raise new barriers for trade in goods and services.

I also see it urgent to review the available resources for effective cooperation with the purpose of concentration on implementation of existing projects in the energy, science and technology, aviation, space and other sectors beneficial for both countries.

Deepening of integration in hi-tech sectors of the economy would help to preserve a number of Ukrainian and Russian enterprises, brainpower and, especially important, working places for highly qualified specialists, to develop fundamental research in new promising sectors.

Implementation of joint projects will make it possible to not only strengthen positive trends in our bilateral cooperation but will add impetus to its further development on a mutually advantageous and equal basis.

Now, in my opinion, an optimal algorithm of our actions for achievement of concrete results should be worked out with account of mutual interests through a constructive, partner-like and equal dialogue.

I am sure that this approach is mutually advantageous, should meet no resistance of the partners and requires no compromise from the parties.

We proceed from the assumption that all problem issues should be settled not in newspapers or Internet publications but at a negotiation table.

I stress, we stand for constructive dialogue with Russia and propose its development within the framework of the existing interstate mechanisms, first of all, the Ukrainian-Russian Interstate Commission. I remind that

this unique key tool backing bilateral cooperation was created on the initiative of the Presidents of Ukraine and Russia. The Commission has a number of working bodies for the entire range of Ukraine-Russia relations – Committee for Economic Cooperation, subcommittees for security, international and humanitarian cooperation, Sub-commission for Operation of the Black Sea Fleet of the Russian Federation and its Stationing on the Territory of Ukraine.

The Commission is called not only to identify promising lines of cooperation but, importantly, to ensure control of implementation of adopted interstate decisions, encourage coordination of bilateral interaction, formulation of common priority tasks in the long run.

Two meetings of the Commission have been held. Now, the Ukrainian side demonstrates strong readiness for the following, third one, according to the regulations, to be held in Kyiv.

I hope that despite a number of external and internal reasons, that meeting will finally take place and become kind of an impetus for intensification of bilateral cooperation.

– What is your vision of partnership prospects of the two countries?

Regarding the future of Ukraine-Russia relations, our clear priority is their normalisation and further development on the basis of mutual respect and constructivism.

The positive potential of those relations is difficult to overestimate.

Trade and economic cooperation presents the practical basis for strengthening Ukraine-Russia strategic partnership. Especially promising lines of further cooperation with the Russian Federation include creation of a fully-fledged free trade area; strategic cooperation in the field of transit of energy resources, including to European markets; further development of investment cooperation; cooperation in the field of high technologies, space and aircraft building sectors, etc.

One should not forget about interregional and transborder cooperation. This is an important reserve for growth of trade and investments between our countries, development of contacts of the small and medium businesses, implementation of promising business projects.

And one more important aspect. Partnership with Russia is an integral element of the pan-European processes. In presence of some difference in approaches, our dialogue should rest on search of the principles of the international security policy taking into account the interests of our two states, and being elements of common security and stability.

Furthermore, Ukraine is interested in development of humanitarian cooperation with the Russian Federation, establishment and strengthening of contacts between the concerned state executive bodies, search of new forms of interaction in the field of culture, education and science, information, youth exchanges.

Today, despite all problems and confusions, Ukraine and Russia are trying to find points of contact and mutually acceptable approaches that would effectively contribute to restoration of the atmosphere of strategic partnership.



Maybe not so intensely as we would like, but bilateral dialogue in the framework of the interstate Commission continues, political consultations and negotiations on a number of sensitive for both parties issues take place, including the issues of the Russian Black Sea Fleet and Azov-Kerch problems. Continuous work goes on.

I believe that through joint efforts, we can do our best, for the irritants introducing destructive elements to our partnership to disappear forever between Ukraine and Russia.

Long-term fruitful and mutually advantageous cooperation of Ukraine and Russia is of our mutual interest.

I am sure that today, sound economic pragmatism should dominate in bilateral relations, and personal political emotions should be removed from our way.

Nobody should feel discomfort that would lead only to aggravation of the situation and not promote problem solution.

We stand for an equal harmonious dialogue. And we are ready for it.

I personally assess the prospects of relations with Russia optimistically. It cannot be otherwise.

The main thing in that process is that the parties are interested in drawing up a positive agenda of our cooperation and aware that it has no alternative. ■

ESTABLISH EFFECTIVE COOPERATION BETWEEN UKRAINE AND RUSSIA



Yulia TYMOSHENKO,
Prime Minister of Ukraine

– How would you assess the present state of Ukraine-Russia relations? What are the reasons for the crisis in partnership between the countries, threatening effective development of cooperation?

First of all, I wish to say that the present level of Ukraine-Russia relations remains unsatisfactory. Unfortunately, there is no system, no routine work at building relations between our countries.

We have no established long-term strategic partner relations in the political sector, strategic economic cooperation is absent, we are insufficiently cooperate in the humanitarian and cultural sectors.

What is the reason for such state of relations?

First, relations between Ukraine and Russia are too politicised. They are politicised both in Russia and in Ukraine. Any step to meet the partner is presented

by opponents of the Ukrainian and Russian authorities as surrender of national interests. Beyond doubt, such politicisation is no good for strategic relations.

Second, such state of relations also depends on some personal things, personal factors, where the attitude to the person of one or another politician prevailed upon state interests. This inflicted serious damage to our relations.

Third, many things were intentionally added to our relations. There are problems instigated by radical forces in both countries. This background affects the character of our relations. I am sure, however, that we can solve those problems. They should not interfere with our good-neighbourly relations.

We managed to correct a lot during my latest visit to Russia and meeting with the Prime Minister of the Russian Federation V.Putin. I consider it effective.

The main thing, it gave enough reasons to believe that Ukraine and Russia will remain partners, good neighbours and countries building their relations on the firm basis of national interests of each country, and national interests of each country will be equally considered when building our relations.

I believe that we will see our political and economic relations further recover and get stronger.

– What are the ways and mechanisms to remove problems in bilateral relations?

I believe that only permanent contacts between the leadership of Ukraine and Russia can make cooperation between the two countries to effectively develop on a long-term basis. We should make meetings of the interstate commission regular. I guess that working contacts on the level of ministries and agencies should be promoted.

Inter-parliamentary relations are a special subject. Exactly the MPs of both countries are the live connection that can revive our relations.

We should also promote interaction of Ukraine and Russia in the public sector, contacts between non-governmental organisations, journalists, the public, intelligentsia of our countries.

We should learn to understand each other, motives and means of our actions, beginning, of course, from the authorities.

Only in this way can we establish effective cooperation between Ukraine and Russia.

– What is your vision of partnership prospects of the two countries?

Remaining on the post of the Prime Minister of Ukraine, I will do my best to establish truly equal, normal, civilised partner relations with Russia.

Russia is our strategic partner and one of the biggest trade partners. A policy of confrontation with Russia is senseless.

Defence of Ukraine's national interests, search of compromise – this is the truly national policy that will contribute to Ukraine's development and establishment as a sovereign state and simultaneous establishment of normal partner contacts between the two countries. ■

GOOD-NEIGHBOURLINESS, MUTUAL TRUST AND RESPECT FOR NATIONAL INTERESTS OF EACH PARTY ARE THE CORNERSTONE OF BILATERAL RELATIONS



Yuriy KOSTENKO,
*First Deputy Minister for
Foreign Affairs of Ukraine*

– How would you assess the present state of Ukraine-Russia relations? What are the reasons for the crisis in partnership between the countries, threatening effective development of cooperation?

The state and character of Ukraine-Russia relations are now not quite consistent with the spirit and letter of the fundamental documents signed by the two countries in the recent years, first of all – the Treaty of Friendship, Cooperation and Partnership between Ukraine and Russia of May 31, 1997.

That is why I am sure that the development of relations with Russia at the present stage should concentrate on making them equal, mutually advantageous and pragmatic, resting on the norms and principles of the international law, respect for the sovereignty, territorial integrity and national interests of both states.

Russia is our eternal neighbour, our relations rest on historic, cultural, humanitarian, political and, first of all, economic factors. Such motivation should prompt both parties to build and wage dialogue based on gains, try to solve differences at a negotiation table, without unnecessary agitation and tension, concentrating joint efforts on the problems that are of interest for both the Ukrainian and the Russian side.

– What are the ways and mechanisms to remove problems in bilateral relations?

In this connection I wish to stress that Ukraine and Russia do not need to start from scratch. The ways of solution of problem issues in bilateral relations, in my opinion, are clear – resumption of movement towards each other for joint implementation of agreements reached on the high and highest levels. Such signals aimed at normalisation of Ukraine-Russia relations were more than once sent by the leadership of our state.

Regarding the mechanisms of cooperation between the two states, they are wide enough, by sector of activity, and varied, by membership. First of all, I wish to remind of the Ukrainian-Russian Interstate Commission, chaired by the Presidents of Ukraine and the Russian Federation. Within its framework, the Committee for Economic Cooperation is active, led by the Prime Ministers of the two states. As you know, the latest meeting of the Committee took place in Moscow on April 29, 2009.

We maintain close contacts with our Russian colleagues on a wide range of issues of bilateral and multilateral cooperation: there are regular consultations, exchange of opinions on the level of heads of concerned divisions of the foreign offices, deputy ministers of foreign affairs of Ukraine. For instance, using a tested channel of communication, Moscow on April 3, 2009, hosted another round of Ukrainian-Russian political consultations, which I chaired together with the state secretary – Deputy Minister of Foreign Affairs of the Russian Federation G.Karasin, where we discussed a wide range of issues of bilateral cooperation and topical regional problems. Recently, during a meeting of the Committee of Ministers of the Council of Europe in Madrid, Acting Minister of Foreign Affairs of Ukraine V.Khandohiy had a working meeting with Deputy Minister of Foreign Affairs of the Russian Federation O.Grushko.

To ensure the pursuance of an effective and integral state policy in the field of Ukraine-Russia relations, and considering the importance of those relations for the national security, Ukraine's President V.Yushchenko on December 1, 2008, signed a decree establishing the Interdepartmental Strategic Working Group on Ukraine-Russia relations.

– What is your vision of partnership prospects of the two countries?

The European choice, firmly announced by Ukraine at the dawn of its independence, will continue to shape its foreign policy. Meanwhile, Ukraine, seeing its future in the European Union, is interested in partnership with Russia to be an integral element of pan-European processes.

Although the strategic approaches of Ukraine and Russia regarding their participation and role in the European and Euro-Atlantic integration processes differ, the national interests of our state presume that despite all differences between Ukraine and Russia in approaches to the problems of international or bilateral relations, they should never exert negative influence on the formation of the Euro-Atlantic security architecture.

We are disposed to raise relations with Russia to a qualitatively new level by cherishing positive trends, first of all, in the trade and economic sector; promoting dialogue on the problems of legalisation of the state border; in the field of fighting illegal migration, smuggling, drug trafficking, illegal trade in arms, human trafficking; settlement of regional conflicts in the post-Soviet space.

By the way, in the border issue, Ukraine entirely shares the stand of the Russian side formulated in the National Security Strategy of the Russian Federation through 2020, recently approved by the Russian President, mentioning incompleteness of legal execution of borders the Russian Federation with some neighbouring countries in the list of the key threats to Russian security and interests. I hope that exactly this approach will provide a reliable platform for completion of negotiations about demarcation of the land segment of state border between Ukraine and Russia, delimitation of the Sea of Azov, the Black Sea and the Kerch Strait.

We are absolutely positive that good-neighbourliness, mutual trust and respect to national interests of each party should be the cornerstone of the relations between the two countries. ■

INTENSIFICATION OF BILATERAL RELATIONS WITH THE RUSSIAN FEDERATION IS ONE OF THE MAIN TASKS OF THE FOREIGN ECONOMIC POLICY OF THE STATE



Bohdan DANYLYSHYN,
Minister of Economy
of Ukraine

– How would you assess the present state of Ukraine-Russia relations? What are the reasons for the crisis in partnership between the countries, threatening effective development of cooperation?

I wish to note that the Ministry of Economy consistently takes measures for intensification of trade and economic cooperation between Ukraine and the Russian Federation. Perfection of international cooperation, introduction of new forms and lines of trade and economic relations are among the main tasks of the Government.

As we know, the Russian Federation is (and for a sensible time will remain) one of the most important trade partners for Ukraine.

The same is witnessed by the indices of trade and economic cooperation of Ukraine and Russia: by the results of 2008, Russia's share in Ukraine's total foreign trade amounted to 23.3%, or \$39.9 billion (goods and services), which is \$6.3 billion more than in 2007.

If we analyse the main factors influencing the state of trade and economic cooperation of Ukraine with Russia, we should note reorientation of substantial segments of the Russian market to products from outside the CIS states. In particular, according to the customs statistics of the Russian Federation, the share of the CIS countries in Russia's total trade turnover remains low (2000 – 19%, 2007 – 15%). Some segments of the Russian market (pipes, meat and dairy products, starch and malt treacle, etc.) are shrinking for Ukrainian exporters due to application by the Russian side of special and antidumping investigations against Ukrainian goods.

Regarding Ukraine, we should promptly do away with the low activity of Ukrainian manufacturers promoting domestic goods on the Russian market, in particular: creation of joint ventures, participation in tenders, exhibitions, fairs, etc. In view of the above-mentioned reorientation of substantial segments of the Russian market to products from outside the CIS, Ukrainian exports are ever more diversified to third countries.

INDICES OF TRADE AND ECONOMIC COOPERATION BETWEEN UKRAINE AND RUSSIA

The Russian Federation accounts for over 23.5% of the total exports of Ukrainian produce. At that, in 2008, exports of Ukrainian goods to Russia increased by 24.2%, hitting \$15.7 billion.

Foreign trade in goods and services between Ukraine and the Russian Federation in the 1st quarter of 2009 totalled \$4,380.1 million, export of goods and services in January-March 2009, amounted to \$2,249.9 million, import – to \$2,130.2 million.

The trade balance with Russia in January-March 2009, showed a saldo of \$119.7 million, improving by \$509 million compared to the same period of 2008.

Trade in services (works) amounted to 18.1% in the foreign trade structure in the 1st quarter of 2009, in that: in total exports – 29.6%, in total imports – 6.1%.

Ukraine's trade with Russia in January-April 2009, totalled \$3,585.7 million.

Export of goods in the 1st quarter of 2009 amounted to \$1,584.5 million.

In Ukraine's total export in January-March 2009, goods accounted for 70.4%. In the structure of export of goods, the main commodity groups were:

- engineering products – 31.9%;
- metal products – 19.9%;
- food products – 17.1%;
- chemical products – 11.9%.

Import of goods in the 1st quarter of 2009 amounted to \$2 001.2 million.

In Ukraine's total import in January-March 2009 goods made 93.9%.

In the structure of import of goods, the main commodity groups were:

- energy resources – 61.2%;
- engineering products – 8.9%;
- metal products – 6.5%; chemical products – 11%.

The saldo of trade in goods amounted to \$416.7 million

In this context, the most topical problem issues of bilateral trade and economic cooperation that require solution on the part of Russia include:

- (1) abidance by the Memorandum between the Government of Ukraine and the Government of the Russian Federation on the principles of application of special measures to imports of goods originating from customs territories of the parties of October 4, 2001 (hereinafter – the Memorandum);
- (2) cancellation of regulatory-legal acts of the Government, agencies of the Russian Federation and the Federal Customs Service of the Russian Federation, creating artificial or discriminatory barriers for Ukrainian goods;
- (3) full-scale restoration of deliveries of Ukrainian meat and dairy products to Russia.

– What are the ways and mechanisms to remove problems in bilateral relations?

I already stressed that the issue of intensification of Ukraine's bilateral relations with Russia is among the most important in the foreign economic policy of the state.

Preservation of the Russian markets, further development of equal trade and economic relations between our states acquire particular importance in the present-day global economic processes.

The priority lines in this respect include:

- further development of bilateral cooperation in the fuel and energy sector (participation of Ukrainian and Russian enterprises in joint ventures for construction and upgrade of Russia power engineering facilities, participation of Ukrainian enterprises in implementation of programmes of gas supply to Siberian regions, etc.);
- implementation of measures in line with the Programme of Economic Cooperation between Ukraine and the Russian Federation for 2008-2010 and measures in line with the Programme of Interregional and Transborder Cooperation with the Russian Federation through 2010;
- intensification of investment activity, provision of participation of Ukrainian capital, first of all, in the development of the Russian fuel and energy sector, and of Russian capital – in the Ukrainian agriculture, machine-building, metallurgy and chemical sectors;
- settlement of issues related with application of protective measures in line with the provisions of the above-mentioned Memorandum;
- resumption of full-scale deliveries of Ukrainian meat and dairy products to Russia;
- implementation of measures in line with the Programme of Ukraine-Russia cooperation in the field of research and peaceful use of outer space for 2007-2011;
- intensification of exhibition and advertising activity of Ukrainian business entities in Russia, their creation of joint ventures, service centres, consignment warehouses, expansion of the network of enterprise representative offices, deepening of studies of commodity markets and the competitive environment for search of trade partners.

Noteworthy, active efforts of the Committee for Economic Cooperation of the Ukrainian-Russian Interstate Commission and continuous dialogue on the level of concerned ministries, heads of governments of Ukraine and the Russian Federation (in 2008, some 15 meetings were held with Russian partners on different levels) made it possible to achieve record high foreign trade in goods and services in 2008, totalling \$40 billion; trade in goods exceeded \$35 billion.

For the development of Ukraine-Russia economic cooperation, promotion and implementation of joint Ukrainian-Russian projects, Kyiv hosted the Ukrainian-Russian forum “Ukraine-Russia – dialogue of effective strategic partnership” that involved representatives of the Ukrainian and Russian governments, the Verkhovna Rada of Ukraine, business circles of both countries, research institutions, etc.

I am sure that the Forum will continue the Ukraine-Russia dialogue in the economic sector and contribute to the search of joint decisions aimed at removal of effects of the world financial crisis.

– What is your vision of partnership prospects of the two countries?

I am sure that Ukraine-Russia relations have huge prospects. The latest example – the fourth meeting of the Committee for Economic Cooperation of the Ukrainian-Russian Interstate Commission attended by Ukraine’s Prime Minister Yu.Tymoshenko and the Prime Minister of the Russian Federation V.Putin. Discussed at the meeting were critical issues of trade and economic cooperation, interaction of the parties in the energy sector, cooperation in the field of aircraft building and other sectors.

In the field of industrial policy, determined as the main lines were further efforts for implementation of joint projects in machine building, in the mining and metallurgy sector and chemical industry, and development of production cooperation.

In agriculture, drafting of an intergovernmental Agreement of Cooperation in the Field of Quarantine of Plants is underway.

Agreements were reached on regimentation of deliveries of Ukrainian treacle to the Russian market and consultations about the state and prospects of bilateral trade in sugar.

In the field of scientific-technological cooperation, the Federal Agency for Science and Innovation of the Russian Federation and the Ministry of Education and Science of Ukraine are preparing for signing the Ukrainian-Russian bilateral programme “Development of Cooperation in the Field of Nanotechnologies between Russian Federation and Ukraine for 2009-2012”.

Regarding deepening of trade and economic cooperation with Russia and giving an impetus to economic relations, we should, first of all, establish mutually advantageous trade with account of the WTO norms and rules without exceptions and restrictions, deepen production cooperation in hi-tech branches, aircraft building and creation of space system, ensure joint access to markets of third countries with goods and services.

This can be attained by means of:

- preservation and expansion of presence of Ukrainian export produce on traditional markets in Russia, first of all – products with high added value;
- continuation of efforts aimed at settlement of the issue of export of Ukrainian meat and dairy products to the Russian Federation;
- further development of bilateral cooperation in the fuel and energy sector;
- intensification of efforts at implementation of joint projects with the Russian side of production of goods for domestic markets of the parties and for markets of third countries;
- further implementation of measures in line with the Programme of Economic Cooperation between Ukraine and Russia for 2008-2010 and the Programme of Interregional and Transborder Cooperation with the Russian Federation through 2010, and measures in line with the Programme of Ukraine-Russia Cooperation in the Field of Research and Peaceful Use of Outer Space for 2007-2011;
- intensification of exhibition and advertising activity of Ukrainian business entities in Russia.



Promising lines of cooperation should cover such key joint projects in the field of aircraft building and space industry as development of regional passenger turbojet An-148; resumption of batch production of upgraded versions of An-124-100M-150, -300 transport airplanes on the basis of military transport An-124 "Ruslan"; preservation of cooperative ties at production of aircraft engines (by "Motor Sich" JSC).

In agricultural machine building, joint production of grain and fodder gathering machinery looks promising.

Cooperation in the oil sector involves technical re-equipment and overhaul of Ukrainian refineries for deeper processing of oil, growth of production of light petroleum products and raising their quality to the European standards.

In the gas sector, the agreed (within the framework of the investment phase of the International Consortium for management and development of Ukraine's gas transportation system) project of construction of Bohorodchany-Uzhhorod gas pipeline should be implemented.

Cooperation in the field of railway engineering looks promising. In particular, it involves further marketing of Ukrainian-made freight carriages (of Azovmash OJSC and Kryukov Carriage Works OJSC) on the Russian market. Furthermore, cooperation should be established between "Transmashholding" CJSC and "Luhanskteplovoz" Holding Company for development and joint production of mainline electric locomotives.

Summing up, I wish to stress that Ukraine-Russia bilateral relations conceal a huge potential. Russia was and will remain our main trade partner, and I am sure of further strengthening of relations between our countries. ■

STRENGTHEN TRUST BETWEEN OUR STATES



Oleh BILORUS,
Chairman of the Committee
on Foreign Affairs of the
Verkhovna Rada of Ukraine

– How would you assess the present state of Ukraine-Russia relations? What are the reasons for the crisis in partnership between the countries, threatening effective development of cooperation?

Russia is and will remain Ukraine's strategic partner, the Ukrainian side attaches great importance to the development of equal and pragmatic relations with the Russian Federation in the spirit of the Treaty of Friendship, Cooperation and Partnership and proceeds from the imperative of their friendliness, stability and good-neighbourliness, since our peoples are lined by the common past, cultural kinship, traditional deep partner, family and economic ties.

Unfortunately, in the recent years, the relations between our countries demonstrated a steady trend to deterioration. Now, I can describe the state of relations between Ukraine and the Russian Federation as highly unsatisfactory, for a number of external and internal reasons.

Among the external reasons, the structure of economies of the states is changing with time, different political and economic interests arise. For instance, Ukraine's accession to the WTO could not but influence the rules of trade between our states, and in some sectors, Ukraine and Russia compete on the international market.

Subjective factors of deterioration of relations are caused by historic reasons, changes on the European political map and geopolitical realities.

Russia is a strong and influential state. That is why, I guess, it is sometimes difficult for Russia to accept independence of former Soviet republics. And this is one of the main reasons "poisoning" the atmosphere of bilateral relations. Maybe, some political circles in Russia wish to further view Ukraine as the sphere of its influence, a satellite, but those times have passed away. However, Russian political actors sometimes try to continue the policy of pressure on Ukraine, using economic and cultural tools of influence, instigating national and religious problems remaining since the Soviet times.

One may just recall so-called "gas wars", attempts to use the Russian Black Sea Fleet to influence the situation in the AR of Crimea, intentional injection of language and religious confrontation, imposition of trade restrictions, etc. There are many instances of Russian interference in Ukraine's internal affairs, attempts to impose its view of events of the common history, shape the foreign political course of our state. I would also like to mention the disgraceful practice of "black lists", mutual ban of entry to the territory of both states for representatives of the governments, parliaments and business.

Furthermore, some political forces in Russia and in Ukraine erroneously took the Orange Revolution, the European choice, the desire of Ukraine to join the Euro-Atlantic security system as a sign of Ukraine's animosity to Russia. I would like to stress that Ukraine has made a choice not between Russia and the West, but between authoritarianism and democracy – the values shared by both our peoples. Joint establishment of an area of stability, security, economic prosperity, freedom and democracy on the European continent may become the uniting factor presenting the basis for further cooperation between the two states on the principles of equality, respect for the international law, defence of national interests.

All this creates the atmosphere of intentional confrontation, mistrust between the two states, affecting bilateral economic cooperation and, respectively, standards of life of the peoples of our countries.

– What are the ways and mechanisms to remove problems in bilateral relations?

First of all, proceeding from the above, measures should be taken for growth of trust between our states, for refusal from radical statements and mutual accusations. We have a unique opportunity for not only deepening the political dialogue on the top level but for the development of transborder and regional cooperation, "people's diplomacy".

Of course, I wish to specially dwell upon the potential of inter-parliamentary cooperation. Cooperation between the Verkhovna Rada of Ukraine

and the Federal Assembly of the Russian Federation (Federation Council and State Duma of the Federal Assembly of the Russian Federation) takes place along several lines: contacts on the level of parliament heads and members of legislative bodies of Ukraine and the Russian Federation; inter-parliamentary groups of Ukraine and the Russian Federation; inter-parliamentary commission for cooperation of the Verkhovna Rada of Ukraine and Federal Assembly of the Russian Federation.

The most intense contacts take place within the framework of the Inter-Parliamentary Commission for Cooperation of the Verkhovna Rada of Ukraine and the Federal Assembly of the Russian Federation. Since its establishment in 2002, eight meetings have been held that discussed such important issues as trade and economic cooperation, border crossing procedures, protection of rights of labour migrants, approximation of the legislation, development of industrial cooperation, development of applied and fundamental science, cultural, humanitarian and transborder cooperation.

During the latest meeting of the Commission (March 18, 2009, Moscow), for perfection of its work and improvement of control of implementation of agreements, it was decided to put on the agenda of the following meetings one-two especially important and practical issues of bilateral cooperation.

In particular, the March meeting considered issues of inter-regional and transborder cooperation, and the dialogue in the humanitarian sector. Upon its results, it was decided to set up a working group of the Inter-Parliamentary Commission for Development of Interregional and Transborder Cooperation and provide for regular review of proposals by the state authorities of the border regions and representatives of business circles of both countries for perfection of both national and international legal frameworks with the purpose of enhancement of the effectiveness of border contacts. In the field of humanitarian cooperation, the parties undertook to promote ties in the field of culture and arts, take part in joint celebration of the most prominent events in the socio-cultural life of both states, such as the 200th anniversary of M.Gogol, 300th anniversary of the Battle of Poltava, 150th anniversary of A.Tchekhov, 65th anniversary of the victory in the Great Patriotic War.

Deepening of the inter-parliamentary dialogue will contribute to the growth of trust between politicians of both countries, perfection of legislative support for bilateral cooperation in all sectors, which, in turn, will promote development of all-round contacts between Ukraine and the Russian Federation.

– What is your vision of partnership prospects of the two countries?

There is a huge potential for the development of bilateral cooperation between Ukraine and the Russian Federation, but unfortunately, it is not fully employed.

Russia remains Ukraine's main trade partner, the trade between our states is steadily growing. At that, the structure of the Ukrainian exports to the Russian

Federation is dominated by products with a high and medium degree of processing: engineering, metals, chemicals and foods.

Great opportunities for further deepening of trade and economic relations are posed by the development of interregional and transborder cooperation. To employ that potential, the latest meeting of the Inter-Parliamentary Commission for Cooperation of the Verkhovna Rada of Ukraine and the Federal Assembly of the Russian Federation passed a number of concrete decisions, in particular, to involve representatives of parliaments of the two countries to the development of the Programme of Interregional and Transborder Cooperation of Ukraine and the Russian Federation after 2010; annual arrangement of meetings of members of local councils of the two countries in border regions of Ukraine and the Russian Federation, involving heads of local administrations and other state authorities of the parties. In this connection, the Commission decided to work out proposals for conduct of such event in 2009.

Deepening of cooperation between Ukraine and Russia in the field of industrial cooperation, in particular, in the space sector, machine building, power engineering, nuclear energy, aviation industry, shipbuilding, etc. is highly promising. The Verkhovna Rada of Ukraine in this connection concentrates on creation of the legislative framework for implementation of relevant projects.

Trade and production of agricultural produce are the sectors that have an actually unlimited potential for development. The unique Ukrainian black soil, preserved traditions of production of environmentally clean and natural agricultural produce in Ukraine, on one hand, and the huge capacity of the Russian food market, on the other, create vast possibilities for establishment of trade and production joint ventures in agriculture. One cannot but mention the huge potential of cooperation in the humanitarian and scientific sectors. Ukraine and the Russian Federation have a common academic school, which enables implementation of bilateral programmes in the field of applied and fundamental science, exchanges of postgraduates, scholars and researchers. The kinship of the Ukrainian and Russian cultures open broad horizons for the cultural dialogue, mutual exchange of artistic and literary gains of our peoples. Youth programmes in the field of student exchanges, tourism, sports, etc. are similarly important.

The world economic crisis put on the agenda the need of coordination of efforts of Ukraine and Russia for removal of negative economic trends and imbalances in the economy, which can add impetus to deepening bilateral cooperation, development of industrial cooperation projects, cooperation in the field of transportation of energy resources. The crisis brings not only risks and challenges but also a chance for search of non-standard solutions, implementation of new projects, new opportunities. That is why I hope that through joint efforts, we will manage to overcome temporary negative trends in bilateral relations, achieve true strategic partnership and use all opportunities for cooperation for the prosperity of our peoples. ■



WE SHOULD PART WITH VAIN PROMISES, CLEARLY FORMULATE OUR POSITION AND BEGIN PRACTICAL ACTION



Anatoliy GRYTSENKO,
Chairman of the National
Security and Defence
Committee of the
Verkhovna Rada of Ukraine

– How would you assess the present state of Ukraine-Russia relations? What are the reasons for the crisis in partnership between the countries, threatening effective development of cooperation?

Now, it is hard to produce a full and impartial assessment of the relations of our countries, because it is difficult to compare. Actually, the entire period of Ukraine's independence witnessed, in particular, tension in the information space. Russian media do not refrain from comments about everything that happens in different spheres of life in Ukraine: political, economic, military, social, cultural. As a rule, people are told about our miscalculations, scandals, tragedies, cataclysms and other mishaps. Of course, this influences the consciousness of citizens both in Russia and in Ukraine, creating an image of a conflicting, stormy Ukraine, while in Russia, everything is fine and stable...

Recently, the Kyiv International Institute of Sociology and Russian "Levada-Centre" have published data of public opinion polls in Ukraine and Russia about our relations. It appeared that the overwhelming majority of Ukrainians – 90% – are well disposed to Russia. Russians loyal to Ukraine made less than half – 41%, while those who treat Ukraine badly made nearly half – 49%!

Sometimes, a ban on transmission of Russian TV channels is considered in Ukraine. This is nonsense. We have seen that in the Soviet times, when despite strong radio interference, people found an opportunity to listen to banned radio waves. And bans only enticed them to do that.

We live in a different time and should understand that order should be established not in the air but in the heads of state figures and politicians influencing the well-being and peace in Ukraine. Unfortunately, this is not the case.

For Ukraine, Russia is not just a neighbour state but an important and strong strategic partner. It will be so in 107, and in 225 years. Spain, Canada or Japan will not suddenly appear on our north-eastern border, there will always be the Russian Federation. That is why we should build with that state mutually advantageous and equal relations. But first of all, I stress, mutually advantageous. This means that our national interest should be stated and correlated with the Russian national interest.

We see that Russia by all means, not ruling out sometimes openly aggressive ones, successfully and consistently defends its national interests. It is suffice to mention just the approval of the new Concept of Foreign Policy of the Russian Federation by Russia's President D.Medvedev in July 2008. That is quite a balanced strategic programme document taking into account the experience of the key developments around the Russian Federation, starting from 2000, setting the main priorities, means and methods of their attainment. That Concept outlined the plan of work with the whole world!

Unfortunately, Ukraine has no such Concept. Everything is situational, with elements of short-term, sometimes ill, planning. But this does not release us from relations with Russia.

We urgently need to find the balance of mutual interests beneficial for both Russia and Ukraine. I am sure that the sphere of those interests is wide enough, encompassing actually all sectors of our life.

I can cite an example from my own experience of effective cooperation with Russian colleagues, while being the Minister of Defence of Ukraine. In course of 34 months, we had no wars of the press services concerning the Black Sea Fleet stationing in Sevastopol. You will not find a single instance when commanders of the Ukrainian and Russian navies had public conflicts. All issues were resolved rapidly and constructively. I built normal relations with my colleague, Minister of Defence of the Russian Federation S.Ivanov, and we solved actually all issues by phone, without prolonged diplomatic procedures and months-long correspondence.

– What are the ways and mechanisms to remove problems in bilateral relations?

I am sure that relations with Russia will be stable and effective when Ukraine is united and consistent in its actions. When Ukraine has one foreign political strategy, one stand on all issues, one idea expressed by the authorities and supported by the people.

Believe me, the Russian Federation is also tired of our internal political strife. Russia is waiting for Ukraine to be credible, comprehensible and pragmatic. We should part with vain promises, clearly formulate our position and begin practical action. Russia is long ready for that. It is our turn now.

– What is your vision of partnership prospects of the two countries?

I believe that the present level of cooperation, if the political dimension sometimes constraining that cooperation is removed, is solid enough and mutually beneficial.

For instance, take a look at the defence sector: we take part in the trilateral initiative of Ukraine, Russia and Turkey "Black Sea Harmony"; jointly with Russia cooperate in the European naval cooperation task group BLACKSEAFOR, involving all Black Sea countries. Furthermore, Ukraine and Russia take part in the NATO operation "Active Endeavour" for detection and prevention of terrorist acts in the Mediterranean.

And if we speak of development, Kyiv should prove its readiness for restoration of wide strategic

partnership and put forward concrete proposals. I do not mean separate isolated projects. It should be a Strategic Partnership Plan, or a roadmap of mutually advantageous action. It will establish order and qualitatively renew relations with our north-eastern neighbour in the sectors of fuel and energy, defence industry, agriculture, aircraft and car building, space, healthcare, construction of infrastructure facilities, etc.

Russia and Ukraine will always be near. We are neighbours, we do not need to fly to each other across the ocean. We are just doomed to broad cooperation. And the sooner it happens, the better it will be for our peoples. Then, the very need of public opinion polls about mutual perception of Ukrainians and Russians will pass away automatically. It will no longer be interesting – without a conflict. ■

TASK OF POLITICIANS AND AUTHORITIES OF BOTH COUNTRIES – TO USE POTENTIAL OF CONSTRUCTIVE COOPERATION



Borys TARASYUK,
*Chairman of the Committee
on European integration
of the Verkhovna Rada
of Ukraine*

– How would you assess the present state of Ukraine-Russia relations? What are the reasons for the crisis in partnership between the countries, threatening effective development of cooperation?

In short, as abnormal and unpredictable, alarming and concerning the international community.

The present state of Ukraine-Russia relations cannot be called temporary or unique. In course of 18 years, they have never been equal and “cloudless”. Let us recall disputes about the division and temporary stationing of the Black Sea Fleet, nuclear weapons, gas blackmail, trade wars, attempts of interference in home affairs, anti-Ukrainian information wars, finally, recent direct threats. Therefore, Ukraine-Russia relations may hardly be termed truly “strategic”, at least given that the national interests of both states often do not coincide.

The reasons for the permanent crises lie in the Russian political elite that since early 1990s has not accepted Ukraine’s independence, tried to impose its domination or establish “spheres of privileged interests” through different political projects.

Neglect of the international law, conscious protraction of delimitation and demarcation of the border between us, breach of bilateral commitments, neglect of Ukrainian

laws, aggressive reaction to the foreign political choice of Ukraine – this is far from the exhaustive list of problems in bilateral relations.

– What are the ways and mechanisms to remove problems in bilateral relations?

First of all, it is important to make Ukraine-Russia relations constructive and pragmatic. For that, the reasons of the problems in bilateral relations, mentioned above, must be removed. The Russian political elite and authorities should realise that Ukraine’s choice is its right, that Russia should concentrate resources and efforts on solution of Russia’s internal problems, not on vain attempts to push imperial ambitions.

Observance of the norms of the international law and international commitments, respect for legitimate rights and interests of the partner should become a norm in our relations. In particular, it should stop interference in our internal affairs, stop the anti-Ukrainian hysteria directed by the authorities, concentrate on mutually advantageous cooperation.

Ukraine-Russia relations have a vary complex, multi-level nature, their dynamism is usually determined by the parties’ ambitions. For instance, Russia views Ukraine’s attempts to secure its national interests through the EU and NATO membership as unfriendly and hostile steps. All-Russian and all-Ukrainian public opinion polls about the attitude of Russians to Ukraine and Ukrainians to Russia held in the winter of 2009 by the Russian “Levada-Centre” and the Kyiv International Institute of Sociology have demonstrated that 49% of Russians treat Ukraine mainly badly and very badly (compared to 33% in March 2008). By contrast, 91% of Ukrainians treats Russia well and very well.

Therefore, until the Russian leadership gives up its post-imperial habit to see our sovereign strategic choice as a sign of unfriendliness to it, until it concentrates on search of compromise and peaceful, fruitful coexistence, one should not expect maximum effect from our partnership. However, specific of those relations is their critical importance for the development of both countries.

– What is your vision of partnership prospects of the two countries?

In case of removal of the reasons complicating our relations, the dialogue should be resumed and intensified on all levels. We should concentrate on resumption of mutually advantageous projects in the sectors of rocket building, aircraft building, remove trade barriers, make our borders a reliable barrier on the road of illegal migration, smuggling, organised crime.

Cooperation should be encouraged in the humanitarian sector, in the field of tourism, contacts between regional and city communities should be promoted. The potential of constructive cooperation of our countries will be useful not only for the peoples of Ukraine and Russia but for the entire region. It is the task of politicians and authorities of both countries – to use it. ■

UKRAINE-RUSSIA: WAYS OF OVERCOMING CRISIS IN RELATIONS*

**UKRAINE-RUSSIA RELATIONS SHOULD BE
CLEAR, PRAGMATIC, EFFECTIVE AND POSITIVELY
COMPETITIVE**



Arseniy YATSENIUK,
*People's Deputy of Ukraine,
Leader of "Front
of Change" Initiative*

Our goal today is to have an open discussion, maybe hot, because if we speak about real things, nothing should be concealed, one should be frank and responsible – this is the main way not only to dialogue but to passage of adequate decisions.

To predict the future, one should look into the past. The first observation: over 17 years of independence of our two countries we have not had a single systemic project, we have done nothing together. This is the first and the main conclusion, now absolutely undisputable. Regretfully, apart from some local projects that did not have nationwide, geopolitical and geo-strategic significance, we have done nothing.

Meanwhile, there are lots of various joint bodies and institutes. For instance, the CIS. Here, I can only back the idea pronounced in 2005 by then Russian President V.Putin that the CIS had played out. We still believe that if we manage to employ that mechanism for bilateral economic relations, it can live and work effectively.

Noteworthy, the economic strategy of the CIS development proposed by Ukraine two years ago envisages development of the Commonwealth in its economic dimension. We [Ukraine and Russia], however, only pretend to be willing to make the first step, to reformat the agenda, while nobody proposes how to do that.

And when we have no common ideology, no common and clear approach and understanding of problems, there appears vacuum, as you know, always filled with something. In this case, we filled that vacuum with all kind of political rubbish, controversial things over 17 years. In the result of such policy, anti-Ukrainian spirits arose in Russia for the first time. This is the basic problem. There may be tension between leaders, but tension between peoples is the fact that cannot be overlooked.

There were and there are mistakes in the foreign political course of both Ukraine and Russia. I will start with Ukraine. I well remember the year of 2007, when Yu.Tymoshenko published in the "Foreign Affairs" magazine the article "Containing Russia". Why did I recall that article? Because the ideology in Ukraine was confined to the following formula: "to have good relations with the West, we should have tense relations with Russia". But this cannot be the case, such ideology leads nowhere.

I have no doubt that Ukraine will achieve its goal and become an EU member. However, that goal is far away, we still have to come to it. And to become an equal member of that community, we should realise that we must have normal relations, not relations of deterrence, with our huge neighbour – Russia.

Generally speaking, the Russian factor is very sternly used in Ukraine. I cannot but mention, for instance, V.Yanukovich, who actually pursued a policy of either introduction of dual citizenship, or granting an official status to the Russian language. It was absolutely clear that neither would ever be implemented, this cannot be done in Ukraine, nobody will do that. Gross

* On May 29, 2009, Razumkov Centre jointly with the Russian Public Policy Centre Foundation supported by Arseniy Yatseniuk's "Open Ukraine" Foundation held in Kyiv the Round-table "Ukraine-Russia: ways of overcoming crisis in relations". The discussion involved MPs, representatives of executive bodies, business structures, heads of leading state and non-governmental organisations of the two countries, journalists. This magazine carries some presentations by Ukrainian and Russian representatives.

miscalculations in the policy of today's President caused similar miscalculations in the policy of the Russian leadership.

We have a very nice slogan: "Our relations should be fraternal". But I do not quite understand what it means from the viewpoint of the international law. That is, we are again engaged in substitution of notions. I believe that our relations should be clear, pragmatic, effective and more than that – positively competitive. Exactly there lie prospects of our development.

There is the so-called "old" agenda between Ukraine and Russia. The first thing I guess we should start with is the total change of that agenda. I already touched upon some of its items. There are others, too, for instance, the Black Sea Fleet, used both in Ukraine and in Russia as an element of destabilisation.

We should absolutely clearly answer this question: there is a temporary agreement of stationing of the Russian Fleet. Ukraine is a European state, and nobody is going to revise the treaty with Russia concerning the Fleet. The Ukrainian Constitution expressly bans foreign military bases on the territory of Ukraine. Everything temporary once comes to an end.

We should take care of our own Fleet, not Russian, should update the balance of forces in the Black Sea, begin our own rearmament and, of course, respect international treaties.

The agenda also includes security issues, the NATO issue, the subject of the Russian language, problems of humanitarian cooperation. To our great disappointment, those subjects are too ideological and politicised, and we should frankly admit – we must change the agenda and move to thoroughly planned relations, relations leading to practical results.

We should stop such speculations on the Russian side, too. I realise that they were partially in response to our policy. For instance, it was quite popular in Russia to say that the "Big Treaty" should be terminated. We with Russia's Foreign Minister S.Lavrov, on the contrary, signed a bilateral protocol elaborating the "Big Treaty".

Another vital problem that arose in our bilateral relations starting from 2006 – contacts in the gas sector. Our response should be clear: "Gas is not geopolitics, gas is business". As soon as gas or any other raw material begins to be used for geopolitical goals, both the party that began the process and that party at which it was aimed are losing.

I guess that in the gas issue, we should return to the idea of multilateral cooperation, I stress – multilateral. Ukraine is interested in sources of gas on the Russian territory. Russia is interested in transit. Ukraine and Russia are interested in European consumers, and Europe is interested in guarantees of security of supply. This is business, the subject vital for our bilateral relations, but I stress – not as a tool of geopolitical influence but as a tool of economic development.

Ukraine should mature as a nation, Russia should mature as a nation, and we should set right goals for ourselves. I see a number of goals for Ukraine, whose attainment may even be a subject of cooperation with our Russian partners. Ukraine should promptly achieve the following goals.

The *first* for Ukraine – a strong government, a strong army, the ability to guarantee systemic security of the country.

Second – both for Ukraine and Russia – another industrialisation and modernisation of industry. We have no right to repeat the crisis of 2008-2009, when money is printed not backed with anything, in absence of added value, in absence of real product. That is why we should enter a new industrialisation age.

Third – a highly productive, industrialised and well-organised agriculture. By the way, this morning, I heard a Russian Foreign Ministry report saying that Ukraine, Russia and Kazakhstan can "keep" 25% of the world food market. So, joint projects in agriculture are very important for Ukraine.

And *fourth* – reproduction of educated and healthy population.

We indeed share a common history with Russia, consequently, we and Russia have many common goals and very many common objectives.

I believe that today's Round-table is the first small step for us to begin the process of drawing up a new agenda for Ukraine, for Russia and for our bilateral relations ■

STRENGTHEN POTENTIAL OF BILATERAL COOPERATION



Kostyantyn HRYSHCHENKO,
First Deputy
Secretary of Ukraine's
NSDC, Ambassador
Extraordinary and
Plenipotentiary of Ukraine
to the Russian Federation

Conduct of a Ukrainian-Russian Round-table is high on the agenda now. It is highly expedient to involve in the dialogue not only representatives of governmental structures but those who on the expert level, on the level of serious conceptual approaches are trying to find solution of the most complex problems hindering our progress. I would like to particularly dwell upon the positive potential the two countries retain and, I am positive, will be able to employ in the near future.



But before that: what hinders progress most of all? I guess that the greatest threat to bilateral relations is posed by high-level rhetoric, translated to rank-and-file citizens by mass media. They absorb it and generate their own approach, own idea not only of interstate relations but, if you please, of relations between peoples. What is alarming is that according to the “Levada Centre” polls, almost 60% of Russians negatively treat Ukraine – not the Ukrainian leadership but Ukraine in general (at least, such was the wording of the question).

Millions of Ukrainian citizens who every year go to Russia, meet their relatives, feel such negative treatment. I believe that the state structures and mass media should put an end to that. It is no secret that in Russia, information on many key subjects, especially on TV, is presented in rather a uniform manner. The approach to coverage should be changed, to make it more balanced.

We should solve this problem, including through round-table discussions, like this one, since the people sitting here influence the public opinion in their countries.

The second problem seriously hindering our progress – mythologisation of many historic and current subjects: NATO, Mazepa, period of World War II. In reality, those subjects should be left for historians. Such discussion – tough enough – is now underway in Ukraine. Different opinions are expressed, the whole range of approaches and assessments is present. Additional “inputs” from the Russian side change little, and if they do – only for the worse. We should remove politicisation of the entire discussion. This could at least substantially improve the atmosphere of relations between the countries.

Now, what unites us. The crisis has shown that despite its colossal resources, Russia probably cannot effectively implement the key programmes adopted by the leadership (in nanotechnologies, innovative development and many other sectors) without Ukrainian enterprises and research centres. At least, not in all sectors. And in such case, the end product will cost much more than in case of involvement of Ukrainian partners.

Before the crisis, the volume of our trade was steadily growing. Economy is the platform where we should naturally work together and together solve various problems. It would be naive to believe that in the modern world, money alone can do everything. Manpower, trained engineering personnel are needed. For instance, a Ukrainian businessman is beginning to operate a shipyard in Petrozavodsk. He brought some specialists from Kerch but faced deficit of engineering personnel. Nevertheless, his efforts are supported by both local and federal Russian authorities. I guess, we, too, should provide similar preferential conditions for those who can really move forward the Ukrainian economy, coming from Russia.

Ukraine and Russia have created a perfect tool for solution of inter-governmental, interstate problems – the Ukrainian-Russian Interstate Commission. Last year, we arranged meetings of actually all its structural

units. The Committee for Economic Cooperation held a meeting, agreements were reached enabling implementation of very serious short-term projects.

It is very difficult, however, to re-establish dialogue on the top state level. Heads of two neighbour states should meet not so rarely. Those contacts should not be conditioned by some ideological preferences.

Whether you like what your neighbour says or not, a good discussion is better than silence and throwing maxims over the fence.

After all, it is important that Ukraine and Russia, the Ukrainian and Russian peoples retain the feeling of community of interests – making the basis for mutual understanding. ■

EMPHASIS SHOULD BE MADE ON GAINS IN BILATERAL RELATIONS



Vsevolod LOSKUTOV,
*Minister-counsellor
of the Embassy of the
Russian Federation
to Ukraine*

We speak about the need of search of gains in Russia-Ukraine relations. Such gains exist, and examples are many. We have large-scale joint projects. Our discussion already referred to the “Big Treaty”, in 1990s considered one of the best in the European practice of legal treaties. By the way, the document was initialled by Ye.Marchuk, present here. It is a major project envisaging expansion of the entire basis of our bilateral relations. Unfortunately, it is not fully implemented, as proved by recent analysis.

I wish to note the importance of bilateral contacts on the level of experts, scholars professionally dealing with Russia-Ukraine relations – they are now present at this Round-table on both sides. Evidently, long-term fruitful partnership between two major centres of political science of Russia and Ukraine – Razumkov Centre and the Russian Public Policy Centre Foundation – gives an example of such positive cooperation. Meetings, round-tables, conferences are regularly held, the Russian-Ukrainian Consultative Council has been set up.

In my opinion, it is very important that A.Yatseniuk’s “Open Ukraine” Foundation, too, joined this cooperation. In due time, when A.Yatseniuk was leading Ukraine’s Foreign Ministry, we had many interesting meetings, prepared many interesting decisions which I consider topical even now.

The gains in our relations, of course, include contacts among citizens of both countries. We often meet people

coming to Ukraine, people visiting Russia. In general, their reaction is good and positive. According to the border services, approximately 20 million of Russian and Ukrainian citizens annually cross our border.

Those people are the bearers of our relations, they take hard the difficulties, the sometimes harsh rhetoric of the interstate dialogue mentioned today. I guess, this should be taken into account when building negotiations between Ukraine and Russia. I would like to further mention the important and interesting decisions passed recently. For instance, we had a hard dialogue with the National Council for Television and Radio Broadcasting of Ukraine.

I also took part in those negotiations and want to announce the news that should make happy both the Russian side and, I hope, the Ukrainian public. The First Channel World Network CJSC and the National Council agreed to resume broadcasting of the First Channel in Ukraine. There were uneasy talks that had a legal and a political dimension, but nevertheless, the decision was passed.

That is, we should jointly work, diligently and attentively, hold negotiations, listen to each other, and I am sure that every issue that now seems so tangled will find a solution. The same applies to the energy sector. By the way, educational establishments turning out diplomats know the notion of “energy component of state policy”. It has always been and, I guess, will be present in the policy of many states looking into the future. We want our cooperation to rest on economic interests, in the first place. But the logic of today’s development is such that politics, too, are present in bilateral partnership, and are likely to be present in the future.

I will dwell upon one subject already mentioned today – the subject of a common history. This sector witnesses very serious, sometimes tough, sometimes controversial discussions. The 300th anniversary of the Battle of Poltava was a subject of a serious dialogue of historians, and not only historians, from Russia, Ukraine and other countries.

Exchange of opinions and assessments is very important, but it seems to me that emphasis should be made on gains. I will cite two examples. With the assistance of the Administration of the President of the Russian Federation, a conference was held in Moscow devoted to the Battle of Poltava, and today, the “Den” newspaper publishes the presentation made by a Ukrainian scientist. Of course, his speech did not coincide with the assessments given by some Russian scholars. In Russia, too, there are different opinions of those events – for instance, a book by T.Tairova-Yakovleva devoted to Hetman Mazepa met a mixed reaction in Russia. I guess that the discussion should go on the level of scientific, historic research. It should not be translated to the sphere of present-day relations. And one more thing – the memory of the people who fought and died for the ideals of then common state should be honoured.

We together with our Ukrainian partners are trying to achieve concrete results. For instance, the other day,

Russia’s Ambassador to Ukraine V.Chernomyrdin and Deputy Foreign Minister of the Russian Federation G.Karasin visited Poltava. A year ago we agreed that the Russian side would restore the Hill of Glory, that is, the common grave of the Russian soldiers who died 300 years ago, rebuild the Memorial Home of Pavlovsky. We met our commitments, and the Ukrainian side did the same. This is the practical result of the work aimed at preservation of the memory of this event that influenced the history of the whole European continent. We are ready to take part in the events arranged by the Ukrainian side, first of all – Poltava residents, who already have a special plan.

This is one of the gains of bilateral relations, spoken about today. We should wage a personal dialogue, meet more frequently, listen to each other, as at today’s Round-table.

V.Chernomyrdin often took part in events conducted by two leading think-tanks of Russia and Ukraine – sponsors of this Round-table. But today, he has important meetings in Moscow devoted to the issues of Russia-Ukraine relations. He asked me to convey his best wishes to all participants of the Round-table and stress the importance of what you are doing. I refer this both to the Muscovites, represented by a strong intellectual team, and the Ukrainian colleagues who gathered the cream of the Ukrainian politics and political science. Good luck to you! ■

RUSSIA AND UKRAINE – POSSIBILITIES OF A DIALOGUE



Igor BUNIN,
Director General,
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Technologies” Foundation

The problem of Russia-Ukraine relations is aggravated by many negative factors. The archetype of two rival brothers has been known since the biblical times. Quite naturally, each side accuses its counterpart of the conflict. From Russia’s viewpoint, contradictions at different points of history were caused by the West encouraging the Ukrainian national movement (be that Austria-Hungary in the XIX century or the USA now), and individual Ukrainian politicians – from Mazepa to Petlura and Bandera. In Ukraine, there is an opinion that Russia’s expansion barred its independent development that otherwise could lead to the establishment on the Ukrainian territory of a state based on European values. As it often happens, polar judgements are biased.



Russia traditionally looks at Ukraine as the “big brother”, considering the “little brother” imperfect, unable of independent existence (in the worst case – ready to betray). Even now, if the Russian political class admit Ukraine’s independence on the level of political logic, “mentally”, on the level of emotions, “by heart”, many cannot accept that fact. This gives rise to harsh statements of some Russian politicians about the status of Crimea that, in turn, meet a negative response in Ukraine. According to pessimistic estimates, reversal of that trend will take decades rather than years of “neighbourly” existence of the two countries. Of course, acceleration of that process, conscious acceptance of the existing realities on the basis of serious dialogue, respect for history and traditions of statehood of each other meet the interests of both countries.

But not everything should be confined to the phenomenon of the “big brother” – there are natural reasons for the present Russian irritation. The known Russian phenomenon that may be termed “complex of June 22” – fear of a sudden enemy attack – even deepened after the wars in Yugoslavia and Iraq. In this connection, the strong negative reaction to eastward NATO enlargement, including the Atlantic integration of Ukraine, is not surprising. The Russian political elite (and whole society) entirely reject even a theoretical possibility of NATO military facilities appearing not far from Belgorod or Rostov-on-Don. It would view such developments as a grave geopolitical defeat.

At the same time, the modern Ukrainian elite looks West, seeing it as the alternative to the Russian influence and an opportunity for Ukraine to join – at least in a long run – the “club of the select few” – the European Union. The only difference between different groups of the Ukrainian elite in this respect is that some seek to utmost speed up that process, disregarding Russia’s opinion, while others try to combine the European (main) vector of the foreign policy with building, as far as possible, normal relations with Moscow, not to cause sharp conflict situations. The geopolitical gravitation of Europe far exceeds similar capabilities of Russia. This factor is also conducive to the growth of tension between the two countries in the sphere of history, leading to so-called “wars of memory”, whose participants have taken a very staunch position and want no compromise.

The “wars of memory” are used by the Ukrainian side for self-assertion, even at the expense of conscious provocation of deterioration of relations with Russia. It is suffice to recall decisions of the recent years shocking Russia, dealing with commemoration of anniversaries of the Battles of Konotop and Poltava and, especially, posthumous award of the status of Hero of Ukraine to Commander-in-Chief of the Ukrainian Insurgent Army R.Shukhevych who a large portion of World War II served in the German Army. Declaration of the

Holodomor as the genocide of the Ukrainian people has become the official ideology, although representatives of different nationalities were also dying of starvation, including many Russians. I.Stalin physically eliminated wealthy peasantry, presented as kulaks, not caring about the nationality of his victims. That tragedy cannot be justified by any arguments, like it alone could enable industrialisation of the country – the grief of the Ukrainian people is natural and understandable for any normal person. But historically perfect assessments require thorough study of sources rather than invention of new myths. Impartiality is needed for analysis of even those historic events that have become a national tragedy.

The situation is further aggravated by the search of identity in the Ukrainian society itself (in this respect, the Russian one seems much more certain). The lack of common historic heroes, different mentalities of the population of different regions of Ukraine pose serious political problems. Meanwhile, the idea of imminent break-up of Ukraine existing in the Russian political class needs revision – despite the remaining serious internal contradictions, the country is not going to break apart. Reasons are many – from the well-known pragmatism of the Ukrainian elites to the deficit of “passion” of the population of the country’s East, its ability to generate new attractive ideas, not only appeal to the Soviet past, keeping deep ideological defence.

It is widely understood that many issues of Russia-Ukraine relations are technical and unreasonably politicised. If their discussion is left for experts, not involving politicians in the process, an additional chance will appear for their successful trade-off solution. Such issues include, i.e., gas agreements, stationing of the Russian Black Sea Fleet in Sevastopol, and historic contradictions, too.

Indeed, many aspects of bilateral relations are strongly politicised, which contributes to their aggravation. But this politicisation is natural, related with the difference in geopolitical preferences of the Russian and Ukrainian elites. Indeed, solution of the Black Sea Fleet problem depends not as much on the Ukrainian Constitution, banning presence of foreign military bases on the country’s territory (one way or another, if desired, a mutually acceptable formula may be found to extend the Fleet’s stationing in Sevastopol even after 2017), as on plans of Atlantic integration of the country. They are indeed inconsistent with Russian Armed Forces stationed on the territory of Ukraine. Since the Western vector of the foreign policy is the main for Ukrainian elites, one can hardly expect some political force in Ukraine proposing an option of keeping the Fleet in Sevastopol. Options for the Ukrainian side differ only tactically – either pushing the Fleet out of Sevastopol by eternal carping, or utmost delay of unpleasant talks with Russia.

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Politicisation of the gas issue is also associated with the geopolitical factor. It is suffice to recall the recent Ukraine-EU declaration of modernisation of the Ukrainian gas transportation system (seemingly, a purely technical issue), signed without Russia. In that case, Ukraine made its choice, seeking Europe to defend its interests from the Russian expansion in the gas transportation sector. “Technically”, such behaviour seems strange. After all, Russian investments, along with European, could help solve the problem of modernisation of that system, not even raising the issue of its privatisation. Even if it theoretically appears on the agenda (such phobias exist in Ukraine), it cannot be solved through backroom negotiations, without the involvement of the Verkhovna Rada. Even in 2004, when agreements were reached about creation of a consortium for management of Ukraine’s gas transportation system, not implemented because of the Orange Revolution, they did not contain provisions of change of ownership.

Therefore, “technical” issues cannot be resolved without understanding of their political dimension. This in no way means that the work of experts pursuing solely professional aspects is vain – on the contrary, in some cases, it helps find optimal solutions of separate problems. One should just realistically assess the limits of their capabilities.

What are the ways to improve Russia-Ukraine relations? I will try to formulate some ideas for Russia (it would be logical if the Ukrainian stand is presented by Ukrainian experts).

First, there is a universal recipe, applicable not only to relations with Ukraine. It presumes growth of Russia’s own “soft power”, enhancement of its attractiveness for other states. A stable, democratic Russia with a diversified hi-tech market economy, respecting human rights and possessing a truly independent judicial system, will be a far more attractive partner than a source of raw materials, a “semi-democratic” state causing phobias of some of its neighbours.

Second, a pragmatic approach to the dialogue with Ukraine, free of both aggressiveness and weakness. Similarly unacceptable are both “Leontiev’s option” (imperial defiance of the Ukrainian independence,

assertions of its temporary nature) and “Nemtsov’s option” (rapprochement with any Ukrainian political forces looking West and criticising the current Russian political regime). It should be made clear what positions in the dialogue with Ukraine are unflinching for Russia (for instance, a negative attitude to rehabilitation of SS in any form), and which are disputable, leaving room for adjustment of its stand with account of the opinion of our partners. The latter may include most of the disputable historic problems.

Third, refusal from unilateral actions and statements that might arouse protests of the counterparty (clear thing, the same recommendation applies to the Ukrainian side, including in the issue of the Atlantic integration of Ukraine). One should firmly react to concrete actions related with violation of legitimate rights and interests of Russia and its citizens, not engage in rhetoric “in general”, largely related with self-affirmation on the international scene. More attention should be paid to the mentality of the partners, understanding of the motives of their actions. Rejection of the ideological stand of opponents (sometimes quite reasonable) should not be accompanied with invention of new or revival of old historic myths, attempts of justification of Stalin’s policy of repressions against all peoples of the USSR, including the Russian, discourse in the spirit of the principle “the end justifies the means”. First of all, such stand is needed for Russia itself, interested in reliable safeguards against return of the totalitarian past even in a “soft”, modified form.

Fourth, the policy of “small affairs”, envisaging active progress in separate sectors of cooperation (political, economic, cultural), maybe not looking spectacular in every particular case. Exactly “small affairs” give examples of successful solution of problems and attainment of mutually acceptable results, counterbalancing negative trends in bilateral relations. Joint projects of civil society institutes, development of contacts between regions and cities of both countries look promising. With time, some “small” projects may evolve into greater ones. Concrete achieved gains should be “translated” in mass media to at least partially offset the numerous “failures” in the media space. This is necessary not to have a feeling of complete hopelessness in the issue of development of bilateral relations.

To be sure, this set of measures is insufficient to build really stable friendly relations – it leaves the key, most painful and politicised problems unresolved (in the current situation, they have no prompt mutually acceptable solution). Of course, complicating factors include internal contradictions within the Ukrainian authorities, rivalry of the elites, that will not end under any outcome of the forthcoming presidential elections.

However, one should start with something. First successful results can bring a positive “chain reaction”, give impetus to qualitative changes in the Russia-Ukraine dialogue. ■



DRAW UP A ROADMAP TO LEAD RUSSIA-UKRAINE RELATIONS OUT OF CRISIS



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I largely agree with the theses of absence of fully-fledged Russian and Ukrainian states expressed today. But, as one known figure used to say, “I have no other intelligentsia, I have no other writers”. We cannot wait for establishment of states, and then act.

In my opinion, now, the chances to attain the task set in the title of our Round-table are improving. *First*, because, indeed, the relations are in the lowest point, and it is time to go up, pushing off from the bottom. *Second*, the U.S. leadership has changed. It is no secret that the U.S. policy influences Russia-Ukraine relations. I well remember from my experience that Americans very often put a dilemma before former Soviet republics – either with Russia, or with us. I strongly hope that now, that trend in the U.S. policy will at least go down. *Third*, it seems to me that the Russian foreign policy is changing for the better – because the crisis hit Russia very painfully. We now argue with Japan which G8 country fell deeper. The situation where we felt our vulnerability is conducive to the decrease in ambitions and claims. And in the foreign policy, it has to live within its means. I see one of its main results in dropping the imperial project as a practical task. Our leadership is quite pragmatic and realize that it is an unaffordable process, moreover, not too attractive.

But why are we so often (and justly) reproached for a neo-imperial policy? I guess, because it is largely domestic in this country, intended for internal consumption. To give people some hope, and so on. This is absolutely incorrect. But at the same time, in practical policy, so-called “neo-imperial tasks” are fewer. What Russia really does not want is its neighbours to join the military Alliance where Russia itself has no place. Or, at least, not soon will have one. Even such an Orthodox as D.Rogozin says: “Maybe, we will raise the issue of joining NATO some day”.

I believe that pragmatism mentioned today many times is the best basis for the development of relations between two independent states – Russia and Ukraine. Fraternal relations will be added, but our work should not rest on them. I recall a child story. Mother gives an apple to a boy and says: “Share with your sister

fraternally”. He asks: “What does this mean?” “This means that you will give her the best piece” – she says. The boy thinks it over, then says to his sister: “Take, share fraternally”.

Now, let me say a few words about Ukraine’s policy. It seems to me that there will be no apocalypses if Russia commands in Ukraine, or Ukraine is westernised, and so on. It seems to me that the multi-vector nature of Ukraine’s policy comes into sight little by little, and those vectors, I think, can coexist. I will not speak about the known “tender calf”, I will only say that God himself geographically put Ukraine so as to give at a chance to pursue such policy.

It seems to me that at present, the imbalance in the eyes of Ukrainians is not in our favour. I am trying to say in Moscow that we should correct the imbalance in the “Russia-China-USA triangle”, because China has good relations with both the USA and Russia, while we have bad relations with the USA. That imbalance should be removed. I think that Ukraine, too, can do that.

I guess that the European choice of Ukraine is very advantageous for us, and this is spoken out. (All in all, something good was taking place in Russia when it moved to Europe, not vice versa.) The only thing is that in the Ukrainian case, the stages should be interchanged. First, join the EU, and next, raise the issue of NATO. This, I think, could remove some questions, moreover that the situation itself now favours that. In a word, do not hurry – try to help each other. Of course, it is easier to say than to do that, but I believe that Russia-Ukraine relations may be reset (a fashionable saying now), including with account of the home political developments in Ukraine.

It seems to me that we should try to draw up kind of a roadmap to lead Russia-Ukraine relations out of crisis on the basis of the performed analysis. For instance, to prioritise “muting of rhetoric”, de-politicisation of our discussions, etc. And pass that document (one-two pages) to our leaders, if there is a chance. I think that there will be one both in Ukraine (easier), and in Russia (harder).

And the last thing. Speaking of the factors that will contribute to the improvement our relations, it should be added that those relations are, after all, international, that is, between nations. It is the good background for improvement of cooperation. ■

Round-table, May 29, 2009



**ENCOURAGE IMPROVEMENT
OF RUSSIA-UKRAINE COOPERATION**

**Alexander
MUZYKANTSKIY,**
President,
*"Russian Public Policy
Centre" Foundation*

I wish on behalf of "RPPC" Foundation, a long-standing partner of Razumkov Centre, and on behalf of the entire Russian delegation to greet our Ukrainian counterparts here. The format of today's informal expert meeting seems very important and interesting. Many problems stocked in the Russia-Ukraine relations, some of them are even difficult to formulate. Information abounds but, they say, "the more information, the less sense behind it".

There was not a single minor report on the Russian or Ukrainian side concerning our relations, not denied, somehow "converted" or disavowed the next day. I believe that communication of experts, like today, gives an opportunity to more adequately and fully assess the situation in Russia and in Ukraine.

"RPPC" Foundation and Razumkov Centre conducted an expert poll in Russia and Ukraine about the Russia-Ukraine cooperation – and the overall picture appeared not too joyful. 46% of Russian experts believe that in the recent years the relations deteriorated. The prospects of cooperation are viewed rather sceptically – 53% of respondents predict continuation of instability, regular aggravation of relations.

In some presentations, historic subjects were heard – they referred to Kyiv Rus, the Battle of Poltava, and facts of the modern history of our states. I would narrow that context, picking out the last four years of Russia-Ukraine relations after the Orange Revolution in Ukraine. On one hand, those events gave rise to big hopes, euphoria in Ukraine. Similar things were observed in 1991 in Russia and the whole [Soviet] Union.

On the other hand, the Revolution exerted great influence on the Russian policy. A few years ago, fear of possible reproduction of something like that in Russia largely shaped the position of the Russian leadership in the home and, partially, foreign policy.

However, four years passed, and I seem that we are in a new situation now. The period of revolutionary shocks is over in Ukraine, heroes of Maydan give the way to a new generation of politicians. Rephrasing the immortal saying of B.Gryzlov, it became clear that "Maydan is not a place for discussions" – they should be held in a different format. The period of hope that the Orange Revolution will bring forced integration into Europe, accession to the European Union, is over in Ukraine.

The period of fear of Ukrainian revolutionary shocks is over in Russia, and time has come for seemingly normal pragmatic relations, without euphoria, on one hand, and fear, on the other. Such normal pragmatic relations can be built.

At that, we should note that today's discussion touched upon the process of formation of the Ukrainian identity, political nation, of building statehood. The problem of identity may be solved differently, as witnessed by the European and world experience.

In my opinion, Ukraine did not manage to solve the issue of identity on the basis of unity around the values of the Orange Revolution. This opportunity was not used.

The Ukrainian identity began to be formed on another basis. That basis is not new, it was promoted for decades by Ukrainian intellectuals and the Ukrainian Diaspora. I mean contraposition of Ukraine and Russia. In his time, Ukraine's ex-president L.Kuchma wrote a book "Ukraine is not Russia". But it seems to me that identity-building began not on the basis of "Ukraine is not Russia", but on the basis of "Ukraine as anti-Russia".

That position found support on the state level, was legalised in presidential decrees, governmental decisions, and so on. Theoretically, this can be understood, as it creates the image of an external threat. From that viewpoint, Russia fits to that role, for we have been together too long, and along with achievements, there are great many problems, "skeletons in the closet".

But this is futureless. The policy "Ukraine is not Russia" is a complete reflection of the policy "Russia is not Europe", pursued by Russia for centuries, trying to base the Russian identity on contraposition to Europe. The "decline of Europe" was spoken about yet some 150 years ago, and such hopes largely persist in Russia.

This affects the whole range of our mutual relations. There may be another approach, resting not on contraposition but on own values. This applies to both Ukraine and Russia.

The concept of a liberal empire by A.Chubais was mentioned today. And his brother I.Chubais speaks of the theory of "restoration of historic link", where modern Russia is a reproduction of the Russian empire, and the Soviet period is a period of some "break" of history.

It seems to me that another approach prevailed. Some steps, starting from the adoption of the Soviet anthem and ending with the establishment of the Commission for fighting attempts of falsification of history to the detriment of the interests of the Russian Federation, witnesses that attempts are being made to derive today's Russian identity from the Soviet period. It is little productive for Russia-Ukraine relations.

Today's dialogue is frank enough and touches different aspects of bilateral relations. I am far from thinking that our Round-table can solve all the problems accumulated in bilateral relations. However, it can contribute to the change of the formant of cooperation for the better, giving it positive dynamism. Today, we heard a number of interesting, constructive proposals deserving attention. Together, we could contribute to improvement of Russia-Ukraine cooperation. ■

UKRAINIAN AND RUSSIAN EXPERTS ABOUT THE STATE, PROBLEMS AND PROSPECTS OF BILATERAL RELATIONS

Today, Ukraine-Russia relations are in a state of crisis. “Radial deterioration” of contacts is observed in actually all sectors of cooperation. Encouraging changes for the better are, unfortunately, absent. Beyond doubt, the situation requires all-round, impartial analysis of the state of partnership between Ukraine and Russia and problem factors hindering its development, joint search of the ways and mechanisms of creation of an effective format of cooperation. Involvement of representatives of expert communities from both countries in the process may be productive.

With that purpose, Razumkov Centre and the “Russian Public Policy Centre” Foundation supported by Arseniy Yatseniuk’s “Open Ukraine” Foundation simultaneously held in Ukraine and Russia in March-April 2009, another expert poll on topical issues of bilateral cooperation¹. Summary results of the surveys of 2006-2009 present kind of a “remote dialogue” of the expert elites of Ukraine and the Russian Federation². Comparison of opinions and assessments, analysis of their dynamic lead to the following conclusions.

First. Representatives of the expert communities in Ukraine and Russia rather critically assess the state of bilateral relations, mainly terming them as either unstable or deteriorating. Russian respondents are more sceptical. According to experts, Ukraine’s policy regarding Russia, as well as the Russian policy regarding Ukraine, is dominated by negative trends. As before, the majority of Ukrainian experts are sure that Ukraine has no clear strategy of action regarding Russia. Russian experts are less categorical regarding the Russian strategy in relations with Ukraine, but most of them still reported its absence.

Second. Expert opinions about the attitude of Ukrainians to Russia and Russians to Ukraine fundamentally differ. The Ukrainian expert community mainly believes that Ukrainians treat Russia positively, while Russians treat Ukraine negatively and critically. The majority of Russian experts consider the attitude to be positive and kind in both cases. What is alarming, however, is that the majority of both Ukrainian and Russian experts believe that the relations between peoples of the two countries deteriorated.

Assessments of the attitude of the Russian state and political elite to the present Ukrainian leadership also substantially differ. The absolute majority of Ukrainian experts described it as negative, critical, of Russian experts – rather, as pragmatic, positive. Experts also see problems in the information background for the Ukraine-Russia cooperation.

Third. Among the main reasons for deterioration of bilateral cooperation, Ukrainian experts note attempts of the Russian Federation to keep Ukraine in the sphere of its influence using different forms of pressure. Russian experts see the main reason for deterioration in Russia’s rejection of Ukraine’s course of accession to NATO. Among the factors exerting the greatest negative influence on contacts between Kyiv and Moscow, both groups of experts in the first place noted the Euro-Atlantic integration of Ukraine and problems of cooperation in the gas sector.

Fourth. Assessing the situation in both countries, Ukrainian and Russian experts generally more critically assess the socio-economic situation in Ukraine, its esteem on the international scene, level of trust in the authorities and political stability at home. However, experts are sure that by some parameters of democracy development (freedom of mass media, protection of civil rights and freedoms, state of inter-ethnic relations), Russia yields to Ukraine.

Fifth. Experts quite sceptically assess the nearest prospects of cooperation between Kyiv and Moscow. The majority of both Ukrainian and Russian respondents believe that instability will persist, relations will regularly aggravate. However, despite all differences in opinions about the priority factors of rapprochement, the general picture of assessments witnesses a strong potential of development of Ukraine-Russia cooperation. Few experts consider rapprochement between the two countries impossible. Also important, representatives of expert communities of the two countries are sure that building relations between the countries in line with the European norms, rules and standards should be the key line of normalisation of cooperation.

¹ The first survey was simultaneously held in two countries in the period of April 26 - May 18, 2006. In Ukraine, 109 experts were polled, in the Russian Federation – 101. The second expert poll was held on March 25 - April 15, 2009. In Ukraine, 105 experts were polled, in the Russian Federation – 100. Polled were representatives of the executive and legislative branches (in the capitals and regions), ministries and agencies, business structures, leading state research institutions and non-governmental think-tanks, independent experts and journalists specialising in Ukraine-Russia relations.

² Comparison of the results of expert polls of 2006 and 2009 is mainly for illustration.

1. STATE OF BILATERAL RELATIONS

Experts from both countries very critically assess the state of bilateral cooperation. Unfortunately, no changes for the better are observed in general assessments. In 2006, roughly equal shares of Ukrainian and Russian respondents noted “instability” and “deterioration”. In 2009, that trend generally persisted. An increase was observed among Ukrainian experts reporting stagnation, and among Russians noting deterioration of cooperation. At that, no respondent in both groups saw progress in the relations between Moscow and Kyiv. Expert opinions entirely coincided with the opinions of Ukrainian citizens, the majority of whom (93.7%) term Ukraine-Russia relations as either unstable or bad³.

A very interesting picture is produced by expert assessments of the reasons and factors influencing the relations between Kyiv and Moscow. The rating of the reasons for deterioration of relations produced by Ukrainian experts looks as follows. Experts rank first “attempts of the Russian Federation to maintain Ukraine in the sphere of its influence using different forms of pressure” (58.1%). Next goes “Ukraine’s desire to leave the sphere of Russian influence and pursue an independent foreign policy” (40%). The third place is shared by the factor of “unreadiness of the parties to form transparent, civilised, mutually advantageous relations” (30.5%), and “Russia’s non-acceptance of Ukraine’s course of accession to NATO” (29.5%).

The rating of assessments of Russian experts is entirely different. Their absolute majority (87%) see the main reason for deterioration in “Russia’s non-acceptance of Ukraine’s course of accession to NATO”. Next, with a large gap (49%), goes “absence of a strategy of development of bilateral relations of the parties”. The top three is closed by the “unreadiness of the parties to form transparent, civilised, mutually advantageous relations” (27%)⁴.

Therefore, Russian experts are very sensitive to the issue of Ukraine’s Euro-Atlantic course, Ukrainian – to Moscow’s pressure to keep Ukraine in its sphere of influence. It should be noted, however, that the Russian Federation exerts coordinated political-economic and diplomatic pressure to bar the Euro-Atlantic course of Kyiv, which may be viewed, *inter alia*, as a desire to strengthen control of Ukrainian developments, its foreign policy, that is, to keep Ukraine in its sphere of influence.

Among the factors exerting the greatest negative influence on bilateral relations, both Ukrainian and Russian experts in the first place note Ukraine’s intention to join NATO and problems of cooperation in the gas sector⁵. The absolute majority of respondents in both groups reported those factors as exerting the greatest negative influence on contacts between Kyiv and Moscow. Assessing the answers in general, one may draw the following conclusions.

First. According to Ukrainian respondents, the countries’ relations are strongly affected by the long-standing “Crimean subject” – problems of Russia’s Black Sea Fleet stationing in Crimea, delimitation of the Sea of Azov and the Kerch Strait. For Russian experts, the negative influence of those factors is less important. In their view, bilateral cooperation is more affected by intensification of Ukraine’s activity in GUAM – the structure traditionally seen by the Russian political community as unfriendly.

Second. Both Ukrainian and Russian experts are really concerned about the insufficient intensity and effectiveness of the official dialogue. The efficiency of political-diplomatic contacts is evidently low, negotiations stall, including in the Ukrainian-Russian Interstate Commission. Experts (mainly Russian) also note insufficient employment of public channels of interaction.

Third. In 2009 (compared to 2006), some factors receded into the background – less importance is attached to the negative effect of divergence in the parties’ positions concerning the Transdnister settlement, the factor of Ukraine’s refusal to join the Federal State of Russia and Belarus. Evidently, in the eyes of both groups of experts, Ukraine’s accession to it looks, to put it mildly, not too realistic. Critical assessments of different approaches to the SES format also remained in the past. (Among Russian experts, the “level of negativism” of that factor fell from 46.8% to 7%.) Few Russian respondents believe that bilateral relations are affected by the proclaimed course of Ukraine’s integration into the EU. Evidently, they proceed from the uncertain prospects of Ukraine’s accession to that organisation.

As noted above, one of the strongest negative factors of bilateral cooperation is presented by conflicts in the gas sector.

Experts sceptically assess outcomes of the “gas conflict” between Ukraine and Russia in January 2009. The majority of respondents in both groups (Ukrainians – 66.7%, Russians – 72%) gave a flat answer – both parties lost. Few polled tend to admit the victory of Ukraine or Russia. Actually nobody believes that both parties won⁶. The opinion of Ukrainian citizens is less certain – roughly equal shares of respondents believe that Russia won (37.2%) or that both parties lost (34%).

2. RELATIONS BETWEEN CITIZENS OF UKRAINE AND RUSSIA

Expert opinions about the attitude of Ukrainians to Russia and Russians to Ukraine substantially differ. The majority of Ukrainian respondents believe that Ukrainians treat Russia positively, are well-disposed to it (59%), while Russians treat Ukraine negatively, critically (71.4%). In the Russian group,

³ Cited hereinafter are the results of nation-wide public opinion polls presented in the article “Ukraine-Russia relations in assessments of Ukraine’s citizens” of this magazine.

⁴ Under “other reasons”, experts proposed their ideas, at that, Ukrainian experts more often noted as the reason for deterioration of bilateral relations Ukraine’s drift westward, a critical attitude of Ukraine’s leadership to the Russian Federation. Also mentioned were the absence of a strategy of development of relations with the Russian Federation, civilisational differences of the two countries, unreadiness of the Russian Federation to see Ukraine as an independent state. Russian respondents noted revision of the common history in Ukraine, a critical attitude of the Ukrainian elite to Russia.

⁵ During the 2006 poll, the subject of NATO was formulated as follows: “further deepening of Ukraine’s cooperation with NATO”, in 2009 – “Ukraine’s intention to join NATO”.

⁶ Under “other”, Ukrainian experts reported that nobody won, the parties remained on their positions, and the gas confrontation continued, that the third party won (the EU), that a compromise was reached. Russian experts noted ongoing uncertainty, reluctance of the Ukrainian Government to normalise relations, and loss of both Ukraine and Russia.

positive assessments prevail in both cases – respondents most of all tend to believe that both Ukrainians and Russians positively treat each other. Citizens of Ukraine are more reserved in this respect, but still, they more positively assess the attitude of Ukrainians to Russia than of Russians to Ukraine.

Maybe, the most alarming is that according to the majority of Ukrainian and Russian experts, relations between the peoples of the two countries have deteriorated. Such is the opinion of 77.1% of Ukrainian respondents and 54% - of Russian. None of Ukrainians or Russians reported improvement of relations between the peoples. (Noteworthy, the results of sociological surveys conducted in the recent years in Russia show growth of a critical, cautious attitude of Russians to Ukraine⁷).

Beyond doubt, growing confrontation in bilateral relations, exchange of harsh statements, information wars could not but tell on personal relations, opinions of citizens. The negative information background for Ukraine-Russia cooperation is one of the main reasons for deterioration of relations between the peoples of the two countries.

Of interest in this connection are the expert opinions about the information component of bilateral partnership. According to the majority of experts in both groups, the Russian media cover Ukrainian subjects mainly critically or very critically. At that, deterioration of assessments was noted (mainly on the Ukrainian side). No representative of the Ukrainian side has given a positive answer.

Serious differences are reported in assessments of the coverage of Russian problems by the Ukrainian media. The stand of Ukrainian experts little changed and is actually confined to two opinions – “neutral, reserved” (48.6%) and “mainly critical” (32.4%). Meanwhile, the Russian respondents believe that the Ukrainian media cover the Russian developments either critically or very critically (and the number of those polled who chose the answer “very critically” increased from 18.8% to 65%).

In other words, the information background for bilateral cooperation is rather controversial. According to experts, there is a strong deficit of positive media reports in both countries, the media are mainly disposed to critical assessments.

Different answers were given to the question about the prevailing attitude of the Russian state and political elite to the present Ukrainian leadership. In Ukraine, the number of experts terming that attitude as negative, critical, leaped (from 66.1% to 90.5%). In the group of Russian experts, reverse changes took place – while in 2006, the ratio between those convinced of the negative, critical attitude and those who reported it to be “pragmatic, restrained” made 52.5% to 41.6%, in 2009 – 39% to 53%. As we see, assessments of the parties fundamentally differ.

3. UKRAINE'S POLICY IN RELATIONS WITH RUSSIA AND RUSSIA'S POLICY IN RELATIONS WITH UKRAINE. INFLUENCE OF STATE AND POLITICAL FIGURES

Expert assessments of Ukraine's policy towards Russia are far from optimistic. The majority of respondents chose negative colours. Some changes occurred in 2009 – on the Ukrainian side, many more experts now term that policy uncertain and controversial, on the Russian, more people are convinced that Ukraine seeks to improve its standing at the expense of the neighbour, or pursues an openly unfriendly policy (the latter opinion is shared by only 7.6% of Ukrainian experts).

Assessing the Russian policy towards Ukraine, experts used mainly critical wording. By contrast to 2006 (when 57.8% of Ukrainian experts described the Russian policy as the desire to improve its standing at the expense of the neighbour), in 2009, 53.4% assessed it as openly unfriendly. Russian experts, as before, mainly tend to call the Russian policy unclear and controversial, but the number of those who termed it “pragmatic, mutually advantageous partnership” substantially increased.

By and large, expert assessments in this issue coincide with the opinion of Ukraine's citizens who rather critically assess both Ukraine's policy towards the Russian Federation, and Russia's policy towards Ukraine.

Experts differently assess the influence of state and political figures in Ukraine and Russia on the development of bilateral relations. The range of assessments is largely illustrative. The sympathies of experts are apparently predetermined by their different motivation. But in this case, some general trends are observed.

According to Ukrainian respondents, in the Ukrainian state and political establishment, the greatest positive influence on the development of bilateral contacts is exerted by K.Hryshchenko (balance of influence: +64.7), V.Lytvyn (+43.8), A.Yatseniuk (+33.3). Russian experts produced another top 3 Ukrainian leaders: V.Lytvyn (+58), P.Symonenko (+48), V.Yanukovych (+44). The influence of V.Yushchenko and Yu.Tymoshenko was assessed the most critically.

Comparison of expert assessments of the influence of Russian state and political figures shows serious differences. According to Ukrainian experts, the Russian state and political elite exerts negative rather than positive influence on the development of bilateral cooperation. Assessed especially critically was the Ukrainian activity of V.Zhirinovsky and Yu.Luzhkov.

Russian respondents, on the contrary, are convinced in the positive influence of all persons proposed for assessment (except V.Zhirinovsky). Especially positively they assess the activity of D.Medvedev (+76), S.Lavrov (+70), V.Putin (+56). As we see, the difference in assessments is striking. The Ukrainian expert community is evidently critical to the activity of the Russian elite regarding Ukraine, Russian experts stick to the opposite opinion.

⁷ For more detail see the article “Ukraine-Russia relations in assessments of Ukraine's citizens”, pp. 72-84 of this magazine.

4. SITUATION IN UKRAINE AND RUSSIA: COMPARATIVE ASSESSMENTS

The picture of expert assessments of the situation in Ukraine and Russia in different sectors gives grounds for the following conclusions.

First. In the period under review, both Ukrainian and Russian respondents steadily more critically assessed the socio-economic situation in Ukraine than in Russia. At that, assessments of both parties have notably deteriorated. By and large, the ratio of negative assessments of the state of Ukraine's national economy by Ukrainian and Russian experts made 81.9% to 91%, of the Russian – 32.4% to 59%. (It should be noted here that in 2009, Russian assessments of the state of their national economy substantially deteriorated, compared to 2006). According to representatives of both groups, the well-being of the Ukrainian population is much lower than in neighbouring Russia.

Second. Representatives of both expert groups more critically assess the home political situation in Ukraine than in Russia. Similarly negative assessments of home political stability in Ukraine were produced by both Ukrainian and Russian experts (78%). Assessments of Russia were also very close (6.7% and 6%). Such expert opinions are attributed to permanent conflicts in the top echelons of power in Ukraine, confrontation between the President and Prime Minister, growing with the presidential elections in sight. Quite expectedly, experts much lower assessed the level of trust in the authorities in Ukraine than in Russia. Such assessments correlate with the opinion of representatives of the expert communities about the international esteem of the countries. Respondents in both groups more critically view Ukraine's image on the international scene.

Third. Experts note that Russia yields to Ukraine in some indicators of democracy development. This primarily refers to the freedom of mass media. The ratio of critical assessments for Ukraine and Russia produced by Ukrainian experts was close to 1:13 (6.7% to 88.6%). Russian experts are less united in their opinions but they, too, gave preference to Ukraine. (It should be noted, however, that in that group, scepticism about the freedom of Ukrainian media sharply increased (from 19.8% to 75%). Meanwhile, both Ukrainian and Russian experts more critically view the situation with protection of civil rights and freedoms in the Russian Federation. The prevailing opinion in both groups of respondents is that the situation in inter-ethnic relations in Russia is worse than in Ukraine. Noteworthy, both Ukrainian and Russian experts more critically assess fighting corruption of the authorities in their country than in the neighbouring state.

Over the period under review, differences in expert assessments of the international image of Ukraine and Russia decreased. While in 2006, both groups mainly positively assessed the image of Ukraine and more cautiously – of Russia; in 2009, critical assessments notably dominate. Probably, one of the reasons is presented by the unfavourable international echo of the “gas war” between Ukraine and Russia, lost, according to the majority of respondents, by both parties. Scepticism especially increased in the assessments of Ukrainian respondents.

5. PROSPECTS AND PRIORITIES OF PARTNERSHIP

The majority of representatives of both expert groups are sure that the forthcoming years will see no fundamental improvement of the relations of Kyiv and Moscow. Both Ukrainian and Russian respondents tend to believe that in the foreseeable future, instability will persist, relations will aggravate regularly. Expert opinions show varied trends. Among Ukrainians, the number of those who predict instability increased (at the expense of straight sceptics), among Russians, the number of experts expecting instability, on the contrary, declined, while the number of those who believe that the relations will deteriorate increased. Of course, the “conservation of instability” noted by experts is unlikely to meet the interests of both countries.

In other words, experts suggest that Ukraine-Russia relations will see hard times. Such pessimistic forecasts are prompted by the deterioration of the atmosphere of cooperation, complication of the bilateral dialogue, absence of serious changes for the better, and non-elaboration of strategic approaches to the development of partnership between Kyiv and Moscow.

Judging by expert assessments, Ukraine has no clear strategy of action in relations with Russia. Experts differently view the existence of such strategy regarding Ukraine in Russia. The absolute majority of Ukrainian respondents are sure that Ukraine has never had such strategy (in 2006, this answer was given by 85.3% of those polled, in 2009 – 90.5%). The opinions of Russian experts notably changed – the number of sceptics decreased from 82.2% to 45%, while the percentage of those who are convinced that the Russian Federation has a strategy of relations with Ukraine increased accordingly – from 15.8% to 38%. Demonstratively however, 17% found it difficult to answer this question.

Those assessments make one note a clear deficit of ideas of the prospects of relations of the two countries, as before, cooperation is managed manually, without detailed calculation of the consequences of today's actions.

Differences in opinions of Ukrainian and Russian experts about the priority factors conducive to rapprochement of the two countries are demonstrative. For Ukrainian experts, the most important factors of rapprochement include: political will of the state leadership, coincidence of economic interests and kinship between residents of Ukraine and the Russian Federation. For Russians – common historic past, political will of the state leadership and common borders. Ukrainian respondents are more pragmatic – for them, the political-economic factor is important, while the common history is secondary. Common historic past is the main connecting link for Russians.

Also worth notice, in 2009, compared to 2006, the share of Russian experts viewing external threat and religion (Orthodoxy) as uniting factors substantially increased. For Ukrainian respondents, those factors remained of little importance. For Russian experts, the importance of the common border also notably

increased, with the decrease in the importance of economic interests, kinship between the residents of the two countries, cultural kinship, adherence to democratic values.

The overall picture of assessments of the prospects of rapprochement of the two countries is completed by the expert opinions as to what steps of Ukraine would best meet Russia's interests. Opinions of representatives of both expert groups fully coincided. Both Ukrainian and Russian respondents believe that Russia would be happy with such actions of Ukraine as refusal from the decision to join NATO in the future, extension of the term of Russian Black Sea Fleet stationing in Crimea and transfer of Ukraine's gas transportation system under joint control.

Such rating of national priorities of the Russian Federation in relations with Ukraine is evident and causes no doubts. Russia makes coordinated efforts to bar Ukraine's Euro-Atlantic course, tries to establish control of the gas transportation capacities of the neighbouring country to build up its position of an "energy superpower", and preserve its military presence on the Crimean peninsula. This is the officially declared triad of key interests of the Russian Federation in relations with Ukraine. That is why experts prioritised those hypothetical actions of Ukraine in the Russian interests.

In other words, the thing is that Russia's interest lies in strategic geopolitical concessions of Ukraine, making it a dependent state moving in the wake of the Russian policy.

Noteworthy, against that background, both groups of experts pay little attention to pro-Russian steps of Ukraine for promotion of reintegration processes in the post-Soviet space, previously being an area of conflicts in bilateral relations. Experts are especially cool to the importance for the Russian Federation of Ukraine's deeper involvement in SES, more active participation in the CIS, joining CSTO.

The rather painful "language issue" – the official status for the Russian language – is not a key priority either. Geopolitical control is more important than the humanitarian factor.

Both Ukrainian and Russian experts agree that building relations in line with the European norms, rules and standards is the main line of normalisation of Ukraine-Russia cooperation. Similarly important for Ukrainian respondents is steadfast observance of the principle of non-interference in home affairs of each other (Russians ranked it third). Russian experts consider transparent, mutually advantageous cooperation in the gas sector to be the second most important aspect of

normalisation of cooperation (Ukrainian – third). To be sure, the gas issue is top on the agenda in bilateral cooperation, and its settlement would substantially mitigate tension in the dialogue between Kyiv and Moscow, minimise the threat of "gas wars" in the future.

Noteworthy, the humanitarian factor (mutual guarantee of national cultural needs of Ukrainians in the Russian Federation and Russians in Ukraine) receded into the background in both groups, along with interaction between civil society institutes⁸.

The poll results show that the expert communities of the two countries are dominated by very critical assessments of the present state of Ukraine-Russia relations. Indeed, the bilateral dialogue abounds in problems whose solution has been frozen because of fundamental differences in the parties' positions. Bilateral relations are affected by the Euro-Atlantic course of official Kyiv, acute problems of cooperation in the gas sector. The level and nature of contacts of the state and political elites are far from optimal. By and large, Ukraine's policy towards Russia and Russia's – towards Ukraine leave much to be desired.

Respondent assessments give grounds to speak of a systemic crisis in relations that will hardly be removed soon. In the foreseeable future, experts predict maintenance of instability, periodical aggravation of relations.

Conflicts in bilateral relations affect the information background for cooperation. According to experts, mass media of both countries operate mainly in a critical mode, covering developments in the neighbouring country. This creates a generally unfavourable information background, as a result, relations between the peoples of Ukraine and Russia are deteriorating. This is a very alarming signal of experts that should be heard by the leaders of both countries.

Representatives of expert communities of the two countries very differently assess the character and specificity of partnership, the problems of cooperation. However, the overall assessments of factors of rapprochement of the two countries reveal a substantial potential for rapprochement of Kyiv and Moscow that should be utmost used for normalisation and development of partner ties.

Experts agree that establishment of mutually advantageous, transparent, partner relations in different sectors of cooperation, without confrontation and conflicts, on the basis of the European norms, rules and standards meets interests of both countries.

⁸ Under "other lines", Ukrainian experts, proposing their ideas, noted among important lines of normalisation of cooperation: joint anti-crisis activities, voluntary and timely withdrawal of Russia's Black Sea Fleet from Ukraine, an official status for the Russian language. Normalisation of relations is also associated with the change of Ukraine's leadership. Russians noted development of trade, change of the model of state development "resting on confrontation with Russia".

Assesment of the present situation of Ukraine-Russia relations. % of polled experts

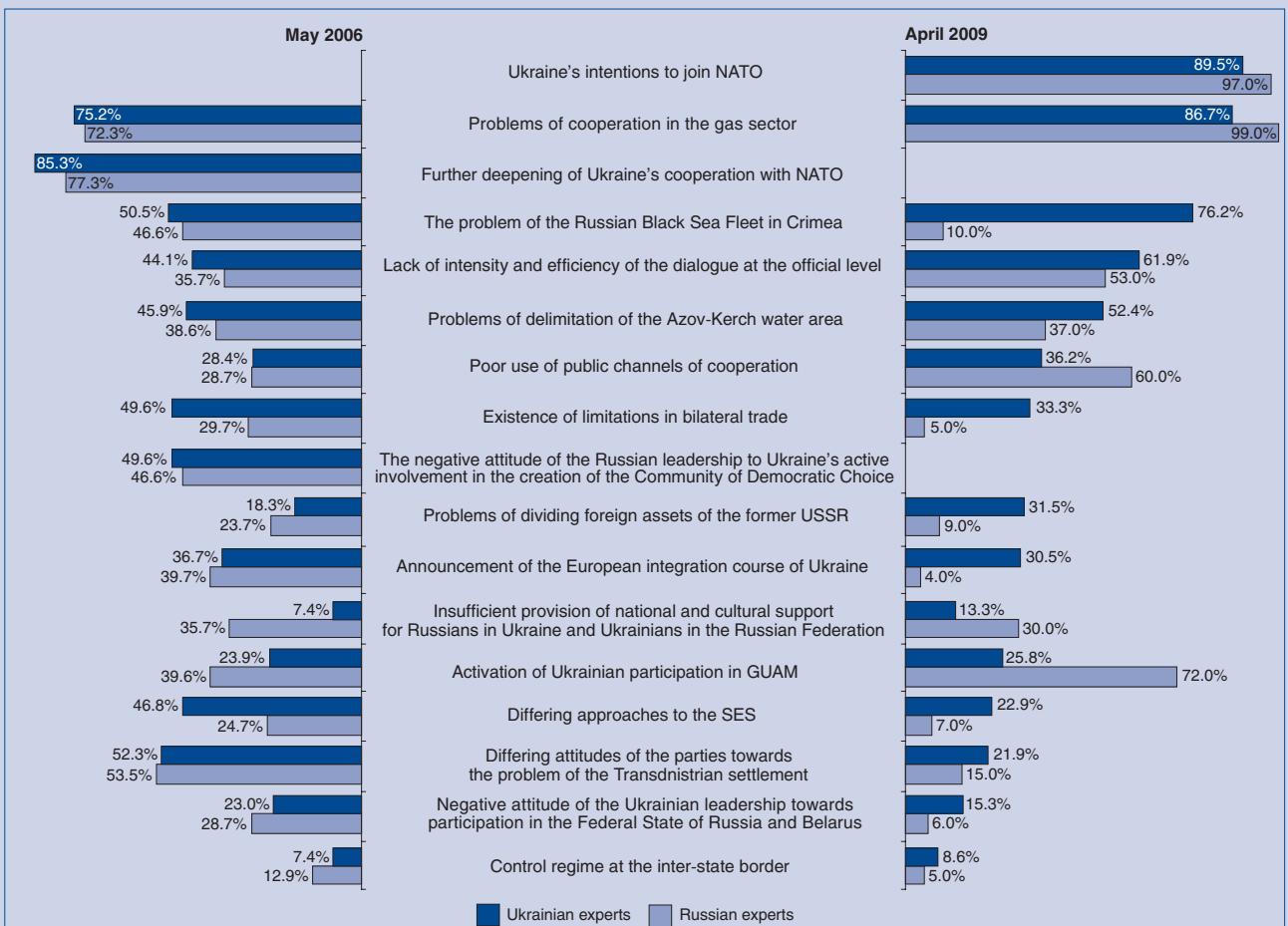


Main reasons and factors for the deterioration of Ukraine-Russia relations*, % of polled experts



* Experts were asked to mark no more than two answers.

Factors exerting negative influence on Ukraine-Russia bilateral relations*, % of polled experts



* On the scale from "1" to "5", where "1" – the factor has no negative influence and "5" – maximum negative influence. The diagram presents only answers "4" and "5". This diagram does not reflect answers "refuse to say" and "hard to say"

What is the attitude of Ukrainians to Russia, and Russians to Ukraine? % of polled experts



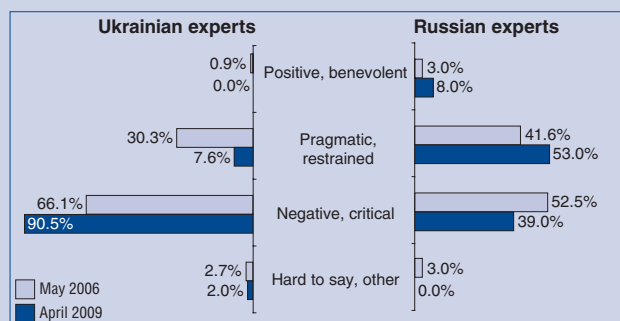
Assessment of results of "gas conflict" between Russia and Ukraine in January 2009, % of polled experts



How did the relations between peoples of Ukraine and Russia change? % of polled experts



What is the prevalent attitude of the Russian state and the political elite to the present Ukrainian authorities? % of polled experts



Assessment of policy of Russia towards Ukraine, % of polled experts



Assessment of policy of Ukraine towards Russia, % of polled experts



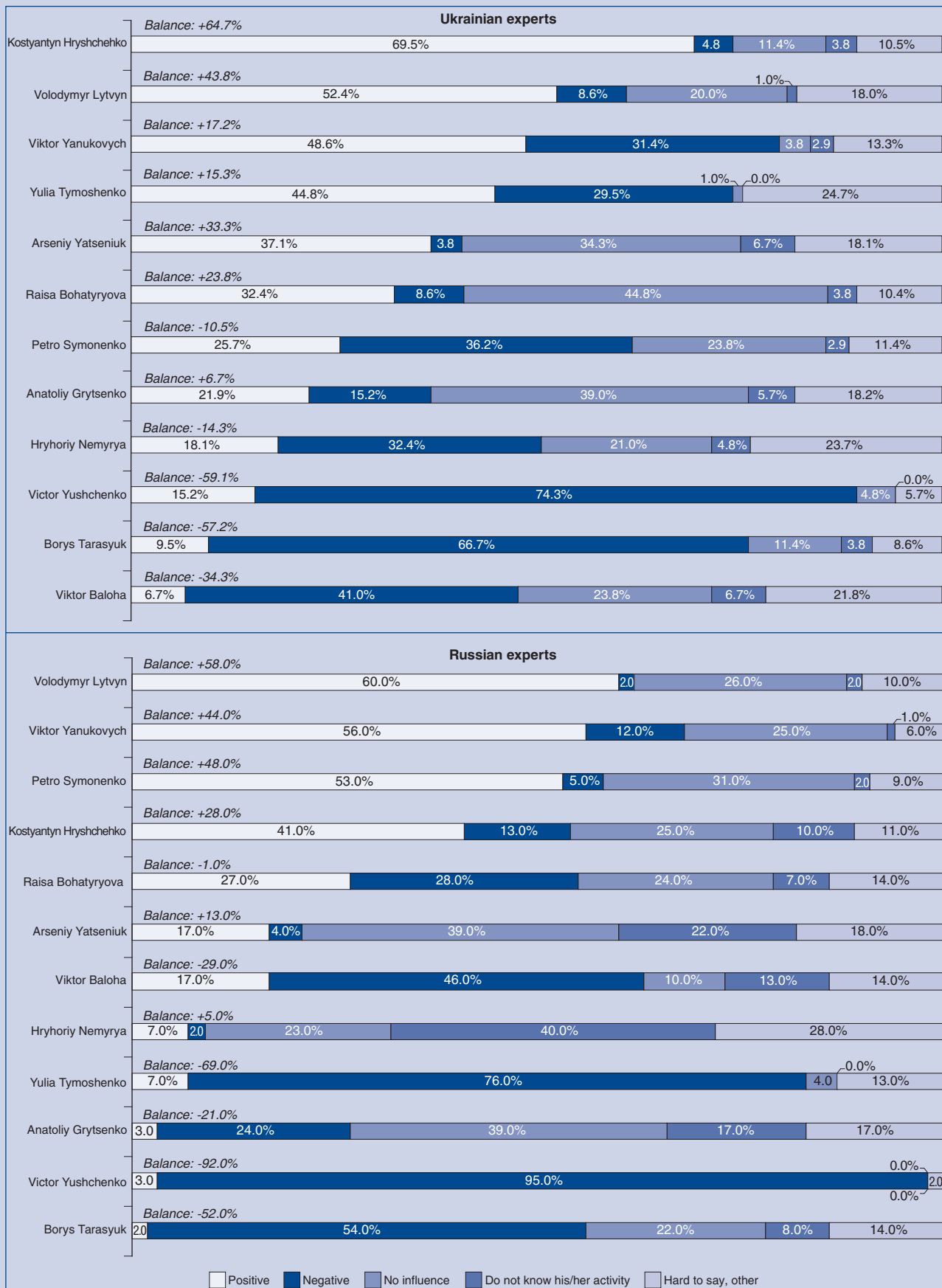
The way Russian mass media covers Ukrainian issues? % of polled experts



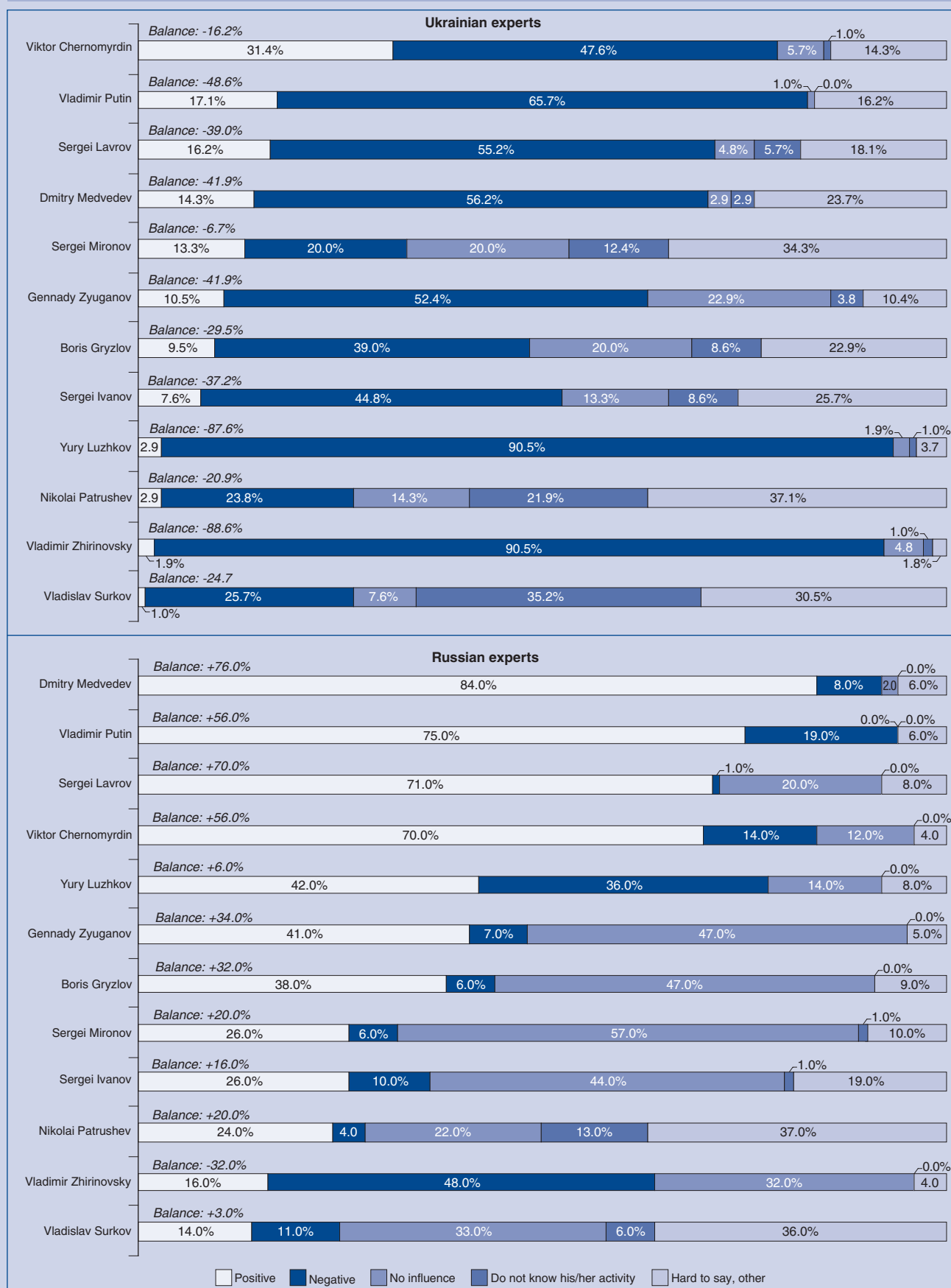
The way Ukrainian mass media covers Russian issues? % of polled experts



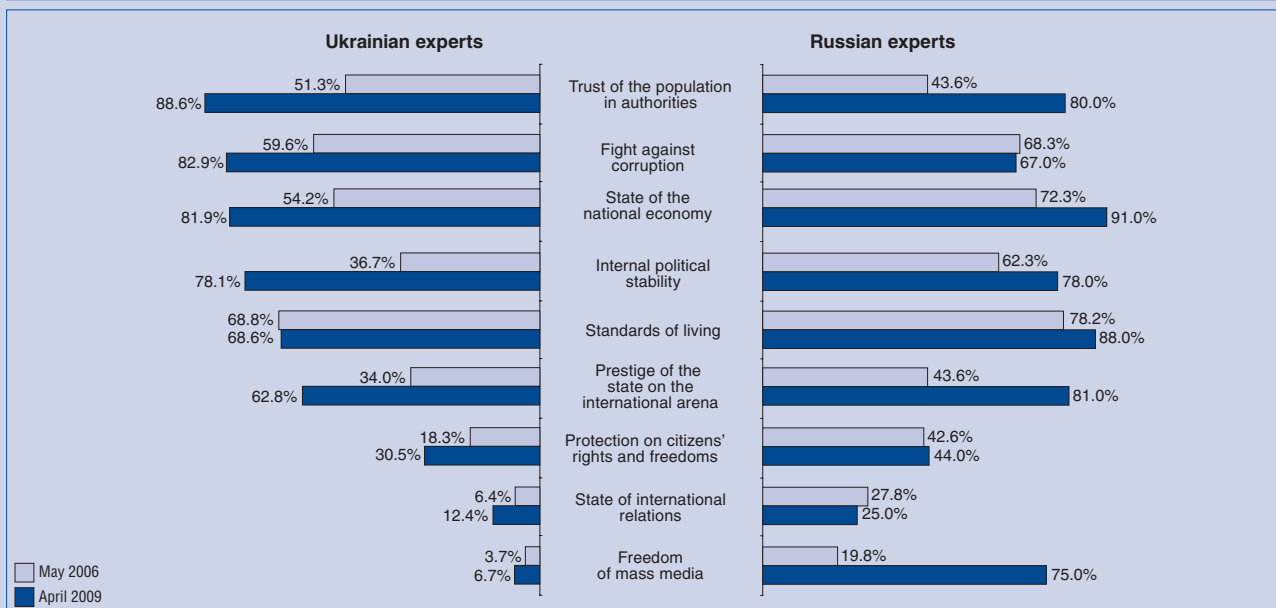
**Influence of Ukrainian state and political figures on the development of Ukraine-Russia relations,
% of polled experts**



**Influence of Russian state and political figures on the development of Ukraine-Russia relations,
% of polled experts**



The negative assessments of the state of the following domains of Ukraine*, % of polled experts



* On the scale from "1" to "5", where "5" – excellent, "1" – very bad. Diagram shows the sum of "1" and "2" answers. The diagram does not reflect answer "hard to say".

The negative assessments of the state of the following domains of Russia*, % of polled experts



* On the scale from "1" to "5", where "5" – excellent, "1" – very bad. Diagram shows the sum of "1" and "2" answers. The diagram does not reflect answer "hard to say".

How do you assess the international image of Ukraine? % of polled experts



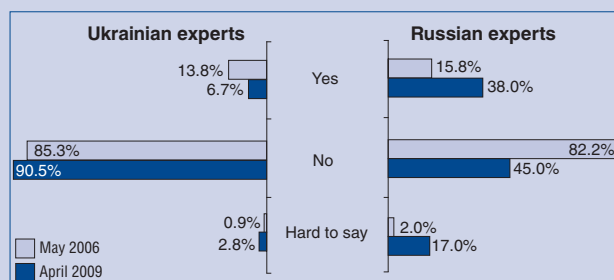
How do you assess the international image of Russia? % of polled experts



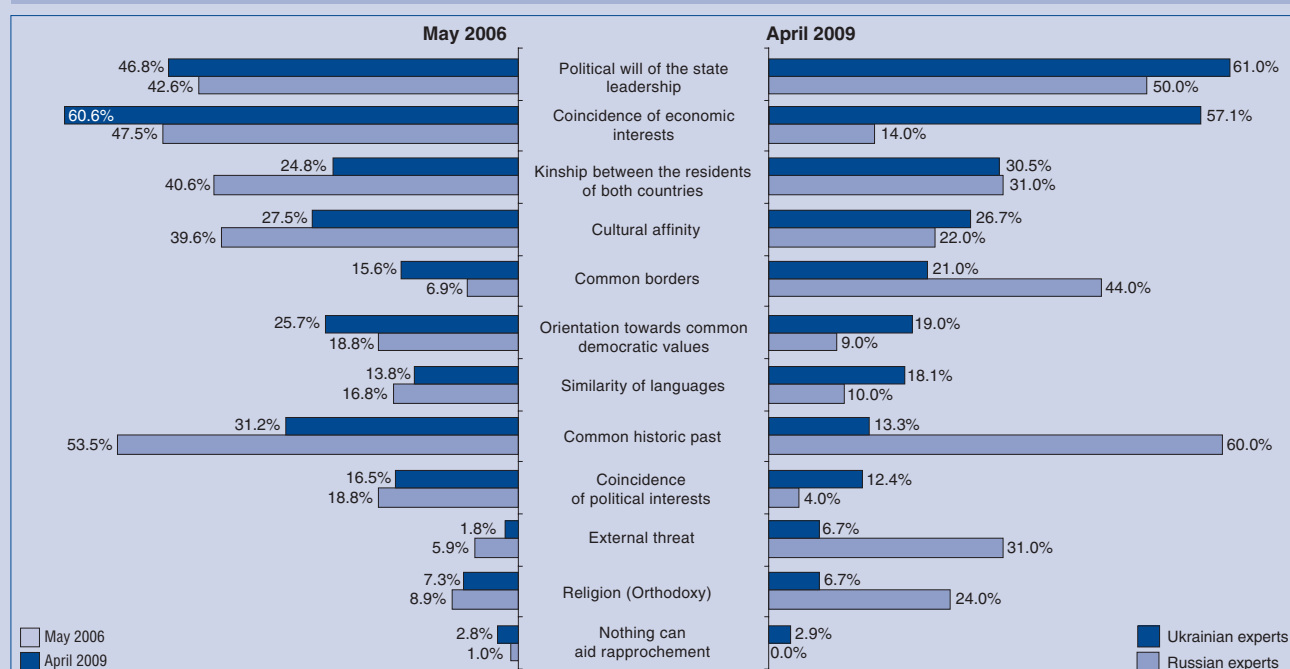
Assessment of relationships development prospects between Ukraine and Russia in the nearest future, % of polled experts



Does Ukraine have a clear strategy of action with respect to the Russian Federation? % of polled experts



Priority factors of rapprochement between Ukraine and Russia?* % of polled experts



* Experts were asked to mark no more than three options.

What Ukraine's steps would best meet Russian interests?* % of polled experts



* Experts were asked to mark no more than three options.

What, proceeding from the current situation, lines of normalisation of Ukraine-Russia cooperation are the most prospective?* % of polled experts



* Experts were asked to mark no more than three options.

UKRAINE-RUSSIA RELATIONS IN ASSESSMENTS OF UKRAINE'S CITIZENS

Within the framework of its analytical activity, Razumkov Centre is engaged in study of problems and prospects of development of Ukraine-Russia relations. The Centre regularly conducts special nation-wide public opinion polls¹.

For the Ukrainian-Russian Round-table "Ukraine-Russia: ways of overcoming crisis in relations" (May 2009), Razumkov Centre conducted another poll of Ukraine's citizens and summarised results of public opinion polls of 2001-2009.

Nine years of monitoring the public opinion illustrate the dynamic of the opinion of Ukraine's population on the problems, priority lines and prospects of bilateral relations. The presented results make it possible to make a number of observations and conclusions.

1. GEOPOLITICAL PREFERENCES OF UKRAINE'S CITIZENS

The dynamic of assessments over the past years witnesses that Ukrainian society steadily has two key preference in foreign political partnership: with Russia, and with the European Union. Noteworthy, since 2004 (compared to the previous years), the number of adherents of Ukraine's priority partnership with Russia has increased. Some decline was observed in April 2005, in the period of a political-diplomatic "spurt" of the new country leadership towards Europe and a "tide" of European optimism in society. Then, the subject of Ukraine-Russia cooperation for a short period of time receded into the background.

Later, the situation stabilised. And in December 2008, the number of citizens prioritising contacts with the Russian Federation reached its maximum – 51.1% (in March 2009 – 48.6%). **Noteworthy, the number of respondents convinced that cooperation with Russia is the main vector of Ukraine's foreign policy, has increased in the period of deterioration of bilateral relations.**

It may be suggested that the priority of the Russian vector is largely conditioned by the fact that today, the relations of Kyiv and Moscow are in a critical state,

and this is problem No. 1 for the Ukrainian authorities. Respondents are aware of the importance of cooperation with Russia. The public firmly believes that there is no alternative to good-neighbourly, mutually advantageous partnership with Russia.

Assessments of the importance of contacts with the EU countries over the period under review saw notable changes. The above-mentioned growth of European sympathies (2005) as soon as at the beginning of 2006 yielded to a more reserved view of the priority of the Western vector of the national foreign policy. The results of the two latest polls illustrate some decrease in the number of European sympathisers in Ukraine (in December 2008, the number of respondents who prefer cooperation with the EU countries equalled 27.5%, in March 2009 – 27.6%). That is, over the past three years, public spirits show little changes for the better. The reasons are many. They include the anti-Western rhetoric during election campaigns, the stereotype of being "undesired in Europe" deeply rooted in the public, problems with visa formalities, imperceptibility of results of the European integration in everyday life, in fact discrediting the very idea of movement to the EU, and so on.

Since September 2003, the number of respondents prioritising cooperation with the CIS

¹ Special nation-wide polls (with a sample of some 2,000 respondents) about Ukraine-Russia relations are held by the Razumkov Centre Sociological Service from February 2001. All surveys whose results are quoted in this material were conducted in all regions of Ukraine, the city of Kyiv and the AR of Crimea under a multi-stage sample with quota selection of respondents at the final stage, representative of the adult population of Ukraine in terms of the key social and demographic indicators (area of residence, settlement type and size, age, gender). The theoretical error of samples at those polls does not exceed 2.3%.

The latest poll was held on February 27 – March 5, 2009. 2,012 respondents aged above 18 years were polled.

has been gradually decreasing. In April 2007, the attractiveness of the Commonwealth fell record low – 4.9%, and never again rose above 9%. Evidently, the reasons for such downward dynamic include political and economic ineffectiveness of that organisation, its inability to solve conflicts in the post-Soviet space.

Over the entire period under review, the reserved attitude of Ukraine's citizens to cooperation with the USA as a priority line of the foreign policy remained stable. The share of those who prioritised that domain in 2000-2009 did not exceed 5%, and in December 2008, made only 0.6%. Such a stand may be explained by a long period (until 2005) of “frost” in relations with the USA, a critical attitude to some forcible actions of the United States on the world scene. Evidently, one of the motives of the reserved attitude to the overseas partner is that the bilateral dialogue that gained strength in the recent years has not been converted into notable for respondents socio-economic results.

Regional specificity². A traditional watershed is observed in the assessments of respondents from the Western and South-Eastern parts of the country. In the West, cooperation with the EU has steadily prevailed since 2000. Meanwhile, residents of the Eastern and Southern regions in their majority prioritise contacts with Russia³. In March 2009, the ratio of adherents of priority contacts with the EU and Russia in the country's West was close to 7:1, in the South – vice versa, 1:7. In the East, the ratio of adherents of relations with the EU and the Russian Federation makes 1:4. It should be noted that the number of adherents of contacts with the EU in the South has substantially dropped recently (December 2008 - March 2009) – in March 2009, it fell record low over the entire period under review – 9.5%. The share of pro-Russian-minded respondents leaped accordingly.

Assessments of respondents in the Central region showed varied dynamics. In 2004-2005, the spirits notably changed in favour of cooperation with the EU. The situation was stable till the spring of 2008 (except the I half of 2006, when the shares of adherents of priority contacts with the Russian Federation and the EU were roughly even). And later on, adherents of contacts with Russia dominated.

Regional differences in foreign political orientations of Ukraine's citizens, largely conditioned by historic socio-cultural and economic ties of regions (Western Ukraine – Eastern European countries, Eastern Ukraine – Russia), aggravated in the period of election campaigns

that saw provocation and instigation of confrontation between the country's West and East. Also alarming, no trend towards removal of those differences has been observed in the recent years. On the contrary, the “geopolitical variety” is taking roots and gaining strength in Ukrainian society. This situation is unlikely to contribute to broad “public legitimisation” of the chosen foreign political course towards the European and Euro-Atlantic integration.

Demographic dimension. In late 2008 – early 2009, some changes took place in the most socially mobile age group – the youth (18-29 years). While in the previous years, that category of respondents demonstrated prevalence of “European sympathies”, in March 2009, the shares of adherents of priority contacts with the Russian Federation and the EU did not statistically differ (36.2% gave preference to the EU, 41.6% – to Russia).

Opinions of people of the middle age (30-39 years) demonstrated varied dynamics – in 2006 (compared to the previous years, when pro-European spirits dominated) the situation changed to the benefit of priority relations with Russia. In February 2008, the “awareness of priority” of contacts with the EU again prevailed. However, from April 2008, till March 2009, the majority of respondents in that age group preferred partnership with Russia. Similar trends are observed among respondents in the following age group (40-49 years). In the elder groups (50-59 years, 60 and over) sympathies to cooperation with the Russian Federation prevail. Meanwhile, the eldest respondents in December 2008 showed a “tide” of sympathies to the Russian Federation – contacts with Russia were prioritised by 64.3% of respondents.

2. STATE OF BILATERAL RELATIONS

Citizens of Ukraine very critically assess the state of Ukraine-Russia relations. Over the entire period under review, the majority of respondents steadily described them as either “unstable” or “poor”. A sharp rise in critical assessments was observed from April 2005, till May 2006. In that timeframe, the number of respondents negatively assessing bilateral relations (as “poor” and “unstable”) increased from 64.1% to 93%. In the same timeframe the number of citizens convinced that those relations were “good” decreased from 28.3% to 3.5%. In March 2009, their share equalled only 1.6%, and of those who described them as “unstable” or “poor” – 93.7%. Most often, they were termed as “unstable”. Also noteworthy, from December 2008, till March 2009, when the relations between the two countries sharply aggravated due to the “gas war”,

² The regional division is as follows: the **West**: Volyn, Transcarpathian, Ivano-Frankivsk, Lviv, Rivne, Ternopil, Chernivtsi regions, the **South**: AR of Crimea, Odesa, Kherson, Mykolayiv regions, the **East**: Dnipropetrovsk, Donetsk, Zaporizhzhya, Luhansk, Kharkiv regions, the **Centre**: city of Kyiv, Vinnytsya, Zhytomyr, Kyiv, Kirovohrad, Poltava, Sumy, Khmelnytskyi, Cherkasy, Chernihiv regions.

³ In the country's East in February 2001, pro-European spirits prevailed. Contacts with the EU enjoyed support of 41.3% of those polled, with Russia – 29.1%. In February 2002, their ratio changed fundamentally – 22.1% and 45.8%, respectively. Since then, a stable priority of relations with the Russian Federation has been established.

the overall picture of assessments changed little (the decrease in the number of optimists from 3.1% to 1.6% was not significant).

Critical assessments by the majority of Ukraine's citizens are prompted by the permanent aggravation of bilateral relations, escalation of conflicts, inability of the parties to solve a number of long-standing problems, a confrontational character of the dialogue between Kyiv and Moscow, exchange of mutual accusations. Such assessments are an alarming signal to the leadership of both countries.

Regional specificity. In March 2009, some changes occurred (compared to December 2008). The number of respondents terming the relations as poor in the East of the country somewhat decreased, while the percentage of those polled noting "instability" increased. In the West and Centre, vice versa, the confidence that the present Ukraine-Russia relations were poor, increased. At that, most of all respondents who gave this answer (43.5%) lived in the central part of the country.

Representatives of all regions of the country were reluctant to call Ukraine-Russia relations "good". The number of respondents terming the contacts between the two states as good in December 2008 - March 2009 did not exceed 6% (December 2008, the country's East)⁴.

Citizens of Ukraine rather controversially assessed the effects of the "gas conflict" between Ukraine and Russia in January 2009. More than a third (37.2%) of citizens tend to award the victory to Russia. It may be suggested that the stand of that group of respondents was influenced by strong information activity on the part of Russia, their judgements of the reasons and consequences of the gas confrontation between the two countries. 34% of respondents are sure that the conflict brought no good to anyone, and both parties lost from it. 6.8% believe that both were in the win. At that, very few respondents (2.5%) are sure that Ukraine won in that conflict. Noteworthy, every fifth (19.5%) polled found it difficult to give a definite answer.

Regional specificity. Representatives of all regions do not tend to give preference in that conflict to Ukraine (Ukraine's win was reported by from 5.5% of respondents in the country's West to 1.3% in the South). In all regions (except the West), the shares of those who gave victory to Russia and those convinced that both parties lost do not statistically differ. In the West, however, more people believe that Russia won (38% spoke of the victory of the Russian Federation, 27.1% – loss of both parties). At the same time, it produced the highest percentage (25.2%) of those undecided.

The overall picture of assessments of the relations is complemented by the respondent opinions as to the mutual treatment of Russia and Ukraine. The dynamics of comparative description of the Ukrainian policy towards Russia and, respectively, the Russian policy towards Ukraine from November 2002 till March 2009, give grounds to note a trend towards deterioration in assessments. From April 2005 till May 2006, critical assessments substantially increased. In that timeframe, the number of respondents describing Ukraine's policy towards Russia and Russia's towards Ukraine as "open, neighbourly and friendly", or seen as "pragmatic and mutually advantageous partnership", sharply dropped. The majority of respondents described it as "uncertain and controversial", "obviously unfriendly".

The results of the March 2009 poll did not add good news to the overall picture. Critical assessments of the Russian policy actually did not change, while the assessments of Ukraine's policy somewhat deteriorated. A greater number of respondents term Kyiv's policy towards Russia "uncertain and controversial", or even call Ukraine's policy in relations with its Eastern neighbour "unfriendly".

Regional specificity. By and large, representatives of different regions similarly assess Ukraine's policy towards Russia. Most of all (from 42.6% in the West to 47% in the Centre) respondents term the Ukrainian policy in relations with Russia as uncertain and controversial. However, in the West, only 3.9% of those polled are sure that Ukraine is trying to improve its standing at the expense of the neighbour, while in the South, 16.7% of respondents stick to this opinion.

Differences in assessments of the Russian policy are more serious. Opinions in the Western regions fundamentally differ from those given by residents of the country's East and South. In the West, actually no one (0.8%) considers the Russian policy open, neighbourly and friendly, while pragmatic partnership was reported by 5.7%. Meanwhile, the majority of respondents believe that Russia is either pursuing a clearly unfriendly policy (41%), or wants to improve its standing at the expense of the neighbour (15.1%). In the South, vice versa, half of all residents positively assessed the Russian policy ("neighbourly, friendly" – 19.6%, "pragmatic and mutually advantageous partnership" – 30.6%). The Russian policy was termed as unfriendly by only 8.3%, as the desire to improve its standing at the expense of the neighbour – even less (6.3%).

Citizens of Ukraine believe that they treat Russia better than Russians treat Ukraine. To be sure, the ongoing confrontation in bilateral contacts could not but tell on personal relations. 31.8% of respondents believe

⁴ Although, while establishing the similarity of assessments, one should take into account that respondents of the Western region express different attitude to the deterioration of the bilateral relations.

that Russians are positive and well-disposed to Ukraine, and as much (30.1%) called their attitude negative, critical.

This opinion is not groundless, given that the Russian information and propaganda machinery purposefully cultivates in Russian society anti-Ukrainian spirits, and many citizens of the Russian Federation see the neighbouring country as an unfriendly state. Assessments of the attitude of Ukrainians to Russia are more positive – 44.1% of respondents are sure that people in Ukraine are positive and well-disposed to Russia, and only 18.7% – that they treat it negatively and critically. The cited results witnessing a more positive attitude of Ukrainians to Russia than of Russians to Ukraine are fully backed with the monitoring by the Kyiv International Institute of Sociology and Russia's "Levada-Centre"⁵.

Regional specificity. In the West, the majority of those polled are sure that the attitude to Russia in Ukraine is mainly either neutral, indifferent (36.4%), or negative, critical (30.9%). In the South and East, on the contrary, the majority (63.2% and 55.6%, respectively) of respondents are sure that people in Ukraine positively treat the Russian Federation and are well-disposed to it. Similar differences are observed in respondent opinions about the attitude of Russians to Ukraine. Residents of the Western regions in their majority (52.6%) are sure of the negative, critical attitude of Russians. And in the South and East, people believe that they in Russia are positive and well-disposed to Ukraine (53.2% and 44.9%, respectively).

3. UKRAINE-RUSSIA: FACTORS DEEPENING COOPERATION, PROSPECTS OF PARTNERSHIP

What can most of all contribute to rapprochement between Ukraine and Russia? Analysis of the dynamic of respondent answers to that question shows that over the period under review (2005-2009), the rating of factors drawing the two states together did not substantially change. People suggest that its list is topped by: common historic past, family ties between the residents of the two countries, coincidence of economic interests, common borders. Exactly those items in different sequence top the list of factors of rapprochement. They may be termed natural (maybe, except the coincidence of economic interests⁶).

People are aware of the value and importance of historically formed contacts, personal contacts, seeing

them as a link of bilateral partnership. In its turn, the border regime should also facilitate contacts between citizens of both countries, transborder and inter-regional cooperation. One should nevertheless ask: will the factors of the common historic past and family ties remain as important with the change of generations and reconsideration of some historic processes?⁷

Assessing further rating of the factors of rapprochement, the following may be said. *First*, purely political aspects (political will of the state leadership, coincidence of political interests) seem somewhat less important. Evidently, respondent opinions are influenced by the fundamental difference of geopolitical interests of the two countries. Ukraine seeks European integration, declares its desire to join the Euro-Atlantic security system. Russia is trying to step up reintegration processes in the post-Soviet space, to keep Ukraine within its sphere of influence, using political-diplomatic and economic tools of pressure. *Second*, respondents were reserved assessing the kinship of the cultures and languages, and the religious factor (Orthodoxy). The reason lies in excessive politicisation and conflicts in the language and church issues, dividing Ukrainian society and presenting tools of Russian pressure. In other words, citizens do not see socio-cultural unity of the countries as the main factor of rapprochement. *Third*, citizens least of all believe that Ukraine and Russia may be united by a common external threat. Maybe, in the public consciousness, the probability of such common threat is low, and in the foreseeable future it will not present a reason for rapprochement of the two countries. On the other hand, effective fighting new threats (terrorism, proliferation of weapons of mass destruction, cybercrime, and so on) evidently presumes strengthening of multilateral cooperation within the framework of collective security systems in the first place.

Beyond doubt, it is important that least of all (4.4%) respondents believe that nothing can promote rapprochement. **In other words, the absolute majority of Ukraine's citizens are sure that Ukraine and Russia have a significant potential for deepening partnership, and it should be used effectively.**

The overall picture of factors of rapprochement is supplemented by respondent opinions about Russian interests in bilateral cooperation. What moves the Russian Federation in relations with Ukraine? First of all, in the opinion of Ukrainian citizens – transit of Russian energy resources to the EU countries.

⁵ According to the results of polls simultaneously conducted in Ukraine and Russia by the Kyiv International Institute of Sociology and "Levada-Centre", in March 2008, January 2009 and March 2009, Ukraine was well and mainly well treated in Russia by, respectively, 55%, 29% and 41%, badly and very badly – by 33%, 62% and 49%. In Ukraine, Russia was well and mainly well treated by 88%, 91% and 90%.

⁶ Apparently, it is the coincidence of economic interests that should promote deeper partnership between Kyiv and Moscow, introduce mutually advantageous pragmatism to it, depoliticise business contacts of the two countries.

⁷ Today, exactly differences in assessments of separate historic facts – actions of OUN-UPA, the Famine of 1932-1933 in Ukraine – are the subjects causing conflicts in the bilateral dialogue.

In March 2009 (compared to December 2007) the significance of that factor substantially increased (from 42.4% to 63.5%). This may be attributed to the echo of the gas conflict in January 2009, when Russia cut supply of energy resources to the EU countries via Ukraine.

The second most important interest steadily reported by respondents is the Ukrainian market for Russian goods. Clearly, such interest presents a strong driver for the development of bilateral partnership.

Results of the poll conducted in March 2009 rearranged the traditional rating. Respondents gave the third place to “elimination of the Western influence on Ukraine” (instead of use of manpower and natural resources). It may be suggested that the reasons for that included the mass information campaign waged by Russia against Ukraine’s integration into NATO that reached its climax in 2008.

Regarding other spheres of Russia’s interests, the following conclusions can be drawn. *First*, citizens traditionally note rather a low interest of Russia in imports of Ukrainian produce. The assessments might be influenced by the echo of the recent “meat and milk wars”, when Russia strongly restricted access of Ukrainian products to its markets. *Second*, respondents believe that Russia is least of all interested in the promotion of democracy and market reforms in Ukraine. Such assessments may be attributed to Russia’s internal problems of society democratisation, control of mass media and civil society structures, and the evident desire of the Kremlin to keep Ukraine in its sphere of influence, rather than promote democracy. *Third*, traditionally, least of all polled suggest that Russia was not interested in cooperation with Ukraine. Quite naturally, Russia has varied interests in relations with Ukraine. However, such cooperation should be equal, mutually advantageous and take into account the interests of both parties.

The majority of Ukraine’s citizens are not satisfied with the current state of affairs in the Ukraine-Russia relations and believe that the situation should be changed for the better. A steady majority of respondents are sure that cooperation with the Russian Federation should be deepened. Over the period under review, the number of those polled sharing this opinion exceeded 60%. From November 2002 till April 2005, not less than 69% supported deeper partnership, in May 2006, there was a decline (62.2%), in December 2008, their share returned to the previous level (69.4%), and in March 2009, the share of adherents of development of contacts with the Russian

Federation equalled 65.7%. The cited results prove that Ukraine’s citizens mainly stand for deeper partnership with the Russian Federation and are sure of good prospects of bilateral cooperation.

Regional specificity. The high level of support for deeper cooperation with the Russian Federation is reported in the South, East and Centre of the country. Residents of the Western part of the country are more reserved in this respect. The results of the latest poll did not substantially change the picture of assessments. In the South and East, development of contacts with the Russian Federation is welcomed by 84.1% and 76.9% of those polled, in the Centre – 62%, in the West – 37.4%. Meanwhile, in the West, most of all (29.6%) respondents are sure of the need of curtailing cooperation and influence of the Russian influence on Ukraine (in the South, such respondents made only 3.6%). But one way or the other, in all regions of Ukraine without exception, the share of adherents of deeper partnership with the Russian Federation is greater than of opponents of contacts with Russia.

Demographic dimension. Adherents of development of contacts with Russia steadily dominate in all age groups. With growth of the respondents’ age, confidence of the need of deeper cooperation also grows (from 60.1% in the youngest group to 71% – in the oldest).

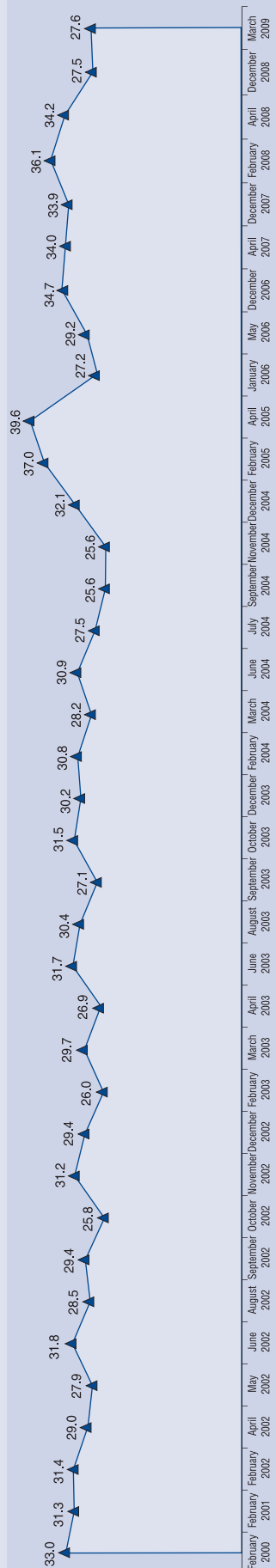
Citizens generally support deeper cooperation with the Russian Federation, but their assessments of the nearest prospects of bilateral relations are controversial. Results of the surveys of 2008-2009 show some positive changes in spirits. Compared to 2006-2007, the share of optimistic respondents somewhat increased (from 22.9-22.3% to 27-29.7%). The number of those who predict deterioration of relations substantially dropped. The number of the polled convinced that in the near future Ukraine-Russia relations would not change remained stable. (This stand does not look encouraging, given that the majority of citizens critically assess the current state of partnership between Kyiv and Moscow). The general picture of assessments gives little grounds for optimism – cautiously sceptical spirits prevail. (Noteworthy, every fourth respondent found it difficult to assess the prospects of cooperation).

In regional terms, the greatest differences in forecasts are observed between the residents of the Southern and Western parts of the country. In the South, twice more respondents (42.4%) than in the West (20.7%) are sure that the relations between the two countries will improve in the near future.

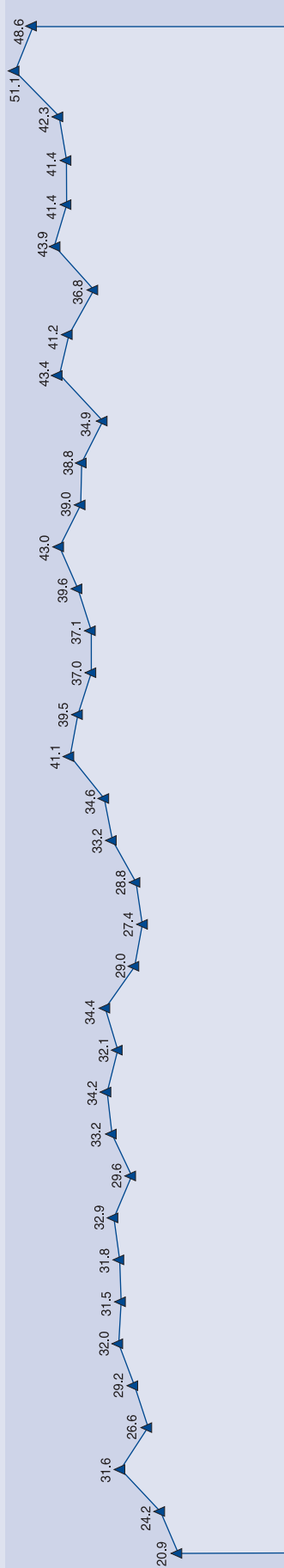
What direction of foreign policy is a priority for Ukraine?

% of the polled

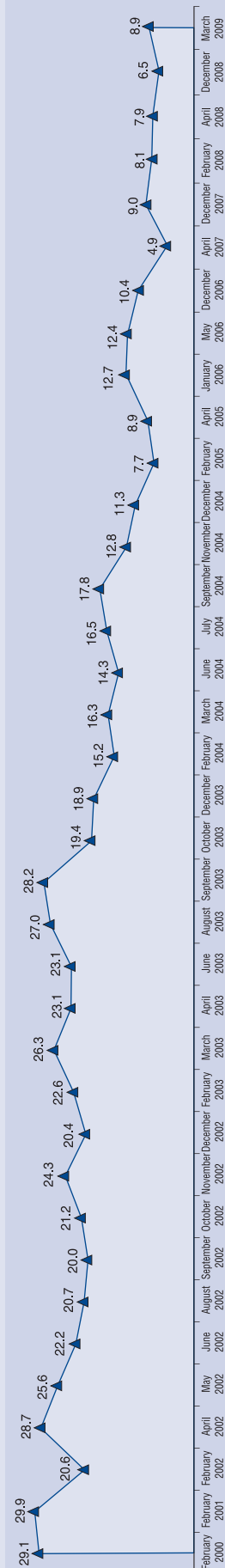
Relations with the EU countries



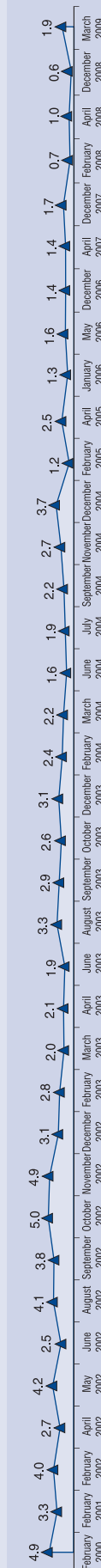
Relations with Russia



Relations with CIS countries

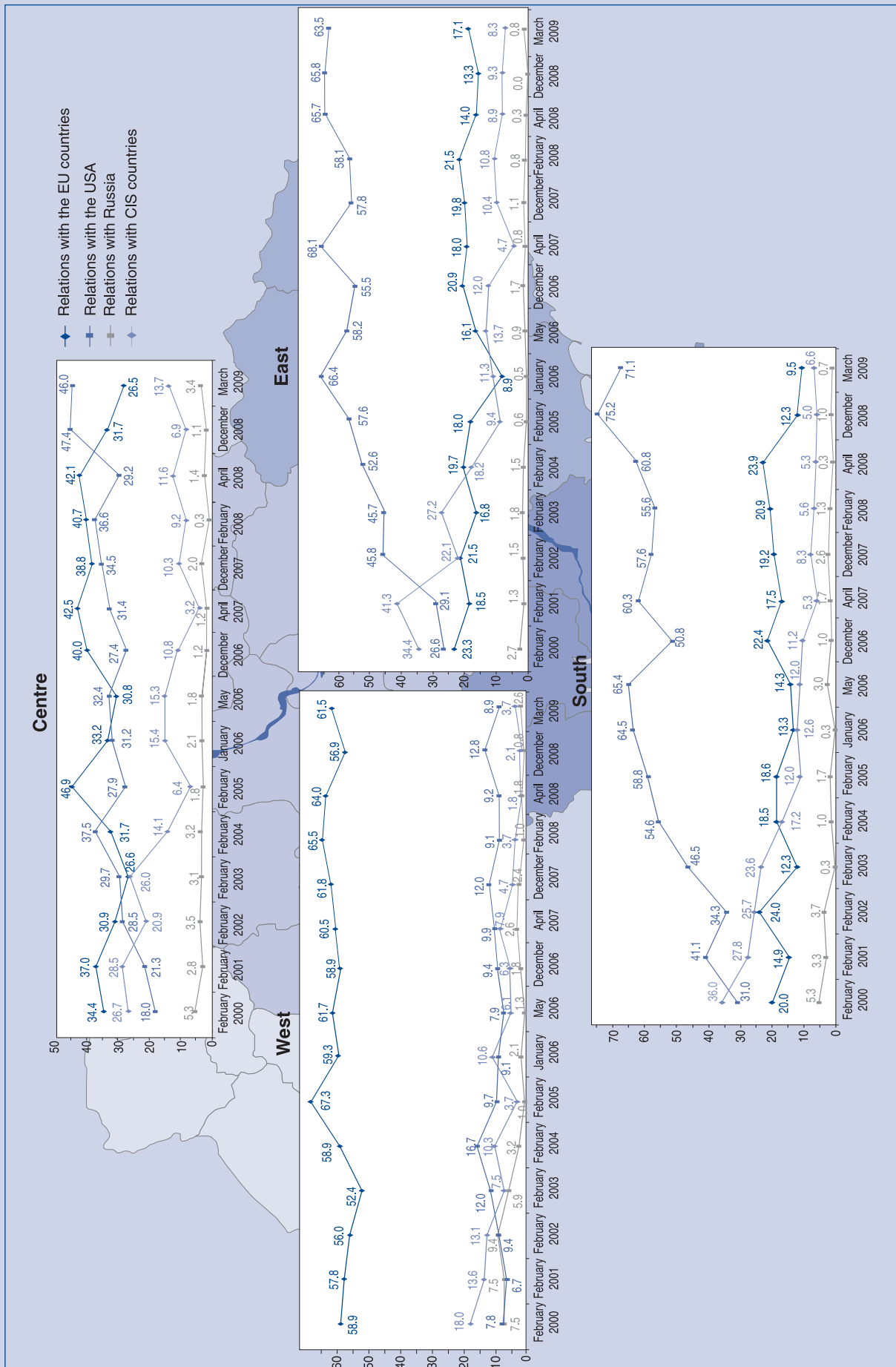


Relations with the USA

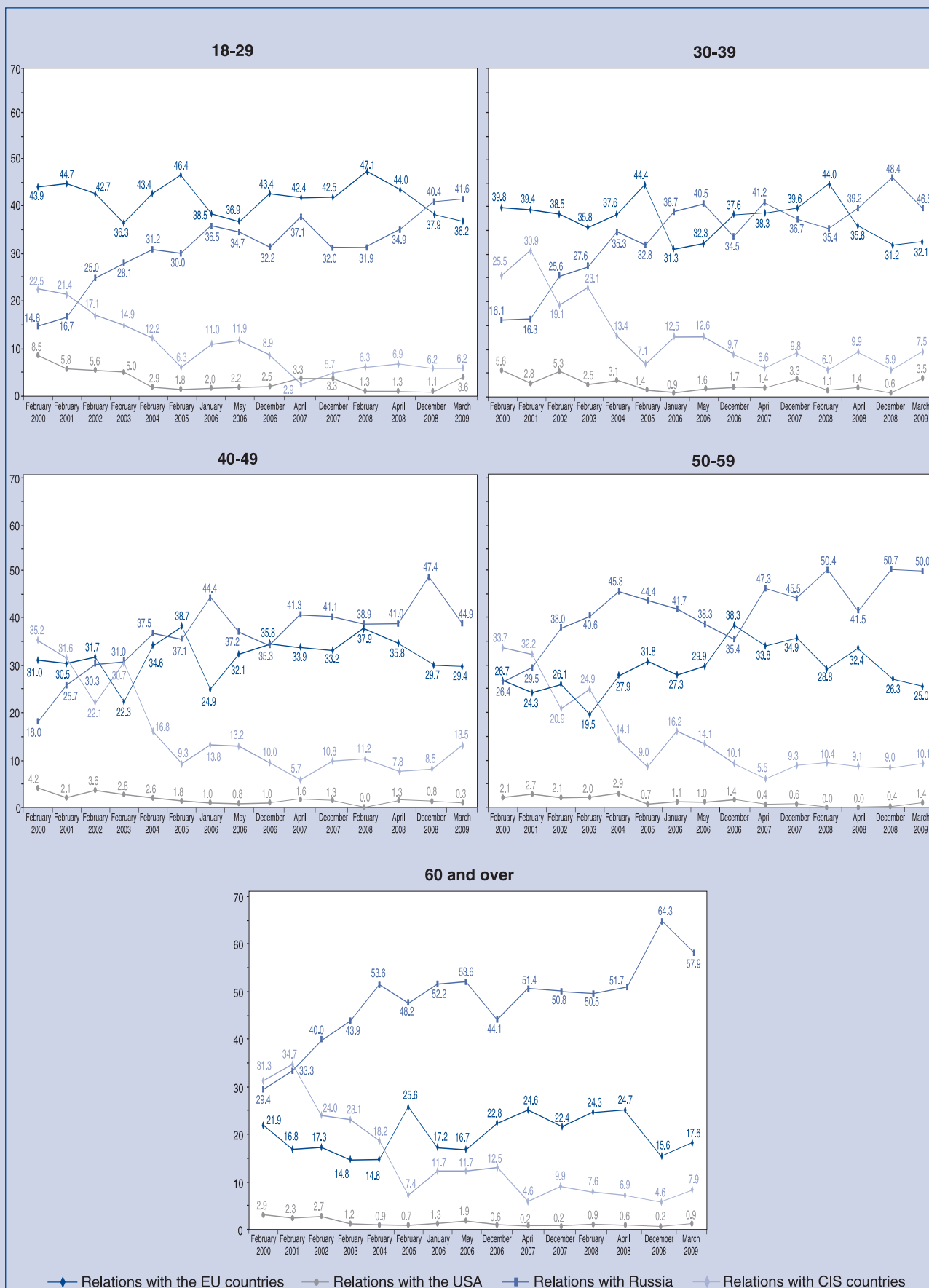


What direction of foreign policy is a priority for Ukraine?

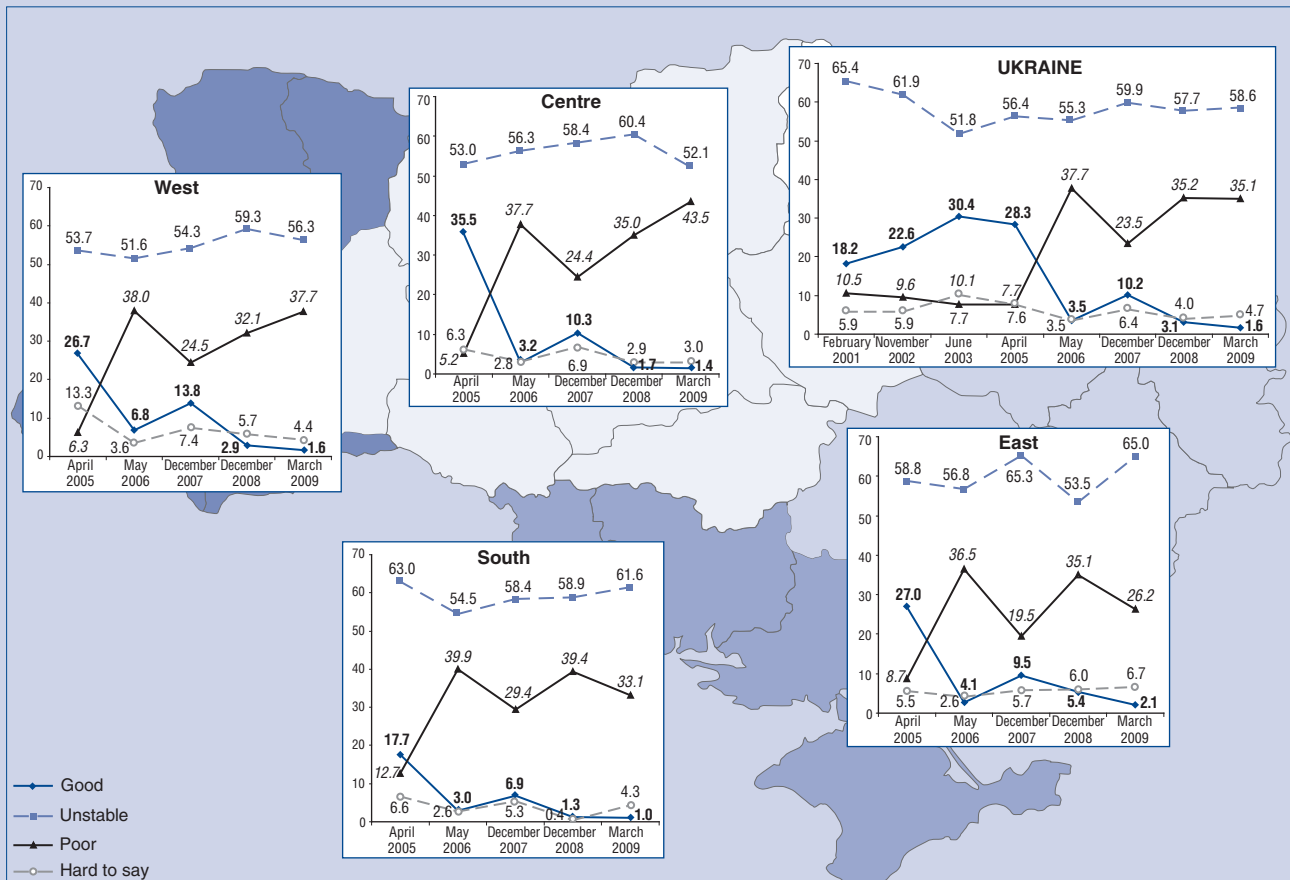
% of the polled



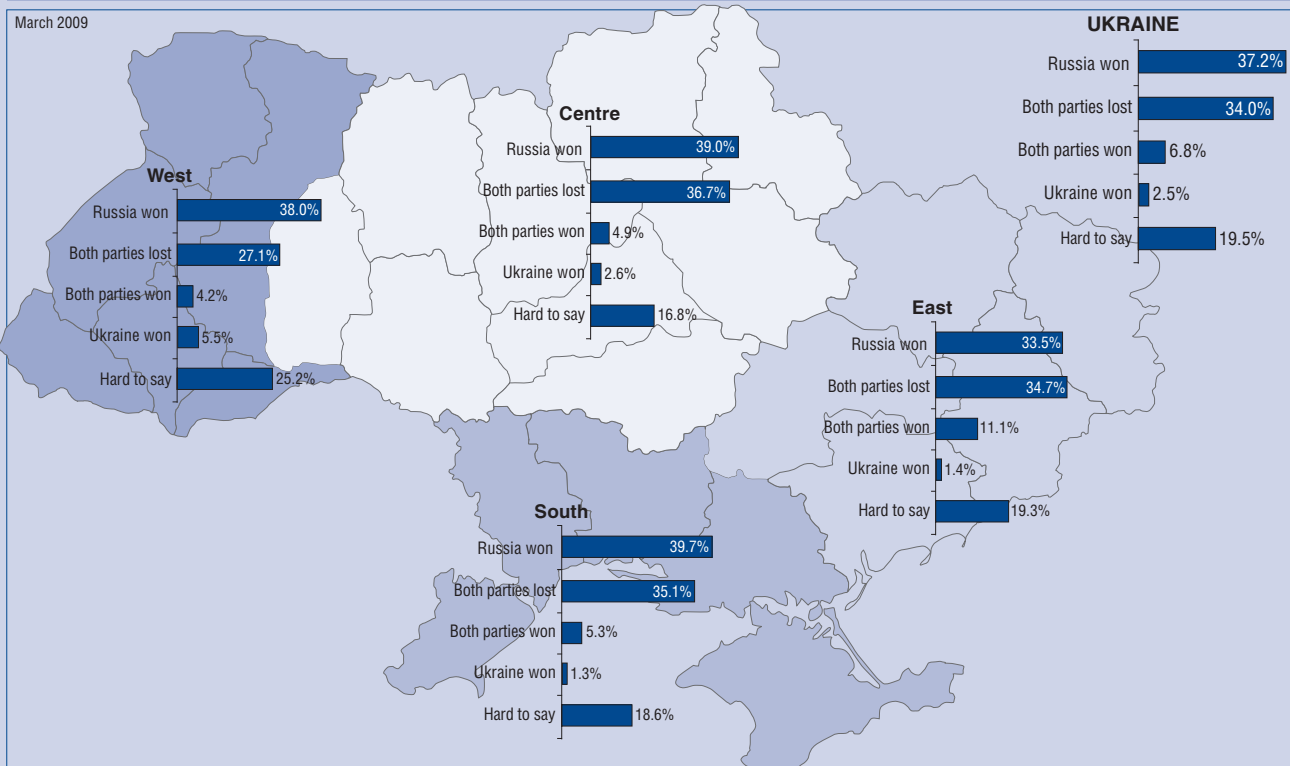
What direction of foreign policy is a priority for Ukraine?
% of the polled



How would you assess the relations between Ukraine and Russia?
% of the polled

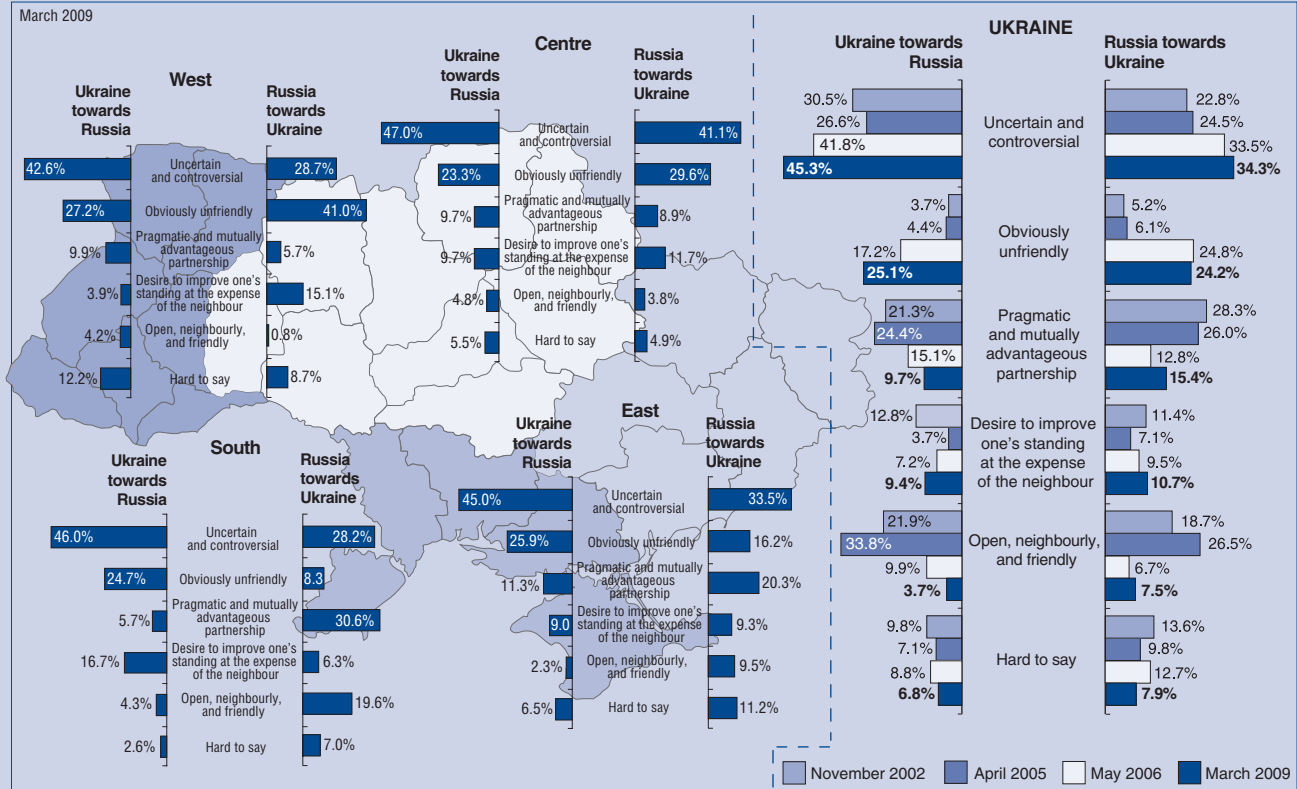


How would you assess the results of "gas conflict"
between Russia and Ukraine in January 2009?
% of those polled

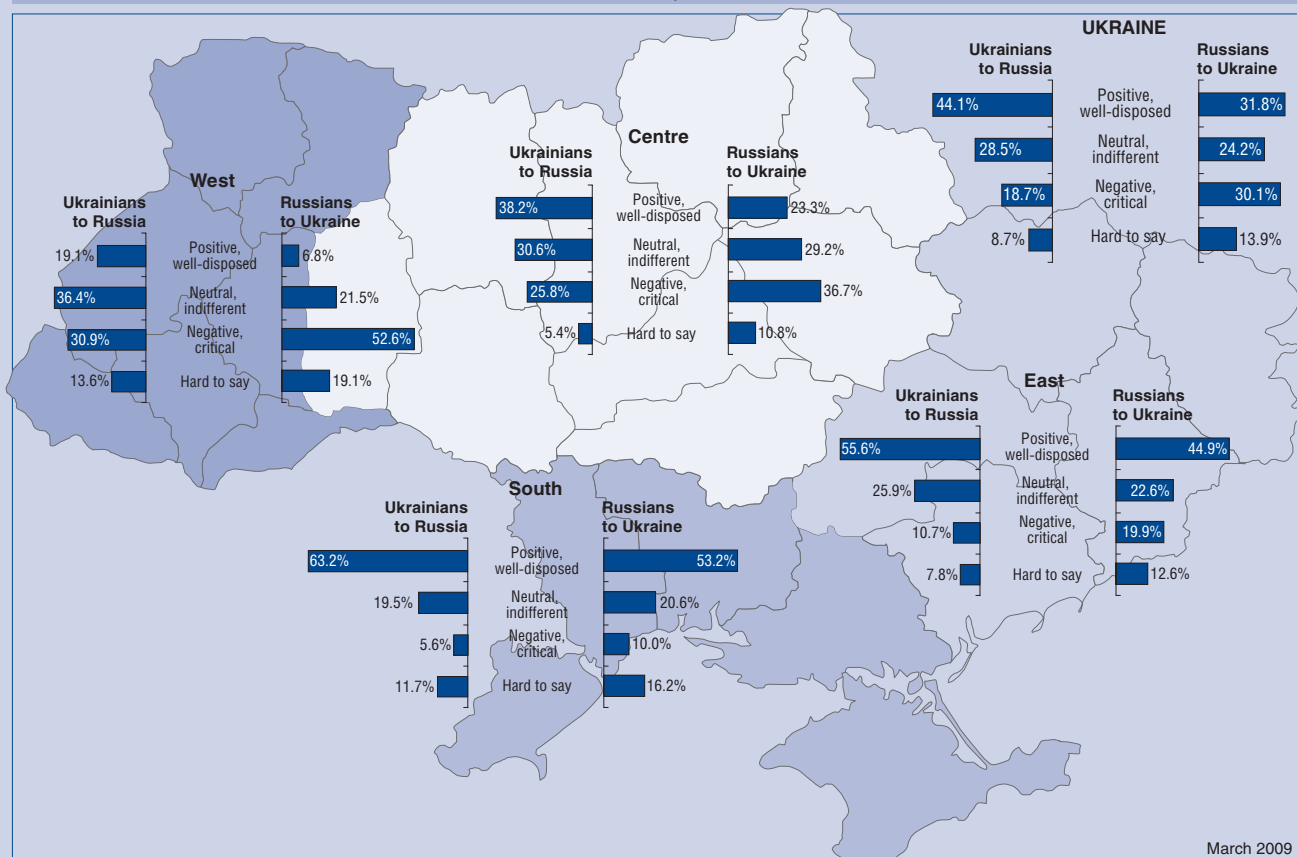


Assessment of policy of Ukraine towards Russia and of Russia towards Ukraine, % of those polled

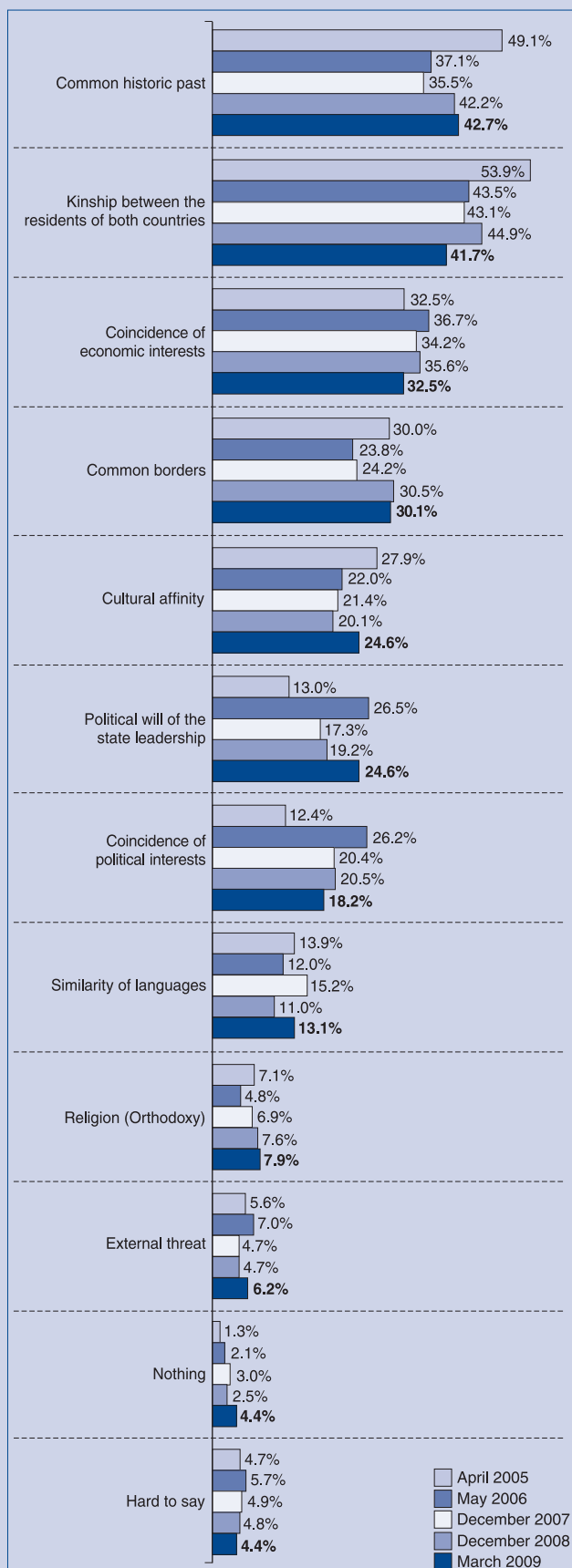
March 2009



What attitude dominates among Ukrainians to Russia, and among Russians to Ukraine? % of those polled

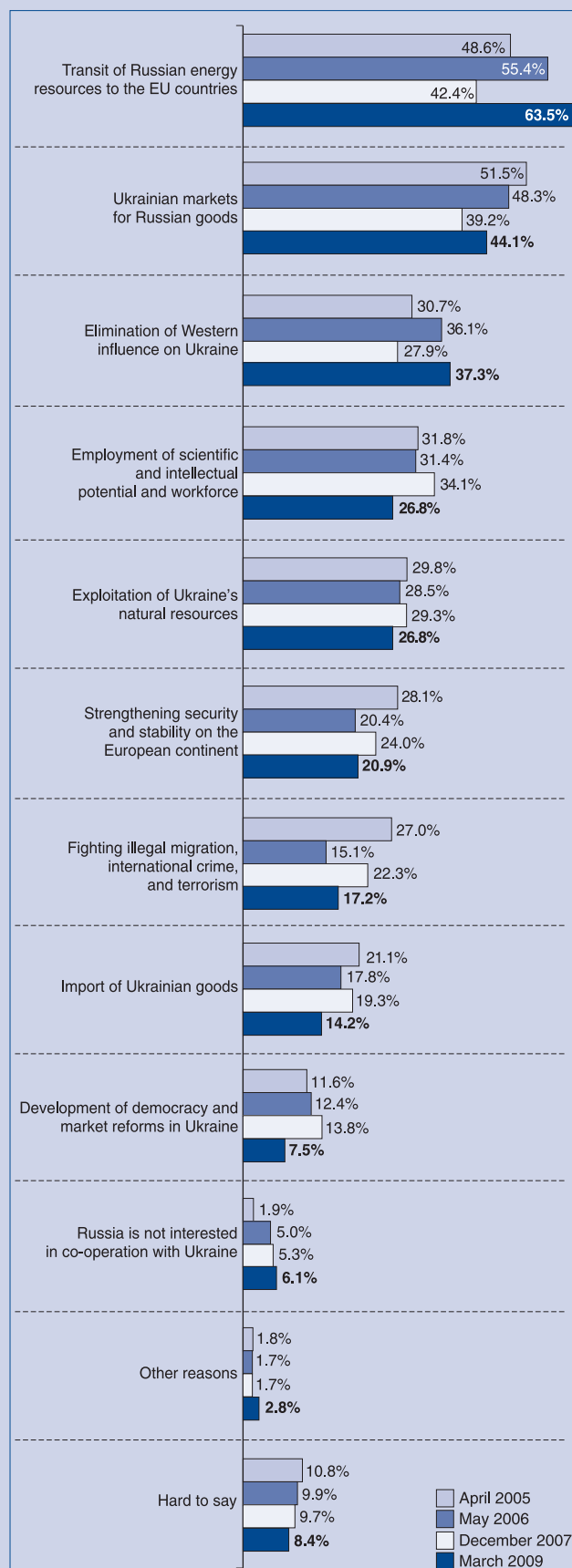


What can contribute to the rapprochement of Ukraine and Russia the most?*
% of the polled



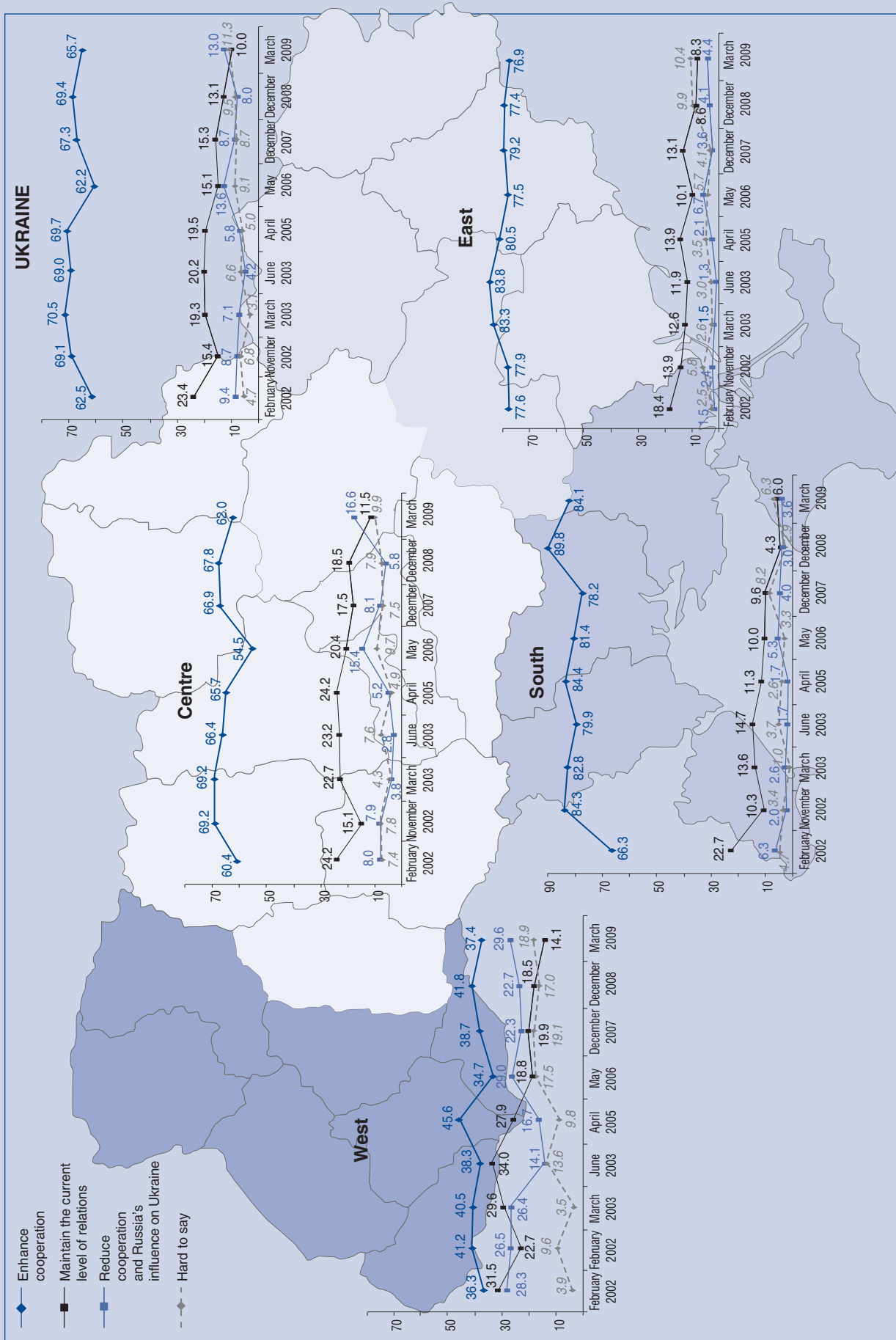
* Respondents were asked to mark no more than three options.

Is Russia interested in cooperation with Ukraine?
What guides this interest?*
% of the polled

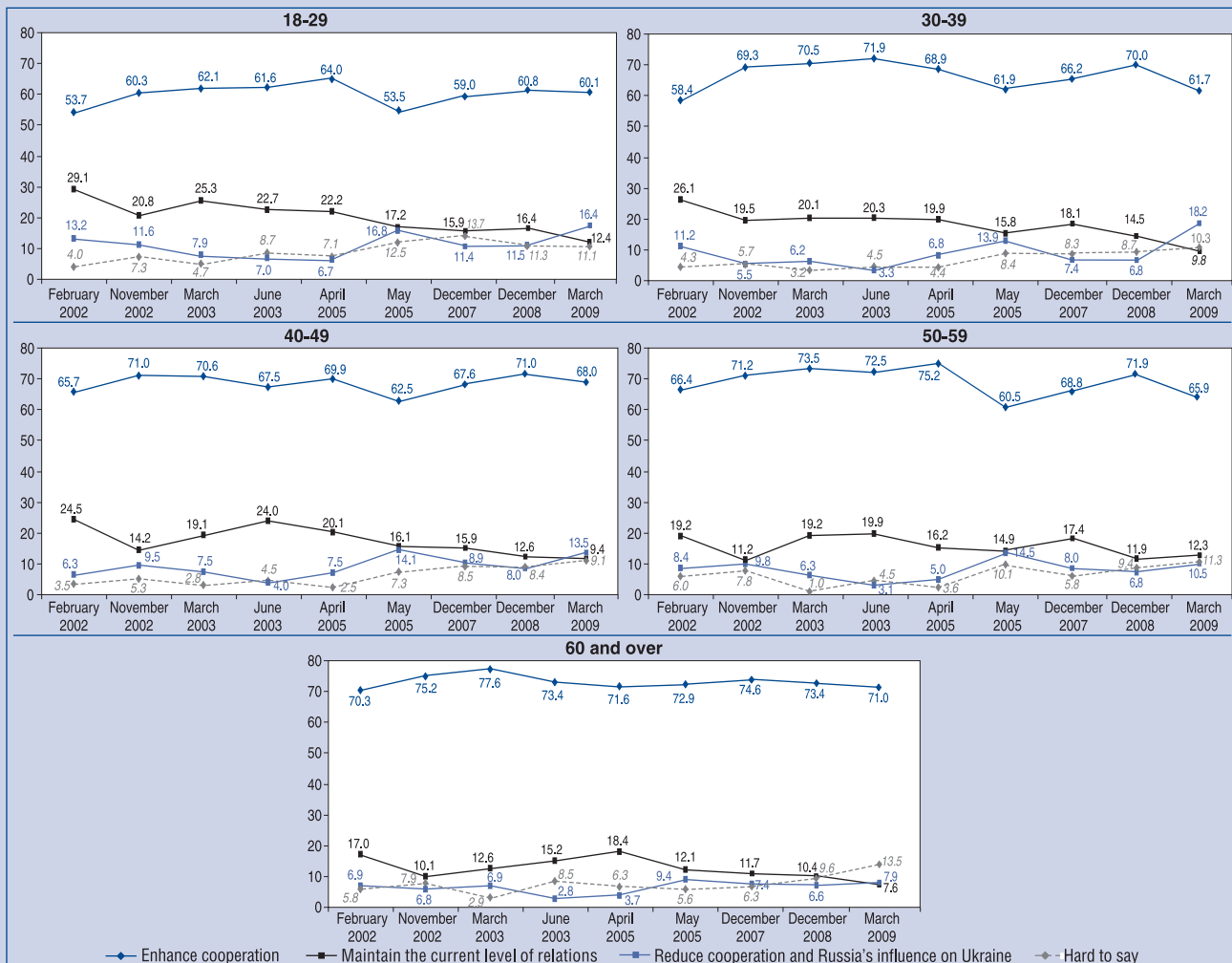


* Respondents were asked to mark no more than three options.

What should Ukraine's policy towards Russia be?
% of the polled



What should Ukraine's policy towards Russia be?
% of the polled



Assessment of relationships development prospects between Ukraine and Russia in the nearest future,
% of the polled

