

TURKEY-UKRAINE RELATIONS: HIGH POTENTIAL, LOW VOLTAGE



INTERNATIONAL STRATEGIC RESEARCH ORGANIZATION

Center for Eurasian Studies

Habibe Özdal Viktoriia Demydova

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INTRODUCTION

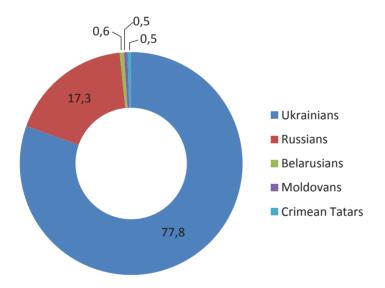
With its strategic location of the existing power lines and economic potential, Ukraine, as one of the most important countries of Eastern Europe, is one of the pilot countries with which Turkey aims to develop its relations in an 'exemplary manner'. Besides, since Ankara and Kiev, share common values and priorities within the framework of preserving stability in the region, the Black Sea neighborhood adds another dimension to bilateral relations.

With the High-Level Strategic Council founded in May 2010, it is aimed to improve political and economic relations. Moreover with visa exemption agreement, which is going to be signed in December 2011, will not only increase to-urism activities but also expected to intensify the mutual inter-communal relations. Even though there is a consensus on accelerating existing relations in which high level visits frequently occur, the effective potential is not available yet due to differences in political agendas. This has both structural and cyclical reasons.

In this study, before proceeding to the analysis of Turkey-Ukraine relations, Ukraine's economic structure and political process is going to be evaluated in a comprehensive way, for better understanding of the Ukraine politics as well as bilateral relations.

POLITICAL SYSTEM OF UKRAINE

Having declared independence from the Soviet Union on August 24, 1991, Ukraine administratively consists of 24 regions (oblasts), the two cities of Kiev and Sevastopol with special status, and the Autonomous Republic of Crimea. The population of Ukraine is about 45.8 million. Ethnic Ukrainians compose 77.3% of the total while ethnic Russians number about 17.3%.



*The ethnic composition of the country in accordance with the 2001 census1

Ukraine has a presidential-parliamentary system of government with separate legislative, executive, and judicial branches of government.

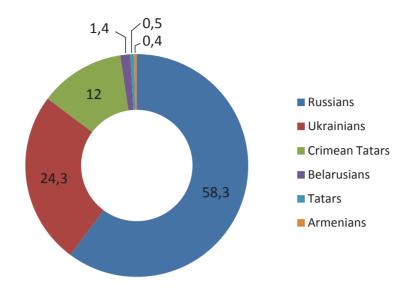
The president is described as the head of the state and head of the executive power in Ukraine; president is granted the power to appoint the prime minister with the consent of more than one-half of the parliament. Moreover, the president also appoints the first deputy prime minister, three other deputy prime ministers and cabinet ministers based on a submission by the prime minister.

As a result of the first free elections held on December 1, 1999, Leonid M. Kravchuk, who was former chairman of the Verkhovna Rada, was elected as Ukraine's first president for a five-year term. Following independence, the 1996 constitution was prepared by a commission which adopted a multi-party system and also adopted legislative guarantees of civil and political rights for national minorities.²

The 1996 constitution declared Ukraine's parliament, the Verkhovna Rada, "a sole body of legislative power." The constitutional composition is 450 deputies who are elected for five-year terms on the basis of universal, equal and direct suffrage, by secret ballot. Deputies of the Verkhovna Rada cannot combine their work in parliament with other activities. The Verkhovna Rada of Ukraine works in sessions.

Amendments to the 1996 constitution shifting significant powers from the president to the prime minister and the Verkhovna Rada took effect in January 2006. However in 2010, the Constitutional Court announced that the amendments were unconstitutional since procedures used to adopt them violated the constitution. As a result, this granted great powers to the president reinstated by the court.

The Crimean peninsula is home to a significant number of ethnic Russians and pro-Russian political organizations. Crimea was ceded by the Russian Soviet Federated Socialist Republic to the Ukrainian Soviet Socialist Republic in 1954, in recognition of historic links and for economic convenience, to mark the 300th anniversary of Ukraine's union with Russia. Moreover in July 1992, both the Crimean and Ukrainian parliaments decided Crimea would remain under Ukrainian jurisdiction with significant political, economic and cultural autonomy. In the political sphere, Ukraine's 1996 constitution confirmed the president's special power over the Autonomous Republic of Crimea. The prime minister of Crimea, the highest political figure in the republic, could be appointed and dismissed by the Supreme Council of the Autonomous Republic of Crimea with the consent of the president of Ukraine.³ "The President of Ukraine may suspend normative legal acts of the Verkhovna Rada of the Autonomous Republic of Crimea with a simultaneous appeal to the Constitutional Court of Ukraine in regard to their constitutionality."



Ethnic composition of the region:⁴

Ukraine's 'Orange Revolution'

During the 2004 presidential elections that preceded the Orange Revolution, there were two main candidates: the incumbent (at the moment of elections) prime minister Viktor Yanukovych and the leader of the opposition Viktor Yushchenko. The elections were held through three rounds.

Twenty four candidates ran in the first round. Viktor Yushchenko ran as an independent candidate and won 39.87 percent of the vote. Yanukovych, the leader of the Party of Regions, won 39.32 percent of the vote.⁵ In the second round, Yanukovych got 49.42 percent of vote, while Yushchenko received 46.69 percent.⁶ Geographically, the votes were divided into eastern and western trends. The eastern and southern regions of Ukraine supported Yanukovych while central and western parts supported Yushchenko.

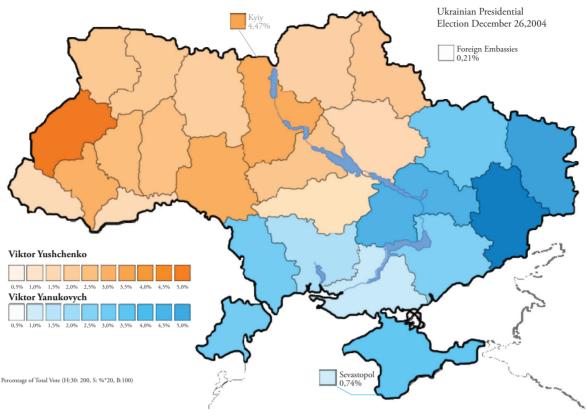
Domestic and international observers, including those from the OSCE, registered large violations of the election law; however CIS observers declared the elections free and fair. Under the pressure of the protestors that were staying on the main square of Kiev for two weeks, the Supreme Court of Ukraine declared the violation of the electoral law, nullified results and declared a new round of

elections. In the third round, Yushchenko got 51.99 percent of the vote, while Yanukovych received 44.20 percent.⁷

These elections were obviously the most influential for Ukraine's post-Soviet transition, insofar as the adoption of the constitutional amendments represented the shift toward a parliamentary-presidential republic. In 2004, Viktor Yushchenko managed to unite the opposition in order to campaign for the presidency against Viktor Yanukovych. He had serious support in the parliament; during the 2002 parliamentary elections, Yushchenko's bloc "Our Ukraine" won 23.57 percent of the seats and became the largest faction in the parliament. The more radical opposition, Yulia Timoshenko's bloc, won 7.26 percent. These were the main driving forces of the "revolution."

The thousands of people that protested the electoral fraud in Kiev can be regarded as a main cause of constitutional changes and the main force behind the 'Orange Revolution'. However, the role of the elite also should not be underestimated. Viktor Yushchenko and Yulia Tymoshenko were able to join forces, which they had been unwilling to do previously (and have been unwilling to do since). Additionally, the opposition coalition was supported financially by some business leaders that previously had supported Kuchma. Without the financial support of these "opposition oligarchs," it is not clear that Yushchenko would have been able to defeat Yanukovych in the election.¹⁰

The opposition elite did not split. Rather some Yanukovych supporters defected. "As more elites defect, the chances of hanging onto power decrease, and the costs of remaining in support of the regime increase, potentially prompting further defections. On November 29, for example, Yanukovych's campaign manager, Serhiy Tyhypko resigned, admitting that election fraud had taken place." The elite behavior during the protest was determined by the simple estimation. If Kuchma and Yanukovych did not resign they would be forcibly removed from power. If the opposition acted illegally, the legitimacy of their claim for power would have been decreased, especially in eastern and southern regions of Ukraine that supported Yanukovych. 12



Support of the candidates during the final round of the 2004 elections9

Political Parties in Ukraine

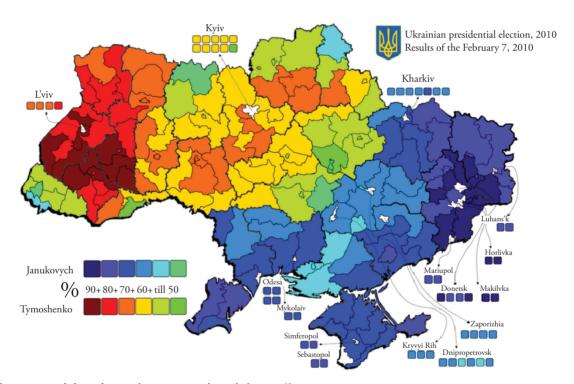
Ukraine has a multi-party system. As of July 2010, 182 parties were registered. ¹³ The distinctive feature of the party system in the country is the lack of ideological platforms. Parties are formed around leaders. The last parliamentary elections were held on September 30, 2007. These were called by the president due to the dismissal of the parliament of 2006 that appeared to be unable to form a constitutional majority. Currently, the following parties and blocs are represented in the parliament, following the 2007 elections: ¹⁴

Political Parties and Blocks

| Name | Leader | Description | Percentage of Votes | Seats |
|--|----------------------|--|---------------------|-------|
| Party of Regions | Viktor Yanukovych | Centrist, pro-Russian | 34.37 | 175 |
| Yulia Tymoshenko Bloc: All-Ukrainian Union "Fatherland" Ukrainian Social Democratic Party Reforms and Order Party | Yulia Tymoshenko | Centrist, pro-European, liberal nationalistic | 30.71 | 156 |
| Our Ukraine–People's Self-Defense Bloc: People's Union "Our Ukraine" Forward, Ukraine! People's Movement of Ukraine Ukrainian People's Party Ukrainian Republican Party Assembly Christian Democratic Union European Party of Ukraine Citizen's Party "PORA" Congress of Ukrainian Nationalists Motherland Defenders Party | Viktor Yuschenko | Rightist, liberal, pro- European, reformist | 14.15 | 72 |
| Communist Party of Ukraine | Petro Symonenko | Leftist, pro-Russian | 5.39 | 27 |
| Lytvyn's Bloc: People's Party Labor Party of Ukraine | Volodymyr Lytvyn | Centrist | 3.96 | 20 |

Current Power Composition

The last parliamentary elections in Ukraine were held on September 30, 2007. According to the results, the following parties and blocs got seats in the parliament: the pro-presidential Party of Regions received 175 seats (34.37 percent of the vote); Yulia Tymoshenko's bloc got 156 seats (30.71%); Our Ukraine – People's Self-Defense bloc won 72 seats (14.15%); the Communist Party of Ukraine got 27 seats (5.39%); and Lytvyn's bloc received 20 seats in the parliament (3.96%). The new coalition formed on December 18, 2007 nominated Yulia Tymoshenko for prime minister; she was confirmed December 18, 2007. By early 2008, the Rada experienced chronic deadlock that was exacerbated by a feud between then-Prime Minister Yulia Tymoshenko and then-President Viktor Yushchenko.



Support of the main candidates during the 2010 presidential elections. 18

The last presidential elections took place on January 17, 2010 through two rounds. After the first round, two candidates were leading Viktor Yanukovych (35.32%) and Yulia Tymoshenko (25.05%). As no candidate received fifty percent or more of the vote, the two candidates progressed to a second round of elections and Viktor Yanukovych was elected president with 48.95 percent of the vote. He was supported mainly in the eastern and southern regions of the country, while the opposition candidate Yulia Tymoshenko (45.47%) got support in the central, southern and western oblasts of Ukraine. 17

Current Political Crisis in Ukraine: Tymoshenko's Trial

The presidency of Viktor Yanukovych is marked by the trials against opposition leaders Yuri Lutsenko and Yulia Tymoshenko on the basis of misuse of powers. Yulia Tymoshenko, Ukraine's top opposition leader and former prime minister, was arrested during her trial in Augusts 2011 after the judge ruled she was guilty of systematically disrupting proceedings. Along with other accusations, Tymoshenko is also accused of abusing her prime ministerial office by signing a gas deal with Russia that was disadvantageous for Ukraine. According to the ten-year gas supply agreement signed on January 19, 2009, Ukraine was required to pay \$ 360 per 1,000 cubic meters. It was a major hike for Ukraine, which until December 2008 was paying only \$ 179. In response to the accusations, Tymoshenko insists she is innocent, arguing that the contract ended weeks of natural gas disruptions to Ukrainian and European consumers and that she was authorized to sign the deal as prime minister. A Russian Foreign Ministry statement issued shortly after her arrest not only claims that the 2009 gas agreements were absolutely legal and binding, but that they were arrived at with the full support and knowledge of the presidents of both Ukraine and Russia.

The trial of Tymoshenko seems to be more than just a matter of law. Its political reflection could detain the top opposition leader in the political arena. Economically -even though it does not seem likely to happen- Ukraine can benefit if Russia agrees to revise the 2009 agreements.

The case of Yulia Tymoshenko provoked a range of responses from international actors. The EU High Representative Catherine Ashton expressed concern about the political motivation behind the Tymoshenko trials and reminded of the necessity to respect the rule of law in the country. U.S. Senator John McCain, Chairman of the International Republican Institute and Wilfred Martens, President of the European People's Party, urged the allowance of Tymoshenko to travel abroad in order to participate in the session of the Parliamentary Assembly of the Council of Europe. Apart from these violations, mass media reported the refusal of the law enforcement agencies to provide medical care for the ex-prime minister, as well as pressure on the members of her family.

During Tymoshenko's trial, the *Batkivshchyna* faction in the Ukrainian parliament initiated a law that would de-criminalize economic offences. However, the Party of Regions, holding the majority in the parliament, did not support the bill. As the Ukrainian deputy from the Party of Regions Aleksandr Yefremov

noted: "In this way the officials could escape responsibility for the misuse of powers." 19

The trial on the misuse of public finances in 2009 presupposes the revision of the gas agreements. However, it can be said that the Russian party will agree on this only if Ukraine accepts two very politically motivated conditions: a customs union with the Russian Federation and Naftogaz's cooperation with Gazprom.

One of the main arguments against Tymoshenko's case was the future of the Association Agreement with the EU. The level of democracy in Ukraine, violation of human rights, oppression of the opposition, and the economic orientation of Ukraine toward former Soviet republics do not allow Europe to see Ukraine as a trustworthy partner. In this regard, Brussels postponed Yanukovych's visit scheduled for October 20 till mid-November.²⁰ On October 27, the European parliament adopted a resolution on Ukraine. The document was to warn the Ukrainian leadership that the Association Agreement will depend on implementation of democratic principles in the country.²¹ On October 11, 2011, the Pechersk District Court of Kiev sentenced ex-prime minister Yulia Tymoshenko to seven years in jail.

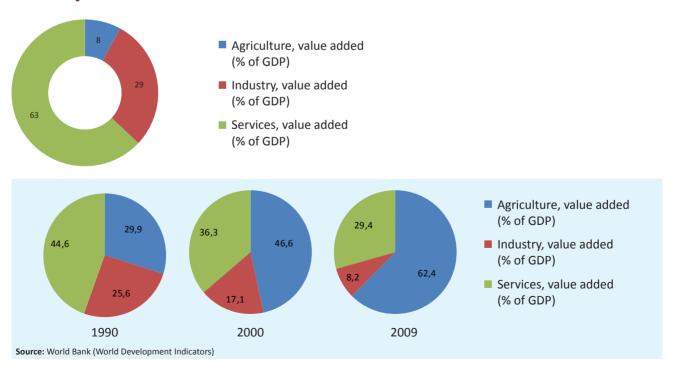
Having sentenced Tymoshenko to seven years on the grounds of misusing of power and public finance, the security services launched a new case. The basis for new criminal case was the \$ 405.5 million debt of the company United Energy Systems of Ukraine, headed by the ex-prime minister, to the Defense Ministry of the Russian Federation. Since the debt has not been paid yet, the Defense Ministry of the Russian Federation sent a letter to the Ukrainian government demanding it to pay off the debt. While the Russian side refused to initiate a case within the Russian Federation, the Ukrainian security services started proceedings. Tymoshenko is being accused of transferring the debt of the company to the Ukrainian budget.²²

It seems that seven years in jail plus three years in which Tymoshenko cannot occupy any official post will not allow her to participate in the upcoming elections (parliamentary elections of 2012 and 2017, and presidential of 2015 and 2020). It means Tymoshenko will not be an opponent for Yanukovych during the two next presidential terms, and will not compete during the 2020 election campaign. In addition, Tymoshenko will be discredited as a politician. Moreover, economically, all responsibility for the economic loss of Ukraine (not only the damage of the 2009 contracts) will be imposed on Tymoshenko, although Yushchenko as an acting president in 2009 agreed to the gas contracts.

ECONOMIC STRUCTURE OF UKRAINE

The nominal GDP of Ukraine in 2010 was \$ 137.93 billion while the GDP per capita in 2010 was \$ 3,007.²³ GDP composition by sector in 2010 consisted of agriculture 8%; industry 29%; and services 63%. In 2009, the level of unemployment constituted 8.8%.²⁴ The main brunches of industry are metallurgy, chemical industry, machine building, construction materials industry, light industry, food, timber, paper industry, fuel and energy industry, coal industry, oil processing industry and electrical energy.

GDP by sectors in 2010



Ukraine's GDP by Sectors in 1999, 2000, and 2009²⁵

Inflation Rate (Percentage Change)²⁶

| 2000 | 28,2 |
|------|------|
| 2001 | 11,9 |
| 2002 | 0,7 |
| 2003 | 5,2 |
| 2004 | 9 |
| 2005 | 13,5 |
| 2006 | 9 |
| 2007 | 12,8 |
| 2008 | 25,2 |
| 2009 | 15,8 |
| 2010 | 9,3 |

Ukraine's economy remains burdened by excessive government regulation, corruption, and lack of law enforcement, and while the government has taken steps against corruption and small and medium enterprises have been largely privatized, much remains to be done to restructure and privatize key sectors such as energy and to create a market system for agricultural land.

President Yanukovych chairs the Committee on Economic Reform, and in 2010 Ukraine developed an economic reform plan for 2010-2014. In December 2010 a comprehensive new tax code was passed by parliament and signed into law. The new tax code would gradually reduce corporate income tax and value added tax rates, but it would also significantly broaden the category of those small businesses which will have to submit details of their operations to the state tax inspectorate, and pay 25 percent of their profits instead of fixed payments. This will immediately take in a huge number of people like market traders, taxi drivers, cafe owners and street kiosk operators who have until now simply made monthly ad hoc payments to district tax officials. Changes in the taxation system provoked major street protests in Kyiv.²⁷

Ukraine ostensibly encourages foreign trade and investment. Foreigners have the right to purchase businesses and property, to repatriate revenue and profits, and to receive compensation in the event their property was to be nationalized by a future government. However, the country's complex laws and regulations, poor corporate governance, weak enforcement of contract law by courts, and corruption in particular have discouraged broad foreign direct investment in Ukraine.

While there is a functioning stock market, the lack of protection for minority shareholder rights severely restricts portfolio investment from abroad.²⁸

Ukraine abounds in natural resources and industrial production capacity. Although proven onshore and offshore oil and natural gas reserves are limited, there is now interest in oil exploration in the Ukrainian portion of the Black Sea as well as prospecting for shale gas. The country has other important energy sources, such as coal and large mineral deposits, and is one of the world's leading energy transit countries, providing transportation of Russian gas across its territory.

Ukraine imports almost 80% of its oil and 77% of its natural gas. Russia ranks as Ukraine's principal supplier of oil, and Russian firms now own and/or operate the majority of Ukraine's refining capacity. Natural gas imports currently come from Russia, Turkmenistan, Kazakhstan, and Uzbekistan, which deliver the gas to Ukraine's border through a pipeline system owned and controlled by Gazprom, Russia's state-owned gas monopoly.

Ukraine owns and operates the gas pipelines on its territory, which are also used to transit Russian gas to Western Europe. Ukraine's laws forbid the sale of the gas pipeline network. The complex relationship between supplier, transporter, and consumer has led to intermittent bilateral tensions, resulting in severe gas supply disruptions for downstream consumers in 2006 and January 2009. In April 2010, the Rada ratified the Kharkiv gas-for-basing agreement in which Ukraine agreed to extend the Russian Black Sea Fleet's basing rights in Sevastopol for an additional 25 years (until 2042) in exchange for the concessional pricing of Ukraine's imports of Russian gas.²⁹

Ukraine's economy is heavily dependent on its exports, which make up about 40% of its gross domestic product. While countries of the former Soviet Union remain important trading partners, especially Russia for energy imports, Ukraine's trade is becoming more diversified. The European Union (EU) accounts for about 30% of Ukraine's trade, while CIS countries account for about 40%.

Ukraine-EU Trade / Million \$ 30

| Year | Export | Import | Balance |
|------|---------|---------|----------|
| 2004 | 11009.6 | 9547.4 | 1446.2 |
| 2005 | 10233.4 | 12191.9 | -1958.5 |
| 2006 | 12087.9 | 16194.6 | -4106.7 |
| 2007 | 13916.4 | 22218.7 | -8302.3 |
| 2008 | 18129.5 | 28868.4 | -10738.9 |
| 2009 | 9499.3 | 15392.7 | -5893.4 |
| 2010 | 13051.9 | 19101.2 | -6049.3 |

Ukraine-CIS Trade / Billion \$ 31

| Year | Export | Import | Balance |
|------|--------|--------|---------|
| 2003 | 6.05 | 11.51 | - 5.46 |
| 2004 | 8.56 | 14.87 | - 6.31 |
| 2005 | 10.34 | 17.03 | - 6.29 |
| 2006 | 12.67 | 20.19 | - 7.52 |
| 2007 | 18.62 | 25.63 | - 7.01 |
| 2008 | 23.81 | 33.57 | - 9.76 |
| 2009 | 13.47 | 19.69 | - 6.22 |
| 2010 | 18.74 | 26.70 | - 7.95 |

Relations with Foreign Economic Institutions

In July 2010, following extended negotiations, the International Monetary Fund (IMF) approved a second loan package to Ukraine, after an earlier package negotiated in 2008 went off-track. The new 29-month \$ 15.2 billion Stand-By Arrangement (SBA) is primarily conditioned on adjustments in fiscal and monetary policy, consumer gas price increases, and pension reform. Disbursement of SBA funds was postponed as of March 2011 until the Ukrainian government meets its commitments on enacting reforms. The World Bank has committed more than \$5 billion to Ukraine since the country joined it in 1992.³²

Ukraine is a member of the European Bank for Reconstruction and Development (EBRD) and joined the World Trade Organization (WTO) in May 2008. In 2008, Ukraine and the European Union launched negotiations on a free trade agreement. As an interim step to an EU association agreement, Ukraine hopes to conclude the Deep and Comprehensive Free Trade Agreement (DCFTA) with the EU as well as an agreement on visa liberalization. Some chapters, including trade, remain under negotiation. Furthermore, in October 2011, Ukraine signed a free trade zone agreement with the CIS states, and is negotiating with the Customs Union of Russia, Belarus and Kyrgyzstan.

MAIN ASPECTS OF UKRAINIAN FOREIGN POLICY

Ukraine-EU Relations

Since 1991, when Ukraine gained independence, the European Union and Ukraine have developed an increasingly dynamic relationship. Ukraine is a partner country within the European Neighborhood Policy (ENP) and the Eastern Partnership. The current legal framework for EU-Ukraine relations is provided by the Partnership and Cooperation Agreement (PCA).³³

The *Partnership and C-operation Agreement (PCA)* was signed in 1994, entered into force in 1998, and expired in 2008. The document was focused on economic and social issues as well as on the necessity of improving public government and guaranteeing free press and civil rights. The framework set for political discussions was modest: yearly meetings between the EU Troika and Ukrainian leadership and some inter-ministerial consultations. None of the top level meetings brought any major changes to a reserved EU approach. Leaders focused chiefly on economic transition and human rights.

A Joint EU–Ukraine Action Plan within the European Neighborhood Policy (ENP) was endorsed by the European Council on February 21, 2005 for three years.³⁴ It was based on the Partnership and Cooperation Agreement of 1994 and provided, according to the European Commission, a comprehensive and ambitious framework for joint work with Ukraine in all key areas of reform.³⁵ The ENP set out in concrete terms how the EU proposes to work more closely with the country. Particularly, the Action Plan presupposed: further strengthening the stability and effectiveness of institutions guaranteeing democracy and the rule of law; ensuring the democratic conduct of presidential (2004) and parliamen-

tary (2006) elections in Ukraine in accordance with OSCE standards; ensuring respect for the freedom of the media and freedom of expression; developing possibilities for enhancing EU-Ukraine consultations on crisis management; enhanced cooperation in the field of disarmament and non-proliferation; enhanced cooperation in common neighborhood and regional security, in particular working toward a viable solution to the Transnistria conflict in Moldova, including addressing border issues; gradual removal of restrictions and non-tariff barriers that impede bilateral trade and implementation of the necessary regulatory reforms; improving the investment climate, through non-discriminatory, transparent and predictable business conditions, simplified administrative procedures and by the fight against corruption; tax reform, improved tax administration and sound management of public finances; establishing a constructive dialogue on visa facilitation between the EU and Ukraine, with an aim to prepare for future negotiations on a visa facilitation agreement, taking into account the need for progress on the ongoing negotiations for an EC-Ukraine readmission agreement; gradual approximation of Ukrainian legislation, norms and standards with those of the European Union; further reinforcing administrative and judicial capacity; encouraging dialogue on employment issues and the best endeavors, in accordance with the PCA, to ensure that treatment of migrant workers does not discriminate on grounds of nationality; full implementation of the Memorandum of Understanding on the closure of the Chernobyl nuclear power plant, including the completing and starting-up of the "K2R4" nuclear reactors, in compliance with the internationally accepted nuclear safety standards.³⁶

The Eastern Partnership (EaP) represents a specific Eastern dimension within the European Neighborhood Policy (ENP). It was launched on May 7, 2009 during the EaP summit in Prague. All 27 EU member states and Armenia, Azerbaijan, Belarus (depending on the development of its relations with the EU), Georgia, Moldova and Ukraine participate in the EaP.

While the Eastern partners may not have identical objectives in their relationship with the EU, they all seek to expand their relations with it. The Eastern Partnership is the reply of the EU to the challenges and aspirations of the partner countries. The Eastern Partnership proposes: new association agreements including deep and comprehensive free trade agreements with those countries willing and able to enter into a deeper engagement, gradual integration into the EU economy and easier travel to the EU through gradual visa liberalization, accompanied by measures to tackle illegal immigration. However, the partnership did not presup-

pose the possibility of full membership for Ukraine. The Partnership would also promote democracy and good governance; strengthen energy security; promote sector reform and environment protection; encourage people to people contacts; support economic and social development; offer additional funding for projects to reduce socio-economic imbalances and increase stability.³⁷

Political developments which took place in 2004 helped to accelerate the rapprochement between the European Union and Ukraine. On the one hand the "Orange Revolution" demonstrated Ukraine's determination to deepen the process of domestic democratic reform. On the other hand a further enlargement of the European Union took place on May 1 establishing a direct border between the EU and Ukraine. Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia were accepted to the EU. Both of these developments created an opportunity for the EU and Ukraine to move beyond cooperation toward gradual economic integration and deepening political association.³⁸

Over the past six years, the country has been profoundly transformed, especially in the area of press freedom and political openness, yet the current situation in the country is nonetheless one of gloom. This is partly due to the fact that Ukraine has suffered enormously from the global economic crisis, with a 15% drop in GDP in 2009 amid constant political instability.

This situation is highly regrettable, as Ukraine's leaders would have had the political backing in 2005 to implement important reforms. Yet due to constant power struggles, badly needed reforms have stalled and corruption has not been tackled. In five years, Ukraine's leaders have managed to squander the credit they had received from their voters and the international community during the Orange Revolution.

When the "orange team" came to power in 2005, there was hope that they would carry out economic reforms, combat corruption and promote European integration. Instead, the new leadership descended into squabbling. The permanent personal rivalries among leading Ukrainian politicians have led to the near total paralysis of the national political institutions, with hardly any important decisions taken over the past year. In addition, the election campaign was more of a fight among different personalities than a competition between political programs.³⁹

In March 2007 negotiations on a new *EU-Ukraine Association Agreement* were launched to replace the Partnership and Cooperation Agreement. The Association Agreement was to renew common institutional framework, facilitate the deepening of relations in all areas, and strengthen the political association and economic integration between Ukraine and the European Union by means of reciprocal rights and obligations. Its goal was to provide a solid basis for further convergence between Ukraine and the EU on foreign policy and security issues, including promoting respect for the principles of independence, sovereignty, territorial integrity and inviolability of borders. The Association Agreement was to enhance cooperation on a broad range of aspects of justice, liberty and security, including migration issues.⁴⁰

The new agreement also envisaged, following Ukraine's accession to the World Trade Organization in May 2008, the establishment of a deep and comprehensive Free Trade Area with the EU. Since negotiations and ratification of the EU-Ukraine Association Agreement will take some more years before it can fully enter into force, the sides decided to adopt the EU-Ukraine Association Agenda.

Negotiations on a Deep and Comprehensive Free Trade Agreement between Ukraine and the European Union started on February 18, 2008 between the Ukrainian government and the EU Trade Commissioner. The negotiations are in line with the economic crisis that hit Europe in 2008. For Ukraine, the free trade zone is of particular importance as a step to overcome stagnation. As of May 2011, there remained three outstanding issues to be resolved in the free trade deal: quotas on Ukrainian grain exports, access to the EU's services market and geographical names of Ukrainian commodities. Aside from these issues, the deal is ready. Despite those outstanding issues, Ukraine is ready to sign the agreement as it stands. Although it wants stronger wording on enlargement prospects and access to the EU market for its truckers, Ukraine has more than many other candidates had at the equivalent stage of the process. It is expected that the deal would be signed in December 2011.

On October 19, 2011, Ukraine and the European Union finalized negotiations for the Deep and Comprehensive Free Trade Agreement.⁴³ However, the process was slowed down by the court trials against opposition leaders and a seven-year sentence of one of them, Yulia Tymoshenko. This provoked the dissatisfaction of the European Union. The European Parliament even adopted a resolution that warned the Ukrainian leadership about the halt of the negotiations unless democratic principles are implemented in the case of Tymoshenko. Nevertheless,

on November 17, the European Parliament agreed to recommend finalizing the Association Agreement until the end of the year. It is important to note that the Association Agreement did not presuppose the full membership of Ukraine in the European Union, but only associate membership and designed the platform for further integration. It is noteworthy that EU–Ukraine cooperation expanded only after 2007 as the possibility of membership appeared. Before that, without a perspective for membership, Ukraine was not very active in implementing reforms.

Russian-Ukrainian Relations

During the early Yeltsin era, foreign policy makers in Russia, including President Boris Yeltsin and Foreign Minister Andrei Kozyrev, insisted that Russia is a part of Western culture and civilization and that Russia's hope for salvation lied in rapid integration with the 'North'—the G-7 group. In practice, the most important element of that policy would be an alliance with the United States. Accepting the notion that Russia is a landmass surrounded by three concentric, hierarchical circles of countries, the liberals consider the states in the most distant ring Russia's top priority. Thus, the West, primarily the United States, comprised the most important circle, with countries adjacent to the former Soviet Union taking second priority and the CIS, although pivotal for Russia both in cultural and economic terms, the least significant in Russia's transition.⁴⁴

After both Ukraine and Russia terminated the union several acute disputes formed. The former one was the question of the Crimea which the Ukrainian Soviet Socialist Republic had administered since 1954. This however was largely resolved in an agreement of May 5, 1992 that allowed for Crimea to remain part of Ukraine, provided its Autonomous Republic status is preserved.⁴⁵

The second major dispute of the 1990s was the city of Sevastopol with its base of the Black Sea Fleet. Unlike the rest of the Crimean peninsula, the city of Sevastopol carried a special status within the Soviet Union. During the fall of the Soviet state, the city along with the rest of Ukraine participated in the national referendum for independence of Ukraine where 58% of its population voted for the secession of the city in favor of the Ukrainian state, yet the Russian Duma voted to reclaim the city as its territory in 1993. After several years of intense negotiations, in 1997 the whole issue was decided by the Black Sea Fleet partitioning and leasing some of the naval bases in Sevastopol to the Russian Navy until 2017.

Energy has been one of the main aspects of the relations between Ukraine and Russia. Disputes on energy supply problems arose insofar as several Soviet and Western European oil and gas pipelines ran through Ukraine. In the 1990s, Leonid Kuchma in an interview with *Der Spiegel* acknowledged the fact that Ukraine siphoned off Russian gas. ⁴⁶ Later after new treaties came into effect, the enormous debts were paid off by the transfer of several Soviet weaponry and nuclear arsenals that Ukraine had inherited to Russia, such as the Tu-160 bombers. ⁴⁷

To sum up, these problems were the result of the dissolution of the Soviet state and appearance of the new borders between nation-states. Ukraine was not seen as a strategically crucial territory; insofar as Russia was more concerned with the West. Rather, there was rational pragmatism.

During the era of 2000–2008 the importance of Ukraine for the Russian Federation increased. The Russian foreign policy makers considered that the Soviet and Russian historical legacies ought not to be completely dismissed, that the collapse of the Soviet Union was unfortunate and that the country's former prestige must be restored. At the same time they accepted the liberal Westernist goal of liberal democracy and marketization, but wanted the process of transition to take Russian conditions into account. 'Russian special interest in the CIS' was substituted for 'Great Power interests,' and military force was deemed acceptable if necessary to protect these vaguely defined interests. They conceived the world to be organized according to the principle of 'balance of power,' in which strong states protect their spheres of interests and, unlike the liberal Westernists, they identified specific threats to Russia which included the NATO expansion.⁴⁸

Russian—Ukrainian relations in this period were marked by a number of concerns. For energy, it can be said that Ukraine has absorbed Russian gas price increases from \$50 to \$355 per 1,000 cubic meters over the last decade. Nevertheless, annual negotiations over gas contracts continue to be overshadowed by anger and accusations. The Ukrainian energy sector continues to be very corrupt, and this factor reduces the ability of Ukraine's elites to act in unison toward Moscow. Ukraine has two strategic advantages over Russia: pipelines carrying 80 percent of Russian gas to Europe and storage facilities. However, the situation with the routes is currently changing due to the Nord Stream pipeline, the first line of which was inaugurated on November 8, 2011. The pipeline is to deliver natural gas from Vyborg in Russia to Greifswald in Germany. The route bypasses Ukraine, and therefore gives Russia more freedom in exporting its gas. Moreover, the leadership rivalry and corruption undermined Ukraine's leverages and lead to angry exchanges inside Ukraine and between Russia and Ukraine.



As for the CIS, Ukrainian leaders that came to power after the Orange Revolution continued and deepened Ukraine's lack of interest in CIS integration, including the Single Economic Space (SES). Yushchenko did not follow Kuchma's rhetorical lip service to the Commonwealth of Independent State and Single Economic Space integration. Interest in the CIS is overshadowed by a reorientation toward the Deep and Comprehensive Free Trade Area with the EU. The Party of Regions proposes not CIS integration but "neutrality" as an alternative to NATO membership. Nowadays, Ukraine is negotiating the Customs Union with Russia, Belarus and Kazakhstan. With regard to the DFTA and Association Agreement with the EU, in this situation, Ukraine faces a difficult choice of where to go.

The nature of the two countries' relationship also affects their foreign policies. The Russian-Ukrainian relationship has always been bedeviled by Russia's unwillingness to treat Ukraine (like Belarus) as a partner rather than a 'vassal state'. Russia's unwillingness to treat Kuchma, elected in 1994 on a "pro-Russian platform," with due respect turned him into an ardent supporter of NATO. Yushchenko's demand for a change in the Russian-Ukrainian relationship to one between two independent states is even more demanding than that proposed by Kuchma. As seen by Putin's comments made during the NATO-Russia Council at the Bucharest NATO summit in 2008, Russia is unable to treat Ukraine as a foreign, serious and coherent entity. Bear in mind, Putin said:

"But If I speak about Georgia and Ukraine, it is clear that the matter concerns not only security issues...In Ukraine, one-third is ethnic Russians. Out of forty five million people, in line with the official census, seventeen million are Russians. There are regions where only the Russian population lives, for instance, in the Crimea. Generally speaking, Ukraine is a very complicated state. Ukraine, in the form it currently exists, was created in the Soviet times, it received its territories from Poland—after the Second World War, from Czechoslovakia, from Romania—and at present not all the problems have been solved yet in the border region with Romania in the Black Sea. Then, it received huge territories from Russia in the east and south of the country. It is a complicated state formation. If we introduce into it NATO problems, other problems, it may put the state on the verge of collapse. Complicated internal political problems are taking place there. We should also act very, very carefully... But I want all of us, when deciding such issues, to realize that we have there our interests as well. Well, seventeen million Russians currently live in Ukraine. Who may state that we do not have any interests there? South, the south of Ukraine, completely, there are only Russians. The Crimea was merely received by Ukraine with the decision of the KPSS Political Bureau. There were not even any state procedures on transferring this territory. We have been calm and responsible about these problems. We are not trying to provoke anything, we have been acting very carefully, but we ask our partners to act reasonably as well."49

Because of Russia's unreformed world view and historically unchanged attitude toward Ukraine, it was unable to discuss Ukraine's drive to join NATO rationally but only in emotional and hysterical terms, using words such as "treason." Such language was evident during Putin's speech to the NATO-Russia Council,

where he challenged Ukraine's territorial integrity and right to exist. This issue is complicated by NATO's position toward the countries. Since 2008, Ukraine has been a candidate for NATO's Membership Action Plan. In its turn, Russia, in 1994, joined the Partnership and Cooperation Agreement, and in 2002 the NATO–Russia Council was established. The cooperation between Russia and the Alliance is burdened by many issues, among which the accession of Georgia and Ukraine into NATO, that in Russia's view, can pose a security threat. Under such conditions, Ukraine's membership in the bloc is dependent on relations between NATO and Russia -if they are good enough, Russia will have a priority in the accession. If not, NATO will not be eager to jeopardize the Kremlin.

As for the Black Sea Fleet, the fleet pays a low rent of \$100 million per annum, its personnel take part in anti-NATO and anti-American protests and the fleet illegally occupies numerous buildings (lighthouses) and land that are commercially used. The lack of respect for Ukraine is evidenced in recent naval troop exercises conducted on Crimean land without offering prior notification to the Ukrainian authorities. Based on Russia's unwillingness to withdraw from Moldova and Georgia and Russian officials' statements, Ukraine's major concern was whether the fleet would withdraw from Sevastopol in 2017. Eventually, the agreements were extended until 2042 in exchange for a 30 percent discount for Russian gas.

The most important issues of the 2008-2011 period between the two countries were gas issues, the Black Sea Fleet, and the economic cooperation within the CIS. Gas disputes in 2008–2009 were remarkable for both countries. The cuts of the gas supplies resulted in a price increase to \$355 per cubic meter. The EU began to perceive both countries as unreliable partners in the field of energy. Gazprom still seeks to acquire Ukrainian Naftogaz. However, Ukraine received a 30 percent discount for gas in exchange for the prolongation of the agreement on the Black Sea Fleet. In accordance with 2010 treaty, the Russian fleet is to remain in the Crimean city of Sevastopol until 2042.

Currently, the Russian Federation is trying to involve Ukraine in the Customs Union with Belarus and Kazakhstan. In Putin's words, the Russian idea is the creation of a Eurasian Union. The steps in this direction are the Union State of Russia and Belarus, the Collective Security Treaty Organization, the Eurasian Economic Community, the Customs Union and finally the Common Economic Space.⁵⁰

The Free Trade Zone Agreement of the CIS states was signed on October 18, 2011. With Russia at the center, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan and Ukraine signed it. Three countries -Azerbaijan, Turkmenistan and Uzbekistan- asked for extra time in order to consider the conditions of the treaty. The agreement abrogates export and import duties on some kinds of goods. Although products such as gas, oil, sugar and spirit are exceptions of the conditions, the document specifies a time period within which these exceptions will be solved. In fact, this means that Russia will buy Ukrainian sugar and alcohol as well as sell gas and oil with the old prices. In economic terms that is not beneficial for Ukraine, while it provides profits for Russia.⁵¹

The Customs Union is being negotiated by Russia, Belarus, Kazakhstan and Ukraine. However, this document is incompatible with the Association of Ukraine with the European Union. On July 11, 2011 customs control over goods passing through the borders between Russia, Kazakhstan and Belarus were lifted. While Russia is trying to involve Ukraine in the Union, proposing gas discounts, Ukraine is not eager to join it. Ukraine does not seek to enter a Russian-led association of countries which are not members of the WTO, while Ukraine is. While for Russia it is the chance to ease trade with Ukraine, Belarus and Kazakhstan, as well as establish control over Naftogaz (in exchange for a revision of the 2009 gas contracts). For Ukraine, this is missing a bigger partner -Europe. In 2010, trade with the EU constituted 30 percent of Ukraine's trade, and CIS counties had 40 percent. However, in the case of the Deep and Comprehensive Free Trade agreement, trade with the EU will grow exponentially. Needless to say, for Ukraine it signifies a new level. Before, the low quality and uncompetitiveness of Ukrainian goods did not allow it to enter Western markets, and now the country has the chance.52

The Common Economic Space of Russia, Belarus and Kazakhstan (CES) will kick off on January 1, 2012. It is designed to involve macroeconomics, ensuring competition, technical regulations, agricultural subsidies, transport, and natural monopoly tariffs. Later, this framework will also include common visa and migration policies, allowing border controls between the states to be lifted. Thus, the Court of the Eurasian Economic Community will become fully operational on January 1, 2012. Both governments and economic entities will be able to apply to the court for all instances of discrimination or regarding the violation of competition and equitable business regulations. Eventually, it will lead to the creation of the Eurasian Union, with a common parliament and Currency Union. 53

On the one hand, the Free Trade Zone Agreement with the CIS states will revitalize the old industrial chains that existed in the USSR and appeared to be disrupted by nation-states borders in 1991. Trade turnover is expected to increase 45 percent per year. In addition, Ukraine will have deep access to the markets of CIS states, low-cost public consumer goods, and access to the energy resources of the Central Asia. It is especially beneficial for the pipe industry of Ukraine as well as for producers of agricultural goods (meat and milk). It is particularly important for the economies to overcome the crisis. Since Ukrainian experts are talking about the creation of a new Soviet Union that will make Ukraine economically and politically dependent on Russia, it can be said that many cannot ignore the 'political meaning' of these agreements.⁵⁴

RELATIONS BETWEEN TURKEY AND UKRAINE

Political Relations

The Protocol on the Establishment of Diplomatic Relations between Turkey and Ukraine was signed on February 3, 1992. The legal framework regulating the relations and cooperation between the two countries is almost complete after the signing of various agreements and protocols in political, military, economic, cultural, consular, educational and intelligence-related fields. Turkey attaches importance to Ukraine in terms of maintaining the stability of the region and strives to further develop its bilateral relations with Ukraine in every field. Its strategic location, rich natural resources, economic and trade potential make Ukraine one of the most important countries of Eastern Europe.

Moreover Ukraine was selected as one of the "pilot countries with which Turkey shall develop its relations to an exemplary level in the short and medium term" by a decision of the Prime Ministry of the Republic of Turkey in 2003. Moreover, the tenth President of Turkey Ahmet Sezer paid an official visit to Ukraine from June 18-20, 2003. On this occasion, the two sides came to an agreement on continuing mutual high-level visits, comprehensive political dialogue and cooperation in several areas of mutual interest. A joint declaration was made reflecting this understanding.

Prime Minister of Turkey Recep Tayyip Erdoğan paid an official visit to Ukraine from April 1-3, 2004. The Joint Action Plan between the Government of the Republic of Turkey and the Cabinet of Ministers of Ukraine on Enhanced Cooperation, which sets the institutional framework of cooperation on several fields between the two countries, was signed during this visit. The Joint Action Plan

envisages cooperation in the fields of strengthening peace, security and stability in the Black Sea region, a joint fight against terrorism and organized crime, strengthening the economic dimension of bilateral relations, improvement of the transit potential of countries, European and Euro-Atlantic integration, science and technology, developing humanitarian affairs, environment and maritime issues.

In terms of high-level visits, Deputy Prime Minister and Minister of Foreign Affairs Abdullah Gül visited Ukraine on 11-13 May 2005. In return, President of Ukraine Viktor Yushchenko paid an official visit to Turkey from June 6-8, 2005. These two visits confirmed both sides' willingness to develop bilateral relations in all fields and gave momentum to cooperation in concrete projects. In his turn, Minister of Foreign Affairs of Ukraine Boris Tarasiuk visited Turkey from March 1-2, 2006. This visit provided the two countries with the opportunity to discuss all aspects of bilateral relations and exchange views on regional and international issues. During the visit, Turkey had reiterated its support to the Western orientation of Ukraine, and in this context Ukraine's aspiration for integration with European and Euro-Atlantic institutions. The 2006 Joint Action Plan was signed during this visit.

Prime Minister Yanukovych's visit to Turkey in January 2007 was a further contribution to the strengthening and deepening of their relations in every field. The Agreement on Cooperation in the Defense Industry and the protocol on Ukraine's participation in Operation Black Sea Harmony signed during this visit are important inputs in this respect. Ukrainian Minister of Foreign Affairs Arseniy Yatsenyuk visited Turkey in the framework of the 17th Meeting of the Council of Ministers of Foreign Affairs of the Organization of the Black Sea Economic Cooperation in Ankara. Turkish and Ukrainian foreign ministers also met at the Fifteenth Meeting of the OSCE Ministerial Council held from November 29-30, 2007 in Madrid. The Foreign Ministers of both countries also meet regularly.⁵⁵

Turkey and Ukraine support each other in international organizations such as the United Nations, Council of Europe, and the Organization of Security and Cooperation in Europe. Moreover, military relations are conducted both on a bilateral basis and within the framework of the NATO-Ukraine Commission, BLACKSEAFOR and Operation Black Sea Harmony.

Turkey has an Embassy in Kiev, a Consulate General in Odessa and two Honorary Consulates in Simferepol and Dnipropetrovsk. Ukraine has an Embassy in Ankara, a Consulate General in İstanbul and an Honorary Consulate in Antalya.⁵⁶

Membership in Regional Organizations

The common ground for the relations between Turkey and Ukraine is stability and security in the Black Sea region. Therefore Turkey and Ukraine pay considerable attention to their membership in the regional organization. They are member states of the Black Sea Economic Cooperation and BLACKSEAFOR.

Black Sea Economic Cooperation (BSEC); On June 25, 1992, the heads of state and governments of eleven countries: Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey and Ukraine signed the Summit Declaration and the Bosporus Statement in Istanbul, giving birth to the Black Sea Economic Cooperation (BSEC). It came into existence as a unique and promising model of multilateral political and economic initiative aimed at fostering interaction and harmony among the member states, as well ensuring peace, stability and prosperity encouraging friendly and neighborly relations in the Black Sea region.

The BSEC Headquarters -the Permanent International Secretariat of the Organization of the Black Sea Economic Cooperation (BSEC PERMIS)- was established in March 1994 in Istanbul. With the entry into force of its Charter on May 1, 1999, the BSEC acquired an international legal identity and was transformed into a full-fledged regional economic organization: The Organization of the Black Sea Economic Cooperation. With the accession of Serbia and Montenegro in April 2004, the Organization's member states increased to twelve.⁵⁷

For Ukraine and Turkey, this organization is a chance to enhance cooperation in many spheres such as institutional renewal and good governance, trade, banking and finance, energy, customs matters, agriculture, combating crime, emergency assistance, transport, tourism, culture, education, environmental protection, exchange of statistical information, healthcare and others.

The **Black Sea Naval Force** (BLACKSEAFOR), was created in early 2001 under the leadership of Turkey, with the participation of all other Black Sea littoral states, namely Bulgaria, Romania, Ukraine, Russia and Georgia. The BLACKSE-

AFOR founding agreement was signed in Istanbul on April 2, 2001. The original purpose of BLACKSEAFOR was to cooperatively promote security and stability in the Black Sea maritime area and beyond, strengthen friendship and good neighborly relations among the regional states, and increase interoperability among those states' naval forces.

The tasks of the organization were listed as the following: search and rescue operations; humanitarian activity; mine counter-measures; environmental protection; goodwill visits; any other tasks agreed by all parties. Soft security efforts and military activities, in addition to political dialogue, are being pursued in this framework. Search and rescue operations, environmental protection, and mineclearing were among the initial activities of BLACKSEAFOR. After the terrorist attacks of September 11, 2001 in the U.S., BLACKSEAFOR's scope of activity was expanded in order to include the fight against terrorism. Littoral countries are still working on BLACKSEAFOR's transformation process, in order to better adapt the force to the new security environment.

BLACKSEAFOR is an on-call force and currently has no permanent headquarters. It is activated twice a year and the command structure is based on the principle of rotation. Each littoral assumes leadership for a one-year period. According to the BLACKSEAFOR agreement, two scheduled activations take place each year. Unscheduled activations can also take place if the participation of four ships is achieved. Decisions are taken by consensus. BLACKSEAFOR plays a role in preserving security in the Black Sea maritime area. A risk assessment conducted in 2005 by BLACKSEAFOR states stated that although the Black Sea is not fully immune from asymmetric risks, there are no alarming threats in the area with which the littoral states could not cope. ⁵⁹ Apart from the NATO-Ukraine Commission, this is the institution for military relations in the Black Sea region, implemented in the Black Sea Naval Task.

The GUAM Organization for Democracy and Economic Development is a regional organization of four post-Soviet states: Georgia, Ukraine, Azerbaijan and Moldova. Turkey has observer status. GUAM's charter was signed during a summit in Yalta from June 6-7, 2001 by the four current members and Uzbekistan, which later withdrew. According to the former Ukrainian President Viktor Yushchenko, the charter set objectives for cooperation, such as promoting democratic values, ensuring stable development, enhancing international and regional security and stepping up European integration.⁶⁰

Given the existence of the Russian-led Commonwealth of Independent States (CIS), in Russia GUAM is sometimes seen as a way of countering the Russian influence in the area, and as part of a strategy backed by the United States.⁶¹ However, GUAM leaders repeatedly and officially dismiss such claims and declare their strong willingness to develop close friendly relations with Russia. Moreover, Azerbaijan, the group's main energy power, has managed to avoid any conflicts with Russia in recent years.⁶²

Another important organization is the **Black Sea Forum for Partnership and Dialogue** (BSF). The inaugural session of the Black Sea Forum for Partnership and Dialogue (BSF) was held from June 4–6, 2006 in Bucharest. The Forum is a Romanian initiative, initially meant to hold annual presidential-level summits (the venues rotate among participant countries) and thematic or sectorial cooperation meetings during those annual intervals. The Forum is not meant to create new regional institutions, but rather to turn into a regular consultative process among countries of the extended Black Sea region (defined as including the South Caucasus to the Caspian Sea) and between this group of countries and international organizations such as the European Union. After the inaugural summit, no other summits were planned. Armenia, Azerbaijan, Georgia, Moldova, Romania and Ukraine are members of the Forum, while Turkey and Bulgaria are observer states.

To sum up, the relations between Turkey and Ukraine are young. They started to develop in the 2000s. Apart from regional organizations and bilateral agreements, their relations are not very expansive yet. Eventhough there are no specific problems between the two states, on the other hand, they lack a common vision for future actions. As it was shown, Ukraine is distorted between the EU and Russia in terms of foreign policy. Multilateral aspect of Turkish foreign policy still lacks comprehensive foreign policy towards Ukraine. Up until now the stability of the region has been the common ground for bilateral relations. Both countries also seek to protect peace in the Black Sea as part of the initiatives under the auspices of the Black Sea Economic Cooperation Organization, secure integration with the European Union and improve cooperation in the region and with neighboring countries.

Turkey-Ukraine Economic Relations

Turkey-Ukraine Bilateral Trade / Billion \$

| Years | Turkey's Export | Turkey's Import | |
|------------------------|-----------------|-----------------|--|
| 2006 | 1,1 | 3 | |
| 2007 | 1,4 | 4,5 | |
| 2008 | 2,1 | 6,1 | |
| 2009 | 1 | 3,1 | |
| 2010 | 1,2 | 3,8 | |
| 2011 (January-October) | 1,3 | 4,1 | |

Source: Turkish Statistical Institute

Economic relations between Turkey and Ukraine are developing rapidly. Starting from 2004, trade between Turkey and Ukraine entered a period of rapid expansion. The bilateral trade volume increased by 74% in 2004 and continued to grow steady in the following years. Their trade volume reached 6 billion dollars in 2007. Exploratory talks are underway for free trade agreement (FTA) negotiations with Ukraine. Moreover in December 2011, the countries are expected to sign a visa-free regime.

Bilateral trade between Turkey and Ukraine is predominantly based on the importation of intermediate goods from Ukraine. Turkish contracting companies have accomplished many successful construction projects in Ukraine. The worth of projects completed by Turkish contractors in Ukraine has reached 1.7 billion dollars. Bilateral economic activity in recent years also increased considerably in the field of tourism. Turkey is now the second most popular destination for Ukrainian tourists. Moreover the number of Ukrainians who visited Turkey for vacation in 2010 was 568,000. 64

In summary, the economic relations between Turkey and Ukraine are weak, as can be seen from the given data, but it is growing at a stable pace.

Turkey and Crimean Tatars in Ukraine

One of the issues that bind Turkey and Ukraine is their cooperation in respect to the resettlement of the Crimean Tatars, who were forced to migrate from Crimea to other Soviet republics during the Stalin era. Turkey has been fairly understanding in respect to the difficulties that Ukraine encountered in the resettlement and integration of the 260,000 Crimean Tatars returning to their homelands, and also offered support in creating infrastructure and building houses for the Crimean Tatars.

The Crimean Tatar diaspora is found in virtually almost every part of Turkey, from Edirne in the west to Diyarbakir, or even further in the east. Certainly, there are varying degrees of allegiances to, or in some cases even awareness of, their background among individuals of Crimean Tatar descent in Turkey.

Currently a mass return to the Crimea is not a burning issue even among the most nationally conscious groups among the Crimean Tatar diaspora. It seems unlikely that such an issue will become a pressing concern in the foreseeable future, if not for anything else due to the lack of favorable economic conditions. Actually, all the Crimean Tatar diaspora organizations in Turkey take pains to monitor developments there. They have active links with Crimea and help the reestablishment of ties between relatives in both countries.

It should be noted that the Crimean Tatar diaspora's position toward Ukraine has been remarkably sympathetic. The collective memory preserved virtually nothing hostile against Ukraine or Ukrainians and even a perfunctory research in Crimean Tatar émigreé publications testifies to a very warm approach toward the Ukrainians.

Moreover, bilateral relations are also important in light of a large number of Crimean Tatar (one million according to sources) living in Turkey and the old historical and cultural ties. The main policy of Turkey regarding Crimean Tatars is to support their living, along with other citizens of Ukraine, as loyal citizens within the entirety of Ukraine.

Cooperation between Turkey and Ukraine in the Sphere of Culture

Cooperation between Ukraine and the Republic of Turkey in the humanitarian sphere is being developed according to the Agreement between Ukraine and the Republic of Turkey on Cooperation in the Sphere of Culture, dated November 27, 1996.

During recent years, Ukraine and Turkey have been actively cooperating in the cultural sphere, namely, by exchanging adults' and children's dance groups, musicians, theatrical groups, organizing competitions of young performers as well as various displays of paintings and photo-exhibitions.

The list of Ukrainian performers who visited Turkey during the last years is quite long. Turkish people had an opportunity to observe not only amateur children's and students' groups like "Svitanok" and "Crimean Souvenir", but also the coryphaeus of Ukrainian modern art like Taras Shevchenko National Opera's Ballet, the National Symphony Orchestra of Ukraine, Lesia Ukrayinka National Russian Drama Theater and Hryhory Veriovka Ukrainian Falk Chorus.

Thus, we can say that Ukrainian culture is widely represented in the Republic of Turkey. At the same time, with the aim of expanding bilateral cooperation, Ukraine and Turkey are trying to arrange a Day of Ukrainian Culture in Turkey and Day of Turkish Culture in Ukraine. These events will provide a mutual possibility both for Ukrainians and Turks to get acquainted not only with amateur collectives, but also with professional dancing and choral groups.⁶⁵

Cooperation between Turkey and Ukraine in the Sphere of Education

Cooperation between Ukraine and the Republic of Turkey in the field of education, including higher education, is based on the Agreement on Cooperation between the Ministry of Education of Ukraine and the Council of Higher Education and the Ministry of National Education of the Republic of Turkey signed on May 21, 1998.

The quantity of Turkish students studying in Ukraine and Ukrainian students studying in Turkey grows every year. Recently, the cooperation between higher educational institutions of the two countries is being developed very actively on the basis of intercollegiate agreements. As for now, more than ten universities of Ukraine and Turkey have established partnership relations and concluded respective agreements. Such documents were concluded between: the National Technical University of Ukraine, Kyiv Polytechnic University and the Middle East Technical University of Ankara; Taras Shevchenko Kyiv National University and Gazi University (Ankara); Tavriya (Simferopol) and Ankara Universities; Lviv State Medical University, National Ivan Franko University and the University

of Istanbul; Sumy State University and the University of Muğla; the Ukrainian University of Aviation and Eskişehir University; and the National Academy of the Ministry of Internal Affairs of Ukraine and the Police Academy of Turkey.

Cooperation between Vadim Hetman Kyiv National Economic University and Gazi University (Ankara) is a bright example of bilateral cooperation in the sphere of education. Within the framework of the protocol on cooperation signed in 2001, the two universities regularly carry out exchanges of students and teachers as well as joint sports activities. One of the most important results is the agreement reached by the two universities to organize teaching in the Ukrainian language in Gazi University (started in September 2002).

The cooperation between Ukrainian and Turkish universities is both of a general and sectorial kind, for instance, in the fields of aviation, metallurgy, tourism, etc. Scientific exchange is among the most important and promising here. Partner universities exist not only in the capitals of the two countries, but also in certain regions. It creates conditions for developing inter-regional cooperation between Ukraine and Turkey, which has recently been given a new impetus.⁶⁶



Coming up to the twentieth anniversary of the establishment of diplomatic relations, when evaluating bilateral relations it seems that cooperation between Turkey and Ukraine, although the states share common values and priorities, is limited within the Black Sea region.

In terms of perspectives for Turkey, Ukraine is not only one of the main actors of the region but also the country in which Crimean Tatars live. As for Ukraine, Turkey is one of the key actors in terms of the security and the stability of the region.

Within this framework of perceptions, the aim of expanding bilateral relations is being discussed in detail during the high level visits. In this context, in May 2010 an agreement for the establishment of the High-Level Strategic Council between the two countries has been signed. The first meeting of the council will take place in December 2011. Since the Council's overall aim is the development of political and economic relations, countries giving importance to each other and the level that bilateral relations are wanted to be taken to, indeed shows the awareness of the existing potential. Moreover the agreement which is going to be signed in December 2011 and provide a visa free regime, inevitably will increase tourism activities as well as inter-communal dialogue.

Nevertheless, it should also be mentioned that there are some structural and cyclical obstacles to the development of bilateral relations. As we have tried to show in this study, formed under the shadow of foreign policy, economic structure and a political journey, Ukraine's foreign policy is pending between Russia and the EU. Under these circumstances, Turkey and Ukraine's foreign policy agenda could not move beyond the purpose of protection of security and stability in the Black Sea region. In this context, to 'commonize' the foreign policy agendas, priorities and preoccupations is necessarily important. At this point relations have high potential, and low-voltage is 'good' but 'insufficient' in terms of the existing potential.

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