edited by
Margarita M. Balmaceda

Ukrainian - Central European - Russian Security Triangle

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On the Edge

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Preface and Acknowledgements

This book is the result of a two-year collaborative project 'A Strange Triangle: Kyiv–Visegrád–Moscow' conducted in 1996–1998 and made possible by a Group Research Grant from the Research Support Scheme of the Open Society Institute (Prague). From the very beginning ours was a unique grouping, bringing together a Hungarian researcher, a Kyiv-educated scholar from Eastern Slovakia, a Polish diplomat, and an Argentine-born specialist in post-Soviet studies. We were brought together by our relative youth (we all hovered around age thirty at the beginning of the project), our common knowledge of Russian (in its various national manifestations), and our interest in the future of East Central Europe.

Thanks to the generosity of the Research Support Scheme and the managerial abilities of our group leader László Póti, we were able to develop a truly international collaboration. We managed to meet as a group or in pairs on many occasions, be it in Budapest, Warsaw, Bratislava, or (our favorite) Prešov. In addition, a unique and unforgettable part of our research project was two group field research visits to Moscow (March 1997) and Kyiv (April 1997). Each of these occasions gave us the opportunity to refine our common agenda and to enrich our own research with comments and insight from the other cases. Our most common language of discussion was Russian (delivered in various national accents that often made it closer to a friendly *zahal'noslavians'kyi surzhyk*), although English, Hungarian, and Ukrainian were also heard. (That we managed to produce a coherent manuscript in English is the result of many hours of editing work and further consultations between the authors.) Thus each of the chapters in this book, though individually authored, bears the imprint of the constant debate and exchange of ideas between group members.

Over the two years of our project, we incurred many debts of gratitude which go beyond the geographical triangle discussed in

this book. We are thankful to the Carnegie Center-Moscow, the Institute of World Economic and Political Research (IMEPI) of the Russian Academy of Sciences, the editorial board of the journal *Mirovaya Ekonomika i Mezhdunarodnye Otnosheniya*, and the Foundation for the Support of National Security in Kyiv for organizing seminars, round tables, and publications devoted to our project, giving us the opportunity to reach the Russian and Ukrainian international affairs communities as a group. Invitations to conferences organized by the Friedrich Ebert Foundation, the Institute of Public Affairs (Poland), and the Slovak Foreign Policy Association provided us with additional opportunities for productive debate on our project.

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The Editor

1. Ukraine, Central Europe, and Russia in a New International Environment

MARGARITA M. BALMACEDA

The dissolution of the USSR brought a number of new international actors into existence: not only the fifteen Soviet successor states, but also the former Warsaw Pact countries, now free to pursue their own foreign-policy goals. With their entrance onto the scene, a new—and still amorphous—system of international relations is taking shape in the East-Central European area.* All the countries of the region—with the possible and controversial exception of Russia—have faced the need to develop new foreign and security policies virtually from zero. This book analyzes one aspect of this system still in the making: the new geopolitical relationships taking shape in the triangle created by newly assertive Russia, independent Ukraine, and the Western Europe-oriented Visegrád countries. Our study focuses on three of the Visegrád-group countries (Poland, Hungary, and Slovakia, that is, those Central European countries sharing borders with Ukraine), Ukraine, and Russia. We have entitled our book *On the Edge* because all of the countries involved, and especially Ukraine, found themselves on the edge of new, still unformed security and economic systems in the area.

The bulk of this book focuses on the 1989–1997 period (Afterwords covering the 1998–2000 period have been added to the case studies). This period was a very special one for Hungary, Poland, and Slovakia, when they were no longer part of the old system, but not yet part of the new one. The year 1997 represents a

* Throughout this book, we use the phrase " East-Central Europe" to refer to all the non-Soviet former members of the Warsaw Pact (Poland, the Czech Republic, Slovakia, Hungary, Bulgaria and Romania), plus the Baltics, Ukraine and the Yugoslav successor states. We use the terms "Central Europe" and "Eastern Europe" in a more restricted way, to denote Poland, the Czech Republic, Hungary, and Slovakia and the other countries of the region, respectively.

natural boundary for our study, as this year was a milestone in Hungary and Poland's international relationships, due to the invitation to join NATO (June 1997), and the decision by Brussels to start accession talks (December 1997). By the end of 1997 the political decision to incorporate Hungary and Poland into Western political and security institutions had been taken, and after that point these two countries could no longer be considered to be fully on the margin of two systems; Slovakia and Ukraine's situation remains largely indeterminate. Thus it was only in the period 1989-1997 that all of Ukraine's Central European neighbors found themselves in the same international situation. Nevertheless, the experience and patterns established during this very important formative period have helped establish patters and orientations that will continue to affect the web of relationships between Ukraine, Central Europe and Russia for decades to come.

The Political and Geopolitical Context of the Triangle

The Actors

Ukraine

As the most important state to emerge from the dissolution of the USSR—and, in fact, one of the largest and most important states to gain independence since the Second World War—newly-independent Ukraine occupies an important place in this still-emerging system. It is already commonplace to say that security and stability in Europe will depend to a large extent on Ukraine's role. Less frequently discussed, but no less important is the role Ukraine is likely to play—and is already playing—in the development of relations between post-Soviet Russia and its former Warsaw Pact allies in Central Europe. As a 'giant in trouble', located in what is at the same time one of the most promising and troublesome geopolitical neighborhoods, Ukraine's foreign policy finds itself influenced by a variety of both domestic and external factors.

Domestic factors, such as Ukraine's domestic political geography and economic dependence, play a crucial role in Ukraine's relations with both Russia and Central Europe. The linguistic, economic, and political differences between Ukraine's eastern and western regions have promoted indeterminacy in the country's

foreign-policy interests, making it difficult to build a consensus about national interests and, in particular, relations with Russia. The realities of Ukraine's domestic fragmentation and lack of a tradition of statehood have made the Ukrainian leadership feel more vulnerable and have exacerbated their fears, while making it difficult to build a national consensus about foreign policy, something which has also affected its relations with Central Europe.

As will be discussed throughout this book, Ukraine's geopolitical situation—on the one hand, its dependence on Russia, and on the other its desire to break away from it—has led to a certain 'indeterminacy' in its foreign-policy interests and actual foreign policy. Thus, a 'dual determinism' will continue to characterize Ukrainian policy in the region: first, economic, ethnic, and cultural dependency on Russia; second, the geopolitical aspiration to break this dependence and join Central Europe (and, by association, 'Europe'). As a result, we can expect Ukraine in the medium term to pursue a two-pronged policy seeking good relations with both Russia and Central and Western Europe. Therefore, significant shifts in Ukrainian foreign policy are not likely during this period.

One reflection of Ukraine's ambiguity in foreign affairs has been the country's official foreign-policy stance, captured in the words "neutrality, non-nuclear, and non-bloc status".[1] Indeed, such a declaration of foreign-policy intentions has been aimed first and foremost at providing a foundation for maintaining a certain distance vis-à-vis Russia. Such official provisions have also served to manage the impact of domestic political groups in relations with Russia, as "this does not give the supporters of Russia, even if within the parameters of the CIS, the right to pull Ukraine into it,"[2] that is, into a closer military or customs alliance.

Western policies towards Ukraine and Ukraine's reactions to them have also affected Ukraine's perceptions of its security environment and so of its relationship with Central Europe. US policies towards Ukraine—until 1993 virtually monopolized by the nuclear weapons debate and an over-concentration on Russia—did much to exacerbate the country's feelings of isolation and perceptions of a hostile international environment during its first years of independence. Such a 'Russocentric' focus during the first, formative years of Ukrainian statehood created a strong reaction in the country, contributing to the growth of a pro-nuclear and anti-American lobby. The USA's over-concentration on a nuclear definition of security in fact exacerbated Ukraine's real or perceived insecurity, with the effect of playing up Ukraine's need for new partners in the region.

Yet the results of this foreign policy doctrine have been mixed. Ukraine's nonaligned status could irritate Russia, which often considers these declarations as a foreign policy artifice used selectively by Ukrainian leaders when it suits their interests. As stated by a commentator for Moscow's *Nezavishimaya Gazeta*: "Thanks to its nonaligned status, Ukraine is already able, when necessary, to pointedly refuse to consider matters pertaining to the establishment of a security system with one group of countries [that is, the CIS—*author's note*] ... [only] after a while to present its own plan for creating a collective security system to a different group of countries [that is, NATO—*author's note*]."[3]

Ukraine's economic dependence on Russia is also an important factor conditioning its relationship with Central Europe. The situation has far-reaching implications for Ukraine's foreign relations: no matter what steps the country would like to take in its foreign policy, its real capacity to forge an independent foreign policy will be limited until it can achieve real economic independence, especially in the area of energy supplies.[4] At the same time, Ukraine's generally shaky economic situation has exerted a heavy toll on its political legitimacy vis-à-vis its own population, exacerbating the regional differences discussed above and making it difficult for the Ukrainian leadership to adopt a clear and consequent foreign-policy line. Conversely, should Ukraine be able to guarantee a modicum of economic stability and wellbeing to its population, it would be able to muster the allegiance of a significant proportion of its citizens, regardless of ethnic and linguistic identity.

Russia

Russia, for its part, is facing an interesting and delicate transition in terms of its international role, with important psychological implications. Although it has experienced a tremendous diminution of its international power and prestige in comparison with the Soviet period, Russia is nevertheless—especially since 1995–96—assuming increasingly assertive positions vis-à-vis the other former Soviet republics. Indeed, in recent years Russia has pursued a series of integration initiatives both within and outside the CIS framework, from military agreements (Tashkent Agreement) and customs unions to the creation of a 'Union' with Belarus. The result of this strange combination of economic crisis and a domestic power vacuum often filled by the mafia and the resurgence of Soviet-era interest groups has often been the lack of a clearly formulated pol-

icy towards Central Europe. The effect of this situation on relations with Ukraine and Central Europe can be fully understood only by taking into account psychological and 'world-view' elements. Thus a central explanatory factor in Russia's policies towards both former Soviet republics and former allies seems to be the reluctance to deal with these countries as equals, preferring to concentrate on dialogue with the other great powers. Vis-à-vis Ukraine, this attitude is essentially embodied in Russia's inability or unwillingness to accept Ukraine as a truly independent, separate state. For the Kremlin, a favorite scenario would be the 'Belarussification' of Ukraine, in the sense of abolishing borders and creating a military alliance commanded from Moscow.[5] Thus, Russia will most likely seek to prevent the incorporation of Ukraine into Central European structures. We shall return to this issue below.

Central Europe

The Central European states, for their part, have been clear in their priorities: to join Western European economic and security institutions. This striving is related to the desire to avoid a prominent Russian role in the region, and to make clear to Russia that it has no power of veto over these countries' foreign policies. At the same time, the Central European states have engaged in serious efforts at regional cooperation—mainly through organizations such as the Central European Free Trade Agreement and the Central European Initiative—aimed at counteracting the fall in regional trade that followed the dissolution of COMECON. With various degrees of enthusiasm and success, they have also sought to reconquer the so-called 'Eastern markets' lost after the end of COMECON. These three factors have been central in shaping Central European attitudes towards both Ukraine and Russia.

From the perspective of the Central European states, Ukraine's stability and viability as a state are essential. A weak and vulnerable Ukraine would be a constant enticement to Russian expansionism vis-à-vis the former Soviet empire. A strong and self-reliant—not chauvinistic—Ukraine, on the other hand, could not only serve as a clear barrier to any Russian expansionist tendencies, but would also encourage Russia itself to play a more constructive role both within the CIS and in the European community of nations.

The Triangle

Relations between Ukraine and the Central European states can hardly be considered as simply 'bilateral'. On the contrary, the very nature of Ukraine's geopolitical situation puts the country at the center of a variety of economic, political, strategic, and cultural relationships involving third countries, first and foremost Russia. At issue is a very dynamic and at times contradictory relationship in which, in the words of J. F. Brown, "Eastern Europe will pull Ukraine away from Russia, but Ukraine will pull Eastern Europe towards Russia, at the same time acting as a buffer against Russia."[6] Thus, in this triangle, relations between any two of the partners can have important effects on other relationships in the group. The state of the Ukraine–Russia relationship sets the stage for Central European perceptions of and policies towards Russia; Russia herself follows with occasional apprehension the growing ties between Ukraine and its western neighbors. Given the frailty of the Russia–Ukraine relationship itself, the relationship between the Visegrád countries and Ukraine could affect the future of their relations with Russia; because of the important questions surrounding the issue of NATO expansion, the Ukraine–Russia–Central Europe 'security triangle' is growing in importance for the West. Below, we sketch some of the areas in which this triangular relationship is unfolding.

We know that, in one way or another, the relationship between any two 'sides' of the triangle has an effect on the third. But to what extent? Thus, the central question this book seeks to answer is whether and to what degree relations between Ukraine, Russia, and the Central European states are developing in a triangular pattern.

The Importance of Central Europe for Ukrainian Security

If the maintenance of Ukraine as a sovereign and viable state is important for Central Europe, then it is worth examining what the Central European countries can do to foster and consolidate this process. Ukrainian initiatives such as the creation of a 'East-Central European Zone of Cooperation and Stability' spanning the area from the Baltic to the Black Sea,[7] or the inclusion of Ukraine in the Central European Free Trade Agreement (CEFTA)[8] were rejected for the most part as ahead of their time. Most importantly, the Central European states feared that, if implemented, these proposals

could create additional obstacles to their integration into Trans-Atlantic structures (NATO). Despite these realities, the Central European countries (and, indirectly, the West) may be able to foster Ukraine's sovereignty and gradual incorporation into the Western community through a series of more indirect means. The Central European countries could help Ukraine deal successfully with its geopolitical position in a variety of ways and at several levels: through European structures, regional cooperation, and sub-regional cooperation.

Central Europe as a 'Stepping Stone' on the Way to 'Europe' and European Institutions

The Ukrainian leadership has tried to 'compensate' for the stalemate in relations with Russia with steps to further develop relations with the West.[9] Here the Central European countries can play an important role as 'stepping stones'. The first obvious step towards joining international institutions is to be recognized as an independent international actor. In this area, the Central European states played a critical role at the most crucial time: by September 1991 (that is, immediately after the attempted coup against Mikhail Gorbachev), Hungary and Poland were among only 10 countries to have established general consulates in Kyiv. Poland and Hungary were also the first countries to recognize Ukrainian independence in December 1991.[10] These dates reflect how quickly these countries moved to solidify relations with Ukraine immediately after the 1 December 1991 referendum on independence, in contrast with most other countries, which waited until Gorbachev's resignation on 25 December to recognize Ukraine as an independent state.

Moreover, countries such as Poland have acted as diligent intermediaries for Ukraine, for example in the 1993 negotiations, which culminated in Ukraine's giving up its nuclear arsenal, and in Ukraine's quest to join organizations such as the Central European Initiative[11] and the Council of Europe.[12] Because of their prestige and influence vis-à-vis the West, some Central European leaders—on the example of Lech Wałęsa and Václav Havel—can, when they choose, be important advocates for Ukraine in the West. Polish President Kwasniewski himself has found it politically expedient to highlight this role: "we believe we can make others realize something they are not fully aware of: Europe has already discovered Poland, the Czech Republic, and Hungary, but it has not discovered Ukraine yet ... I think it is very important for Poland to

keep reminding the West: 'Remember Ukraine, it truly is a very important European factor, it is no province'."[13]

Ukrainian Foreign Policy as a 'Counterweight' to Russia's Domination of the CIS

If one looks at the actions and political discourse of Ukrainian leaders since 1992, one can see a clear intention on Ukraine's part to play a 'balancing' role in alliance-formation in the area, both within and outside the CIS. Ukraine, which has refused to join any CIS-wide security treaties, has tried to use relations with other CIS members to counterbalance Moscow's domination of the CIS and its attempts to turn it into a military alliance. Kyiv's view of the CIS as divided into two blocs, one led by Russia (composed of Belarus, Armenia, and Kazakhstan, among others) and another, of which Ukraine sees itself as the potential leader (composed of Azerbaijan, Turkmenistan, perhaps Moldova) supports this view of Ukraine's desire to play a 'balancing' role within the CIS.[14] The creation in 1997 of an informal Georgia–Ukraine–Azerbaijan–Moldova ('GUAM') grouping also attests to this trend. Within this framework, Ukraine's declared policy of 'Neutrality, Non-Nuclear and Non-Block Status' could be seen not so much as a 'real' declaration of neutrality, but "primarily as a means of rejecting Russian pressure to join a CIS collective security agreement."[15]

The Importance of Central Europe for Ukraine's Economic Security

The Central European countries can successfully contribute to Ukraine's moving closer to Europe through a series of 'low key', indirect measures in the economic field. In the first place, by contributing to the development of the Ukrainian economy, especially its most backward regions, and helping it to deal with its chronic energy deficit. In the long term, as will be shown throughout this book, this may prove more effective than concentrating on unrealistic schemes of military cooperation.

The energy issue is central in the security triangle taking shape between Russia, Ukraine, and Central Europe. Because a significant part of Russia's energy exports to Europe are channeled through Ukraine, this gives Ukraine a 'bargaining chip' in its relations with Moscow, with a variety of consequences for Ukrainian–Central

European relations.[16] Stable energy supplies to Central Europe also depend on good Ukrainian-Russian relations. We discuss these issues in detail in Chapter 5 of the present volume.

The development of transborder links and cooperation is also important here, both in the form of unplanned—and often uncounted in official trade statistics—'grassroots' commerce and cooperation, and through more institutionalized means such as the Carpathian and Bug Euroregions, involving Ukraine and its Western neighbors. These transborder, micro-level links have become particularly important after NATO's expansion to include three Central European states, but not Ukraine.

The most developed institutional mechanism for cooperation in the post-COMECON world is CEFTA, the Central European Free Trade Agreement. CEFTA itself provides an interesting case study of the various elements working for both cooperation and fragmentation in a Central European context, as well as of the limits of institutional cooperation in the area. CEFTA also plays an important role in the Ukraine-Russia-Central Europe relationship, as it may promote or hinder the Visegrád countries' relationship with Russia and Ukraine. How realistic would an eastward expansion of the organization be, given the Visegrád countries' primary goal of joining the European Community? This is a point of contention in the relationship with Ukraine.

The problems and difficulties which came to light after Lithuania's bid to be included in the CEFTA agreements are indicative of the kinds of problems which would be involved in integrating Ukraine into these agreements. At the November 1994 CEFTA meeting it was agreed that the Baltic States would have to sign an association agreement with the EU and join the World Trade Organization before applying for CEFTA membership, which would have to be approved by all member states. Given the even greater differences in levels of development between Ukraine and Central Europe, such obstacles are much more significant in the case of Ukraine. At the same time, many in Ukraine see the Central European countries as attractive ways of reaching Western European markets. Yet, in reality, trade between Ukraine and Central Europe—with the exception of Poland—has remained limited.[17] We provide a more extensive assessment of these links in Chapter 5 of the present volume.

The Kyiv–Visegrád–Moscow Triangle and NATO Expansion

Ukraine plays a double role in Central European conceptions of NATO expansion. On the one hand, Ukraine's Central European neighbors—especially Poland and Hungary—would under no circumstances like to see Ukraine as a weak 'buffer' between Russia and 'Europe'. The reason is evident, even leaving aside any moral considerations. A 'buffered', weakened Ukraine would not really be a buffer, but rather a temptation to particular Russian groups, and could find itself under increased Russian pressure to join a CIS military agreement. A strong Russian military presence in Ukraine, in turn, would *de facto* mean the westward movement of an effective Russian border towards direct contact with the Central European states, once again changing their geopolitical situation.

On the other hand, two important pressures combine to make Ukraine's Central European neighbors skeptical about Ukraine's participation in the North Atlantic security community. In the first place, as is well known, Ukraine could serve as hefty 'compensation' to Russia in the sense of a firm promise that NATO would never "raise the question of admission to the alliance of any other former Soviet republic." As stated by a Ukrainian commentator, "unfortunately, our country could become the 'coin of exchange' for the entrance into NATO of the Visegrád four."[18] Moreover, even if Ukraine were not to be used for this purpose in a NATO–Russia agreement, the Central European states are not naively optimistic about what the inclusion of a huge and troubled state—which Ukraine will continue to be well past the year 2000—would mean for the alliance.

Interestingly, there may be some areas of agreement between Russia and Ukraine on the issue of NATO expansion. Some of these have to do with the stationing of NATO nuclear weapons in the new member states, and the Conventional Forces in Europe (CFE) Treaty, with direct implications for Central Europe. For different reasons, both Russia and Ukraine may favor a modification of the CFE Treaty. Russia would like, as 'compensation' for NATO's expansion into Central Europe, a revision of CFE limits so that it could have more troops near the Caucasus and Central Asia. Although Ukraine has not asked for this, it "wouldn't be against modifying the CFE document, so as to strengthen our [Ukraine's] *Eastern* border."[19]

Similarly, both Ukraine and Russia would prefer that new NATO members—in the manner of long-standing NATO members Denmark and Norway—refuse to accept the stationing of nuclear

weapons on their territories.[20] Indeed, in 1997 Ukraine proposed the creation of a 'Nuclear-Free Zone in East-Central Europe'. In doing so, President Kuchma seems to have resurrected his predecessor's idea of a 'Zone of Security and Cooperation in East-Central Europe', although now in a more low-key way. Yet this idea was lukewarmly received by both NATO and Ukraine's Central European neighbors.[21] Eager to join NATO, the Central European states were not in a position to impose conditions on the alliance.

The Importance of Central Europe for Preventing Ukraine's Isolation after NATO Expansion

Will the wall separating two restructured alliances—an expanded NATO up to Ukraine's western borders and a Russia-led military alliance including Belarus and pressuring Ukraine to join—indeed create an insurmountable new wall dividing Europe? This is an issue of utmost importance for Ukraine, and one in respect of which relations with its Central European neighbors can play an important role.

Some of these links may be helpful—but not sufficient—in terms of preventing Ukraine from feeling isolated and 'left to its own fate' after expansion. Failure to do so could lead to a further exacerbation of Ukraine's 'security dilemma', with negative consequences for both the Central European states and the Atlantic Alliance.[22] Given this reality, one can expect that, especially in the case of NATO expansion up to Ukraine's borders—and increased Russian pressure to join a new military alliance—contacts with its Central European neighbors (especially grassroots, transborder, and regional contacts) will become especially important.[23]

It may well be that the more vehement Russian opposition to NATO expansion (from the fall of 1995 to late 1998) also served to revive Central European cooperation (for example, Czech–Polish consultations on this issue). Such revived cooperation could also have significant effects on relations with Ukraine.

The Importance of Ukraine for Central European Security: A 'Buffer' between Central Europe and Russia?

The very existence of Ukraine as an independent state is changing the nature of the Russia–Central Europe relationship. Here the most important aspect is not so much Ukraine's possible role as a

'buffer state', but rather the more indirect effects of Ukraine's independence—in the first place, the idea popularized by Zbignew Brzezinsky: without Ukraine, Russia cannot be an empire, and must redirect its energies towards domestic concerns. Such a change would affect Russia's foreign-policy motives and instruments throughout the area. A strong, independent, and economically viable Ukraine would contribute an important building-block to the creation of a new security order in Europe. A weak and vulnerable Ukraine, on the other hand, could be a constant enticement to Russian expansionism vis-à-vis the former Soviet empire. In the second place, the very emergence of Ukraine and the Baltic countries as independent states has changed not only the overall geopolitical situation of the area, but also Russia's interests in the region as a whole. As stated by Davidov, "Russia's shared borders with Eastern Europe have disappeared, impeding their direct intercourse."[24] This implies new possibilities and challenges: because direct contacts are now more difficult, the importance of indirect and mediated contacts is increasing. Here the role of Ukraine becomes increasingly important for the Central European states.

Ukraine's Economic Importance

Good relations between Ukraine and Russia are also important to Central Europe for economic reasons. The fact that most pipelines carrying Russian oil and gas to Europe pass through Ukraine—and the lack of agreement between Russia and Ukraine as to their exploitation—has already created negative consequences for Central Europe. Ukrainian difficulties in paying for Russian gas could also create difficulties for the Central European countries: Russia's repeated threat to "cut the gas supply" would affect the Central European countries as well.[25] Thus, as long as the Central European countries remain largely dependent on shipments through those pipelines, it is important for them to foster good relations between Russia and Ukraine on this issue. These examples once again support the argument that it is impossible to look at Central European–Ukrainian relations in purely bilateral terms.

On the other hand, Ukrainian economic instability could have a negative impact on the Central European countries, not only in strategic terms, but also in directly economic ones. Should Ukraine find itself in a serious situation of instability, countries such as Poland and Hungary would be forced to substantially increase their military budgets, so complicating the debate on political and mili-

tary reform and NATO membership, and potentially disrupting these countries' transition to efficient market economies.[26] Instability in Ukraine could also create a massive wave of migration to Central Europe, especially to Poland, which in 1996 stopped requiring entrance visas of Ukrainian citizens.[27]

Role in Lowering Threat Perceptions in the Region

At the same time, as stated by Mroz and Pavliuk, "an independent and democratic Ukraine between Russia and the Czech Republic, Poland, and Hungary lays the groundwork for stability in the area by *fostering lower perceptions of threat and a greater sense of security in Prague, Warsaw, and Budapest*" (italics mine).[28] Paradoxically, Ukraine's own security predicament could provide the country with a source of strength as an international player in the area. Ukraine's domestic and geopolitical realities, as well as its dependency on Russia, make it a natural status-quo power: by necessity, pursuing stability is its primary foreign-policy goal. As a status-quo power, Ukraine is constrained to follow policies which, in the final analysis, would also contribute to Western attempts to foster stability in the region. At this time, playing any other role—that is, border revisionism or an extremely confrontational policy vis-à-vis Russia—could put into motion processes difficult to control and ultimately capable of threatening the stability or integrity of the Ukrainian state. As noted by Kuzio, "as a status-quo power, it [Ukraine] supports maintaining the territorial integrity of states and implementing a positive minority policy,"[29] which, in the final analysis, are Central Europe's interests as well, especially considering the large number of minorities living across borders in the region.

The central importance of the psychological element in Russian-Ukrainian relations should not be neglected: "Ukraine is deadset on full independence from Moscow and regards any attempt by Moscow to strengthen the relationship and to make it closer as imperialism to be resisted. Ukraine might not be able to tell the difference between acts of good or ill will on Russia's part, but Russia does not seem to be able to imagine any of this [that is, Ukraine's independence - Author's note] as possible, given the historic proximity and what Russia regards as brotherhood."[30] From the Foreign Ministry to academic institutions, few people in Moscow seem able or willing to fully accept Ukraine's independence. To make things worse and even more complicated, Russia feels, probably sincerely,

that it is doing this *for the benefit* of its Ukrainian brothers. This psychological element in Russian perceptions affects relations with Central Europe as well, because of Russia's unwillingness to deal with these countries as equals and to discuss bilateral and regional issues at the highest levels, preferring to 'deal directly with the boss', that is, the West.[31]

The Broader Geopolitical Context of the Triangle

Minsk, Kyiv, and Central Europe

The changes in the relationship between Russia and Belarus could have interesting policy implications in terms of Ukraine's relations with Central Europe. Events in Belarus have elicited significant reactions on the part of both Ukraine and Poland. Not wanting to see a repetition of the Belarussian case, Poland has reactivated its relationship with Kyiv, while Kyiv itself, anxious about these new developments, has started to develop a more active policy towards Belarus.[32]

The new relationship between Belarus and Russia may also affect the Ukrainian–Central European relationship more indirectly. To the extent that the economic relationship between Russia and Belarus will continue to develop, this may threaten Russia's economic reform program, which, in turn, could create greater pressures to reintegrate the rest of the former USSR.[33] At the same time, as pointed out by Kuzio, the 'loss' of Belarus is also fraught with important geopolitical implications for Ukraine as "plans for a Baltic–Black Sea axis ... are badly damaged by the loss of Belarus from the list of potential members ... Ukraine is now cut off from the Baltic republics by Russia-dominated Belarus."[34] In theory, this could have the effect of strengthening Ukraine's orientation towards its Western neighbors. In fact, the November 1996 constitutional crisis in Belarus[35] stimulated a rapprochement between Ukraine, Poland, and Lithuania, often divided hitherto by historical disagreements. At that time, the three countries held a summit to discuss the Belarusan situation, and condemned Lukashenko's attempt to establish an authoritarian regime. Russia's own position on the situation in Belarus has been affected by its experience with Ukraine: it would do almost anything to avoid the Belarussian National Front coming to power, which sees its geopolitical situation

and its control over oil and gas pipelines crossing the country as Belarus's main bargaining weapons.[36]

Diversity in the Visegrád Group and Relations with Ukraine and Russia

The Central European states' ability to deal with new challenges in their relations with both Ukraine and Russia will depend to a large extent on their own capacity and willingness to develop a regional foreign policy and, possibly, regional organizations. Initially optimistic expectations concerning the unity and success of the Visegrád Group and the Central European Initiative have been overshadowed by a series of regional factors.[37] The Hungarian–Slovak disputes—which have continued despite the signature of a bilateral agreement in March 1995—have weakened the ability of the group to act as a unified whole in the foreign-policy sphere. Most importantly, as pointed out by Roman Kuzniar, the change in the geopolitical balance in Central Europe resulting from the division of Czechoslovakia has influenced the Czech position vis-à-vis the Visegrád group and the former socialist bloc as a whole. Now free of its Eastern appendage, "Prague's aim is to have close ties with Germany and pursue autarky in foreign policy,"[38] rather than to play an important role in international affairs. In J. F. Brown's interpretation, such disengagement has also brought with it some negative consequences: "Czechoslovakia could have become as pivotal a state in Central Europe as Ukraine in Eastern Europe", but "the Czechs did not want the bother or risk of being internationally important."[39] (The question of whether Slovakia would be able to fulfill this kind of role after NATO expansion is discussed in Chapter 3 of the present volume.) In part, this Czech distancing from 'Eastern Europe' explains why the Czech Republic is not included as a separate actor in our study. The country has significantly isolated itself from its 'former' Eastern neighbors, and this is also reflected in the literature: works on Ukraine, as well as international-relations scholars working on Ukraine, are particularly hard to come by in the Czech Republic.

Another important issue has been the Visegrád countries' distrust of other former COMECON states, as they compete for places in Western European institutions. In András Köves's words, "the sad fact is that the idea of any Central European integration faces quiet opposition on the part of the governments of the respective countries."[40] The Central European states have concluded associa-

tion agreements with the European Union, which may lead to full membership in the foreseeable future. Regardless of the outcome, this process creates new and interesting questions in terms of Central European relationships with Ukraine as well as with other post-Soviet successor states: Is the Ukrainian issue a potential bone of contention between the Visegrád Group and the European Union? What role might the Visegrád countries play in EU deliberations about Ukraine? How will relations between Central Europe and Ukraine be regarded by other European Union members? It is impossible here to fully answer the question of how an eventual shutting out from European institutions would affect Central European policies towards the Soviet successor states, but it is possible to speculate that it could lead to a rapprochement with their Eastern neighbors.

Yet some kind of broader East-Central European cooperation agreement seems to be necessary, and not because of nostalgia for the former COMECON, which nobody seems to miss. As is well known, Central European countries lost huge markets in the absence of new trade arrangements to replace COMECON. Most significantly, as pointed out by Köves, although a return to earlier levels of trade with the former USSR is illusory, the collapse of trade "has not eliminated all dangerous dependencies" because these countries still import most of their energy from the former USSR.[41] In such circumstances, the creation of transitional structures may become very important for dealing with continuing dependencies.

Ukraine in Writings about International Relations and International Relations Theory: The State of the Literature

On the basis of this preliminary description of the triangular relationship involving Ukraine, Central Europe, and Russia, new and more complex questions emerge: How is awareness of Ukraine's role as a struggling middle-level power affecting the security calculations of the Central European states? How are events in Ukraine affecting Central European relations and attitudes towards NATO, Ukraine, and Russia, as well as relations among the Central European states themselves? How would the Central European states react to Russian expansionism in Ukraine? If the maintenance of

Ukraine as a sovereign and viable state is important for Central Europe, what can the Central European countries do to consolidate this process and to help Ukraine avoid international isolation? These are some of the questions, which we would like to answer in this book.

These are questions, which have not been dealt with in depth in the existing literature on international relations in the area. Although a number of works address the issue of the future role of the Central European countries in international relations, these have tended to concentrate narrowly on the question of NATO admission for these countries, and not on the question of these countries' relationships with the former Soviet Union.[42] Recent Western works on Ukraine's foreign relations have concentrated narrowly on the question of its future relationship with Russia, and have not paid much attention to Ukraine's growing relationships with its immediate western neighbors.[43] In Central European publications, similarly, the main emphasis has been on the minorities' issue.[44] What is absent from the literature on international relations in the area is an attempt to analyze the main security issues facing Ukraine in the perspective of the 'security triangle' created by its important relationships with both Russia and the Central European states. Therefore, one of the goals of this book is to bring together and create a dialogue between these various literatures. At the same time, we would like to understand how the current debates in the area of international relations as a discipline can help us better understand Ukraine's role in this triangle. This is an especially challenging task given the fact that most works on international relations theory remain at a very abstract level.

Ukraine, Central Europe, and Russia in Contemporary Debates on International Relations

The changes in the international system ushered in by the demise of the USSR have had a double impact on the relationship between international relations theory and East-Central European studies. In the first place, the global-level changes themselves have led to changes in the main questions examined by international relations theory. In the second place, the emergence of the East-Central

European states as autonomous international actors has changed the very nature of international relations in the area. How can recent debates in international relations theory help us focus our attention on important elements of the post-Soviet international order important for understanding the dynamics of the Ukraine-Russia-Central Europe relationship?[45] In this section, we examine this question by revisiting some of the central issues tackled by international relations theory, where these theories can provide us with food for thought, despite their shortcomings: the changing meaning of 'security dilemmas' in the post-Cold War world; the importance of alliances; and the role and significance of international institutions.

Prior to 1989, security was seen mainly in terms of providing the physical means to resist invasion or to deter it—that is, in terms of military security. "For most countries in both Western and Eastern Europe, this meant participation in military alliances—NATO or, as communist states, the Warsaw Pact."[46] With the end of the Cold War this view was challenged by the collapse of the Soviet alliance system, and many international relations theorists were prompted to rethink the importance of a purely military assessment of security.

Security Dilemmas, Old and New: The Case of Ukraine

The concept of 'security dilemmas' can help us understand the international behavior of former Soviet and Soviet-bloc countries facing an uncertain international environment. Realist international relations theorists define the security dilemma as a situation in which, as a result of anarchy in the international system, "states' actions taken to ensure their own security ... tend to threaten the security of other states. The responses of these other states ... in turn threaten the security of the first state, creating dangerous arms races." They see the security dilemma as one of the basic—if not *the* basic—determinant of a state's international behavior.[47] Ukraine's foreign policy since independence provides a good example of this situation.

No country in East-Central Europe has been as affected by security uncertainties as Ukraine. In contrast with Poland or Hungary, Ukraine has been perceived by the West as outside the natural area of NATO expansion and as belonging to Russia's sphere of influ-

ence. Ukraine's security dilemma can be understood in the context of several factors at the domestic, regional, and international levels. As already discussed, Ukraine's domestic fragmentation and lack of a tradition of statehood have made the country's leadership feel more vulnerable and exacerbated their fears while making it difficult to build a national consensus about foreign policy. At the regional level, Russia's new activism in the 'near abroad', and the recent agreements pointing to the creation of a 'Union' between Belarus and Russia, have sharpened Ukraine's fears about a renewed Russian imperialist onslaught. At the global level, US policy towards Ukraine has done much to exacerbate the country's feeling of isolation and perceptions of a hostile international environment. At least until 1993, this policy was virtually monopolized by the nuclear weapons debate and an over-concentration on Russia. Such a 'Russocentric' focus of US policy, within the general context of Ukraine's security dilemma, created a strong reaction in Ukraine, and contributed to the growth of a pro-nuclear and anti-American lobby.[48] As noted by Kuzio, the Ukrainian leadership, due to a variety of historical factors, has over-concentrated on, and partly exaggerated, the external threats facing the country.[49] The USA's over-concentration on a nuclear definition of security, together with the West's initial recognition of the CIS as a Russian 'sphere of influence'—by approving Russian peace-keeping missions throughout the region, for example—in fact exacerbated Ukraine's security dilemma and its real or perceived insecurity.

This situation raises the question of what the West and Ukraine's Central European neighbors can do to help Ukraine reduce its security anxieties. We return to this question in the section on new institutions below.

Alliances

Whether Ukraine will exist within an open or 'walled' environment—that is, a situation in which NATO members are sharply separated from non-members—will have a clear impact on both the tensions and the creative possibilities of the triangle involving Ukraine, Central Europe, and Russia. The question of whether a new 'bipolar' order will emerge in the region—that is, an expanded NATO up to Ukraine's western borders, and a Russia-led military alliance including Belarus and pressuring Ukraine to join—will be crucial for both Ukraine and Central Europe. In a newly bipolar

system, the Central European states will be much harder pressed to define their alliance policies. Thus the issue of alliance patterns acquires new importance.

As already mentioned, one of the essential elements of the pre-1989 view of international relations was the concentration on military elements of security and, consequently, on the issue of military alliances. After 1989, this view became challenged in two ways: first, and most obviously, because the Soviet alliance system collapsed. Secondly, because it is becoming increasingly clear that other aspects of security—control over energy resources, for example—are no less important. As the Eastern European states became freed from their alliance commitments to the Warsaw Pact, as stated by Gow, "this meant there could be no reliance on either alliances or autonomous military means" (because, having been so deeply integrated in the Soviet military system, their armed forces did not have a clear organization or vision) to guarantee protection of the homeland, "leaving each country in a military sense insecure,"[50] and leading to new challenges for both foreign-policy practice and international relations theory.

Alliances: Ukraine in a Bandwagoning and Balancing World

The dissolution of the Warsaw Pact and the emergence of over 20 new states in the region not only created a more fluid alliance situation—making possible many different alliance alternatives and combinations, at least in theory—but also forced us to rethink our own theoretical views on alliances. This is especially true concerning the alliance behavior of small and medium-size powers, whose role was routinely dismissed as unimportant during the Cold War.[51] In the more fluid post-Cold War environment, the international behavior of small and medium-size countries such as Slovakia, Poland, and Ukraine has acquired increasing relevance. This issue is not merely academic: different alliance patterns may in fact have important consequences for regional stability.[52]

Rather than becoming irrelevant, international relations debates may also help us to obtain some useful insights into the issue of which types of alliances are most conducive to stability—especially under current Eastern European conditions. While the traditional concepts of 'balancing' and 'bandwagoning' allow us to gain a first insight into the alliance behavior of the newly sovereign East-Central European states, other alliance patterns are also possible, with

important policy implications.[53] 'Bandwagoning' refers to a situation in which states seek to align with the source of danger or the dominant power in the region; 'Balancing' refers to a situation in which states seek allies in order to create a balance against a prevailing threat.[54] According to Walt, weak states have a propensity to bandwagon. We review these possibilities below.

Balancing

'Balancing' refers to a type of alliance-formation behavior in which states seek allies in order to create a balance against a prevailing threat (in the case of East-Central Europe, Russia). A deeper understanding of the factors and theories behind 'balancing' alliance formation may help us gain a more nuanced view of Ukraine's behavior vis-à-vis the Central European states. If one looks at the actions and political discourse of Ukrainian leaders since 1992, one can see a clear intention on Ukraine's part to play a 'balancing' role in alliance-formation in the area.[55] Within this framework, Ukraine's policy of 'Neutrality, Non-Nuclear and Non-Block Status', officially proclaimed in 1993, could be seen not so much as a 'real' declaration of neutrality, but as primarily a means to balance a Russian-dominated CIS with new foreign-policy initiatives directed at other Central European states and the West.

While the desire to 'balance' Russia may also be an important factor explaining Ukraine's desire to build improved relations with its Central European neighbors, it remains to be seen whether such expectations of a successful 'balancing' role are justified.

Bandwagoning

According to some authors, the dissolution of the Soviet bloc—and, therefore, the emergence or perceived emergence of a unipolar international system—has acted as a powerful trigger for bandwagoning behavior vis-à-vis NATO in East-Central Europe. Yet the concept of 'bandwagoning' can be used to characterize the behavior of the East-Central European states only in an indirect sense. Since in its original sense 'bandwagoning' refers to the idea of aligning with the source of danger, the behavior of the East-Central European states can be understood as 'bandwagoning' only in the indirect sense of wanting to join the ascendant coalition, which, broadly speaking, is a politico-economic coalition (understanding

this as the whole complex NATO-European Union, often referred to as 'the West'). Yet Russia remains the central 'source of danger.'

At first glance, East-Central Europe's desire to join NATO would seem to highlight the security advantages of forming alliances with an ascendant and militarily more powerful block in the context of a highly volatile environment. Yet even when used in this broader sense, the concept of bandwagoning also allows us to appreciate some of the more subtle domestic factors—related to politics and even social psychology—which may help explain such alliance behavior in today's East-Central Europe. As already discussed, these states are seeking to join the ascendant coalition (NATO) not only out of security considerations—that is, because of a possible Russian threat—but also due to longer-term calculations and psychological factors: NATO membership is seen as essential to the longer-term process of joining Western institutions and 'the West' itself, whatever this may be construed to mean.[56] Authors such as Allin have taken this argument even further: the main reason the Central European countries want to join NATO is not so much because of fear of an immediate Russian threat, but because they want to secure domestic stability in a more confident environment, thus legitimizing the Western orientation of these countries' leaderships and keeping nationalist forces in check.[57]

While not questioning the very real fear of Russia, this broader, politically-centered understanding of why Central European states may want to join the Western military alliance raises two interesting issues: first, the issue of how important the 'security dilemma' facing these countries is as a motivation for their foreign policy behavior. In the second place, Ukraine's foreign policy is also based to a great extent on the desire to acquire a certain distance and a 'separate security personality' from Moscow, which also highlights the importance of the 'civilizational' or socio-psychological element in such behavior. The Ukrainian leadership, having recognized that NATO membership is not a realistic short-term prospect, started to pursue a distinct relationship with the Alliance, as well as a special Ukraine-NATO agreement broadly similar to the Russia-NATO agreement signed in May 1997. Ukraine's changing attitudes towards NATO may also be a reflection of its evolving threat perceptions and relationship with Russia.[58]

In reality, however, Ukraine has decided to play both the CIS/Russian and Central European cards, in a foreign policy that, in reality, is status quo-oriented. The 'Baltic-Black Sea' proposals would, in fact, have fostered a Ukrainian security policy straddling both the CIS and Central Europe. Thus, as stated by Kuzio, "This

two-track policy would satisfy the nationalists on the one hand and the pro-CIS constituency on the other".[59]

The Debate on Institutions

Another area where we can find a useful intersection between international relations theory and the concrete study of emerging relations between Ukraine, Central Europe, and Russia concerns the issue of institutions, which has been one of the most fertile areas of debate in international relations theory in recent years. Debates on what kinds of institutions may be most effective in maintaining stability in post-Cold War Europe are intrinsically related to broader debates about whether institutions as such can have an independent effect on state behavior. For the 'neo-liberal institutionalist' theorists, institutions, by creating automatic security obligations of a 'collective character', can moderate the international environment and affect states' behavior in such a way as to promote cooperation. The neo-realist response to this claim argues the opposite, that the behavior of states is determined by power realities. Moreover, as neo-realist theoreticians such as Mearsheimer argue, an unjustified faith in the ability of institutions to foster peace can be very dangerous, as it may blind states and statesmen to the realities of aggression (as in the case of the Western appeasement of Nazi Germany in the 1930s).[60]

What can we learn from using this institutional approach? Taking a closer look at the debates on institutions may be helpful because this debate makes us consider some central issues concerning the relationship between belonging to some specific—that is, security—organization, and achieving this same sense and level of security by other means. The first question we have to consider here is the following: can economic links and institutions minimize or overshadow power realities in the area? Can they replace NATO membership? This question is relevant because it is clear that not all countries in the area will be under a 'security umbrella'—or at least under the *same* security umbrella. In other words, because it is clear that not all countries in the region will be able to join NATO. In consideration of this, the question arises as to whether joining other kinds of institutions—economic institutions, for example—could compensate for this 'lack'.

Whether we define security mainly in terms of 'hard' (military) power or adopt a broader definition based on the importance of

economic factors affects our view of institutions in East-Central Europe. In their belief in the positive role that new institutional arrangements could play in Europe, some thinkers are actually going back to an old idea advocated by republican liberalism, that "the spread of democracy, *aided by international institutions*" (italics mine) can limit the dangers of both instability and a new authoritarianism in East-Central Europe.[61] This ties in with the view, held by authors such as Allin, that the value of NATO for the new East-Central European democracies may be more in the symbolic/political than in the security realm: NATO membership may have special value in terms of legitimizing the Western orientation of these new democracies.

What kinds of institutions are really needed in East-Central Europe? If the main value of NATO membership were more symbolic and political than military, could economic links alone fulfill those tasks? The question of whether new economic links can override power realities in East-Central Europe is also related to long-standing theoretical debates on the role of economic relations in fostering peace. The original trade liberalist argument that economic interdependence fosters and eventually leads to peace has been refined and refocused mainly into a debate on institutions,[62] but the basic issues remain. Thus, in this perspective the further development of transborder trade between Ukraine and the Central European states is especially important. Yet this raises another question: can economic cooperation between Ukraine and Central Europe eventually substitute for the unlikely prospect of Ukraine's integration into Western security institutions?

There is great discussion about whether European Union membership—without being accompanied by NATO membership—can in the long term provide the security guarantees desired by the Central European countries. Authors such as Dana Allin, going back to the incorporation of Western Europe into US-led institutions following the Second World War,[63] suggest that aid in economic reconstruction may be more important than a more military type of 'containment'. The importance of economic security is especially clear in the case of countries such as Ukraine, where the West is not expected to provide full security guarantees in the short or medium term.

New East-Central European Institutions

Discussions about the relative strengths of various security arrangements also bring to the fore issues related to institution-building and the development of less known but no less significant new institutions in East-Central Europe. One of the points raised indirectly by Mearsheimer and other critics of liberal institutionalism is that cooperation—and, by implication, effective institution-building—is much easier to achieve in the economic than in the security field because one of the main threats to cooperation, the possible 'rapid defection' of one of the parties involved, can have much more devastating consequences in the latter. Thus, according to this theory we can expect economic cooperation between Central Europe and its Eastern neighbors, as well as between the Central European states themselves, to be much more realistic than ambitious security cooperation schemes. This is especially true in terms of possible security or military cooperation between Central Europe and Ukraine: Ukraine's military weight is too significant, and the possibility of its defection—due to pressure from Russia—too high to guarantee the 'gamble' of close security cooperation. Thus, in this view lower-key, economically-oriented approaches have a much greater chance of success. One of the aims of this book is to test this explanation.

Different authors provide different definitions of what constitutes an international institution, but we may be able to reach a minimal consensus. Mearsheimer defines institutions as "a set of rules that stipulate the ways in which states should cooperate and compete with each other". These rules are "usually embodied in organizations with their own personnel and budgets."[64] New regional institutions such as CEFTA and the Carpathian Euroregion,[65] while less known in the West, add new dimensions to the long-standing debate on the role of institutions in maintaining security. For example, can these new types of institutions, such as free-trade agreements, be considered institutions in the full sense of the word?[66] Can these institutions moderate power realities in the area? If we look at institutions not so much as organizations which can dictate states' behavior, but rather as arrangements which, over time, can "reward new types of behavior" by developing new norms and rules,[67] then we can see that new institutions such as CEFTA and the Carpathian Euroregion can do much to foster cooperative behavior in East-Central Europe.

At the same time, the concerns raised by the neo-realist critique of neo-liberal institutionalism may also help us understand the dy-

namics and limits of cooperation among East-Central European states. Approaching such cooperation from a neo-realist perspective highlights some of the motives behind the Central European states' participation in cooperation schemes such as CEFTA, for example. For realists, when states engage in cooperation, they are concerned not so much with absolute gains as with relative gains, that is, gains relative to other participating states, which can have important region-wide effects. Or, in the words of leading neo-realist Kenneth Waltz, when states cooperate, "they are compelled to ask not 'Will both of us gain', but 'Who will gain more?'"[68] When talking about Central European cooperation, the absolute gains for all the countries involved would be increasing trade and new markets and putting factories back to work; the relative gains would involve gaining a leading share in specific markets, solving structural bottlenecks, and establishing their position vis-à-vis Western organizations.

If, as argued by Mearsheimer, institutions cannot provide a solid basis for security in Europe, what can? According to many neo-realists, we may simply have to accept the fact that power considerations continue to be pre-eminent, and that further military build-ups and even nuclear proliferation may have to be accepted. Thus, neo-realists such as Mearsheimer have argued that, given the inability of institutions to provide real security guarantees, a country such as Ukraine should not have given in to US pressures to remove or destroy its nuclear weapons, so depriving itself of a strong military asset in a self-help world.[69] Such discussions about the possible value of nuclear 'proliferation' in Europe after the fall of the USSR were especially popular in the early 1990s,[70] before Ukraine decided to unilaterally give up its nuclear weapons.[71]

By giving up its nuclear weapons and accepting vague security guarantees from the West, Ukraine in fact seems to have adopted an *institutional* perspective in dealing with its foreign policy needs. Yet there are some limits to this approach: as discussed above, a variety of factors have led Ukraine's leadership to over-concentrate on, and even exaggerate, the security threats facing it.

Collective Security and East-Central Europe

Advocates of institutional approaches to building security have presented collective security as a realistic alternative to Europe's security problems. A collective security system is defined as one in

which members provide each other with mutual security guarantees of one sort or another, in case of aggression by another power. Discussions of collective security also deal indirectly with the question of whether institutional arrangements can overshadow purely power considerations. While they believe that the 'problem' of power—an essential issue for the realists—cannot be eliminated, they see institutions as key to managing, not eliminating, power relationships. The way institutions can help manage these overwhelming power imbalances is by creating automatic, collective security obligations which, by raising the prospect of overwhelming and forceful response, can deter and prevent aggression. Collective security relies heavily on the efficacy and swift use of these 'automatic' security obligations: the only way collective security can work is if these 'automatic security obligations' are really put to use, and every time an aggressor emerges it is met by 'overwhelming force'. Collective security—at least in theory—could offer an escape from the security dilemma because the very prospect of states facing any threat to the status quo jointly and with 'overwhelming force' would go a long way towards freeing states, such as Ukraine, from their perceived need to seek surpluses of power "to hedge against contingencies which, in turn, causes spirals of tension" to increase the chances of war.[72]

Besides the general theoretical problems associated with collective security systems in general, there may be some additional difficulties associated with trying to implement such a system specifically in East-Central Europe. One of the essential characteristics of a collective security system is that it is set up to defend a territorial status quo. Yet border disputes, territorial and ethnic issues in the area (especially in South-Eastern and Eastern Europe) are far from settled, and there might be no true status quo to be maintained. As a result, "the geopolitical foundation for any collective security organization would suffer from structural weakness,"[73] that is, would be quite weak to start with. Moreover, one of the basic preconditions for a collective security system to work is that "*states* responsible for disrupting the status quo would be readily identifiable and subject to punitive measures" (italics mine).[74] Yet a large number, if not most, of the serious threats to security in Eastern Europe today come not from states but from ethnic, intra-state nationalism. This situation presents a challenge which traditional conceptions of collective security, based on the need to quickly identify and punish an aggressor state, may not be able to deal with effectively. This highlights the fact that domestic factors can have more of an impact on international relations than previously as-

sumed, especially in the case of newly independent but hardly homogeneous states such as Ukraine. As stated by Russell, "collective security may not offer real guarantees in the case of countries such as Ukraine, where the main threats seem to come from within the state."[75]

Another obstacle to the success of collective security schemes in East-Central Europe does not stem from the region itself, but from the lack of either a common Western policy, or a clear security commitment to these countries. Given the lack of such a security commitment, a collective security system could lead to increased instability. As stated by Russell, in some situations collective security may actually expand war rather than contain it, because it may force the alliance—in this case, the West—to intervene in conflicts it otherwise may have chosen to ignore. Russell presents a hypothetical dilemma: in the case of a Russian attack on Ukraine, "would Europe's collective security members rally to defend Ukraine? ... Would a war waged by a collective security organization against Russia to save the political autonomy of Ukraine be in the interest of stability in Europe?"[76]

Possible Theoretical Contributions

Because of the great security fluidity of the area following the end of the Cold War, and the emergence of the region as a geopolitical factor, East-Central Europe presents an ideal ground on which to test international relations theories. Concrete research on the foreign-policy record of Ukraine, Russia, and the Central European states can provide clues to some of the theoretical issues discussed by the international relations literature. This is especially true in two areas: the role of domestic factors in foreign policy, and institutions. These two topics, in one way or another, underline each of the case studies presented in this book.

The Role of Domestic Factors

An important part of the long-standing debate between realism and liberalism has focused on whether the causes of war are ultimately to be found in the international distribution of power—that is, 'systemic-level' explanations—or in domestic factors. Realists have tended to argue that systemic causes are more important,

while 'republican liberalists' have emphasized the importance of the political system and argue that democracies tend to be more peace loving than other regimes.[77] In the case studies presented in this book, we look at the question of the role of domestic factors in foreign policy from the point of view, not only of political systems, but also of the interests of various domestic political and economic actors.

New Thinking about Institutions

What can be the role of new East-Central European institutions such as CEFTA and the Carpathian Euroregion in a debate dominated by discussions about military institutions such as NATO? Concrete research on the record of economic and political cooperation in East-Central Europe after the end of the Cold War can make a useful contribution to more theoretical debates about the sources and limits of cooperation. This is especially true given that our project will also analyze the possibilities for 'trans-wall' cooperation in the post-NATO expansion era. By gaining a better insight into the record and reasons for Ukrainian cooperation with Central Europe, we can shed light on the limits of cooperation between countries in significantly different economic predicaments, as well as on the validity and explanatory power of institutionalist explanations of why countries cooperate.

Notes

1 See 'Declaraciya pro derzhavnyi suverenitet Ukrayiny' (Declaration of state sovereignty of Ukraine), approved by the Ukrainian Parliament on 16 July 1990. For the text of the declaration, see *Holos Ukrayiny* (2 November 1993). This is the first official document containing the principles of Ukraine's foreign policy.

2 Hryhoriy Musiyenko, 'Ukrainian Natocentrism: A Round, Elliptical or Parabolic Orbit?', *Vechirniy Kyyiv* (17 January 1997), in FBIS-SOV-024 (6 February 1997).

3 Tatiana Ivzhenko, 'Non-aligned Status Becomes Bargaining Chip' (in Russian), *Nezavishimaya Gazeta* (17 April 1996).

4 Thus Smolansky's assertion that in the case of Ukraine "the proclamation of independence, the adoption of state symbols and a national anthem, the establishment of armed forces (still in their formative stage) and even the presence on Ukrainian territory of nuclear missiles—all

important elements of independent statehood–amount to little if another power, Russia, controls access to fuel, without which Ukraine cannot survive economically." Oleg M. Smolansky, 'Ukraine's Quest for Independence: The Fuel Factor', *Europe-Asia Studies* 47, No. 1 (1995), p. 85.

5 In 1995 and 1997, Belarus and Russia signed agreements abolishing borders, providing for monetary union, and creating a confederative-type formation.

6 J. F. Brown, 'Everybody Needs Russia–Including Eastern Europe', *Transition* 2, No. 23 (15 November 1996), p. 8.

7 This proposal for the creation of a collective security system including Ukraine, the Baltic States, Central Europe, and Austria was mentioned for the first time by President Kravchuk during the February 1992 meeting of the Davos Economic Forum in Switzerland. Experts such as Andrew Michta have argued that such proposals, if implemented, would be very dangerous because they could increase Russia's feeling of vulnerability. See Andrew Michta, 'Polish Security Policy since 1989', paper presented at the conference 'After the Warsaw Pact: Security and Change in the New Eastern Europe', Ohio State University, 13 April 1996. President Kuchma seems to have resuscitated his predecessor's idea in the summer of 1996 by calling for a 'nuclear-free zone' in East-Central Europe.

8 Originally an offshoot of the Visegrád consultation process, the CEFTA agreement was established in December 1992 to promote free trade and economic cooperation among member countries. As of 1996, these are Poland, Slovakia, the Czech Republic, Hungary, and Slovenia. For an early assessment of CEFTA, see Gábor Bakos, 'After COMECON: A Free-Trade Area in Central Europe', *Europe-Asia Studies* 45, No. 6 (1993).

9 Arkadii Moshes, 'Na poluputi v Evrope' ('Half-way to Europe'), *Novoye Vremya*, No. 38 (14 September 1995), p. 15.

10 See James P. Nichols, *Diplomacy in the Former Soviet Republics* (Westport: Praeger, 1995), p. 100.

11 As of 1997, the CEI (formerly 'Hexagonale Group') member countries were Hungary, Slovakia, the Czech Republic, Poland, Austria, Italy, Ukraine, and Slovenia.

12 Sergei Tolstov, participant in the conference 'Poland and Ukraine for the Stability and Development of Central Europe', organized by the Instytut Spraw Publichnych, Warsaw, 26 November 1996. On Polish policies towards Ukraine, see also Ilya Prizel, 'Warsaw's Ostpolitik', in *Polish Foreign Policy Reconsidered*, ed. Ilya Prizel and Andrew A. Michta (New York: St Martin's Press, 1995). Ukraine joined the Council of Europe in 1996.

13 Interview with President A. Kwasniewski, *Gazeta Wyborcza* (22 January 1997), in FBIS-SOV-026 (10 February 1997).

14 See I. Fedorovska, 'Vneshnaya politika Ukraina mezhdu Zapadom i Vostokom' (Ukraine's Foreign Policy: Between East and West), *Ekonomika i Politika Rossii i Gosudarstva Blizhnego Zarubezha* (July 1995), p. 21.

On the theoretical aspects of Ukraine's 'balancing' behavior, see Margarita M. Balmaceda, 'Institutions, Alliances, and Stability: Thinking Theoretically about International Relations in East-Central Europe', *European Security* 5, No. 3 (Fall 1997), pp. 85–109.

15 Taras Kuzio, *Ukrainian Security Policy* (Washington: Praeger, 1995), p. 56.

16 On this topic, see Margarita M. Balmaceda, 'Gas, Oil and the Linkages Between Domestic and Foreign Policies: The Case of Ukraine', *Europe-Asia Studies* 50, No. 2 (March 1998), pp. 257–86.

17 Concrete data on trade would seem to support this view. In 1995, trade between Poland and Ukraine increased significantly, reaching USD 1 billion. Andrzej Kupich, Department of Studies and Planning, Polish Ministry of Foreign Affairs, participant in the conference 'Poland and Ukraine for the Stability and Development of Central Europe', organized by the Instytut Spraw Publichnych, Warsaw, 26 November 1996. Official data may not include a significant amount of cross-border trade. In 1996, total trade between Hungary and Ukraine reached USD 412 million.

18 Alla Lazareva, 'NATO obeshshaet Ukraine 'pochti to zhe samoe,' chto i Rossii' (NATO promises Ukraine almost the same as Russia), *Zerkalo Nedeli* (15 February 1997), p. 5.

19 Alla Lazareva, 'NATO obeshshaet Ukraine', p. 5 (my emphasis).

20 See Taras Kuzio, 'Ukraine and the Expansion of NATO'.

21 Ukrainian writer Rotislav Khotin has pointed to some of the psychological factors involved: "Only a country with a post-totalitarian consciousness can propose a foreign policy initiative and call it a 'zone'. One can imagine what would go through the mind of the average Pole or Hungarian—'we have just come out of one zone, Soviet and Socialist, and now Ukraine is proposing another single ... It does not matter what kind of 'zone': Leonid Kravchuk's zone of security and stability, or Leonid Kuchma's nuclear free zone." Rotislav Khotin, 'Konets Zoni: Kievu ne pomeshalo by pazabyt' odnu iz svoikh diplomaticheskikh initsiativ' (The end of a zone: Ukraine would do well to forget one of its diplomatic initiatives), *Zerkalo Nedeli* (16 November 1996), p. 2.

22 See Kuzio, *Ukrainian Security Policy*, p. 153.

23 I would like to thank Marek Calka for bringing this point to my attention.

24 Yuri Davidov, *Russia and Eastern Europe*, Security for Europe Project Discussion Paper No. 4 (Brown University, 1993), p. 5.

25 Some argue that these threats are 'unrealizable' because Russia could not cut oil supplies to Ukraine without affecting its profitable Western European markets.

26 See Taras Kuzio, *Ukrainian Security Policy*, pp. 1–2 .

27 'Kuchma Visit: Partners for Peace', *Warsaw Voice* (7 July 1996), p. 5.

28 John M. Mroz and Olexandr Pavliuk, 'Ukraine: Europe's Linchpin', *Foreign Affairs* (May–June 1996), p. 62.

29 Taras Kuzio, *Ukrainian Security Policy*, p. 130.

30 James Gow, 'Independent Ukraine: the Politics of Security', *International Relations* 9, No. 4 (December 1992), p. 267.
31 Author's interviews conducted in Moscow research institutes, March 1997.
32 Moshes, 'Na poluputi v Evrope', p. 15.
33 Kuzio, *Ukrainian Security Policy*, p. 80.
34 Kuzio, *Ukrainian Security Policy*, p. 80.
35 A crisis erupted in Belarus as President Alyaksandr Lukashenko proposed and won—in dubious circumstances—a referendum which would effectively disband the Parliament, increase the executive's powers, and extend Lukashenko's mandate until 2001, with a possible prolongation until 2006. Lukashenko won a majority in a referendum widely denounced as invalid. As a result, two rival parliaments were formed.
36 *Rzeczpospolita* (27 November 1996), p. 3.
37 As of 1997, CEI member countries were Hungary, Slovakia, the Czech Republic, Poland, Austria, Italy, Ukraine, and Slovenia.
38 Roman Kuzniar, 'A Map of Security', *Polish Western Affairs* 35 (January 1994), p. 37.
39 Brown, 'Everybody Needs Russia', p. 9.
40 András Köves, *East-Central European Economies in Transition* (Boulder, Co.: Westview Press, 1992).
41 Köves, *East-Central European Economies in Transition*, pp. 126–27.
42 See, for example, Mette Skak, *From Empire to Anarchy: Post-Communist Foreign Policy and International Relations* (New York: St. Martin's Press, 1995).
43 See, for example, Paul Goble, 'The Ukrainian Security Trap', *The Ukrainian Quarterly* (Fall 1994); Kuzio, *Ukrainian Security Policy*; and Sherman W. Garnett, *Keystone in the Arch: Ukraine in the Emerging Security Environment of Central and Eastern Europe* (Washington: Carnegie Endowment for International Peace, 1997). One exception is Ian J. Brzezinski, 'Polish–Ukrainian Relations: Europe's Neglected Axis', *Survival* 35, No. 3 (Autumn 1993).
44 See, for example, István Tóth, 'Ukrajna és Kelet-Közép Európa: vonzások és taszítások' (Ukraine and East-Central Europe: Attractions and Rejections), *Valóság*, No. 11 (1994).
45 For a full discussion of this issue, see Margarita M. Balmaceda, "Institutions, Alliances, and Stability: Thinking Theoretically About International Relations in Central Eastern Europe," *European Security*, Vol. 6, No. 3 (Autumn 1997), pp. 85–109.
46 Gow, 'Independent Ukraine', p. 254.
47 Joshua S. Goldsten, *International Relations* (New York, NY: Harper Collins 1994), p. 71.
48 Kuzio, *Ukraine's Security Policy*, p. 58.
49 Kuzio, *Ukraine's Security Policy*, p. 49.
50 Gow, 'Independent Ukraine', p. 254.
51 On small states in international relations, see Robert Rothstein, *Alliances and Small Powers* (New York: Columbia University Press, 1968).

52 See Karl Mueller, 'Patterns of Alliance: Alignment Balancing and Stability in Eastern Europe', *Security Studies* 5, No. 1 (Autumn 1995), p. 44.
53 On these other possible alliance patterns, see Mueller, 'Patterns of Alliance', and Balmaceda, 'Institutions, Alliances and Stability'.
54 On balancing and bandwagoning alliance behavior, see Stephen M. Walt, *The Origins of Alliances* (Ithaca, N.Y.: Cornell University Press, 1987), p. 17.
55 For example, President Leonid Kravchuk's (1991–94) idea of creating a Baltic–Black Sea security organization, and his and his successor Leonid Kuchma's refusal to join any CIS-wide security treaties. Also, Ukraine's search for cooperation in energy exploration with neutral-oriented states, such as Turkmenistan and Azerbaijan, would support this point.
56 David G. Haglund, 'Must NATO Fail: Theories, Myths, and Policy Dilemmas', *International Journal* 4 (Autumn 1995), p. 661. Consider the comments of Polish President Alexandr Kwasniewski during a recent visit to Moscow: "We want to join NATO not because we fear anyone, but because for Poland this is part of the natural process of integration into Europe", *Izvestia* (10 April 1996).
57 See Dana H. Allin, 'Can Containment Work Again?', *Survival* 37, No. 1 (Spring 1995), pp. 54, 62.
58 On Ukraine and NATO, see Kuzio, 'Ukraine and the Expansion of NATO'.
59 Kuzio, *Ukrainian Security Policy*, p. 73.
60 Mearsheimer, 'The False Promise of International Institutions', *International Security* 19, No. 3 (Winter 1994/1995), p. 49.
61 Philip Zelikov, 'The New Concert of Europe', *Survival*, No. 2 (Summer 1992), p. 14. The republican liberalist argument is from Jack Snyder, 'Averting Anarchy in the New Europe', *International Security* 14/4 (Spring 1990), pp. 5–41.
62 For a classic trade liberalist argument, see Robert O. Keohane and Joseph S. Nye, *Power and Interdependence* (Boston: Little, Brown 1977).
63 See Allin, 'Can Containment Work Again?'.
64 Mearsheimer, 'The False Promise of International Institutions', pp. 8–9.
65 On the Carpathian Euroregion, see Roman Kuzniar, 'The Carpathian Euroregion', *Polish Quarterly of International Affairs* 3, No. 3 (1994).
66 Although both free-trade agreements and Euroregions have previously existed in Europe, none had previously existed in East-Central Europe. The Council for Mutual Economic Aid (COMECON), organized and directed from Moscow, could not be considered a free-trade agreement.
67 See R. N. Lobow, 'The Long Peace, the End of the Cold War, and the Failure of Realism', in R. N. Lobow and T. Risse-Kappen, *International Relations Theory and the End of the Cold War* (New York: Columbia University Press, 1995), p. 49.
68 Kenneth Waltz, *Theory of International Politics* (Reading, M. A.: Addison-Wesley Press, 1979), p. 105. See also the section 'Cooperation in a Realist World' in Mearsheimer, 'The False Promise of International Institutions', pp. 12–13.

69 For Mearsheimer's early views on this issue, see his 'Should Ukraine Stay Nuclear?', *Foreign Affairs*, No. 3 (Summer 1993), pp. 50–66. For a more general discussion of the controversy, see Peter Rutland, 'Search for Stability', *Transition* (23 June 1995), pp. 20–23. For a more theoretical discussion of proliferation in the post-Cold War world, see Zachary S. Davis and Benjamin Frankel (eds.), 'The Proliferation Puzzle', special issue of *Security Studies* 2/3, No. 4 (Spring–Summer 1993).

70 I have reservations about using the term 'proliferation' or 'instant proliferation' to refer to Ukraine's and Kazakhstan's inheriting of nuclear weapons after the dissolution of the USSR. Using the term 'proliferation' implies a certain value judgement when applied to other Soviet successor states, but not to Russia, as if only Russia was the sole rightful successor of the USSR, and the only one 'legally' allowed to inherit all of the USSR's military arsenal.

71 After much debate, the Ukrainian parliament ratified the Non-Proliferation Treaty in November 1994.

72 Richard Russell, 'The Chimera of Collective Security in Europe', *European Security* 4, No. 2 (Summer 1995), p. 243. Russell goes on to criticize the proposals for collective security as an unattainable chimera.

73 Russell, 'The Chimera of Collective Security', p. 245. It could be argued that the very fact that borders in the area are 'unsettled' makes a collective security system even more necessary to protect this status quo. Yet need is no guarantee of ultimate success.

74 Russell, 'The Chimera of Collective Security', p. 246.

75 Russell, 'The Chimera of Collective Security', p. 246. I would argue that, even given the importance of domestic factors, a 'collective security' system could still offer significant advantages to countries such as Ukraine—decreasing their feelings of 'security dilemma' for example.

76 Russell, 'The Chimera of Collective Security', p. 249.

77 This argument can be found in Michael Doyle, 'Liberalism and World Politics', *American Political Science Review* 80, No. 4 (December 1986).

2. The Warsaw–Kyiv–Moscow Security Triangle

MAREK CALKA

The aim of this chapter is to analyze the evolution of Poland's relations with her most important Eastern neighbors—Russia and Ukraine—and how these relationships affect each other. A second aim is to understand how these relations affect—or may affect—the newly emerging post–Cold War European security arrangements.

This chapter consists of six sections. The first is a historical introduction which seeks to explain how the two most influential schools of political thought in Poland developed their attitudes towards Russia and Ukraine, and how these attitudes affect contemporary Poland's Eastern strategy. The second section deals with the issue of Poland's 'two-track policy', presenting this concept and its influence on the fall of the Soviet Union in the early 1990s. The third section is devoted to the controversial internal discussion on 'two-trackism' and how it provoked turbulence in Polish Eastern policies in 1994 and 1995. Sections four and five examine the evolution of Polish–Ukrainian and Polish–Russian bilateral relations. They are divided into subsections which seek to explain what was the essence of Russia's anti-NATO strategy, how Polish domestic debates affected Warsaw's policy towards Moscow and Kyiv, and what was the influence of Polish–Ukrainian relations on their position vis-à-vis Moscow. Section six examines the gradual shift of Poland's Eastern policies after 1996, and how national consensus was achieved in this area. This section also explores the question of whether this new strategy is a workable one and could benefit the cause of stability and democratic development in East-Central Europe.

Entangled Roots

From the end of the eighteenth century—the third partition of Poland—until the 'Autumn of the Nations' in 1989, Poland was trapped between the two most dynamic and dominant powers of the East-Central European region: Russia and Prussia/Germany. This provoked Polish political thinking to meander between them in its search for the reconstruction of the state. At the end of the nineteenth century, two dominant schools of thought appeared. Each of them directly or indirectly dealt with the issue of the very existence of the Ukrainian nation and the possible emergence of the Ukrainian state as an element in the strategy of Polish '*risorgimento*'.

The first of these schools of thought—known as the 'Promethean School'—proposed the creation of a federation composed of Poland, Lithuania, and Ukraine (and possibly Belarus as well) following the restoration or establishment of these nations' statehood. The assumption behind this concept—whose chief architects were Jozef Pilsudski and Leon Wasilewski—was that only the existence of independent nations in East-Central Europe separating Poland from Russia could create a permanent barrier to the growth of Russian imperialism.

Proponents of the so-called 'realist' approach—headed by the right-wing leader Roman Dmowski—considered both the establishment of independent Ukrainian and Belarusan states and their federation with Poland as unrealistic. They therefore proposed a de facto partitioning of Ukrainian and Belarusan lands between Russia and Poland, the assimilation of the 'Slav national minorities' inhabiting them, and the establishing of Poland's security strategy on a friendly Warsaw-Moscow relationship.[1]

Attempts to carry forward the federalist-Promethean concept after the First World War and, particularly, during the Polish-Bolshevik war (1920-21) proved a failure. Nor did a partial realization of the ideas of the nationalist right produce the expected results. But the Promethean concept did without doubt become one of the factors accounting for the ease with which the Ukrainian independence movement underwent radicalization.

Yet conflict is also an important part of the Ukrainian-Polish legacy. The ultimate outcome of the mounting frictions between Poland and Ukraine were the Ukrainian-Polish armed conflict and the 'ethnic cleansing' carried out first by the Ukrainian Patriotic Army in Volhynia (summer 1943) and then by Poland's communist

authorities as part of Operation Vistula (1947). In a sense, Operation Vistula was a continuation of a 'realistic' policy whose basic premise—the cultivation of friendly relations with Moscow at the expense of Ukraine and other nations occupying the lands between Poland and Russia—was accomplished in full by Poland's post-war Communist government.

At this point, it is worth noting that the implementation of the 'realist' agenda—which included the denationalization of thousands of Ukrainians forcibly resettled in the interior of Poland—took place in the context of the complete satellitization of Warsaw by the Moscow center. In other words, the basic aims of the 'realist' policy—the reinforcement of Poland's independence and friendly relations with Russia—were not achieved. (The protestations of friendship routinely recited by Russia's and Poland's Communist leaders can hardly be described as sincere).

Given the censorship and the restrictions on independent political discourse in Communist Poland, the most interesting ideas regarding the restoration and strengthening of political and national sovereignty emerged from the Polish communities in exile. Unquestionably, the outstanding role in this respect was played by circles associated with the Paris-based journal *Kultura* and its long-standing editor Jerzy Giedroyc. Under his patronage the 'BLU' concept—from the acronym for Belarus-Lithuania-Ukraine—authored by Juliusz Mieroszewski, was elaborated. This concept was a development of the Promethean idea and its central thesis was that Poland's security and sovereignty had to be founded on strategic links with these three countries. Mieroszewski placed special emphasis on the necessity of developing the best possible relations with Ukraine. He believed that they would not only guarantee the demise of Russian imperialism in Europe but also contribute to the development of partner-like relations between Warsaw and Moscow (in accordance with the paradigm: 'The possibilities of the Polish ambassador in Moscow will be in direct proportion to the position of his colleague in Kyiv').

1989–92: The Two-Track Policy

In 1989, both schools of thought—the 'Promethean' and the 'realistic'—resurfaced in revised versions. The bone of contention between these two views of Poland's contemporary Eastern policy became not so much their attitudes towards Russia as their assess-

ments of Ukraine's chances of preserving effective sovereignty. After the break-up of the Soviet Union the skeptics took up 'neo-realistic' positions (Polish 'Russia-firsters'), while supporters of the Mieroszewski theory aimed at pursuing a 'neo-Promethean' policy involving a combination of building as close and friendly a Kyiv-Warsaw relationship as possible and international lobbying for external support for Ukrainian independence.

At first, from 1989 to 1991, both groups worked together, cooperating in what was called a two-track policy. This consisted in seeking closer ties with the regional centers—including Boris Yeltsin's camp as an alternative to the Central Committee of the Soviet Communist Party—in the process of emancipating themselves from the central Soviet authority, while at the same time maintaining polite relations with official Moscow.[2]

This policy bore fruit not only in the good official relations which were established with all the neighboring post-Soviet states more or less immediately after their declarations of sovereignty and the break-up of the USSR. Subsequent to the official Polish-Soviet negotiations on the basic treaty agreement conducted by the Polish Ministry of Foreign Affairs (1990-91), Warsaw managed to establish relations with the authorities of the Russian Soviet Federal Socialist Republic (RSFSR). On 16 October 1990 the Declaration on Friendship and Good Neighborliness between the Republic of Poland and the Russian SFSR was signed in Moscow. This unprecedented act was followed by a series of visits by Polish and Russian parliamentarians in April 1991.

Some Western analysts have argued that this line of action catalyzed the implosion of the Soviet Union.[3]

While relations with the 'new Russia' were quite good and seemed promising, the Polish-Russian Treaty negotiations process faced serious complications due to the limits Moscow sought to impose on the sovereign foreign policies of the Central European states. (This was the so-called 'Kvitsinsky-Falin Doctrine' pressuring for the confirmation of the permanent non-block status of these states in the treaties they concluded with the USSR.) Poland decisively rejected these Soviet demands. Finally, the Polish-Soviet Treaty was signed on 10 December 1991, two days after the dissolution of the USSR (8 December), which rendered it politically unimportant.

Polish Minister of Foreign Affairs Krzysztof Skubiszewski visited Kyiv on 13 October 1990 in order to sign a bilateral Declaration on the Establishment of Official Relations between the Republic of Poland and the Ukrainian SSR. This strategy continued over the

next year. In September 1991 Warsaw welcomed Ukrainian Minister of Foreign Affairs Anatoliy Zlenko, and Poland made clear its willingness to recognize Ukrainian independence as soon as it was officially proclaimed. The direct consequence of the aforementioned declaration was Poland's official recognition of Ukraine's independence in December 1991 immediately after the results of the Ukrainian referendum on independence had been made public.

The Polish–Ukrainian Treaty was signed in Kyiv by Presidents Lech Wałęsa and Leonid Kravchuk on 18 May 1992. Given the fact that the history of relations between these two nations has been full of ethnic conflicts, wars, and political crimes, the swift and unproblematic conclusion of the Treaty should be recognized as a success for both Polish and Ukrainian diplomacy. Immediately after that (on 22 May 1992) the Polish–Russian Treaty was signed. At that time, the only problem facing Polish–Russian relations seemed to be the conclusion of the final agreement on the withdrawal and transfer of former Soviet troops from Poland and the former East Germany.

But by the turn of 1992 events had made the two-track policy irrelevant and the ways of the 'neo-realists' and the 'neo-Prometheans' parted.

1992–93: Lost Opportunities?

The period which followed the collapse of the USSR (mainly 1992–93) is often judged to have been 'lost' for Polish Eastern policy. Critics of the government's post-Soviet policies represented various, and often completely different political options. Their chief complaints were the lack of a clear-cut policy and the failure to take advantage of economic opportunities in the East.

An often-reported criticism was the Polish government's alleged incompetence in the choice of main partner: should it have been primarily Russia or rather the countries situated between her and Central Europe (in particular Ukraine and Lithuania)? Voices from other quarters spoke of the lack of a proper approach to economic cooperation, mainly with Russia, the loss of that country's markets, and, in consequence, the spoiling of 'good political relations' with Moscow. Yet it must be said that both the apparent lack of political consistency in this period and the basic dismantling of economic links were due to objective factors and are only partly open to

criticism.[4] The meandering of Polish Eastern policy in 1992–93 sprang from three factors of both an internal and an external nature. In the first category we can place the concentration of political and social elites on the processes shaping the country's political life and the continuation of economic reforms which were being pursued in an extremely difficult social situation. A second set of factors had to do with Poland's international and domestic policies, which were directed towards the swiftest possible attainment of Western standards in the areas where this was feasible and the focusing of Polish diplomacy in a Westward direction. This was connected with the country's chosen international priorities: integration in the European Union and NATO.

This brings us to the third group of factors: the specific subordination of Polish foreign policy to the goal of integration into Western institutions, which implied the necessity of its accommodation to the line followed by the leading Western countries and institutions. This applied not only to issues such as participation in international sanctions, but also to relations with Poland's Eastern neighbors. The 'Eastern'—or rather 'post-Soviet'—'policy' of the West was chiefly concerned with the problems of denuclearization and extending material and moral assistance to 'Russian democracy',[5] and these priorities came to affect Poland's Eastern policies as well.

Under these circumstances, the possibilities of a greater diversification of Poland's Eastern policy and provision of effective support for the newly independent states became extremely limited. This set of reasons explains why President Kravchuk's idea of a 'Baltic Sea–Black Sea Zone of Security and Cooperation' proclaimed in the first half of 1992 was not considered seriously by Warsaw.

A judicious assessment of the situation and selection of priorities was also made more difficult by the uncertainties surrounding political developments in the East and a certain mythologization of the role and place of Poland in this region.

The 'neo-Promethean' and the 'neo-realist' approaches clashed. The first stressed the necessity of supporting Lithuania, Belarus, and, above all, Ukraine, whose independence was seen as a guarantee not only of Poland's security but also of future partner-like relations between Moscow and Warsaw. The second approach, cultivated in some intellectual circles—especially those with links with former Russian dissidents and intellectuals—postulated the need to develop friendly ties with the 'new Russia' which had 'become a democratic state' and should now be led into Europe via the 'Polish

bridge'. (Such a vision of bilateral relations had its roots in the aforementioned ties between opposition groups in the 1960s and 1970s when Poland, culturally and academically far more liberal than Russia and other 'bloc' countries, played the role of a 'window on the world' for the Russian intelligentsia.)[6]

Proponents of this second option found a common language on some issues with a small but vociferous section of the traditionalist right which was suspicious of Germany and sought a counterbalance in Russia. This approach minimized both the significance of the rise of the new independent states and the results of the process of Polish–German reconciliation and cooperation. Poland's economic contacts with her Eastern neighbors did indeed contract greatly during this period. But the reasons were of an objective nature. They included the basic differences in the pace, quality, and direction of economic change in Poland and in the majority of the newly independent states of the former USSR, the reorientation of both Poland's and her Eastern neighbors' economic relations due to the development of links with the developed West, dismantling of administrative pressures enforcing the old forms of cooperation, and, last but not least, the profound criminalization, lack of clear-cut 'rules of the game', disregard for the law, and erection of incomprehensible administrative barriers in the majority of the post-Soviet republics.[7]

The Period of Reappraisals: Polish–Ukrainian Relations 1994–95

The years 1994–95 became a period of discussion and crystallization of the design of Polish Eastern policy, and also of the new Russian policy towards East-Central European countries. However, 1994 could have been a turning point in Poland's relations with the East. The Clinton–Yeltsin–Kravchuk agreement signed in December 1993—which provided for the denuclearization of Ukraine but also heralded a change in Washington's approach to post-Soviet issues—and the Partnership for Peace program, launched soon afterwards, created a framework for a new Polish Eastern policy. This time, Poland's approach was basically consistent with the line followed by the West. But these opportunities were only partially used. This was due to several factors: Russia's policies towards East-Central Europe, which were aimed at blocking its integration into NATO and the EU and at preventing the strengthening

of the political structures of the Visegrád Group; the confusion created by the presidential and parliamentary elections in Ukraine, which together with the more general doubts as to Ukraine's ability to consolidate political independence made constructive cooperation with that country impossible; and, last but not least, internal Polish controversies which also embraced foreign policy issues and were provoked by post-communist parties superseding the post-Solidarity majority in the Polish parliament.[8]

For some of these reasons, in the autumn of 1993 the Polish authorities decided to embark on an action which would catalyze the political situation in and around the region. During Boris Yeltsin's visit to Poland in September of that year, efforts were made to secure the change of Russia's policies towards Poland, obtain the Kremlin's approval for Poland's NATO membership, and establish new partnership ties between Warsaw and Moscow by signing the agreement on the construction of the Polish section of the Yamal gas pipeline. However, the results of these efforts turned out to be the opposite of what had been expected (with the exception of the question of troop withdrawal).

Ukraine regarded the signing of the Yamal gas pipeline agreement with Russia as a blow aimed at its national interests, which was all the stronger as it coincided with Poland's 'abandonment' of an active Eastern policy (which is how Kyiv interpreted Warsaw's intention of speeding up integration into NATO).[9] As a result, Poland lost the confidence of its Ukrainian partner. The Ukrainian authorities found themselves in a difficult situation, all the more so as the opinion polls taken on the eve of the elections in that country indicated a decline in interest in maintaining independence, which many observers attributed to the adverse economic situation. Meanwhile, the agreement signed in Moscow on 14 January 1994 by Clinton, Yeltsin, and Kravchuk on making Ukraine a nuclear-free state, while ending Ukraine's international isolation, did not lead to a growth in the West's support for the country's sovereignty.

Political Relations

At the beginning of 1994, Poland's policy towards Ukraine was confronted with several concrete tasks. The most important of them was to repair the bad impression created by the Yamal decision and to rebuild confidence and Warsaw's prestige in the Ukrainian capital. It was also necessary to resume efforts to secure

the reactivation of Western policies towards Kyiv. The new international situation—Ukraine's emergence from isolation and the opening of possibilities connected with the participation of both countries in the Partnership for Peace program—were other arguments in favor of devising and implementing a clear vision of Poland's Ukrainian policy.

Various political circles in both countries acknowledged the need for the improvement and growth of Polish–Ukrainian cooperation. The Ukrainian authorities continued to search for Poland's support in balancing Russian influence and getting closer to Central and West European structures. Poland was following with anxiety the surge of hegemonic tendencies in Russia and there was growing understanding of the need to support an independent Ukraine.[10] The Eastern policy program prepared by the Ministry of Foreign Affairs envisaged the development of Polish–Ukrainian cooperation in the pursuit of regional security, and promised to incorporate some elements of Kravchuk's regional security proposals. Its authors pointed to the need to take advantage of some of the mechanisms proposed by the CSCE and especially of the new possibilities opened up by the Partnership for Peace program.

Ukrainian Foreign Minister Anatoliy Zlenko visited Warsaw in late March 1994. During that time, he held many meetings with top Polish politicians. The most important result of the visit was the 21 March 1994 signing by the foreign ministers of the two countries of a Declaration on the principles of shaping the Polish–Ukrainian partnership, in which the two sides emphasized: the strategic importance of both countries' independence; the will to make closer Polish–Ukrainian partnership an important element of a Europe-wide security system; the intention to implement this concept by means of the Partnership for Peace program and such institutions as the CSCE, the United Nations, the North Atlantic Cooperation Council; openness to cooperation with other countries of the region; and the will to develop bilateral cooperation in various areas.

Bilateral consultations and attempts to put into practice the principles of the Declaration nearly came to a halt in connection with the election campaign and presidential and parliamentary elections in Ukraine (spring–summer 1994). The Polish–Ukrainian political dialogue was only resumed in autumn 1994. This took place after Leonid Kuchma's inauguration, attesting to the new president's firm emphasis on Ukraine's sovereignty. Yet dialogue was difficult because of Ukraine's lingering doubts about Polish intentions and her fears over the acceleration of NATO's eastward enlargement. Ukraine's anxiety was fueled not so much by Poland's

dynamic efforts to secure NATO membership as by the lack of appropriately advanced dialogue and cooperation on questions of security between Ukraine and Poland and between Ukraine and the Atlantic Alliance. Most of all, Ukraine was afraid of being left to face Russia on its own and becoming its satellite in the aftermath of NATO expansion.[11]

On 16 November 1994, Poland's Minister of Foreign Affairs Andrzej Olechowski paid a visit to Kyiv. He met with his Ukrainian counterpart Hennadiy Udovenko and was received by Premier Vitaliy Masol and President Leonid Kuchma. The main topics discussed during this visit were the possibilities for the development of cooperation in the field of economics and regional security. Minister Olechowski made a statement to the effect that Warsaw wished to assign priority to relations with Kyiv. As he was visiting Ukraine, Olechowski's article 'Towards a Single and Secure Europe' appeared simultaneously in *Rzeczpospolita*, *Holos Ukrayiny*, and the Belarusan *Narodna Hazeta*. In this article, Olechowski presented the Polish view on the future of European security. He strongly emphasized the need to preserve the fragile unity of the continent, pointing out that the best way to reach that goal was through the gradual widening of the Euro-Atlantic structures. He also declared Poland's support for the new independent states, noting that this did not mean that Poland took a dim view of closer ties between them. On the contrary, if the establishment of such bonds was not accompanied by the use of force or violations of the democratic process, Poland regarded them as a natural process, consistent with international order and generally useful. This is precisely how Poland viewed the process of integration within the Commonwealth of Independent States (CIS).[12] These views—particularly Olechowski's extremely positive evaluation of the CIS—once again awakened the suspicions of the Ukrainian side. Several days later, when he was visiting Washington (22-23 November 1994), Kuchma again voiced misgivings about the pace of and even the need for NATO expansion further East. In the same statement, he failed to dissociate himself clearly from the rumors—circulated by the *Washington Times*—about alleged Polish territorial claims against Ukraine.[13] The Ukrainian President's statement was a clear message to the Polish side, which was expecting a clear-cut confirmation of Ukraine's acceptance of its own Atlantic aspirations. (At that time, Kuchma's associates were still hoping to obtain Russia's consent for the implementation of Nursultan Nazarbayev's concept of a 'Euro-Asian Community', a post-Soviet structure but patterned to some extent on the European Union. Such an

outcome could have meant that Kyiv would have had to revise its strategy towards Warsaw.) It became clear that the lack of political action 'cushioning' the process of Poland's drawing closer to NATO and aimed at increasing the stability and security of the whole region in cooperation with Ukraine would translate into Kyiv's growing objections and could possibly entail the establishment of closer political ties with Moscow.

This was the setting for the December 1994 visit of Ukrainian Supreme Council Chairman Oleksandr Moroz to Warsaw, where he met with Premier Waldemar Pawlak and Minister Andrzej Olechowski. The latter confirmed Poland's support for the admission of Ukraine to the Central European Initiative. The most important step in Polish–Ukrainian rapprochement, however, was President Kuchma's visit to Poland to attend the ceremonies marking the 50th anniversary of the liberation of the Auschwitz concentration camp (26 January 1995). During their meeting, the presidents of the two countries voiced their readiness to develop Polish–Ukrainian cooperation. They also decided to resume the activity of the Consultative Committee of the Presidents of Poland and Ukraine (appointed in April 1995), which was to be headed by Ministers Volodymyr Horbulin (Ukraine) and Andrzej Ananicz (Poland).

The plenary meeting of the Consultative Committee was held on 27–28 September 1995. The members and invited experts carried out a comprehensive review of Polish–Ukrainian relations. They agreed on the need for regular consultations between the foreign ministries of the two countries, and discussed problems connected with the formation of the Polish–Ukrainian Forum, cooperation at the level of military districts (especially the Cracow military district in Poland and the Carpathian military district in Ukraine), holding bilateral military exercises, and the creation of joint Polish–Ukrainian military units for peacekeeping operations under the aegis of the UN, the OSCE, and the Partnership for Peace program. Much attention was also paid to economic topics, focusing on laying out the strategic directions of cooperation.[14] It is also worth mentioning the April 1995 visit to Warsaw of the Ukrainian Minister of Foreign Affairs Hennadiy Udovenko, who took part in a meeting of Foreign Ministers of the countries of the Central European Initiative. Both on this occasion and during bilateral Foreign Ministry consultations held in Warsaw in July, the Polish side declared all-out support for Ukraine's full membership of the CEI. Political contacts at the highest level in 1995 were crowned by visits to Poland by Speaker of the Ukrainian Parliament Oleksander

Moroz (December 1995), and Prime Minister Yevheniy Marchuk (in October to attend the CEI summit and on an official visit on 18 December).

Cooperation on Regional Security Issues

In the years 1992–93, despite pressures from various political and academic circles, Polish decision-making bodies rejected the possibility of major military and political cooperation with Ukraine. Meanwhile, the Ukrainian authorities, seeking to counterbalance relations with Russia, came up with a proposal to build regional security structures—a 'Zone of Stability from the Baltic to the Black Sea', also known as the 'Kravchuk Plan'. The lack of support for this initiative by NATO member countries, Ukraine's unclear position on denuclearization, and the reluctance to antagonize Russia were responsible for the lack of Polish interest in the plan.

At the end of 1993 and the beginning of 1994, as the political situation in East-Central Europe began to stabilize and the Partnership for Peace program was announced, it became both necessary and feasible to initiate regional military and political cooperation. A framework for such relations between Poland and Ukraine was provided by the aforementioned Declaration adopted by the foreign ministers in March 1994. On 7 April 1994, the then Polish Defense Minister Piotr Kolodziejczyk paid a visit to Kyiv, during which he met with Defense Minister Vitaliy Radetski and President Leonid Kravchuk. During the talks, the sides discussed the possibilities of cooperation within the Partnership for Peace program—including plans for joint military exercises—in special areas of industry, and in military conversion. The preparations for such cooperation continued during the visit to Poland of the Ukrainian Chief of Staff General Anatoliy Lopata in early May 1994. This led to the participation of a Ukrainian unit in the 'Cooperation Bridge' exercises at Biedrusko near Poznań in September 1994, which were an element of the Partnership for Peace program.[15] These experiences augured well for the future. They demonstrated the need for and the possibility of avoiding the development of a 'gray zone of European security'. This was important in a political as well as a psychological perspective (the latter aspect was particularly important in the context of the aforementioned Ukrainian fears and doubts concerning NATO enlargement).

The intensification of military cooperation made a major contribution to the improvement of the general state of Polish–

Ukrainian relations in 1995. This cooperation got off to a propitious start in Przemyśl with talks between the Chiefs of Staff of the Armed Forces of Poland and the Ukraine, Generals Tadeusz Wilecki and Anatoliy Lopata. These discussions were continued by the Defence Ministers of the two countries, Zbigniew Okonski and Valeriy Shmarov, during their meeting in Solina (4–5 October 1995). In the communiqué issued after the talks, the ministers expressed the will to tighten political-military relations between the two countries in a spirit of respect for each other's sovereignty. According to the document, the accomplishment of these goals would be promoted through regular consultations on regional security; joint military endeavors (both bilateral and under the Partnership for Peace program, with the participation of other partners from the region); development of cooperation between Polish and Ukrainian military units; greater cooperation in officer training; and development of cooperation in military technology. The communiqué also announced that work would soon start on the formation of a joint Polish-Ukrainian peacekeeping unit.[16] This idea, which was first conceived in June 1995 during the visit of Minister A. Ananicz to Kyiv, was brought up again in July by Ukrainian Deputy Foreign Minister Borys Tarasyuk. The decision to go ahead was made in October, and as early as November working delegations of the Cracow and Carpathian Military Districts were working out the details.

Giving concrete content to the idea of military cooperation was crucial in order to overcome a certain amount of mistrust in Polish-Ukrainian relations. It turned out that it was possible to develop cooperation in a field regarded as highly sensitive, notwithstanding the different ways in which the two countries expressed their future goals in the security sphere. What is most important for Poland is accession to the European and Euro-Atlantic system of institutions as quickly as possible, while Ukraine seems to think that preservation of the status quo is in its best interests. Ukraine's position of attempting to conduct a policy of relative balance between Russia and the CIS on the one hand and the West on the other has undergone changes, however. "To generalize, one can say that as Kyiv strengthened its international position, leading Ukrainian politicians more often expressed themselves in favor of enlarging the [Western] Alliance."[17]

In 1995, Ukraine conducted a lively dialogue with the United States—culminating in the May visit of President Bill Clinton to Kyiv—and with the major Western European powers; developed its relations with NATO (the Partnership for Peace program and a

document on a special dialogue between the Alliance and Ukraine were signed in September); and strove to expand the dialogue with the WEU and the EU (signing of the so-called Transitional Agreement in June). It is also worth mentioning some concrete examples of Polish-Ukrainian cooperation in the international arena. Poland supported Ukraine's bid for membership in the Council of Europe—achieving this goal has been one of the greatest successes of Ukrainian diplomacy—and of the CEI (during Poland's chairmanship the decision was taken to grant Ukraine the status of full-fledged member of this organization in spring 1996). Kyiv in turn supported Poland's bid for a place on the UN Security Council as a non-permanent member. All of these facts strengthened Ukraine's ties with the West and also affected her position towards crucial European security issues. Yet Ukraine fears that NATO enlargement will turn it into a buffer state situated between countries belonging to the Alliance and the signatories of the Tashkent Treaty, thereby exposing the country to intensified Russian pressure. That is why—emphasizing that every country has the sovereign right to join the alliance of its choice and that no one has the right to veto the decisions of others—Ukraine has been appealing for the construction of an indivisible European security system which also takes its national interests into consideration. Here one must emphasize the importance of Ukraine's balanced position in circumstances of complicated relations with Russia, when Russia's opposition to the enlargement of the Alliance was still being articulated in categorical terms. By the end of 1995 it seemed that Ukraine was ready to accept Poland's membership in NATO without any serious reservations. In December 1995 President Kuchma stated that NATO enlargement to the East did not constitute a threat to Ukraine's security, while the very existence of this military alliance was an element of stability in Europe.[18]

Relations With Russia, 1994–95

Towards the end of 1993—after Yeltsin's victory over the rebellious Parliament—some measure of order was introduced on the Russian political scene. Representatives of the technocratic milieu and of the army gained the upper hand in the government. Democratic circles were forced to retreat into opposition, along with the die-hard 'patriotic-neo-communist' forces, part of whose program was taken over by Yeltsin. This led to a stiffening of Russia's foreign

policy towards the West and especially towards the East-Central European countries.

In November 1993, the new Russian military doctrine was published, echoing the prior–January 1993–foreign policy outline of the Russian Federation.[19] Both documents emphasized the need to preserve the 'friendly neutrality' of East-Central Europe. The admission of the region's states to any defense alliance would be viewed as an attempt to revise this state of affairs and as one of the main threats to Russia's military, political, and economic security.

The aspirations of Poland and its neighbors concerning integration within the European Union aroused fewer misgivings. This is not to say, however, that these ambitions were approved; if anything, Russia's silence on the issue was the result of its rather skeptical assessment of these plans. On the other hand, it was suggested that it might be possible to rebuild some old economic ties and to establish new ones with former COMECON members, which would make it easier for Russian businesses to make inroads in Western markets using the Central European countries as a springboard. The prominent Russian political scientist Oleg Bogomolov, director of the Institute of World Economic and Political Research (IMEPI), wrote:

> It has turned out to be virtually impossible for the East-Central European economies to make up for the loss of trade in the post-Soviet market. The low relative quality of many East-Central European products and elaborate trade restrictions and agreements have made the Western European and US markets especially difficult to penetrate. As the dismal prospect of rapid integration into Western markets of most of the East-Central European economies becomes ever more apparent, it is reasonable to expect that these countries will show a renewed interest in trade and cooperation with Russia, Ukraine, and Belarus ... By virtue of its position between Russia and Western Europe, East-Central Europe has the potential to provide Russian businesses with access to international markets. Russian enterprises will find it easier to establish new business contacts through the mediation of the Czech Republic, Poland, and Hungary.[20]

Hopes were pinned in particular on cooperation in the transit shipment of strategic Russian raw materials, especially gas, though the planned Yamal gas pipeline from Siberia to Western Europe; on strengthening Russia's position on Central European fuel and energy markets; and on Russia's return to the position of a leading arms exporter.

At the beginning of 1994, the 'freezing' of Poland and its neighbors in a 'gray zone' of European security and the pursuit of the economic interests enumerated above became the chief strategic goals of Russia's policy towards East-Central Europe.

Russia's Attitude to Polish Offers of Cooperation

Polish foreign-policy makers were faced with new challenges in Polish–Russian relations. These included first and foremost Russia's increasingly vocal opposition to the idea of NATO's eastward enlargement. Another challenge was the need to solve such economic issues as the problem of mutual debt, the signing of the Yamal project agreement, and the conflict over the use of Alaskan pollock fishing grounds in the Sea of Okhotsk.

The will to expand Polish–Russian dialogue and cooperation stemmed also from the economic priorities and the political outlook of the new ruling coalition in Poland. It was articulated through the informal meeting between Poland's Foreign Minister Andrzej Olechowski and his Russian counterpart Andrei Kozyrev during a Polish–Russian conference 'Towards a New Partnership' in Cracow on 23–25 February 1994. (Kozyrev came to Cracow after visits to Prague and Budapest.)

Olechowski wanted to use the meeting as an opportunity for presenting a new program of economic cooperation with the East, called 'Partnership for Transformation'. He also wished to explain the problem of Poland's Euro-Atlantic orientation and establish a bilateral dialogue on European security. The assumptions of this program, devised by the Polish Ministry of Foreign Affairs, envisaged, for example, the establishment of the East European Trading Initiative, the implementation of which would make it possible to "implement modern legislation governing trade, consistent with GATT principles ... the establishment of a system of bilateral trade preferences; the development of services that facilitate trade, such as banking, forwarding or transport services; setting up financial institutions facilitating settlements and making it possible to compete with Western exporters".[21]

During the meeting with Kozyrev, Olechowski also proposed the establishment of several multilateral East European institutions: the Association for the Prevention of Organized Crime, a forum of experts in the shape of a Consultative Committee for Democratic Transformations and Market Reforms, and periodic meetings facilitating dialogue between the political elites of East-Central Eu-

rope.[22] Speaking on the issue of European security, Olechowski emphasized Poland's hopes related to the Partnership for Peace program, voicing the conviction that Russia would also accede to it. During this meeting the Russian Foreign Minister started his remarks by criticizing the terms 'partnership' and 'transformations' as foreign and 'un-Slavic'. Instead, he proposed the term "common changes or *perestroika*" (*sovmestnye pereobrazovaniya ili perestroyka*). This seemingly trivial change confirmed that the Russian approach to Polish–Russian relations was completely different to that of Poland. Kozyrev's speech focused on criticism of the idea of NATO's eastward enlargement and on a presentation of the Russian vision of a new European order. One Russian proposal concerned the development and transformation of the CSCE into an institution coordinating the efforts of NATO, the EU, the Council of Europe, the Western European Union, and the CIS with the goal of promoting stability on the European continent. The Russian side also proposed to transform the North Atlantic Cooperation Council into an autonomous institution dealing with military and military-technology cooperation. The Russians also offered the possibility of East-Central Europe obtaining cross-guarantees of security from the Russian Federation and the biggest Western powers in exchange for abandoning their plans to join NATO. The ostentatious dismissal of the Polish proposals and the general tenor of Kozyrev's remarks clearly indicated that Russia did not accept Poland's political emancipation and that it wanted to reduce bilateral relations to dimensions which would guarantee the implementation of its strategic interests in the Central European region and in Europe in general.

The way in which Moscow newspapers commented on Kozyrev's visit was also telling. Commentators pointed to a fundamental divergence of opinion concerning the building of a new system of European security, and regarded Poland's position as particularly unfriendly towards Russia.[23] At the same time, Russian commentators emphasized the 'more balanced' position taken by Hungary and the Czech Republic, thus trying to portray Poland as the driving force behind the 'Russophobic' policy of the countries of the region. With time, this became one of the main arguments used by Russian propaganda to discourage the NATO countries from establishing closer cooperation with Warsaw, whose 'bad relations' with Moscow allegedly threatened to poison the Alliance's relations with Russia.

The Limits of Compromise and the Limits of Risk

A number of Polish politicians visited Moscow in March and April 1994. Most of them sought an improvement of bilateral relations and embarked on attempts to solve the main problems blocking the development of economic cooperation. A Sejm delegation headed by Speaker Józef Oleksy and including Foreign Affairs Committee chairman Bronisław Geremek and Constitutional Committee chairman Aleksander Kwasniewski arrived in Moscow on 30 March 1994. During meetings with representatives of the State Duma, and also with Minister Andrei Kozyrev and President Boris Yeltsin, they emphasized first of all that the Polish striving for membership of Western institutions had no anti-Russian overtones.

During a meeting between Oleksy and Duma Speaker Ivan Rybkin, the Sejm Speaker conveyed to him an invitation to attend a meeting of representatives of the parliaments of the Weimar Triangle countries (Poland, Germany, France). This strictly Polish initiative did not arouse major interest on the Russian side. In this fashion, Warsaw was de facto denied once again the right to shape its policies in the East-Central European region in an autonomous manner. (Meanwhile, a sharp debate erupted in Warsaw over a plan for the establishment of the 'Warsaw-Berlin-Moscow Triangle' formulated by Longin Pastusiak, SLD deputy and deputy chairman of the Sejm Foreign Affairs Committee. Extending an invitation to Rybkin could be regarded as a first step towards the realization of this initiative.)

Andrzej Olechowski's informal visit and his meeting with Kozyrev took place in a similar atmosphere. All it produced was a characteristic unwritten 'protocol of differences'. This was due to the fact that the Russian partners showed no understanding of Poland's vision of European security.

Earlier, on 14 March 1994, Polish Premier Waldemar Pawlak paid a 24-hour visit to Moscow. During that visit, the two sides signed agreements on the legal framework for the employment of Polish citizens in the Russian Federation and of Russian citizens in Poland, on nuclear safety and radiological protection, and on cooperation in anti-trust actions. They also promised to start work on settling the problem of mutual debt, joint investment in the East-West transport infrastructure, preparing long-term agreements on the supply of Russian strategic raw materials, and cooperation in military technology. These two last problems were causing anxiety in Poland because of their strategic significance for the country (on the debates around the Yamal pipeline project, see Chapter 5

of the present volume, 'Economic Relations and the Ukrainian-Central European-Russian Triangle.')

During Premier Pawlak's and Minister Olechowski's visits it became apparent that the Russian side had managed to impose its own tactics on Poland by exploiting visible interest in the attitude of individual Polish political circles towards Russia. The 'good' relations between Chernomyrdin and Pawlak were contrasted with the 'tense' relations between Olechowski and Kozyrev. This state of affairs inflicted strain and excessive nervousness on some Polish representatives, who were ready to seek an improvement of relations at any price. The series of unofficial, short, and fruitless Polish visits to Moscow put Warsaw in the position of a supplicant in mutual relations.

Polish representatives were ostentatiously snubbed on many occasions. The date of Premier Chernomyrdin's visit was altered no fewer than three times, despite the fact that the signing of the Yamal gas pipeline contract was in the interest of the fuel and energy lobby he was associated with. President Yeltsin's refusal to attend the ceremonies marking the 50th anniversary of the Warsaw Uprising was dictated by similar considerations.

The political objective of Russian tactics was to demonstrate to Poland that it was an object—as opposed to an independent subject—in Russia's European strategy; to force Polish and other Central European politicians to consult with Moscow on determining their international goals; and to deepen Polish internal divisions concerning the country's foreign-policy priorities. In the economic field, Moscow hoped for a better bargaining position in the Yamal negotiations and to give a clear political character to the agreements on military technology cooperation, which in practice would have had a negative impact on Poland's endeavors to secure NATO membership.

Warsaw's Two Russian Policies

In the middle of 1994, the effects of Russia's strategy towards Poland, addressed also to some Polish interest groups, became more visible, and provoked discussions between politicians and academics over the issue of relations with Russia. This Polish internal debate revealed the existence of two basic orientations. The first was supported by academic and political circles tied to the former anti-communist opposition (in the broad sense). Members of this camp, notwithstanding their differences, agreed on

the need for parallel dialogue with the Russians on the terms of partnership and the implementation of the main directions of Poland's foreign policy.

The other option was supported by representatives of those circles inside the ruling parliamentary majority which articulated the interests of part of Poland's defense industry and the fuel and energy sector. They proposed close Polish-Russian ties in these areas regardless of the strategic dimensions and long-term implications of such relations. These differences were best illustrated by the statements of Premier Pawlak and Minister Olechowski during their Warsaw meeting with then Hungarian Prime Minister Gyula Horn on 24 November 1994. Pawlak—together with the other prime minister—came out in favor of "starting intensive talks with the Russian leadership" on the question of NATO enlargement. In contrast, Polish Minister of Foreign Affairs Olechowski voiced the view that "Russia [was] not a NATO member and there [was] no reason to negotiate with it the issues related to the admission of Visegrád Group countries to the Alliance."[24]

In the latter half of 1994, Polish Foreign Ministry leaders began to realize that they had lost political control over the content of strategically important Polish-Russian economic agreements being negotiated at the time. Instead of being controlled by the Ministry of Foreign Affairs, these processes started to fall under the control of the Ministry of Foreign Economic Relations. The results of talks on this matter between the Ministries of Foreign Economic Relations of both countries were not the subject of consultation in due course with the Polish Ministry of Foreign Affairs.

In the meantime, just days before the planned visit of Premier Viktor Chernomyrdin to Warsaw, in a 30 October 1994 interview for Moscow's Interfax news agency, Lesław Podkanski, Polish Minister of Foreign Economic Relations, declared that "Warsaw and Moscow [were] particularly interested in cooperation in the defense industry. The tradition [had] to be kept up and agreements on cooperation in this regard [could] help to boost the level of bilateral trade."[25] The second meeting of the Polish-Russian Commission for Trade and Economic Cooperation was held in Moscow on 19-20 October 1994. A protocol from that meeting, which was to serve as the basis for the agreements which were to be signed during Chernomyrdin's visit to Poland, was only delivered to Olechowski 24 hours before the planned meeting between Pawlak and Chernomyrdin—2 November 1994—when it was already clear that the visit would not take place (because of reasons to be discussed below).[26]

The political climate of the protocol and the nature of some of the agreements aroused misgivings in many Foreign Ministry experts. The proposed agreements, in their view, extended beyond the framework of 'standard' cooperation, and their implementation threatened to lead to the one-sided dependence of some branches of Polish industry on the Russian partner and to the slowing down of the restructuring of other branches.[27]

The Warszawa Wschodnia Railway Station Incident

On 23 October 1994, at Warszawa Wschodnia railway station, a Russian gang attacked a group of Russian travelers. During the incident, Polish police and railway police manhandled several passengers who were behaving in a provocative manner. They were detained for 48 hours in a Warsaw police station before being released.

In the wake of the incident, the Russian Foreign Ministry sent a note to Warsaw demanding the identification and punishment of those responsible and an official apology from the Polish authorities. The document also complained about an "anti-Russian mood prevailing in Poland."

Minister Olechowski's reply to his Russian counterpart and the Polish Minister's note—dated 31 October—deplored the incident and emphasized its isolated nature.[28] The next few days saw an escalation of statements by Russian politicians and state officials, who demanded an apology. The form and wording of these statements were far removed from accepted international standards and their goal was clearly to humiliate the Polish side. Both these demands and the fact that it took over a week to cancel Chernomyrdin's visit, as well as the propaganda surrounding the event in the Russian media, indicated that the real reasons for canceling the visit differed from the official ones.

Some light was shed on the attitude of the Russian authorities by the fact that the final decision to cancel Chernomyrdin's official visit to Warsaw was adjourned precisely until 1 November, the day before President Yeltsin announced his decree on actions to be taken by Russian authorities in case of threats to Russian diplomatic missions and Russian citizens abroad. The Russian authorities were pinning their hopes on the impression the Premier's decision and the President's decree would make on Russian society. There can be no doubt that the Russian side wished to capitalize

on the rather minor incident at the Warsaw railway station in order to intensify pressure on Poland before the final conclusion of the agreements, which were then ready for signing. Besides, Russia once again could not resist the temptation to tell the world—including Russians—about the alleged Polish Russophobia. This approach was quite at odds with the reality of Polish-Russian relations, especially the fact that between January and October 1994 alone, 1.8 million Russian subjects had crossed the Polish border. Many of the visitors took up jobs in Poland or even settled there on a permanent basis, and there was no evidence of anti-Russian gestures or manifestations by either Polish citizens or political parties.

Thus the characteristic feature of Polish-Russian relations in 1994 was a growth of tension fanned by the Russian side.

Some members of the Polish ruling coalition were also partly responsible for this state of affairs because they were creating a shadow foreign policy in agreement with some economic interest groups, and at odds with—or even blocking—the official policy conducted by Minister Olechowski. Their actions created the impression that Poland lacked a clear foreign policy towards Russia and that the Polish political scene could be divided into advocates and opponents of cooperation with Russia.

Such an attitude significantly eroded Poland's position vis-à-vis Russia by exposing its weak points and suggesting political concessions or even the possibility of a general revision of Poland's foreign policy. The lack of appropriate coordination of that policy and the Russian tactic of 'reducing Poland to an object' led to a deepening of the crisis in Polish-Russian relations towards the end of the year.

Visible progress was made in 1995—in comparison with 1994—in Polish-Russian bilateral economic relations, stimulated by the visit of Prime Minister Chernomyrdin to Warsaw in February 1995 and the final conclusion of the still controversial Yamal pipeline agreement. However, Polish-Russian political dialogue in 1995—especially in the first half of the year—was dominated by conflicts connected, first, with NATO enlargement, and, secondly, with successive anniversaries (the liberation of Auschwitz, the fiftieth anniversary of the end of the Second World War, and the Katyń massacre).

Among Russian decision-makers—especially Foreign Ministry officials—there was a widespread conviction that the basic goal of Poland's policy, emanating from "historic Polish resentment against Russia", was to isolate Moscow and limit its influence on the European continent. Just as often—especially in the communist

and nationalist press—the thesis was put forward that Poland was conducting this policy, which was not in its interest, under the 'dictate' of Washington or Bonn.[29] In international meetings and in front of the Russian public—in weekly press conferences—Poland was portrayed as a state habitually unfriendly to Russia and conducting an irrational policy of stirring up conflicts and supporting all forces hostile to Moscow. The series of frictions connected with the anniversaries marked in 1995 started in January with the rejection by Boris Yeltsin of the invitation to take part in the ceremonies commemorating the liberation of Auschwitz-Birkenau (this followed his failure to attend the celebrations of the fiftieth anniversary of the 1944 Warsaw Uprising). The Russian side was represented by the Chairman of the Duma of the Russian Federation, which de facto meant that a lower-rank delegation than originally planned was sent to the commemorations.

In turn, Lech Wałęsa's absence from the celebrations marking the end of the Second World War on 9 May 1995 in Moscow—he was represented by Minister Andrzej Zakrzewski—was unequivocally interpreted as an expression of the anti-Russian attitude of the Polish President. Wałęsa's absence was portrayed as a slight and an expression of contempt not only for Russia but also for those who had fallen in the liberation of Poland. Owing to the cardinal importance of the myth of the Second World War for Russian national identity, this unquestionably worsened the negative image of Poland created by the Russian media.

The opinion disseminated in the Polish press was that Yeltsin's absence from the 4 June (1994) ceremonies in Katyń was simply an in-kind response to Wałęsa's absence from the 9 May celebrations in Moscow. Yet this interpretation of the events is only partially correct. In fact, the reasons for Yeltsin's absence were much more serious than the wish to make a political point. Due to their importance also for the future of Polish-Russian relations, it is necessary to discuss these reasons in more detail. The real obstacle to Polish-Russian understanding on this question has been the attitude of Russians towards their own history. The necessity of completely settling accounts with Communism, taking into consideration the problem of the responsibility of Russians themselves for the crimes of the Soviet system—a responsibility expressed in 1991-92 by dissidents from the circle of Gleb Yakunin and Sergei Kovalyev—was replaced in the official propaganda by a picture of Russia and the Russians as the greatest victims of this system.

This conviction—clearing the nation as a whole (as well as concrete individuals) from historical responsibility for the misdeeds of

the Soviet regime—became the foundation of Russia's 'new' national consciousness as promoted by Yeltsin. (Be that as it may, on account of the involvement of an enormous part of society in Communism, the creators of the new Russia probably had no other choice. The alternative might have been a civil war.) Even at the beginning of 1993, the importance for the future of Polish-Russian relations of a final explanation of the Katyń massacre was obvious for representatives of both states. Due to the process described above, in 1995 Katyń became first and foremost a subject of misunderstandings, grudges, and mutual accusations. The Russian political class almost unanimously rejected the Polish thesis on the necessity of reconciliation. In the conviction of many of its representatives—expressed also in the so-called 'democratic' press—the two nations had nothing to forgive themselves for, because they had either done nothing wrong to each other or, alternatively, the blame fell 'equally' on both sides. In this context, the obstinate insistence by the Polish side that a final explanation of the Katyń affair was indispensable for the future of bilateral relations was assumed to be insincere: the 'real' motivation, according to the Russians, is the desire to sustain anti-Russian sentiment.[30]

Given all this, the Russian authorities wanted to see the Katyń celebrations as an exclusively Polish ceremony, although taking place—by necessity—on Russian territory. The pressure brought to bear on Boris Yeltsin by the Polish Ministry of Foreign Affairs and the Chancellery of President Lech Wałęsa to have him attend the ceremony was interpreted solely as a wish to force 'additional apologies' and even to humiliate Russia.

Despite diplomatic efforts, there was no official visit by the Russian Minister of Foreign Affairs to Warsaw (Andrei Kozyrev was in Poland only as the head of the Russian delegation at the meeting of the Council of the Baltic States in May 1995). Neither did the unofficial visit of Minister Władysław Bartoszewski to Moscow (November 1995) bring any essential changes in the dialogue concerning NATO or in bilateral relations. In fact, instead of the turn towards 'positive proposals' declared by the Russians, the leaders of the Russian Federation continued the policy of rejecting Polish efforts and of the tactical exploitation of differences in the attitude towards Russia of individual Polish decision-making centers and political circles.

Against this background, relations between ordinary Polish and Russian citizens looked surprisingly good. The massive and unrestrained economic activity of some two million arrivals from Russia was in principle approved by the Polish people. This put in serious

question the view promoted by the official Russian propaganda, which tried to portray Poles as Russian-haters. Polish small and medium-size businesses were displaying growing interest in cooperation with partners in Russia. There was a further consolidation of ties between Petersburg and Kaliningrad on one side and Polish sea ports and northern voivodates on the other.

1996–97: The Building of a National Consensus on Poland's Eastern Policy

The circles responsible for the creation and implementation of Poland's Eastern policy faced the presidential election at the turn of 1995/1996 with some doubts and anxiety. But it quickly became clear that Aleksander Kwasniewski's victory, which sealed the political 'changing of the guard', did not contribute to the continuation of these fears. On the contrary: Poland's Eastern policy in 1996 and 1997 became more realistic and its basic directions were not challenged by the political opposition.

The currently observed national consensus on Poland's Eastern policy—and its foreign policy in general—springs in equal measure from objective external factors and the internal re-evaluations of 1995–96. This period witnessed a complete change in US policy towards the main 'non-Russian' states of the former Soviet Union, primarily Ukraine, Kazakhstan, and Azerbaijan. Preserving the sovereignty and territorial integrity of Ukraine clearly became a priority for Washington, as evidenced by both the intensity of cooperation within the Partnership for Peace framework and the place occupied by Kyiv on the list of recipients of American military aid (third, after Israel and Egypt). There was also a basic evolution in Ukraine's attitudes towards cooperation with the West and NATO enlargement and, by the same token, towards the principles and institutions which should become the core of the future system of European security. The Ukrainian government's pursuit of a policy of economic reforms, albeit slow and often contradictory, and its success in building new state structures and preventing the exacerbation of ethnic tensions, has shown the world that it is not dealing with a 'one-season' state (*Saisonstaat*), but with a new and increasingly substantial player on the European scene.[31]

In the situation which has now arisen the European Union countries are also, albeit a little tardily, beginning to move away from sole concentration on relations with Moscow and are coming

to appreciate the importance of Kyiv. (On 17 January 1997 the EU Council for General Affairs adopted an Action Plan for Ukraine which provides for support of economic reforms, societal transformation, admission of Ukraine to the European security system, and promotion of regional cooperation between Ukraine and its Western neighbors).[32]

Under these circumstances Polish-Ukrainian cooperation is acquiring special significance for the relationship between the new West and the newly independent states. This is evidenced by both the high level of political dialogue and mutual involvement in the Partnership for Peace program. Another important element in these relations has been cooperation in Euro-regional and transborder cooperation.

Polish Eastern policy in 1996-97 to a large extent centered on expanding cooperation with Ukraine. Interaction within the framework of the Partnership for Peace has been developed through participation in joint maneuvers. Formation of a joint peace-keeping battalion was continued. Reference to this force as a significant element in cooperation between Ukraine and NATO is made in the Agreement on Distinctive Partnership between NATO and Ukraine concluded on 9 July 1997, where it is stated: "In addition, NATO and Ukraine will explore to the broadest possible degree the following areas of cooperation: ... military training, including Partnership for Peace exercises on Ukrainian territory and NATO support for the Polish-Ukrainian peacekeeping battalion."[33]

Ukrainian President Leonid Kuchma visited Poland on several occasions. On 23 January 1997 he took part in a meeting with Polish business leaders (which awarded him the prestigious 'Polish Business Oscar'). Mr Kuchma also participated in informal summits of leaders of the member countries of the Central European Initiative on 7 June 1996 in Łańcut (Poland) and 3 July 1997 in Gniezno (during Pope John Paul II's visit to Poland).

During a visit by President Aleksander Kwasniewski to Ukraine (20-22 May 1997) an Act of Reconciliation was signed, intended to heal the scars of the Polish-Ukrainian conflict during the Second World War. During this visit the Polish President pledged Warsaw's interest in the development of communication links—including energy lines—along the Baltic-Black Sea axis.

The good relations between presidents took shape in a joint declaration by the heads of state of Poland, Lithuania, and Ukraine on the violations of human rights and democracy in Belarus (20 November 1996). This multi-lateral form of cooperation continued

in the form of a meeting of the presidents of several Central European nations and Russian Prime Minister Viktor Chernomyrdin in Vilnius (September 1997).

Meanwhile, Russia's policy of a firm '*nyet*' to NATO enlargement and of subordinating the future of Russian–Polish relations to this question has not produced the results expected by the Kremlin. On the contrary: it is precisely the lack of a constructive approach by Moscow to the issue of cooperation with the West which appears to be one of the reasons why both the USA and many European countries have hardened their line on relations with Russia.

It also seems that the attempts recently undertaken by Russia to check the European and Euro-Atlantic integration processes through the political use of economic instruments towards the Central European countries will not pay off as anticipated. The Russian proposal for the establishment of a 'COMECON II' arrangement, together with the development of a 'particular relationship' between Russia and Slovakia, set off an alarm bell, warning of the possible political consequences of joining any kind of arrangement reminiscent of the 'old times'. Moreover, the recreation of the old economic linkages is not a realistic prospect: in the evaluation of Polish and other Central European analysts, the arrangements proposed by Moscow would be ineffective or even counter-productive for the further transition of the Central European economies to a market system. Indeed, under conditions of the development of a market economy and the increasing ascendancy of its rules in international economic cooperation,[34] cooperation based on command-administrative methods is doomed to rejection or a natural death. Moreover, Russia's political use of economic mechanisms has backfired. Added to the legal chaos prevailing there and the criminalization of the economy, this attempt to use economic means for the attainment of political goals has led many advocates of closer links with the Russian market or even a realignment of the main direction of Poland's foreign trade to acknowledge these realities and reassess their position.

All of these factors have produced a firm consensus on Polish Eastern policy. A clear signal of this was given by the stances of the Polish participants in the First Polish–Russian Round-Table which was held in Warsaw in February 1996. Poland and Russia were represented by politicians and political scientists hailing from various mainstream segments of the political spectrum in their respective countries. Polish participants displayed complete unanimity concerning the chief priorities of Polish foreign policy and their vision of relations with Russia and Ukraine. This meeting can be seen as

the first sign of a return to the two-track concept in Polish foreign policy. (The second Polish–Russian Round-Table meeting took place in Moscow in March 1997.)

On the other hand, some signs have appeared of a gradual shift in the Russian approach towards Poland and the Central European states. The participation of Mr Chernomyrdin in the 1997 Vilnius summit organized jointly by Poland and Lithuania can be recognized as one of them. The comments of the Russian liberal press were more positive than expected in Warsaw:

> The other [with Lithuania] organizer of the meeting was Poland which occupies a place in the ranks ... of regional leaders. According to the plans of the strategists in Brussels it should become one of the main elements of the pyramid constructed in recent years and consisting of NATO members, candidate members, and countries associated with NATO by means of various acts ... The choice of Poland is not coincidental ... It was in Poland that there operated a strong organized movement undermining the Soviet bloc from within. The pro-Western alignment of the Polish elite and historic traditions of cultural and religious expansion to the East will for a long time continue to fuel Warsaw's ambitions ... The most responsible mission, however, which has been entrusted to Warsaw is devising an optimal formula for coexistence with Russia ... A model in which Russia would remain outside European institutions but without feeling isolated ... In short, the time has come to look at the process of NATO enlargement not only in terms of damage to Russian interests but also from the viewpoint of the potential benefits of advancement of the block's frontiers closer to Russia.[35]

The Eastern policy which Poland has been pursuing for the past year or so is not based on a concept defined in a single, concrete document. Its shape derives rather from the logic of actions taken at both the central and local government levels and by a number of non-governmental institutions, mainly associated with the opposition. This logic makes it possible to distinguish the Polish national interest in the East, the objectives of Polish Eastern policy, and the means of realizing them.

Poland has a unique experience of contacts with the East, deriving from a common history and cultural ties, particularly with Ukraine, Belarus, and Lithuania, and from the fact that it has twice, in the nineteenth and twentieth centuries, been sucked into the political orbit of Moscow. Consequently, Poland can promote the spread of Western cultural, legal, and administrative norms, values, and arrangements to the region. Such promotion is especially im-

portant for the Ukrainians and Belarusans, who, in their search for their cultural, state, and national identities, have a chance of reconstructing their European roots. The success of such a program geared to a medium- and long-term time-scale could mean the attainment of several practical goals, including the effective enlargement of the Euro-Atlantic security community and, possibly, its further geographical expansion in an institutionalized form.

This general and cursory analysis of Poland's Eastern relations indicates the essence of a new Polish Eastern policy which seems to be aimed at cultivating good and friendly relations with all Eastern neighbors but is differentiated as regards depth of contacts according to the place each country occupies in Poland's overall Eastern strategy—a strategy which is fully complementary to the one being realized towards the West.

Conclusion

In the period 1992–97, one can barely find any 'triangular' interdependence in Polish–Ukrainian–Russian relations, except in relation to the Yamal question. But even in this case, the basic issue at stake for Ukraine was the issue of who—Ukraine or Russia—would win control of former Soviet property rather than the possible negative influence of Yamal on Kyiv's position vis-à-vis Moscow.[36]

In Polish political thought, Ukraine has taken an important place both by itself and as a factor strengthening Warsaw's position vis-à-vis Moscow. Yet in practice the Polish–Ukrainian partnership has never worked in a fully effective way. This has been due mostly to the economic—and political—crisis under way in Ukraine, but some Polish reluctance has also been visible.

Russia has never openly voiced its concern about the possible results of Polish influence on Ukraine, but these concerns are nevertheless present in Russia's conceptualization of East-Central European politics, as evidenced by the quote from *Kommersant Weekly* cited above and numerous declarations by influential Russian commentators.

The Polish–Ukrainian partnership has finally moved from the stage of 'symbols and gestures' to concrete cooperation in the fields of the economy (for example, if the Odessa–Brody–Gdańsk pipeline is established for the transport of Caspian oil to Europe) and security (the Polish–Ukrainian battalion). The joint battalion was considered as one of the instruments of NATO–Kyiv coopera-

tion in the NATO-Ukraine Charter. Given this development, one can expect that Russia will pay more attention to these links. Bearing in mind that such ideas as the development of a Transport Corridor linking Europe, the Caucasus, and Asia (the so-called TRASECA project), with its INOGATE sub-project on pipelines constructed by the European Union for the transport of Caspian and Central Asian resources, and the aforementioned Odessa-Brody-Gdańsk line are running parallel with one another and can be combined in the near future, and that they are extremely unwelcome in Moscow, we can imagine some Russian-Polish or even renewed 'Russian-Western' struggle for Ukraine. Of course, we cannot know what will happen in respect of the internal development of Ukraine in the inter-elections period (March 1998 to 1999) and afterwards, and how it may affect Polish-Ukrainian and Russian-Ukrainian relations. But even assuming that there will not be any significant change in Ukrainian foreign policy, the most important problem remains Ukraine's ability—or lack thereof—to be a reliable partner in international relations, assuming that it is impossible to play an important international role without some measure of domestic stability and success.

Afterword

The Fall 1997 change of ruling coalition in Poland reinforced the most important elements of Poland's Eastern Policy-attempts aimed at launching a political dialogue with Moscow and at the enhancement of the close cooperation with Ukraine. It should also be noted that the impact of Russia's financial crisis had a much less significant impact on Poland's economy than was expected at first.

However, there have appeared two new, significant factors influencing Polish-Russian-Ukrainian relations. First and foremost is the fact of NATO enlargment, strengthening Poland's international standing but also provoking some counteraction on Russia's part, and secondly the emergence and stunning success of Vladimir Putin, bringing some hopes concerning the reestabilishment of a capable and better self-defined Russian state.

These factors led to another striking crisis in Polish-Russian relations at the turn of 1999-2000. The crisis started with the expulsion of nine Russian diplomats in early 2000, whose activities had been considered by Warsaw as extremely dangerous for Poland's security. The event was followed by a tough Russian re-

sponse and a series of demonstrations before both country's respective Embassies (most of them protesting NATO's enlargment on one hand and Russian intervention in Chechnya on the other).

Nevertheless quite soon after that—in the Spring of 2000—both parties visibly reconsidered their positions. In April of that year, using the symbolic 60th anniversary of the Katyń massacre, representatives of Polish and Russian authorithies and relevant social organizations made significant gestures paving the road for dialogue between the two nations and states. The Polish Federation of Katyń Families uniting relatives of Katyń victims repeated its act of forgiveness adressed to the people of Russia. This declaration was supported by conciliatory statements by bishop Jan Zycinski, one of the highest members of Poland's Catholic hierachy, and by Prime Minister Jerzy Buzek. Subsequently, Russia's newly-elected President Putin phoned his Polish counterpart to inform him about newly-discovered graves of Polish war victims, found next Smolensk.

Meanwhile, Polish–Ukrainian cooperation became visible enhanced. In cooperation with Washington, Warsaw launched the Polish–American–Ukrainian Cooperation Initiative (PAUCI) aimed at the development and strenghtening of civil society in Ukraine. Poland has unilaterally established an ongoing Polish–Ukrainian conference on EU enlargement, (the most important purposes of which are to make Ukrainians more aware of the enlargment process and to produce new ideas concerning mechanisms enabling Ukraine to accommodate to the coming situation). Finally, considering Ukraine's significant achievements in privatizing its economy and in reestablishing working state structures, Warsaw's attitude towards the concept of an Odessa–Brody–Gdańsk oil pipeline (OBG) has become much more serious and concrete.

Notes

1 See Pawel Zaremba, *Historia Dwudziestolecia* (Paris: Instytut Literacki 'Kultura', 1979).

2 Jerzy Marek Nowakowski, 'Polska polityka wschodnia w 1991 roku', *Rocznik polskiej polityki zagranicznej 1991* (Warsaw: PISM, 1992).

3 Joshua B. Spero, '*Déja Vu* All Over Again? Poland's Attempt to Avoid Entrapment Between Two Belligerents', *European Security* 1, No. 4 (Winter 1992); see also Kazimierz Dziewanowski, 'Podyskutujmy o polskiej polityce wschodniej', *Rzeczpospolita* (15 March 1995).

4 Among the most notable contributions to this debate were (in alphabetical order by author): Stanislaw Bielen (ed.), *Polska-Rosja Czas Przewartościowan* (Warszawa, 1995); Adam Bromke, 'Na wirazu', *Rzeczpospolita* (9–10 July 1994); K. Dziewanowski, 'Podyskutujmy o polskiej'; Antoni Z. Kaminski, 'Dlaczego polska nie ma polityki wschodniej?', *Rzeczpospolita* (14 March 1995); Agnieszka Magdziak-Miszewska and Marek J. Nowakowski, 'Rosja i jej przyjaciele', *Rzeczpospolita* (15 October 1995); Aleksander Malachowski, 'Moskwa dzierzy klucze', *Gazeta Wyborcza* (20 October 1995); Andrzej Olechowski 'Ku jednej, bezpiecznej Europie', *Rzeczpospolita* (14 November 1994); Janusz Rolicki, 'Odsunac się od wschodu', *Rzeczpospolita* (11–12 June 1994); Radek Sikorski, 'Nie odwzajemniane zaloty', *Rzeczpospolita* (15–16 October 1994); and Marek Siwiec, 'Czas pragmatyzmu', *Rzeczpospolita* (23–24 July 1994).

5 Trevor Taylor, *European Security and the Former Soviet Union* (London: Royal Institute of International Affairs, 1994).

6 Marek Calka (ed.), 'Dyskusja o Rosji', *Sprawy Miedzynarodowe*, No. 4 (1995).

7 See Magdziak-Miszewska and Nowakowski, 'Rosja i jej przyjaciele'. This comment has found support in scholarly analyses (see, for example, Zbigniew Madej, 'Polska strategia gospodarcza wobec Rosji', in *Polska-Rosja*, ed. Bielen.

8 Marek Calka, 'Polska polityka wschodnia w 1994 roku', *Rocznik polskiej polityki zagranicznej 1995* (Warsaw: PISM, 1995).

9 Calka, 'Polska polityka'.

10 This view was presented by Minister of Foreign Affairs Andrzej Olechowski and Deputy Minister of Defence and head of the National Security Bureau Jerzy Milewski at the conference 'Towards a New Partnership' (Cracow, 23–25 February 1994).

11 A view voiced by Viktor Nebozhenko, head of the team of political advisers to President Leonid Kuchma during a meeting with the author in November 1994.

12 *Rzeczpospolita* (14 November 1994).

13 Polish Press Agency—PAP—wire service (24 November 1994).

14 Aldona Chojnowska, 'Relations with Ukraine', *Yearbook of Polish Foreign Policy 1996* (Warsaw: PISM, 1997).

15 Marek Calka, 'Relations with Ukraine', *Yearbook of Polish Foreign Policy 1995* (Warsaw: PISM, 1996), p. 117.

16 Chojnowska, 'Relations with Ukraine'.

17 Chojnowska, 'Relations with Ukraine'.

18 Chojnowska, 'Relations with Ukraine'.

19 'Voyennaya doktrina Russkoy Federatsii', Moscow, 1993; 'Kontsept vneshnoy politiki Russkoy Federatsii', *Diplomaticheski Vestnik*, special edition (January 1993).

20 O. T. Bogomolov: 'Russia and East-Central Europe: Damage Limitation or Crisis?', in *Russia and the Outside World*, ed. R. Blackwill and S. Karaganov. CSIA Studies in International Security, No. 5 (1994), p. 143.

21 Andrzej Olechowski: 'Partnerstwo dla Transformacji', in *W strone nowego partnerstwa* (Krakow, 1994).
22 Olechowski: 'Partnerstwo dla Transformacji'.
23 One argument used to support this thesis was the fact that Olechowski spoke English during the meeting with Kozyrev. See *Novoye Vremya* (8 March 1994).
24 Marek Calka, 'Relations with Russia', *Yearbook of Polish Foreign Policy 1995* (Warsaw: PISM, 1996).
25 See interview with Lesław Podkanski, INTERFAX wire service (30 October 1994).
26 See the Protocol on the second meeting of the Polish–Russian Commission for Trade and Economic Cooperation, Moscow, 19–20 October 1994.
27 See materials of the official conference 'Poland's Eastern Policy', 6–7 June 1994.
28 See INTERFAX, PAP, and TASS wire services (2 November 1994). See also Olechowski's note (31 October 1994).
29 Agnieszka Magdziak-Miszewska, 'Relations with Russia', *Yearbook of Polish Foreign Policy 1996* (Warsaw: PISM, 1997).
30 Magdziak-Miszewska, 'Relations with Russia'.
31 See the speech given by President Leonid Kuchma to the Polish Parliament in summer 1996; an interview with Volodymyr Horbulin, chairman of the Ukrainian National Security Council in *Zerkalo Nedeli* (18 January 1997); and the draft of Ukraine's national security concept published in the same paper.
32 'Action Plan for Ukraine', EU Council for General Affairs, 17 January 1997.
33 'Charter on a Distinctive Partnership between NATO and Ukraine', (par. III, point 8), Madrid, 9 July 1997.
34 On this topic, see also Chapter 5 of the present volume, 'Economic Relations and the Ukrainian–Central European–Russian Triangle'.
35 *Kommersant Weekly* (9 September 1997).
36 For an altervative analysis of this issue see Chapter 5 of the present volume, 'Economic Relations and the Ukrainian–Central European–Russian Triangle'.

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3. The Slovak–Ukrainian–Russian Security Triangle*

ALEXANDER DULEBA

The aim of this chapter is to analyze the triangular relationship between Slovakia, Russia, and Ukraine in the perspective of the evolving Slovak approach. It also aims to give an overview of the actors' development and interaction, and to define the pattern of relations which took shape in the first years of Slovak independence (1993–97).

In order to achieve these aims we examine the following questions. What is the role of Slovakia's Eastern policy in the overall shaping of Slovak foreign policy and how does it influence the country's current international position? What are the reasons for the increased general importance of Russia for Slovakia and the downgraded role of Ukraine? In analyzing this issue, we cannot avoid the question of why Slovakia has so far failed in its efforts to join Western structures and was excluded from the 'first wave' of East-Central European countries invited to join Western institutions. Is there any relationship between Slovakia's 'successful' Eastern policy until 1998 and its unsuccessful Western policy? What is the link between Slovak domestic politics and the country's international position? Is it conceivable that, in the medium-term, relations will develop in a way, which could contribute to the formation of a more balanced Slovak foreign policy in general and a more balanced Eastern policy in particular?

By looking at these questions I will try to prove the following hypotheses: Russia has played a crucial role in Slovakia's foreign policy and become one of the most important foreign actors for the newly independent Slovak state. Russia influences not only

* Throughout this book, the terms 'Transcarpathia' and 'Subcarpathia' are both used. The first is the term used in Ukraine to identify this region, and the second the common Slovak and Hungarian usage.

Bratislava's Eastern policy but also the current international position of the country, at both the regional (Central European) and Europe-wide levels. In spite of the fact that Ukraine is an immediate neighbor of Slovakia, and Russia is not, Ukraine has not played as important a role in respect of Slovakia's international position as Russia during this period. If we look at the Slovak–Ukrainian–Russian triangle from the Danube River, it cannot be characterized as an equilateral one—indeed, it is very hard to talk of a triangle at all. Slovakia's policy toward the post-Soviet region to 1998 is rather much more similar to a simple line ending in Moscow than to other possible geometric figures. It is possible to describe the most important elements of the Slovak–Russian bilateral agenda without mentioning Ukraine, but it is impossible to describe the Slovak–Ukrainian one without mentioning Russia.

The chapter begins with an evaluation of the pre-history of relations, going back to the split of Czechoslovakia at the end of 1992, and shows the differences between the Czech and Slovak elites' approaches to post-Soviet Russia and Ukraine. It goes on to analyze the role of the triangle, with special emphasis on Russia's place in Slovakia's foreign policy agenda in the period between 1993 and 1997. Next, I deal with Slovak–Russian bilateral relations, dividing them into two distinct periods: 1993–95, the period characterized by Slovakia's geopolitical 'bridge vision' between East and West; and 1996–97, the period of 'geopolitical sobering up' and growing dependence. The chapter concludes with the examination of Slovak–Ukrainian relations, looking at both the official agenda and unofficial latent problem areas, such as the Ruthenian question, the transit of Russian gas and oil via Ukraine and Slovakia, and subregional transborder cooperation.

A Prehistory of Relations: The Split of Czechoslovakia and Slovakia's 'Eastern Pragmatism'

The Slovak Republic (total area 49,035 square kilometers, population 5,310,154) came into existence as an independent state on 1 January 1993 as a result of the 'velvet split' of Czechoslovakia.[1] As a result, it is impossible to treat Slovak–Russian and Slovak–Ukrainian relations prior to 1993 as a part of Slovakia's foreign policy. However, we can discern the roots of Slovakia's Eastern policy in the early 1990s.

Roots of the Current Slovak–Russian Agenda: The Economic Background of Slovakia's Separatism

Relations with Russia have been of crucial importance in the formation of a 'separate' Slovak foreign policy, even within the framework of Czechoslovakia after the 'velvet revolution' of 1989. We can find the roots of the current agenda of Slovak–Russian relations in the early 1990s, when Vladimir Mečiar became Slovak Prime Minister for the first time. At that time, one could not speak of standard bilateral relations between sovereign partners, because Russia was just one part of the USSR and Slovakia only a part of the Czechoslovak Federal Republic.

The initial impulse for the development of cooperation with the Russian Federation came from Slovakia in 1991. In March 1991 Prime Minister Mečiar visited Moscow, where he held negotiations with then Russian Prime Minister Ivan Silayev. This visit was the first 'test probe' concerning the possibilities of economic cooperation under new conditions. Here we find the origins of Mečiar's argumentation concerning why Slovakia needed to build close economic relations with Russia. The answer was connected with the breakdown of the socialist 'common market' under the Council for Mutual Economic Assistance (COMECON). This argumentation, which emerged in 1990 and the first half of 1991, may be characterized as follows: Slovakia needs to minimize the negative consequences caused by the collapse of COMECON by rebuilding ties with the East.

In 1991, Mečiar defended his 'Eastern' activities against his political opponents and the electorate as follows: "Our diagnosis is not complicated. If we manage to orient ourselves towards the Eastern market and preserve trade with the USSR, we shall have lower unemployment."[2] Taking into account Czechoslovakia's domestic situation at this time, especially the growing tensions between the Slovak and Czech political elites, Mečiar's statement, made on his return from Moscow, acquires increased importance: "the Soviets have given us general approval for the export of weapons produced under their license."[3]

Here we must keep in mind the fact that most of Czechoslovakia's heavy military industry was concentrated in Slovakia. Moreover, heavy military industry formed the basis of Slovakia's machine-building industry and, perhaps, of the Slovak economy as a whole. More than 30 per cent—according to some sources, between 30

and 40 per cent[4]—of Slovakia's economic capacity was oriented towards the Soviet market. The military-industrial complex was resistant to the Federal Czechoslovak government's conversion program, which started in the late 1980s.[5] Thus, an 'intellectual' and political Slovak separatism in Czechoslovakia received a strong economic impulse. It is interesting that Mečiar was removed from the Prime Ministership on the first occasion by the VPN Council—VPN: Public Against Violence, a leading force in Slovakia during the 'velvet revolution'—just after his first visit to Moscow in April 1991. After leaving the VPN, Mečiar set up the HZDS—Movement for a Democratic Slovakia—which became a main spokesman for the interests precisely of this substantial part of the Slovak economy, as well as the strongest political force in Slovakia in the years to come.

This fact has had crucial consequences for Slovakia up to the present day. Slovakia has not followed the transformation experiences of countries such as Poland or Hungary. In these countries, revamped and transformed left-wing post-communist parties came to represent the interests of the former state sector of the economy, and other parties capable of occupying this very important position in the political spectrum did not appear. In Slovakia, the reformed leftist—post-communist—parties were not able to play the role of defenders of the state sector. In this way, a certain 'political vacuum' emerged, which could easily be filled by political newcomers such as Mečiar. At the same time, the 'Russian connection' was essential for Mečiar's ability to consolidate his power: of all of Slovakia's political leaders, Mečiar alone could promise Russian support for the survival of Slovakia's heavy industry. Indeed, during his March 1991 visit to Moscow, Mečiar was able to extract from Russia's Premier Ivan Silayev a promise that Russia would give Slovakia the necessary licenses for the production and export of Russian military hardware to third countries. Given the threat that the military-industrial sector would be 'liquidated' by economic reform and military conversion initiatives coming from the central government in Prague, military industry managers felt themselves threatened by a life-or-death crisis. Thus it should not surprise us that they were ready to accept Mečiar's promises and political leadership.

The HZDS was in this way able to 'steal' the backing of this economic interest group from the post-communist SDL' (Party of the Democratic Left), depriving the Slovak reformed post-communists of the opportunity to attain the same important political position as their Polish or Hungarian counterparts. The HZDS is a political

party without a clear ideological conception. It has no counterpart in Western or Central Europe. On the other hand, it is very similar to the so-called 'power parties' in the post-Soviet states which largely comprise 'post-communist pragmatists'.

Mečiar's well-known statement, "If they don't want us in the West, we shall turn East,"[6] comes from the same period. It must be stressed that, from the very beginning, Mečiar also emphasized the political importance of Eastern markets—something other political leaders and parties in Slovakia and in neighboring post-communist countries have never done, at least not to such an extent. In Slovakia, the government attributed considerable importance to the question of 'Eastern markets'—higher, indeed, than the country's own interests warranted. The 'pragmatic' platform of Mečiar's supporters in 1991 in relations with Russia—in accordance with the principle 'The economy above all'—has no analogy in other East-Central European countries and can be compared only with the 'pragmatism' of the political *nomenklatura* in the post-Soviet republics after the division of the USSR in 1991. Thus Slovakia's 'Eastern pragmatism' became one of the most important reasons for the split of Czechoslovakia which became a reality after the victory of the HZDS in Slovakia's 1992 parliamentary elections.[7]

Roots of the Current Slovak-Ukrainian Agenda: The COMECON Legacy

In contrast with Russia, Ukraine—as an independent state since the end of 1991 (not to speak of the time when it was just a part of the USSR)—did not play any role in forming the Slovak elite's distinct interests in Czechoslovakia in the early 1990s. It had no special political or economic importance for the newly born Slovak elite struggling for independence against the central power in Prague. This is why Ukraine was and remains politically an unknown country for the Slovak establishment, despite the fact that it is Slovakia's immediate neighbor (Slovakia and Ukraine share a 98-kilometer-long border).

It is possible to explain the main reason for the Slovak elite's lax attitude to Ukraine in the following way. First, the center of political life in Slovakia is concentrated geographically in the western part of the country, where the capital, Bratislava, is located. The capitals of Slovakia's neighbors—Vienna, Budapest, and Prague—are much closer to Bratislava than far-away Kyiv. Despite the

fact that Moscow is geographically much more distant, it is much closer politically to Central Europe. Russia is still a partner with immediate political influence in Central Europe and an important player in the political game—Kyiv is not. In other words, politically Moscow has been used by the Slovak elite within the framework of the Czechoslovak domestic agenda. Moreover, Ukraine gained its independence from Moscow, while Slovakia has used Moscow in its striving for independence against Prague. Therefore, despite the fact that both Ukraine and Slovakia are newly independent states, the different international conditions surrounding their respective paths to independence prevented the creation of a platform of common interests.

The pre-history of Slovak-Ukrainian relations may in fact be narrowed to a single issue from the recent past, which remains unsolved to this day. It has to do with the construction of a large metallurgical complex in Ukraine (Kryvyy Rih-Dolinskaya), which was initiated by COMECON member countries. Czechoslovakia invested 10.8 billion korona (USD 360 million) in this project. COMECON's activities came to an end in 1990 as a result of the economic and political changes of its former member states, although the official date of the end of COMECON was 26 September 1991. Construction of the complex was stopped and Prague submitted compensation claims to Moscow. Ukraine took over the duties stemming from the common activities of COMECON on its own territory after gaining independence at the end of 1991.[8]

On 29 December 1992, one of the leading Slovak companies, VSŽ Košice (Eastern Slovak Ironworks) bought the Czechoslovak claims as well as taking over their duties in respect of completing construction work in Kryvyy Rih. Thus, the construction of this metallurgical complex in Ukraine became the subject of negotiations between VSŽ Košice (privatized in March 1994) and the Ukrainian government. VSŽ conditions its further participation in the construction on receiving compensation for the Ukrainian debt presently estimated at USD 360 million. The Ukrainian side does not accept this sum and so the negotiations—now more than four years old—have come to a standstill.[9]

The issue of the Kryvyy Rih metallurgical complex is only one concrete issue from the recent past and remains part of the current Slovak-Ukrainian agenda. This issue was far from important for the gaining of Slovakia's independence in 1993. In the context of those of Slovakia's national interests which were realizable by the 'young' Slovak state elite in the early 1990s, neighboring Ukraine had only a peripheral role.

Slovakia's Foreign Policy Concept and Current International Position: The Role of the Triangle

The Security Perceptions of the Slovak Ruling Elite

As a sovereign state Slovakia became a new international actor as well as a new factor in the East-Central European landscape. As such, Slovakia has had to define itself vis-à-vis both its neighbors and the 'outside world',[10] and at the same time to create its own foreign policy from scratch. This is a very important characteristic, distinguishing Slovakia from such neighbors as Poland and Hungary—though not from Ukraine—in terms of foreign policy-making, not to mention the Eastward direction of that policy. This should be kept in mind when analyzing the Slovak–Ukrainian–Russian triangle.

As Slovakia has no tradition of statehood—apart from the wartime state of 1939–45—it is impossible to talk of a 'traditional Slovak foreign policy concept'. Slovakia inherited a part of the common Czechoslovak foreign policy and security agenda. But the newly-born Slovak state no longer has direct borders with East-Central Europe's main historical powers, Germany and Russia. Slovakia's western neighbor—the Czech Republic—has taken on a 'German agenda' and its Eastern neighbor (Ukraine) a 'Russian agenda'. On the one hand, this seems to constitute a positive geopolitical position for Slovakia compared to the other East-Central European states. On the other hand, this is one of the main reasons why the current Slovak ruling elite's perception of the importance of joining Western security structures is less marked than in the case of the Czech Republic or Poland. Nevertheless, within the Slovak political and military establishment a general understanding prevails that 'small states'—especially those in East-Central Europe—should opt for an 'alliance policy' in the security field rather than military self-reliance. The overwhelming majority of Slovakia's political and military establishment—including Mečiar's party, the Movement for a Democratic Slovakia, if we are to believe their official declarations—regards NATO as the military structure which can most reliably provide effective security guarantees in the long term (only two small parties in the present ruling coalition, the Slovak National Party and the Association of Slovak Workers,

would prefer neutral status for Slovakia). If we take Slovakia's official defense policy at face value, Slovakia does not perceive any direct military threat at present.[11]

Because of the absence of a real tradition of statehood, the identification of national identity and interests is linked to the search for a national history. Due to more than a thousand years of common Slovak–Hungarian history, it is understandable that a 'Hungarian agenda' occupies first place in Slovakia's foreign policy and thinking. Both the current foreign and domestic agendas of Slovak–Hungarian relations—minority issues and the interpretation of the Basic Treaty signed in March 1995, among other things—are currently regarded in Slovakia as very important to the country's basic national interests.[12] Current policy and security debates in Slovakia are also determined by the fact that Slovak–Hungarian bilateral relations have direct domestic political implications. Slovakia's nationalistic political forces—the Movement for a Democratic Slovakia (HZDS), but above all the Slovak National Party, the SNS, and the Association of Slovak Workers, the ZRS—prefer to pursue Slovakia's short-term interests as far as regional security is concerned. Most important in this respect is the fact that they perceive Russia as the key power in Central Europe, a Russia which is able and willing to balance what they see as a long history of German–Hungarian influence in the region.

This is the background to their efforts to revive the Pan-Slavic idea and/or the more modern concept of 'Slovak neutrality'. In their view, Russia is now far more important in respect of the solution of the 'Hungarian question' than, for example, NATO.[13] In this context, Ukraine is seen either as a 'problematic' country because of its conflictual relations with Russia or welcomed as a country whose destiny is to be a neutral neighbor of a neutral Slovakia. Moreover, supporters of Slovakia's neutrality propose the establishment of a "belt of positive neutrality in Central Europe" which would consist of neighboring neutral states, such as Ukraine, Slovakia, Austria, and Switzerland.[14]

There are some differences in the current attitudes of Slovakia's opposition forces—the main members of which are the Christian Democratic Movement, the KDH, the Democratic Union, the DU, the Democratic Party, the DS, and the Party of the Democratic Left, the SDL'—concerning the country's security interests, especially relations with Russia. Nevertheless, NATO and EU membership for Slovakia is without doubt a high priority for all.[15] They strongly reject any notion of Slovakia's neutrality or non-membership in NATO or the EU.

In summary, Slovakia's main security dilemmas remain unresolved. On the one hand, there is a general understanding of national long-term interests and the importance of NATO and EU membership for Slovakia. On the other hand, there still exist concepts of 'other solutions' for Slovakia, based on historical experiences, nationalism, and anti-Western political thinking.

Between the West and Russia: Slovakia's Basic International Dilemma

All Slovak governments since 1993 have declared that the main goal of Slovakia's foreign and security policy is integration with Western structures (NATO, WEU, and EU). This unambiguous pro-Western orientation is the direct consequence of the political changes in East-Central Europe at the end of the 1980s and early 1990s. It became a symbol of victory over the totalitarian communist regime and represented a desire for full integration with the structures of the developed democratic world "to which we are bound by historical traditions and natural relations."[16] In spite of this, as already noted, Mečiar has declared his willingness to turn Eastwards if the West proves unenthusiastic.[17] His coalition partner, chairman of the Association of Slovak Workers, Ján Lupták, is convinced that "Russia is willing to provide security guarantees for Slovakia's neutrality."[18]

These views illustrate clearly that relations with Russia are being considered by some of the most influential political forces in Slovakia as a potential alternative to the official pro-Western foreign policy. Moreover, up to 1998 the Slovak government's attitudes—with the exception of Prime Minister J. Moravčík's government from March 1994 to November 1994—on the issue of NATO's Eastward enlargement embraced one element which has never been stressed in the same way by Slovakia's Visegrád neighbors, namely, the assessment of Russian objections to the NATO enlargement process. In fact, Slovak leaders have accepted Russian arguments against NATO as their own.

Given the declared program of his own government and the arguments of Russia, Prime Minister Mečiar has sometimes found himself in a situation which could be described as 'diplomatic schizophrenia'. A good illustration of this is his words at the end of his October 1995 visit to Moscow: "NATO enlargement is included in the government program and the government has so far not

changed its program." Furthermore, Mečiar combined his vision of a secure Europe with the creation of a continental security system which would include Russia. Afterwards he explained: "One of the possibilities is that NATO will transform itself into an organization covering the whole of Europe with member states as well as co-operative ones. The division of Europe into two parts would be a historical mistake."[19] In other words, for Mečiar the best option would be to dissolve NATO into the OSCE, which would correspond to the Russian European-wide security vision and would not require changes in the Slovak government's official program. In trying to understand why Slovak leaders took Russian arguments so much to heart, especially from fall 1994 on, it is important to take into account the contents of the dialogue between Slovakia and the West on the topic of 'Slovak democracy'.

Given Slovakia's official application for EU membership submitted in June 1995 and its officially declared goal of joining NATO, the country has a clear interest in continuing a dialogue with the West. It is possible to highlight three main stages in the dialogue between Slovak governments headed by Prime Minister Mečiar and Western partners about the 'political transformation in Slovakia' in recent years: (i) a 'pre-*démarches* era' from January 1993 to November 1994; (ii) a '*démarches* era' from November 1994 to October 1995; and (iii) a 'post-*démarches* era' from October 1995 to 1998.

While the main object of Western 'concern' during the first period (January 1993–November 1994) was the question of minorities in Slovakia within the context of Slovakia's admission to the Council of Europe (June 1993), as well as its participation in the OSCE (from January 1993), during the second period official EU and US diplomatic warnings were issued concerning Slovakia's movement away from the democratic standards of Western countries. Western diplomatic notes were addressed to the new Slovak government elected in October 1994. Slovakia has received three diplomatic *démarches*: two from the EU (the first issued on 24 November 1994 and the second on 25 October 1995), and a third from the USA (issued on 27 October 1995). While the subjects of Western concern during the first period were mainly questions regarding what we could call the 'software' of Slovak democracy, this changed after the 1994 parliamentary elections to a concern about its 'hardware', that is, about basic structural problems in Slovakia's political transformation. No other East-Central European country aiming to join Western structures has received attention of this kind at the official diplomatic level. It goes without saying that

Slovakia received no criticisms from Russia on such 'marginal' issues as the question of post-communist democratic transformation.

We need to explain at least briefly what happened in Slovakia during this time because of its great consequences for Slovakia's international position and its foreign policy. In 1994, Slovakia experienced a domestic political 'earthquake' which in political terms sent the country back somewhere towards the end of 1980s. This is the main reason why Slovakia lost its recent international position in the 'Visegrád Four' and why it has been excluded from the group of countries with the best chances of rapid integration into Western structures.

Failed Dialogue with the West and Slovakia's Changed International Position: The Domestic Context

The HZDS, with Mečiar as its leader, won the first free Czechoslovak parliamentary elections (June 1992) in Slovakia and became the strongest Slovak political party, winning a majority of seats in the parliament. The HZDS was able to form a one-party Slovak government which, together with its Czech counterpart the Civic Democratic Party, headed by Václav Klaus (winner of the Czech parliamentary elections), arranged the 'velvet division' of the common state, effective as of 1 January 1993. Thus, Mečiar became Slovak Prime Minister for the second time. As already mentioned, in April 1991 Mečiar had been recalled from this post by the VPN Council due to his 'authoritarian style of government'. He left the VPN and formed his own political grouping—the HZDS—together with his supporters. This time a new Slovak government was appointed with J. Čarnogursky, leader of Christian Democratic Movement (KDH), as Prime Minister in a VPN–KDH coalition.

After coming to power for the second time, Mečiar was free to conduct domestic and foreign policies according to his own fancy. But he was not able to change his authoritarian style. The intolerant behavior of Mečiar's cabinet towards the opposition in the course of 1992–93 intensified the political crisis both in the society and the governing movement itself. A number of MPs left the parliamentary faction of the Movement for a Democratic Slovakia, as a result of which the single-party government of the HZDS lost its fragile majority in the Parliament. The formation of a coalition government of the HZDS and the Slovak National Party, with tacit

support from the Party of the Democratic Left, averted a government crisis in the short term, as the government did not change the content or mode of implementation of its policies.

In his New Year speech on 1 January 1994, President Michal Kováč denounced the Mečiar's government's intolerant policies, and appealed for the establishment of a broader coalition for the sake of stabilizing political conditions in the Slovak Republic in order to improve "our chances of joining the structures of the advanced democratic world."[20] This speech brought the latent conflict between President and Prime Minister onto a different level. In March 1994, the President presented to Parliament a 'Report on the State of the Slovak Republic', in which he openly criticized Mečiar's cabinet. He illustrated Mečiar's governing style and misuse of power, and pointed out the discrepancies between government policy and Slovakia's democratic–internal and external–objectives.[21] Due to the serious points made in the Report, the Parliament voiced its disquiet in relation to Mečiar's government. In mid-March, a new coalition government came into being headed by Prime Minister J. Moravčík. Parliamentary elections were moved forward to October 1994. However, the elections were again won by the HZDS headed by Mečiar. Together with the Slovak National Party (SNS) and the Association of Slovak Workers (ZRS), the HZDS established a parliamentary coalition majority and a new government.

On 3 November 1994, a later notorious session of Parliament began. The session finished in the early hours of the next day. This meeting, figuratively labeled as the 'parliamentary night of the long knives', represented an act of revenge for March 1994. The government majority decided to fight the 'internal enemy' by reducing democracy, concentrating power in their own hands as far as possible. This night turned the clock back in Slovakia to something like the very first days after the November 1989 'Velvet Revolution', in many respects, even to a situation very much like the one which had prevailed before the fall of the communist regime. Such a return to the past has not been experienced by any other post-communist country linked to the EU by association agreements.

This was followed by new repressive measures: for example, the government coalition practically excluded the opposition from all leading posts (Speaker, Deputy Speaker, heads of committees) in the Parliament, so breaching the unwritten principle of proportional representation. Similarly, only Mečiar supporters were appointed to top management functions in state-controlled TV and radio. In addition, an amendment was passed to the Large Enter-

prise Privatization Act, which transferred policy-making authority from the government to the Mečiar-controlled, non-governmental Fund of National Property (FNM); only representatives of the coalition were elected managers of the Fund. Similar policies were applied to the Supreme Control Office (*Najvyšší kontrolný úrad*). Thus, the opposition was deprived of any control over the Slovak Information (intelligence) Service, the mass media, and the privatization process.[22]

On 24 November 1994, deputies of three EU countries delivered Prime Minister Mečiar an EU diplomatic note (*démarche*) expressing "misgivings concerning a number of phenomena" in Slovakia since the parliamentary election. In addition, the *démarche* expressed "expectations and the hope that Slovakia, carefully considering its own interests, would consistently follow the path of democratic reforms."[23] While the most significant issue of the 1993 dialogue was the minority issue, November 1994 highlighted the question of democracy in the Slovak Republic. Moreover, on the Western side the participants in the dialogue had changed. While in 1993, Slovakia was handed individual and 'group' advice from politicians, experts, and non-governmental institutions—apart from the recommendation of the Council of Europe, and the CSCE (Conference on Security and Cooperation in Europe) missions, which, however, were not 'exceptional' steps limited to Slovakia—towards the end of 1994 the dialogue assumed an official diplomatic form, involving the governments of leading democratic countries. A similar *démarche* has not so far been sent to any other country applying for EU membership. Nevertheless, the Slovak government successfully disregarded the changes in the dialogue's content and level, and "thanked the EU for the attention it was giving to developments in the Slovak Republic."[24] Mečiar's government did not take the EU warnings too much to heart—quite the contrary, as it showed in the practical policy measures it took in 1995.

The EU could not remain indifferent to these developments in Slovakia because it had taken on an obligation to keep open the dialogue with the Slovak government on the topic of 'democracy'. On 25 October 1995, the Slovak government received a second diplomatic note from the EU. The US government also found it necessary to express its misgivings. These two *démarches* were followed by a resolution of the European Parliament concerning democracy in Slovakia.[25]

The EU voiced its misgivings "about the contemporary political and institutional tension in the country," and especially about the

fact that "actions can be taken against the President of the country which are in defiance of EU constitutional and democratic practices." The EU reminded the Slovak Republic of its obligation to observe the association agreement, and of the criteria, stipulated by the June 1993 Copenhagen summit, which apply to all EU membership applicants. The most significant is the first condition, that is, "stability of institutions in order to guarantee democracy, the rule of law, and human rights." The second *démarche* referred to the first one, because "misgivings pertaining to the political and economic transition of the country, underlying the [first] *démarche*, persist." The US government *démarche* expounded 'misgivings' concerning democratic development in the Slovak Republic: "growing intolerance of the ruling coalition towards opposition views, an atmosphere of political intimidation, and market reforms jeopardized by concealed, party-based decision-making in respect of privatization. We are carefully monitoring the investigation of the recent kidnapping of the President's son, and hope the case will soon be resolved...Progress in the transformation towards democracy and a free market is crucial in terms of our support, and critical with regard to Slovak membership of the Transatlantic community." The resolution of the European Parliament openly indicated the prospects of Slovak membership of the EU if the government's methods did not change: "If the government of the Slovak Republic continues a policy which does not comply with elementary principles of democracy, human and minority rights, and the rule of law, the EU will have to re-consider its programs of assistance and cooperation within the framework of the European Association Agreement, which will have to be suspended."

The third Mečiar government did not change its domestic policies in 1996 and 1997. Yet it received no more diplomatic *démarches* from the West—the dialogue between Slovakia and the Western community was suspended. Slovakia had now entered what we might call the 'post-*démarches* era' in its modern history, lasting up to 1998, having lost the chance to become integrated into Western structures together with its 'first wave' Visegrád neighbors. In this sense, it is worth recalling Mečiar's phrase: "If they do not want us in the West, we should turn to the East."

Searching for Slovakia's 'Own Path' and Russian Understanding

After the *démarche* period of 1994-95, the government coalition—despite its contradictory declarations—realized that Slovakia's chances of integrating into Western structures were minimal, or better, nil, due to the style and content of the government's domestic policies. Thus, the government faced a crucial dilemma: on the one hand, a change in domestic policies would be tantamount to an admission of defeat, while on the other hand, making no changes would mean that Slovakia, in contrast to its East-Central European neighbors, would not become integrated in the West. Rather, it would be an unstable country in a worsened international position. The coalition decided to stick to its domestic policy, and placed its own short-term power objectives before long-term national ones. Thus, it became necessary to start persuading chiefly themselves, but also the electorate, that Slovakia did not need any form of integration, and that the Western model of transformation did not reflect Slovak needs.

The leaders of the other two governing coalition parties first called into question the foreign-policy orientation specified in the government program in October 1995. SNS chairman Ján Slota and ZRS chairman Ján Lupták, in two successive interviews for the Russian press, stated that "the Slovak Republic should not enter into military blocks, and should preserve its neutrality."[26] Furthermore, "the majority of average Slovaks are not yearning for NATO, the EU, or the IMF at all."[27] As already mentioned, towards the end of the same month, Mečiar unveiled his pan-European vision of NATO's future during a trip to Moscow. However, a parting of the ways with NATO and the EU could not be satisfactorily explained by mere 'pan-continental' foreign-policy speculations mapping the Russian view of a new European security architecture. The dialogue with the West failed for predominantly domestic political reasons.

Russian policy responded sensitively to 'Slovak communication problems' with the West and, through S. Jastrzhembsky, Russia's ambassador to Slovakia, it was decided to support and defend Slovakia in this dialogue. In Jastrzhembsky's words (January 1996): "To say 'follow us...There is only one way to democracy, and we know the way', as many Western countries do, is a new Bolshevism."[28] In April 1996, the Russian daily *Izvestiya* published an extensive document in which the Russian ambassador defended Slo-

vakia: "The West does not understand the specific features of that young country, and does not take into consideration either the history of the Slovak people or the Slovak way of thinking, their mentality. Dissatisfaction over government policy itself is apparent...The Slovaks are told: 'Look how the Czechs, Poles, or Hungarians do things. Why do you proceed in a different way?' [The answer is] because it is a different country which wants to do things its own way."[29] In other words, in Slovakia things are not done undemocratically, just 'differently'. As a sovereign country, Slovakia has the right to do as it wishes—a right denied by the 'Bolshevik' West. In this fashion, at some point in late 1995–early 1996, the myth of the 'Slovak way' was born. This way was said to represent a domestic alternative to reform in the post-communist world.

Vladimir Mečiar first presented the Slovak approach to transition to a foreign audience during his visit to the rump Yugoslavia in late January 1996. The Slovak Republic demonstrated its conception of coordinating a common security and foreign policy with the EU in the pre-membership period when, on 29 January,[30] the first day of the Slovak delegation's visit to Belgrade, the EU ministers postponed official recognition of the Yugoslav Federal Republic.[31] On the occasion of being awarded a doctorate *honoris causa* at Belgrade University, Mečiar gave a lecture on "the Slovak model of economic transformation", in which he maintained the following: "Everyone has the right to go his own way; we want to avoid dogmatism. The role of the state is not reduced in the period of transition. What changes are its functions...The process of transformation can be supported from the outside, but it cannot be imposed from the outside."[32] In February 1996, the elite-oriented Russian journal *VIP* published an extensive interview with the Slovak Prime Minister in which, among other things, he claimed the following:

> No doubt, there are some circles in the West which take a critical attitude towards my person, our Movement [the HZDS], or even our country...In the political arena, we did not start by establishing traditional Western structures. Our Movement came into existence on the basis of pragmatic, rather than ideological, principles...It does not resemble Western parties...we have outlined the following prospect for our country: expecting as little as possible from the outside, and making use of domestic resources...Not everybody understands it, and not everybody likes it...We are not looking for any 'third way', we are looking for a way for ourselves. Only those who think schematically can be surprised: Why is it different in your country to how it is in the West? Yes, it is different! But, if it is different and good—is that bad?[33]

The Slovak Prime Minister seemed to adhere firmly to the view that violating the rights of parliamentary members, offensive attacks against the President, total concentration of power in the hands of a single Movement, marginalization of the opposition, and the political misuse of the privatization process and the Intelligence Service was not 'bad', just 'different'. The 'Slovak way' moved the Slovak Republic far away from the institutions of the advanced world and brought it nearer to the transition world of the post-Soviet republics, or to the democracies and political systems of the 'Euro-Asian type'.[34]

In short, we can conclude that at the end of 1995 and beginning of 1996 a myth was born in Slovakia concerning a 'Slovak way of transition', justifying Mečiar's failed foreign (pro-Western) policies. The 'parents' of this myth came from the Slovak ruling coalition while the 'godparents' came from Russia. Thus, conflict with the West brought Slovakia's ruling circles even closer to Russia.

Slovak–Russian Relations, 1993–97

Will Slovakia Become an Economic Bridge between West and East? An Exaggerated Geopolitical Vision (1993–95)

The new qualitative level and the second phase of the Slovak approach to relations with Russia developed during 1992 and 1993. At that time, the strategic vision presented was as follows: Slovakia should try to become an economic bridge between East and West. According to this vision, the closer relations became between Slovakia and Russia, the more important Slovakia would become for the West. This strategic vision—or illusion?—is still one of the most important elements of Mečiar's strategic policy concept. The activities undertaken until 1998 by the Slovak government only confirmed this strategy.

Mečiar outlined this vision for the first time in October 1992 during his meeting with a group of Italian businessmen in Bratislava, where he "informed them of the possibilities for the use of Slovakia on their way to Eastern markets."[35] But the basis of such a strategy could only be extremely good bilateral economic relations with Russia, enabling Slovakia to offer its services to the West. Mečiar's economic overtures to Russia, commenced in 1991, con-

tinued, under new circumstances, in 1993. One of his first post-independence visits, in March 1993, led him to Moscow, where he negotiated with his counterpart, Prime Minister Viktor Chernomyrdin. Jozef Moravčík, at that time Minister of Foreign Affairs, declared before the visit: "The aim of the visit is to create the conditions for the return to the previous level of bilateral economic relations. The improvement of relations with Russia will make it possible to arouse more intense interest on the part of Western countries in the Slovak Republic."[36] In August 1993, after his second visit to Moscow, Mečiar could declare his satisfaction with the fulfillment of his strategic vision: "I have visited Russia twice. Both times we signed important agreements on economic cooperation with Russia. We have to start again and create a completely fresh set of economic relations with Russia. We are doing so in a model way. That is why some are jealous of us, saying that Slovakia is without competition in Russia and that its status is special."[37]

The Russians did not reject the Slovak attempt to develop a form of economic cooperation different to those of other East-Central European countries. On the contrary, they supported this unique initiative. They also supported the Slovak strategic vision of its globally significant economic position. In the words of Prime Minister Chernomyrdin during a Slovak government delegation's visit to Moscow in August 1993: "One of the alternative forms of economic cooperation between Slovakia and Russia could be the formation of joint companies uniting the system of pipelines in Europe as a whole."[38] According to the Slovak government's plan, the application of the above-mentioned strategic vision would be based on three vehicles. Two of these are related to the transport of gas and oil to Western Europe, and the third involves the creation of a joint Slovak-Russian Bank. According to this view: (i) Slovakia is and should remain the primary East-Central European partner for Russia in the transport of gas and oil to Western Europe, as Slovakia has inherited the main gas and oil pipelines from the former Soviet Union supplying the former socialist East-Central European countries. (ii) A joint Slovak-Russian company, with its headquarters in Bratislava, should be created with the aim of coordinating Russian gas exports to Europe. This international joint-stock company (Slovrusgas) would be open to Western natural-gas companies and to Western investment. (iii) Finally, a joint Slovak-Russian Bank should be created in Bratislava to offset both the collapse of the transferable ruble—the uniform currency used by COMECON—and the lack of hard currency following the break-up of COMECON. Such a project would also contribute to revitaliz-

ing East–West trade. Originally, the Bratislava-based Devin Bank tried to play this role, but without success.

According to this strategic vision, Bratislava would become one of Europe's main trade centers, linking East and West. This strategic vision of the Slovak government was the main issue of the Slovak–Russian bilateral negotiation process in 1993–95.[39] It must be emphasized that the Russian side formally supported these large-scale Slovak expectations concerning the importance of mutually advantageous economic relations. Paradoxically, despite the declared 'exemplary nature' of relations with Russia, Mečiar's strategic vision was doomed to fail, based as it was on an overestimation of the real importance of Slovak–Russian economic cooperation, which in reality has no Europe-wide significance. On the contrary, the 'great Slovak economic vision' is an illusion, and for three principal reasons.

In the first place, Slovakia will lose its position as the main East-Central European partner in the transport of Russian gas to Western Europe. The reason is the planned East-Central European Yamal gas pipeline project from Russia via Belarus and Poland to Germany. The transport capacity of this pipeline will be around 69 billion cubic meters of gas per year. The current capacity of Slovak pipelines is 70 billion cubic meters. The Russian side rejected the Slovak request to build a special 'southern branch' of the Yamal pipeline from Poland to Southern Europe due to the unfavorable economic conditions.[40] Secondly, as it emerged from Mečiar's October 1995 visit to Moscow, the planned Europe-wide activities of the Slovrusgas company would be limited in the following way: a Russian gas company (Gazprom) would import Slovak products to Russia through barter arrangements.[41] It goes without saying that this does not correspond with the original Slovak strategic vision. The Russian proposition was much narrower—to create a joint company controlling Russian natural gas transit over Slovak territory. This idea was rejected by the Slovak government in late 1995 because it was clearly disadvantageous for Slovakia.[42] Finally, the project of a joint Slovak–Russian Bank to revive and mediate West–East trade remains only a vision. The problem with this project is that a banking system has already been created, called the Clearing Bank Association (ABC–CBA), with the aim of compensating for the collapsed trading mechanism of the former COMECON, and this system really works. As a result, there is no need to establish a new institution with the same purpose.[43]

We can see that the real results of the Slovak government in applying its strategic vision have been very poor. The main reason, as

already mentioned, is the overestimation of the real significance of bilateral Slovak–Russian economic relations on the Slovak side. It is difficult to suppose that the Russian government shares these illusions. In other words, if the Slovak strategic vision of becoming an economic bridge between East and West was only a 'great illusion', the question is: what else could we find in Slovak–Russian economic relations to justify the Slovak Prime Minister's view that "our mutual relations may be the subject of international jealousy"? As we shall see, there was an additional element—Mečiar's hopes of benefiting from low gas prices.

In this connection some crucial information surfaced after Mečiar's visit to Moscow in August 1993 (only three days before the signing of the Slovak–Russian basic treaty in Bratislava): it appeared that Slovakia had already become a member of the so-called Surgut agreement with the status of an observer.[44] What is the Surgut agreement and what does it mean for Slovakia? Surgut, a city in Western Siberia, was the site of a meeting in March 1993 where the former Soviet republics—with the exception of Estonia, Latvia, and Turkmenistan—agreed to set up a gas and oil cooperation council, as a CIS organ, in order to develop Russian gas and oil exports on a multilateral basis.[45]

Slovak participation in this system was of great significance, as it was the first non-Soviet state to join a CIS organization. Especially interesting is the fact that, although the Surgut agreement was a multilateral system, the price-formation system was bilateral (between Russia and each partner). According to official statistics, Russia provides Slovakia with 100 per cent of its oil and 96 per cent of its gas (1993–96).[46] In contrast with international practice, the prices of Russian fuels were the subject of secret contracts between the contracting partners. We can only estimate the level of Slovak prices if we take into consideration CIS conditions. According to CIS sources concerning Belarus and Kazakhstan, 'Surgut prices' for gas and oil are around 50 per cent of the current world level.[47] Despite the fact that the Surgut agreement was not effective and ceased at the end of 1994, the large energy monopolies close to both the Russian and the Slovak governments have continued to follow the 'strategic cooperation' rules agreed at government level in 1993.

Given the very low level of foreign investment in the technological reconstruction of the Slovak economy, it is difficult to understand the improvement in a number of Slovakia's macroeconomic indicators. According to former Slovak Economics Minister Ján Ducký, the positive results of the Slovak economy derive

from the activities of 20–30 per cent of the largest Slovak companies.[48] Among these 'flagships' are the following: Slovnaft J. C., Kerametal J. C., Slovak Gas Industry S. C., Transpetrol J. C., and the chemical industry. Eastern Slovak Ironworks J. C. (VSŽ J. C. Košice), which profits from cheap 'Eastern' raw materials, should also be included in this list. Predominant are companies dealing with the transport or processing of cheap Russian raw materials, such as natural gas and crude oil. Furthermore, the indirect Russian investment in Slovakia created by the difference between world prices and special 'CIS' prices for oil and gas have represented a considerable boost to the Slovak economy over recent years, allowing Slovakia to earn more foreign currency than would otherwise have been possible, and contributing to the swift growth of exports in 1994 and 1995. Commodities classified as 'intermediate manufactured products' have led Slovakia's exports over 1992–94, leaping from 43.98 billion Slovak crowns (USD 1.46 billion) in 1992 to 65 billion crowns (USD 2.16 billion) in 1993, and to 84.39 billion crowns (USD 2.81 billion) in 1994, or 39.4 percent of all Slovak exports.[49]

It goes without saying that the Slovak economic elite connected with these companies supports Mečiar's Eastern policy in accordance with its declared 'exemplary nature'. Only within the framework of the above-mentioned circumstances is it possible to find an answer to two central questions concerning Slovakia's role in the Ukrainian–Central European–Russian triangle: what are the real reasons for (i) Mečiar's 'special status' policy towards Russia and (ii) the current Slovak government's hesitant and vague foreign policy towards NATO and the EU? In any case, it is possible to find an answer not only to the mystery of the Mečiar government's foreign strategy, but also to its domestic policies, especially concerning the issue of *nomenklatura* privatization.[50]

In contrast with the neighboring East-Central European countries—especially the so-called Visegrád countries—Mečiar's government did not attempt to reduce Slovakia's strategic dependence on Russian energy sources. Furthermore, according to the so-called Mochovce nuclear plant agreement (signed in Moscow in October 1995) Slovakia has accepted the Russian condition to buy only Russian uranium for the nuclear plants working in Slovakia.[51] This means that Slovak dependence on Russian energy sources is becoming almost total.

Geopolitical Sobering-Up: Trade Obstacles and Growing Dependence, 1996–97

We can characterize the real results of the Mečiar government's Eastern policy as, at the very least, dangerous for Slovakia's economic independence. According to a statement by the leading economic advisor to the Slovak Prime Minister, P. Stanek: "trade with Russia is the key to Slovak prosperity."[52] On the other hand, in September 1996 former Economics minister Ján Ducký evaluated the main effects of Slovak–Russian relations over recent years as follows: "We are more dependent on Russia than we were before 1989."[53]

In 1996, Slovakia faced its first major economic crisis since 1993. The main issue was the country's negative trade balance, which reached 42 billion Slovak crowns (USD 1.35 billion) during the first ten months of 1996. This was something absolutely new because of Slovakia's modestly positive trade balances in recent years. A particularly significant indicator was that 77 per cent of this negative trade balance was due to the import of Russian natural gas and oil, and this grew to 87 per cent by the end of November 1996.[54] This was a direct result of the Mečiar government's 'strategic' policy supporting 'exemplary' relations with Russia. We have already mentioned the importance of cheap Russian energy resources for the rapid growth of Slovak exports in 1993–95. On the other hand, this froze the restructuring process of the Slovak economy and made Slovakia very vulnerable to changes in the Russian markets. The events of 1996 demonstrated this very clearly.

Having received a USD 10 billion loan from the IMF in March 1996, Russia agreed to raise—and equalize at a high level—the export duties on crude oil and gas exports (crude oil from 1 April, gas from 1 July 1996) paid by different companies,[55] so creating equal export conditions for all companies. In this way, the prices of Russian strategic raw materials increased markedly and in the case of Slovakia have now almost reached world levels. This has had very negative effects on the Slovak economy. For example, fuel prices were raised several times in 1996. The Slovak monopoly importer and processor of Russian crude oil Slovnaft reported losses for the first time since 1993 in the second quarter of 1996. Moreover, higher transport prices will necessarily stimulate rises in all other prices. In the second half of 1997, the Slovak government imposed a 6 per cent increase in gas and electricity prices.

One might expect that the lessons of 1996 would have some effect on the Slovak government's foreign trade strategy. The above

quoted advisor to Prime Minister, P. Stanek evaluated the new challenge Slovakia faced in 1996 as follows: "We should react to the changed domestic and foreign conditions forming our economic policy...The growth of natural gas and oil prices affects our trade balance in an essential way, especially if we consider the absence of diversification of those sources. What is worse, we are not able to increase our exports to Russian markets...It is time to pursue a selective and objective foreign trade policy."[56] Anyone who expected that the Slovak government would finally try to diversify the country's energy sources and open the door to foreign investment with the aim of promoting the country's economic reconstruction was wrong, however. According to the September 1996 'Slovak economic summit' in Piešťany, which brought together government leaders, representatives of the strongest Slovak companies, banks, and experts with the goal of developing a 'new economic strategy for Slovakia to the year 2000', the main problem of the Slovak economy was the issue of the trade balance with Russia.

Prime Minister Mečiar put it as follows: "The amount of imported oil and natural gas from Russia will not be reduced...We could not find a more advantageous supplier of energy nowadays. This is because of the existing transport system; at the same time, we are not ready to accept other prices."[57] A decision was taken to create two new institutions with the aim of improving Slovak exports to Russia: the Fund for Foreign Trade Support and the Export-Import Bank (Eximbank). Finally, the Piešťany summit marked the beginning of serious bilateral negotiations on the creation of a free trade zone between Slovakia and Russia. From this time on, the issue became one of the most important on the Russian-Slovak agenda, indicating that the Slovak government had retreated somewhat from its great geopolitical 'bridge vision' on the understanding that relations with Russia had only bilateral importance and, moreover, negative consequences for Slovakia's trade balance.

The first official remark concerning the possibility of creating a Slovak-Russian free trade zone emerged during Chernomyrdin's visit to Slovakia in February 1995. The Russian Prime Minister made it conditional on the establishment of a 'common trade house' (an intergovernmental institution which provides a framework for the work of various companies and for mutual trade with the aim of creating more favorable conditions). The basis of this 'common trade house' would be the creation of a joint gas company controlling the transit of Russian natural gas via Slovak territory to Western Europe.[58] This time it was the Slovak government

which rejected the Slovrusgas company project as "it does not correspond to Slovak interests because of decreasing Slovak Gas Industry (state company) revenues and, at the same time, it will provide worsening possibilities for the regulation of domestic natural gas prices in Slovakia."[59] The Slovak side rejected the Russian proposal mainly because of what it saw as unacceptable Russian conditions, first of all the Russian insistence on 50 per cent ownership of the Slovrusgas company. Nevertheless, Slovakia hoped to make Russian markets more accessible to Slovak products. The Russian side 'played dead' for more than eighteen months, although it did not lose interest.

During the Piešťany summit Slovak Prime Minister Mečiar suddenly informed the participants that "we have received a proposition from the Russian side concerning the creation of a free trade zone, although the negotiation process is still only at a preliminary stage."[60] More detailed information was given by a representative of the Slovak Chamber of Industry and Commerce: "According to some experts, a free trade zone could help Slovakia reduce its negative trade balance with Russia by half...The Russian side demands that our decision on creating a free trade zone should not be influenced by any third party...and the Russian proposition is valid for about six months."[61]

In this way Russia pushed the Slovak government into a very difficult international position. Slovakia could not accept the Russian conditions because of its Association Agreement with the EU, its Agreement with the Czech Republic on Customs Union, and its membership in CEFTA and the WTO. Membership in these organizations means that Slovakia has to consult with other members on any plans regarding trade liberalization involving a third party. Moreover, more than 80 per cent of Slovak exports in recent years were to the EU and Czech markets. Nevertheless, the Slovak government chose to follow a risky path, to say the least. Without consulting either Brussels or Prague, Slovakia forced the implementation of the bilateral free trade zone with Russia. Deputy Premier and Minister of Finance Sergej Kozlík submitted the project of a Memorandum on Trade Liberalization to Russian Deputy Prime Minister V. Babichev during his visit to Bratislava in November 1996. The Memorandum was intended as a first step leading to the signing of a treaty on establishing a free trade zone.[62] This shows us the extent of Russian influence over the Slovak government.

In this way, the Slovak government found itself in a diplomatic 'blind alley'. The EU and Prague expressed their disagreement with the possible establishment of a free trade zone between Slovakia

and Russia, which could result in the renunciation of existing agreements. Slovak Foreign Minister Pavol Hamžík noted in February 1997 that "Slovakia realizes its international obligations towards the EU and the Czech Republic, and so the establishment of a free trade zone with Russia is still only a matter of speculation".[63] Nevertheless, pressure from the Russian side did not stop. It goes without saying that Russia was not interested in a free trade zone with the small Slovak market on the basis of purely economic considerations. The real Russian economic interest in Slovakia became clear during Russian Prime Minister Chernomyrdin's visit to Bratislava in April 1997, when eight new Slovak–Russian agreements were signed. Three of them concerned the creation of the joint Slovak–Russian company Slovrusgas (established by Gazprom and Slovak Gas Industry S.C.) which would become the owner of gas transit-pipelines over Slovak territory.[64]

The results of Slovak diplomacy are disastrous if one looks at the period 1996–97. Slovakia, due to misunderstandings with the West in debates on 'political transformation', was practically excluded from the group of countries slated to become members of Western structures in the first wave of expansion. At the same time, Mečiar's government was not successful in making Eastern markets more accessible to Slovak exports. Moreover, Russia partially got what it wanted (in accordance with Russian Prime Minister Chernomyrdin's note of February 1995): access to the Slovak gas sector as well as to gas transit over Slovakia. The Slovak government had rejected the Russian proposal in 1995, but it could not to do the same in 1997. Russia achieved its ends without any compensation to the Slovak side in respect of trade. Thus it can be concluded that Slovakia's dependence on Russia is growing in proportion to the country's 'independence' vis-à-vis the West.

Security and Foreign Policy Consequences for Slovakia

Slovak–Russian relations involve two states with very different economic and power potentials and very different international standings. Formally, they involve sovereign and equal partners; in reality, they are extremely asymmetrical. It is necessary to realize the specifics of this asymmetry in order to understand the basic starting point of the interests followed by both parties in their bilateral relationship. If one can presume a natural economic interest

on the part of Slovakia, in the case of Russia, interests of this kind are negligible. For Russia, relations with Slovakia have a primarily political content, taken in the wider, Central European context.

The best illustration of this is the following. Oleg Bogomolov, then a deputy chairman of the Russian Parliament's Foreign Affairs Committee, said during his visit to Slovakia at the end of 1995: "Slovak national interests are that Russia should develop democratically, that it should be a peaceful state. You have your interests in Russia. We have our interests in East-Central Europe and we do not wish it to become a zone dominated by any particular power."[65] That is, from the Russian point of view relations with Slovakia do not have a purely bilateral character. Bogomolov's statement prompts the following question: What are the Russian interests in East-Central Europe? Why did he address Slovakia when it goes without saying that Slovakia does not represent East-Central Europe as a whole? In fact, Bogomolov's statement fully corresponds to Russia's foreign policy concept, which was worked out in 1992 after the dissolution of the Soviet Union. This concept—also known as the 'Kozyrev doctrine'—has outlined the strategic task of the Russian Foreign Service concerning East-Central Europe as follows: "The strategic task is to prevent East-Central European countries from forming a buffer zone which would isolate Russia from the West. At the same time, the task is to prevent Western powers from pushing Russia out of the East European region."[66]

The essence of the Kozyrev doctrine may be outlined as follows: 'Russia must eliminate its international isolation. And this elimination can be successful only if Russia approaches the Western security structures along with East-Central European countries. The East-Central European countries must not be first in this process. At the same time, it is necessary to implement a pan-European security system, which should also govern NATO, based on the principle that Russia must be an integral part of any security system in Europe'.[67] Any development which does not reflect these principles represents a new division of—and confrontation in—Europe.

Mr Afanasyevskiy of the Russian Ministry of Foreign Affairs described Russian policy very clearly during a conference on 'Russia in Europe—A New Security Challenge', held in Moscow on March 1994: "Russia cannot accept any organization in which it would not have the equal right to vote on decisions. Even less acceptable is the prospect of a special security zone on the basis of NATO or the WEU, excluding Russia...The only acceptable historical and geographical framework for the solution of security questions in Europe in the post-confrontation era is the [whole] area between

the Atlantic and Urals."[68] The only existing organization which optimally fits Russian interests, and is in accordance with Russian ideas on decision-making, is the OSCE, through which Russian diplomacy would like to co-ordinate all basic regional organizations, such as the NACC, the EU, the Council of Europe, NATO, and the WEU.

In this way, Russia has narrowed its relations with East-Central European countries mainly to the question of 'how to avoid the process of Eastward NATO enlargement'. The explanation of how to reach these goals can also be found in the text of the 1992 Russian Foreign Policy Concept, which states the following goals: "To secure a new level of political and economic relations with East-Central European countries; to stress positive results from the past and deal with practical aspects of cooperation."[69] If we take into account other basic materials of Russian foreign policy developed after the above-mentioned Concept,[70] we also find that the Russian approach toward East-Central European countries has not changed much.

Although Slovakia was not an unknown country to Russia's political elite, until 1995 it was virtually unknown in terms of the coverage it received in the Russian press. This started to change when a series of articles was published in the Russian press—most of them written or initiated by political scientist Andranik Migranyan—which have helped Russians to discover their 'new friend' in East-Central Europe: only Slovakia was ready to accept the type of cooperation proposed by Russia from 1993. One of the crucial effects of Mečiar's Eastern policy is that Slovakia has in fact accepted the Russian vision of how to build a new European security architecture. The evidence for this is in the text of the so-called basic treaty signed by Presidents Yeltsin and Kováč on 26 August 1996.[71]

The security consequences for Slovakia resulting from the political treaty were analyzed very realistically by Svetoslav Bombík (the late director of the Slovak Institute for International Studies): "Speaking of the foreign policy and security area, the treaty forces Slovakia to accept Russian ideas about the creation of a European policy and security architecture...This concept makes more difficult our integration into Western security structures, mainly the WEU and NATO...This concept is also included in other articles which contain formulations such as 'both parties confirm that European security is connected with CSCE'; 'they will encourage the creation of a united European space in all its dimensions'; 'they will encourage the creation of permanent security structures'; 'they will together and separately oppose the attempts towards a new

division of Europe in the economic and social sectors'; 'they will develop mutually advantageous cooperation in the military sector'...The text of the treaty forces Slovakia to connect its security with the 'European process of the CSCE'."[72]

It seems that in the field of foreign policy Mečiar's government took the August 1993 Slovak–Russian treaty more seriously than its own Program Statement of January 1995. The Slovak interest was to keep the international 'status quo'. In other words, to maintain good relations with both Russia and an unexpanded Western Europe. (Too rapid integration with the EU could have threatened the low price of Russian imports.) From the economic point of view, it would have meant cheap raw materials from the East and a relatively open and solvent EU market (Association Agreement with the EU), where the former advantage could be used. Slovak policy seems to have been taking this path, worsening its international position and making the future of the country more unpredictable.

Slovak–Ukrainian Relations, 1993–97

Traditional Slovak Views about Ukraine and the Ukrainians

Like Slovakia, independent Ukraine is also a new actor in the international arena. Therefore, the history of bilateral Slovak–Ukrainian relations is relatively short—little more than five years. This time factor is perhaps the main reason why Ukraine is still an unknown country for most Slovaks, including politicians. No Slovak media organization has permanent correspondents in Kyiv or other Ukrainian cities, and vice versa. Thus, information about Ukraine comes to Slovakia mostly through Moscow, filtered through the particular Russian perspective. This is paradoxical given the fact that these are neighboring countries. Moreover, Ukraine is Slovakia's largest neighbor in terms of important geopolitical indicators such as population and total area.

Slovaks understand historically what Russia is, but have difficulty understanding what Ukraine is. Central European pan-Slavism started in the last century as an ideology of fear stemming from the subsumption of Slavic nations in the Habsburg and Ottoman empires. It was at this time that the intellectual and political

elite of the Slavic nations—including the Slovak one—originated. The European 'Spring of Nations' also attracted the newly-born elite of Slavic nations who tried to effect the principle of national self-determination. The 'Spring of Nations' became a 'War of Nations', and pan-Slavism was established as a platform against pan-Germanism and pan-Hungarism under the Habsburg monarchy. Russia has been viewed by the first generation of the Slovak national elite as the only Slavic nation which could support Slavs in East-Central Europe.[73]

One must not forget that there are national political forces in Central Europe which derive their legitimacy from the message of the first generation of the national elite in the nineteenth century. This includes not only Serbian but also Slovak nationalists. For example, the Czechs got rid of their 'Russian' illusion after 1968; Slovak nationalists did not, as the Czechoslovak state was not 'their' state. This is one reason why Slovak nationalism has traditionally been pro-Russian and anti-Western. Traditional Ukrainian nationalism has quite different historical features, being typically anti-Russian and pro-Western. This is another reason for Slovakia's historical 'coolness' toward Ukraine and the Ukrainians. Historically, Ukraine has been viewed in Slovakia as 'something behind the Carpathian Mountains' which does not have a direct impact on important events on 'our' side.

Thus, it is no wonder that Slovaks observe Ukrainian affairs mainly in accordance with Russian perceptions. Another effect of this is that Slovaks perceive the whole post-Soviet area predominantly as 'Russia'. This traditional stereotype has not changed in recent years, and provides a negative mental framework for current bilateral relations. Unfortunately, these views are held not only by the public at large, but also by the Slovak official foreign policy establishment. On the other hand, if we take the agenda of Slovak–Russian relations described above, this perspective seems to be understandable. In other words, Russia is much closer to Slovakia than its immediate neighbor, Ukraine, and in every respect: political, economic, historical, and psychological.

A Modest Official Agenda, 1993–97

During their June 1993 meeting in Kyiv, Presidents Kravchuk and Kováč signed the basic political treaty on 'good neighborliness and cooperation'. Nevertheless, the next 'high level' diplomatic contact

did not take place until February 1994, when Ukrainian Minister of Foreign Affairs A. Zlenko visited Bratislava. The first meeting of Prime Ministers (Mečiar and Marchuk) was held in June 1995 in Kyiv—two years after the signing of the basic treaty. Considering the fact that Slovakia and Ukraine are neighbors, such a long diplomatic hiatus seems troubling. Slovak-Russian relations have not experienced anything like this.

During the period from the signing of the basic Slovak-Ukrainian treaty in June 1993 until the first meeting of the Slovak and Ukrainian Prime Ministers in June 1995, Slovak Prime Minister Mečiar met his Russian counterpart Viktor Chernomyrdin on three occasions (twice in Moscow and once in Bratislava). The second meeting of government delegations headed by Prime Ministers Mečiar and Marchuk took place in Štrbské Pleso (in the High Tatra mountains in Slovakia) in January 1996, and the third in March 1997 (Mečiar-Lazarenko) in Uzhhorod (Ukraine). While between the governmental Slovak-Ukrainian meetings there were periods of 'deep diplomatic silence', at the same time Slovak-Russian contacts were developing in a very intense way. (On average, six or seven high-level delegations have been exchanged between Moscow and Bratislava each year.)

Since gaining independence in January 1993 Slovakia has concluded with the Russian Federation more than 80 new agreements (as of April 1997). At the same time, it has concluded around 40 agreements with Ukraine. To this one must add 44 additional 'old' agreements with Russia, which Slovakia 'inherited' from Czechoslovakia. Thus, current Slovak-Russian relations are regulated by more than 120 agreements, and Slovak-Ukrainian relations by less than 40.[74] This clearly illustrates the priorities of Slovak foreign policy towards its Eastern neighbors and beyond. Slovakia has concluded such a high number of new treaties with no another country in the world. Slovak diplomacy is not striving for a better balance in its relations with the two key post-Soviet countries, Ukraine and Russia. Quite the contrary, it is continuing an unbalanced Eastern policy, preferring one-sided relations with Moscow.

This one-sidedness can best be illustrated by comparing Slovak-Russian and Slovak-Ukrainian diplomatic deals struck in 1997. After the visit of Slovak Deputy Premier Kozlík to Moscow in February 1997, preparing the agenda for Russian Prime Minister V. Chernomyrdin's visit to Slovakia in April 1997, both sides announced that nine new treaties were to be prepared for signing in Bratislava. At the same time (February 1997), the Slovak and Ukrainian sides announced that they were preparing six new agreements which

might be signed during the coming Slovak-Ukrainian governmental meeting in Uzhhorod in March 1997 (three of these were subsequently signed—more on this below). Later on, the Slovak side declared its readiness to sign three of them, while no one knew how many agreements the Ukrainian side was ready to sign. In contrast to its well-planned agreement-signing activities with Russia, the Slovak Ministry for Foreign Affairs was not ready to confirm either where the planned Slovak-Ukrainian negotiations would take place or even if they would take place at all—even one week before the announced date.[75]

Another illustration of Slovakia's attitude towards Ukraine is the fact that there has been no Slovak ambassador in Kyiv since June 1996 (this continued until early 1998). (The last, J. Migaš, resigned to become chairman of the Party of the Democratic Left.) The withdrawal of a country's ambassador is a typical means of protest in diplomatic communications. However, there is no reason for this in Slovak-Ukrainian relations. The continuing lack of an ambassador is rather the direct effect of the threadbare agenda of mutual relations. It must be emphasized that Ukraine is the only neighboring country where Slovakia has not had an ambassador for such a long time.

It is also typical of the Slovak attitude towards Ukraine that it was not 'discovered' until 1995. Furthermore, this took place only because of the importance of Ukraine for the development of Slovak-Russian relations. Slovak Deputy Premier Kozlík expressed this realistically at the end of the first governmental Slovak-Ukrainian meeting in June 1995. He said: "Ukraine is a gate to the Russian market for us and its transit capabilities [for Slovak goods] must be increased ten times at least."[76] In other words, Ukraine is important for Slovakia not in itself, but because of its role in Slovak relations with Russia.

The Slovak side, on the basis of its 'good' relations with Russia, has proposed to Ukraine that it become its advocate and spokesman to Russia for the solution of the problem of Ukrainian energy debts to Russia and Turkmenistan. Slovak Prime Minister V. Mečiar explained this idea in Kyiv as follows: "Between Slovakia, Ukraine, and Turkmenistan there exist unsettled liabilities, and after our negotiations with our Ukrainian partners there is a real possibility of a mutually advantageous settlement. In brief, this system means that Slovakia will supply Turkmenistan with consumer goods. Turkmenistan will reduce Ukrainian debts by this sum. Ukraine then will build four ships for Slovakia in the first phase. Something similar could be done in connection with gas transit also in the

Ukraine-Russia-Turkmenistan-Slovakia quadrangle."[77] In less diplomatic language, Slovakia would have liked to 'live off' and take advantage of Ukrainian energy debts in an attempt to improve its own exports to countries which are at the same time suppliers of energy raw materials to Slovakia. Due to a variety of reasons the Slovak plan of 1995 could not be implemented.

In late 1995, some positive changes took place in terms of Slovakia's attitude towards Ukraine. This was connected with the growing understanding that Ukraine was not only a gate to the Russian market for Slovakia, but also a partner worthy of attention in itself. Slovakia also began to realize that the transit gate would remain closed if bilateral Slovak-Ukrainian relations did not improve. On the other hand, it was unpleasant for the Slovak government to find out that Slovakia was the only neighbor of Ukraine with a stagnant bilateral trade situation. While Ukrainian trade with Hungary, Poland, and Russia was increasing, Slovak-Ukrainian trade was falling. According to Slovak statistics, the value of Slovak-Ukrainian trade between 1993 and 1996 was as follows: 1993, USD 286 million; 1994, USD 240 million; 1995, USD 310 million; and 1996, USD 408 million.[78] It was difficult to expect anything else as a consequence of the Slovak policy of ignoring Ukraine. During the governmental meeting in Štrbské Pleso (Slovakia) in 1996, both governments demonstrated their resolution to improve this state of affairs.

Both Mečiar and Marchuk were very optimistic in forecasting the growth of bilateral trade to around USD 1 billion in 1996, and in estimating that Slovakia and Ukraine would subsequently be able to reach an annual figure of USD 2 billion. The Slovak Prime Minister noted that the one of main tasks was to prepare a treaty on the creation of a bilateral free trade zone between Slovakia and Ukraine.[79] The Ukrainian side has proposed the establishment of a bilateral joint-stock company with the aim of finishing the construction of a production combine in Kryvyy Rih-Dolinskaya. Only then, during the second governmental meeting in the High Tatras, was an important 'framework treaty' signed, comparable to the one on double taxation. The Slovak Prime Minister promised his counterpart that Slovakia would try to use its CEFTA chairmanship in 1996 with the aim of bringing Ukraine closer to an East-Central European free trade zone.[80]

One might expect, after the negotiations in the High Tatras, that 1996 would have been a year of crucial change in Slovak-Ukrainian relations. But this was not to be. After the meeting, Slovak-Ukrainian contacts returned to a state of 'diplomatic silence'.

The turnover forecast by both prime ministers proved false, and bilateral trade reached only around USD 410 million.[81] No joint company has been established with the aim of finishing the construction of a production combine in Dolinskaya. Moreover, the Slovak government has refused to provide additional governmental guarantees to VSŽ Košice with this purpose. If we take into account the still vacant post of Slovak ambassador to Kyiv and the insufficiently prepared March 1997 negotiations, we can conclude that the current level of Slovak–Ukrainian relations is similar to the period before January 1996.

Problems in Slovak–Ukrainian Relations: An Unofficial Agenda

Despite traditional diplomatic declarations from both sides to the effect that no controversial issues—not even from the past—burden mutual relations, the reality is more complex. Indeed, Ukrainian–Slovak relations, despite their short history, have not been free of conflicts and controversies. It is possible to specify at least two problems which have been a source of tension in Slovak–Ukrainian relations in recent years. The first has its roots in the past and the second is a product of more recent times. In the shadow of both problems—to a greater or lesser extent—is Russia and its interests.

The 'Ruthenian Question'

The first problem is a minority issue—the so-called 'Ruthenian question'. No party in the Slovak Parliament wishes to include in its political agenda an 'historical' question concerning Subcarpathian Rus' (that is, the present-day Transcarpathian Region of Ukraine which was a part of the interwar Czechoslovak Republic). In the Slovak–Ukrainian context, this question does not have the same political implications as it might have had in a Czechoslovak–Ukrainian one (there is a radical political party in the current Czech Parliament concerned with this question, the Republican Party led by M. Sladek).[82]

The breakdown of the communist system in Czechoslovakia made possible the free ethnic identification of people living there. For the first time since the 1930s, Ruthenians had the chance to

express their ethnic identity freely. (In socialist Czechoslovakia they could be registered only as Ukrainians.) According to the 1991 census, 16,937 people–living mainly in North-Eastern Slovakia–indicated their ethnicity as Ruthenian, and 13,847 people as Ukrainian, while around 50,000 people indicated their mother tongue as Ruthenian.[83] A new organization, Ruthenian Recovery–*Rusinská obroda*–representing the minority interests of Ruthenians in Slovakia has been established. Thus, the minority was divided into two groups: one with a recent 'Ukrainian identity' and the second with a 'Ruthenian' identity (that is, emphasizing an original Slavic nation which is not part of the Ukrainian nation).

New-born Ruthenian organizations have emerged not only in Slovakia, but also in the Transcarpathian Region of Ukraine, Poland, Romania, and Hungary (previously, they existed only in the former Yugoslavia, Canada, and the USA). All these organizations reject the so-called 'Ukrainian national identity' which they believe was forced on them by both the Communist Party and Ukrainian nationalists during the 1950s. In the Transcarpathian Region of Ukraine, the Association of Subcarpathian Ruthenians (ASR) has been established, which has formulated two basic demands to the Ukrainian government: (i) that it recognize the Ruthenians as an ethnic group in its own right and (ii) that it provide territorial autonomy for the Transcarpathian Region under its historical name of Subcarpathian Rus'.

The ASR was established on 17 February 1990. On 29 March 1990, it issued a Declaration on the Return of Autonomous Status to the Transcarpathian Region of Ukraine, in which they question all legal acts passed by the Supreme Councils of both the Soviet Union and the Ukrainian SSR in 1945–46. They consider the Czechoslovak Act of October 1938 as the only legal one, which established the Autonomy of Subcarpathian Rus' within the framework of Czechoslovakia. Subcarpathian Rus' was annexed to the Soviet Union on the basis of a treaty signed between the governments of Czechoslovakia and the Soviet Union on 29 June 1945.[84]

The first article of the treaty states: "Transcarpathian Ukraine (whose name according to the Czechoslovak Constitution is Subcarpathian Rus'), which became a part of Czechoslovakia on the basis of the treaty concluded in Saint-Germain-en-Laye on 10 September 1919, following the wishes of the people living there, as well as in accordance with the friendly agreement of the negotiating sides, is uniting...with Soviet Ukraine."[85] ASR representatives point out that Subcarpathian Rus' was annexed to the Soviet Union as a former component part of Czechoslovakia with autonomous

status and so Soviet organs had no legal right to abolish it. Furthermore, the ASR justifies its claims using the results of the referendum that took place in the Transcarpathian Region in December 1991. In that referendum 78 per cent of participants voted for autonomous status within Ukraine.

Because the government, president, and parliament of Ukraine ignored the results of the December 1991 referendum, on 15 May 1993 the ASR 're-established' the provisional government abolished by Stalin, with the aim of recreating the statehood of Subcarpathian Rus'. The Prime Minister of this transitional government, Professor I. Turyanicya once said: "The independence of Subcarpathian Rus' will be declared by a Regional Council [parliament of the region—*editor's note*]. This new state power will ask the Commonwealth of Independent States for regular membership."[86]

The Ukrainian government rejected these claims, accusing the Ruthenian movement of political separatism supported by Moscow. It must be emphasized that Russian political representatives did not seriously oppose this Ukrainian concern with the 'Ruthenian' issue. Moreover, K. Zatulin, former chairman of the State Duma Committee on CIS Affairs, announced in January 1995 that "Russia has a number of scenarios involving Ukraine in respect of which it will not be able to exist as an independent state. One of them supposes the existence of an independent state on a Ruthenian ethnic basis within the borders of the current Transcarpathian Region, with full Russian support for such a state."[87]

The Ukrainian government approached its Slovak counterpart in 1994 with the proposal to establish a common Committee on Minority Issues. Its main interest was to influence the Slovak government to reduce its support for Ruthenian minority activities in Slovakia because of these activities' indirect effects on promoting Ruthenian separatism in the Transcarpathian Region of Ukraine. During the first visit of Ukrainian Foreign Minister Zlenko to Bratislava in February 1994, he commented that: "separatism is a fear. I know that similar problems exist in Slovakia as well. Therefore, my opinion is that the cooperation and coordination of our countries in this field with the aim of neutralizing these processes would help us to create the basis for fruitful relations between Ukraine and Slovakia and, at the same time, strengthen stability in the whole region."[88]

In 1993 and 1994, the so-called 'Ruthenian question' became an increasingly serious issue in Slovak–Ukrainian relations. After the October 1994 elections, the third Mečiar government could no longer use this issue in its relations with Ukraine, because by then

it had stopped supporting ethnic minorities in Slovakia, including the Ruthenians. It goes without saying that this did not mean a settlement of the problem, which could reemerge at any time in the future. However, Slovakia officially recognized Ruthenians as an ethnic minority, while Ukraine did not. (Mečiar tried to use his policy on the Ruthenian question as a trumpcard against the Hungarian minority: 'they are loyal, the Hungarians are not'.)

The 'Transit Question'

Much more important is a problem facing Slovak–Ukrainian relations which is not a legacy of the past, but rather a product of recent years and affecting the living interests of both actors. This conflict stems from the different roles played by Ukraine and Slovakia on the issue of the transit of Russian energy through their territories to Western Europe.

A conflict of interest has emerged around the Yamal gas pipeline system under construction via Belarus and Poland. The projected pipeline runs parallel to the existing system crossing Ukraine and Slovakia. Slovakia and Ukraine are in the same situation in what concerns the transit of Russian gas and crude oil because they both use the same pipeline system. In addition, a bilateral conflict on the 'gas agenda' has emerged, due to Ukraine and Slovakia's different attitudes to the fees which the Russian side should pay for transit over their territories (this concerns first of all the giant Russian gas company Gazprom).

Transit is one of the few areas where Ukraine can exert pressure on Russia. Kyiv has categorized the Yamal project as an anti-Ukrainian one because it limits Kyiv's 'freedom of action' towards Moscow.[89] Slovakia has not co-operated with Ukraine on this question but has instead demanded the construction of an additional 'southern branch' of the pipeline from Poland through Slovakia to southern Europe. This would constitute an even greater loss for Ukraine. Before the first governmental negotiations in Kyiv in June 1995, Slovak Prime Minister Mečiar gave an extended interview to the Ukrainian weekly *Kyivskiye Vedomosti* in which he directly accused Ukraine, arguing that "the fact that the Yamal system will be constructed not on the territory of Ukraine and Slovakia, but on that of Belarus and Poland" is the result of "the mistake in principle of recent Ukrainian policy."[90] On the other hand, during the 1996 negotiations in the High Tatras then Ukrainian Prime Minister Marchuk outlined a number of possibilities for coordinating policy

on the transit of Russian natural gas and oil.[91] Ukrainian Prime Minister Lazarenko repeated the offer a year later (March 1997) during Slovak-Ukrainian negotiations in Uzhhorod,[92] yet no real results emerged.

Undoubtedly, sharing a common pipeline system provides the background for the two countries' common interests towards Russia. Despite this, Slovakia and Ukraine have not been able to find a 'common language' concerning Russia and its interests in East-Central Europe. Given the agenda of Slovak-Russian and Ukrainian-Russian relations it is possible to conclude that only the Slovak side is unready to openly coordinate its 'Russian policy' with its neighbor. On the other hand, Kyiv cannot but feel anxious about the very close Slovak-Russian relationship, particularly given the existence of serious tensions in its own relationship with its Eastern neighbor and not entirely trouble-free relations with Slovakia.

Transborder Cooperation: The Case of the Carpathian Euroregion

Transborder cooperation within the framework of the Carpathian Euroregion is one piece in the mosaic of current Slovak-Ukrainian relations. However, it must be stressed that this issue has been and is still viewed in Slovakia first of all as concerning Slovak-Hungarian relations rather than the Slovak-Ukrainian agenda. In fact, the Slovak government's attitude to this project has negatively influenced the development of cooperation between local governments in the transborder regions of both Western Ukraine and Eastern Slovakia. Indeed, the effects of this attitude have been negative for Slovak-Ukrainian relations as a whole. Below, we try to outline why this has happened.

The Carpathian Euroregion and Eastern Slovakia's Regional Interests

The Ministers of Foreign Affairs of Ukraine, Slovakia, Poland, and Hungary, together with regional and local representatives signed the founding documents of the Carpathian Euroregion in Debrecen (Hungary) on 14 February 1993. Thus the legal and organizational framework of one of East-Central Europe's first Euroregions was established.[93] The area encompassed by the Carpathian

Euroregion has a unique set of characteristics: here, the borders of five post-communist countries come together. At the same time, the border-regions of south-eastern Poland, north-eastern Hungary, western Ukraine, eastern Slovakia, and north-western Romania are the poorest in their home countries. This region is very heterogeneous in ethnic, cultural, and religious terms, and there is every reason to make all efforts to establish a network of common interests and cooperation with the aim of minimizing potential tensions and misunderstandings.

Opinions differ in Slovakia as to who might be considered the initiator of the Carpathian Euroregion idea. Some authors say that the idea emerged during the Tenth Anniversary Conference of the Institute for EastWest Studies (henceforth IEWS) held in Bardejov (Slovakia) on June 1991.[94] Slovak opponents of the Carpathian Euroregion ascribe the idea to Hungary, referring to a project elaborated by the Hungarian Academy of Sciences which was presented at an international conference held in Nyíregyháza (Hungary) in May 1992.[95]

The representatives of the Eastern Slovak district authorities—those of Michalovce, Svidník, Trebišov, Humenné, Vranov, and Bardejov—claim that the first practical steps in the establishment of interregional cooperation among the neighboring regions (Krosno in Poland, Transcarpathia in Ukraine, Borsod-Abaúj-Zemplén in Hungary, and the six above-mentioned Slovak districts) were undertaken at the beginning of 1991 'from below', with the aim of creating a 'Carpathian Sub-Region'. Indeed, the transfrontier activities of local officials from the region preceded the conference in Nyíregyháza, where the project drafts of the IEWS (Carpathian Euroregion) and the Hungarian Academy of Sciences (Carpathia-Tisza Region) were presented for the first time. In fact, during the first half of 1992 three different projects for interregional cooperation were developed by representatives of the local authorities, IEWS, and the Hungarian Academy of Sciences. Finally, a compromise was achieved at a meeting held in Uzhhorod (Ukraine) in June 1992. Participants accepted the basic institutional model worked up by IEWS experts according to the model of the Regio Basiliensis involving Switzerland, France, and Germany. Local officials asked the IEWS for help in creating a Euroregion. The founding documents of the Carpathian Euroregion (Statute and Agreement) were elaborated during preliminary meetings in the second half of 1992 and were signed in Debrecen, Hungary, on 14 February 1993.[96]

Slovak local governments in the border regions were very active in launching an interregional cooperation project with the neigh-

boring countries of Poland, Ukraine, and Hungary. What did they expect in developing such cooperation? The answer may be outlined as follows: they hoped that successful cooperation would promote the revitalization and development of Eastern Slovakia and compensate for the lack of governmental investment in the transport and communications infrastructure. Indeed, they hoped that the Euroregion would help attract private business support to the region and contribute to the development of educational and cultural programs in Eastern Slovakia. These expectations were raised due to the fact that some important Western financial institutions have shown their readiness to invest in Carpathian Euroregion activities: for instance, the EU—within the framework of the PHARE Program—and the European Bank for Reconstruction and Development, as well as some private US foundations (for example, the Rockefeller Brothers' Fund, and the Ford Foundation).

Furthermore, the Slovak local governments involved in the project started out from the assumption that not only does Eastern Slovakia occupy the central geographic position in this space, but that it also possesses the most developed economic infrastructure of the five border regions. Thus, in their view, Eastern Slovakia could serve as the foundation stone for the development of Carpathian Euroregion activities.[97] This would be advantageous not only for Eastern Slovakia's interests, but for Slovakia as a whole. In this view, an active Slovak role in the development of Carpathian Euroregion activities would strengthen Slovakia's international position in East-Central Europe, while enhancing its reputation as a serious and constructive actor in European affairs. They had hoped that the Slovak central government would understand this and support their transborder activities. Alas, they were wrong. Nevertheless, in Eastern Slovakia there is still considerable interest in the development of interregional transfrontier cooperation within the framework of the Carpathian Euroregion.

The Slovak Government's Negativity towards the Carpathian Euroregion

Supporting the development of transfrontier activities would have provided Slovakia with very real domestic and foreign benefits. Despite this, the Slovak government took a negative stance towards the development of Carpathian Euroregion activities. The Slovak government removed the Carpathian Euroregion from its agenda and ended the participation of Slovak representatives in

this project. Indeed, since the first steps in the development of the Carpathian Euroregion were taken in 1991, the Slovak government has blocked the implementation of transfrontier cooperation. In contrast, representatives of the regional and local governmental levels in Eastern Slovakia have been very active in supporting transfrontier cooperation and development. However, the lack of support for the project from the central government has resulted in their adopting a more passive position. The Slovak government's hostility to the project was again demonstrated in November 1995, when the Slovak Ministry of the Interior abolished the legal registration of the Slovak Carpathian Region Association, justifying its action with reference to the Act on Legal Registration of 1966.

We have already mentioned that historical experiences have had a very strong impact on present Slovak–Hungarian relations and, unfortunately, provide a negative background for the current foreign policy of both countries. The Carpathian Euroregion is one of the victims of this 'historical burden' of the Slovak–Hungarian relationship. Interregional cooperation within the framework of the Carpathian Euroregion has not been seen by the Slovak government as a chance to overcome the legacy of the past in relations with Hungary, but rather as part of a conscious policy followed by Hungary with the aim of achieving its 'historical goals'. The Carpathian Euroregion has been presented in Slovakia as 'Hungarian', despite the fact that the project was not initiated solely by Hungarian local or state representatives.

Some of the most important arguments made against the Carpathian Euroregion by its opponents, which have influenced the Slovak government, are the following:[98]

First, the Euroregion will serve as an instrument by means of which Hungary will seek to attain economic and—in the future—political control of neighboring regions. The Hungarian elite cannot overcome the shock of Trianon and so still represents a threat to Slovak national interests, particularly to Slovakia's territorial integrity. In accordance with these interests, the Euroregion is planned as a means of influencing the Hungarian minority in Slovakia, with the aim of weakening their loyalty to the Slovak state.

Secondly, the Carpathian Euroregion is the 'artificial roof of an empty building' because the development of cooperation between neighboring regions of Slovakia, Hungary, Poland, and Ukraine has not yet reached such a level that special institutional coordination would be needed. Transborder cooperation in the region has not developed naturally 'from below', but was presented to the local authorities 'from above' as a *fait accompli*.

Thirdly, of all the countries involved, only Hungary has given its full support to the Carpathian Euroregion. The Romanian position is the same as the Slovak one; and the Polish Parliament has not confirmed the position of the governmental delegation in Debrecen on February 1993, where the founding documents were signed. Ukraine's Foreign Minister was not ready to accept the founding documents in Debrecen and did so only at the last moment. This means that the Slovak government's lukewarm position towards the Euroregion is not exceptional.

Fourthly, if—as the statements of Slovak local representatives indicate—the main *raison d'être* of the Carpathian Euroregion from the point of view of Eastern Slovakia is to obtain foreign investment, there is no need to worry because the Slovak central government is ready to help them achieve this. Thus, there is no need to establish a Euroregion.

Fifthly, the Carpathian Region Association as the voluntary association of local self-governmental organs cannot represent the Eastern Slovak region and conclude agreements with regions from other countries. The real regions in Slovakia, with competencies enabling them to be equal partners in regional cooperation with neighbors, would be formed only after the conclusion of administrative reform in 1997.

The sixth and last important argument has to do with the rivalry between Slovakia's two largest cities, Bratislava and Košice (Eastern Slovakia's economic center). The Slovak government has accused Košice's self-governmental organs of conducting their 'own' foreign policy. According to this argument, the Carpathian Euroregion, if it involved the whole Eastern region of Slovakia, would divide the country into two parts and perhaps contribute to the gradual disintegration of the state administrative and power system.

Using these arguments, as well as direct intervention, the Slovak government has been successful in blocking Slovak participation in the Carpathian Euroregion. The representatives of Eastern Slovakia's regional self-governments resigned under pressure from central government, and stopped their participation in the project in early 1996. Although the Slovak government does not see Ukraine as the real 'problem' behind its negative attitude to the Carpathian Euroregion, nevertheless, the central Slovak government's negative attitude towards it has hindered real cooperation between neighboring regions in Slovakia and Ukraine.

Slovak–Ukrainian Relations in Perspective: A New Challenge for Slovakia

As discussed throughout this chapter, Slovakia and Ukraine have not been very successful in creating a strong base of common interests, especially in the foreign-policy realm. Despite this, there are circumstances, which allow us to hope for a substantial change in the future. I am referring to strengthening international processes, which would create objectively new conditions for building links between Slovakia and Ukraine.

We have already highlighted the main reasons why Slovakia left the 'first wave' group of East-Central European countries with the best chance of joining Western structures such as NATO and the EU. But when Slovakia is left behind as its East-Central European neighbors the Czech Republic, Hungary, and Poland join NATO and the EU, the country's international position will change significantly. This change will also affect Ukraine's role in Slovakia's foreign policy, provided that domestic political and economic transformation in Ukraine continues in the same direction.

Slovakia—after the so-called 'Third Mečiar government' of 1994–98—will not join NATO and the EU with the 'first wave' of countries. Despite very good macroeconomic indicators—some of the best in post-communist East-Central Europe—Slovakia is not acceptable to the Western partners primarily because of problems inherent in its political transformation. Slovakia must prove that it is able to build a stable and properly functioning democratic political system. Moreover, Slovakia needs to reach a level of political transformation—like that reached by Poland and Hungary—at which radical political forces, which are not ready to exercise power according to Western standards or to conduct a transparent foreign policy, will have minimal chances of returning to power. For this purpose, Slovakia will need, even after the 1998 victory of the democratic opposition organized around the Slovak Democratic Coalition established in June 1997 (Christian Democratic Movement, Democratic Union, Democratic Party, Slovak Social Democrats, and the Green Party), a minimum of two parliamentary elections. We can observe a very similar domestic political situation in Romania and Bulgaria. Democratic forces came to power in these countries in the last parliamentary elections, but the threat that forces not committed to democracy will return to power is still real. Therefore, due to the nature of its political transformation

process, Slovakia is still closer to Romania and Bulgaria than to Hungary and Poland.

Secondly, provided that the pro-integration policies of the Czech Republic, Poland, and Hungary are successful and they join NATO in 1999 and the EU a few years later, East-Central Europe in its current shape and geopolitical understanding will cease to exist. These three countries have been the nucleus of a post-bipolar East-Central Europe, and will probably become fully part of the West. The Scandinavian region will become much more important for the Baltic states as far as regional cooperation and development is concerned than a new East-Central European region without Poland, the Czech Republic, or Hungary. The countries of the former Yugoslavia (except for Slovenia) due to special conditions in the Balkan region, will be in a very special international position for a long time to come. Thus, Slovakia, Romania, and Bulgaria will remain as the only countries of the former post-bipolar East-Central Europe, speaking in regional terms. ('Post-bipolar' meaning 'after the fall of the USSR'—'former' because it will cease to be so after NATO expansion.) We have already mentioned that these three countries are very similar in terms of their current level of political transformation. Moreover, they share the same international conditions if we look at their relationship to Western structures. They are not likely to join NATO in the foreseeable future, but all of them have signed association agreements with the EU.

Thirdly, Ukrainian President Leonid Kuchma in his 1997 yearly report to the Supreme Rada defined the main foreign-policy task for the coming period as follows: "Ukraine should definitely attain international status as a part of Central Europe and become a Central European country."[99] In other words, Ukraine plans to join East-Central European regional institutions, and first of all its most important one, CEFTA. In order to be eligible, Ukraine needs to fulfill some basic conditions—it has to become a member of the WTO, to sign an association agreement with the EU, and to conclude bilateral agreements on free trade with all CEFTA members. This would enable Ukraine to join Slovakia, Romania, and Bulgaria in a 'new' CEFTA around 2005. If we take as a basis Ukraine's successful foreign policy in 1996 and 1997—witness the 1997 agreement with NATO, and the long-delayed Basic Treaty with Russia, among other things—Ukraine is on its way to reaching a similar international position to that of Slovakia, Romania, and Bulgaria at approximately the same time as Hungary, the Czech Republic, and Poland are likely to join the EU, around the year 2005. Of course, this scenario is based on the assumption that Ukraine will successfully

continue on its current path of political and economic transformation—not an unequivocal conclusion after the March 1998 parliamentary elections.

Fourthly, such regional institutions as the Visegrád forum and CEFTA have played a crucial role in the stabilization of post-bipolar East-Central Europe after the dissolution of the former socialist-bloc institutions. Moreover, they have created new international conditions and were helpful in preparing some of the most developed East-Central European countries for the first wave of EU and NATO enlargement. There is no need to change the main instruments used in the 'first wave' of expansion of Western institutions into East-Central Europe—indeed, institutions such as CEFTA and the Visegrád Group have done a remarkable job in creating the preconditions for and facilitating this first wave of expansion. There is no reason to doubt that a 'second generation' of these institutions—but with a modified membership, now including countries such as Bulgaria, Romania, and Ukraine— could fulfill the same function for a possible 'second wave' of expansion. In any case, both NATO and the EU are interested in maintaining and strengthening stability in those East-Central European countries which will not join them in the first wave. This means that there is a need to enlarge the mechanisms of regional East-Central European cooperation—according to the 'first wave model'—to countries such as Slovakia, Romania, Bulgaria, and Ukraine, which will in fact create a new shape for the East-Central European region. Moreover, only such cooperation may stabilize the international situation in the region after the first wave of expansion and create a propitious environment for cooperation. These countries will face a new challenge—to establish something we could for working purposes call 'Visegrád II' and 'CEFTA II'. Of course, this assumes that these countries' foreign-policy priorities will remain unchanged, that is, focusing on the goal of European integration.

Fifthly, Slovakia is the only country from the potential new East-Central European region which has been involved in establishing the institutions of post-bipolar East-Central Europe—Visegrád and CEFTA. Of all the 'second-round hopefuls', only Slovakia possesses the know-how of such regional East-Central European cooperation under new conditions, giving it a clear lead over Romania and Bulgaria, not to mention Ukraine. At the same time, Slovakia is the most economically developed country in this group.

In other words, Slovakia will face a radically new foreign policy challenge. In the coming years, Slovakia will have a chance to prove that, in addition to continuing its domestic political trans-

formation without losing stability, it has something else to offer to the region. Slovakia, having been a member of 'CEFTA I' and 'Visegrád I,' has acquired substantial know-how concerning the mechanisms of regional cooperation, and could play a leading role in possible 'CEFTA II' and 'Visegrád II' arrangements. In this way, Slovakia could become a constructive partner for both the West and East-Central Europe. Moreover, it has the opportunity to prove that it is ready to take on wider international responsibilities for building a new East-Central European region and become something like a generator of stability. Only as such could Slovakia become a constructive partner for Western structures and improve its chances of joining them in the future. But this would be possible only if there was a change in the government's orientation and Prime Minister Mečiar leaves the political scene.[100] Such conditions seem to have been created by the opposition victory in the fall 1998 elections and by the election of Rudolf Schuster as Slovak president in May 1999; but Mečiar remains a strong figure and it will still take some years until such changes become fully consolidated.

If we take into consideration the above-mentioned international realities, Ukraine would become one of the main foreign partners for Slovakia in building a new, stable East-Central Europe. In any case, because of Mečiar's three governments' failure in respect of integration processes with Western structures, Slovakia needs to substantially revise its foreign-policy concept. Not because the officially-declared goals of joining NATO and the EU are wrong—they are not—but because of the country's long-term interests and the need to pursue them. In practice, the Mečiar government deviated from these officially-declared principles, preferring to act according to the short-term interests of important lobbying groups in the country, especially in what concerns relations with Russia. As far as Slovak Eastern policy is concerned, Slovakia will—as a minimum—have to improve the unbalanced triangle Bratislava–Kyiv–Moscow.

The Pattern of Relations

Characteristic Features of the Slovak–Russian Relationship

We have already underlined one of the main features of Slovak–Russian relations: the fact that they involve two states with very different economic and power potentials and very different international standings. Russia can exist without any harm to its health without imports from or trade with Slovakia. On the other hand, Slovakia is dependent on Russian sources of energy—mainly crude oil, natural gas, and uranium. Russia represents a potentially huge market offering almost 'unlimited possibilities' to Slovakia. The small Slovak market, on the other hand, is practically meaningless for Russia. If there is a natural economic interest in building bilateral relations in the case of Slovakia, in the case of Russia a similar interest is negligible. Relations with Slovakia have for Russia primarily a political value taken in the wider, Central European context.

It is therefore impossible to reduce Slovak–Russian relations to standard bilateral ones. They overlap the interests of other countries—at least in East-Central Europe—insofar as they concern the building of a new economic and security architecture in post-bipolar Europe. The result is an 'unpleasant obligation' of wider international responsibility for both Russia and Slovakia when building their bilateral relationship. Unfortunately, the Slovak elite has not been able to fulfill this responsibility and coordinate its relations with Russia—which is still a European superpower—with relations with its Visegrád-group neighbors. This despite the fact that Slovakia's neighbors face very similar challenges in their Eastern policies: how to overcome the collapse of the COMECON-based trade system; how to deal with their dependence on Russian energy sources; whether to sever or continue military cooperation with Russia; and how to achieve NATO membership despite Russian objections.

If we take the results of economic cooperation since 1993, Russia was more successful than Slovakia in terms of bilateral relations. However, Slovakia is still an important transit country for Russian natural gas and crude oil exports to Western markets. But, due to the building of the Yamal pipeline system via Belarus and Poland, Slovakia's importance as a transit country for Russia will decrease. Moreover, Gazprom has 'got what it wanted'. Agreements on the

establishment of the joint gas transit company Slovrusgas, which will own the transit system over Slovak territory, were signed in October 1997 in Moscow, and Slovrusgas officially started its activities in March 1998. On the other hand, Slovakia has not been successful in increasing its exports to Russia. This failure has had a very negative impact on Slovakia's overall trade balance, due to its huge imports of Russian raw materials.

But Slovak–Russian relations must be seen in a wider context still. Especially from the Slovak point of view, they have a more complex character because they also involve such broader questions as the cultural and national identity of the Slovak elite. This is another area of imbalance in the Slovak–Russian relationship, because the Russian elite does not need to 'identify itself' with Slovakia. The idea of Slavic solidarity maintained by groups of national intellectuals on both sides would not have manifested itself in foreign policy if it had not taken the form of an ideological platform demanding 'other solutions' to Slovakia's future international status outside Western structures. In this sense, one can speak of an existentially important inner parameter in relations with Russia for the further development of the identity of the Slovak elite. On the Russian side, this parameter does not exist.

Relations with Russia are seen by part of the most influential political forces in Slovakia as a potential alternative to the country's declared pro-Western foreign policy. In other words, Slovakia could, under certain circumstances, change its present strategic line of full membership of NATO to call for neutrality on the basis of special relations with Russia. But this is valid also in reverse—the deeper the relations between Slovakia and Russia, the sooner the change in Slovakia's foreign-policy priorities could come. Russia has demonstrated its readiness to 'protect Slovakia from the West politically' as it showed during the Slovak–Western dialogue on democracy in 1994–96. In any case, Russia is the only country in the world that could significantly change Slovakia's officially-declared pro-Western foreign policy, as reflected in the Program Statements of all Slovak governments since 1993. Therefore, it can be said that the Slovak–Russian relationship goes well beyond a purely bilateral state of affairs, as it has the potential to change Slovakia's relations with all of its international partners.

Slovakia's policies towards Russia differ qualitatively from those of her East-Central European neighbors due to a variety of domestic political and economic reasons. In the first place, the overwhelming weight of the military industry in the Slovak economy has created the framework for close military relations with Russia.

In the second place, the very nature of the Mečiar regime meant that it had quite different goals to its Polish or Hungarian counterparts, even when former communists remained in power. Given the fact that—in contrast with the general East-Central European experience, where former Communist parties were able to transform themselves and become spokesmen for the interests of the state sector of the economy—Mečiar's party, the Movement for a Democratic Slovakia, emerged as a purely 'pragmatic' and non-ideological party, it is not surprising that Mečiar wants power for power's sake, even at the expense of putting the country's basic economic interests at risk.

Characteristic Features of the Slovak–Ukrainian–Russian Triangle as Seen from Bratislava

We have already mentioned that it is possible to characterize Slovak–Russian relations without mentioning Ukraine, but it is impossible to characterize Slovak–Ukrainian relations without mentioning Russia. Therefore, one can summarize the characteristic features of the triangle as a whole without a special characterization of the Slovak–Ukrainian bilateral agenda taken by itself. This very possibility illustrates very clearly the unbalanced nature of the whole triangle. Simultaneously, we will try to offer a number of recommendations which could help make this triangle more balanced.

Despite its direct territorial proximity, Ukraine is, at least politically, economically, and culturally, much more distant from Slovakia than Russia is. This has its natural historical preconditions, but nothing has changed substantially during the first years of both countries' existence as new independent states. The main reason for this in the post-independence period is a lack of information about Ukraine in the Slovak mass media, while information about Russia is widely available. Therefore, Slovaks are very well informed about Russian affairs, but they know practically nothing about Ukraine. This concerns not only the general public, but the political establishment as well. In order that the Ukrainian–Central European–Russian triangle may be improved, first of all there is an acute need to change radically the information infrastructure of Slovak–Ukrainian relations.

The Slovak political elite for a long time viewed Ukraine only as 'our gate to Russia'. This was true until the second half of 1995, when Slovak statistics registered a stagnation in bilateral trade between Slovakia and Ukraine. Only then did the Slovak side propose annual intergovernmental meetings, and begin to view Ukraine as a partner worthy of attention in its own right. While a very imposing diplomatic forum—governmental meetings—has been created, the results have been poor: for instance, the countries' finance ministers met for the first time only in March 1997. It seems paradoxical, but basic economic treaties, which facilitate business contacts between neighboring countries, were signed only in 1996, three years after Slovakia gained independence. Furthermore, as already mentioned, while the Slovak–Russian agenda is regulated by around 120 bilateral agreements, the Slovak–Ukrainian one is only regulated by around 40, and Ukraine is the only neighboring country where the post of Slovak ambassador was left vacant for a significant period—from June 1996 to early 1998. Therefore, we can conclude that one of the main reasons for the unbalanced triangle is the lack of political will on the part of the Slovak political establishment to create a more balanced Eastern policy.

Ukraine and Slovakia are in the same position in what concerns the transit of Russian natural gas to Western markets because the same pipeline system crosses the territory of both countries. Doubtless, the Russian natural gas monopoly Gazprom, which uses the Russian government for the protection of its interests, is equally interested in Ukraine and Slovakia as far as the payment of fees for transit and gas underground storage is concerned. Gazprom is interested in gaining ownership over transit systems and storage capacities with the aim of improving its trade capabilities. Ukraine and Slovakia have not been able to face this challenge together and coordinate their policies toward Russia. It is true that for some time Ukraine has been pressing Slovakia to coordinate their positions on this issue at the governmental level, but without success. Moreover, Slovakia has accused Ukraine of provoking the Russians to route the new Yamal gas pipeline system outside both Ukraine and Slovakia. If the triangle had been more balanced, Slovakia and Ukraine could have found a common agenda concerning the transit of Russian natural gas to Western markets.

In an effort to improve the triangular relationship, both Slovakia and Ukraine would have to change their policies concerning two questions directly connected with transborder cooperation and border policies more generally: (i) Slovakia has to change its policies on transborder cooperation within the framework of the

Carpathian Euroregion, which is the only Euroregional project connecting the Western part of Ukraine and Eastern Slovakia. If Slovakia wants to see Ukraine as a stable and prosperous neighbor, and one which is firmly anchored in East-Central Europe, it has to change its negative attitude to the project generally, as well as to the participation of Slovak representatives. (ii) If Ukraine wants to be a fully democratic European country, it must change its policy on the so-called 'Ruthenian question' in the Transcarpathian region bordering Slovakia. A democratic country must recognize the free choice of each citizen concerning ethnic identity. Pressure on Ruthenians may lead only to the growth of ethnic separatism in the neighboring regions of Slovakia, Poland, Hungary, and Romania. By not providing conditions for the development of Ruthenian ethnic rights, Ukraine creates a further 'minority card' on its own territory, which can be used by Russia not only to exert influence on Ukraine, but also to involve itself more closely in East-Central European affairs. No East-Central European country is interested in creating a potential new powderkeg on its borders.

Taking into consideration the new international realities after the first wave of NATO and EU enlargement, as well as the officially stated foreign priorities of both Ukraine and Slovakia, there are a number of preconditions for bringing about substantial change in the content and importance of the Ukrainian–Slovak bilateral relationship. Ukraine and Slovakia face a radically new challenge in their foreign policies. Both are interested in the stability and prosperity of a new East-Central European region. They will have an opportunity to implement policies which could metaphorically be termed a 'Partnership for a New East-Central Europe'. If successful, the Slovak–Ukrainian–Russian triangle will change significantly and become more balanced over the next ten years.

Afterword

There are no overwhelming reasons to rethink basic findings of this chapter and the configuration of the Slovak–Ukrainian–Russian triangle following the events of 1998–1999.

The new Slovak "post-Mečiar" government elected in 1998 standardized the rules of the political game and met the EU's Copenhagen criteria. This improved the country's international position and first of all relations with Visegrád neighbors and the West. The EU at the December 1999 Helsinki summit decided to start

negotiations with all candidate countries including Slovakia. The Helsinki summit also approved a Common Strategy of the EU on Ukraine, which means that distance both of Slovakia and Ukraine to Brussels remains comparatively the same as it was before. Poland, Hungary, and the Czech Republic have a two year's start before Slovakia in the accession negotiations with the EU. Moreover, they joined NATO in March 1999 while Slovakia did not. After the 1999 Balkan crisis, discussions on a second wave of NATO enlargement remains at a very theoretical level. All this means that the international position of both Slovakia and Ukraine regarding the West and the East-Central European area (especially Romania and Bulgaria) remains basically the same as it was before.

Even though the new Slovak government achieved positive changes in relations with the West, it was not able to achieve a substantial change in its relations with Russia and Ukraine. Speaking in real and not declarative terms, relations with Russia did not become more transparent. The revision of the treaties with Russia signed in 1994–1998 by the Mečiar government, promised by the new coalition during the election campaign, did not take place. The same lobby groups which operated the repayment of the Russian debt during the Mečiar government continue to do so as before. The new government did not change nor has yet planned changes in its energy strategy with the aim to reduce the country's oil and gas dependence on Russia. Political actors in Slovak-Russian relations have been replaced, but business structures and their interests remain the same. In contrast with the Program Declarations of the new government as of October 1998, relations with Ukraine remain poor in both the political and economic areas. Moreover, it is possible to highlight new conflict points, which were not relevant before 1997: diplomatic contention within the UN and the issue of a visa requirement for Ukrainian citizens.

The events of 1998–1999 allow us to conclude that the basic configuration of the Slovak-Ukrainian-Russian triangle remains the same, including the perspectives for the future as drafted in this chapter.

Notes

1 See *The Slovak Republic. Country Report* (Bratislava: Institute for Advanced Studies, Centre for Strategic Studies of the Slovak Republic, May 1993).
2 *Národná obroda* (19 April 1991), p. 1.
3 *Národná obroda* (19 April 1991), p. 1.
4 Interview with Russian Ambassador to Slovakia, S. Yastrzhembskiy, *Národná obroda* (31 August 1993), p. 5.
5 For more details, see J. Štigel, 'Pragmatizmus nad morálkou. Proces konverzie zlikvidoval na Slovensku 91 percent špeciálu' (Pragmatism over morals. Conversion has destroyed 91 per cent of Slovakia's military production), *Národná obroda* (21 July 1993), p. 7.
6 Quoted from Karel Wolf, 'Podozrivá zmluva' (The suspicious treaty), *Domino efekt*, No. 34 (1993), p. 2.
7 For a more detailed discussion, see Alexander Duleba, *The Blind Pragmatism of Slovak Eastern Policy. The Actual Agenda of Slovak–Russian Bilateral Relations,* Occasional Paper No. 1 (Bratislava: Research Centre of the Slovak Foreign Policy Association, 1996).
8 For more details, see V. I. Morozov, 'Sudba imushchestva SEV: Pravoviye aspekty' (The fate of COMECON's property: legal aspects), *Gosudarstvo i pravo*, No. 8 (1993), pp. 116–21.
9 See A. Buzinkay, 'Dohoda o pokračovaní výstavby Krivorožského kombinátu v Dolinskej v patovej situácii' (Agreement on construction of the Kryvyy Rih complex in Dolinskaya in a blind alley), *Národná obroda* (8 March 1997), p. 9.
10 For more on this topic, see J. Batt, *The New Slovakia. National Identity, Political Integration and the Return to Europe,* Discussion Paper No. 65 (London: The Royal Institute of International Affairs, 1996).
11 See 'Defence Doctrine of the Slovak Republic. Enclosure to the Resolution of the National Council of the Slovak Republic of 30 June 1994' (Bratislava: National Council of the Slovak Republic, 1994), p. 3.
12 See R. Chmel, 'Od medzinárodnej zmluvy k historickému zmiereniu' (From the Basic Treaty to historical reconciliation), *Medzinárodné otázky* 4, No. 2 (1995), pp. 66–73.
13 For a review of the discussions on this topic, see Anton Hrnko, 'Diskusia Slovenska s NATO' (Discussion between Slovakia and NATO), *Parlamentný kuriér*, No. XXXV (1996), pp. 46–47; Ján L'upták, Eduard Kukan, and Peter Brňák, 'Varšavská zmluva sa rozpadla, prečo zostalo NATO?' (The Warsaw Pact has crumbled, why does NATO still exist?), *International Express*, No. 16 (1997), pp. 6–7; Ján Sitek, 'NATO či neutralita?' (NATO or neutrality?) *Parlamentný kuriér*, No. XXXVI (1997), pp. 60–61; 'Slovenská otázka, Diskusia' (The Slovak question: a discussion), *OS*, No. 3 (1997), pp. 27–38; and Milan Žitný, 'Recepty starej matere. Proruské argumenty slovenskej diplomacie v postavení mimo hru'

(Granny's recipes. The unbalanced pro-Russian arguments of Slovak diplomacy), *Domino efekt*, No. 16 (1997), p. 2.

14 See Ján Tesař, 'Geopolitika samostatného Slovenska' (Geopolitics of independent Slovakia), *Literárny týždenník* (22 July 1994), pp. 1, 12–13.

15 For a review of the Slovak parties' attitudes to the main issues and problems of Slovak foreign policy, see 'Z rokovania 26. schôdze Národnej rady SR: Rozprava k správe ministra Hamžíka o plnení úloh slovenskej zahraničnej politiky v roku 1996' (From the twenty-sixth session of the National Council of the Slovak Republic: Discussion of Slovak Foreign Minister Hamžík's Report on Fulfilling the Tasks of Slovak Foreign Policy in 1996), *Parlamentný kuriér*, No. XXXIX (1997), pp. 94–98.

16 See 'Programové vyhlásenie vlády Slovenskej republiky' (The Slovak Republic Government Program), Part I, Foreign Relations, *Pravda* (16 January 1995), p. 8.

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100. Mečiar's HZDS lost the 1998 parliamentary elections. Despite the fact that the HZDS received 26.06 per cent of the vote while the SDK received 26.00 per cent, it was not able to form a new government. HZDS had lost a parliamentary election once before, in May 1997, when it thwarted a referendum on NATO membership and direct presidential elections. There were two principal domestic consequences of the thwarting of the referendum: (i) the population punished the HZDS for failing to develop Western integration policies; (ii) the HZDS lost potential partners on the domestic scene. The coalition of former opposition parties led by the Slovak Democratic Coalition (the Party of the Democratic Left or SDĽ, the Party of the Hungarian Coalition or SMK, and the Party of Civic Understanding or SOP) received a constitutional majority in the new Slovak parliament. They formed a new government on 28 October 1998 with Mikuláš Dzurinda as prime minister.

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4. The Hungarian–Ukrainian–Russian Triangle: Not Like Rubik's Cube

LÁSZLÓ PÓTI

The aim of this chapter is to establish the pattern of relations which has evolved in recent years within the framework of the Hungarian–Ukrainian–Russian triangle. It seeks to explain: (i) why bilateral Hungarian–Ukrainian and Hungarian–Russian relations have evolved in the way they have as these countries have gained full sovereignty and independence, and become autonomous international actors; (ii) what kinds of similarities and differences are to be found in the evolution and outcome of these bilateral relations; (iii) how the two processes affected each other; and (iv) in which fields the two sets of bilateral relations have functioned in typically 'triangular' ways.

The analysis puts together two case studies in a comparable way. Both the Hungarian–Ukrainian and Hungarian–Russian case studies examine the prehistory of relations and provide a periodization framework of the evolution of these relations by looking at their most important aspects. The chapter concludes with a characterization of both the bilateral patterns of relations and the triangular (Hungarian–Ukrainian–Russian) one.

From Subordination to Normalcy: Hungarian–Russian Relations, 1990–97

The analysis of the evolution of Hungarian–Russian relations is carried out according to the following periodization: (i) prehistory: until 1989; (ii) 'divorce': 1990–91; (iii) peaceful coexistence: 1992–94; (iv) normalcy: 1994–97.

Prehistory

The evolution of Hungarian-Russian relations in the 1990s is closely related to the legacy of the post-war period when Russia was the dominant force in the Soviet Union and Hungary was a subordinate part of the Soviet 'outer empire'. The link between these two periods is twofold: on the one hand, Hungarian-Russian relations in the 1990s have evolved generally as the negation of the Soviet past, and on the other, problems connected to the common past have considerably influenced the shaping of bilateral relations.

Hungary, of all members of the Soviet bloc, was probably looked on least favorably by Moscow, even before the establishment of the bloc. Hungary was the only country in this group of states which had finished the Second World War as a formal enemy of the Soviet Union. This played a significant role in the Soviet Union's refusal to support any Hungarian foreign-policy aims at the 1945 peace talks and so contributed to the maintenance of the post-First World War status quo, as disadvantageous as it was for Hungary.

The most decisive event for Hungarian-Soviet relations was the Soviet intervention of 1956. This intervention was unique in the whole history of the Soviet bloc as it was the first armed conflict and the only unilateral act of this kind (in contrast with the Warsaw Pact joint intervention in Czechoslovakia in 1968). It was a brutal action in which the Soviet Union was clearly recognizable as the enemy. However, the post-intervention 'consolidation' allowed Hungary considerable room for maneuver on domestic policy issues and served as a partial model for Soviet economic reforms in the 1960s.

The Soviet reaction to the reforms launched in Hungary in 1968 was negative and as a result of Soviet pressure the beginning of the 1970s produced an anti-reform turn in Hungarian domestic policy. It was only around a decade later that the Hungarian leadership chose a reformist course, not only domestically but also internationally, a course which distanced Hungarian policy from the Soviet line. Hungary joined the World Bank and the IMF in 1982. Moreover, Hungary started to promote the idea of the special role of small countries in maintaining East-West dialogue and the priority of national interests over the interests of the bloc.

Soviet policy toward East-Central Europe, including Hungary, changed gradually after Gorbachev's coming to power. After a one-

year period of 'left-over' Brezhnevism, in 1986 the Soviet leadership began to consider changes in economic relations and the first signs of self-criticism began to appear. In 1988 the Soviet leadership declared the need for a 'new concept' for relations with the 'socialist countries'. The 1989 recognition of every country's 'freedom of choice' in terms of its political structure put an end to any possibility of Soviet military intervention in the region.

The Hungarian reaction to Gorbachev's reforms was unexpected. While earlier on the periodic slow-downs and setbacks of Hungarian reform were due to Soviet resistance, after Gorbachev's coming to power these 'negative externalities' changed for the better. Paradoxically, the successes of *perestroika* in its first three years caused János Kádár—then leader of the ruling Hungarian Socialist Workers' Party—to adhere to the view that necessary reform in Hungary could be postponed: Kádár considered that *perestroika* was the historical justification of his earlier reforms and felt there was no need for further changes in Hungary. In this way, *perestroika* made possible a brief prolongation of Kádárism itself.

During 1989 Hungarian foreign policy began to dissociate itself from the Soviet line (for example, through the establishment of diplomatic relations with South Korea and preparation for the same with South Africa and Israel). The most important step, however, was undoubtedly allowing East German tourists to travel to Austria without Moscow's prior agreement.

The two most important acts of the last Hungarian government before the change of regime in respect of bilateral relations with the Soviet Union were agreements on the exchange rates of transferable rubles and Western currencies and on the withdrawal of Soviet troops from Hungary reached in spring 1989.

The Divorce, 1990–91

The period between May 1990 and the end of 1991—that is, between the coming to power of the new Hungarian government and the dissolution of the Soviet Union—was a peculiar one for Hungarian-Soviet relations. This period was characterized by the clash of the very different interests of both sides, and a dramatic cutback in political, economic, and other contacts. The essence of the clash of interests was the attempt of the Soviet leadership to retain a level of influence in the region, while Hungary wanted to get rid of this influence in all domains. During this period, totally

opposed ideological processes were ongoing in Hungary and the Soviet Union. In Hungary, a pluralistic society was starting to emerge, accompanied by the rise of a mildly conservative and nationalist ideology, while in the USSR a modified socialist system was still in place, accompanied by a reform-socialist ideology.

The Place of the Soviet Union in Hungary's New Foreign-Policy Concept

The conservative coalition government which came into being in May 1990 presented its new foreign-policy line in the 'Program of National Renewal'. The foreign-policy chapter of the document states that "The Republic of Hungary shall pursue an independent foreign policy based on the primacy of the national interest, whose aim is the complete restoration of national sovereignty."[1] Furthermore, "the most complete involvement in the [European] integration processes" is defined as "the most important goal of Hungarian foreign policy" and the formation of a "united Euro-Atlantic space" is defined as a "main direction."[2]

Besides the creation of a Euro-Atlantic space as the first priority, regional cooperation is defined as an "important element" in Hungarian foreign policy. Furthermore, this part of the Program goes on to list Hungary's most important bilateral partners. In this listing, the Soviet Union occupied a relatively humble place: Germany ranks first before the USA, France, Italy, Austria, the UK, and Japan, and only then come the Soviet Union, Czechoslovakia, Poland, Romania, and Yugoslavia.

In the security policy context, the foreign-policy section of the Program defines the most important goal as "withdrawal" from the Warsaw Pact, "not as an immediate act but as a process whose first stage is withdrawal from the military organization by 31 December 1991." Until final withdrawal, the aim was to modify the character of the Warsaw Pact Organization and to ensure the withdrawal of Soviet troops by the previously agreed deadline (30 June 1991). The document does not declare membership of NATO as an aim, but aimed to guarantee the security of the country with the help of a set of bilateral, regional, and all-European agreements.

The third part of the foreign policy concept states that "the maintenance of the Hungarian nation as a cultural and ethnic community is the special responsibility of the Hungarian state."[3] To that end, the Hungarian government supports the rights of Hungarian communities living outside the country's borders,

among them the right to self-determination and cultural autonomy.

The Soviet Union was specifically mentioned in the program among other bilateral partners. The Program points out that the USSR has ceased to play a hegemonic role and that, although it is undergoing a period of crisis, it will remain a determining factor in the region and in Europe as a whole. The Program emphasizes that Hungary wishes to put relations with the USSR on a new basis characterized by complete equality and no longer by one-sided dependency. In order to reach this relationship of equals, the accounting system used in bilateral trade should switch to a hard currency basis, troop withdrawal should be finished by the agreed-upon deadline, and any remaining questions solved in the spirit of the new relations.[4]

In sum, the concept itself clearly identifies one priority and two issue-areas as key to the new Hungarian foreign policy. (Western) Europe seems to be by far the most outstanding priority envisaged by the document. Security policy is seen as a functional question, and the problems of Hungarian minorities are dealt with separately, outside the foreign-policy concept in the strict sense.

The Soviet Union does not figure here at all. The aim of regaining full sovereignty in general, and the problems connected with troop withdrawal in particular, show that the Soviet Union is not only not a priority, but a party whose interests run counter to those of Hungary. Finally, analysis of this document demonstrates that little or no thought was given to the growing importance of the post-Soviet republics. This is in clear contrast with the approach taken towards Yugoslavia, where emphasis was put on cooperation "with the republics striving at widening their sovereignty."[5]

Main Issues of the Period

The first issue to be dealt with was a multilateral one, namely, the destiny of the Warsaw Pact. On the coming to power of the first post-Communist Hungarian government, the Warsaw Pact was still in existence, although subject to an obvious inner tension: a growing number of countries—primarily the Visegrád countries—wanted to dissolve or leave the organization, while the Soviet Union wanted to retain it as a means of maintaining its influence in the region. It must be kept in mind that the Warsaw Pact was dissolved in two steps: first, in February 1990, its military component was

dissolved, and in June the same fate befell its political component. It was only at the latter end of this period that complete dissolution of the organization occurred. Between February and June 1990 the organization still existed, but only in a formal–and distorted–way. The Warsaw Pact question was a delicate one since Soviet troops were still stationed in most member countries, including Hungary. That is why the Hungarian government–although it desperately wanted to do so–did not opt for a more radical solution. The Government Program stated that withdrawal from the Warsaw Pact was Hungary's aim, "not as an immediate act but as a process whose first stage is the withdrawal from the military organization by 31 December 1991."[6] In the same moderate spirit the document does not declare NATO membership as an aim. Indeed, it was largely thanks to Hungary that the June 1990 Warsaw Pact summit in Moscow made the decision to accelerate work on the reform of the organization. As a result of the growing majority of pro-dissolution members of the Treaty, Budapest hosted the next summit which dissolved, in deed, the military organization, and decided to dissolve the whole Warsaw Pact (the decision was implemented later in Prague).

The issue of Soviet troops stationed 'temporarily' in Hungary was closely related to the question of the future of the Warsaw Pact. Actually–as already indicated–Hungary was the last 'socialist' government which negotiated and finally signed in March 1989 the agreement on withdrawing these troops by 30 June 1991. The more than one-hundred-thousand troops–together with their families–were withdrawn according to the scheduled timetable. The last Soviet soldier left Hungary on 16 June 1991. One related question which was not solved until this deadline concerned the financial aspects of withdrawal. The Soviet side wanted compensation for the 'investment' which the buildings they left behind allegedly represented. The Hungarian side argued that the ecological and other damages attributable to the Soviet Army amounted to at least as much as the sum demanded. The negotiations did not reach a successful conclusion until the end of this period. In addition, the commander of the Soviet troops in Hungary, General Burlakov–later involved in financial scandals as chief of the Soviet troop withdrawal from the former GDR–more than once threatened to slow down or even halt the withdrawal if the Soviet financial demands were not met. These acts resulted in decisive Hungarian protests at the highest level.[7]

Another financial issue emerged as a result of switching to hard currency accounting in place of the old transferable ruble at the

beginning of 1990. As a consequence of the–then current–Hungarian surplus in bilateral trade a USD 1.6 billion Soviet debt was acknowledged by both sides. Negotiations began on ways of paying it back, but no result was reached by the end of the first period.

The renewal of the bilateral basic treaties was also put on the agenda in 1990. At the November 1990 CSCE summit in Paris, Prime Minister József Antall and Mikhail Gorbachev agreed to begin negotiations on a new treaty.[8] Preliminary work was begun by both foreign ministries in December 1990 and the treaty was signed on 6 December 1991. These negotiations went on at a time when the Warsaw Pact was already on its way to dissolution, so the Soviet side changed tactics. Within the framework of the so-called 'Kvitsinsky doctrine'–Yuliy Kvitsinsky, deputy foreign minister headed the Soviet delegation during these talks–the USSR engaged in bilateral (as opposed to multi-lateral) attempts to limit the Central European countries' security alternatives: instead of putting pressure on these countries to remain in the Warsaw Pact, pressure was put on them to sign bilateral–in this case, Soviet-Hungarian–agreements preventing them from joining other alliances. The famous 'security clause' of the Soviet proposal would have prohibited either side from joining any organization considered by the other party as being against its own interests. Due to the united stance taken by the Visegrád countries this clause was left out from the treaties.[9] On 6 December 1991 the Hungarian Prime Minister signed two major documents in Moscow: one with Soviet President Mikhail Gorbachev (the Hungarian-Soviet Treaty), and another with Russian President Boris Yeltsin (the Hungarian-Russian Treaty–a protocol on establishing diplomatic relations with the Russian Federation was also signed).[10] On this occasion the Hungarian Prime Minister said: "Cleaning up the ruins of the past, we have to build a friendship based on the free will of our peoples. We attach special importance to establishing diplomatic relations with Russia."[11] These words, however, were not realized in the subsequent period: the Russian side did not ratify the Hungarian-Russian Basic Treaty until early 1995, leading to a number of difficulties. An important feature of the Hungarian approach during this period was the lack of high-level bilateral meetings. Prime Minister Antall met Soviet leaders exclusively at multilateral fora–CSCE, Warsaw Pact, EBRD meetings–while Foreign Minister Jeszenszky visited Moscow only in May 1991 (followed by a second visit in September 1993). To the unwillingness of the Hungarian leadership to meet their Soviet/Russian colleagues an additional

feature was added in the form of public statements made by ruling-coalition MPs which sometimes revealed an emotional, ideological, or 'historicizing' tone. The prize examples were attempts to justify the activities of the Hungarian army in the Second World War as a struggle against Bolshevism. At the same time, good personal relations evolved between Prime Minister Antall and President Yeltsin (Antall was the second foreign leader to call and support the Russian president during the coup in August 1991 in a 20-minute-long telephone conversation).[12]

Peaceful Coexistence, 1992–94

This period is characterized by a completely new set of conditions: the Warsaw Pact, the COMECON, and the Soviet Union were gone, Soviet troops were out, and the element of ideological opposition in Hungarian–Russian relations had evaporated.

The main event of this period was the official visit of Russian President Yeltsin to Budapest in November 1992. This proved to be a real breakthrough in bilateral relations—agreement was reached on a number of major issues which were obstacles to the further development of relations. All in all, seven agreements were signed during this visit having to do with cooperation on the issue of minorities, the works of art taken away from Hungary after the Second World War, and cultural cooperation. The most important result, however, was the agreement on the so-called 'zero-option solution' of the financial dispute linked to the Soviet troop withdrawal. Also important was Russia's agreement on paying back the first half of the USD 1.6 billion Soviet debt by means of military deliveries. In addition, President Yeltsin's speech to the Hungarian Parliament—including condemnation of the Soviet invasion of 1956—was extremely well received and provided a good basis for developing relations free of the burdens of the past. In reference to 1956, President Yeltsin declared: "It is a source of some bitterness to acknowledge that, by order of the then leaders of the Kremlin, Russian soldiers took part. Ten years after the liberation of Hungary by the Soviet Army from fascism one dictatorship was followed by another...We bow to the memory of the victims of 1956."[13]

As to the debt inherited by the Russian side from the USSR, Russia delivered 28 MIG-29 fighters as the first major repayment by the end of 1993. Later, in April 1994, during the visit of Russian

Prime Minister Chernomirdyn, the Russian side showed a readiness to pay back the second half not exclusively in the form of military deliveries but also through civilian goods or services and investments in Hungary (among other things, Russian participation in a major metro construction project in Budapest was considered, but later dropped by the Hungarian side).[14]

There is one issue which makes Hungarian–Russian relations somewhat unique among other bilateral relationships in the region: minorities. With the emergence of Russia as an independent state, some 25–30 million Russians found themselves beyond state borders. This new situation was very similar to the problem Hungary had faced for decades. (In the Russian case, the Russian ethnic minorities outside the borders represent more than 15 per cent of the population of their country of origin, while in the Hungarian case the figure is 30 per cent). It was in this new context that the idea of cooperation in this field was raised. As a result, a 'Declaration on the principles of cooperation of the Republic of Hungary and the Russian Federation in the field of assuring the rights of national, ethnic, religious, or linguistic minorities' was signed during the above mentioned visit by Yeltsin.[15] In reality, however, this declaration remained on paper as the Hungarian side did not want to be associated with growing Russian assertiveness.

Another element of national specificity in Hungarian–Russian relations was Hungarian President Árpád Göncz's visit to the Finno-Ugric peoples living on the territory of Russia in June–July 1993.[16] Hungarians consider these peoples—the Komi, Mari, Mordvin, Udmurt, Khanti, and Mantsi—as ethnic kin sharing common origins. As a part of Hungarian–Russian relations Hungary wants to contribute to the preservation of the cultural–national identity of these peoples.

The ratification process of the basic treaty signed in December 1991 was not completed in this second period and remained a considerable political obstacle throughout these years. The Treaty was first submitted to the Russian Parliament in January 1993, but its discussion was postponed because of procedural problems: the exchange of letters of the Hungarian and Russian foreign ministers denouncing the Soviet intervention of 1956, which was considered as an integral part of the Treaty, was not enclosed with the submitted document.[17] The second attempt to ratify the document followed in June 1993: this time, the lack of a quorum prevented the Treaty from being ratified.

However, besides these formal reasons, there were a number of more deeply rooted causes for the delay of the ratification process.

On the one hand, the Treaty was a hostage of the struggle between the Russian President and the Duma, which was gaining momentum in this period. On the other hand, domestic criticism of Foreign Minister Kozyrev was mounting. Furthermore, there was a widespread view that Russia should not be held responsible for what the Soviet Union had done: for example, Sergey Baburin, at that time a main opposition leader, stated: "I do not understand why Russia should apologize for what the Soviet Union did in 1956. Why don't we apologize for what Russia did in 1849? The aggression against the Hungarian democratic movement is much more evident [in the latter case]...by the same token, we should remember the Second World War, in which Hungary and the Soviet Union participated on opposite sides."[18] In addition, there were fears on the Russian side that such an apology could serve as a precedent.[19] The 'old' Russian Parliament failed to deal with the ratification and the newly elected one (December 1993) did not start the process until January 1995.

Hungarian Foreign Minister Jeszenszky visited Moscow on 19-21 September 1991. Besides current issues the two sides exchanged views on European security. Jeszenszky presented Hungary's moderate position on NATO expansion, claiming that Hungary wanted to become a full-fledged member only after acquiring EU membership. A routine agreement on cooperation between the foreign ministries was also signed.[20]

Hungarian Defense Minister Lajos Für visited Moscow a few days after the Jeszenszky trip. Besides talks on topical issues—military-technical cooperation, the up-keep of military cemeteries in the two countries, and so on—the political importance of this visit centered on the marked support given to Yeltsin in the political crisis between the President and the Duma, which was at that time taking a very sharp turn for the worse. The Hungarian government, following the pro-Yeltsin line begun in August 1991—when it had issued a straightforward statement in Yeltsin's support—once again publicly (in the form of an official declaration) supported the Russian President in the October 1993 confrontation with the Duma.

During 1993-94 several other inter-ministerial visits took place, shaping Hungarian-Russian relations in a more and more business-like manner: these visits involved the Hungarian Minister of Trade and Industry (in Moscow, September 1993), the Russian Minister of Science and Technology (in Budapest, October 1993), the Hungarian Minister of Agriculture (in Moscow, December 1993), and the Russian Minister of Foreign Trade (in Budapest, December

1993). Kozyrev, after his February 1994 visit to Budapest, was satisfied that the Hungarian leadership envisaged NATO membership only after 3-5 years. Patriarch Aleksii II visited Hungary in March 1994, on which occasion he made a public apology for 1956.[21]

In April 1994, Russian Prime Minister Viktor Chernomyrdin met in Budapest with Prime Minister Boross—who had replaced the late József Antall—and a number of economic agreements were signed.[22] One was related to the re-transportation of nuclear waste from the only Hungarian nuclear power station—in Paks—to Russia. This agreement caused strong negative reactions in some Russian political circles.[23]

In May 1994, the Hungarian-Russian working group on restitution held its first meeting, at which there was an exchange of views concerning the legal aspects of the theft of works of art by the Soviet Army after the Second World War, and an agreement was reached on their cataloging. Despite promising previous efforts with regard to the return of Hungarian works of art, the Russian attitude had changed considerably by this time. The essence of the new Russian position was that these works of art had been transported to the Soviet Union legally and that Russia should not give them back until a federal law had been passed to regulate the issue.[24] The very last act of the outgoing Hungarian government was the solemn repatriation of the remains of interwar Hungarian Prime Minister, István Bethlen, who had been buried in Russia.

By the end of this second period, the evolution of Hungarian-Russian relations had taken on a normalized, more balanced, deideologized, and generally more businesslike character. Problems related to the past were solved or were on their way to a solution. Constructive elements began to replace negative ones. At the same time, one cannot neglect the fact that after the signing of the basic treaty in December 1991 no Hungarian prime minister visited the Russian capital, and contacts were limited to multilateral meetings and telephone diplomacy. All in all, this second period can be characterized by peaceful coexistence: direct conflict seemed to have come to an end. However, there still was an element of distrust and fear of instability (on the Hungarian side) and growing opposition (on the issue of NATO enlargement) on the Russian side.

Normalcy, 1994–96

Besides the fact that Russia began to be more consistent and assertive in presenting its interests vis-à-vis Central Europe, the new element in Hungarian–Russian relations in the third period was a shift in the policies of the Hungarian government: a socialist–liberal coalition came to power in May 1994. In general terms, this shift entailed giving more weight to Russia in the formulation of Hungarian foreign policy. This relative increase in importance, however, did not mean that Russia had become a priority, nor did it mean giving up Hungary's Western integration aims. This shift was embodied, first, in the form of the notion of 'regaining the Eastern market' put forward by the socialists, and, second, in the 'neither veto nor taboo' (see below) approach to NATO enlargement. More generally, political contacts became more regular.

The first visit to Moscow by a member of the new government, Minister of Trade and Industry László Pál, took place in September 1994 to discuss the remaining Russian debt and cooperation in the oil trade, among other topics. Russian Minister of Agriculture Aleksandr Zaveryukha visited Hungary in October to discuss cooperation in large-scale agricultural-industrial technologies—such as the so-called Bábolna corn-cultivation system—in which there had been successful Hungarian involvement for years. His Hungarian counterpart, László Lakos, returned the visit in January 1995, and Prime Minister Gyula Horn visited together with the Hungarian Ministers of Trade and Industry and of Agriculture in March 1995.

Although the expected breakthrough in economic relations, including the 'regaining of the Eastern market', did not take place, economic contacts intensified, and annual bilateral trade stabilized around USD 2–2.5 billion. An agreement was reached concerning Russian deliveries—to a value of USD 600 million, half military equipment, half cars, trucks, coal, and so on—by the end of 1996, reducing the debt to USD 300 million.[25] No rapid solution was found to the USD 1 billion annual Russian surplus in trade (mainly due to oil and gas deliveries).

Prime Minister Horn took a new line vis-à-vis Moscow on the issue of NATO enlargement, which I call the 'neither veto nor taboo' approach. According to this, although—naturally enough—Moscow has no right of veto concerning Hungary's (and other countries') membership in NATO, at the same time Moscow can be allowed some input in the ongoing debate. The Hungarian interpretation of the Horn visit to Moscow was as follows: first, the Russian leader-

ship regarded Hungary's decision to become a NATO member as a sovereign Hungarian decision; second, the Russian leadership considered the Hungarian motivations as understandable; third, such a step would not adversely affect bilateral relations.[26] This visit was also the occasion for the final exchange of the Basic Treaty ratification documents, so putting an end to this unfortunate episode.

The question of restitution emerged as one of the last remaining issues inherited from the past. The first steps to solve the problem of thousands of Hungarian works of art 'expropriated' by the Soviet Army were taken in 1992, when an agreement was signed during the Yeltsin visit on cooperation in this field. Yet the working group established for elaborating a solution did not reach a final agreement. Meanwhile, the Russian attitude became more rigid. In July 1996, the lower house of the Russian Parliament passed a resolution prohibiting the return of all cultural goods appropriated by the Soviet Army from countries defeated in the Second World War (Germany has similar problems). The upper house of the Russian Parliament, however, rejected this resolution, claiming that failure to return these items would be unconstitutional and run contrary to international agreements. This decision, however, does not open the way for the return of these works of art. The Russian position seems to have crystallized in the formula: return can be negotiated and take the form of an equivalent 'exchange' of works of art, but sales are prohibited.[27]

The socialist–liberal coalition which came to power in Hungary in 1994 paid much less attention than its predecessor to the issue of Hungarian minorities living across the border. With the devaluation of the minorities issue in Hungarian foreign policy, no special cooperative actions were undertaken in this field. The lack of activism in this domain was also due to the growing awareness of the Hungarian political elite that the character and numbers of the Russian and Hungarian minorities abroad were radically different.

At the multinational level, besides NATO, the CSCE/OSCE became involved in Hungarian–Russian bilateral relations. Hungary hosted the CSCE summit in December 1994, where the 'conference' was transformed into an 'organization'. Russian diplomacy made efforts to gain Hungarian support for their plans to give a central role to this organization in European security. This was also the forum where Yeltsin gave his famous 'cold peace' speech. Hungary, as the chairing country in 1995, was also assigned the task of organizing and leading the OSCE mission in Grozny. The relevance of this fact is revealed by a later event. Hun-

gary was blamed by some for giving preference to Moscow rather than treating the Russian and Chechen sides equally.[28]

Hungarian–Russian relations in the period under analysis followed the trajectory of divorce–coexistence–normalcy. After having initially turned their backs on one another, by this time relations between the two countries were probably the best of all former-Soviet-bloc allies. The original mutual rejection, which had been colored by an ideological opposition (one might even talk of a 'clash of cultures'), gradually gave way to a more business-like, pragmatic approach. Parallel to this, the political–economic agenda originally dominated by topics related to the past gradually began to deal with issues related to the present. This process of changing the pattern of relations from lack of interest and distrust to normalcy was significantly accelerated by the coming to power of the socialist–liberal coalition in Hungary towards the middle of the period under analysis. This coalition's foreign policy granted appropriate attention to Russia without defining it as a priority. The story of the Hungarian–Russian relationship between 1989 and 1997 can be deemed a success in the form of its radical transformation, in a historically short period, from one of subordination to one of partnership.

From Promise to Reality: Hungarian–Ukrainian Relations, 1990–97

We shall apply the same method to our analysis of Hungarian–Ukrainian relations as we used for the Hungarian–Russian case study, combining a thematic approach and a periodization framework. The Hungarian–Ukrainian bilateral relationship can be divided into three distinct sub-periods: (i) 1990–91: the period of special mutual relations; (ii) 1992–94: the period of 'unilateral bilateralism'; and (iii) 1994–97: the period of rebalanced relations.

Prehistory: The Promise of Success, 1990–91

The origins of autonomous, direct Hungarian–Ukrainian relations go back to the mid-1980s, and primarily concern economic relations.[29] The Hungarian government proposed to the Soviet gov-

ernment in 1982 that negotiations concerning economic cooperation should be conducted directly with the European republics of the USSR and not exclusively through Moscow. After the idea was approved by the central authorities, meetings started to take place between the appropriate ministries. Under *perestroika* this led to increased interest, especially on the part of individual Ukrainian enterprises. In harmony with Soviet law, a dozen companies started to be represented in the state-sponsored Hungarian Commercial Representative Office in Kyiv, founded in 1988.

Hungary's political-diplomatic presence in Ukraine was provided by a general consulate in Kyiv. With Ukraine's growing independence the necessity and feasibility of the creation of a new consulate in the Transcarpathian region, in Uzhgorod, became more obvious. For a time, there was much debate over the status of the planned diplomatic representation: Hungary wanted a general consulate, Moscow opposed it, and Kyiv was ready to host a 'simple' consulate, which was eventually opened on 10 August 1991. After Ukraine's independence, it was upgraded to a general consulate on 2 June 1993.

The visit of Ukrainian Foreign Minister Anatoliy Zlenko to Budapest in August 1990 proved to be a milestone both in the progress of bilateral relations and in a broader regional context. The Ukrainian Foreign Minister assigned enormous importance to the visit: "I consider the talks in Budapest historical because we have set relations between Hungary and Ukraine on a new basis. With this trip a new era has begun for Ukraine: this is our first international step since our declaration of independence...one which will reinforce the sovereignty of Ukraine, help our struggle for independence, and increase the international prestige of the country. I am convinced that the Hungarian government wants to maintain fair, goodneighborly relations with Ukraine, and that we will reciprocate in all respects."[30] This visit represented an exceptionally good start to the evolution of direct bilateral relations between the two countries. This coincidence of interests between the two sides created unique possibilities: the Hungarian government gave high priority to the issue of Hungarian minorities living in the neighboring countries, while Ukraine was interested in finding partners in order to promote the international recognition of her independence.

The regional consequences of this visit were also significant. From this time on, a real 'race' began between the Central European countries for the establishment of direct political relations with Ukraine. According to Zlenko, the rapidly-increasing new wave of initiatives by the Central European countries to establish contacts

was argued explicitly in the context of not wanting to be seen as lagging too far behind the Hungarians. "The most insistent was the Polish Foreign Minister, who wanted to come to Kyiv immediately with the aim of signing some kind of declaration on the new, democratic relations between Ukraine and Poland...[and] the Slovak government declared that it intended to open a consulate in Ukraine."[31] The Czechoslovak general consul in Kyiv told his Hungarian counterpart that Zlenko's visit to Budapest had created an 'explosion' in Prague, when they realized that they were lagging behind in building relations with Ukraine.[32] What is even more interesting was the Czechoslovak interpretation of the Hungarian-Ukrainian rapprochement. Prague warned Kyiv about the political 'dangers' of upgraded Hungarian-Ukrainian relations, claiming that "the Hungarians would never be the friends of Ukraine; they insist on improving political relations and rapprochement to get in a stronger position vis-à-vis their neighbors. They would particularly like to use the declaration on minorities in order to influence the minority policy of their southern, south-eastern, and northern neighbors."[33]

Riding on the wave of this fresh start in bilateral relations, Hungarian President Göncz visited Ukraine on 27-30 September 1990. He was the first foreign official guest who had traveled specifically to Kyiv, rather than—as had always previously been the case—on the way back from a visit to Moscow. The two presidents agreed on beginning negotiations on a common declaration on minority rights and a new agreement on consular relations, and on stepping up interministerial contacts. The elaboration of the first two documents did not go smoothly. The Hungarian side wanted to include the notion of collective rights of minorities in the text—something which has not been internationally accepted—and hesitated to sign the consular agreement because of fears of spoiling relations with Moscow. Finally, it was agreed that, instead of collective rights, minority rights could be practiced "individually and together with other persons within their group." The compromise reached in the case of the consular agreement was to let it enter into force after the modification of a similar Hungarian-Soviet agreement (which in fact occurred as a result of the dissolution of the Soviet Union by the end of 1991). These two documents were signed during the visit of President Kravchuk to Budapest on 31 May 1991. The visit also produced a declaration on the basic principles of relations between the two countries, signed by both presidents.[34] With this visit the framework for the successful development of Hungarian-Ukrainian relations was established. The Hungarian side was satisfied by the friendly, positive response of

Ukraine and with the fact that it had achieved somewhat more on the issue of minorities than required by standard international norms. This was important for the Hungarian government because it hoped that other countries in the region would join the declaration on minorities, so providing a regional agreement on how to handle this issue. The Ukrainian side could boast of the fact that their country had been recognized as a sovereign state, although still within the framework of the Soviet Union.

On 3 December 1991, two days after Ukraine's referendum on independence, Hungary was the first country to establish diplomatic relations with Ukraine and to open an embassy in the capital. The high point of this successful first period was the signing of the Hungarian-Ukrainian basic treaty on 6 December. The Hungarian Prime Minister arrived in Kyiv from Moscow after signing the Hungarian-Soviet Basic Treaty with Gorbachev and the Hungarian-Russian Basic Treaty with Yeltsin. The importance of the Hungarian-Ukrainian Basic Treaty lies in the fact that it was the first such document which specifically ruled out any border changes between Hungary and neighboring countries.

After this promising beginning, the evolution of Hungarian-Ukrainian relations took a different direction to what had been anticipated. We can speak of a growing unilateralism in two senses: (i) the Ukrainian side was always more interested in establishing broader contacts with Hungary, while (ii) the Hungarian side was rather narrowly interested—in fact, almost exclusively—in the issue of the Hungarian minority. Hungarian Foreign Minister Jeszenszky's visit to Ukraine in August 1991 was the first sign of this. Jeszenszky, after having postponed his visit several times, flew to Kyiv only to go afterwards to Uzhhorod to open the Hungarian consulate there, and to visit a number of other places in the Transcarpathian region as a strong reminder of Hungary's historical links to this part of Ukraine.

Unilateral Bilateralism, 1992-94

Political Relations

The political parties which came to power in Hungary in 1990 as a result of the first democratic elections after the fall of the Communist regime—the Magyar Demokrata Fórum (Hungarian Democratic Forum), the Kereszténydemokrata Néppárt (Christian-Democratic

People's Party), and the Független Kisgazdapárt (Independent Smallholders' Party)—represented a conservative-moderate-nationalist-Christian-democratic orientation. Their system of values was also reflected in their foreign-policy thinking. Although it was accepted as a commonplace that the new Hungarian foreign policy had three priorities—(i) Euro-Atlantic integration, (ii) neighboring countries, and (iii) Hungarian minorities beyond the border—by the end of 1991 a hierarchy seemed to have emerged. The third element, the issue of Hungarian minorities, began to dominate the other two, and became a kind of super-priority. In Hungarian political discourse, this phenomenon came to be known as the 'Antall doctrine'. The Antall doctrine, named after Hungarian Prime Minister József Antall, consisted of two components: first, it stated that countries which do not treat Hungarian minorities well cannot count on goodneighborly relations with Hungary; second, the organizations which represent the Hungarian minorities have a right of veto concerning all interstate agreements relevant to them. The significance of this domestic context was revealed by the further evolution of Hungarian-Ukrainian relations.

The good start made with relations between Hungary and Ukraine continued with the opening of a Ukrainian embassy in Budapest on 25 March 1992. The importance of this was increased by the fact that it was the first embassy established by newly-sovereign Ukraine. A delegation led by one of Ukraine's deputy foreign ministers visited Budapest for the occasion.

From this time on, however, a different pattern started to characterize the Hungarian-Ukrainian relationship, one of 'unilateral bilateralism'. Although Ukrainian leaders visited Budapest on several occasions, their Hungarian counterparts met with them either in 'neutral' places—at international fora—or in the Transcarpathian region, where the Hungarian minority is concentrated.

In the period 1992-94, both the Prime Minister and the President of Ukraine visited Budapest, while only the Hungarian Interior Minister and a deputy foreign state secretary managed to visit Kyiv. Top-level Hungarian officials, such as the Foreign Minister and Prime Minister, went only as far as the border cities of Uzhhorod or Bereghove in the Transcarpathian region.

Hungarian Foreign Minister Géza Jeszenszky visited Bereghove on 4 April 1992, where he met his Ukrainian colleague, Anatoly Zlenko, and later the two ministers continued their talks in Nyíregyháza (Hungary). At the invitation of Jeszenszky, the presidential representative of the Subcarpathian region, Mikhaylo Krayilo, visited Budapest. Both trips were intended as preparations for the

visit of Ukrainian Prime Minister Vitold Fokin in May 1992. During these talks, Hungarian Prime Minister József Antall declared that "Hungary aims at good relations with all the members of the Commonwealth of Independent States, but among them our relations with Ukraine are primary."[35] The notion of declaring Ukraine 'priority number one' in the CIS was an expression of the Hungarian interest, first, in the Hungarian minority living in the Transcarpathian region, secondly, in the possibility of participation in international development programs in Ukraine, and thirdly, in the reduction of the risks linked to Ukraine. Interest in international development programs was aimed at the participation of Hungarian construction companies in the housing program financed by the Federal Republic of Germany and in other programs sponsored by the International Monetary Fund. The latter included Hungarian support for the transformation of Ukraine into a non-nuclear state and the prevention of a possible massive inflow of immigrants from that country.

During his visit to Kyiv in June 1992, deputy foreign state secretary Iván Bába insisted on the creation of a Hungarian autonomous region in Transcarpathia. The Ukrainian side rejected this, but was not entirely against finding another formula for the Hungarian minority at the level of local self-government.

Ukrainian President Leonid Kravchuk visited Hungary on 26–27 February 1993. During these talks Budapest hailed the outcome of Ukrainian–Russian negotiations on the division of Soviet debts (Russia inherited all debts of the Soviet Union in exchange for all Soviet assets abroad). Agreements were also reached on the establishment of a simplified system of border crossing and the deportation from Hungary of illegal Ukrainian emigrants. The Hungarian Prime Minister repeated the earlier idea that 'special' Hungarian–Ukrainian relations were needed.[36] Finally, the Hungarian side expressed its interest in the return of works of art illegally transported to Ukraine during the Second World War.

Two months later, in April 1993, the Hungarian Prime Minister visited Uzhhorod, where he argued for individual and cultural autonomy for the Hungarian minority; the joint publication of school textbooks in Hungarian; and the establishment of a special economic zone in the Transcarpathian region. The last contact between Hungarian and Ukrainian officials occurred once again in the Transcarpathian region in February 1994, when Foreign Minister Jeszenszky handed over 20 million Hungarian forints (then approximately USD 133,000) in aid to flood victims in the region.

The basic treaty signed between Hungary and Ukraine in December 1991 was submitted for ratification to the Hungarian Parliament in May 1993. Although the Parliament ratified it with an overwhelming majority (223 for, 39 against, with 17 abstentions),[37] this was not easily achieved. As already discussed, the nationalist-conservative Hungarian government of 1990-94 pursued a special policy towards neighboring countries. By giving superpriority to the issue of Hungarian minorities living abroad, the question of borders became part of the government's political strategy. The government took the view that there was no need to reaffirm the inviolability of borders in the basic treaties, and that it was enough to refer to existing international agreements, first of all the Helsinki Final Act. The latter excludes the change of borders by force, but provides for their change "in accordance with international law, by peaceful means and upon agreement." The Hungarian government's position of limiting itself to the Helsinki formula increased mistrust in the majority of the neighboring countries. These partners consistently opposed this formula and argued for the inclusion of a special clause in the treaties reaffirming the inviolability of borders. The Hungarian government made only one exception in this otherwise consistent course: Ukraine. The second paragraph of article two of the ratified treaty stipulates that "each Party respects the territorial integrity of the other and affirms that it does not have and shall not have territorial claims on the other."[38]

The multiple delays in the submission of the document for ratification and the heated debates around the border clause sent negative signals to Ukraine. When evaluating the parliamentary debate the Ukrainian ambassador to Budapest criticized the involvement of an outside country—meaning Ukraine—in domestic debates and said that "some people have a special way of thinking, suggesting that the border clause be dropped and affirming that they do not have territorial claims."[39] He also added that if the treaty was not approved—with the border clause included—"the whole construction of bilateral relations would be ruined...we would have to rebuild our relations, not from zero but from below zero...because we would have to work hard to convince Ukrainian political forces that Hungary does not have territorial claims."[40] Although the border clause was included in the ratified treaty, the Hungarian government tried to downplay its importance. The Prime Minister and others emphasized that the clause should not be perceived by other neighboring countries as a precedent. Furthermore, the Foreign Ministry issued a special interpretation of

the clause, implying that Hungary did not renounce any territory: "we have not renounced any possibility of lawful juridical acts provided by international law."[41]

Security and Military Links

In the 1992–94 period the Ukrainian Minister of Defense visited Budapest twice, while his Hungarian counterpart was in Kyiv once. During his visit to Hungary, Konstantin Morozov signed an agreement on cooperation between the two armies. The areas of cooperation included the exchange of information, training, and collaboration in the defense industry.

Lajos Für, Hungarian Minister of Defense, reciprocated this visit in May 1993. Für called the military relations between Hungary and Ukraine the "most active" among all neighboring countries.[42] The two ministers agreed on the training of 10–12 Hungarian air force officers in Ukrainian military facilities. Lack of money prevented the two sides from engaging in a significant arms trade, however, and Hungary limited itself to buying spare parts for its army. The search for and maintenance of military cemeteries was also discussed.

Together with the other Central European countries, Hungary reacted lukewarmly to the initiative of President Kravchuk, presented in Budapest in February 1993, proposing the creation of a 'zone of stability and cooperation' in the region between Russia and Western Europe. Hungary has always been cautious with regard to ideas which could be interpreted as a substitute for its NATO and EU integration efforts. The initiative was meant—by the Ukrainian side—to be the Eastern version of the Balladur-sponsored Stability Pact (named after French Foreign Minister Eduard Balladur), but it lost its meaning after the launching of the Partnership for Peace program.

Finally, the first foreign trip of the new Ukrainian Defense Minister, Vitaliy Radetskiy, was to Budapest in February 1994. In theory, both sides expressed a readiness to cooperate within the framework of the newly established Partnership for Peace program, but in practice nothing happened. In sum, security-military relations between the two countries reflected the same unilateralism as we saw in the case of general political relations.

Regional Cooperation

There are two bodies of regional cooperation of which Hungary and Ukraine have both become members: the Carpathian Euroregion and the Central European Initiative (CEI). The two countries were founding members of the first, while in the case of CEI, Hungary was a founding member and Ukraine joined only later. The Carpathian Euroregion cooperation document was signed in Debrecen (Hungary) in February 1993, and the original signatories were Hungary, Poland, and Ukraine (the two other possible participants, Slovakia and Romania, approached the initiative reluctantly). Later, during the fifth session of the Council of the Carpathian Euroregion in Debrecen, additional Ukrainian counties were accepted as members in addition to the Transcarpathian Oblast': Lv'iv, Chernivtsi, and Ivano-Frankivs'k. As to Ukraine's bid for membership of the CEI, which had been on the agenda since September 1993, Hungary was neither against nor in favor, and so did not take a particular stance on this issue.

The Issue of Hungarian Minority in Ukraine

According to the last census (1989), there are 151,711 Hungarians living in the Transcarpathian region. Immigration to Hungary or elsewhere has not been characteristic of this minority: the number of those moving to Hungary has tended to be below a thousand annually. The Hungarian minority formed the Cultural Union of Transcarpathian Hungarians (CUSCH) in 1989. Taking advantage of the new possibilities offered by *perestroika*, this body defined itself as a cultural-interest-representation organization, and later gradually widened this definition to include political activities. Over the years, CUSCH, as the only Hungarian organization in Ukraine, has not managed to avoid becoming divided by internal platforms and the appearance of alternative Hungarian organizations, of which the most important has been the Community of Transcarpathian Hungarian Intellectuals formed in 1993. Hungarians living in the Bereghove area created their own organization in August 1994, claiming that their interests differ significantly from those of other Hungarians: Hungarians in the Bereghove area constitute a majority of the local population. They are the most outspoken supporters of autonomy. During the 1994 elections there were cases when Hungarians competed with Hungarians for seats in local governments. As a result of the general elections of the

same year, one representative of the Hungarian minority, Mihály Tóth, was elected as a member of the Ukrainian Rada. After the March 1998 elections, another ethnic Hungarian replaced Tóth, and today the Hungarian minority still holds one seat in the Ukrainian legislative body.

From the point of view of the Hungarian minority, the Hungarian–Ukrainian declaration on national minorities has been of outstanding importance. This declaration acknowledges national minorities as elements constituting the state, and provides for their de facto collective rights. It is also worth noting that the two states have recognized that the minority issue cannot be considered a matter for domestic policy alone. Further, a joint Hungarian–Ukrainian committee supervises the ongoing cooperation on minority issues, a unique verification instrument in the region.

The Law on National Minorities, adopted by the Rada on 25 July 1992, was an important step towards assuring minority rights. This law guarantees the use of the Hungarian language and national symbols at the local level.

The referendum of 1 December 1991 decided in favor of the creation of 'special self-governmental status' for the Transcarpathian region, with 78 per cent of the local population in favor. But the Ukrainian Parliament rejected the law on the creation of a special zone for Transcarpathia, so going against the wishes, not only of the Hungarians but of the majority of the people of the region.

In order to understand this policy properly, one should bear in mind that Ukrainian minority policy is defined not by the presence of the Hungarian minority, but by that of the Russian one. In other words, the Ukrainian political elite fears the secession of territories populated by non-Ukrainians, and there is a lack of understanding of the meaning of the notion of autonomy. Another factor which must be taken into account is the Ruthenian question. Given the long-standing Ukrainian sensitivity concerning the Ruthenian issue, the aspiration of the Hungarian minority for any kind of autonomy is immediately associated with the allegedly secessionist tendencies of the Ruthenian minority in Subcarpathia. In this way, the Hungarian minority faces a double–Russian and Ruthenian–barrier when trying to achieve its goals.

Hungarian organizations in Transcarpathia have played a role in interstate relations as well. Their leading organization, CUSCH, criticized the Hungarian–Ukrainian basic treaty because they were not included in the negotiation process, but in the end they acknowledged the necessity and importance of this act. Representatives of Hungarian minority organizations also participate in the

work of the Hungarian–Ukrainian mixed commission on the question of minorities, created in July 1992. Since then, this commission has held meetings every six months. At its last session in the period under analysis (April 1994) this body formulated concrete proposals to the Hungarian and Ukrainian governments. The commission urged the enlargement and modernization of four border-crossing points, and initiated the signing of a cooperation agreement between the two Ministries of Culture. Within this framework, the two ministries are to create a joint committee on the elaboration of common history and geography textbooks. Finally, the commission proposed the creation of a Hungarian-language higher-education institution for the training of school and kindergarten teachers.

The Domestic Context

When analyzing the domestic context of Hungarian–Ukrainian relations one comes upon an interesting paradox: this most undervalued neighborly relationship has had an enormous impact on Hungarian domestic politics. The ratification debate on the bilateral basic treaty helped clarify the political profile of the leading coalition party, and, more generally, led to the identification of the radical nationalist wing in Hungary. Given that the MDF was itself a conglomerate of a wide range of political forces, ranging from leftists to radical nationalists, the ratification debate became a topic in connection with which the radical nationalist right-wing current within the party could articulate itself, so leading to its identification as a radical nationalist movement and not as part of a wider movement. It is not by chance that a considerable part of the dominant ruling party (MDF) left the party under the leadership of the infamous nationalist István Csurka and created the most radical right-wing political formation—the Party of Hungarian Justice and Life (Magyar Igazság és Élet Pártja, MIÉP)—immediately after the ratification of the Hungarian–Ukrainian Basic Treaty.

The Hungarian–Ukrainian basic treaty was approved by the Hungarian Parliament in May 1993, with 223 votes in favor, 39 against, and 17 abstentions. The opposition parties voted unanimously in favor of the ratification of the treaty while the majority of the votes against (25) came from the leading coalition party. This is another paradox: this government proposal was approved with the help of the opposition *against* the votes of a significant group of ruling-coalition deputies.

The solution to this puzzle is that this apparently neutral foreign-policy question concentrated in itself two vital aspects of Hungarian politics after the change of regime: (i) the 'Hungarian nation', and (ii) the unclarified past which may help to determine the future for a long time to come. As to the first issue, this meant that the 'Hungarian nation' was the central category of the political worldview of the forces which came to power in 1990. It is not by chance that this government named its program 'The Program of National Renewal' (in contrast, for example, to some sort of modernization framework). As to the second issue, it showed that the so-called 'Trianon syndrome' in Hungarian political discourse is still alive and well, that is, the inability to come to terms with the fact of losing territories and power, and the 'dismemberment' of the nation. The Hungarian–Ukrainian basic treaty was the first international act after 1990 in which the abovementioned realities had to be reaffirmed in a legal document.

Balanced Relations, 1994–97

Political Relations

The new government which came to power in May 1994—the coalition of Socialists and Free Democrats—brought about considerable changes in the foreign-policy concept of the previous government. First, it rejected the so-called 'Antall-doctrine' and consequently it devalued the issue of Hungarian minorities previously handled as a super-priority. It changed the logic of Hungary's policies towards neighboring states: it wanted to help the Hungarian minorities living abroad by developing relations with these countries, in direct opposition to the previous policy—based on the idea that Hungary would pursue good relations with a neighboring state if it treated its Hungarian minority well. Furthermore, it wanted to promote Hungary's security not so much by relying on external guarantees as by a more active policy towards neighboring countries. Finally, it intended to put an end to the previous practice of disregarding the Eastern dimension of Hungarian foreign policy. As a result, relations with Ukraine gained a much more balanced character: the Hungarian minority ceased to be the almost exclusive driving force in building relations; Hungarian leaders became less reticent in discussing their aspirations to NATO membership with Ukrainian leaders; and the region to the east of

Hungary ceased to be presented as a 'culturally inferior' or politically underdeveloped one.

After the change of government, immediate and regular contacts began at the highest level. First, Hungarian Defense Minister István Keleti visited Kyiv. Then, Oleksandr Moroz, Speaker of the Ukrainian Parliament, came to Hungary in September 1994, followed by the trip of Hungarian Minister of Culture and Education, Gábor Fodor, to Ukraine in April 1995. The importance of this visit lay in the fact that an important issue of the past was finally settled: the issue of the works of art (pictures, books, and so on) removed by the Soviet Army from Hungary. After two years of negotiations it was agreed that a mixed commission would be set up to investigate the fate of the Hungarian works of art that could supposedly be found in Ukraine. The task was a difficult one because there were no precise lists, and the existence of individual works of art could be proven only by virtue of the fact that they periodically turned up at auction.

After four years, the new Hungarian Prime Minister at last visited Ukraine in May 1995. Gyula Horn traveled there accompanied by the Ministers of the Interior, Agriculture, and Transport, representatives of the Ministry of Finance, and the head of the Customs Police. During this visit, eight agreements were signed on regulations concerning state borders, terrorism, organized crime, and drug trafficking, among other things. It is worth noting that Horn did not include in his visit the previously almost 'obligatory' visit to the Subcarpathian region. An agreement was reached on the reconstruction of the only bridge between the two countries, joining Záhony in Hungary and Chop in Ukraine. This political pledge was concretized by the agreement of the two Ministers of Transport in January 1996, and the modernized and widened bridge was opened in July 1997. The importance of this bridge lies in the fact that approximately 10 per cent of foreign visitors to Hungary come from Ukraine (approximately 4.5 million visitors use the Hungarian–Ukrainian border crossings annually from both sides, primarily for 'trade tourism' *[chelnoki]* purposes).

In November 1996, President Göncz once again visited Ukraine. After the failed attempt to erect a monument in memory of the millennial anniversary of the Hungarians' arrival in the Carpathian Basin, President Göncz proposed the creation of a joint committee of historians for the study of the common past. The visit of the Hungarian President also offered an opportunity to hear the Ukrainian viewpoint on Hungary's intention to join NATO. The Ukrainian formula this time was that Ukraine was not against Hungary's ac-

cession, or, as the spokesman of the Hungarian President put it: "Ukraine almost supported Hungary's aim of Euro-Atlantic integration."[43]

Military and Security Links

The first minister to visit Kyiv after the change of government was the Minister of Defense in August 1994. During negotiations with his Ukrainian partner, Keleti made it clear that there was no money for large-scale business, but he proposed two lower-level initiatives. First, Hungary could buy weapons and, in return, offered to barter medical supplies, food, and other goods. Second, since, according to international agreements, Ukraine had to dispose of a certain amount of weapons, Keleti proposed that Hungary could receive such military hardware, so helping to modernize the Hungarian army and at the same time saving Ukraine the cost of disposing of these weapons. The idea concerned Ukrainian tanks and armored vehicles, and seemed an innovative one.

The next meeting between the two ministries took place in December 1995, when the Ukrainian Defense Minister visited Hungary and agreed that Hungary would get spare parts in exchange for medical supplies; a joint commission was established to this end. In addition, an agreement was reached that 12 Hungarian officers would study at Ukrainian military academies. In exchange, Ukrainian officers would participate in language courses in Hungary. The idea of extending the Open Sky agreement was also raised. Finally, an agreement was reached on the transit through Hungarian territory of Ukrainian peacekeepers to Bosnia.

In addition, and following in the footsteps of the successful experience of a joint Polish–Ukrainian battalion, some informal consultations have been going on about the establishment of a joint Hungarian–Ukrainian battalion.[44] Although this idea seems unlikely to materialize in the immediate future, in the medium-term it might become a reality, as it seems to be the policy of both the West and Hungary to establish a variety of such joint formations (for example an Austrian–Hungarian–Romanian and an Italian–Slovenian–Hungarian battalion).

Minorities

The process of disintegration of the original and only organization for Hungarians in Ukraine continued during this period. In August 1994, the Forum of Hungarian Organizations of the Transcarpathian Region was created, adding to the variety of organizations representing the Hungarian minority. In June 1996, the Hungarian Democratic Union in Ukraine adopted a program aimed at obtaining territorial autonomy and the creation of a special territorial self-government, so further deepening the divergence of aims among Hungarian organizations in the region. Parallel to this, a number of voices suggested that it was the Hungarian government which wanted to destroy the leading organization, CUSCH.[45]

The year 1996 marked the millennium of the arrival of Hungarians into the Carpathian Basin and the final settlement of Hungarian tribes in the territory of modern-day Hungary. The entrance point is situated in present-day Ukraine at the Verecke mountain pass. To commemorate this anniversary the Hungarian organizations decided to erect a monument in the pass. The official Ukrainian memorial commission decided not to prevent any commemoration activities but rejected the idea of the monument in July 1996. It did so because of the protests of the local leadership of the Transcarpathian Oblast' and the local nationalists. According to the public declarations of some nationalist organizations, the monument at Verecke would be a target of terrorism.[46] Later, the official Ukrainian state body dealing with this issue passed a resolution that, instead of the Verecke mountain pass monument, another monument should be built at a place defined by the public administration of Transcarpathia. The atmosphere which surrounded this planned monument may be characterized by the statement of one of the representatives of the commission: "if a monument is erected, either with or without permission, the Ukrainian nationalist organizations will begin a counter-construction around it in memory of the victims of the Horthy era."[47]

The Hungarian minority in the Transcarpathian Oblast' expressed a variety of grievances concerning their treatment: the Ukrainian Parliament had not rescinded a 1944 resolution declaring the German and Hungarian peoples the 'eternal enemy' of the Ukrainian nation; obligatory university entrance examinations in the Ukrainian language, a relic of the Soviet period, continued; and the problems concerning the financing of the printed and electronic Hungarian-language media caused a great deal of uncertainty among Hungarians. A special protest was issued with regard

to the new, so-called 'multicultural' education model of the Ministry of Education, unveiled in June 1996. This plan centered around the teaching in minority languages—including Hungarian—of only those subjects which were in some way 'specifically related' to the ethnic group in question, so sharply narrowing the use of minority languages in general education.

The work of the mixed Hungarian–Ukrainian minority commission continued in an irregular way. At its March 1995 session, the commission adopted several suggestions, including steps to prevent drastic changes in the ethnic composition of territories inhabited by minorities. Furthermore, this body decided to examine the possibility of creating a Foundation for the Development of Entrepreneurship in the Transcarpathian Region. This was the first occasion when the economic dimension of the minority issue was taken seriously. As a result of the June 1996 decision of the same mixed commission, the two-year debate on the establishment of a Pedagogical Institute in Bereghove was completed, with positive results. Finally, in April 1997 the next session of the same commission approved the suggestion that university entrance examinations be offered also in Hungarian.

Economic Relations

According to the data of the Ukrainian Ministry of Statistics, Hungary improved its position in the rankings of Ukraine's foreign-trade partners: it rose to eleventh place from thirteenth. In turn, Ukraine ranks fourteenth among Hungary's trading partners. In terms of investment, Hungary has USD 24 million invested in Ukraine, and occupies the eleventh position among foreign investors, having shares in 450 joint companies by 1996. It is worth mentioning that the bulk of Hungarian investments have focused on the Transcarpathian region, involving around half of the companies concerned and USD 15 million.

Domestic Politics

During this period the domestic context of Hungarian–Ukrainian relations centered around two main issues: (i) the idea of introducing a visa regime with Ukraine, and (ii) the investigation of the allegedly illegal activities of the Hungarian secret service in eastern Hungary. Both were related to the problems of domestic public

order, black market activities, and the rise of organized crime in Hungary. The latter had a direct relationship to Ukraine, as Ukrainian citizens ranked first among foreign criminals in Hungary.[48]

The idea of introducing a visa regime with some of Hungary's eastern neighbors—including Ukraine—came personally from Hungarian Prime Minister Gyula Horn. The initiative was aimed at increasing control over illegal immigration, reducing the extent of black labor, and greater security. But this idea faced serious technical, political, and emotional counter-arguments. For example, it was argued that a visa regime is not the best way of keeping out members of organized crime groups; that it would send a negative political signal to Hungary's neighbors; and, finally, that it would considerably hinder the free movement to Hungary of the members of Hungarian minorities in the countries concerned. As a result, the initiative was not implemented, although it does resurface from time to time.

The other issue is much more murky. In March 1997 a scandal broke out concerning the activities of the Hungarian civil secret service. The scandal concerned one particular operation codenamed 'Birch-Tree'. The action, launched in late 1994, was allegedly aimed at investigating organized crime in eastern Hungary, and its possible relationship with foreign, primarily Ukrainian, criminals, and also with Hungarian politicians. The action produced no evidence, but a parliamentary commission was set up to examine whether it was legal to collect information about MPs (in this case, primarily a number of Socialist Party MPs). The parliamentary commission decided that some mistakes had been made during the operation, but that its legality could not be questioned.

The Hungarian Border Guard requested the assistance of the Hungarian Information Office (Civil Secret Service) in its work in north-eastern Hungary (the territory bordering Slovakia, Ukraine, and Romania) in February 1995. Their request was based on an increase in smuggling and the presence of organized crime on both sides of the border. The collection of information began through the mechanisms of the Information Office. Meanwhile, the government was increasingly focusing its attention on the issue of the shadow economy, the links between domestic and foreign organized crime, the presence of persons potentially associated with foreign secret services, and the problem of massive illegal immigration. The leaders of the Information Office felt it their duty to proceed with the collection of information in the abovementioned fields. Later, they began to deal also with corruption in connection with government development funds. By November

1996, the Information Office had made 12 reports on suspicious deals and the foreign connections of various entrepreneurs, former members of the Soviet Army, and other Soviet agencies who visited the region or settled there, as well as the business activities of members of local governments.

In the course of this work, a large amount of information was collected about politicians in office, mainly Socialist Members of Parliament. Due to the suspicion that this information about politicians was being collected illegally, the whole 'Birch-Tree' operation was closed in November 1996. István Nikolits, the Minister supervising the activities of the various secret services, ordered an investigation. He immediately dismissed the top two officials of the Information Office and a number of other employees involved in the affair.

In March 1997, the standing parliamentary committee on national security decided to begin an inquiry into the matter and accepted a final report in July 1997.[49] After examining the 1,700-page 'Birch-Tree Affair' dossier, the committee found that, although there were some irregularities in the handling of the information collected during this operation, no serious violations of the law had taken place. Meanwhile, the investigation of the Chief Prosecutor's Office acquitted those under suspicion.

This is the publicly-known part of the story. The affair seems to have had a purely political dimension. First, Minister Nikolits stopped the operation when it turned out that Socialist politicians were potentially involved in the affair and tried to handle the whole issue as a question of legality versus illegality (by the way, his accusations of illegal activities were not proven, either by the committee or by the attorney's office). On the other hand, opposition politicians claimed that the government (Socialist-led) coalition had tried to postpone any meaningful investigation until the elections scheduled for May 1998. It is a fact that no police investigation has begun in connection with the–restricted–information collected during the operation.

One issue that was probably investigated by the Birch-Tree operation was the case of the vodka factory in Zsurk (eastern Hungary). Ferenc Baja (Socialist politician and MP from the same region), Minister of Regional Development and Environmental Issues, approved HUF 80 million (then approximately USD 500,000) in non-repayable economic assistance to this factory. When questioned in Parliament he was unable to justify this action: even his fellow MSZP members voted against him. It later turned out that, prior to his decision to give the grant, he had received information

from the Information Office that the factory had connections with organized crime. Baja acknowledged that he did not take this warning seriously, opening the door to speculations that he might have some involvement in a murky game with organized crime groups operating on the Hungarian-Ukrainian border.

Conclusion

Hungarian-Ukrainian relations in the period 1990-97 went through different phases. They made an exceptionally good start. At a rare historical moment the two countries were able to give each other something that they could not get elsewhere: Hungary supported Ukrainian independence, while Ukraine signed a minority document of signal importance. This was followed by a strange phase in which the Hungarian side did not reciprocate the Ukrainian interest in developing relations. This was the phase of 'unilateral bilateralism' when the general distrust in the Eastern neighbor and the narrow focus (the Hungarians of Transcarpathia) of the conservative Hungarian government contributed to the stagnation of relations. The change of government in Hungary in 1994 brought about a changed Hungarian approach towards Ukraine. While not giving up its primary foreign-policy priorities, Hungary reassessed the importance of its eastern neighbors, and began to evaluate Ukraine's role in Central Europe more realistically. This pragmatic course began to rebalance bilateral relations, and by late 1997 these relations could be characterized by the fact that all questions related to the past had been solved, and normal interstate relations had been established. The challenge of the future is to manage the 'dividing line' that is being created by Hungary's accession to NATO and prospects of early EU membership.

Comparison

One cannot talk of a real comparison between the Hungarian-Ukrainian and Hungarian-Russian relationships. For a long time, neither Russia nor Ukraine were autonomous players in international politics—they were subsumed in the Soviet Union. However, they were also hidden in a different way. While Ukraine was not noticed at all, the Soviet Union was taken as a kind of 'extended

Russia'. As a result, both Hungarian–Ukrainian and Hungarian–Russian relations were typically indirect, abstract, and secondary in nature, and managed through the Soviet center.

Although Gorbachev's reforms decreased the indirect character of these relations, they did not bring about a breakthrough. This special eastern 'melting pot' survived until the 1990s. From this time onwards, however, direct contacts began to acquire priority over centrally managed relations, although the Soviet Union—as a framework—still provided an important background. The gradual emancipation of direct relations between the sides resulted in the launching of a different developmental trajectory: Hungarian–Russian relations at this time (1990–91) were those of a mutual turning away and of mutually opposing interests, while Hungarian–Ukrainian relations were those of a mutually turning towards each other and identifying common interests. The first resulted in a sharp decrease in contacts, while the second intensified relations. While in the Hungarian–Russian case this was the rock-bottom, in the case of Hungarian–Ukrainian relations it marked the apex.

After this markedly different start to bilateral relations the trajectories began a slow rapprochement. This rapprochement was all about sobering up: a sobering up from distrust in the case of Hungarian–Russian relations, and a sobering up after euphoria in the Hungarian–Ukrainian case. While in the first case, pragmatism began to characterize relations, in the second case it was mainly Hungarian unilateralism that dampened the initial enthusiasm. The post–1994 period brought about the establishment of normal interstate relations. Thus, after the radically different starts, the outcome of the evolution of the two relationships produced more or less the same result.

One significant difference between the two relationships had to do with how to settle the problems of the past. In Hungarian–Ukrainian relations, problems of the past played practically no role. In Hungarian–Russian relations, however, problems of the past played a major role: for years they created obstacles for the smoother development of relations. The issue of troop withdrawal and its financial consequences, the political consequences of 1956, the debt, and stolen works of art all served to complicate bilateral relations.

Problems concerning the ratification of the basic treaty emerged very differently in the two cases. While in the Hungarian–Russian case it was Russia which systematically postponed final ratification, in the Hungarian–Ukrainian case, Hungary caused problems by postponing and making unnecessary noise around the ratification process.

At first glance, the minorities issues were similar: Hungary concluded declarations on the issue with both countries. Yet the substance of these agreements differed considerably. Hungary and Russia had in common large minorities beyond their state borders: the situation was exactly the opposite in the case of Hungary and Ukraine. Despite this, Hungary and Ukraine signed an agreement on minorities which went beyond international standards, while the very similar ethnic situations of Hungary and Russia did not result in any practical cooperation. The ethnic dimension is the first one where the trilateral character of relations can be identified. Its main feature is that Ukraine, when dealing with the Hungarian minority, does everything with a view to its possible effects on the Russian minority. In other words, Kyiv does not handle the Hungarian minority on its own merits. This makes it much more difficult to find solutions to the problems of Hungarians in Ukraine.

In the field of security and military cooperation the two relationships do not seem to differ radically. Cooperation remained at a low level over this period. The only exception is the Russian military deliveries as a means of debt repayment.

On the issue of NATO enlargement, Hungarian–Russian and Hungarian–Ukrainian relations have differed significantly. While Russia opposed Hungary's membership right from the beginning, Ukraine—after an initial hesitation—provided de facto support. Another important element of difference is the role Russia and Ukraine have played in Central Europe. Ukraine, perceiving herself more and more as Central European, not only does not block regional cooperation, but would like to take a more active part in it. Russia, on the contrary, traditionally opposes Central European regional efforts, especially when Ukraine wants to join such initiatives. The NATO issue presents another element of trilateralism: there is a 'pro-country' (Hungary), an opposing one (Russia), and another somewhere in between (Ukraine). The major result of this triangle over recent years has been the emergence of Ukraine as an interested partner in promoting Hungary's membership in the alliance.

Finally, economic relations are similar in terms of their shrinking, in comparison to previous years, but in all other fields they reveal differences. Dependence on energy deliveries, the trade imbalance, and a notable presence of Russian capital in Hungary are characteristics of Hungarian–Russian relations (on this issue see Chapter 5, 'Economic Relations and the Ukrainian–Central European–Russian Triangle'). These features are missing in Hungarian–

Ukrainian relations, but Ukraine plays a role in Hungarian-Russian relations as a typical transit country. This is the final element of trilateralism: all three countries depend on each other, Russia as a seller, Ukraine as an intermediary, and Hungary as a buyer.

Afterword

Since this chapter was finalized in early 1998 some events took place that have had relevance to the evolution of Hungarian-Ukrainian and Hungarian-Russian relations. The first and most important among them had to do with the Hungarian domestic scene: as a result of the parliamentary elections in the Summer of 1998 a new government came to power in Budapest. The new coalition is of a center-right, moderate nationalist nature, in a way a modernized reincarnation of the first democratic government of 1990-1994. With regard to Ukraine and Russia its policy has been rather similar to the foreign policy line of the first government in office after the change of regime. This meant a rather low profile course vis-à-vis Russia and a kind of unilateralism (i.e., emphasis on the Hungarian minority in the Transcarpathian region) vis-à-vis Ukraine. The Russian financial crisis in the second half of 1998 further strengthened caution in building relations with the 'East'.

Another significant development had to do with the NATO air campaign against Yugoslavia. Hungary—as full member of NATO since March 1999—completely supported the operation and—although did not send combat troops—gave very important logistic support to the Alliance. This fact in itself did not have an effect on bilateral relations with Russia until a Russian-Belorussian humanitarian convoy was stopped at the Hungarian-Ukrainian border during the air campaign. After almost a day of holding back the convoy (Hungary disputed the humanitarian character of that convoy, claiming that it also contained military purpose items) most part of the convoy was allowed in Hungary in transit to Yugoslavia. This affair later became an issue that for some time spoiled Hungarian-Russian relations, and became the first affair that 'bilaterized' the fact that Hungary became member of the Alliance, meaning that from this time on any problem between NATO and Russia may affect Hungarian-Russian relations.

Notes

1 *A Nemzeti Megújhodás Programja* (The Program of National Renewal) (Budapest, September 1990), p. 177.
2 *A Nemzeti Megújhodás Programja*, p. 177.
3 *A Nemzeti Megújhodás Programja*, p. 184.
4 *A Nemzeti Megújhodás Programja*, pp. 180–81.
5 *A Nemzeti Megújhodás Programja*, p. 180.
6 *A Nemzeti Megújhodás Programja*, p. 177.
7 *Magyar Hírlap* (5 July 1990).
8 *Külügyminisztériumi Tájékoztató* (Information Bulletin of the Ministry of Foreign Affairs) (Budapest, 1990), p. 309.
9 Only Romania signed a document including this security clause, but (after the disintegration of the Soviet Union) it was never ratified.
10 *Külügyminisztériumi Tájékoztató* (Budapest, 1991), p. 371.
11 *Népszabadság* (7 December 1991).
12 *Külügyminisztériumi Tájékoztató* (Budapest, 1991), p. 106.
13 *Népszabadság* (12 November 1992).
14 *Népszabadság* (13 September 1996).
15 *Népszabadság* (12 November 1996).
16 *Népszabadság* (22 June 1996).
17 During the parallel signing of the basic treaties with the Soviet Union and the Russian Federation in Moscow in December 1991, Prime Minister Antall raised the question of adding a paragraph to the preamble condemning the Soviet invasion of 1956. Gorbachev did not accept this idea, but Yeltsin did. They agreed that this paragraph would be attached to the treaty by an exchange of letters by the Foreign Ministers.
18 'Baburinnak nem kell 56' (Baburin does not need 1956), *Népszabadság* (28 January 1993), p. 3.
19 'Nyet az alapszerződésre' (No to the Basic Treaty), *Népszabadság* (26 June 1993), p. 3.
20 *Népszabadság* (21 September 1993).
21 *Népszabadság* (5 March 1994).
22 *Népszabadság* (1 April 1994).
23 During Soviet times heating elements were imported from the Soviet Union to Paks and afterwards returned to the Soviet Union as waste. After Chernomirdyn's visit, the Ministry of Environmental Protection protested against the continuation of this practice: *Népszabadság* (7 April 1994).
24 *Népszabadság* (21 June 1994).
25 *Magyar Hírlap* (10 July 1996).
26 *Népszabadság* (8 March 1995).
27 Interview with Russian Deputy Minister of Culture, Mikhail Shvidkoy, 'Moszkva: műkincsügyben csak csere' (Moscow: works of art only in exchange), *Népszabadság* (19 July 1996).
28 An article from the Swiss *Neue Zürcher Zeitung*, quoted in *Népszabadság* (30 May 1996). Switzerland took over the OSCE presidency from Hungary in 1996.

29 This section draws considerably on the memoirs of the first Hungarian ambassador to Kyiv, András Páldi, the only work which deals extensively with Hungarian-Ukrainian relations of that period. See András Páldi, *Egyre távolabb Moszkvától* [Ever further from Moscow] (Budapest: Belvárosi Könyvkiadó, 1996). However, none of the evaluations or conclusions presented here are drawn from Páldi and are the sole responsibility of the author.
30 Páldi, *Egyre távolabb Moszkvától*, p. 199.
31 Páldi, *Egyre távolabb Moszkvától*, p. 202. Translation by Margarita M. Balmaceda.
32 Páldi, *Egyre távolabb Moszkvától*, p. 203. Translation by Margarita M. Balmaceda.
33 Páldi, *Egyre távolabb Moszkvától*, p. 204.
34 'Nyilatkozat az Ukrán Szovjet Szocialista Köztársaság és a Magyar Köztársaság kapcsolatainak alapjairól' (Declaration of the Ukrainian SSR and the Hungarian Republic concerning the basis of their relations), *Kárpáti Igaz Szó*, p. 1.
35 'Ukrajna az első' (Ukraine is the first), *Népszabadság* (22 May 1992), p. 1.
36 'Antall különleges magyar-ukrán viszonyt sürget' (Antall urges special Hungarian-Ukrainian relations), *Népszabadság* (27 February 1993), p. 3.
37 'Elfogadták a magyar-ukrán alapszerződést' (The Hungarian-Ukrainian Basic Treaty was approved), *Népszabadság* (12 May 1993), p. 1.
38 *Sajtóközlemény* (press release), 1993/28, (Budapest: Ministry of Foreign Affairs, 1993).
39 'Az alapszerződés vitája megosztja a koalíciót' (The debate on the basic treaty divides the coalition), *Népszabadság* (11 May 1993), p. 5.
40 'Az alapszerződés vitája', p. 5.
41 *Sajtóközlemény* (press release), 1993/28, (Budapest: Ministry of Foreign Affairs, 1993).
42 'Für: Kijevvel a legaktívabb a katonai viszonyunk' (Für: we have the most active military relations with Kyiv), *Népszabadság* (29 May 1997), p. 3.
43 'Göncz Árpád Ukrajnában (Árpád Göncz in Ukraine), *Népszabadság* (15 November 1996), p. 3.
44 Ian Brzezinski, seminar at the Balfour Center for Science and International Affairs, Harvard University, 13 May 1998.
45 'Vádak az ungvári magyar főkonzul ellen' (Accusations against the Hungarian general consul in Uzhhorod), *Népszabadság* (30 August 1994), p. 3.
46 'Verecke emlékmű nélkül' (Verecke without a monument), *Magyar dokumentáció* (July 1996), p. 455.
47 'Kárpátalján nem épülhet fel a honfoglalási emlékmű' (The monument to the Hungarian settlement cannot be built in Sub-Carpathia), *Magyar dokumentáció* (August 1996), p. 518.
48 'Kuncze és Moroz az ukrán bűnözésről is tárgyalt' (Kuncze and Moroz also discussed Ukrainian crime), *Népszabadság* (28 September 1994).
49 *Heti Világgazdaság* web page. Source: www.hvg.hu/lap/9730/nyirfad.htm.

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5. Economic Relations and the Ukrainian–Central European–Russian Triangle

MARGARITA M. BALMACEDA[1]

Introduction

In terms of economic relations, it is difficult to speak of a real triangular relationship involving Ukraine, Central Europe, and Russia. The reason is not difficult to discern: in Central Europe's economic landscape, Russia's significance so overwhelms Ukraine's that it is impossible draw a truly triangular picture. This reality has to do, first of all, with the objective economic interests of the countries involved: in economic terms, the Central European and Ukrainian economies are not complementary. (For example, both the Central European countries and Ukraine are poor in energy resources.) This lack of complementarity seriously limits the possibilities for economic cooperation.

This reality cannot but be reflected in this chapter, which, by necessity, depicts a situation more 'bilateral' than triangular. Indeed, as we shall see, the intertwining of economic interests involving particular Central European elites and Moscow is so strong that it may overshadow the various official declarations by Central European countries concerning Ukraine's importance in their foreign-policy strategy.

Due to these limitations, this chapter will focus mainly on the existing economic links between Russia and the Central European states. Having done this, we will step back and consider the implications for the Ukrainian–Central European relationship.

Economics and the Russian Strategy towards East-Central Europe

The evolution of the Russian strategy towards Central Europe—beginning with the Soviet era—has passed through a number of different phases. It started off as a primarily military-oriented strategy (military presence); later it gradually became transformed into a politically-focused strategy (centered on security policy and NATO expansion); and finally economic elements came to predominate. With some exaggeration one can say that the Russian strategy went from one form of unilateralism (military) to another (economic). In parallel, the originally ideological approach metamorphosed into a more pragmatic one. All this led to the crystallization of a present- and economy-focused Russian strategy towards the region.

The policy pursued by the Russian Federation towards the Central European countries in the period 1989–1997 could be characterized as a mixture of dialogue, attempts to affect the NATO expansion process, and efforts to reassert and exploit Moscow's economic influence in the region for political ends. The basic elements of this policy were first put in place in 1995 by Prime Minister Viktor Chernomyrdin and Minister of Foreign Economic Relations Oleg Davydov. This policy was intensified after Evgenii Primakov's nomination as Foreign Minister in 1995. Indeed, many Russian political analysts advocate using economic instruments for the achievement of Russia's geostrategic objectives in the East-Central European region. The Russian assumption, as Oleg Bogomolov wrote in 1994, has been that "by virtue of its position between Russia and Western Europe, Eastern Europe has the potential to provide Russian businesses with access to international markets. Russian enterprises will find it easier to establish new business contacts through the mediation of the Czech Republic, Poland, and Hungary."[2]

As the new Russian strategy towards Central Europe gathered momentum, it became clear that its main objective was to prevent—or at least delay—these countries' movement towards integration into Western structures such as NATO and the European Union. As this goal started to prove increasingly unrealistic, attention started to shift to creating 'bridgeheads' of Russian state and private capital as springboards for subsequent expansion into Western Europe. Hence the Russian emphasis on the development of economic cooperation with the Central European countries in

four main areas: energy resources, armaments, banking and finance, and trade. (We examine each of these below.) The fact that these are the most important areas in Russia's economic strategy towards the region has been confirmed by their prominence in official Russian trade overtures to the Central European countries, such as the 'COMECON II' proposal unveiled in 1994 (see below).

In line with the premises of this policy, in the period 1994–96 the Central European countries received numerous Russian proposals for strategically-oriented economic cooperation. Such a strategy on the part of Russia seemed to achieve the desired results (from the Russian point of view) only in the case of Slovakia (see Chapter 3, 'The Slovak–Ukrainian–Russian Security Triangle') but, more generally, this strategy has had important implications for the relations with Poland and Hungary as well.

Raw Materials and Energy

The Role of Central Europe in the Strategy of the Russian Energy Complex

One of the most important actors in post-Soviet Russia's domestic and foreign policies has been the oil-and-gas complex (see the section 'Interest Groups' below). Accounting for a huge share of Russian hard-currency revenues, this sector has interests and implications that go well beyond Russia's borders, and Central Europe has a central role to play in the growth—and political and monetary ambitions—of this sector.

Given that the Russian energy complex gets most of its hard currency revenue from exports to Europe (nearly 100 per cent of gas exports to 'far abroad countries' go to Europe, and 85 per cent of energy exports overall), the issue of how to transport gas and oil from their deposits (most of them in Siberia) to Western Europe is of enormous importance. Ukraine plays an important role here, because currently 95 per cent of Russia's energy exports pass through Ukraine. Because the Western European demand for gas is increasing, Gazprom is especially interested in securing a gas transport infrastructure as quickly as possible. There is a sense of urgency here because by around 2015 new European Union environmental regulations are to come into effect which would limit the use of coal and other fuels, so boosting demand for gas. Gaz-

prom's sense of urgency has to do not only with the desire to tap into this new demand, but also to secure its markets before competing suppliers can offer comparable prices.[3]

Because of the sheer economic significance of its exports to Western Europe, in recent years Gazprom has been developing a medium-term strategy in the region, affecting the Central European countries and also Ukraine. Three of the most important elements in this strategy are: (i) the exploration and exploitation of new gas sources in Russia; (ii) the creation of joint ventures in practically all European countries to sell and possibly distribute Russian gas; and (iii) to guarantee the safety and stability of the gas delivery system. The strategy of creating joint ventures throughout Europe is complemented by a similar—but even more direct—strategy in the 'near abroad'.[4]

Gazprom's activities in Central Europe also concern Ukraine, as it transports gas to Europe through two main pipeline systems crossing the country: (i) the 'Soyuz' system, which transports gas from the Urals region, and (ii) the Urengoy–Uzhhorod ('Brotherhood') system, which transports gas from Siberia.[5] Since 1991, transit fees have been a major point of disagreement between Russia and Ukraine.

Gazprom—and the Russian energy complex as a whole—has significant interests in Central Europe. First of all, there is an interest in Central Europe as a market: after declining in the years immediately following the fall of the USSR, Gazprom's exports to the area regained their previous levels in 1995, and are set to continue rising,[6] especially as Central European factories are coming into compliance with stricter European Union environmental guidelines, and are moving towards cleaner energy supplies such as gas.[7] This trend is depicted in Tables 1–3.

Table 1. Russian Gas Exports to East-Central Europe*
(billion cubic meters/bcm)

1991	42.3
1992	37.1
1993	35.9
1994	36.8
1995	42.3

* Not including Ukraine.

Source: Nikolai Evgenev, 'Gazprom na evropeiskom rinke gaza: ekspansiya kak sposob vyzhyvaniya', *Zerkalo Nedeli* (4 January 1997), p. 1.

Table 2. Dependence on Russian Gas Imports, 1993-97
(Averages: Russian gas as a percentage of total gas consumption/imports)

	% of consumption	% of imports
Hungary*	54	89
Poland	60	-
Slovakia**	96	100

* *Source:* MOL, Marketing Department, letter (9 January 1998).

** Average figure for 1993-97. *Source:* FSU Energy, ING Barings (1996) and *Statistical Yearbook of the Slovak Republic* (Bratislava: Statistical Office of the Slovak Republic, 1993-96).

Table 3. Dependence on Russian Oil Imports*

	% of consumption	% of imports
Hungary**	75	98
Poland***	50	50
Slovakia****	100	100

* In general, data on oil prices are very difficult to obtain for these countries, as it is considered strategic or confidential business information. We do have indirect information, however, but only for Hungary, the price cited for 1997 being USD 130 per tonne. (Approximate figure was provided informally to L. Póti by the Russian Commercial Office in Budapest.)

** Figures for 1995-97. *Sources:* MOL Rt. *Annual Report 1995* and MOL Marketing Department, letter (2 July 1998).

*** Data for 1995.

**** Average data for 1993-97. *Source: Statistical Yearbook of the Slovak Republic* (Bratislava: Statistical Office of the Slovak Republic, 1993-96).

Of the Central European countries, the largest importers of Russian gas are (as of 1995) the Czech Republic (7.95 billion cubic meters/year), Hungary (6.89 billion cubic meters/year), and Poland (6.70 billion cubic meters/year).[8] As we can see from Table 4, the Central European countries—with little or no alternative supplies—pay significantly higher prices for their gas imports than do Western European countries such as Italy, France, and Germany, which have more diversified supplies.

The Russian energy complex's interest in Central Europe is also a by-product of the fact that, given the growing international competition for the control of European gas markets, they want an unassailable head start over their rivals. This interest has been expressed in a strategy involving: (i) obtaining cheap and secure transit routes to guarantee the safety and stability of the gas transit

system to Europe, including pipelines and underground gas storage systems, and (ii) establishing economic/trade 'bridgeheads' in the region. Such a policy can succeed in those Central European countries which: (i) have not embarked on the restructuring and privatization of their fuel and energy sectors; (ii) do not control the pipeline systems crossing their territories; (iii) and have not enacted coherent energy legislation. The resultant absence of internal competition in the energy sector makes these countries more vulnerable to expansion from a privileged position–if a free-trade agreement along the lines proposed by Russia to countries such as Poland and Slovakia were to be concluded–by companies such as Gazprom which would have no trouble ousting domestic monopolists from the market. Thus this strategy is directly related, not only to national interests, but also to the interests of various 'interest groups' in transit countries such as Ukraine, Slovakia, Poland, and Hungary.

Table 4. Prices Paid by Central and Other European Countries for Russian Gas, 1995 (USD/1,000 cubic meters)

	w/o transit fees*	incl. transit fees**
Hungary***	66.30	84.90
Czech Republic	-	77.20
Slovakia****	59.65	-
Poland	66.30	83.10
Austria	-	79.20
Italy	-	68.40
Finland	-	74.20
France	-	69.40
Germany	-	70.90

* The figures are from Aleksandr Sverdlov, 'Territorial'noye raspredeleniye–naimen'sheye zlo. Gazoviy Rynok: my poydem kakim putem?', *Den'* (10 April 1997), p. 5.

** Source: *Zerkalo Nedeli* (4 January 1997). The divergence between these figures and the figures from *Den'* is due to the fact that the figures from this source include transit fees through Ukraine (approximately USD 20), while the ones from the previous source do not.

*** Compare these figures with the alternative information concerning gas prices paid by Hungary in 1997: data provided informally by the Russian Commercial Office in Budapest points to USD 96-100 per 1,000 m^3.

**** Divergent information exists concerning the 1995 gas prices paid by Slovakia: USD 90 per 1,000 m^3.

Another important element which could affect the energy security interests of the Central European countries is the European Energy Charter signed in 1994 by 51 countries in Western and

Central Europe and the former USSR. On the basis of this charter, a European Energy Treaty came into force in April 1998.[9] The European Energy Treaty is important because it establishes very clear rules concerning the trade and supply of energy resources, in particular the issue of Third Party Access. Third Party Access (TPA) refers to the ability of third parties to use pipelines to ship their oil and gas, even if these pipelines are located in other countries.[10] Despite continuing talks with Russia on the issue of the Charter, Russia's position towards it has not been overly positive, and Russia has not yet ratified it.

Poland

In the case of Poland, one issue has dominated the energy relationship with Russia: the building of the Yamal Pipeline. Of the various new options open to Russia for gas transport, the Yamal pipeline has merited perhaps the greatest attention. Yamal was conceived as a gigantic project involving the development of gas fields in Siberia and its transport to Western Europe via a 6,670-km-long pipeline passing through Belarus, Poland, and Germany; the total cost of the project was estimated at USD 36 billion. The pipeline was hailed by many in Russia as a way of injecting capital into Siberia, and also as a means of reducing dependency on gas pipelines passing through Ukraine.

In Poland, there was a long public debate on the benefits and disadvantages of the Yamal initiative. Opponents of the project cautioned that sole reliance on Russian deliveries could have serious political consequences. They suggested the need for a simultaneous search for alternative sources of gas. Besides, they pointed to the geostrategic importance of the project, whose implementation could undermine Ukraine's independence and seal the satellization of Belarus (more on this below). Fears were also expressed that cooperation in the building of the pipeline might lead to deeper military cooperation with Russia. It was also suggested that in the future such cooperation could be used as an argument against Poland's admission to the Atlantic Alliance.

There were also concerns that Russian control of EuroPolGaz—the Polish–Russian owner of the pipeline—could be a threat to Polish interests. Forty-eight per cent of EuroPolGaz shares are owned by Russia's Gazprom, 48 per cent by Polish Oil Mining and Gas (PGNiG), and 4 per cent by GAZ-Trading SA, a group comprising

the Gazprom-owned Gazexport (35 per cent), PGN:G (30 per cent), Bartimpex, a private Polish company, Weklogs (a Polish state-owned enterprise), and the German BASF. It appears, therefore, that a controlling interest in EuroPolGaz is effectively held by Gazprom, the dominant partner in GAZ-Trading SA. It is not insignificant that 40 per cent of Gazprom shares are owned by the government and a further 15 per cent by its management (including Gazprom's former director–and former Russian Prime Minister–Chernomyrdin).

The strategic implications of Yamal cannot be understated, especially for a country such as Ukraine. Although completion of the entire length of the project is in doubt due to financing difficulties, completion of the European part of the pipeline (from the Torzhok pipeline north of Moscow continuing through Poland) is indeed feasible, and it is this part which would affect Ukraine most directly. Gazprom, as well as many Russian officials, like the idea of Yamal because they see it as a potential instrument of leverage over Ukraine, whose transit fees they consider exorbitant.[11] Were Russia to have at its disposal alternative transport routes, Ukraine's ability to dictate tariffs would be very much reduced. Yamal would allow Russia to greatly increase its yearly gas exports to Europe (by 70 billion cubic meters over 20 years), while bypassing Ukraine, something which "might be enough to force Ukraine to soften its position" in energy negotiations.[12] Although Ukraine's gas pipeline system will continue to be an important part of Russia's energy transport system, by losing its monopoly Ukraine will also lose some of its economic 'immunity', allowing Russia to exert pressure in a variety of new ways.[13]

Yet the building of a pipeline to carry gas from the Yamal peninsula to Western Europe was welcomed by many in Poland, who believed its completion would give rise to a community of interests between Russia as exporter and Poland as a transit country. Supporters of the pipeline pointed out that it would guarantee long-term gas to Poland without the risk of political dependence as the pipeline would cross Poland in transit, thus making Russia dependent on Poland. Furthermore, the pipeline would allow Poland to secure stable supplies of an essential raw material while at the same time ruling out–for technical reasons–the possibility of Russian 'energy blackmail'. (Such a step had already proved unfeasible in the case of Russian-Ukrainian relations, however: despite the 'energy war' going on between both countries since 1992 and Kyiv's frequent inability to pay for supplies, the Russian side has been unable to fully stop supplies. Despite threats from both Kyiv

and Moscow about cutting the flow of Russian fuel, it is clear that such a measure would benefit neither Russia–which would lose its profitable hard-currency export revenue–nor Ukraine. Thus, as stated by Smolansky, "the ultimate trump-card–turning off the fuel spigot–cannot be played by either side because in such a game there would be no winners, only losers."[14])

In September 1996, the Director-in-Chief of the Polish Petroleum Company, Aleksandr Fidzinski, and Gazprom President Rem Vyakhirev signed a contract providing for the delivery of 250 billion cubic meters of natural gas to Poland over a 25-year period. Critics of the contract pointed out that the deliveries would be much in excess of Poland's needs: in the mid-1990s Russian gas deliveries–through all existing systems–amounted to around 6.5 billion cubic meters per year, yet the Yamal contract stipulates that 14 billion cubic meters per year will be delivered via the Yamal pipeline alone by the year 2010. Critics claimed that such an oversupply, formalized in the contract, would render pointless all attempts to search for alternative energy sources. Accepting dependence on a single supplier of gas, the argument continued, would lead to a partial loss of Poland's economic sovereignty. Polish government representatives offered the counter-argument that the contracted deliveries were justified by the growing domestic consumption of natural gas as well as by the fact that Gazprom will need to increase its gas exports to Europe. In their view, Russian gas would meet no more than 80 per cent of demand which, contrary to the opinions voiced by the critics, would still make necessary the search for additional gas supplies.

Russian Energy Investments and the Question of TPA

However, at the time the Yamal treaty was signed, the most important issue was the adoption of the principle of Third Party Access (TPA), which would open up the Polish market to foreign companies under the right to use distribution facilities already in place for carrying gas to domestic consumers.

At the time of the trade discussions with Russia in 1995, Polish law had not yet guaranteed the principle of TPA. (It is important to note that the Russian proposal to Poland for the signing of the 'Memorandum on Trade Liberalization' came just as the Polish Parliament was debating a new Energy Law, largely based on the provisions of the European Energy Charter. This is the reason Gazprom wanted a separate agreement with Poland, so that they could

have access to these pipelines even if TPA was not included in the Energy Law then under discussion.) A new Energy Law was finally approved by the Polish Sejm in December 1997, yet it is not fully harmonized with the European Energy Treaty; the principle of TPA was not included in the law, which is likely to be modified in the future.

While TPA is a positive principle, its effects can be far from those intended if it is implemented before the deregulation and privatization of a country's gas distribution network. In a situation where there is a still regulated gas distribution network, together with an agreement with a huge foreign gas provider, *and* Third Party Access, such a foreign gas provider could easily gain control over the country's gas market. In the specific case of Poland and its dealings with Gazprom, had Russia and Poland signed a free-trade agreement including gas supply under conditions of Third Party Access, and in the context of a still-regulated market, this would have initially created a situation where the Polish energy market was controlled by two monopolists: Gazprom having a monopoly on gas supplies and Poland's PGNiG having a monopoly on internal distribution. Eventually, such a situation would have led to the strongest player (Gazprom) acquiring a monopoly on the internal Polish gas market as well.

The Yamal agreement includes no provisions on Third Party Access as it deals only with international transit and not domestic distribution. Furthermore, a hasty acceptance of the Memorandum and the signing of a free trade agreement with Russia would have been at odds with the aims and spirit of Poland's association agreement with the European Union. (However, this special agreement was not signed.) As an associate country and candidate for EU membership, Poland should in its own interests observe the Union's rules on relations between member states and third countries. Indeed, Decision 74/393 of the European Commission requires "submitting cooperation agreements with third countries to a prior consultation procedure."

In addition to Yamal, during the second meeting of the Polish–Russian Commission for Trade and Economic Cooperation (October 1994) the Russian side expressed interest in the establishment of "long-term supplies of oil to Poland and the possibility of participation by Russian enterprises in the refining and sale of oil products in Poland."

Hungary

Gas occupies a special place among Hungary's energy sources, in the first instance, because of Russia's central position as Hungarian supplier (Russian deliveries account for 89 per cent of total Hungarian gas imports, and for 54 per cent of domestic consumption).[15] Secondly, gas is the only energy source that was used as a means of paying off Russia's debt to Hungary.

Three issues seem to dominate the Russian-Hungarian energy relationship: (i) the pending issue of the Yamburg agreement, whereby Hungary demands the delivery of USD 140 million worth of gas from Kazakhstan for Hungary's earlier participation in the building of the Yamburg pipeline during the Soviet period. In addition to being an issue inherited from the past that continues to have an impact on the Hungarian-Russian relationship, this issue periodically reappears in Hungarian-Kazakh talks; (ii) the fact that Russia has become a shareholder in several Hungarian gas companies; and (iii) the fact that the Russian gas monopoly Gazprom has initiated important investments in Hungary.

In connection with nuclear energy, the problem that has received most attention is the issue of the used heating elements from the Paks nuclear plant (the country's only nuclear plant). Originally, this waste material was transported to the Soviet Union for storage. However, after independence, Russia adopted a more rigorous law, forbidding the storage of foreign nuclear waste, thereby creating a major problem for Hungary. After difficult talks, the Russian leadership agreed to continue storage on a temporary basis (a storage facility is currently under construction in Hungary).

Slovakia

Three elements have been central to the Slovak-Russian energy relationship: (i) the political and foreign-policy implications of the arrangements; (ii) the central role played by interest groups; and (iii) the way Russia has used the energy question to extract political and foreign-policy favors from Slovakia.

In terms of the political significance of the agreements, it is worth noting that former Prime Minister Mečiar tried to use his 'preferential' gas agreements as 'proof' of the success of his special

relationship with Russia and of his pro-Russian orientation. Considering Slovakia's worsening trade balances (see Table 7 below), what else could be found in Slovak-Russian economic relations to justify Slovak Prime Minister's words that "our mutual relations may be the subject of international jealousy"? As discussed in the Slovak case study (Chapter 3), there was an added element—Mečiar's hopes of benefiting from low gas prices from Russia.

A second characteristic element has been the great importance of economic interest groups. Some of Slovakia's largest economic groups were the true beneficiaries of the Slovak-Russian energy deals. The Slovak companies which most clearly benefited from cheap energy prices included Slovnaft, Kerametal, Slovak Gas Industry, and Transpetrol, as well as the chemical industry and the Eastern Slovak Ironworks J. C. (VSŽ J. C. Košice) which profits from cheap 'Eastern' iron materials and consumes large amounts of energy. Predominant in this list are companies dealing with the transport or manufacture of cheap Russian raw materials, such as natural gas and crude oil. As in the case of the arms-for-debt swaps (see below), the exclusive Russian-Slovak oil and gas negotiations were also conducted by private groups, giving rise to questions about the appropriateness of some of these deals.

This situation also benefited the Mečiar government, which used the energy agreements with Russia to delay an impending crisis, trying to replace the economic impulse provided by foreign investments—which were quite modest in Slovakia—with whatever 'capital' could be made of the difference between 'Surgut' (estimated to be around 50 per cent of world levels—see the Slovak case study in Chapter 3) and world prices.[16] Furthermore, this indirect Russian investment created by the difference between world prices and 'especially-for-Slovakia' CIS prices for oil and gas represented a considerable short-term boost to the Slovak economy, allowing Slovakia to earn more foreign currency than would otherwise have been possible, and contributing to the swift growth of exports in 1994 and 1995. Yet this growth was not reflected in Slovakia's trade balances with Russia, which continued to deteriorate (see Table 7). By the end of 1996, 87 per cent of Slovakia's total trade deficit was the result of energy imports from Russia.

Mečiar's optimistic view, cunningly encouraged by Russia, was (i) that Slovakia is and should remain Russia's primary East-Central European partner in the transport of gas and oil to Western Europe and (ii) that a joint Slovak-Russian company (Slovrusgas), with its seat in Bratislava, should be created with the aim of coordinating Russian gas exports to Europe.

In reality, these ambitious expectations were no more than pipe dreams. On the issue of transit, the Russian side played a shrewd game, toying with the Slovak request to build a special 'southern branch' of the Yamal pipeline, which would have made Slovakia a partner in Yamal. Citing unfavorable economic conditions, however, the Russian side eventually rejected this idea. The important point to emphasize here is that the Russian government knew by early 1995 that the building of a 'southern branch' was not realistic, yet withheld the information from Slovakia for as long as possible in order to extract political concessions, particularly on security issues: for example, Slovakia supported Russian proposals for a beefed-up OSCE as an alternative to NATO. As a result, Slovakia will be left out of Yamal, so losing its strategic position in the transport of Russian raw materials to Western Europe.[17] (The capacity of the planned Yamal pipeline from Russia via Belarus and Poland to Germany will be around 69 billion cubic meters of gas per year: the current transport capacity of Slovak pipelines is 70 billion cubic meters, much of which might be diverted to Yamal.) Similarly, Russian views of Slovrusgas' future were very different from Mečiar's dream of European-wide transit and barter activities. The Russian proposition was much narrower—to create a joint company controlling Russian natural-gas transit over Slovak territory.

Overview

If we try to compare the energy situation in the countries covered by our study, two groups seem to emerge in terms of the domestic energy distribution issue. On the one hand, Poland and Slovakia—because they have not yet embarked on the restructuring and privatization of their domestic gas markets—and on the other, Hungary (where the restructuring and privatization of the sector seems to have gone much farther). In terms of dependence, Slovakia emerges as a category in its own right, because of its almost total reliance on Russian energy supplies.

Russian Debts and the Means for their Settlement

Russian debts to the Central European states have provided an additional means of political leverage. The origins of the Russian debt to Central Europe go back to COMECON's dissolution in the early months of 1990, when discussions started about putting trade accounting on a hard currency basis.[18] Eventually, an exchange rate was agreed by means of which all debts would be converted into hard currency. Most of the Russian debt was acquired through the conversion of old, COMECON-era trade balances into hard-currency debt. In 1994, the debt to Hungary was USD 900 million, and that to Slovakia USD 1,600 million. Poland and Russia reached a 'zero-option' agreement in 1995; the amount initially owed to Poland is not publicly available (Table 5).

Table 5. Gradual Repayment of Russian Debts to Central European Countries, 1992–2000 (USD million)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Hungary*	-	1700	1700	900	900	900	650	400**	200***	0****
Slovakia	-	-	-	-	5000†	1600	1400	1200	1020	850††
Poland§	-	-	-	-	-	-	-	-	-	-

* End-of-year figures.

** Planned.

*** Projected as of 1998.

**** Planned as of 1998.

† The 1995 figure corresponds to the total Soviet debt to Czechoslovakia before its division. After the division, USD 1,600 million of the total debt was assigned to Slovakia.

†† Projected.

§ Zero-option agreement reached 1995.

Slovakia

Slovakia is perhaps the best example of debts to a country being used by Russia for political leverage and for the advancement of concrete interest groups inside the country. Three elements have been central here: (i) the link between debt repayment and military cooperation; (ii) the role played by one particular player on the domestic side of the transactions; and (iii) the relationship be-

tween the arrangements in question and debates on Slovakia's international position. (While Slovakia was not the only country to accept military supplies as payment for the outstanding Russian debt, it was the only country to make a political point of it.) Because of the uniqueness of Slovak debt-repayment arrangements, it is worth taking a closer look at them.

As in the case of Hungary, the origins of Russia's debt to Slovakia lie in the COMECON period. The Russian debt to the Czechoslovak Federation from COMECON times represented a little over USD 5 billion, recognized by Russia in 1993. After the division of the Czechoslovak Federation, the Czech Republic and Slovakia divided the property of the former federation—including all foreign assets and liabilities—in the proportion two-to-one in favor of the Czech Republic. Russia signed treaties on debt repayment with the Czech Republic and Slovakia in 1994. According to these treaties, Russian debts to the Czech Republic totaled USD 3.4 billion, and those to Slovakia USD 1.6 billion.

On the conclusion of February 1997 talks between Slovak Deputy Premier Kozlík and Russian Prime Minister Chernomyrdin in Moscow, Kozlík announced that the current outstanding Russian debt to Slovakia amounted to USD 1.2 billion, and that, from the beginning of 1997, the Russian side had undertaken to repay USD 160 million each year by deliveries of commodities.[19] The expectations of the Defense Ministry to the effect that, of the USD 200 million which had now been repaid, USD 186 million would go to the Army, proved unfounded: not only was the sum which Russia was prepared to repay each year reduced but, more significantly, private business deals were given priority over the needs of the Slovak army.

Devín Bank and the Issue of Russian Debt

In the case of Slovakia, one bank in particular, Devín Bank, was able to make a large profit from the debt-for-military-hardware deals. Devín Bank—originally founded in 1992 by trade union and 'production cooperative' organizations—has played a crucial and profitable role in the 'management' of the Russian debt. In 1992–93, when the bank came up against serious economic difficulties which endangered its very existence, Russian capital came to its rescue, and two Moscow firms (VTF Energia and MFK—Mezhdunarodnaya Finantsovaya Kompania) joined the bank in 1993–94. By 1994, S. G. Gorodkov, a representative of VTF Energia, had become

chairman of the bank's governing board, and Russian capital owned 52.7 per cent of the bank's shares. After the 1994 elections, the bank's new management persuaded the third Mečiar government to settle the Russian debt in 1996–98 through Devín Bank.

From that moment on, Devín Bank started to participate in a series of official and unofficial dealings as an intermediary in the arms-for-debt arrangements. The exclusive Russian–Slovak arms and military deals arranged by this private bank raise a number of unanswered questions, including that of how the Russian government debt could be unblocked by a private Russian–Slovak firm which is to profit from the deals. (It is interesting, for example, that the imported MiG–29s appeared in the customs statistics as early as January 1996 as an imported item; for this, Devín Bank received a commission from the government for the unblocking, although no Russian aircraft had yet crossed the Slovak border.)[20] It is equally remarkable that, although the commission paid by the government to Devín Bank in 1996, amounting to almost 300 million Slovak crowns (USD 9.64 million), was paid in the first half of the year, by 30 June 1996 Devín Bank showed a profit of only 11 million Slovak crowns (USD 358,000).[21] Clearly, a number of large political question marks stand against the repayment of the Russian government debt to the Slovak Republic

Igor Cibula, adviser on military and security policy of the opposition Democratic Union and former chief of the Slovak intelligence service under the Moravčík government (March–November 1994), characterized the political role of Devín Bank and its relations with the Slovak government as follows: "Devín Bank is no ordinary banking institution; it is through this bank that Russian influence is exerted in our country. I would like to underline that the bank has close direct ties with Premier Mečiar...Mr Mečiar has contacts with the Chairman of the governing board of the bank, Mr Gorodkov. Mr Mečiar has intervened with the Russian Ambassador, Mr Zotov, on matters concerning the bank. *I would go so far as to say that, in a way, Devín Bank is a Trojan horse for Russian interests in Slovakia.*"[22] On another occasion, Cibula stated that "Premier Mečiar was from the very beginning personally informed and involved in the entry of Russian shareholders to Devín Bank". These links are such that, thanks to Mečiar's role, the Ministry of Finance has been purged of officials opposed to the unblocking of the debt—they have been replaced by managers with close links to Devín Bank.[23]

In January 1997, the government of the Slovak Republic decided to set up a national airline, Slovak Airlines (SA), which was to commence operations by the end of 1997 using Russian aircraft to

be imported as part of the repayment of the Russian debt.[24] (It is significant that the airline's first international flights would be to Moscow.[25]) These plans made it quite clear that in 1997 and 1998 the Russian debt would be unblocked in the first place in favor of SA and not the Slovak army.

Russian capital has played a mayor role in Slovak Airlines since its inception. The major shareholder in SA, with 33.5 per cent of the shares, is a subsidiary company of Devín Bank, Devín Group Ltd. The second is the Wili stock corporation (28.9 per cent), a company active in the tourism sector and serving predominantly Russian tourists. Russian capital is represented in both companies. OKB Jakovlev is a purely Russian shareholder with 3.2 per cent of shares; 34.2 per cent of all SA shares belong to unidentified "strong Slovak economic agents."[26] In other words, the great paradox in the handling of the Russian debt to Slovakia lies in the fact that it has been unblocked "by the Russian government in favor of Russian businesses" in the Slovak Republic.

An agreement on ways and means of debt repayment was signed in 1994. From 1994 to 1997, Russia's debt to Slovakia was reduced from USD 1.6 billion to USD 1.2 billion. This was done mainly on the basis of supplies and agreements on deliveries of military technology. In three years (1995-97) the value of supplies of weapons and contracts for future deliveries from the Russian Federation amounted to approximately USD 400 million. It is more than likely that the Slovak Republic purchased a maximum of 8 MiG-29 fighter planes, and, as Deputy Premier Kozlík pointed out, at a far lower price than that paid by Hungary in 1993; this was arranged by Devín Bank, which saved 3.35 million US dollars per MiG-29 as compared to the prices paid by Hungary.[27] These savings provide some of the sparse concrete evidence available that the "privileged Russian-Slovak relationship" has indeed provided Slovakia with tangible benefits. As a reward for this successful "virtually Russian-Russian deal" for the Slovak Republic, Devín Bank received a commission from the Slovak government of 296 million Slovak crowns (USD 9.64 million), paid out of the Russian Federation's debt to Slovakia.[28]

As of early 1998, there had been no agreement on the deadline for the full liquidation of the Russian debt to Slovakia. The only information available on this topic is indirect—in October 1997, Slovak Deputy Premier Sergej Kozlík disclosed that both sides were preparing an agreement which would regulate the payment of the Russian debt until 2003.[29] This would suppose a full settlement of the Russian debt by that date.

Hungary

The origins of the Russian debt to Hungary go back to 1990, when, as a result of the switch from the transferable ruble to a dollar-based accounting system in Soviet-Hungarian trade, the Hungarian trade surplus was transformed into Soviet 'debt'. Until 1989, Soviet-Hungarian trade was basically balanced and arranged according to yearly and five-year plans. However, in 1989-90 the Soviet Union did not fulfill its obligations vis-à-vis Hungary in the amount of 2.1 billion transferable rubles, whereas Hungary's unfulfilled obligations vis-à-vis Russia amounted to 300 million transferable rubles, leaving the Soviet debt at 1.8 billion transferable rubles. In March 1990, it was agreed one ruble would be the equivalent of USD 0.92. According to this exchange rate, the total sum of Soviet debt towards Hungary reached USD 1.7 billion. After the dissolution of the USSR, Russia took over responsibility over all Soviet debts. In this way, the debt issue has become an essential element in Hungarian-Russian economic relations.

Military deliveries have played a significant but not overwhelming role in the settlement of Russia's debt towards Hungary. For example, of the USD 650 million debt outstanding as of 1996, 320 million are to be covered by military deliveries—armored vehicles and supplies, among other things—bringing the percentage of military supplies as part of debt payments to almost 80 per cent. In the case of Hungary, gas deliveries were also used as a means of debt repayment, something unique among the Central European countries.

It must be pointed out that military deliveries were not the only option open for paying back the debt. Other proposed schemes—all of which were ultimately shelved—involved Russian participation in the building of a new underground railway line in Budapest, or compensating Hungary by means of providing Hungarian companies with shares in the Russian privatization process.

In addition, an agreement was reached in 1994 stipulating that all remaining debt would be repaid by the end of 1998, and that USD 240 million of the remaining debt would be covered by military deliveries. In contrast with its debt negotiations with other countries, in the Hungarian and most other Central European cases the Russian side insisted on a short repayment schedule. In the case of countries outside the region repayment is scheduled to extend for 20 to 25 years. This fact has been used by the Russian side to argue that Hungary and other Central European countries have received preferential treatment.

Poland

The problem of the mutual indebtedness accumulated by Poland and Russia was finally solved in early 1995 after three years of difficult negotiations. The Polish-Russian agreement on the issue, signed on 30 January 1995 by Polish Minister of Finance Grzegorz Kolodko and Russian Minister of Foreign Economic Relations Oleg Davidov, ratified the so-called 'zero-option', providing for, in fact, the abolition of the mutual Polish-Russian debt. The agreement also established that debts contracted after January 1992 by Russian enterprises and firms would be paid off by the Polish government to their Polish partners. Polish diplomats continue to be amazed as to how such a clause so clearly disadvantageous to Poland could end up in the agreement.

Overview

In terms of debt-repayment schemes, each case presents unique characteristics. Poland is the only case in which a 'zero-option solution' was reached, so avoiding drawn-out discussions on the concrete means for repayment. This 'zero solution', by closing the door on arms-for-debt swaps, also reduced Russia's room for maneuver.

The Slovak and Hungarian cases present two important similarities: (i) in both cases no smooth, 'zero-option' solution was reached, but rather, after complicated and drawn-out negotiations, complex barter-type agreements were favored; (ii) in both cases military deliveries—and the military as an internal pressure group—played an overwhelming role in the repayment process. Nevertheless, the Slovak case remains unique due to the central role played by murky formal and informal interest groups. The privileged Slovak-Russian relationship was illustrated by some of the debt-payment arrangements—military technology (MIG aircraft) was delivered to Slovakia as part of the debt-payment process at lower prices than those paid by other countries. On the other hand, Hungary was able to include a sensitive non-military item in the debt-repayment arrangements—gas.

Military Technology

In its dealings with various Central European countries, Russia has tried to set the terms of how its debt towards them should be paid. Most concretely, Russia has sought to connect the debt issue with the issue of Russian military supplies, so linking an economic and a military-strategic agenda. In the cases of Hungary and Slovakia (but not Poland), military transfers provided a convenient way—for both Russia and some interest groups in these countries—to deal with the longstanding question of Russian debts. Hungary opened the way for future agreements of this type by signing the first debt-for-weapons agreement with Russia in 1993.

There were important international-relations consequences. Indeed, some have argued that Russia needed to stimulate conflict in Central Europe in order to gain approval for arms-for-debt swaps as a way of solving the question of Russian debts. Indeed, Slovak Prime Minister Mečiar used the argument that Hungary was "arming itself" as a justification to acquire new Russian weapons through debt-repayment arrangements.

Poland

In 1994, at the second session of the Polish-Russian Commission for Trade and Economic Cooperation, the Polish and Russian trade ministers signed a protocol which contained a statement noting that "there is a political will to conclude a framework agreement on armaments cooperation between Poland and Russia in line with international practice."[30] Earlier, cooperation in the shipbuilding and aviation industries had been specified as priority areas. A few months later this proposal was reiterated, and the Russian side suggested the possibility of the manufacturing of MIG-29 aircraft by Polish plants in return for the repair in Polish yards of Russian Baltic Fleet vessels. As in the case of Hungary, the timing of this offer coincided with an intensification of discussions in Poland about the modernization of its air force in preparation for a NATO membership bid.

The next Russian armaments cooperation proposals (1996) were addressed to Poland's weak and uncompetitive arms manufacturers. But despite Russian attempts to rebuild old links or create new types of cooperation, this has never been fully realized. Polish-Russian military cooperation remains small-scale, and con-

tinued only due to the need for an ongoing supply of old types of Soviet military equipment and spare parts.

The Russian offers were backed by arguments of an economic nature, but a political purpose could clearly be seen in them—to block Polish entry to NATO. This is evident from an analysis of what the consequences could have been of concluding the proposed contracts. Three in particular should be noted. In the first place, should Poland have concluded a long-term military supply agreement with Russia, Western arms manufacturers would have lost any real chance of entering the Polish market: the loss of such a 'vested interest' would have deprived Poland of a potential lobbyist for NATO membership. Secondly, a long-term Polish–Russian agreement would have created new obstacles for Poland's incorporation into NATO, as equipment incompatibilities would have obstructed interoperability. Last but not least are the political factors: conclusion of the proposed agreements with Russia would have reduced mutual confidence between the armed forces of current and prospective NATO members because of the close ties between arms manufacturers and the military, and their access to state and defense department secrets.

These arguments are valid not only for Poland, but for Hungary and Slovakia as well. Indeed, in the case of Slovakia, these factors proved so significant as to ultimately play a formidable role in the country's exclusion from the first wave of NATO expansion. Moreover, the Slovak case encouraged Russian policy-makers to try a similar strategy towards other countries of the region, particularly Poland. (Indeed, as was pointed out in the Slovak case study, Russia tried to present its relations with Slovakia as an optimal 'model' to be followed in relations with other Central European countries.)

Slovakia

Slovakia provides the clearest example, not only of a strong military dependence on Russia, but also of the importance of domestic factors in fostering this dependence. The case of Slovakia once again merits a more detailed account because of its 'rich experience' of military cooperation with Russia.

Already by 1991, Mečiar's Movement for a Democratic Slovakia (HZDS) and other nationalistically-oriented circles in Slovak politics had taken upon themselves the role of defenders of the mili-

tary-industrial sector of the Slovak economy against Czech federal centralism, at this time engaged in a rationalization campaign that threatened arms manufacturers, especially prominent in the Slovak part of the country. In contrast with its Czech counterpart, the Slovak government chose the Soviet Union—after 1992, the Russian Federation—as its dominant partner for cooperation in the sensitive military-industrial sphere. Slovakia now imports new weapons systems exclusively from Russia.

If we leave aside unofficial contacts—for example, a meeting of Slovak Premier Mečiar with future Russian Premier Chernomyrdin in the High Tatra mountains as far back as 1990—the beginning of official military-industrial cooperation negotiations between the governments of the Slovak Republic and the Russian Federation can be traced to March 1991, when Slovak Premier Mečiar paid a visit to Moscow and held talks with his Russian counterpart, Ivan Silayev—these talks also touched on military-industrial cooperation. Commenting on the results of his trip, the Slovak Premier noted: "what mattered was that the Soviets gave their consent to the export of our arms manufactured under their license."[31] In the period of conversion already mentioned these were extremely optimistic words. Yet there was no reason why Russia would have wanted to deprive others of production licenses, since that would not have been in its own long-term economic interests. After the break-up of the Warsaw Pact, other manufacturers in the former member states were given the same consent, but, unlike Slovakia's Mečiar, no leading politician made a 'song and dance' about it.

The grandiose pronouncements of the Slovak Premier in no way helped the Slovak arms industry, however, either at the time or subsequently. At the end of 1990, the first two joint Slovak-Russian enterprises came into being, with the participation of Slovak arms manufacturers—ZŤS Martin, ZŤS Dubnica, PPS Detva, among others—but this did not have a favorable impact on the performance of the Slovak arms industry. Rather the contrary, these joint enterprises were not capable of introducing the manufacture of new or modernized technology capable of reviving Slovak military production and exports—there were simply no outlets for Slovak tanks.

In 1993-96, a large number of Slovak-Russian agreements on armaments cooperation were concluded, covering such areas as making available aircraft and missile testing grounds, exchange of information on modernization trends in the defense industry, and the establishment of joint ventures for the production of engines for Yak-130 aircraft in Slovak factories.

There is also a connecting link between the economic and political factors in Slovak-Russian military cooperation. There is no more apt illustration of this relationship than the following: on 23 August 1993, immediately after the Presidents of the two countries, Boris Yeltsin and Michal Kováč, had signed the basic treaty—the 'Treaty on Friendly Relations and Co-operation', also known as the 'grand political treaty'—in Bratislava, the Ministers of Defence of the two countries, Pavel Grachev and Imrich Andrejčak, sat down at the very same table where the Treaty had been signed to put their signatures to a Treaty on military cooperation.

The Russian side made it crystal clear what its priorities were in bilateral relations: immediately after the signing of the basic treaty President Yeltsin described Art. 7 on military cooperation as "perhaps the most important."[32] The economic pragmatism of the Slovak government, which clearly regards military cooperation as a purely economic matter, claimed success in this case as well. Slovak diplomacy failed to see—in fact, it did not even want to see—the vast security implications arising from such an interpretation of the bilateral treaty. It is this supposed pragmatism which has caused the political short-sightedness of Slovak Eastern policy and its general unpredictability.

The Slovak government was inspired by the example of Hungary, which decided in 1993 to redeem approximately half of the Russian debt by the import of 28 MIG-29 fighter planes to the value of USD 800 million, so filling a gap in the equipment of the Hungarian army. The Slovak government told Hungary that this step would jeopardize the stability of the region and, by way of retaliation, expressed an interest in the purchase of Russian arms to the value of USD 180 million.[33] The agreement on the conditions for the repayment of the Russian debt was signed in Moscow on 24 June 1994, during the time of the coalition government under Premier J. Moravčík. This is ironic given Mečiar's repeated declarations that only he was able to develop a pragmatic—that is, the best possible—relationship with Russia. But in fact the really 'pragmatic' issue of Russian debt repayment was solved not by Mečiar's government but by the government headed by his predecessor and political opponent. Moreover, the Moravčík government had a clear pro-Western orientation and it had declared no special effort to build special or "exemplary" relations with Russia.

Slovakia's heavy dependence on Russian weapons is not an isolated factor, but a complement to the country's heavy dependence on Russian gas and oil. Unfortunately, the Slovak government has so far not come forward with any proposal to minimize the coun-

try's strategic dependence on fuel and weapons deliveries from a single country—the Russian Federation.

Slovak Defence Minister J. Sitek noted in December 1995 that "we can obtain new equipment only as part of unblocking the Russian debt".[34] Yet he seemed to have overlooked the fact that the Russian debt to the Slovak Republic is not infinite, and that if the purchase of Russian military hardware were to continue at the same rate as in the mid-1990's, in a few years' time the Slovak Republic would not be able to afford any new military equipment imports. This highlights the Slovak government's lack of clarity about how to raise the resources for the modernization of the Slovak army, all the more so since the Mečiar government's policy has prevented Slovakia from acquiring full NATO membership in the first round of expansion. Indeed, it is likely that Slovakia's non-membership of NATO will entail even greater investment in its armed forces and their equipment than membership would have done.

Another important feature of Slovak-Russian military cooperation is that it has often been mediated through obscure dealings involving various interest groups. The details of these deals are quite complicated, and it would be impossible to discuss them in detail here.[35] The shadowy trading practices which have accompanied the settlement of the Russian debt to the Slovak Republic in the form of military imports were also indirectly confirmed by the Chief of the General Staff of the Slovak Army, Colonel General Jozef Tuchyňa. After talks with the Chief of the Russian Army General Staff, General Viktor Samsonov, in May 1997, he commented: "Regardless of whether they admit us to NATO even though we possess Russian weapons systems, a certain degree of cooperation in the military sphere will continue. *We agreed with our partners that if this cooperation is to be mutually effective we must reduce the number of commercial intermediaries which make it unnecessarily expensive.*"[36]

In other words, it appears that, as regards the importation of Russian technology, Mečiar's government gave greater weight to the interests of the Russian-Slovak debt unblocking lobby than to the real requirements of the Slovak army and the views of military experts. Unfortunately, the elimination of trade intermediaries in unblocking the Russian debt is not within the jurisdiction of the Chiefs of the General Staffs but of the two governments. In the Russian-Slovak trade in military equipment it was the Slovak government—not the Slovak army—which created opportunities for corruption, in the same way as it was the Mečiar regime, not the

Slovak army, which created obstacles to the integration of the Slovak Republic into NATO.

Hungary

From the very beginning of the debt negotiation process, it was Russia's priority to pay back the bulk of its debt to Hungary with military deliveries. Indeed, by the end of 1993, over half of the debt had been paid back with military hardware: 28 MIG-29 fighters, armored vehicles, and spare parts. By the end of 1996, the Russian debt had been reduced to 650 million dollars.

Russia's offer to participate in the modernization of Hungary's air defense system was another attempt to use military technology to maintain a Russian presence in the Hungarian market. In connection with the Hungarian tender for the purchase of new NATO-compatible aircraft, Russia was ready to sell MIG-29 fighters, or to modernize the MIG-21 fighters presently in use. Among their strongest selling points are economic arguments: according to Russian calculations, the modernization of 30 MIG-21 fighters would cost between USD 150 and USD 180 million, while the purchase of the same number of Western fighters would cost around USD 2 billion. Yet this deal never materialized. It remained just an offer: all decisions on large-scale fighter tenders have been postponed by 4-5 years, and the whole concept of air force modernization is currently under review.

Overview

Of the three countries examined, Slovakia appears to have built up the closest military cooperation relationship with Russia. It has concluded the largest number of agreements and developed the most intense contacts. The type of debt-for-arms steps taken by the Slovak Republic are unique among the Visegrád countries. Although Hungary also concluded a debt-for-arms agreement with Russia, it has not been importing exclusively Russian technology over the past few years, but also equipment from China and Western countries. The Czech approach is different again: it is prepared to redeem only a minimal part of the Russian debt by means of military deliveries. In addition, early in 1996 the Defence Ministers

of the Czech Republic and Poland agreed to co-ordinate the purchase of aviation technology—focusing on US and Swedish fighter jets—for their armies, in prospect of the two countries' membership of NATO.

Russian Capital in Central Europe

The mid-1990s have witnessed increased activity in Central Europe on the part of Russian capital. Unfortunately, it is very difficult to find concrete information on the level of Russian investment in the area, for a variety of reasons. In the first place, official data on this question are scarce. Moreover, Russian capital often reaches Central European countries not as *Russian* capital, but as 'Western' capital, or as capital from 'tax havens' such as the Virgin Islands, the Cayman Islands, and Cyprus, among others. In addition, the official statistics available in countries such as Slovakia only give information on, for example, the nominal value of shares, so giving a false impression of the true scale of the investment.

In many ways, both the debts-for-weapons arrangements and Russia's interest in the export of its energy resources through Central European pipelines created a perfect context for the entrance of Russian capital to Central Europe. Russian—and, to a lesser extent, Ukrainian—capital enters these countries in a variety of ways and at different levels: through the large number of Russians and Ukrainians visiting these countries every year; through the activities of 'shuttle traders' *('chelnoki')*;[37] through large-scale direct investments; and through money-laundering and other illegal activities.

Perhaps surprisingly, political closeness does not necessarily mean a higher level of Russian investment interest. For example, the close relationship between Slovakia and Russia has meant that the country has been more 'open' to Russian interests, but it may also be that this is not enough for Russian capital. Indeed, they might be less interested in political loyalty than in a country's 'capital-transit' value in terms of broader European—that is, Western European—goals. Thus, it may be more important for Russian investors to concentrate on Hungary than on Slovakia, because the former can be a much more convenient basis for expansion to Western Europe, although there are no concrete data on this. Indeed, after it became clear that Slovakia would not join NATO, the trend towards more investment in Hungary became even more

marked. At the same time, it is because of its political loyalty to Russia that Slovakia has become less attractive as an area of activity for Western capital. Indeed, it may well be that the very 'closedness' of the Slovak situation, while providing immediate advantages for Russian capital, has by its very nature precluded the kind of cross-border expansion envisioned by the Russian economic giants.

A clear implication of this situation is that it may well be that the interests of Russian investors are different from the official foreign-policy interests of the Russian state. Hungary's attractiveness, on the other hand, may have to do with the fact that the country is already seen as a hub of economic activity by Western banks, and because—as a result of this—any investments there (especially real estate) are likely to grow significantly in value.

The Case of Poland

In the Polish case, Russian capital has been particularly active in the banking and energy sectors. The Russian side has repeatedly proposed opening agencies and branches of its banks in Poland. Such proposals were contained in the protocol of the second session of the Polish-Russian Commission for Trade and Economic Cooperation (1994), the 'Memorandum on Free Trade' and the 'Polish-Russian Program for Investment Cooperation' (1996),[38] and a document popularly known as the 'COMECON II proposal'.[39] The Russian proposals demanded preferential treatment for Russian banks.[40] While the documents are very general and do not state what kind of 'concessions' were sought by the Russian side, the fact is that concessions were mentioned. Indeed, these requests for preferential treatment were the main reason for the Polish National Bank's refusal to enter into cooperation agreements, as its board stressed that Russian banks should accept the general rules for foreign banking operations in Poland.

The Polish position was also dictated by the fact that—despite official Russian assurances—Polish banks have been denied access to the Russian market. There (as in, for example, Ukraine), Polish and other foreign banks are confronted with administrative barriers arising out of CIS agreements which are contrary to the principles of free competition. Under these agreements, there are three categories of banks in the CIS: banks of CIS-member countries, branches of some Western and Japanese banks, and others.[41]

Official talks have also avoided the weighty arguments cited by many Polish and international experts regarding the soundness of Russian financial institutions and, therefore, the harm they could create if they were to enter the Polish financial market on preferential terms. The most serious grounds for concern lie in the current connections of Russian banks and the provenance of their capital. Indeed, it is commonly accepted that many financial structures set up since 1987 were established with funds transferred by the KGB and other political organizations (for example, the Komsomol) and, in the 1990s, from the assets of enterprises privatized in murky circumstances.[42]

The shadowy connections between the business and financial sectors on the one hand, and the world of politics, the secret services, and the mafia on the other, have been made still more complicated by the establishment of the so-called Financial-Industrial Groups (FIGs). FIGs complicate the situation because they bring under one roof industrial and financial concerns, so making them an even more formidable lobbying force.[43] Some light has been shed on the nature of the risks involved in cooperation with Russian banks by the appeal addressed by the head of the German Office for Protection of the Constitution to the German business world at the end of 1996. The appeal stated that Russian firms and financial institutions were still carrying on covert operations—such as economic espionage—under the guise of business activities. The report also voiced concerns about the danger of Russian mafia structures extending their networks into Germany.[44] If a strong country such as Germany is concerned by this possibility, the danger is much more pronounced in the case of the weaker East-Central European economies.

The Yamal Agreement has also created enormous possibilities for Russian investment in the Polish energy sector (see section on energy above), and Russian capital has acquired a significant share in Yamal-related investment projects.

The Case of Hungary

In the case of Hungary, Russian capital has also been especially active in the energy and banking sectors. There are no official data on total Russian investments in Hungary, only on CIS investments in the Hungarian privatization process. According to this data, around USD 51 million of CIS capital has been invested

in Hungary in connection with privatization.[45] This would be the equivalent of 1.14 per cent of total foreign investments in the privatization process. Because this figure includes only capital invested *as part of the privatization process* the true figure may be much higher (for example, the figure given by the Russian Commercial Office in Budapest was four times larger, USD 200 million). Moreover, Russian capital may enter Hungary indirectly via countries highly favored as safe havens by Russian entrepreneurs. Large-scale Russian investments include the Ikarus bus factory (USD 50 million or 32 per cent of the shares), the Dunántúli Kőolajipari Gépgyár (Dunántúl Oil Machinery Factory) where Russian investors hold 68 per cent of the shares, and the Általános Értékforgalmi Bank (General Banking and Trust Bank or ÁÉB) where the Russian investment is USD 30 million. This makes a total of at least USD 80 million (other Russian investments are much more modest). There are also approximately 600 Hungarian-Russian joint ventures.

Gazprom, through its off-shore companies, became a shareholder (with more than 10 per cent of the shares) in two Hungarian gas companies—ÉGÁZ and DÉGÁZ—in 1997. Another major step by Gazprom was its capital investment in ÁÉB after its purchase in 1996. After buying ÁÉB with capital of 1.1 billion HUF (USD 6 million) the new owner increased it to 10 billion (USD 50 million) by May 1997, with plans to increase it still further to up to 22 billion Forints (USD 100 million) in the future. Gazprom declared that it wanted to make ÁÉB the center of its East-Central European activities.[46] Through ÁÉB, Gazprom participates in the financing of Russian gas deliveries to Hungary within the framework of debt repayment agreements. ÁÉB is also involved in gas deliveries for cash, which can be very profitable as the large sums involved can generate large interest premiums very quickly.

The Case of Slovakia

Paradoxically, despite the intense Slovak-Russian relationship, few data are available on Russian investments in the country. However, it is possible to get a general sense of the magnitude of these activities by looking at some areas in which Russian capital is working openly in Slovakia and for which information is publicly available. Such data exist on only three companies: Devín Bank, Slovrusgaz, and Slovak Airlines.

In the case of Devín Bank (discussed above in connection with the pay-back arrangements for the Russian debt), two Russian companies, together with smaller shareholders with Russian capital, own 53 per cent of the stock. This represents about USD 16.5 million.[47]

The joint venture Slovrusgas is owned in equal parts by the state-owned Slovak Gas Industry (Slovenský Plynárenský Priemysel or SPP) and Russia's Gazprom. According to 1998 data, Gazprom has invested USD 500,000 in Slavrusgas.[48] A third important repository of Russian capital has been Slovak Airlines, created in 1997. Russian companies or companies with a majority of Russian capital (Devín Group and OKB Jakovlev) own 36.7 per cent of the company, to a total of USD 14,032 (Although this seems an unbelievably low figure for an airline, it must be understood that it refers to share capital—that is, the *nominal* rather than the market value of shares—not total assets. The real market value of Russian shares in Slovak Airlines would be much higher).[49] Thus, on the basis of these three cases, officially known and recognized Russian investments in Slovakia as of 1997 amounted to around USD 17,500,000. Yet given the unbelievably small amounts cited for the Russian investments in Slavrusgas and Slovak Airlines, the actual amount is likely to be much larger.

Overview

Across the three countries, we see a similarity in terms of the two main areas in which Russian capital is active: banking and energy. Indeed, there is an interaction between these two sectors. This is most clear in the case of Hungary, where Gazprom has directly purchased a bank. In the area of direct Russian capital investment, Slovakia seems to be 'lagging behind' in terms of its attractiveness to Russian capital, possibly because of its exclusion from the first round of NATO and—most importantly—EU enlargement talks.

Trade, Free Trade Zones, and Russia's Use of Economic Instruments

As discussed in the last section, Russia still owes the Central European countries money in the form of COMECON-era debts. Yet in its trade with most Central European countries—at least with Hungary and Slovakia—Russia has maintained a clear trade surplus, which it has also tried to use for political goals. As already discussed, most of these negative trade balances are related to the Central European countries' heavy energy dependency on Russia (Tables 6, 7, 8).

Table 6. Russian-Hungarian Trade Balances (USD million)

	Hungarian exports	Hungarian imports	balance
1991*	1362.1	1731.5	-369.4
1992	1133.4	1674.0	-540.6
1993	945.0	2399.3**	-1454.3
1994	807.0	1745.8***	-938.8
1995	822.8	1839.8****	-1017.0
1996	776.6	2020.5	-1243.9
1997	968.2	1963.0	-994.8

* Concerns the former USSR.

** Including goods delivered as installments on debts according to the Yamburg agreement.

*** Including goods delivered as installments on debts according to the Yamburg agreement.

**** Including goods delivered as installments on debts according to the Yamburg agreement.

Table 7. Russian-Slovak Trade Balances* (USD million)

	Slovak exports	Slovak imports	balance
1992	258.1	284.6	-26.5
1993	256.4	1236.3	-979.9
1994	277.9	1192.3	-914.3
1995	331.2	1467.6	-1136.5
1996	307.3	1931.0	-1623.7
1997	328.5	1597.4	-1268.9

* *Source:* Statistical Office of the Slovak Republic (1992-96) and Customs Office of the Slovak Republic (1997). Converted to USD on the basis of the average exchange rates for each year published in ***Business Central Europe*** (various issues). Calculations by A. Duleba and M. Balmaceda.

Table 8. Russian-Polish Trade Balances (USD million)

	Polish exports	Polish imports	balance
1993	644	1271	-627
1994	934	1453	-519
1995	1274	1959	-685
1996	1654	2526	-872
1997	2155	2685	-530

Trade: The Case of Poland

In fall 1995, Poland received separate proposals from Ukraine and Russia—Ukraine's proposal came a few weeks earlier—on the establishment of free trade zones. Both proposals were rejected and in both cases Poland used the same argument: both countries would have to obtain WTO membership before signing special trade agreements with Poland. The only link between the two cases was, as the opponents of a Polish-Russian free trade zone argued, that if Poland rejected the Ukrainian proposal, it should also reject the Russian offer. However, it is evident that Russia's and Ukraine's motives in extending their respective free trade zone proposals were very different. In Russia's case, the proposal was aimed at the implementation of certain Russian energy expansion initiatives towards Central Europe. In the case of Ukraine, the proposal was an attempt to find a way of obtaining closer economic and other ties—if only symbolically—with Central Europe. Moreover, considering the often chaotic structure of trans-border Polish-Ukrainian trade, it was also an attempt to organize it in a more formal way.

Trade: The Case of Slovakia

Slovak-Russian trade balances in 1993-95 were more or less stable: Slovak exports to Russia remained constant at around SK 6 billion (USD 300 million) and imports at around SK 30-45 billion (USD 1-1.5 billion) annually. This means that Russia had positive trade balances with Slovakia of around USD 900-1000 million in 1993, 1994, and 1995. A remarkable change took place in 1996, when Slovakia's exports to Russia remained at the previous level,

while the value of Russia's exports to Slovakia reached SK 46 billion (USD 1.93 billion). Thus Slovakia's negative trade balance with Russia in 1996 reached more than USD 1.6 billion. The main reason was the rise in Russian crude oil and natural gas prices in 1996. (For more details, see the Slovak case study.) Most importantly, this unprecedented trade deficit proved the short-sightedness of Prime Minister Mečiar's policy of increasing economic reliance on Russia.

Trade: The Case of Hungary

Trade between Russia and Hungary began to fall in the second half of the 1980s by around 10 to 20 per cent annually. As a result of Hungary's (and Russia's) domestic political changes and foreign-policy reorientation, trade decreased by almost 50 per cent in 1991, and then stabilized at the level of USD 2.5 billion annually. Despite this decrease, as of 1997 Russia remained one of Hungary's most important trading partners, occupying the third place after Germany and Austria. Most importantly, while Russia occupies the fourth place as a recipient of Hungarian exports, it is in second place as a source of imports.

Russia has enjoyed constant surpluses in its trade with Hungary, mainly due to its energy deliveries, which in the mid-1990s remained stable at around USD 900 million annually. In 1996, and despite some export-promotion efforts on the Hungarian side, Hungary's trade deficit vis-à-vis Russia grew considerably. From 1995 to 1996, for example, it grew by a record 22.3 per cent, reaching USD 1,243.9 million,[50] which accounts for almost half of Hungary's total trade deficit (USD 2,659 million) for 1996. The efforts of the Hungarian side to rebalance these trade relations have so far proved ineffective. The structure of Russian exports to Hungary reflects both Hungary's dependence on Russian energy and some of the difficulties of the Russian economy in the transition period. Over the last six years energy has consistently accounted for around two-thirds of total trade. (Fuel and semi-finished goods account for over 90 per cent of total trade.) In comparison, Hungarian trade with Ukraine decreased from 1995 to 1996, especially in terms of Hungarian exports, which fell by 30.8 per cent.[51]

In contrast with Poland and Slovakia, Russia presented no official proposal to Hungary with the aim of establishing a free trade zone. Instead, the Russian side has worked towards reaching a Rus-

sian–Hungarian intergovernmental agreement with the aim of *liberalizing* trade relations. This attests to a differentiated Russian approach in the region. According to some, Russia suffers from 'indirect discrimination' in trade with Hungary, as Russia is one of a small group of countries that do not belong to any group enjoying trade privileges with Hungary (groups such as the European Union, the European Free Trade Agreement, the Central European Free Trade Agreement, and the developing countries).[52] The difference in tariffs imposed on Russian goods can be as high as 30 per cent if compared to, for example, Italy.

Despite the failure of attempts to sign an official trade liberalization agreement with Hungary, new institutional forms for trade cooperation have emerged. A unique organization was created in November 1994 to promote Hungarian–Russian trade: the Hungarian–Russian Trading House. The official name is Panrusgas (where Pan stands for Pannonia—the ancient Roman name of the Western part of Hungary). The founding document was signed by the Gazprom-subsidiaries Russian Gazexport and Interprokom on the one hand (with 50 per cent of the shares) and the Hungarian companies MOL, Mineralimpex, and the Hungarian-based but largely Russian-owned Dunántúli Kőolajipari Gépgyár (where Gazprom owns 50 per cent of the shares). While on the Russian side the activities of the Trading House are limited mainly to gas exports, from the Hungarian perspective its main aim is to expand the exports of a variety of goods (to offset gas deliveries) as much as possible.

Free Trade Zone Proposals

In September 1994, Russia presented to all the East-Central European countries a new cooperation proposal—the 'Main Directions of Partnership and Cooperation in the Field of Commercial and Economic Relations between CIS Member-States and Albania, the Republic of Bulgaria, the Republic of Hungary, the Republic of Poland, Romania, the Slovak Republic, and the Czech Republic'. This initiative, which became commonly known as 'COMECON II', caused a great furor in East-Central Europe, as many saw it as a new Russian attempt to recreate mechanisms of economic control over the region. But after this did not work out—many saw the proposal as 'kite flying' to test public opinion—Russia presented different, more concrete proposals to Slovakia (September 1995) and Poland (October 1995).

When, in October 1996, Russia invited Poland to sign a 'Memorandum on Trade Liberalization' (to which a 'Russian-Polish Intergovernmental Program for Investment Cooperation' was appended), the main object of the Russian proposals was the establishment of a Polish-Russian free trade zone. In these proposals, considerable emphasis was placed on giving Russian energy corporations preferential trading terms in the Polish market. The Russians even suggested flouting a decision of the Polish Administrative Court: point IV of the investment cooperation program proposed construction of a terminal by a Polish-Russian company, Topgaz, a project which had been ruled illegal by the court.[53]

In fall 1995, as already mentioned, Poland received separate proposals from Ukraine and Russia on the establishment of free trade zones. Similarly, in September 1996, Slovakia received a proposal to establish a free trade area with Russia. During a March 1997 meeting, Ukraine's and Slovakia's Prime Ministers discussed a two-sided agreement on free trade. Thus we can talk of Russian-Ukrainian 'competition' for the establishment of free trade zones with Poland and Slovakia.

The first official remark on the possibility of creating a Slovak-Russian free trade zone was made during Prime Minister Chernomyrdin's visit to Slovakia in February 1995. Chernomyrdin made the idea conditional on the establishment of a 'common Slovak-Russian trading house'. (A 'common trading house' is a joint, intergovernmental institution which provides a framework for the work of various companies and for mutual trade with the aim of creating more favorable conditions for trade). In the Slovak case, the basis of this 'common trading house' would be the creation of a gas joint venture—involving Slovak Gas Industry and Gazprom—controlling the transit of Russian natural gas via Slovak territory to Western Europe.[54] This time it was the Slovak government which rejected the Slovrusgas company project (discussed in the Slovak case study), as it did "not correspond to Slovak interests because of falling Slovak Gas Industry revenues." The Slovak side rejected the Russian proposal mainly because of what they saw as unacceptable Russian conditions, first of all because the Russian side insisted on 50-per-cent ownership of Slovrusgas. Nevertheless, Slovakia hoped to make Russian markets more accessible for Slovak products. The Russian side 'played dead' for more than eighteen months.

During the Piešťany economic summit (September 1996), Slovak Prime Minister Mečiar suddenly informed the press that "we have received a proposition from the Russian side on the creation of a free trade zone."[55] More information was given by a represen-

tative of the Slovak Chamber of Industry and Commerce: "according to some experts a free trade zone could help Slovakia reduce by one-half its negative trade balance with Russia...the Russian side demands that our decision on creating a free trade zone not be subject to the views of any third party...and the Russian proposition is valid for around six months."[56]

Thus, Russia pushed the Slovak government into a very difficult international position. Slovakia could not accept the Russian conditions because of its Association Agreement with the EU, its Customs Union Agreement with the Czech Republic, and its membership in CEFTA and the WTO. These agreements bind Slovakia to engage in consultation regarding any plans to liberalize trade with a third party—and Russia is very much a third party in this case because it lacks membership in these organizations. The seriousness of these agreements is underlined by the fact that more than 80 per cent of total Slovak exports in recent years were directed to the EU and Czech markets. In spite of that, the Slovak government chose to take a risky path. Not having official permission from Brussels or Prague it forced the process of implementation of the bilateral free trade zone with Russia. Slovak Deputy Prime Minister and Minister of Finance S. Kozlík submitted a draft Memorandum on Trade Liberalization to Russian Deputy Prime Minister V. Babichev during his visit to Bratislava in November 1996. The Memorandum was intended as a first step leading to the signing of a treaty on a free trade zone.[57] This incident clearly shows the strength of Russia's influence over the Slovak government at the time.

In this way, the Slovak government got itself into a diplomatic 'blind alley'. Both the EU and Prague opposed the establishment of a free trade zone between Slovakia and Russia which could result in the renunciation of existing agreements. In these circumstances, Slovak Minister of Foreign Affairs Hamžík stated in February 1997 that "Slovakia realizes its international obligations [towards the EU and the Czech Republic], therefore, the establishment of a free trade zone with Russia is still only at the level of speculation."[58] Despite that, pressure from the Russian side did not stop.

It goes without saying that Russia is not interested in a free trade zone with the small Slovak market on economic grounds. Russia's real economic interest in Slovakia became clear during Prime Minister Chernomyrdin's visit to Bratislava in April 1997. On that occasion, eight new Slovak-Russian agreements were signed. Three of them concerned the establishment of the joint Slovak-Russian company Slovrusgas (Gazprom and Slovak Gas Industry

SC) which would become owner of transit gas-pipelines over Slovak territory.[59] As already discussed in the section on energy, the real object of Russian interest is not Slovakia, but its transit capabilities.

The Model of Economic Cooperation Proposed by Russia

Russian economic cooperation proposals also concern the *structure* of the economic systems involved. Aware of the differences between their own and the Central European models of economic transition, the Russian proposals have suggested to representatives of the region that their countries should adapt to the conditions of the post-Soviet economy. Commenting on an unofficial Polish proposal titled 'Partnership for Transformation' (the proposal was presented in Cracow in 1994 as part of the Polish Eastern Social-Economic Strategy and addressed to all of Poland's neighbors), Andrei Kozyrev observed that he would prefer to speak of "common changes or reconstruction" rather than "transformation". Similar signals have since been sent by other representatives of the Russian government. Lev Klepatsky—then advisor on economic cooperation at the Russian Embassy in Warsaw and later deputy director of the Foreign Ministry's Planning Department—at a meeting with the staff of the Polish Foreign Ministry, urged Poland to embark on structural changes that would facilitate "access to the appropriate CIS bodies and advantageous cooperation."

Similar proposals were presented at the first Polish-Russian Round-Table (Warsaw, February 1996). The Polish reaction to these offers was lukewarm:

> Russia is creating...a very specific economic system which can be labeled bureaucratic-cum-market-based...The participation of the state in the economy is immense...Recession led...the government of the Federation to push the idea of financial-industrial groups...To some extent this was successful...but it has had many side-effects. On the one hand, it has increased government control of companies, and on the other, it has created powerful pressure groups forcing various concessions from the government.[60]

Highlighting the fact that the kind of cooperation proposed by Russia to Poland concerned not only foreign economic relations

but also the direction of Poland's *domestic* economic transformation, Jarosław Mulewicz, former president of the World Centre for Trade and Finance with the East, argued in 1994 that there is an ongoing "'Russification of the Polish economy'. For Poland, the problem is that unhealthy examples are being transplanted here. For Russia, the most convenient thing would be for its negotiating partner to be the government and the centralized, monopolistic structures which are again raising their heads in our country..."[61]

These assessments were corroborated by the contents of the so-called 'COMECON II' proposal presented in mid-September 1994 by the Russian Ministry of Foreign Economic Relations to former COMECON members. In this document, the emphasis was placed on the development of three areas: banking and finance, the energy complex, and armaments cooperation. This clearly reveals the Russian view of its priority interests in Central Europe. Another important element was a proposal to set special tariff rates using the same mechanisms adopted by the CIS states; a similar arrangement was proposed for cooperation in the financial and banking sphere.

The document ignored the thrust of the economic reforms in such countries as the Czech Republic, Poland, and Hungary, and the fact that these countries had already gone 'beyond the point of no return'. This was reflected in, for example, proposals "to form joint enterprises, supranational economic associations, and networks of financial and credit institutions."

There was also a proposal to make use of CIS-wide cooperation agreements. In 1993, Slovakia became an observer member of the so-called 'Surgut Agreement', planned as the nucleus of a CIS oil and gas community. A year later, after the election victory and consolidation of the Mečiar camp (supported by the heads of the state energy corporations), Slovakia returned to the 'Surgut model' in cooperation with Russia. (What we mean by 'Surgut model' in this context is the unclear price-formation policy and non-transparent business between Russian and Slovak energy companies, a business which is protected by both the Russian and Slovak governments and does not reflect the principles of open market economies, so providing ample opportunities for state intervention and corruption.) Indeed, Russia tried to create a 'Surgut Club' on the basis of the Surgut agreement, but it has never come fully into being because of a lack of funds for the restoration of the Surgut gas and oil fields. Russia ceased these efforts in 1994, when it became clear that neither its CIS partners nor Slovakia had the necessary resources for investment in the Surgut fields.

Overview

Of the three countries discussed, only Poland has been able to keep its trade deficits with Russia under relative control—the rapid growth in imports from Russia have been partially offset by the vigorous promotion of Poland's exports to Russia. Slovakia and Hungary, however, saw their trade deficits vis-à-vis Russia grow significantly after 1991.

The Role of Interest Groups in the Economic Triangle

At the beginning of this chapter we noted that one of the reasons why many official declarations of 'strategic partnership' with Ukraine remain shallow and unfulfilled has to do not only with the objective economic interests of the countries involved—although this is, of course, significant—but also with the interests of specific economic elites in these countries. Indeed, as already stated, the intertwining of the economic interests of some Central European elites with those of similar elites in Moscow is so strong that it is likely to prove a serious obstacle to building a new type of economic relationship with Ukraine and to devalue official declarations of 'strategic partnership' with Ukraine.

The roots of this situation lie in the structure of administration and patterns of economic elite socialization during the Soviet period. As is well known, during the Soviet period all important economic decisions were made in Moscow, not the republican capitals. Indeed, most important industries were administered directly by the corresponding ministry in Moscow, and local managers had little real power.[62] Thus it should not surprise us that the most influential economic leaders of the Central European countries, many of them remnants of the Communist period, developed closer working links with Moscow than with Kyiv or L'viv. We should also not forget that the COMECON headquarters, that giant breeding ground of the Soviet-bloc economic *nomenklatura*, was located in Moscow.

Interest Groups in Individual Central European Countries

Slovakia

The role of interest groups in Slovak-Russian relations showed up particularly clearly in the negotiation of the settlement of Russia's debt to Slovakia. As already discussed, the Slovak Republic has given greater priority to the interests of the Russian-Slovak debt-unblocking lobby than to the real requirements of the Slovak army and to the views of military experts. The fact that the Slovak government of the time was tied to certain circles in Moscow, or, to be more exact, to the so-called 'Chernomyrdin wing' in the Russian government, was confirmed by the unexpected visit of Slovak Deputy Premier Kozlík to Moscow in July 1997, the second that year. In March, there had been a thorough reshuffle of the Russian government and Chernomyrdin's position was endangered when President Yeltsin appointed two young Deputy Premiers, A. Chubais and B. Nemtsov. Since Mečiar and Chernomyrdin were responsible for managing Slovak-Russian relations as a whole, the Slovak side was naturally panic-stricken at the thought that particular matters already in progress, including the settlement of the debt, could be threatened. And although Chernomyrdin had visited Bratislava in April, Kozlík again traveled to Moscow at the beginning of July. He had talks with Deputy Premier Chubais and with his counterpart in the inter-governmental commission, Vladimir Babichev. At the end of his visit he declared with relief: "We were given political guarantees that Russia would settle its debt of USD 160 million to the Slovak Republic in 1997."[63]

Despite Mečiar's identification with the Chernomyrdin group, it is unlikely that the latter's ousting in April 1998 will have serious consequences for Slovak-Russian relations. Chernomyrdin's cadre continues to occupy the most important positions in the management of Russian-Slovak relations. For instance, Vladimir Babichev—often described as "Gazprom's man"—lost his official position in the Russian government together with Chernomyrdin, but remains co-chairman of the inter-governmental Slovak-Russian Commission on Economic Cooperation. In addition, one key figure in Russian policy towards Slovakia seems to be emerging after Chernomyrdin's ouster—Sergei Yastrzhembsky, former Russian ambassador to Slovakia, who became Yeltsin's spokesman just after leaving Slovakia. He has a personal interest in business connected

to the repayment of the Russian debt to Slovakia and to Slovak Airlines.

Hungary

In the case of Hungary, the issue of the role of interest groups in relations with Russia came to light in connection with the energy issue, more specifically the "oil-gate scandal" that rocked the country in 1996. The "oil-gate" affair first surfaced when, in December 1995, six Hungarian Members of Parliament questioned the Minister of Trade and Industry on the Hungarian-Russian oil trade and the outstanding Russian debt. The questions were aimed at clarifying the murky link and interpenetration between political decision-makers and economic actors involved in the Russian-Hungarian oil trade and debt issues. A parliamentary committee was created and its report presented at the end of 1996. The report stated that there was, indeed, intertwining between groups in the public administration, policy-makers, and certain economic interest groups. Eighty per cent of the agreements between the state and companies involved in the settlement of the Russian debt—to a total value of USD 705 million—were signed with three economic groups closely associated with the governing Socialist Party. In addition, in the inter-ministerial body to which these companies applied for contracts, there were people with economic interests in the companies concerned. Among the accused persons were Ottó Hujber, the most significant entrepreneur in the 'Eastern Market', and two successive ministers of trade and industry, László Pál and Imre Dunai. It is worth noting that, after being removed from office, Pál became general director of the state-owned monopoly dealing with oil and gas, MOL, while Dunai was elected to the board of the ÁÉB Bank, later bought by Gazprom. Finally, the "oil-gate" affair officially ended with a parliamentary resolution that approved the committee's report, but emphasized that "no illegal activity was found to have taken place in connection with the accused companies and persons."[64] It is also worth noting that István Nikolits, minister without portfolio in charge of overseeing the Hungarian secret services, declared that his letter to the parliamentary committee should remain secret for a period of 80 years, which is the maximum term of secrecy permitted under the law. Later, under pressure from the Socialist Party's coalition partner and at the suggestion of the country's ombudsman, the term was reduced to 30 years.

Poland

In the case of Poland, the role of various 'lobbies' became particularly clear at the time of the debates on the Yamal project, starting in 1994. At this time, the effects of Russia's strategy towards Poland, addressed also to a number of interest groups, became more visible. The discussions between politicians and academics concerning the problems of relations with Russia revealed the existence of two basic orientations. The first was supported by academic and political circles with ties to the former anti-communist opposition, broadly understood. Its representatives, notwithstanding all the differences between them, agreed on the need for dialogue with the Russians on equal terms and on the implementation of the main directions of Poland's foreign policy. The other option was supported by representatives of those circles—the Peasant Party and the energy-fuel lobby, for example—inside the ruling parliamentary majority which articulated the interests of part of the defense industry and the former fuel and energy sector.

These debates coincided with the emergence of two distinct 'lines' on Russia within the Polish administration. This was especially clear in the years 1993 and 1994, when the 'Ukrainian direction' of Poland's Eastern policy was simply ignored by the Pawlak and Oleksy cabinets. One interesting fact that might shed light on the complex role of interest groups in Poland's Eastern foreign policy is the fact that the country's dependence on Russian energy resources continues to grow. This phenomenon may be explained by the existence of certain pro-Russian—or, more accurately, pro-Gazprom and pro-LUKoil—lobbies in the structure of the Polish civil administration, especially the former Ministry of Foreign Economic Relations (currently Ministry of Economics) and the Polish Petroleum and Gas Company (PGNiG). Important members of both organizations openly supported the government of Waldemar Pawlak in its conflict with Foreign Minister Olechowski (on this topic see Chapter 2, 'The Polish-Ukrainian-Russian Security Triangle'). Moreover, some representatives of PGNiG—the sole distributor of natural gas in Poland—also blocked any attempt to diversify Poland's sources of natural gas, if only to preserve PGNiG's monopolistic position in the Polish energy market. These groups were also strong supporters of the Yamal project—with its negative implications for Ukraine—not because they were 'anti-Ukraine', but because of their desire to protect their vested interests.

After the election victory of a re-united right-wing-liberal coalition, there was a clear need for a renewed, solid strategic debate

on Poland's security, including energy security. Such a debate was expected to take place following the first stage of the so-called 'second Balcerowicz Plan'. These policies represent the second significant wave in Poland's process of economic transition. This second wave of reform is focused on the issues of the restructuring, deregulation, and privatization of such large sectors as fuel and energy, telecommunications, and metallurgy. Thus, it can only be expected that debates on the country's energy security will flare up again.

Interest Groups in Russia

The Energy Sector

While it should not be assumed that each and every action taken by Gazprom and the Russian oil companies vis-à-vis East-Central Europe is motivated by specific policy objectives of the Russian state, the role of the Russian energy sector—known in Russia as TEK or *Teplovoy Energeticheskii Kompleks*—is so significant that it cannot but have an impact on Russian policy overall.[65]

The influence of Russian oil and gas groups in Russian politics grew rapidly in the first post-Soviet years, in part because of their ability to earn vast amounts of much-needed hard currency (over half of Russia's export revenues: the taxes paid by the sector reportedly contribute the lion's share of the Russian federal budget), potential as powerful players outside Russia, and links with the highest levels of the Russian government.[66] In many ways, as the Russian military-industrial complex started to lose influence because of its economic problems, the oil and gas complex started to take over.[67] Gazprom's prestige within Russia was recently strengthened by the confidence shown by the international banking community, which gave it a USD 930 million loan—without any special guarantees—for the building of the German section of the Yamal pipeline. To fend off attacks from the Yeltsin government (which has attempted to break-up some of the natural-resource monopolies), the oil and gas cartel is increasingly reaching out to other interest groups, such as the defense industry, from which it has commissioned some projects.

Russian gas companies, either acting alone or through other companies in which they have a stake, have been able to play a significant role as 'lobbies' inside CIS countries such as Ukraine.[68]

Many of the companies involved in the importation and distribution of oil and gas to Ukraine are officially or unofficially joint ventures with Russia, with a significant degree of Russian ownership.[69]

Certainly, on many occasions the goals of the energy interest group have been very much in tandem with those of the Russian state. For example, we know that oil and gas supplies have acquired such an important political leverage function in the former Soviet 'space' that, on occasion, Russia has considered it a good—or at least acceptable—bargain to divert these supplies from more lucrative Western markets in the search for political gains in the 'near abroad'. In other words: political objectives may be more important than making money in the world market.[70] This may be symptomatic of some of the new ways in which Russia is trying to 'flex its muscles' and exert influence in the so-called 'near abroad'.

Yet we cannot talk of monolithic interests in the energy sector, especially when it comes to oil, where—in contrast with gas, monopolized by Gazprom—several companies play a role. Nor can it be assumed that the interests of the various Russian firms involved in the export of Russian oil and gas necessarily coincide with those of the Russian government. For example, in 1996, after Russia and Ukraine had failed to reach agreement on transit fees for Russian oil through the Ukrainian sections of the Druzhba pipeline, "many Russian firms started to pay the new rate, despite the Russian energy ministry's request that they did not do so."[71]

Some have argued that, in fact, it is not so much that the Russian government is manipulating the gas and oil sector for its own foreign policy ends, but rather that the oil and gas complex, pursuing it own interests, affects foreign policy.[72] As already discussed, energy-sector players such as Gazprom have clear interests in terms of (i) acquiring economic control over joint ventures throughout Europe, and (ii) securing the passage of favorable trade agreements with Russia as well as domestic legislation that would allow Gazprom's economic expansion to continue.

In what concrete ways can Russian energy producers and exporters have a say in the development of the former Soviet states and beyond? First, through the obvious fact that these states, made structurally dependent on the 'core' during the old system, simply cannot survive without energy supplies from Russia. But there are other, more subtle ways in which these companies can hinder efforts by these new states to achieve energy independence. One example comes from Lithuania: although the country has clear plans for the development of energy infrastructure projects,[73] for-

eign lenders may be discouraged by the refusal of Russian companies such as LUKoil to guarantee the oil supplies needed to make such projects viable.[74] Without guaranteed supplies, projects become much more risky in economic terms. This creates a vicious circle: "since they have little incentive to let Western companies penetrate Lithuania, Russian companies are likely to prolong their country's domination of the republic and keep their foreign competitors at bay."[75] Similar measures can be taken towards other countries both in East-Central Europe and the 'near abroad'.

Comments and Discussion

For decades, many Soviet-cum-Russian economic interests fed off COMECON and—within the USSR—central planning agreements. Left without the framework and protection provided by these organizations, they are looking for new ways to maintain their positions in the region. These include: the establishment of vertically-integrated Financial-Industrial Groups that all but mimic former sectoral ministries; attempts at bilateral trade liberalization; initiatives to revive supra-national schemes (witness the 'COMECON II' proposal); and simply trying to corner a country's markets.

Each of these possible means of action has clear foreign-policy implications. Thus a real debate has emerged: is there an explicit and clearly-formulated Russian policy towards the Central European countries, or are the interests of the Russian economic giants in the region the only thing that can be taken for granted? Put differently, does the Russian Ministry of Foreign Affairs really set policy towards Central Europe, or does it simply act as a door, a *prozhodnoy dver*, for the interests of the energy and military-industrial complexes?

Conclusion

Comparative Analysis

In terms of economic relations, we cannot talk of a common Hungarian, Slovak, and Polish experience of relations with Russia. Rather, it is necessary to differentiate between various groupings according to individual issues.

In terms of domestic energy distribution, Poland and Slovakia appear to form a group because they have not yet embarked on the restructuring and privatization of their domestic gas markets. This situation has meant that the attempts to introduce Russian capital and interests into both countries have been made at the level of state-to-state agreements and have focused on transit infrastructure, not necessarily on direct involvement in the privatization process. In Hungary, where the privatization and restructuring of the gas market have gone much further, Russian energy giants such as Gazprom have taken a more localized approach—direct investments in regional gas distribution companies being privatized.

In terms of military cooperation with Russia, only Slovakia took significant steps, placing the country in a different category to Hungary and Poland. In terms of debt-for-arms swaps, however, Slovakia and Hungary appear together, having accepted such arrangements, while Poland stands on its own. Yet even in comparison with Hungary, the scale and nature of the debt-for-arms steps taken by the Slovak Republic are unique. Although Hungary also concluded a debt-for-arms agreement with Russia, it has not been importing Russian technology exclusively. Slovakia and Hungary have achieved different results in solving the debt issue: ironic as it may sound, Hungary was much more successful than Slovakia in getting these debts paid, despite not having similarly close political relations with Russia.

In terms of free trade initiatives, Russia made much more serious proposals—almost in the form of an ultimatum—to Poland and Slovakia than to Hungary. As already mentioned, in September 1994 Russia proposed to all the Central European countries a cooperation scheme commonly known as 'COMECON II'. After this did not work out, it made different, more concrete proposals to Slovakia (September 1995) and Poland (October 1995).

Triangular Implications of the Central European–Russian Economic Relationship

Triangular Implications of the Energy Issue

The energy issue is central to the security triangle taking shape between Russia, Ukraine, and Central Europe. Because a significant part of Russia's energy exports to Europe are channeled through Ukraine, this gives Ukraine something of a bargaining chip in its

relations with Moscow, with a variety of consequences for Ukrainian-Central European relations.[76] Stable energy supplies to Central Europe depend on good Ukrainian-Russian relations. (In January 1996, Russian oil supplies to the Czech Republic were interrupted briefly due to disagreements between Russia and Ukraine about transit fees through the Ukrainian section of the pipeline; the occasional stealing of gas from the pipeline by cash-strapped Ukrainians—for example, gas destined for Bulgaria and possibly other countries—could also affect the Central European states.[77]) At the same time, Ukraine's ability to maintain a strong bargaining position vis-à-vis Russia may also depend on good relations with Central Europe. (Were Moscow to build alternative pipelines—like Yamal—and roads sidestepping Ukraine this leverage would be reduced.) In this sense, any help in reducing Ukraine's energy dependency on Russia—which supplies almost all of its oil and gas needs—would also encourage Ukraine's stability by reducing tensions in some of its most politically volatile regions, such as Donetsk. Being themselves energy-poor, the Central European countries cannot solve Ukraine's energy problems, yet some interesting possibilities exist. For example, negotiations on a possible three-way deal involving Ukraine, Slovakia, and Turkmenistan have been reported.[78] While these triangular mechanisms have been difficult to implement due to a variety of trade obstacles, a possible Ukrainian role in the transport of Caspian Oil—through Georgian ports and continuing via the planned Odessa oil terminal, and then through the Ukrainian pipeline system on to Central and Western Europe—could have a very significant impact, not only because Ukraine could attain a lucrative position as a transit country, but also because such a project could help reduce the Central European countries' energy dependence on Russia.

While the fact that both Ukraine and the Central European countries are poor in energy resources means that Central Europe cannot help Ukraine in this area, the fact that both are net energy importers means that they face the same challenges and—at least in theory—could search for common solutions.

Indeed, here we see some interesting parallels between the situation in the Central European countries and in Ukraine: both are transit countries for Russian gas exports, and both are heavily dependent on Russian energy. The similarities are especially striking between Ukraine and Slovakia: both countries are in the same position in respect of the transit of Russian natural gas to Western markets: the same pipeline system crosses the territory of both countries. They clearly have common interests as regards Russia in

this respect. And Gazprom undoubtedly has similar interests in Ukraine and Slovakia concerning the issues of fees for transit and gas underground storage capacities. Moreover, Gazprom's activities and *modus operandi* in Ukraine and Slovakia have been very similar. Gazprom is interested in obtaining ownership of transit systems and storage capacities with the aim of improving its trading capabilities. Ukraine and Slovakia have not been able to face this challenge together and coordinate their policies towards Russia. It is true that Ukraine has been proposing to Slovakia for some time that they coordinate their positions on this issue at government level, but without results. Moreover, Slovakia has accused Ukraine of being responsible, through its conflictual relations with Russia, for the fact that the Yamal gas pipeline system will by-pass both Ukraine and Slovakia.

Understanding the Russian–Ukrainian energy relationship and the behavior of actors such as Gazprom is not only important in terms of comprehending the challenge faced by new states such as Ukraine. It can also help us to better understand the behavior of these and similar organizations in other parts of East-Central Europe, and the links of economic dependency that continue to bind these countries to Russia. All of this shows why Gazprom's—and Russia's—actions in Ukraine are so important for an understanding of the various instruments of Russian policy in the post-Soviet world, and the role of interest groups in the Russian–Central European relationship.

The Issue of Regional Trade Organizations

The most developed institutional mechanism for cooperation in the post-COMECON world is CEFTA, the Central European Free Trade Agreement. The development of institutionalized forms of economic cooperation between many of the former COMECON states has already provoked policy responses from Russia, According to former Russian Minister of Foreign Economic Relations Oleg Davydov, CEFTA's "protectionist" measures could make it more difficult for Western products to find markets in Central Europe and lead to increased Western pressure to 'dump' products in the former USSR. As a result, according to Davydov, in order to 'defend their national security', the CIS states should speed up their own process of economic integration before their markets are totally overrun by Western products.[79] Neither a CEFTA member nor wanting to join an intra-CIS customs union,[80] Ukraine is left in be-

tween no-man's land. Despite its obvious desire to join CEFTA, the Ukrainian leadership is aware that this is not a realistic possibility in the short term. Therefore, the Ukrainian government has engaged in a series of attempts to establish bilateral trade agreements or free trade zones with various Central European countries. These efforts have in turn triggered triangular-type processes, as Russia and Ukraine have found themselves 'competing' for the signing of trade liberalization agreements with countries such as Poland and Slovakia (see section on trade above).

Because many in Ukraine believe that the Central European countries will become members of the European Union in the near future, these countries have also been seen as attractive ways of 'reaching' Western European markets. Nevertheless, trade between Ukraine and Central Europe—with the exception of Poland—has remained limited. Even in the case of Polish-Ukrainian relations, quite remarkable by regional standards, objective factors may serve as barriers to growth. Poland, through its sales of manufactured goods, medicines, and foods, generates exports to Ukraine that are much larger than its imports, creating large trade imbalances. The reason for this is the fact that Ukraine's industrial products often do not meet Polish quality standards, and it lacks the natural resources needed by the Polish economy.

Political and Foreign Policy Implications

To what extent has these countries' economic relationship with Russia affected their relationship with and policies towards Ukraine? Given the facts presented in this chapter, it is unlikely that Ukraine and Central Europe could achieve well-balanced economic relations in the short term. Moreover, it is difficult to imagine a situation in which (i) the Central European states would significantly alter their relations with Russia in order to improve political relations with Ukraine, or (ii) economic interests involving Ukraine would be more important than those involving Russia.

In this respect, as well as in that of political relations (see Chapter 6, 'The Triangle with Five Sides: Patterns of Relations between Poland, Slovakia, Hungary, Ukraine, and Russia'), Slovakia seems to be at one extreme (its relationship with Russia has overwhelmed all others, including its relationship with Ukraine), Hungary in the middle, and Poland at the other extreme (its confrontations with Russia have provided part of the background for closer political

relations with Ukraine). In the case of Slovakia, the close Slovak–Russian relationship has led to the foreign-policy marginalization of Ukraine. In the case of Poland, instances of conflict with Russia based on long-standing tensions have in some sense allowed Poland to build an 'exceptional' relationship with Ukraine. In the case of Hungary, because the country has had more or less balanced relations with both countries, there has been no strong 'influence' or 'interaction' between the two relationships.

Yet Central European policies towards Ukraine have not been automatically determined by their economic relationship with Russia. This strong link seems to be true only in the case of Slovakia. The economic relationship does not seem to repeat the political relationship automatically (for example, Poland's close political relationship with Ukraine did not preclude the signing of the Yamal agreement, with all its negative economic implications for Ukraine), but this might become the case in the future.

Notes

1 This chapter was written on the basis of data provided by M. Balmaceda, M. Calka, A. Duleba, and L. Póti.

2 Oleg T. Bogomolov, 'Russia and Eastern Europe', in *Russia and the Outside World*, ed. R. Blackwill and S. Karaganov, CSIA Studies in International Security, 1994.

3 On Gazprom's strategy, see the interview with Rem Vyakhirev, Chairman of Gazprom, in Igor Shevelev: 'Gazprom Warns: You Yourselves Will Come and Give In' (in Russian), *Obshchaya Gazeta* (14 August 1997), p. 7, in FBIS-SOV-97-233 (21 August 1997).

4 "Russia is pursuing a policy of parallel strategies:...one of them is accelerated development of the oil and gas infrastructure on its own territory, and the other is the establishment of control over the oil and gas infrastructure in the former republics. In particular, the second strategy is aimed at seizing the rights of ownership of the most important parts of the oil and gas complex during the privatization process and acquiring them as compensation for state debts arising as a result of importing Russian energy resources." I. Binko and V. Shtemko, 'How to Promote the "Blood Circulation" of the Ukrainian Economy. Slow Progress with Reforms of the Energy Supply and the Financial System is Dangerous' (in Russian), *Vseukrainskie Vedomosti* (5 August 1997), p. 3, in FBIS-SOV-97 (28 August 1997).

5 In addition, the Druzhba *oil* pipeline has two branches, one going through Ukraine and a northern one going through Belarus.

6 In the Balkan region alone, gas consumption is set to rise from 36 billion cubic meters per year in 1995 to 79 billion cubic meters per year in 2010. See *Den'* (11 February 1997), p. 4.
7 Polish sources estimate that gas as a percentage of total energy consumption in Poland will rise from 8 to 20 per cent by 2010. See Grzegorz Lys, 'Pipeline Under Pressure', *Gazeta Bankowa,* No. 47 (19 November 1994), p. 25, in FBIS-EE-94-245 (21 December 1994).
8 Source: FSU Energy, ING Barings (1996).
9 Energy Charter Treaty, at www.encharter.org.
10 While not specifically requiring TPA, the Energy Treaty includes so-called Negotiated Party Access (NPA). Under NPA, no owner of a gas network can refuse Third Party Access without providing a satisfactory explanation. Otherwise such an owner can be accused of monopolistic practices and could be brought before an international trade tribunal.
11 'Pipeline Fantasies', *Russian Petroleum Investor* (May 1996), p. 66.
12 'Pipeline Fantasies', p. 66.
13 See Dmitrii Voloshin, 'Strategii Natsional'noi Bezapasnosti Ukraini i Rossii v ocherednoi raz razkhodiatsia' (Russia's and Ukraine's National Security Strategies Diverge), *Finantsovaya Ukrainia* (8 April 1997), p. 3.
14 Oleg Smolansky, 'Ukraine and the Fuel Problem: Recent Developments', *The Ukrainian Quarterly* LII, No. 2-3 (Summer-Fall 1996), pp. 171-72.
15 Source: MOL, Marketing Department, letter, 9 January 1998.
16 Alexander Duleba, *The Blind Pragmatism of Slovak Eastern Policy: The Actual Agenda of Slovak-Russian Relations*, Bratislava: Research Center of the Slovak Foreign Policy Association Series (1996), p. 16
17 See Duleba, *Blind Pragmatism*, p. 15.
18 While the official date for the dissolution of COMECON is 26 September 1991, in practice most of the organization's activities had come to a halt by the end of 1990.
19 *Praca* (27 February 1997), p. 6.
20 See A. Durianová, 'Rusi v Devín banke" (Russians at Devin Bank), *Slovensky profit*, No. 12 (1997), p. 2.
21 See M. Zitny, 'Bude Devín banka ruskou bankou?' (Will Devin Bank Become a Russian Bank?), *Praca* (5 March 1997), p. 8.
22 See *Sme* (5 March 1997), p. 8. Italics mine.
23 *Sme* (11 March 1997), p. 2.
24 *Hospodárske noviny* (15 January 1997), p. 2.
25 *Hospodárske noviny* (24 January 1997), p. 7.
26 *Hospodárske noviny* (24 January 1997), p. 7.
27 The average price of a MiG-29 on the world market is around USD 25 million. If to this we add spare parts and further equipment to the value of approximately USD 3-4 million per aircraft, we arrive at a sum of about USD 28 million. If Kozlík's calculations are to be believed, Slovakia paid approximately USD 25.25 million for each MiG-29, as compared to Hungary's reported USD 28.6 million.
28 *Sme* (7 November 1996), p. 2.
29 *Trend*, No. 42 (15 October 1997).

30 Marek Calka, 'Relations with Russia', *Yearbook of Polish Foreign Policy 1995* (Warsaw: PISM, 1996).
31 Quoted from M. Ziak, 'Geopoliticke suvislosti 1' (Geopolitical Coherences 1), *Sme* (7 April 1995), p. 4.
32 See *Národná obroda* (27 August 1993), pp. 1, 2.
33 See *Pravda* (4 August 1993), p. 12.
34 Interview with J. Sitek in *Pravda* (22 December 1995), pp. 1, 4.
35 In addition to Devín Bank, the unblocking of the Russian debt in favor of the Slovak army has yet another unknown 'commercial' Russian–Slovak denominator, namely, the small private company Katrim Stella. Jozef Gajdos, State Secretary at the Ministry of Defence, has turned Katrim Stella Ltd. Brusno—originally a very small company with assets under USD 3,500—into the main supplier of the Slovak army. Financial operations related to unblocking the Russian debt go through Devín Bank, but Katrim Stella implements them. Katrim Stella concluded disadvantageous contracts for the Slovak air force in terms of both the equipment chosen and the technical standards imposed (for example, the aircraft purchased have a high breakdown rate and less than one-third of the Slovak MiG-29s are operational).
36 *Pravda* (20 May 1997), p. 4. Italics mine.
37 The word *'chelnoki'* refers to those engaged in the informal trans-border trade involving Russian, Ukrainian, Polish, and Slovak citizens in which profits are made from price differences between the respective countries. Despite its piecemeal nature, this trade has reached very large proportions.
38 'Memorandum on Free Trade' and 'Polish–Russian Program for Investment Cooperation' (1996).
39 The document was officially entitled 'Main Directions of Partnership and Cooperation in the Field of Commercial and Economic Relations between CIS Member-States and Albania, the Republic of Bulgaria, the Republic of Hungary, the Republic of Poland, Romania, the Republic of Slovakia, and the Czech Republic' (September 1994).
40 Paragraph 2.7 of 'Main Directions'.
41 Aleksandr Drobyazko (editor, *Finantsovie Risky*, Kyiv), personal communication (October 1996).
42 On the Russian banking system, see *Russia's Financial Markets and the Banking Sector in Transition*, ed. Jouko Rautava (Helsinki: Bank of Finland, 1996).
43 On this topic see, for example, *Russian Organized Crime: The New Threat?*, ed. Phil Williams (London; F. Cass, 1997).
44 Marek Calka, conversation with Wojciech Zajaczkowski (November 1996).
45 Source: ÁPV Rt., in *Népszabadság* (3 February 1998), p. 14, and ÁPV Rt. *Privatizációs Monitor* (12 December 1997), available at http: www.apvrt.hu/monitor/pm9705h4.htm.
46 *Magyar Hírlap* (18 June 1997).
47 Source: Economic analysis by the Slovak company FINI67 (1997), available at http: www.p67value.sk. Calculation by Alexander Duleba.

48 Economic analysis by the Slovak company FINI67 (1998), available at http: www.p67value.sk. Calculation by Alexander Duleba.
49 Economic analysis by the Slovak company FINI67 (1998), available at http: www.p67value.sk. Calculation by Alexander Duleba.
50 Source: *A magyar–orosz külgazdasági kapcsolatok* [Hungarian–Russian External Economic Relations], available at http: www.ikm.iif.hu/foreco/kkk/ru.htm.
51 Source: *A magyar–ukrán külgazdasági kapcsolatok* [Hungarian–Ukrainian External Economic Relations], available at http:www.ikm.iif.hu/foreco/kkk/ua.htm.
52 Information from the Russian Commercial Office, Budapest.
53 See 'Memorandum on the Liberalization of Trade Between the Russian Federation and the Republic of Poland', and 'Russian–Polish Intergovernmental Program of Investment and Cooperation'.
54 See Vladimir Duduc, 'Obchod treba zbavit' politických predsudkov' (Trade Should Be Devoid of Political Prejudices), *Národná obroda* (8 March 1995), p. 3.
55 See *Národná obroda* (6 September 1996), p. 1.
56 See A. Banko in *Hospodárske noviny* (7 October 1996), p. 2.
57 See *Praca* (25 November 1996), p. 10.
58 Quoted from *Národná obroda* (7 February 1997), p. 2.
59 See *Národná obroda* (29 April 1997), pp. 1, 2.
60 Witold Nartowsky, *Gazeta Bankowa* [Warsaw] (27 October 1996).
61 Materials from the conference 'Polish Eastern Policy', Warsaw, 1994.
62 Thus, in the case of Ukraine, for example, in the first months and even years after independence, enterprise directors found themselves at a loss in terms of how to deal with the new authorities: "many of these people did not even know what Kiev looked like...they did not know how to deal with it, how to 'lobby' it". Bogdan Kravchenko, personal communication (8 July 1997). See Margarita M. Balmaceda, 'Interest Groups and the State,' paper presented at the Conference: Ukraine Since Independence: A Symposium on Politics, Economics, and Culture, Harvard University, July 31, 1997.
63 *Národná obroda* (9 July 1997), p. 2.
64 Information available on the Internet at http: 0970057.htm at www.jerszov.hu.
65 The oil and gas complex is composed of the natural gas monopoly Gazprom (a joint-stock company with 40 per cent state participation) and "several major oil groups associated with Imperial, Yugorsky, and other large banks" (Igor Khiripunov and Mary M. Matthews, 'Russia's Oil and Gas Interest Group and Its Foreign Policy Agenda', *Problems of Post-Communism* 43, No. 3 (May–June 1996), p. 39). Two of the largest of these 'vertically integrated' groups are LUKoil and Sidanko. LUKoil is the world's largest private oil firm in terms of its proven oil reserves (*OMRI Daily Digest*, 26 February 1997). On the company's ability to withstand political storms, see John Thornhill, 'Nemtsov Rejects Gazprom Break-Up', *Financial Times* (27–28 June 1998), p. 2.

66 Khiripunov and Matthews, 'Russia's Oil', p. 38. On Gazprom's contributions to the Russian budget, see Nikolai Evgenev, 'Gazprom na evropeiskom rinke gaza: ekspansia kak sposob vyzhyvania' (Gazprom in the European Market: Expansion as a Means of Survival), *Zerkalo Nedeli* (4–11 January 1997), p. 9.

67 Khiripunov and Matthews, 'Russia's Oil', p. 46.

68 See Margarita M. Balmaceda, 'Gas, Oil and the Linkages between Domestic and Foreign Policies: The Case of Ukraine', *Europe–Asia Studies* 50, No. 2 (March 1998).

69 Analytical report by Constitutional Center (19 March 1997), quoted by Moscow Interfax, in FBIS-SOV-97-078.

70 See Khiripunov and Matthews, 'Russia's Oil', p. 43.

71 *Russian Petroleum Investor* (September 1996), p. 40.

72 Although beyond the scope of this book, it is worth noting the significant role played by the oil and gas complex in Russia's restructuring of relations with former USSR-friendly countries in the Third World, such as Iraq, Libya, Iran, and Cuba, as well as with other Latin American countries. See Khiripunov and Matthews, 'Russia's Oil', p. 42.

73 Such as a petroleum import–export terminal in the port of Butinga.

74 'Lithuania Looks to Foreign Investors for Help in Attaining Economic Independence from Russia', *Russian Petroleum Investor* (September 1996), p. 61.

75 'Lithuania Looks', p. 61.

76 On this topic see Balmaceda, 'Gas, Oil'.

77 On the stealing of Russian gas destined for Bulgaria, see I. Fedorovskaya, 'Ukraina: vneshnoekonomicheskie sviazi i energetika respublika', *Ekonomika i Politika Rossii i Stran Blizhnego Zarubezhia* [Moscow] (January 1995), p. 17.

78 Interfax (3 November 1995), quoted by Ustina Markus, 'Energy Crisis Spurs Ukraine and Belarus to Seek Help Abroad', *Transition* 2, No. 9 (May 1996), p. 16. Authors such as Duleba are skeptical about this possibility. See Duleba, *Blind Pragmatism*, p. 12.

79 Elmar Mutazaev, 'Oleg Davydov Vystupaet za uskorenie ekonomicheskoi integratsii v SNG' (Oleg Davydov Speaks Out for Speeding Up Economic Integration in the CIS), *Segodnia* (3 October 1995), p. 3.

80 The CIS customs union consists of Russia, Belarus, Kazakhstan, and Kyrgyzstan, which have unified customs and trading regulations largely dictated by Russia.

6. The Triangle with Five Sides: Patterns of Relations between Poland, Slovakia, Hungary, Ukraine, and Russia

LÁSZLÓ PÓTI

Introduction

The aim of this chapter is to summarize the most important characteristics of the relations described in the case studies presented so far. Our intention is to make more explicit the patterns of relations between the three Central European countries on the one hand, and Ukraine and Russia on the other. By establishing the nature of these patterns, a comparison can be made. A comparison of this kind can help us to extend our analysis to the regional level and possibly define the regional pattern of relations in terms of this 'triangle'. In order to make this comparison, we shall look at the same elements which we used in the case studies: prehistory, foreign policy concepts and perceptions, evolution of political relations, patterns of political relations, the security dimension, regional cooperation, domestic context, and minorities. Finally, this region-wide comparative analysis will make it possible to judge to what extent the relations within what we have provisionally named the Central European–Ukrainian–Russian security triangle are really triangular in nature or merely a set of unconnected bilateral relations.

Prehistory

During the last years of the Soviet Union, the relationships between our three Central European states and Russia on the one hand, and with Ukraine on the other, differed markedly. Indeed, the patterns of relations that were to take shape in the post-Soviet

period were partly rooted in the trends prevailing at this time. Polish and Hungarian policies towards Russia and Ukraine during the last years of the Soviet Union had common characteristics: above all, both Hungary and Poland pursued a relatively sophisticated course. While both Poland and Hungary were autonomous actors in international politics, however, Slovakia was different, still being part of a federation—Czechoslovakia—as indeed were Russia and Ukraine (the USSR). This initial situation gave Poland and Hungary a much better starting position from which to build their relations with Russia and Ukraine. Slovakia could begin the building of direct relations only after a considerable delay, as a consequence of the 1993 'velvet divorce'.

Of the three countries, Poland was by far the most active in building relations with Russia. It was the first to sign a high-level agreement—on 16 October 1990—aimed at substituting the old 'socialist' basic treaty provisions in relations between the two countries. Polish leaders were also the most active in visiting Moscow and establishing relations with the new Russian leadership. This was part of a strategy which was dubbed the 'dual-track policy'. It was dual in at least three senses, as parallel policies were pursued: (i) with the Soviet center and with the republics, and (ii) with the communist leadership and the emerging democratic elite, while at the same time (iii) a balance was sought between building new relations and not abandoning the 'status quo' entirely.

Hungary did not have such a well-designed framework within which to pursue its policies towards Russia. Nevertheless, the central elements of its policies did resemble the Polish line. Hungary was less active in building new relations with the rising Russian leadership, but was more active in developing relations with Ukraine, at least at the beginning. A striking example of the Hungarian version of 'dual-trackism' was the almost simultaneous signing of new basic treaties with the Soviet Union, the Russian Federation, and Ukraine, all on 6–7 December 1991. The Hungarian–Soviet treaty practically coincided with the similar Polish–Soviet agreement (8 December 1991), while Poland concluded its basic treaty with Russia and Ukraine only later (both in May 1992). The most obvious characteristic of the Hungarian policy towards Ukraine was an unprecedented build-up of contacts, and the mutual conferring of a 'special status' of sorts. As we have already noted, this was due to the historical coincidence of two particular interests: (i) Ukraine's aspiration to upgrade its degree of sovereignty, and (ii) Hungary's desire to promote the issue of Hungarian minorities. Hungary was the first country to host the Ukrainian

foreign minister after the declaration of independence, the first to sign a new basic treaty, and the first to institute diplomatic relations with Ukraine, establishing the first foreign embassy in Kyiv. Although successful at the time, these special relations did not prove to be long-lasting. Ukraine did not become the Eastern version of Hungary's 'German card'.[1] That is, Hungary could not—or did not choose to—capitalize on Ukrainian gratitude for its support of the latter's independence as a long-term tool for the assertion of Hungarian interests in the East.

What makes the Polish and Hungarian cases different and the Hungarian and Slovak cases similar in this first period is the issue of Soviet troop withdrawal. While the last Soviet soldier left Hungary and (Czecho)Slovakia well before the dissolution of the Soviet Union—mid-1991 in both cases—Poland retained its 'uninvited guests' until 1993.

The foundations of the 'special relationship' between Slovakia and Russia were also being established during this period. The leadership of Slovakia, the country most closely connected to the Soviet Union in economic terms—30–40 per cent of Slovak trade was directed to the USSR—tried to deal pragmatically with Russia in terms of compensating for the collapse of the 'Eastern market'. This policy, apparently successful at first, resulted in the evolution of a different pattern of relations between the two countries, a characteristic which remains in force and has had enormous consequences both for Slovakia's perceptions of its international role and for the country's real foreign-affairs situation.

Foreign Policy Concepts and Perceptions

None of the three Central European countries have elaborated a clear cut foreign-policy concept vis-à-vis Russia or Ukraine, nor has the general public in each of the three countries exhibited any distinct standpoint in this regard. This common characteristic, however, emerged in a very different context in each case. Poland represents the clearest case of coexistence and competition between conflicting—even if not of the same weight—policies: the 'neo-Promethean' versus the Russocentric or 'realist' approach. It is worth noting that the Russocentric approach was not based on ideological considerations—for example, pan-Slavism—but rather had to do with the economic self-interest of certain groups within the Polish elite. Of the Central European *troika* (trio) discussed in

this book, only Poland has a clear vision of an 'Eastern policy'. In the other two cases, this notion is not a typical feature of their political vocabulary. The different concepts of the Polish elite are reflected in the perceptions of society at large, sometimes in the form of a distancing from Russia, and even—but to a lesser degree—in the form of an occasional Russophobia.

Hungary is the single case where there is a basic consensus within the political elite in terms of downgrading Russia in the country's foreign policy priorities. This broad consensus is not the result of deep debate, but rather the reflection of the lesser importance of and interest in Russia, in contrast with both Poland and Slovakia. In the Hungarian case, pro-Russian political forces have remained marginal, not only outside government decision-making bodies but even in the Parliament. Hungarian public attitudes towards Russia are a mixture of indifference, lack of knowledge, and rejection, although outright hostility plays only a marginal role.

The ruling Slovak elite's approach to Russia is an example of a predominantly pro-Russian, 'pan-Slavic' course. This characteristic makes the Slovak case unique among the Central European countries in general. In contrast to Poland and Hungary, a significant part of the Slovak foreign-policy elite has perceived relations with Russia as an alternative to European integration. The pre-1999 Slovak leadership associated itself primarily with the Russian vision of security in Europe. Slovak 'pro-Russianism' contains both ideological-historical—the legacy of pan-Slavism—and economic considerations.

In all the Central European countries, the evolution of foreign-policy concepts concerning relations with Ukraine has been even less significant than in the case of Russia. Poland has gone farthest in developing something like a concept with regard to relations with Ukraine. After initially neglecting her Eastern neighbor, towards the second half of the 1990s Poland formulated the concept of 'strategic partner' and has consciously striven to become Ukraine's Central European 'advocate', with responsibility for maintaining relations with a country likely to remain outside the main European integration structures—NATO and the EU—for the foreseeable future. Perceptions of Ukraine among the Polish elite are changing rapidly in the direction of regarding it as an important strategic partner. As discussed in the Polish case study, among the population at large myths and phobias persist, such as the view that the Ukrainians, while a brave 'Cossack' nation, are still 'little Slavic brothers', with its implied sense of Polish superiority. Today, some of these stereotypes are disappearing, but without being replaced by anything new.

Ukraine did not figure as an autonomous element in the new Hungarian foreign-policy concept; it was regarded rather as part of a murky and unappealing post-Soviet space, and remained largely an unknown quantity. Ukraine's importance as a medium-level power has never been fully recognized conceptually by Hungary. Whatever interest in Ukraine there has been has not been conceptual, but rather connected to particular issue areas and has remained *ad hoc*. The public perception is typically one of indifference and lack of knowledge; what little the public does know about Ukraine mainly concerns crime.

Ukraine has been even less visible on the Slovak foreign-policy agenda. It comes to public attention only as a function of Slovakia's Russian policy: that is, Ukraine has been assigned the role of 'gateway' to Russia. Interestingly, the idea of Ukraine does not play a role in the Slovak version of pan-Slavic thought. The public of late-coming—in terms of nationhood and statehood—Slovakia takes no notice of the similarly late-coming Ukraine, unless through the Russian prism.

Evolution of Political Relations

By way of comparing the evolving patterns of relations inside the triangle we may summarize the findings of the case studies as follows:

1. Polish–Russian relations. The evolution of these relations started with the balanced course of the so-called *dual-track policy*, aiming at the promotion of contacts with the newly-emerging democratic elite, while not entering into conflict with the old, outgoing political leadership in 1990–91. The next two years were the period of Russia's '*non-policy*' towards Central Europe in general, and towards Poland in particular. The years 1994–96 saw the confrontation of Poland's search for pragmatic solutions on the one hand and Russia's anti-NATO campaign—coupled with the newly implemented political use of economic instruments—on the other.

2. Polish–Ukrainian relations. The evolution of these relations also started off in the context of a dual-track policy, that is, the promotion of Ukrainian independence, while avoiding challenging the center (Moscow) too much, and maintaining contacts with both the emerging nationalist Ukrainian elite and the ruling communist one. The following two years was a period of fluctuation in

Polish policy between pro-Russian and pro-Ukrainian approaches. The gradual building up of a national compromise (consensus) on good-neighborly, partner-like relations with Ukraine was the outcome of the years 1994–95. Finally, 1996–97 saw the emergence of the idea of strategic partnership with Ukraine.

3. Hungarian–Russian relations. These relations began with a period of mutual turning away, a policy of denial, and a dramatic contraction of contacts in 1990–91. The following years saw the growing stabilization of relations, leading to a situation that can be characterized as a kind of peaceful coexistence. By the end of the first Hungarian democratic government (1994), the relationship with Russia had acquired an increasingly pragmatic character. Finally, the Hungarian government which came to power in 1994 reevaluated Russia's role without prioritizing it, so communications evolved in the direction of standard interstate relations.

4. *Hungarian–Ukrainian relations.* They made an exceptionally good start, with a period of mutual recognition as special partners. Due to the unpredictability of the Ukrainian political-economic situation and the narrow-mindedness of Hungarian policy at that time, however—almost exclusively emphasizing the issue of Hungarian minorities in neighboring countries—the relationship acquired a unilateral, unbalanced character in 1992–94. The change in the Hungarian attitude associated with the coming to power of a new government resulted in the rebalancing of these relations in 1994–97, although they still did not acquire a special status.

5. Slovak–Russian relations. In the period 1990–93 Russia was a key factor in the Slovak domestic context, having been 'chosen' as a source of economic support for Slovak separatism within the CSFR. After the 'velvet divorce', the period 1993–95 saw the rise of the Slovak 'bridge vision', that is, the Slovaks' perception of themselves as a bridge between the West and Russia. This 'bridge vision' justified the building of special relations with Russia, rendering Slovak–Russian relations distinct from all other bilateral relationships in the region. At the same time, Slovakia wanted to get the maximum economic benefit out of these special relations. Towards the end of the period under analysis, Slovakia maintained its special political status in relations with Russia, while the economic benefits progressively diminished and all hope faded concerning membership of the first wave of integration in Euro-Atlantic structures.

6. Slovak–Ukrainian relations. These relations were practically non-existent in 1990–93, and remained marginal even after Slovak

independence (1993–94). Ukraine was noticed at all only in 1995, and even then only as a 'gateway' to Russia. After gradual disillusionment with the idea of Russia's special economic role for Slovakia, Ukraine once again receded to marginal status in Slovak foreign policy.

Patterns of Political Relations

1. The first dimension of comparison is the evolution of bilateral relations, that is, the trajectories of development. From this point of view, Poland and Hungary are similar and Slovakia differs. In the case of Poland and Hungary, the trajectories of relations with both Russia and Ukraine exhibit real evolution: they have changed in a dynamic fashion and the result has been normalization, at the very least, or their elevation to a privileged position (in the case of Polish–Ukrainian relations). In contrast, Slovakia's relations with Russia and Ukraine have shown an amazing lack of dynamism or evolution. With Russia, they began and remain 'special', while with Ukraine they began and remain marginal.

2. The second comparison concerns the relationship of the three Central European countries with Russia. There are significant differences. Poland and Slovakia were a higher priority for Russia than Hungary. Poland because of its geopolitical and geostrategic status—Slovakia for its special role as a potential 'exception' to the mainstream behavior of the Central European countries towards Russia. From another perspective, a different grouping can be set up in respect of which the three countries stand at different points on a problematic–ideal scale. Poland stands at one 'extreme', with its typically problematic relations with Russia, and Slovakia is at the other 'extreme' with its better than normal, non-standard relations. Hungary lies somewhere in between.

3. When comparing the three Central European countries' relations towards Ukraine, once again the existence of striking differences is the most important characteristic. Here the positive extreme is Poland whose pattern of relations with Ukraine is characterized by 'positive discrimination' and engagement in a strategic partnership. Hungary follows with her standard relations that do not harm the region's stability but at the same time do not really promote it. Finally, Slovakia, with its 'non-policy', or, in the best case, marginal interest in Ukraine, brings elements of instability and unpredictability into the picture.

4. If one compares the relations of the individual Central European countries with Russia on the one hand, and with Ukraine on the other, once again, important differences emerge. In the case of Hungary, despite the very different starting points—mutual turning away vis-à-vis Russia and an exceptionally good start with Ukraine—the outcome of relations in both directions has been similar: standard interstate relations with neither negative nor positive features. The opposite case is Slovakia, whose relations with Russia and Ukraine differ diametrically. In the Polish case, neither similarities nor differences can be established as a basic characteristic of the two sets of relations.

The Security Dimension

From the point of view of security, the patterns of relations within the triangle show a mixture of similarities and differences. Marked differences characterize the way various countries approached the central issue of this period: NATO enlargement. Poland represents one extreme because it has considered the enlargement issue as a question over which Russia does not have the right of veto, and concerning which one does not even have to enter into discussions with the Russians. The Slovak approach is at the other extreme, remaining ambiguous about joining NATO, and accepting the Russian vision of European security. Slovakia was the only Central European country which accepted the so-called 'Kvitsinsky doctrine' and signed a basic treaty with Russia with a similar security clause. (The Kvitsinsky doctrine—named after Soviet deputy foreign minister Yuliy Kvitsinsky, who led the negotiations with the East-Central European countries on the renewal of the basic treaties in 1991—implied that the Soviet side wanted to incorporate a separate security clause in its basic treaties with former Warsaw Pact members, practically denying the right of the signatories to enter alliances perceived as 'hostile' by the other party.) Hungary, not for the first time, finds itself in somewhere in-between, with its 'neither veto, nor taboo' approach to the question of enlargement: on the one hand, it does not accept the Russian vision or right of veto, but on the other hand, it does not reject the idea of putting this topic on the agenda of dialogue with the Russians, considering that the enlargement issue cannot be successfully solved in the long run by simply excluding Russia. In sum, one can say that while Slovakia absolutized Russia's role in European secu-

rity affairs, Poland relativized it, and Hungary went for the optimal position.

The three countries showed a similar attitude on the issue of the Kravchuk initiative on the building of a 'Baltic–Black Sea Zone of Security and Cooperation'. All rejected it completely. This first, superficial similarity, however, is misleading, for the reasoning behind the decision differed considerably in each case. While the Polish and Hungarian rejection was the result of their adherence on principle to the 'integration first' policy, Slovakia rejected the initiative because it associated itself with Russian anxieties.

The issue on which similarity prevails is the attitude of all three towards Ukraine's denuclearization. Here the interest was common for all and also in line with that of Russia.

One of the main results of the evolution of security relations within the triangle was the crystallization of the Polish perception of Ukraine as a strategic partner. Poland seems to be the only one of the trio which has fully realized Ukraine's security importance. The other two countries, although in different ways and for different reasons, seem to be far from this recognition. The most tangible example of the special Polish security attitude to Ukraine is the ongoing establishment of the Polish–Ukrainian peacekeeping battalion.

Regional Cooperation

Poland and Hungary have been active in promoting regional cooperation, while Slovakia has shown a more reserved attitude. This concerns, first of all, Slovak caution with regard to the Carpathian Euroregion. On the other hand, Slovakia was interested in the institutionalization of, first, the Visegrád group, and later of CEFTA, a proposal that was not supported by either Poland or Hungary. Poland has been the strongest advocate of Ukraine's participation in regional cooperation.

Domestic Context

As to the role of the domestic context in building relations with Russia and Ukraine, the three countries differ considerably. In the case of Slovakia, domestic factors have played an exceptionally,

even 'unnaturally', large role in shaping foreign policy towards the 'East'. All the special characteristics of Slovakia's policies towards Russia—and, as a consequence, towards Ukraine—can be explained on the basis of domestic issues. Slovakia exemplifies a situation where domestic policy outweighs foreign policy to an inordinate degree. In the Slovak case, 'third-wayism' in domestic politics has been reflected in 'third-wayism' in foreign policy. Slovakia's 'Eastern policy' has been 'overdomesticized', or, to be more precise, economy-driven. In the case of Poland, the role of domestic factors in shaping its Eastern policy was smaller, although it did play an important role for two significant reasons: (i) particular groups had different interests and aims vis-à-vis Russia and had access to power for a given period; (ii) there has been inconsistency and a lack of coordination between different political institutions in their policies towards Russia. This was especially the case during Wałęsa's presidency, and had to do with the special 'cohabitation' of a foreign minister backed by the President and the government led by Pawlak which pursued diverging policies towards the East. In the case of Hungary—at least in comparison with the situations in Poland and Slovakia—domestic factors played a relatively modest role in the making of foreign policy towards Russia and Ukraine. The most notable fact in this context is the change of government in 1994—from nationalist-conservative to socialist-liberal—which resulted in improved relations with both Ukraine and Russia.

The Minority Issue

The issue of the national minorities features very differently in different patterns of relations within the triangle. This issue has a real trilateral character in both the Hungarian-Ukrainian-Russian and the Slovak-Ukrainian-Russian contexts, but not with regard to Poland. As shown in the Hungarian case study, the minority issue has played a very special role in Hungarian-Ukrainian relations. Indeed, it was the basic driving force behind the first Hungarian democratic government's wish to establish good relations with Ukraine, and, in a wider context, to establish a new positive model that could be used in relations with other neighboring countries where Hungarian minorities were to be found. Hungary and Russia discovered that they shared similar concerns on the issue of their minorities outside the state's borders. However, neither with Ukraine nor with Russia did cooperation in this field prove to be

long-lasting or fruitful. In the case of Hungarian–Ukrainian relations this was mainly the result of the narrow-minded Hungarian policy of that time, which was based on giving 'super-priority' to this issue. At the same time, however—and this is where the issue becomes trilateral—Ukraine increasingly began to treat the issue of the Hungarian minority not as an issue in its own right, but rather through the prism of its difficulties concerning the Russian minority in Ukraine. The Ukrainian leadership, when making decisions on different issues related to Hungarians living in the Transcarpathian region, always kept in mind the possible consequences of such decisions for the Russian minority. That is the fundamental explanation of why any kind of 'self-government'—not to speak of 'autonomy'—was systematically rejected, even if the issue of the Transcarpathian minorities did not present any real danger of separatism.

In the Slovak–Ukrainian–Russian triangle, the minority issue is concentrated around the Ruthenian question. Slovakia initially adopted an unprecedented approach: it not only recognized the existence of a Ruthenian minority in the country, it even promoted it. The Slovak leadership did so for considerations that have to do with the Hungarian minority in Slovakia, in order to illustrate that there are 'loyal' (Ruthenian) and 'disloyal' (Hungarian) minorities. However, Slovakia soon came into conflict with Ukraine, which denies the existence of Ruthenians, considering them to be Ukrainians. The meaning of the Ruthenian question is different for all three actors in this triangle: for Russia it is a card by means of which the integrity of Ukraine can be put under pressure; for Ukraine it is a question of separatism and irredentism; while for Slovakia it is both a card to be played against the Hungarian minority and a means of strengthening ties with Russia.

In sum, the pattern of relations between the Central European countries, Russia, and Ukraine can be clearly identified. At the same time, when we compare them it becomes clear that differences predominate. In other words, no single pattern can be established for the region as a whole. Yet Poland's and Hungary's relations with the other two sides seem to resemble each other, in contrast to the Slovak model of building relations with Russia and Ukraine. The difference between the Polish–Hungarian and the Slovak lines in building relations with the 'East' has become even more apparent since the first two countries joined NATO. Although the modified foreign-policy course of the new Slovak government inaugurated in fall 1998 counterbalances this tendency.)

Triangularity does not seem to be the main characteristic feature of relations in this triangle, remaining rather an exception than a rule in the evolution of relations in the Central European region. The system of relations remains predominantly bilateral in character, especially since the recent significant shift in Slovak foreign policy where the earlier triangularity—namely, the fact that Slovak-Ukrainian relations were subordinated to the 'Russia-first' policy—seems to be losing importance. Triangularity, therefore, does not appear to be the next, 'higher' phase in the evolution of relations in this region—on the contrary, the movement away from triangularity seems to be gaining ground as more balanced (less subordinated) relations continue to evolve.

Note

1 The phrase 'German card' in Hungarian political discourse refers to the fact that Hungary earned significant political sympathy from the German political elite through the breakthrough act of allowing East German tourists vacationing in the country to go West, so contributing to the acceleration of German re-unification. This act later contributed to Hungary's European integration aims, as Germany acted as a kind of Hungarian 'advocate' vis-à-vis NATO and the EU.

7. The Ukrainian–Central European Borderland after NATO Expansion: Wall, Fortress, or Open Door?

MARGARITA M. BALMACEDA

Commentators started to pay particular attention to Ukraine's role in Europe—and so to the important links connecting Ukraine, Central Europe, and Russia—in relation to the security issue. In this chapter, we look at some of the security implications of the 'triangles' presented in the case studies, and analyze what they might mean in the future.

Russian–Ukrainian–Central European Relations and the European Security Question

The Central Europe–NATO Relationship

When the idea of extending NATO to Central Europe was first advanced, there was considerable Ukrainian skepticism: many felt that Ukraine might in some way be 'written off' as some sort of 'compensation' for Russia for acquiescing to the inclusion of Poland, Hungary, and the Czech Republic.[1] One Ukrainian initiative which reflected this attitude was the proposal for the creation of a 'Nuclear-Free Zone in East-Central Europe', based on the assumption that new NATO members would refuse to accept nuclear weapons. This proposal had strong triangular implications, as it was one of the few areas of agreement between Russia and Ukraine on the issue of NATO. Yet the idea was given a lukewarm reception by both NATO and Ukraine's Central European neigh-

bors. Eager to join NATO, the Central European states were not in a position to impose conditions on the alliance. Moreover, the fact that Belarus presented a nuclear-free zone project of its own negatively affected Western views of Ukraine's proposal:[2] raising the issue of hypothetical nuclear weapons "somehow ties Kyiv with the anti-NATO camp, part of which are an ambitious Russia and an odious Belarus."[3]

Over time, some of these Ukrainian fears began to be assuaged as, little by little, Ukraine was able to emerge—in Western eyes—from under the shadow of Russia's fears and apprehensions, to start forging its own relationship with NATO.

The Ukraine–NATO Relationship

We can identify important triangular elements in the Ukraine-NATO relationship. These emerged around the issue of Ukraine's distinctive agreements with NATO, and also around the issue of Russia's interests in this relationship.

In part because of a lack of internal consensus on the issue, Ukraine took a long time to establish a coherent policy towards NATO. Yet in November 1996, Ukraine presented to the alliance a draft document on a "distinctive arrangement". In advancing these proposals, the Ukrainian leadership had in mind first and foremost an agreement which would prevent Ukraine from being left as an 'odd man out' after the signing of a NATO-Russia agreement.

The early summer months of 1997 saw a flurry of diplomatic activity, culminating in the signing of the NATO-Russia Founding Act on Mutual Relations (27 May),[4] the Ukrainian-Russian Treaty on the Black Sea Fleet (28 May), the Ukrainian-Russian Basic Treaty (31 May), and the NATO-Ukraine Charter (9 July).[5] Each of these documents will play an important role in the further development of the Ukraine-NATO-Russia relationship and—hopefully and perhaps most importantly—in the building of a strong and resilient web of institutional relationships that could help stabilize the region. Despite these recent agreements, there might be good reasons for Ukraine's continued anxiety, especially given the differences between the NATO-Russia and NATO-Ukraine agreements. The NATO-Ukraine Charter is primarily a political agreement, committing both parties to strengthening their cooperation in a variety of areas, but leaving the specific means of cooperation quite open. Indeed, of all the means of consultation proposed in

the document, only one—the establishment of a Ukrainian military liaison mission to NATO—goes beyond mechanisms previously available for Ukrainian-NATO dialogue. But even this organ has a much lower status than the Permanent NATO-Russia Council established in the NATO-Russia Act, which was granted a diplomatic and military bureaucracy, a schedule of regular meetings, and a permanent office in Brussels. Similarly, the specifics of a "crisis consultative mechanism" between Ukraine and NATO remain indeterminate and, while the Charter mentions both NATO's and Ukraine's commitments to the inviolability of borders as a principle, the document provides no concrete security guarantees to Ukraine.

The NATO-Russia Founding Act creates problems of its own, as it includes important concessions to Russia. The specification that "NATO will have to rely on adequate infrastructure commensurate [with] interoperability, integration, and capability for reinforcement, rather than [on] additional permanent stationing of substantial combat forces,"[6] carries with it the danger that such limits may reduce NATO's ability to establish a "real military presence among the new members," thus creating an "inferior class of NATO membership."[7] Moreover, the NATO-Russia treaty itself is ambiguous in terms of Russia's actual veto power. Yet, as made obvious during the spring 1999 Yugoslav crisis, despite official Western assurances to the contrary, the NATO-Russia Council, by the mere fact of its existence, may give Russia substantial influence.[8] Put in the context of Moscow's long-standing propensity to accept only Washington as a genuine interlocutor, the setting up of the NATO-Russia Council creates a negative precedent, as it gives Russia a greater policy-making role than that enjoyed by the countries newly-invited to join the alliance in the intermediate period before full membership. This could hurt future NATO members from East-Central Europe—not to mention Ukraine—which may see NATO and Russia 'cut deals' above their heads while they see their policy-making power in the organization curtailed by Russian objections.

The Ukraine–Russia Relationship

Russia no longer threatens to militarily 'take over' Ukraine, as some feared could happen upon the exacerbation of the Crimean situation in 1995-96. The May 1997 Ukrainian-Russian Basic Treaty, together with Boris Yeltsin's long-postponed visit, marked the be-

ginning of a more business-like relationship.[9] Because these agreements include a significant military-strategic component—long-term leasing of military installations in Crimea, establishment of a "strategic partnership" (Art. 6 of the Basic Treaty), and so on—they cannot but have an impact on relations between Ukraine and NATO, as, at least formally, Ukraine has become a strategic partner of *both* Russia and the USA.[10] The Ukrainian-Russian treaty, by finally establishing Russia's recognition of Ukraine's existing borders and territorial integrity, removes one important obstacle to a hypothetical NATO membership, one of the criteria for which is the absence of border conflicts with neighboring countries.

Yet some serious concerns remain. Although we no longer see a real danger of political fragmentation, and relations with Russia have become more regularized, now there is much more of a threat of a piece-meal takeover of Ukrainian industries by Russian enterprises—including those in such highly-sensitive areas as energy infrastructure.[11]

Despite its domestic economic and political disorder, Ukraine has been able not only to smooth relations with Russia, but also to acquire new standing and allies within the CIS area as a whole. Not placing all their hopes in better relations with Moscow, Ukraine's leaders have been quietly—and not so quietly: witness 1997's 'shuttle diplomacy' between Kyiv, Baku, and Ashgabad—working expediently at the bilateral level, developing a set of low-key links with a variety of its close and not-so-close neighbors in post-Soviet space. This web of loose alliances—none of which carries a strong, codified military element—can be an important mitigating factor in Ukraine's security in the post-NATO expansion period.

In the Introduction to the present volume, we noted Ukraine's intention to play a 'balancing' role in alliance-formation in the CIS. Ukraine, which has refused to join any CIS-wide security treaties, has tried to use relations with other CIS members to counterbalance Moscow's domination of the CIS and its attempts to turn it into a military organization. In recent years, these attempts have been extended beyond the CIS. In part because of the combination between economic and security interests, Ukraine has been able to develop an 'arch of alliances' linking it with the countries to its north-west and south-east. One end of this 'arch' has been established by the military exports relationship with Pakistan, which in 1997 signed an unprecedented tank-purchase deal with Ukraine. At the same time, relations with another end of this 'arch', Poland, have also been aided by the Polish policy of 'strategic partnership' with Ukraine. This 'arch of alliances' spanning from Poland to Paki-

stan has been 'filled in' by Ukraine's increasingly friendly relations with countries such as Georgia, Azerbaijan, Iran, and Turkey, and here Ukraine's success in the shaping of the so-called 'GUAM' (Georgia, Ukraine, Azerbaijan, and Moldova) grouping should be noted. Based largely on common interests in energy transit, this group has important implications in terms of the future of the CIS, as it shows that a number of countries in the region are looking for alternatives to the CIS as the main international grouping in the area.

The Central Europe–Russia Relationship

Ukraine's relationships with NATO and Russia have important implications for Central Europe as well. Russia's misgivings about any hypothetical NATO membership for Ukraine have also colored its attitudes towards Central Europe, in the sense of trying to get 'compensation' for NATO expansion into East-Central Europe by getting a 'free hand' in the CIS. At the same time, it is important to note that one of the areas specifically earmarked by the NATO-Ukraine Charter for more pointed cooperation was the "promotion of defense cooperation between Ukraine and its neighbors." That the Ukraine–NATO relationship is indeed important for Central Europe is shown by the fact that both Poland and Hungary have officially requested to become observers in the NATO-Ukraine Commission.[12]

In terms of both reality and its centrality for Russian thinking on the area, the Russia–Central Europe relationship has been moving more and more from one based on strategic-military factors—trying to block NATO membership, for example—to one increasingly based on economic interests, or at least on the use of economic means for the pursuit of other interests. But, as discussed in Chapter 5 of the present volume, these economic links are often so strong that they affect the importance of and, ultimately, the whole relationship with Ukraine.

What Have We Learned from the Triangle?

Revisiting Theory

In the Introduction to this book, we presented the reader with some central issues tackled by international relations theory where the analysis of the Central Europe–Ukraine–Russia triangle may provide additional insights. Having examined the substance of these triangular relationships, we can now briefly revisit some of these issues. In particular, we found interesting evidence concerning two of the theory-related issues presented at the beginning of the book: the role of domestic factors in determining a country's international interactions, and the conditions under which international institutions may play a positive role in fostering stability.

The Importance of Domestic Factors

An important part of the debate between realism and liberalism has focused on whether international interactions can be best explained by the international distribution of power—that is, 'system-level' explanations—or by domestic factors. Realists have tended to argue that systemic causes are more important, while 'republican liberalists' have emphasized the importance of the political system and argue that democracies tend to be more peace-loving than other regimes.[13] Yet little research has been done on the impact of other domestic factors—such as state identity and cohesiveness—on foreign-policy behavior. This gap is all the more significant in the post-Soviet bloc, where the emergence of new states often lacking a significant tradition of statehood makes these factors even more important. The links between nation- and state-building and foreign policy are especially crucial in the case of post-Soviet states such as Ukraine.

In fact, the new realities brought about by the collapse of the Soviet system may lead us to reinterpret our understanding of concepts such as the 'security dilemma'. We have usually associated this concept with the idea of some external threat, but, as pointed out by Gow, the new identity questions posed by the dissolution of the Soviet empire may pose new 'security dilemmas' of a more domestic nature:

> The search for identity in different communities within one state and in different states increased the level of insecurity. Collective identity meant some sense of security. In many ways, therefore, the old security dilemma—'my holding a gun makes me feel secure but increases your feeling of insecurity'—has been replaced by a new version of the dilemma: 'Our assertion of collective identity makes us feel more secure but makes you feel threatened'. What this underlines is that security is a cathectic notion; it is something intangible which people *feel*.[14]

From this, Gow goes on to construct a view of state security in newly-sovereign states as intimately related to internal politics "and, ultimately, the process of legitimation."[15]

Undoubtedly, a country's domestic situation will have important effects in terms of its ability to forge solid international relationships. Up to what point has the evidence presented in this book supported this view?

The worst predictions about Ukraine becoming fractured along linguistic lines, with the possible danger of secession and civil war have not materialized. But the country's domestic political and economic situation has not greatly improved. On the contrary, a series of high-profile corruption scandals involving unfair treatment of some foreign companies threatens to seriously endanger Ukraine's relationship with the West.[16] The country's stability continues to be threatened, not by momentous catastrophes but by steady decline.[17] Politically, the inroads of the leftist forces in the March 1998 parliamentary elections did not promise things would improve in the short run. In this sense, domestic factors continue to affect Ukraine's ability to become fully independent of Russia and to forge a solid relationship with the West.

All the cases presented in this book have corroborated the importance of domestic factors in determining the Central European states' policies towards Ukraine. In the case of Polish policies towards Ukraine and Russia, domestic factors have had to do first of all with the domestic consensus on concentrating the country's efforts towards integration into Western institutions, to the relative neglect of relations with Ukraine. In the case of Slovakia, the overwhelming weight of the country's heavy and military industries created the preconditions for close political and military relations with Russia. In the Hungarian case, changing policies towards the issue of Hungarian minorities abroad to a great extent colored policies towards Ukraine.

Can Institutional Mechanisms Affect State Behavior and Moderate the International Situation?

One issue that reappeared time and again in the case studies was that of the various institutional arrangements—and proto-arrangements—interacting or competing in the region. These interactions and rivalries came up in a variety of forms in connection with: (i) the issue of NATO and EU expansion and its implications for Russia and Ukraine; (ii) the question of the Central European countries' competing commitments; and (iii) the issue of Ukraine's strivings to join Central European institutions.

Is there a real justification for these strivings? Or, to put it another way, have these hoped-for or already existing but tenuous institutional relationships contributed to enhancing stability in the region, especially for Ukraine? Could they do so in the future?

At the beginning of this book, we asked whether economic links and institutions can help minimize or overshadow power realities in the area. Our answer lies in the concept of—for lack of a better term—'institutional settledness' or 'institutional reassurance'. By 'institutional reassurance' we mean the establishment of wide institutional webs and networks of institutional arrangements which, at various levels and with different memberships, could help promote stability by preventing dangerous security vacuums in the region. Such arrangements would greatly benefit Ukraine—indeed, going a step further, it could be argued that, for countries such as Ukraine, such 'settledness' may be even more important than clear-cut alliance choices.

One aspect of such 'settledness' has to do with the various arrangements concerning NATO's role in the region. It is in Ukraine's interest that a solid NATO-Russia relationship develops—but not at its expense. As stated by Ambassador Borys Tarasyuk: "if NATO and Russia sign a special agreement on understanding, we, too, will eventually benefit from this."[18] This view seems to be based on a neo-liberal view of international relations, according to which institutions, by creating automatic security obligations of a collective character, can moderate the international environment and promote cooperation. Thus, one possible security arrangement, and one which would promote institutional 'settledness' in the region, would be to have an enlarged NATO tied to the non-member countries by a variety of agreements or pacts. This would shift the emphasis from an overconcentration on an either/or proposition (NATO membership) to a broader understanding of security which, in turn, could help maximize both stability and the

pursuit of domestic economic reforms. As will be discussed below, Ukraine's desire to establish a distinctive partnership with NATO—one which would fit in well with other NATO ties in the area—is an important step in this direction.

Alliance Patterns: Balancing versus Bandwagoning

The cases analyzed in this book support the view that 'balancing' is an important element in the alliance-formation behavior of the East-Central European countries.

In the case of Ukraine, this is seen in the country's use of its relations with the Central European states as a way of 'balancing', not only the threat represented by Russia's military and economic power, but also Ukraine's 'natural' tendency to lean closer to Russia—as a 'line of least resistance'—due to its economic dependency and the pro-Russian sentiments of a large part of its population.

Ukraine has sought to use its relationship with the Central European states as part of this 'balancing' approach. If, as stated by Serhiy Pyrozhkov, "the optimum variant for Ukraine is the closest possible ties with both the West and Russia,"[19] then the Central European countries, as a possible link between East and West, acquire even greater importance for Ukraine's security. For Ukraine, improved relations with Central Europe are an important element in its quest to maintain a 'balance', however precarious, in its foreign policies. No matter how reluctantly, Ukraine is indeed a member of the CIS, but would like to 'compensate' this with membership of other, Western Europe-oriented organizations. This may well be the most important reason Ukraine has sought membership in Central European organizations: not only and not so much as half-way stations on the rocky road to the European Union, but even more as counterweights to Moscow's influence. Thus, it should also not surprise us that President Kuchma is working hard to have Ukraine invited to join the Central European Free Trade Agreement and the 'Weimar Triangle' (which includes Poland, Germany, and France).

At the same time, the concept of 'bandwagoning', understood in the broad sense of wanting to join the ascendant politico-economic coalition, can help us understand the Central European states' attitude towards Western institutions, but it does not really explain Ukraine's relations with Central Europe, nor the dynamics of the Ukrainian–Central European–Russian relationship as a whole. Such a broader understanding of 'bandwagoning', while

partially explaining the Central European states' desire to join NATO, does not seem to fully explain Ukraine's international behavior. Ukraine's recent moves towards a closer relationship with NATO seem to be based rather on very real fears vis-à-vis Russia and the desire to 'balance' it.

One factor that might complicate Ukraine's and the Central European states' sincere attempts to build closer relations is the fact that Ukraine and Central Europe seem to be following different alliance principles. As already discussed, the desire to fully join the West, to take their rightful place in European life, is a much stronger element in the alliance-formation behavior of the Central European countries than in the case of Ukraine. Similarly, the idea of 'balancing' Russia directly seems to be more important for Ukraine than for the Central European states. These differences might have been one explanation—besides the obvious desire to not jeopardize their entrance into NATO by getting too close to Ukraine, a huge country dangerously close to Russia—for the Central European countries' lukewarm reaction to the Ukrainian idea of building a 'Zone of Security and Cooperation from the Baltic to the Black Sea', unveiled in mid-1993.

Institutions, Institutional Compatibility, and Regional Cooperation

The question of institutions has presented itself in a variety of ways in the cases examined in this book. On the basis of that examination, we can comment on (i) the applicability of the neo-realist argument on institutions to the East-Central European case, and (ii) some ways in which our studies can help enrich the discussion on institutions.

A first glance at the record of political and economic cooperation in Central Europe since 1990 would seem to corroborate Mearsheimer's argument: while political cooperation—in the form of the Visegrád group[20]—has basically stalled, trade cooperation (in the form of CEFTA, the Central European Free Trade Agreement) is moving forward successfully. Moreover, for realists, when states engage in cooperation they are concerned not only about absolute gains, but also about relative gains, that is, gains relative to other states also participating in the agreement.[21] Yet experience shows that, in the same way as overemphasizing threats can exacerbate dangerous security dilemmas, overconcentration on relative gains can doom cooperation. Most recently, the Czech emphasis on rela-

tive gains—joining Western institutions before other Central European states—dictated a Czech distancing from CEFTA and the Visegrád Group, reducing the prospects for foreign-policy cooperation in the region.[22] As seen in the case studies, intra-Visegrád dynamics of competition and cooperation also affect the question of relations with Ukraine and Russia.

At the same time, the case studies have highlighted the importance of institutional compatibility in East-Central Europe. A country seeking to attain institutional 'settledness', trying to place itself in the middle of a web of institutional arrangements, can encounter the problem of institutional compatibility: how to satisfy the written or unwritten rules and expectations of one institutional relationship without neglecting other relationships. This has been particularly hard for the Central European states—how to combine their commitment to fast-track NATO admission with their desire for regional integration, and, more importantly, for bringing Ukraine closer to these structures. It was also a bind in which Ukraine was not likely to take priority.

The fact that fear of possible consequences—in terms of the relationship with the West—was so central in determining Central European policies towards Ukraine and the possibilities for real Ukrainian-Central European cooperation highlights the importance of institutional compatibility—in both a legal and a more psychological interpretation.

The example of Russian-Central European relations further illustrates the importance of compatibility and the perils involved in ignoring the issue—perils that could come to affect the Central European-Ukrainian relationship as well. It is worth noting that many of the proposals advanced by Russia to the Central European countries conflicted with these countries' commitments to Western partners and organizations. Interesting examples can be drawn from the trade and security fields. In terms of trade initiatives, Russia expected countries such as Poland and Slovakia to sign agreements that would have endangered these countries' previous arrangements with the EU and other organizations.

This situation is also clear in terms of security proposals. Russia's 1996 proposal—made after it had become apparent that Russia could do nothing to stop the NATO expansion process—that Hungary, Poland, and the Czech Republic join NATO on condition that no additional NATO troops or nuclear weapons be stationed in those countries, could not but conflict with the expected new member's rights and responsibilities as members of the alliance. Had this proposal been accepted, it would have either derailed

these countries' admission into NATO—which NATO-country parliament would have ratified admission under these circumstances?—or condemned them to some form of second-class membership. These initiatives would have undermined the Central European states' attempts to join Western institutions. Many would argue that Russia's aim was specifically to derail—or at least delay—these countries' incorporation into Western European structures.

Do we encounter similar behavior in Ukraine's dealings with Central Europe? Technically, it could be argued that the fact that Ukraine is out of step with the Central European economies could also create problems if it were to join CEFTA, given the other member countries' commitments vis-à-vis the European Union. Perhaps some of the effects would be similar to those created by Russia's proposals, but Ukraine's behavior was neither intentional nor part of a long-term strategy of derailing Central Europe's incorporation into Western structures—after all, such incorporation would benefit Ukraine as well. Moreover, and in contrast with Russia, Ukraine—even if it had wanted to do so—possessed few means of pressuring the Central European countries to accept these proposals.

The important lesson to be extracted from these experiences is that, to be both fruitful and feasible, cooperation agreements must be compatible with—and even more, in step with and likely to strengthen—the Central European countries' endeavors to join Western institutions. As will be seen in the following section, this also applies to military and security cooperation.

Realistic and Unrealistic Forms of Ukrainian–Central European Cooperation: The Experience of the Pre-NATO Expansion Period

The case studies presented in this book have given us an abundance of materials with which to judge some of the possibilities for, as well as obstacles to, closer collaboration between Ukraine and the Central European states. These case studies have made us well aware of the fact that, in this sensitive neighborhood, collaboration between two countries is much more than a bilateral affair. In the first place, broader issues of regional Central European cooperation may come into the picture, as questions have time and

again arisen concerning how Ukraine's weighty presence might affect the fragile balance of regional organizations. Perhaps more disturbingly, there has always been a silent guest, a '*tretii lishnii*' in any Central European–Ukrainian interaction, namely, Russia. This presence might be the result of Russian apprehensions about Ukraine—a country whose independence many in Russia refuse to accept—becoming more independent with Central European support, or the outcome of a variety of triangular issues, from the Central European desire to join NATO despite Russian opposition, to Russia's still significant economic role in the region.

All these factors have combined in such a way as to render some forms of Central European–Ukrainian collaboration more fruitful and realistic than others. The case studies examined in this book provide some interesting evidence concerning military and political cooperation—at the level of European structures, regional cooperation, and sub-regional initiatives—as well as trans-border initiatives.

Military Cooperation

In general, military cooperation is an area where the Central European states and Ukraine have made modest progress so far. Yet the political groundwork necessary for deeper cooperation in the future has been put in place: there has been a general acceptance of the strategic importance of the link in Europe-wide terms. Yet not all types of military cooperation have fared equally well. With few exceptions—having to do mainly with Polish–Ukrainian projects—direct bilateral military cooperation between Ukraine and Poland, Slovakia, or Hungary has been almost non-existent.

Bilateral and multi-lateral cooperation in the military-industrial area, where the countries have complementary interests, has fared somewhat better, though most plans remain on paper. For example, the T-72 tank, the jewel of the Ukrainian military industry, has had quite a warm reception in Central Europe, opening the possibility for joint projects aimed at refitting these tanks for local needs.[23] Another example of such possibilities was provided when Russia tried to block a deal for the export of these tanks to Pakistan—independent Ukraine's largest export deal. After Moscow—due to strategic considerations, but also simply out of jealousy at seeing Ukraine's rise as a global competitor—tried to block the participation of Russian companies in the project, the Ukrainian producer started to consider procuring some of the missing compo-

nents from factories in Slovakia and Poland. (It may well be that cooperation with Slovakia could be easily undermined by Russian pressure, however.)

Similarly, over-arching plans for military-strategic cooperation involving the establishment of some kind of international grouping—such as Leonid Kravchuk's 'Zone of Security and Cooperation in East-Central Europe'—have not got very far. The reasons for this are not difficult to discern and take us back to the issue of institutional compatibility: the Central European countries, eager to join NATO, would not risk getting enmeshed in a new formation that could put into question the steadfastness of their commitment to the Atlantic Alliance.

Yet it is another type of military cooperation with Ukraine that has been the most successful—cooperation that by its very nature and purpose could not threaten NATO candidacy nor membership. We are referring to forms of military cooperation that, even if bilateral in form, are carried out under the aegis and support of NATO programs such as the Partnership for Peace. One excellent example of new possibilities in this area is the creation of a joint Polish-Ukrainian battalion to be employed for humanitarian or peace-keeping missions. On the basis of that success, discussions have been going on about the possible creation of a joint Ukrainian-Hungarian battalion.[24] The success of military cooperation within the framework of NATO-sponsored programs such as the Partnership for Peace may have to do with NATO economic support. Yet the psychological and political element here may be equally important—such projects appeal to the Central European countries because they do not make them feel that by pursuing them they threaten their NATO links. What will be the future of military cooperation, and of initiatives such as the Polish-Ukrainian battalion, after Poland finally becomes a NATO member? Such cooperation is likely to continue, but with closer NATO involvement.

Political Cooperation in Terms of Regional Institutions

Political forms of cooperation have fared better than purely military ones, but here once again there was ample room for variation. Expanding Central European institutions—such as CEFTA and the Visegrád group—though very desirable from the Ukrainian perspective, did not turn out to be realistic in the period under study. The reasons were similar to those hindering military cooperation:

fear that including Ukraine could complicate their own bids for NATO and EU admission, but also a concern over what the inclusion of a much larger country with a very different set of economic problems might mean for the future of these organizations.

Such concerns were especially clear in the case of CEFTA. Ukraine could benefit significantly from joining the organization, in terms of both increasing trade with member countries—current trade between Ukraine and CEFTA members amounts to only about 5 per cent of Ukrainian foreign trade—and, in more political terms, through the likelihood that its membership in the organization would give more credibility to its Central European orientation. Despite political support—a joint declaration of the Polish and Ukrainian presidents in June 1996 emphasized that Poland would support Ukraine in its efforts to join CEFTA[25]— important obstacles remain, having to do first and foremost with differences in economic structures and Ukraine's significantly slower pace of economic reform. Yet even if there were no obstacles to membership and Ukraine could join the organization, there should be limits to our optimism. Mutual trade within the CEFTA countries is still relatively small—about 10 per cent of the total trade of the member countries—although new initiatives to fully liberalize trade in industrial goods by the year 2001 could significantly change this,[26] with possible implications for Ukraine as well.

Results were much more positive in terms of the Central European countries and statesmen acting as Ukraine's advocates vis-à-vis the West and, more concretely, European institutions. Some successful examples of this were related to Ukraine's admission to the Central European Initiative and Ukraine's relationship with NATO. Whether or not the Central European states will change their position once they join NATO, the role played by countries such as Poland and Hungary as interlocutors and intermediaries for Ukraine vis-à-vis European institutions has been remarkable. Indeed, this role shows the continued importance and ability of Central European leaders—following in the footsteps of Lech Wałęsa and Václav Havel—in shaping Western attitudes towards Ukraine.

Trans-Border and Euroregional Cooperation: Possibilities and Limits

Trans-border cooperation since 1989 has had little to do with pre-1989 forms, aptly described by Vasil Hudák as follows: "enforced from the top, it rarely reflected the interests of the people in-

volved, and it was built primarily upon political and ideological considerations...Mutual contacts were often limited to exchange visits by party leaders focused more on 'drinking parties' than on productive cooperation. The involvement of regular citizens in such cooperation was minimal."[27] Indeed, the model of a highly-bureaucratized system of links from above which COMECON represented, augmented by profuse declarations of 'socialist solidarity', could hardly be considered as real cooperation. Such a model is now dead and buried, and, it is hoped, being replaced by new forms of cooperation and interactions from below. Sometimes spontaneous and chaotic, sometimes well-planned and supported by international organizations, these new types of interactions are already changing the face of the Central European-post-Soviet borderland: from highly guarded frontier crossings to more or less cheerful or squalid bazaars.

Of all these new types of trans-border cooperation, the best example is the Carpathian Euroregion, formally established in 1993 by the governments of Ukraine, Slovakia, Poland, and Hungary (with the later addition of Romania). The area contains around ten million inhabitants in a highly-diversified ethnic combination which, if not enveloped in a framework of mutual cooperation, could easily become unstable. While the creation and functioning of the Euroregion would not have been possible without a relaxation of tensions in the region, the work of the Euroregion itself is making a significant contribution to the prevention of potential ethnic and border conflicts.

During the first years of its existence, the Euroregion has achieved some significant results in the areas of institutional development, education, cooperation between local institutions, and promotion of trade. Although often overlooked in many assessments, the development of viable and well-functioning trans-border institutions has been one of the Euroregion's most valuable outcomes, and one which could have a significant impact in the post-NATO expansion period. The fact that the Council of the Euroregion, through its regular meetings, has been able to build up mutual confidence among members, despite the ups and downs on inter-governmental relations among the countries involved,[28] is both an important precedent and a valuable mechanism for stabilizing the situation in the area. In terms of education, it is worth noting the series of teachers' seminars organized within the framework of the Euroregion, which, by reexamining shared histories, provide an important tool for understanding as well as reducing the legacy of conflict in the area.[29] The organization of Eurore-

gional trade fairs in different cities of the region has also brought concrete results. Another area where Euroregion initiatives have been successful is the development of border crossings in the area—essential if the development of a 'new wall' after NATO expansion is to be avoided.

These results could become even more impressive in the future, with important implications for the smoothing of the international rough edges likely to emerge in the post-NATO expansion period. If one looks at the achievements of the Regio Basiliensis—encompassing areas of Switzerland, Germany, and France—over the three-and-a-half decades of its evolution, one can see impressive results in the areas of education, regional economic forecasting, protection of frontier workers, transport coordination, and environmental protection.[30]

But perhaps the most important difference between the old and new types of cooperation has to do with the fact that their dynamics have changed—from being ordered from above to being the result of processes emanating from below. This change of orientation is directly linked to the question of democracy. Trans-border cooperation would not have been possible without increased democracy, but in turn such cooperation strengthens democracy. And the strengthening of local democracy, extended to include areas such as minority rights, cannot but lead to the relaxation of ethnic and border tensions. In this sense, the advocates of 'republican liberalism' turned out to be correct in arguing that "the spread of democracy, aided by international institutions," can greatly contribute to stability.[31]

Moreover, as the first Euroregion composed solely of post-Communist countries, the Carpathian Euroregion could provide a constructive example for other Euroregions in the area, including those in more problematic international neighborhoods—for example, the Nyeman Euroregion encompassing regions in Ukraine, Poland, and Belarus, a process which could help reduce the effects of Minsk's self-isolation.

Yet the Carpathian Euroregion also faces important challenges to its full development, often having to do with the general political conditions in the area: not only has decentralization been traditionally shunned, but, in some cases, recentralizing tendencies have been growing, hindering the Euroregion's development.[32] Many of the Euroregion's projects have remained on paper, mainly because of a lack of consistent economic support and of national legislation providing a framework for trans-border cooperation. In general, the Euroregion as it now exists resembles more a 'club' or

'federation' of people and groups involved in regional trans-border projects than a powerful organization able to implement region-wide economic initiatives. Indeed, proposals for turning the Ukrainian side of the Euroregion (the Transcarpathian Oblast') into a 'free economic zone'—which could have strengthened the Euroregion considerably—were quickly crushed by Kyiv.[33]

Some of the problems and complications faced by the Euroregional initiatives cannot be solved by local initiatives or international support alone: on many occasions, the full development of these initiatives has been blocked by the central governments of the countries involved, either because of fears that the initiatives would lead to movements for regional autonomy, or because of suspicions about neighboring countries misusing a given project for their own purposes.

There have been misunderstandings on the issues of autonomy and federalism in the Carpathian region's border areas, and concerning how they might be affected by the full development of the Carpathian Euroregion. Although the Euroregion's founding documents explicitly state that it does not represent a new supra-state entity but a framework for cooperation,[34] some central governments—especially Slovakia, Romania, and, to a certain extent, Ukraine—have feared that strengthening the Euroregion would also encourage separatist feelings along the ethnically volatile border regions. (This was the main reason why the Ukrainian government blocked the initiative for the creation of a free economic zone for the region.) This particular peril is especially strong in those countries of the region—such as Slovakia and Ukraine—which, after finally acquiring statehood after decades or centuries of subordination, have given the 'notion of the nation-state' a special role in their state-building processes, and so are particularly sensitive to perceived separatist threats.[35]

A good example of how historical suspicions can affect trans-border cooperation has to do with Romania's—and also Slovakia's—initial view of the Euroregion as an "instrument of Hungarian imperialism." Viewing the Euroregion project overwhelmingly in terms of its relationship with Hungary has had the indirect effect of devaluing the significance of the project for relations with Ukraine. Moreover, this attitude has hindered the project's full realization. For example, while Slovak local authorities were very interested in the development of trans-border initiatives, the central government blocked many of them because they saw the project as an instrument of "Hungarian irredentism" in respect of its pre-Trianon territory.

Conclusions Drawn from the Euroregional and Other Experiences of Cooperation

The success of economic forms of cooperation relative to security cooperation in this case seems to validate the model proposed by Mearsheimer: it is much easier to achieve cooperation in the economic than in the security field because one of the main threats to cooperation, the 'rapid defection' of one of the parties, can have much more devastating consequences in the security field than in the economic one.

Another important conclusion is that, at least under present conditions, Euroregional activities cannot be fully developed without support from the central governments. While trans-border cooperation projects should aim to make policy more regionally focused and less a hostage to fluctuations in central politics, steps towards this goal should be taken while keeping in mind the power of the central governments—a power strong enough to upset the still immature Euroregional processes.

At the same time, the creation of such low-level and trans-border institutional mechanisms could play an important role in softening the negative impact that the division of member countries into NATO 'haves' and 'have-nots' could have in the future. We turn to some of these issues in the next section.

The Ukrainian–Central European Relationship after NATO and EU Expansion: New Walls or New Backdoors?

The Problem

After the first, honeymoon years following the end of the Cold War, the specter of a Europe divided between a 'new West' and a 'new East' has emerged once again. Various observers have emphasized different aspects of this possible new division: from a view of Europe divided by religion rather than politics to Huntington's "civilizational border" and the idea of a "curtain of indifference" replacing the Iron Curtain.[36] Will a NATO extended up to Ukraine's western borders and a Russian-led military alliance in-

cluding Belarus—and pressuring Ukraine to join—create an insurmountable new wall dividing Europe? This is an issue of tremendous consequence, not only for the future of European security, but for the future of Central European-Ukrainian relations. It is also an area where the relationship between Central Europe and Ukraine could have a decisive impact.

Especially for those countries left behind in the first round of expansion, the deciding issue is likely to be the nature of the border between them and the new NATO, and whether this border will allow for substantial, grassroots-level interaction. Thus Western institutions would do well to start looking beyond the question of NATO expansion and start developing policies which will be most conductive to peace and stability *after* the event.

Whatever the ultimate development of the Ukraine-NATO relationship, given Ukraine's fragmented domestic political context, it is more important for the country that whatever walls that are (re)built remain minimal and porous than to be left on the 'Western' side of this wall. In other words, what is more important in the final analysis is not so much the question of NATO expansion *per se*, but rather the issue of how to prevent Ukraine from feeling isolated and 'left to its own fate' after the expansion.

Under an expanded NATO, the Ukrainian border with the Atlantic Alliance will acquire increased significance and may to a large degree determine whether we return to a divided Europe. Whether this increasingly significant border will be a closed wall or a porous borderland conducive to fertile interactions will depend not only on the relationship between NATO and the Soviet successor states, but also on the nature of lower-key trans-border relations between Ukraine and its Western neighbors (not only 'first rounders' Poland and Hungary, but also Slovakia). In what follows, we take a brief look at how these relationships could change after the expansion.

Hungary and Poland: What Kind of Neighbors Will These Countries Be after They Become NATO and EU Members?

(i) Security. The inclusion of Hungary, Poland, and the Czech Republic in NATO adds qualitatively new dimensions to their relationship with Ukraine: not only the issue of what kinds of borders will emerge between the two areas, but also the issue of how these countries would react to a closer NATO-Ukraine relationship or to a future Ukrainian bid for membership.

The Central European states have good reasons to be skeptical about what the inclusion of a huge and troubled state—which Ukraine will continue to be well past the year 2000—would mean for the alliance, even in the medium term. Official declarations such as Polish President Kwasniewski's, that his country "has no intention of opposing the admission of other candidates after it becomes a NATO member [because] we do not want buffer zones to emerge on our borders,"[37] may become harder to fulfill once this possibility really gets to the discussion table. Thus, it could not be discounted that, as full members of the Alliance, one or more of the Central European states would veto a Ukrainian bid for membership. Such a danger would be stronger in the case of particular Central European countries—such as the Czech Republic—where isolationist tendencies vis-à-vis the rest of East-Central Europe have become stronger.[38] One way in which the Central European states have dealt with these contradictions has been to support a special agreement between Ukraine and NATO. Indeed, Poland claims to be the first country to propose publicly that a special Ukraine-NATO charter be drafted simultaneously with the Russia-NATO charter.[39]

(ii) Borders. Equally strong—if not stronger—pressures will come, not necessarily from NATO, but from European Union membership. Of the six CEFTA countries (Hungary, Poland, the Czech Republic, and Slovenia, plus Slovakia and Romania), the first four have already started admission talks with the EU. This presents a variety of challenges which could also affect the relationship with Ukraine. First, it is clear that as EU members these countries will have to observe general EU directives in their relations with each other—so it is not likely that these countries could continue to be members of both the EU and an unmodified CEFTA.[40] (See below for more on the implications of this situation for Slovakia and Ukraine.) Moreover, a post-EU enlargement CEFTA will also have to abide by EU standards in its dealings with third countries (such as Ukraine, but also Russia). Once these countries join the EU and the Schengen Agreement, they will be forced (i) to establish much stricter border controls—PHARE and other EU programs have already provided significant aid for the modernization of their border crossings—and (ii) to rescind some of their visa-free travel arrangements with their Eastern neighbors.

What the specific consequences of this would be for the relationship with Ukraine are not entirely clear, but some serious questions emerge: Would these restrictions also affect the so-called 'small border' arrangements, by which residents of immediate border areas

enjoy simplified border-crossing procedures? Could the further development of Euroregional structures help to deal with this new situation? Alternatively, if Euroregional arrangements cannot help in softening these border regulations, how will these stricter regulations affect their development? Would the feasibility of Euroregional projects be affected if visa-free travel comes to an end?

Obviously, such restrictions are not something that Ukraine would particularly welcome, considering the tremendous cumulative impact of loosely-regulated, small-scale, trans-border trade. Moreover, Ukraine would not be the only one to suffer from this: low-level, trans-border 'economic tourism' also has significant advantages for Poland and Hungary. We are referring not only to the direct revenue impact,[41] but also to the indirect effect that having access to cheaper (often smuggled) goods can have on entire border communities (witness the large so-called 'COMECON markets' in cities such as Nyíregyháza in Hungary and Uzhhorod in Ukraine), historically economically backward compared to the rest of the country.

Slovakia

In the post-expansion period, Slovakia—the only Central European country not slated for first-wave NATO and EU membership—presents a different set of challenges. Indeed, Slovakia's changing role could actually create some new possibilities in terms of the future Central European–Ukrainian relationship. (See section on "CEFTA II/Visegrád II" below.)

Solutions and Prospects

How can we prevent a new 'wall' from emerging in Europe? While Russian leaders have spoken in ominous terms about the wall that could emerge as a result of NATO expansion, the solution may be not to halt the alliance's expansion, but the parallel development of a series of both military-strategic and low-level economic measures with the aim of keeping NATO's new Eastern border as porous as possible. Because we are used to looking at the area mainly in strategic and military terms, these lower-key, often economic relationships have often escaped our attention.

A comprehensive system involving Ukraine as well as other countries left behind in the first round of expansion—but which

nevertheless would like to 'keep their doors open' to the Alliance—should be able to deal with questions having to do with psychological perceptions, the establishment of stability-promoting institutional webs, and trans-border relations. These last two areas are those in which relations with Central Europe can make the biggest contribution. The importance of economic security—of which trans-border links are an important part—is especially clear in the case of countries such as Ukraine, where the West is not expected to provide full military security guarantees in the short or medium term, and where it might make sense to concentrate on making these countries' "Western vocation more profitable."[42]

The Value of Trans-Border Initiatives

We have discussed some of the ways in which trans-border initiatives such as the Carpathian Euroregion are already having an impact on the region. But in what ways could these trans-border initiatives play a positive role *after* NATO and EU expansion? In the first place, there are a variety of general reasons why such initiatives could be useful under the new circumstances. Locally-driven, trans-border initiatives help anchor integration at the local level which, as shown by the Western European example, makes it all the more durable.[43] Thus, trans-border cooperation contributes to the improvement of good-neighborly relations, which, as is well known, are a prerequisite of NATO admission—a fact which will not be lost on hopeful 'second-round' candidates. Moreover, the 'existential' significance of these links should not be ignored, in the sense of helping create groups of states recognizing themselves as 'sharing some elements of community' and so defining their identity as "complementary, rather than adversarial, to their neighbors."[44]

More specifically-targeted trans-border initiatives, such as the Carpathian and Bug Euroregions, as well as more specific schemes for border-area infrastructural development, may also provide effective tools for preventing a new 'wall' from emerging. Initiatives such as the establishment of a free economic zone focusing on tourism and leisure activities in the Yaremchanska-Vorokhtyanska zone of the Carpathian mountains near the Ukrainian border with Romania may be especially valuable.[45]

In trying to assess the impact of Euroregional processes after NATO expansion, it is useful to look at the example of Polish-German trans-border cooperation.[46] Poland's Euroregions and

trans-border cooperation projects with Germany point to the concrete results that can be achieved even in situations where the countries involved belong to different international groupings—exactly the situation that will occur after Poland and Hungary join NATO, while the rest of the Euroregion's members do not. Very interesting initiatives have taken place here in the field of education, such as the establishment of Viadrina University in Frankfurt-an-der-Oder, with branches across the border in Poland. Moreover, the Polish-German Society for Supporting the Economy, covering all the Polish-German border regions, has achieved remarkable results in terms of facilitating contacts and helping partners on both sides of the border.[47]

CEFTA II/Visegrád II: Extending the Reach of Regional Integration Mechanisms

A second possibility is related to the adaptation of existing institutional mechanisms to new conditions, a situation where Slovakia could come to play a crucial role as a link between two systems (for a full discussion of this idea as developed by Alexander Duleba, see Chapter 3, 'The Slovak-Ukrainian-Russian Security Triangle').

Relegated from the first wave of NATO expansion, it is now clear that Slovakia will not join the EU in the 'first wave' either. Despite relatively good economic results, Slovakia is lagging behind in political terms and, even assuming a favorable scenario, the country would probably need eight to ten years to build up a stable democratic system and reach the same level of political transformation as Poland and Hungary. We can observe a very similar domestic political situation in Romania and Bulgaria.

Taking as a basis the Czech Republic, Poland, and Hungary joinining NATO in 1999 and the EU around 2005, East-Central Europe in its current shape and geopolitical understanding may well cease to exist after that, as these three countries, which have been the nucleus of what Duleba has termed a "post-bipolar East-Central Europe," will probably become fully part of 'the West'. One possible scenario would be that these new EU members would drop out of CEFTA at roughly the same time as some new members—Bulgaria, Ukraine, and possibly the three Baltic states—join it, leaving a CEFTA composed of—for lack of a better term—hopeful 'second-rounders' in the EU and NATO expansion process. Thus, Slovakia, Romania, and Bulgaria will remain as the only

countries of the former "post-bipolar East-Central Europe." In addition to facing similar challenges in their transitions from communism, these three countries face similar challenges in terms of their relationship to the West: they are not likely to join NATO in the near future, but all of them have signed association agreements with the EU.

Ukraine enters the picture through its professed Central European orientation—presented by Ukrainian President Leonid Kuchma as the main foreign-policy task for the medium term[48]—and its desire to join East-Central European regional institutions, especially CEFTA. Since, in order to be eligible, Ukraine needs to fulfill a variety of conditions, it would be able to join Slovakia, Romania, and Bulgaria in a 'new' CEFTA only around 2005. If we take as a basis Ukraine's foreign policy successes since 1997—witness the 1997 agreements with NATO and Russia, among others—Ukraine could reach a similar international position to that of Slovakia, Romania, and Bulgaria at approximately the same time as Hungary, the Czech Republic, and Poland are likely to join the EU—around the year 2005. (Of course, this scenario is based on the assumption that Ukraine will continue successfully on the path of political and economic transformation.)

Regional institutions such as the Visegrád group and CEFTA played a crucial role in the stabilization of East-Central Europe after the dissolution of COMECON and the Warsaw Pact, and helped prepare some of the most developed East-Central European countries for the first wave of EU and NATO enlargement. A 'second generation' of these institutions—but with a modified membership, now including countries such as Bulgaria, Romania, and Ukraine—could fulfill the same function for a possible 'second wave' of expansion. So these countries will face a new challenge: to establish something we could for working purposes call CEFTA II/Visegrád II. Of course, this assumes that these countries' foreign-policy priorities will remain focused on the goal of European integration.

Slovakia could play the role of a link—the only country from the potential new East-Central European region that has been involved in establishing Visegrád and CEFTA and has considerable experience in regional cooperation, giving it a lead over Romania and Bulgaria, not to mention Ukraine. Moreover, Slovakia is the most economically developed country among them. Thus, in the coming years, Slovakia could have the chance to play a leading role in a possible CEFTA II/Visegrád II grouping. Should Slovakia be able to face this challenge, it could play a significant role in fostering stability in East-Central Europe.

The implications for Ukraine are clear: instead of an outsider looking in, in such a scenario, it would become a necessary building block for this system and one of the main partners in building a new, stable East-Central Europe. This would present Ukraine with a real opportunity to become more fully incorporated in a new Central European regional process. Furthermore, such an arrangement would provide Ukraine with additional opportunities to avoid being 'left on the wrong side of the wall'. While not denying that Bulgaria, Romania, and Slovakia may also find themselves behind a wall, the mere fact that Ukraine could come to be grouped with these countries, which are clearly in the running for a second wave of expansion, could make a difference to Ukraine's objective role in the region and the way it is perceived by the outside world.

Cooperation under a Broader, Hybrid CEFTA

As already discussed, as the EU expansion process starts to embrace some of the present CEFTA members, it is clear that the organization itself will have to change; it is not likely that countries such as Poland and Hungary could continue to be members of both the EU and CEFTA if the latter does not change in a number of ways. On the other hand, even if changes are made in CEFTA after the possible admission of half of its members into the EU, CEFTA may go on functioning as a useful tool for rapprochement between the other candidates and the EU.[49]

Some observers have imagined a situation in which CEFTA changes, perhaps to become a more loosely-tied organization that could accommodate both EU members *and* non-members. Such a broader and more loosely-tied CEFTA, one in which the members' individual relations with the EU are not the main criteria, would probably be more open in terms of integrating Ukraine. The downside of this is that, under such changes, CEFTA could become less effective in economic terms.

Acts of Historical Reconciliation and Their Political Implications

Broader and less institution-oriented processes, related to the development of views about each other and to the overcoming of negative stereotypes, may also become important, if less physically tangible, means of preventing new walls from emerging in Europe. The

Ukrainian-Polish and Ukrainian-Romanian 'reconciliation agreements' signed in May and June 1997 may be especially significant in this respect, and are also important for building up mutual confidence. In discussing the importance of these historical reconciliation agreements, Paul Goble rightly commented that "agreements across what was the border between Eastern Europe and the former Soviet Union further reduce the importance of that frontier in the thinking of leaders on either side of that line and in the calculations of leaders farther afield," and, by signaling reconciliation, they demonstrate that "Eastern Europe is ready to take its place in a truly united Europe."[50] Moreover, the ability of countries such as Poland and Ukraine to work together sends a signal to NATO and the EU that they are now able to engage in precisely the kind of integrative activities that are most valued by these Western institutions.[51] Thus, such processes of historical rapprochement may come to play a larger role in the transformation of the region's international situation than even the well-publicized agreements with NATO.

Looking Ahead

The triangle discussed in this book has turned out to be a quite unbalanced one, with Russia clearly dominating. Also, the various relationships are not equally strong—the Russian-Ukrainian and Russian-Central European ties have proved much stronger than the Ukrainian-Central European link.

The very fact that the piecemeal, spontaneous markets that may be found throughout much of the Central European-post-Soviet borderland have come to be known as 'COMECON markets' tells us a lot about the short-term future of economic integration in the region. This future will not be determined by elaborate attempts to recreate defunct mechanisms of economic coordination such as 'COMECON II', but by the real economic interactions of small and large economic actors—from *chelnoki* to Gazprom—on both sides of the borders. Here remain many areas where the triangular aspects of the relationship are yet to be fully explored, for example the way in which Russia's energy and other economic interests affect both Central Europe and Ukraine, and the implications of this for broader relationships in the area. It is these issues that constitute the next frontier of research and especially merit the attention of multi-national groups of scholars from the region and beyond.

Notes

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2 Belarus' proposal was rejected by NATO in a letter dated 1 February 1997. *IntelNews Weekly Digest* (10 February 1997).
3 Rotislav Khotin, 'Konets Zoni: Kievu ne pomeshalo by pazabyt' odnu iz svoikh diplomaticheskikh initsiativ' (The end of the zone: it would not be bad for Kyiv to forget one of its diplomatic initiatives), *Zerkalo Nedeli* (16 November 1996), p. 2.
4 'Founding Act on Mutual Relations, Cooperation and Security between NATO and the Russian Federation', Paris, 27 May 1997.
5 'Charter on a Distinctive Partnership between the North Atlantic Treaty Organization and Ukraine', Madrid, 9 July 1997.
6 'Founding Act on Mutual Relations, Cooperation and Security between NATO and the Russian Federation', Paris, 27 May 1997.
7 Harvey Sicherman, 'The Loud Voice of the NATO-Russian Council', *Transitions* 4, No. 3 (August 1997), p. 53.
8 Markiyan Bilinsky, in 'Have You Prayed for NATO, Ukraine?' (in Russian), *Ukrayina Moloda* (8 July 1997), in FBIS-SOV-97-192 (14 July 1997). Observers such as Henry Kissinger have voiced concern over the Permanent Joint Council's operation by consensus as a euphemism for veto power. Henry Kissinger, 'NATO: Russia's De Facto Veto', *The Washington Post* (12 July 1997).
9 Author's interviews at Moscow research institutes, March-April 1997.
10 See the comments by Serhiy Odarych, President of the Ukrainian Perspective Foundation, in 'Have You Prayed for NATO, Ukraine?'
11 Paul D'Anieri, 'The Future of Ukrainian Foreign Policy', lecture delivered at the Harvard Ukrainian Research Institute, Harvard University, 20 April 1998.
12 *Magyar Hírlap* (29 May 1998), p. 3.
13 This argument can be found in Michael Doyle, 'Liberalism and World Politics', *American Political Science Review* 80, No. 4 (December 1986).
14 Gow, 'Independent Ukraine', p. 255.
15 Gow, 'Independent Ukraine', p. 255
16 For example, some large American companies have recently (1998) put pressure on the US Senate to reduce aid to Ukraine if some of these practices are not changed.
17 See, for example. 'If Not Now, When?' and 'A Desperate State', *Business Central Europe* (March 1998), pp. 11-14.
18 Interview with Borys Tarasyuk, Ukrainian Ambassador to the Benelux countries, *Vysokyy Zamok* (L'viv), in FBIS-SOV-97-033 (20 February 1997).
19 Serhiy Pyrozhkov, 'The Priority is Equal Partnership' (in Ukrainian), *Holos Ukrayiny* (16 November 1994), p. 8.

20 The 'Visegrád Group' was created in 1990 by the leaders of Poland, Hungary, and Czechoslovakia to promote political cooperation in the area.
21 See Ken Waltz, *Theory of International Politics* (Reading, MA: Addison-Wesley Press, 1979).
22 While it can be said with confidence that CEFTA will continue as an increasingly successful tariff agreement, foreign-policy cooperation in Central Europe—embodied in the idea of a 'Visegrád quadrangle' including the Czech Republic, Hungary, Poland, and Slovakia—is trailing far behind.
23 *IntelNews Weekly Digest* (19 May 1997).
24 Ian Brzezinski, 'Ukrainian Foreign Policy in the 1990s', lecture delivered at the Balfour Center for Science and International Affairs, Harvard University, 14 May 1998.
25 See Stanisław Michalowski, presentation at the conference 'Ukraine, Central Europe and Slovakia', Bratislava, 24–25 October 1997, in *Ukraine, Central Europe and Slovakia* (Bratislava: Research Centre of the Slovak Association for Foreign Policy/Friedrich Ebert Stiftung, 1998), p. 39.
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27 Vasil Hudák, 'Transfrontier Cooperation in Central Europe: Current Status and Challenges', in *Building a New Europe: Transfrontier Cooperation in Central Europe*, ed. Vasil Hudák (Prague: Institute for East-West Studies, 1996), p. 1.
28 See Mikhail F. Bukovetski, 'Transfrontier Cooperation among the Countries of Central Europe: The Case of the Carpathian Euroregion', in *Building a New Europe: Transfrontier Cooperation in Central Europe*, ed. Vasil Hudák (Prague: Institute for EastWest Studies, 1996), p. 87.
29 See Wlodzimierz Gierlowsky, 'Mutual Confidence in Transfrontier Cooperation: The Case of Poland', in *Building a New Europe: Transfrontier Cooperation in Central Europe*, ed. Vasil Hudák (Prague: Institute for EastWest Studies, 1996), p. 78.
30 See Christian Haeflinger, 'Case Study of the Regio Basilensis', in *Building a New Europe: Transfrontier Cooperation in Central Europe*, ed. Vasil Hudák (Prague: Institute for EastWest Studies, 1996), pp. 64–73.
31 Philip Zelikov, 'The New Concert of Europe', *Survival* 2 (Summer 1992), p. 14.
32 See Vasil Hudák, 'Transfrontier Cooperation', p. 5.
33 Subsequently, the Ukrainian side of the Euroregion was expanded to encompass L'viv Oblast'.
34 See Bukovetski, 'Transfrontier Cooperation among the Countries of Central Europe', p. 85.
35 See Hudák, 'Transfrontier Cooperation', p. 5.
36 See Pierre Béhar, 'Europe Centrale: les nouvelles fractures', *Geopolitique*, No. 39 (Autumn 1992), pp. 58–63.

37 Interview with President A. Kwasniewski, *Gazeta Wyborcza* (22 January 1997), in FBIS-SOV-026 (10 February 1997).
38 The acceptance of new member states must be approved by all current members of the alliance.
39 Henryk Szlaifer, 'Playing for Time', *Rzeczpospolita* (11 January 1997), in FBIS-SEEU-97-025 (7 February 1997).
40 See Stanislaw Michalowski, presentation at the conference 'Ukraine, Central Europe and Slovakia', p. 38.
41 For example, between January and October 1994 alone, 1.8 million Russian subjects crossed the Polish border.
42 See Dana H. Allin, 'Can Containment Work Again?', *Survival* 37, No. 1 (Spring 1995), pp. 60, 62.
43 See Hudák, 'Transfrontier Cooperation', p. 3.
44 Ian Bremmer and Alyson Bayles, 'Sub-Regionalism in the Newly Independent States', *International Affairs* 74, No. 1 (1998), p. 133.
45 Anatoliy Ostapchuk (deputy oblast administrator of Ivano-Frankiivsk oblast), *IntelNews Weekly Report* (12 May 1997).
46 For a discussion of other sub-regional groupings containing some combination of present NATO/EU members and non-members, see Bremmer and Bayles, 'Sub-Regionalism in the Newly Independent States'.
47 See Gierlowsky, 'Mutual Confidence', p. 80.
48 See *Speech of the President,* Part IV, Foreign Policy Priorities (Kyiv: Supreme Rada, 1997), p. 97.
49 See Michalowski, presentation at the conference 'Ukraine, Central Europe and Slovakia', p. 39.
50 Paul Goble, 'Enlarging Eastern Europe', *RFE/RL Newsline* (11 June 1997).
51 See Goble, 'Enlarging Eastern Europe'.

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