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## CONTEMPORARY UKRAINE'S ROLE IN THE CAUCASUS

*This article examines various aspects of Ukraine's policy towards the Caucasus region, in particular changes and continuity in that policy after 2010.*

**Keywords:** policy, politics, Ukraine, Caucasus.

The purpose of this paper is to examine the role of Ukraine in the international relations of Big Caucasus. Special attention is paid to the problems of economic relations, security, and the impact of Ukraine's political steps in the region on its wider geopolitical relations. It is argued that while Ukraine is currently unable to play a role as an independent geopolitical pole in the Big Caucasus, it is possible that greater influence may be seen in Ukraine's foreign policy throughout the region. The present materials are based on the author's presentation ("Ukraine: Role of the Alternative Geopolitical Magnet?") at the conference "*The Big Caucasus: Old Ethno-Political Conflicts and New Geopolitical Design*" held at the Center for Strategic and International Studies (CSIS) in Washington, D. C. on October 24–25, 2011 [14].

The economic interests of Ukraine in the region of the Big Caucasus are strongly influenced by the geographic location and transit potential of the country. The implementation of the TRACECA project, which requires full-fledged cooperation between Ukraine and the nations of the South Caucasus is an especially prominent concern. Due to the character of transportation between Ukraine and the countries of the region, the problems in managing marine and land transportation networks within the TRACECA system are of immediate interest to Ukraine. The economic attraction of the TRACECA system is explained in part by the importance of the revenues from transport services for Ukraine. In 2009, total revenues for transport services amounted to US \$ 9.5 billion, including US \$ 6.3 billion from the export of transport services [4]. In spite of pronounced crisis tendencies, the relevance of inter-regional transport services for Ukraine is clear. In this regard, further development of cooperation with the states in the Caucasus region provides the potential for substantially increasing these revenues.

The cooperation between the railway authorities of Ukraine, Georgia and Azerbaijan, with the adoption in 2010 of universal tariffs for large-capacity containers going through the national railways systems, is a testimony to the importance of this issue. The economic and strategic importance of cooperation in transportation is further underscored by the potential for improved connections between the mega-regions of Europe and Asia through the territories of Azerbaijan, Georgia and Ukraine within the framework of the Organization of the Black Sea Economic Cooperation (OBSEC). Georgia, Ukraine and Azerbaijan are heavily dependent on intra-regional trade flows, though these are complicated by the dominant role of Russia within the respective economic space [5]. Nonetheless, the impact of Ukraine's participation in the OBSEC, together with Georgia and Azerbaijan, is far from negligible.

Likewise, the ongoing development of ferry services between Illyichevsk (Ukraine) and Poti (Georgia), which form an integral part of the international transport corridor of Poti/Batumi (Georgia) – Varna (Bulgaria) – Illyichevsk (Ukraine), is an important factor in the increasing role of the marine transit between Ukraine and Caucasus nations and undoubtedly influences their mutual relations. The opening of Kerch – Poti ferry line on October 23, 2008 facilitated a 2.5-fold increase in total marine transport capacity between Ukraine and the Caucasus region (more specifically, Georgia) and, thereby increased considerably the appeal of this transport corridor for Ukrainian and international companies [3].

The problem of energy supplies is arguably the single most important consideration for Ukraine, with the country desperately needing to alleviate its general energy dependence on Russian and Russian-controlled supplies. Energy supplies to Ukraine from the countries of the region are less substantial

than those from Russia and Central Asia, but remain of real and significant interest to the Ukrainian economy. Moreover important pipelines including Baku – Tbilisi – Ceyhan that are linked with Caspian oil fields could potentially be used in order to carry Caspian and, more generally, South Caucasian oil to European customers through Ukraine. This factor constitutes an important part of the overall considerations that govern Ukrainian policy in the region, as well those of the main actors struggling for influence in the region.

The attitudes of experts regarding the potential for further development of the transit capacities of the Big Caucasus region are mixed. Marc-Antoine Eyl-Mazzega, for example, doubts the relevance of the Nabucco project for the regional actors [9]. Nonetheless, the development of energy cooperation schemes in the region implies a growth in the interdependence of interests of Ukraine and the countries of Big Caucasus.

Additionally, the issue of arms sales between Ukraine and the countries of the region is of considerable importance. The exact level of Ukraine's involvement in the sales of arms in the region is a subject of significant controversy, as was demonstrated in the course of the 2008 Georgia–Russia conflict. Allegations of Ukraine's involvement in illegal arms sales to Georgia marred relations between Russia and Ukraine, and contributed to controversy concerning Ukraine's status as a responsible arms trader at the international level.

Close military ties between Georgia and Ukraine have existed since the ratification in 1993 of the Treaty on Friendship, Cooperation and Mutual Assistance [10], and these ties were significantly extended under the Viktor Yushchenko administration. As noted by A. Finko, Ukrainian exports to Georgia in 2007 included “99 tanks, armored fighting vehicles, guns and mountings, aircrafts, and 10 thousand units of small arms” [10]. Investigations carried out by a commission of Ukraine's Supreme Rada (started in October 2010) on the illegality of arms sales deals to Georgia under the Viktor Yushchenko administration appear to implicate the previous leadership of Ukraine in condoning such activity [2]. This might well cast a negative light upon the previous policy of Ukraine in the region, while the continuation of extensive arms sales under the present administration can be expected to have an adverse impact on the development of Ukraine–Russia relations.

The relationship between Ukraine and Russia has a direct bearing upon the development of Ukraine's policy in the region of the Big Caucasus. The interests of the Russian Federation and Ukraine in the region are both distinct and convergent. Their commonality of interests flows from both nations' shared civilizational heritage, which indirectly in-

fluences their foreign policy interests. The sense of belonging of Ukraine and the Russian Federation to a shared cultural heritage and ‘civilizational world’ – the ‘Russian World’ (‘Russian’ in the sense of consisting of cultures engendered by Kievan Rus' civilization [7]) – is without doubt an important factor in framing Russia–Ukraine relations.

The history of Ukraine's involvement in the politics of Big Caucasus dates back to the time of Kievan Rus, yet its more lasting impact can be situated at the time of Russian imperial expansion in the late 18<sup>th</sup> to early 19<sup>th</sup> centuries. Later, Ukrainian settlers were especially prominent in the Kuban region, while Soviet era developments conditioned the dual role of Ukraine: as both provider of administrators for imperial management and a link between the two territories.

Meanwhile, differences in the geopolitical orientations of the Russian Federation and Ukraine led to difficulties concerning the practical coordination of their policies in the region. This can be explained by the impact of the increasingly close connection between Ukraine, on the one hand, and West Europe and the USA, on the other, leading to misunderstandings between Ukraine and Russia with respect to Ukraine's exact foreign policy trajectory in the Eurasian geopolitical area. The growing tensions which have resulted can be conceptualized as the expression of a basic contradiction between the semi-peripheral situation of Russia within the contemporary world-system [13] – a status Russia shares with Ukraine (the significant disparity in the countries' potential notwithstanding) – and current Russian elites' attempts to push Ukraine to an exclusively peripheral condition.

Nonetheless, relations between the Russian Federation and Ukraine are characterized by a great potential for synergy, as both nations are capable of stronger international cooperation. Disagreements between their governments, while undoubtedly having an important economic foundation, are often caused by petty political squabbles involving symbolic and cultural issues, and could be relatively easily overcome given appropriate goodwill of the two parties.

One of the most prominent issues which has blocked, and to a certain extent continues to block the settlement of disagreements between Russia and Ukraine is the question of Ukraine's involvement in the Georgia–Russia conflict. It is a widely known that the previous (2005–2010) President of Ukraine, V. Yushchenko, enjoyed cordial personal relations with the current leader of Georgia, M. Saakashvili. This has led the Ukrainian government to devote disproportionate attention to the problems of Georgia, most particularly but by no means exclusively by President V. Yushchenko and his inner circle during the 2008 Georgia–Russia conflict. Outside of

this circle the majority of Ukrainian politicians assumed either a cautious or mildly pro-Russian position when President V. Yushchenko visited Tbilisi, where he spoke in favor of the Georgian leadership [15]. It is worth noting that the incumbent Ukrainian government, while not completely discontinuing the previous mode of interaction between Ukraine and Georgia, has now effectively ceased to take Georgia's side in its disputes with Russia. The level of elite personal contacts with the Georgian President has also been downgraded. Thus while Presidents V. Yushchenko and M. Saakashvili met regularly and discussed issues of Ukraine–Georgia relations, the incumbent President of Ukraine, V. Yanukovich has, for a long time, avoided personal meetings with President M. Saakashvili. Recent meetings during multilateral international conferences, such as the Eastern Partnership Summit in Warsaw on September, 29–30, 2011 rather than suggesting any reversal of this trend, indicate an as yet unclear and unstable formalization of contact at this level.

The foundations of the previously close relationship between Ukraine and Georgia are to be found in the relatively close economic cooperation between the two states. As of 2010, Ukraine was the 3<sup>rd</sup> largest trade partner of Georgia, with US \$ 662.2 million in bilateral trade volume, an increase of 32 % over 2009. Trade with Ukraine comprised 9.9 % of Georgia's total external trade. Only Turkey and Azerbaijan, its closest territorial neighbors, were more important for Georgia's external trade (with US \$ 1.1046 billion and US \$ 708.1 million in bilateral trade volume, respectively) [1]. Georgia is especially dependent on Ukrainian exports of agricultural production, ferrous metallurgy, machinery and chemical products. It is clear, however, that the almost total breach of trade relations with Russia, especially in strategic products, which resulted from the 2008 war, conditions the Georgian leadership's efforts to retain good political relations with Ukraine. In many spheres (including cultural and economic) Ukraine has been a 'forced substitute' for Russia. As an extreme case of that, one may mention that even Georgian mafia groups and petty criminal gangs, when pushed away from Russia during 'anti-Georgian campaigns', primarily moved to Ukraine.

The recent speech by M. Saakashvili at the 66<sup>th</sup> UN General Assembly Session of September 23, 2011, where he accused the Russian Federation of engaging in expansionist policies with respect to neighboring states such as Ukraine, Belarus and the Republic of Moldova [12], was not received particularly well by the Ukrainian leadership, as might have been the case under the V. Yushchenko administration. This indicates that the 'special partnership' between Ukraine and Georgia has been substantially weakened by the post-Yushchenko transformation in the politics of Ukraine.

Despite the effective displacement of the 'Georgian problem' as a focus of disagreements between the Russian Federation and Ukraine in the Big Caucasus region, some of the deeper contradictions remain extant. The continuing cooperation of Ukraine with Azerbaijan within the framework of GUAM partnership, which orients itself toward the Euro-Atlantic geopolitical vector, is regarded by the Russian Federation as an expression of intentions contrary to its interests and influence in the region. Ukraine's relations with Azerbaijan were given a strong positive boost under the V. Yushchenko's administration due to the development of bilateral economic and political ties within the framework of GUAM mechanisms. As a result, in 2008 bilateral trade volume increased by 49 %, achieving a total value of US \$ 1 billion [10]. The joint Caspian oil projects involving the two countries played an especially important role in determining the exact relationship between Azerbaijan and Ukraine, as demonstrated by, among other things, the mutual interest in Odessa–Brody pipeline. Despite the change in policymakers within Ukraine, the basic continuity of Ukraine's policy in relation to Azerbaijan was underscored by the visit of Ukraine's President V. Yanukovich to Azerbaijan on April 28–29, 2011. During this visit the leaders of both nations were preoccupied principally with the issues of energy cooperation, as well as those of the Nagorno-Karabakh conflict. The positions of the parties did not undergo any substantial changes in the course of the negotiations, indicating that the structure of these bilateral relations is defined more by long-term factors than short-term ones.

At the same time, the joint geo-economic initiatives of Ukraine and Azerbaijan are viewed unfavorably by Russia and may have negative repercussions on the development of cooperation between Ukraine, Russia and Azerbaijan in the region. Finally, a tacit (and often quite open) pro-Azerbaijani position by the previous Ukrainian leadership with respect to the solution of Nagorno-Karabakh conflict is regarded by both the Russian Federation and Armenia, its close ally in the region, as inopportune.

Despite the end of the V. Yushchenko foreign policy era, a significant legacy of that period still remains in Ukraine–Russia relations, including in the field of cooperation in the Big Caucasus region. Irrespective of the changes in the top personnel of the Ukrainian foreign policy departments, especially at the ambassadorial and deputy ministers' level, many of the key analysts and policymakers that define Ukraine's policy in the CIS, and the Caucasus region in particular, have retained their influence. These same analysts were involved in the development of Ukraine's current policy in the region which cannot be understood without taking into account

their pro-Euro-Atlantic position. This, in turn, has led to a growing frustration among Russian policy-makers and guarantees the maintenance of some features of the former Ukrainian administration's pro-Western political course in the region. Conversely, however, such trends are now being checked by the influence of other, pro-Russian forces in the government and the Presidential administration, so that the foreign policy of Ukraine in the Big Caucasus region is now characterized by its indecisiveness.

The generally positive relationship between Ukraine and Azerbaijan that has developed within the framework of GUAM cooperation are nevertheless marred by the significant discrepancies between the Azerbaijani leadership's orientation towards closer economic, especially energy, cooperation with Turkey and the geo-economic interests of Ukraine. Azerbaijan seems to be in favor of linking the Baku – Tbilisi – Ceyhan oil pipeline to the Nabucco pipeline, which would mean that Azerbaijani crude oil would be transported to Europe through the territory of Turkey and Greece, rather than Ukraine [8]. This would run counter to Ukraine's business interests in the South Caucasus, and may undermine the willingness of Ukraine to continue its close cooperation with GUAM states in the region. Therefore the basis of the GUAM partnership, which seemed so solid under the V. Yushchenko administration, appears recently to have been substantially undermined.

The only nation of the region that seems reluctant to develop closer ties with Ukraine, Armenia, is apparently unaffected by the development of Ukraine's interests in Big Caucasus. Armenia is only the 9<sup>th</sup> largest trade partner of Ukraine among the other CIS nations in terms of trade volume [6], with the main vector of international cooperation aimed at Russia and Iran. For Ukraine, Armenia seems to be a marginal actor in the region.

The issue of U. S. influence in the region also needs to be addressed within the context of this analysis. The USA continues to participate actively in the affairs of the Big Caucasus, often rationalizing its influence there via the assertion of the necessity of 'unipolar' stability, a policy actively pursued under the Clinton administration, particularly during the period 1995 to 1999 [11]. This 'unipolar' interventionism of the USA in the region does not match the level of U. S. involvement in the Middle East, but nonetheless has still had a destabilizing impact, particularly with regard to U. S. support for Georgia's 'anti-separatist' policies. In relation to

Ukraine, the influence of the USA in the Big Caucasus region means that Ukrainian initiatives aimed at developing independent policies there are heavily constrained by the growing U. S. strategic partnership with Georgia and Azerbaijan, which narrows the foreign policy opportunities in the region for Ukraine.

The problems of GUAM and the Community of Democratic Choice (CDC) need special mention here. While the GUAM was founded on extant, though tenuous, connections between the respective nations in their economic dimension, the CDC was from the outset a purely political project. This organization, initiated by Presidents V. Yushchenko and M. Saakashvili in December 2005, has grouped together a range of states from the Baltic to Black Sea regions that were generally negatively predisposed towards Russia in their foreign relations. The concept of 'democratic vehicles' that was utilized by the architects of this project was not borne out by subsequent events. Currently the CDC appears to be inactive and completely marginal from the point of view of Ukraine's interests in the Big Caucasus region.

The development of Ukraine's foreign policy in the Big Caucasus thus appears to be dependent on developing cooperative arrangements with Russia, since this represents the only available counterbalance to U. S. influence in the region; for Ukraine the promotion of any such alternate geopolitical initiatives must necessarily involve the Russian Federation. Even though the ruling circles of Russia can currently be characterized as hoping to increase pressure on Ukraine in the sphere of energy (and economic relations in general), there are still prospects for a 'pro-Ukrainian' turn in Russian elite policy. This would lead to a more balanced course in external relations, including those in Russia-Ukraine cooperation, in the Caucasus region. Hence such cooperation may represent a fruitful direction for the development of Ukrainian foreign policy in the future.

The political connections of Ukraine with the GUAM nations in the Big Caucasus region (i. e. with Georgia and Azerbaijan) continue to be dominated by the repercussions of the previous, excessively enthusiastic policy of the V. Yushchenko administration. Thus future developments in the security cooperation of Ukraine with other states of the region requires a more prudent approach, avoiding the over-extension of Ukraine's capabilities, while maintaining a firm and balanced stance on the crucial issues of the Caucasus policy of Ukraine.

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## РОЛЬ СУЧАСНОЇ УКРАЇНИ НА КАВКАЗІ

*У статті розглянуто різні аспекти політики України стосовно регіону Кавказу, зокрема зміни і сталість у цій політиці після 2010 р.*

**Ключові слова:** політика, Україна, Кавказ.

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