



# Ukraine's Diplomatic Choices

## Analyze the influence of Ukraine's WTO Accession and the Diplomatic policy Transformation of the Ukraine Crisis

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**Abstract.** Ukraine's complex history has led to the emergence of different interest groups and political parties in the eastern and western regions of the state. Meanwhile, although Ukraine has been attempting to complete its social transformation since the collapse of the Soviet Union, it has been under the influence of political groups with different preferences that have frequently changed the constitution and political system, making it difficult to find a suitable model of governance for Ukraine's development. In addition to this, the majority of political parties in Ukraine do not represent the interests of Ukrainian citizens due to the intervention of the oligarchy, which has left the state in a permanent position of political alternation and corruption. These problems have led Ukraine into extremely severe social disorder and economic depression. Method of literature review is applied in this paper to explore Ukraine's diplomatic policy, source of materials include the General Agreement on Tariffs and Trade, official materials published by the World Trade Organization, and research by national scholars on topics related to Ukraine. The combination of the decline in the state's economy and the chaos of domestic politics since independence has led to a loss of confidence in the state's development while fueling the desire of some citizens to support the growth of the state's economy with assistance from Russia and the European Union. Apart from these domestic factors, Russia, the European Union and the United States have turned Ukraine into the centre of a geopolitical competition in order to maintain their own security. In this context of internal and external concerns, Ukraine has made different diplomatic choices, which have had different effects on Ukraine. This paper analyses the impact of Ukraine's unstable political situation and chaotic diplomatic policy on Ukraine by analysing cases of domestic and diplomatic policy shifts in the context of Ukraine's accession to the WTO and the Ukraine crisis.

**Keywords:** WTO, Ukraine, constructivism, Ukraine crisis

## 1 Introduction

Ukraine's geographical position has led the European Union, the United States and Russia to wish to place it within their spheres of influence. Ukraine's foreign and domestic

policy has been in a state of flux due to power struggles between different domestic interest groups and the political parties representing them, as well as competition from other states for the geopolitical buffer zone of Ukraine for 30 years. Since Ukraine's independence there has been extensive academic research in areas related to Ukraine. Some scholars have looked at the complex history of Ukraine and Russia, and have studied the history of Ukraine and the Soviet Union in order to interpret the political conflict between them. After the outbreak of the Ukraine crisis, numerous scholars have concentrated on the Ukrainian crisis, which was caused by the confrontation between the great powers, specifically Russia and the West Europe. Moreover, in the field of Ukrainian studies there are many independent analyses of Ukrainian diplomatic policy in various periods.

This paper uses constructivism in conjunction with knowledge of international relations to examine important turning points in the history of Ukraine. Through a review of two case studies, Ukraine's accession to the WTO and the Ukraine crisis, the paper analyses Ukrainian diplomatic policy constraints and the performance of its diplomatic policy in order to reveal the dynamics of the evolution of Ukraine's diplomatic policy after its independence and thus to analyse its feasible future diplomatic policy direction. This paper will illustrate the impact of Ukraine's diplomatic choices through an analysis of the process of its accession to the WTO and the Ukraine crisis. The first part will include an introduction to some international relations theories and a brief overview of Ukraine's history. The second part will use constructivism to analyze Ukraine's domestic policies in the process of accession to the WTO and the implications for Ukraine. The third part will describe the causes of the Ukraine crisis and its impact on Ukraine.

## **2 Background**

### **2.1 Theories of IO**

The development of globalization and the deepening of the organization of society have led to the creation of international organizations (IOs) meaning that interaction between states has shifted away from a spontaneous state, transcending the primary stage of legalization and opening a chapter of organization. Therefore, when states encountered problems that they could not solve independently, they prefer to use the help of IOs to establish stable cooperative relations with other states [1]. Various theories in international relations theory have different views on the causes and effects of IOs. Realism regards IOs as institutions of anarchy in which states participate, are unable to resolve power struggles, with little or no effect on the maintenance of world peace and security. Furthermore, the procedures of IOs are biased towards the majority of powerful states, which means that IOs can only play the role of intervening as a tool of the great powers. Neo-realism is convinced that IOs are a cost of cooperation that the hegemon can tolerate [1]. Neo-realists and neoliberals both consider the state as a rational actor dominated by material interests, which plays a decisive role in the construction and activities of IOs. They believe that IOs are instruments of state gaming whose interest preferences and logic of action are subsumed into the character of the state. In contrast, constructivism argues that to argue for the subjectivity of international organizations,

it is necessary to break with the a historical structure of rationalism, a firm the historical element in international relations and recognize the mutually constructive relationship between state rationality and the external environment. Constructivism advocates a sociological approach that uses the mutual construction of national perceptions and international social cultures to explain changes in the international landscape [2]. While social constructivism views IOs as based on the distribution of ideas, values and norms, the highly bureaucratic nature of military service states, secretariats, non-governmental institutions and individuals as actors, considering cognitive alignment to be the fundamental cause of IOs.

## **2.2 History of Ukraine**

A review of the history of nation-building in Ukraine reveals that the relatively heterogeneous East-West social formations inherited from history have led to strong divisions in Ukrainian society. This deep divide in Ukrainian identity has been reflected in the political sphere during the democratic era. After the collapse of the Soviet Union, Ukraine opted for independence in the referendum of 1992. However, by the presidential elections of 1994[3], Ukraine's east-west divide had evolved to an extreme degree, with the eastern part of the Ukraine being relatively pro-Russian while the western part was strongly in support of accession to the European Union. In the political sphere, the polarization of interest groups in Ukraine has led to the establishment of a mixed presidential and parliamentary system, which has not only delayed the establishment of checks and balances in a liberal democracy, but has also severely weakened the independence of the judiciary[4]. In the social sphere, the existence of the oligarchy exacerbated the polarization between rich and poor in Ukrainian society, simultaneously curbing the formation and development of the middle class as a stabilizer which sapped citizens' trust in the political elite. At the same time, after the collapse of the Soviet Union, Ukraine also inherited the Soviet-era state apparatus and built on it with radical top-down improvements, conforming to European standards by selectively grafting on Western democracies. In addition, the collapse of the Soviet Union led to a shift in the international landscape from a bipolar to a transitional pattern of one superpower and many powers, and the involvement of major powers played a unique role in the process of nation-building in Ukraine. Because of Ukraine's unique history and identity, this paper will use constructivism in its analysis.

## **3 Ukraine and WTO**

### **3.1 Views on WTO accession in Ukraine**

Ukraine has struggled to reduce the gap with the rest of Europe through effective market-oriented reforms because of internal corruption and the division of political parties in the absence of a long-term and clear national strategy [5]. Therefore, Ukraine has made its integration into the international socio-economic and legal spheres a strategic priority for its development, while its accession to the WTO is an important part of its rapid transition to a modern market economy and its integration into Western Europe.

Ukraine has significantly increased its foreign trade with GATT members in order to be able to join the World Trade Organization, for example by drafting bills [6]. In addition, joining the multilateral trading system of the WTO not only provided a supportive legal framework for Ukraine's international trade enterprises, but also helped to accelerate domestic technical and policy reforms in Ukraine, which in particular contributed to the country's transition to a market economy [7-8].

Ukrainian interests are convinced that without WTO accession, its economy is unlikely to be deeply integrated into the international community. However, some experts point out that the terms of Ukraine's accession to the WTO are negative for the state. Anatoly Girsh Feld points out that the decision to join the WTO was made too hastily so that it caused Ukraine to fail to obtain the most beneficial conditions in the negotiations [9]. Eremenko, Mankovska and Dean conclude through analytical models that WTO accession fails to improve market access for Ukrainian exporters [10]. The argument for postponing the WTO accession process incorrectly predicts external shocks and sudden import competition after the accession. In terms of import liberalization, Ukraine's trade regime is already quite liberal by comparison and the tariffs levied are quite low. Some people are concerned that accession to the WTO will lead to a rapid adjustment of prices to world market levels, especially for production input factors such as energy. These sudden price increases would be unsustainable for many Ukrainian producers that would force too many of them out of the market. Indeed, some even fear that Ukraine is in danger of being swept away by the tide of free trade as a victim of powerful foreign interests.

### **3.2 Domestic politics in Ukraine from the perspective of Constructivism**

Constructivism argues that national interests are determined not by power but by identity, which is greatly influenced by socialization and international norms. In many cases, national interests are frequently the result of the state learning from the international community. According to constructivism, international political culture or norms can construct a country's national interest, while the learning of norms by domestic political elites can construct national interests. Following the end of the Cold War, the anarchy of the international community changed, leading to changes in Ukraine's relations with various countries. Due to its unique geopolitical characteristics, the concept of national interests initially established in Ukraine inevitably collided with those of the West and Russia. At the same time Ukraine declared at the outset of its declaration of independence that it pursued a policy of independence, neutrality, non-alignment, non-participation in any military alliances and openness to the world. Ukraine has an extremely strategic position due to its unique geographic location, which made it become an independent European country after the collapse of the Soviet Union and the end of the Cold War. From the constructivist perspective, the political groups in Ukraine have different views on national identity which has led to completely different attitudes of these ruling parties towards the West and Russia. These different definitions of national identity have not only created a conflict of national identity, but have also affected Ukraine's relations with the external world [11].

Since 1991, Ukraine has hoped to establish a political system that would be removed from the influence of Soviet politics. However, Ukraine's new constitution has not been established, leading to a division of powers between the president and the parliament without a strict legal basis. It means that both sides are still trying to gain more political influence for themselves through a competition for power. Hence, it is clear that Ukraine's political structure is extremely fragile with an ineffective government led by the president and parliament, which has led to a lack of tangible results in terms of economic development and domestic reforms, which is also a major cause of diplomatic policy confusion. In addition to the confusion of political blocs in Ukraine, Ukraine is divided into three main political tendencies, including the opposition, the pro-Western parties and the centrists. The crisis in Ukraine in 2013 and the deterioration of bilateral relations with Russia were in large part facilitated by the opposition and interest groups. The exchange of regimes and the change in pro-Russian diplomatic stance in Ukraine is not only a reflection of its fragile domestic political structure and weak central government, but also due to demonstrations by major financial oligarchs and the opposition. Although the basic principles of Ukraine's diplomatic policy of independence and neutrality established at the beginning of its independence have not changed significantly, each Ukrainian president has pursued an extraordinarily complex and unstable policy. Ukraine's first president, Kravchuk, promoted the collapse of the Soviet Union and was Western orientated in his diplomatic policy. The second President Kuchma balanced Russia and the West by pursuing a more pragmatic diplomatic policy during his term. Yushchenko implemented a radical policy of European integration in order to push Ukraine further towards the West and NATO. However, due to the ongoing power struggle between the president and the parliament, during this period Ukraine's diplomatic policy was incoherent and characterized by an 'east-west swing' as the government changed prime ministers between pro-Russian and pro-Western factions.

### **3.3 Diplomatic Options and Outcomes of WTO Accession**

Although Ukraine's diplomatic policy has wavered in the post-Cold War period, each diplomatic choice has not simply been made unilaterally by Ukraine's ruling party, but has been the product of multiple compromises determined by a combination of domestic and foreign factors. From the international level, both the EU and Russia were keen to assimilate Ukraine into their sphere of influence by including the state within their integration processes. As a result, Ukraine is caught in the middle of a strong competition between two international powers, which has led to significant external interference in the development and implementation of its policies. For Ukraine, the involvement of Russia and the EU makes it difficult to choose between them, because it cannot participate in the integration process of these two states, and it cannot develop on its own apart from them. Ukraine's political structure is extremely fragile due to the political involvement of the opposition and the financial oligarchs in the state, which has kept it in a state of permanent political alternation. At the same time, Ukraine lacks a long-term and sober understanding of its national interests which often focuses on immediate interests rather than developing a sustainable and effective diplomatic policy. This has led to Ukraine's diplomatic policy oscillating between Russia and Europe, not

only causing detriment to its own interests, but also seriously threatening regional peace and stability.

After joining the WTO, Ukraine's economic growth has not been as predicted, in contrast to the smaller economic increase and the economic development has been much slower than that of the surrounding states. It can be noted that the economic development of Ukraine over the years has not been effective. Overall, Ukraine's economic reforms have not achieved much effective results due to its chaotic domestic policies. The economic reform policies implemented by Kuchma did not improve the economic decline in Ukraine. This situation did not change until the appointment of Yushchenko as Prime Minister in 2000[13]. However, after four consecutive years of economic growth, domestic political divisions failed to propose a simultaneous policy of economic reform. It remained this trend until the global financial crisis of 2008 which caused Ukraine's economy to decline by 14.76% in 2009. A series of economic reform programs proposed by Yanukovich in 2010, and these partially implemented reforms have done a good job of stimulating rapid economic growth in Ukraine. After the outbreak of the Ukraine crisis, the economy of Ukraine, which was dependent on Western aid, saw its GDP fall by 9.77% in 2015 [14]. In conclusion, although Ukraine has joined international financial organizations such as the WTO and signed various free trade agreements with other states, the tense situation in Ukraine is bound to slow down the economic recovery due to its chaotic domestic political situation and international security risks.

#### **4 Ukraine crisis**

Ukraine has been under the influence of the United States, the European Union and Russia since independence because of its significant strategic position, while Ukrainian government's mishandling of the crisis has led to its expansion. In the early stages of Ukraine crisis, the Ukrainian government intentionally brought in external forces, so that the situation in Ukraine was shaped by the great power competition. The Ukrainian government's role in the Great Powers' game was divided into three broad phases. The first phase of the process involved the establishment of a cooperative relationship between Ukraine and NATO, while the second phase was a continuous transformation of those in power within Ukraine, followed by a shift to a balanced non-aligned diplomatic policy. The third phase was the deterioration of Ukraine's relations with Russia as a result of the Crimean Crisis and the Ukraine crisis.

Ukraine became a non-nuclear state after independence with the push of the US and Russia which secured promises of debt relief from the US and Russia. Differences between the US and Russia over issues related to NATO's expansion to the east have become increasingly acute. In the meantime, in order to obtain emergency assistance from the EU and NATO, Ukraine reoriented its diplomatic policy from seeking permanent neutrality to integrating into the European integration process and developing cooperative relations with NATO, becoming the first Commonwealth of Independent States member to sign a Partnership for Peace programme with NATO. Ukraine's tendency towards a US diplomatic policy ceased after the 2010 presidential elections

which means Ukraine has returned to a balanced diplomatic policy. During this period Ukraine wrote no military or political alliances into its legislation on diplomatic policy and renounced becoming a member of NATO. Subsequently, Yanukovich announced the postponement of the signing of the Association State Agreement with the European Union, which led to the return of pro-Western parties to rule in Ukraine. The outbreak of the Crimean Crisis has led Ukrainian citizens toward an anti-Russian stance. Ukraine believes that Russia's continued interference in Ukraine's national affairs and the fueling of domestic conflicts have made it aware that relations with Russia may not be restored. As the relationship between Russia and Ukraine has deteriorated after the Ukraine crisis, Ukraine has turned to the West in all aspects of domestic and diplomacy, and has written accession to the EU and NATO into its constitution in 2019.

In the short term, it is highly unlikely that Ukraine will join NATO, not only because Russia will use all sanctions to prevent this, but also because the members of NATO are actually unable to maintain a unified opinion on it. Firstly, Russia is exerting pressure on Ukraine through the diplomatic, economic and military spheres. Secondly, some NATO states fear that Ukraine's accession to NATO will lead to Russia using force against them, while others believe that Ukraine is not strong enough to join NATO. After the Ukraine crisis, Ukraine's economic development became even more difficult. Numerous Western states launched sanctions against Russia. Ukraine's economic growth was further hampered by the fact that it was more dependent on Russia because of its financial strength, Ukraine chose to resist Russia by stopping the supply of weapons and military technology. After the Ukraine crisis, Ukraine's export trade has been severely damaged by the trade war with Russia. The pressure exerted by Russia on Ukraine to change its policy through the non-supply of gas, resulted in massive gas shortages in the Ukraine. In conclusion, Ukraine's economy has been severely affected by its internal defection to the West, even though other Western states have provided assistance to Ukraine. Ukraine should not lean heavily towards either side in its internal affairs. Under the constraints of various factors, an economically and socially chaotic Ukraine will in the short term utilize its geopolitical position to engage in balanced diplomacy between US and Russia.

## 5 Conclusion

It is clear from an analysis of the transformation of Ukraine's diplomatic policy at the time of its accession to the WTO and the Ukraine crisis that Ukraine's diplomatic policy was geared towards seeking a secure space for development. However, because of Ukrainian's immature political system and failed economic reforms, this has led to a constant exchange of domestic political parties supported by both sides. The chaotic political system has contributed to the unstable nature of Ukraine's political standpoint and weak continuation of its diplomatic policy. Considered from a constructivist perspective, the choice of national institutions and national development paths faced within Ukraine was premised on the identification of an independent national identity and the identification of a national identity. After Ukraine became an independent state, the process of constructing an independent nation-state inevitably came into contact

with the interests of other states. In summary, this paper argues that from constructivist perspectives, Ukraine must reconcile its domestic politics with the international system in order to develop while ensuring its sovereign territorial integrity. In the future, the US and Russia will still be engaged in a fierce strategic competition around Ukraine. In the future, the US and Russia will still be engaged in a fierce strategic competition surrounding Ukraine, while Ukraine has the potential to overcome the numerous difficulties and challenges it faces in the future through effective reforms, including the establishment of a continuous and clear political strategy and the completion of political and economic reforms appropriate to the state. Furthermore, Ukraine should always adhere to the diplomatic principle of neutrality and non-alignment, and use its diplomatic policy to restrain both the US and Russia.

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