

Editor's note: This is the sixth installment in a series of special reports that Dr. Friedman will write over the next few weeks as he travels to Turkey, Moldova, Romania, Ukraine and Poland. In this series, he will share his observations of the geopolitical imperatives in each country and conclude with reflections on his journey as a whole and options for the United States.

By George Friedman

The name "Ukraine" literally translates as "on the edge." It is a country on the edge of other countries, sometimes part of one, sometimes part of another and more frequently divided. In the 17th and 18th centuries, it was divided between Russia, Poland and the Ottoman Empire. In the 19th century, it was divided between Russia and Austria-Hungary. And in the 20th century, save for a short period of independence after World War I, it became part of the Soviet Union. Ukraine has been on the edge of empires for centuries.

My father was born in Ukraine in 1912, in a town in the Carpathians now called Uzhgorod. It was part of Austria-Hungary when he was born, and by the time he was 10 the border had moved a few miles east, so his family moved a few miles west. My father claimed to speak seven languages (Hungarian, Romanian, Slovak, Polish, Ukrainian, Russian and Yiddish). As a child, I was deeply impressed by his learning. It was only later that I discovered that his linguistic skills extended only to such phrases as "What do you want for that scrawny chicken?" and "Please don't shoot."

He could indeed make himself understood in such non-trivial matters in all these languages. Consider the reason: Uzhgorod today is on the Slovakian border, about 30 miles from Poland, 15 miles from Hungary and 50 miles from Romania. When my father was growing up, the borders moved constantly, and knowing these languages mattered. You were never sure what you'd be a citizen or subject of next or who would be aiming a rifle at you.

My father lived on the edge until the Germans came in 1941 and swept everything before them, and then until the Soviets returned in 1944 and swept everything before them. He was one of tens of millions who lived or died on the edge, and perhaps nowhere was there as much suffering from living on the edge than in Ukraine. Ukraine was caught between Stalin and Hitler, between planned famines and outright slaughter, to be relieved only by the grinding misery of post-Stalin communism. No European country suffered as much in the 20th century as Ukraine. From 1914 until 1945, Ukraine was as close to hell as one can reach in this life.

Asking to be ruled

Ukraine was, oddly enough, shaped by Norsemen, who swept down and set up trading posts,

eventually ruling over some local populations. According to early histories, the native tribes made the following invitation: "Our land is great and rich, but there is no law in it. Come to rule and reign over us." This is debated, as Anne Reid, author of the excellent "Borderland: Journey through the History of Ukraine," points out. But it really doesn't matter, since they came as merchants rather than conquerors, creating a city, Kiev, at the point where the extraordinarily wide Dnieper River narrows.

Still, few historians doubt that some offer of this type was made. I can imagine inhabitants of what became Ukraine making such an offer in ways I can't imagine in other places. The flat country is made for internal conflict and dissension, and the hunger for a foreigner to come and stabilize a rich land is not always far from Ukrainians' thoughts. Out of this grew the Kievan Rus, the precursor of modern Ukraine, Russia and Belarus. There are endless arguments over whether Ukraine created Russia or vice versa. Suffice it to say, they developed together. That is more important than who did what to whom.

Consider the way they are said to have chosen their religion. Volodymyr, a pagan ruler, decided that he needed a modern religion. He considered Islam and rejected it because he wanted to drink. He considered Catholicism and rejected it because he had lots of concubines he didn't want to give up. He finally decided on Orthodox Christianity, which struck him as both beautiful and flexible. As Reid points out, there were profound consequences: "By choosing Christianity rather than Islam, Volodymyr cast Rus' ambitions forever in Europe rather than Asia, and by taking Christianity from Byzantium rather than Rome he bound the future Russians, Ukrainians and Belarusians together in Orthodoxy, fatally dividing them from their Catholic neighbors the Poles." I suspect that while Volodymyr liked his drink and his women, he was most concerned with finding a balance between powers and chose Byzantium to create space for Ukraine.

Ukraine, Europe and Russia

Ukraine is on the edge again today, trying to find space. It is on the edge of Russia and on the edge of Europe, its old position. What makes this position unique is that Ukraine is independent and has been so for 18 years. This is the longest period of Ukrainian independence in centuries. What is most striking about the Ukrainians is that, while they appear to value their independence, the internal debate seems to focus in part on what foreign entity they should be aligned with. People in the west want to be part of the European Union. People in the east want to be closer to the Russians. The Ukrainians want to remain independent but not simply independent.

It makes for an asymmetric relationship. Many Ukrainians want to join the European Union, which as a whole is ambivalent at best about Ukraine. On the other hand, Ukraine matters as much to the Russians as it does to Ukrainians, just as it always has. Ukraine is as important to Russian national security as Scotland is to England or Texas is to the United States. In the hands of an enemy, these places would pose an existential threat to all three countries. Therefore, rumors to the contrary, neither Scotland nor Texas is going anywhere. Nor is Ukraine, if Russia has anything to do with it. And this reality shapes the core of Ukrainian life. In a fundamental sense, geography has imposed limits on Ukrainian national sovereignty and therefore on the lives of Ukrainians.

From a purely strategic standpoint, Ukraine is Russia's soft underbelly. Dominated by Russia, Ukraine anchors Russian power in the Carpathians. These mountains are not impossible to penetrate, but they can't be penetrated easily. If Ukraine is under the influence or control of a Western power, Russia's (and Belarus') southern flank is wide open along an arc running from the Polish border east almost to Volgograd then south to the Sea of Azov, a distance of more than 1,000 miles, more than 700 of which lie along Russia proper. There are few natural barriers.

For Russia, Ukraine is a matter of fundamental national security. For a Western power, Ukraine is of value only if that power is planning to engage and defeat Russia, as the Germans tried to do in World War II. At the moment, given that no one in Europe or in the United States is thinking of engaging Russia militarily, Ukraine is not an essential asset. But from the Russian point of view it is fundamental, regardless of what anyone is thinking of at the moment. In 1932, Germany was a basket case; by 1941, it had conquered the European continent and was deep into Russia. One thing the Russians have learned in a long and painful history is to never plan based on what others are capable of doing or thinking at the moment. And given that, the future of Ukraine is never a casual matter for them.

It goes beyond this, of course. Ukraine controls Russia's access to the Black Sea and therefore to the Mediterranean. The ports of Odessa and Sevastopol provide both military and commercial access for exports, particularly from southern Russia. It is also a critical pipeline route for sending energy to Europe, a commercial and a strategic requirement for Russia, since energy has become a primary lever for influencing and controlling other countries, including Ukraine.

This is why the Orange Revolution in Ukraine in 2004 was critical in transforming Russia's view of the West and its relationship to Ukraine. Following the breakup of the Soviet Union, Ukraine had a series of governments that remained aligned with Russia. In the 2004 presidential election, the seemingly pro-Russian candidate, Viktor Yanukovich, emerged the winner in an election that many claimed was fraudulent. Crowds took to the streets and forced Yanukovich's resignation, and he was replaced by a pro-Western coalition.

The Russians charged that the peaceful rising was engineered by Western intelligence agencies, particularly the CIA and MI6, which funneled money into pro-Western NGOs and political parties. Whether this was an intelligence operation or a fairly open activity, there is no question that American and European money poured into Ukraine. And whether it came from warm-hearted reformers or steely eyed CIA operatives didn't matter in the least to Vladimir Putin. He saw it as an attempt to encircle and crush the Russian Federation.

Putin spent the next six years working to reverse the outcome, operating both openly and covertly to split the coalition and to create a pro-Russian government. In the 2010 elections, Yanukovich returned to power, and from the Russian point of view, the danger was averted. A lot of things went into this reversal. The United States was absorbed in Iraq and Afghanistan and couldn't engage Russia in a battle for Ukraine. The Germans drew close to the Russians after the 2008 crisis. Russian oligarchs had close financial and political ties with Ukrainian oligarchs who influenced the election. There is a large pro-Russian faction in Ukraine that

genuinely wants the country to be linked to Russia. And there was deep disappointment in the West's unwillingness to help Ukraine substantially.

Beyond the Orange Revolution

On the day we arrived in Kiev, two things were going on. First there were demonstrations under way protesting government tax policy. Second, Yanukovich was in Belgium for a summit with the European Union. Both of these things animated the pro-Western faction in Ukraine, a faction that remains fixated on the possibility that the Orange Revolution can be recreated and that Ukraine must enter the European Union. These two things are linked.

The demonstrations were linked to a shift in tax law that increased taxes on small-business owners. The main demonstration took place in a large square well-stocked with national flags and other banners. The sound systems in place were quite good. It was possible to hear the speeches clearly. When I pointed out to a pro-Western journalist that it seemed to be a well-funded and organized demonstration, I was assured that it wasn't well-organized at all. I have not been to other Ukrainian demonstrations but have been present at various other demonstrations around the world, and most of those were what some people in Texas call a "goat rodeo." I have never seen one of those, either, but I gather they aren't well-organized. This demonstration did not strike me as a goat rodeo.

This actually matters. There was some excitement among politically aware pro-Westerners that this demonstration could evolve into another Orange Revolution. Some demonstrators were camping out overnight, and there were some excited rumors that police were blocking buses filled with demonstrators and preventing them from getting to the demonstration. That would mean that the demonstration would have been bigger without police interference and that the government was worried about another rising.

It just didn't seem that way to me. There were ample police in the side streets, but they were relaxed and not in riot gear. I was told that the police with riot gear were hidden in courtyards and elsewhere. I couldn't prove otherwise. But the demonstration struck me as too well-organized. Passionate and near-spontaneous demonstrations are more ragged, the crowds more restless and growing, and the police more tense. To me, as an outsider, it seemed more an attempt by organization leaders and politicians to generate a sense of political tension than a spontaneous event. But there was a modicum of hope among anti-government factions that this could be the start of something big. When pressed on the probabilities, I was told by one journalist that there was a 5 percent chance it could grow into a rising.

My perception was that it was a tempest in a teapot. My perception was not completely correct. Yanukovich announced later in the week that the new tax law might not go into effect. He said that it would depend on parliamentary action that would not come for another week but he gave every indication that he would find a way to at least postpone it if not cancel it. Clearly, he did not regard the demonstrations as trivial. Regardless of whether he would finally bend to the demonstrators' wishes, he felt he needed to respond.

European dreams

On the same day the demonstrations began, Yanukovich left for Brussels with talks about Ukraine entering the European Union. I had an opportunity to meet with an official of the Ministry of Foreign Affairs before he departed for Brussels as well. The official had also been with the ministry during the previous administration. He was a member of the group that had been part of the numerous programs run by the United States and Europe for turning Eastern Europeans into proponents of the West, and he was certainly that. My meeting with the official taught me one of two things: Either Yanukovich was not purging people ideologically or he wanted to keep a foot in the pro-EU camp.

From where I sat, as an American, the European Union appeared at best tarnished and at worst tottering. I had met in Istanbul with some European financial leaders who had in past discussions dismissed my negativism on the European Union as a lack of sophistication on my part. This time they were far less assured than ever before and were talking about the possibilities of the euro failing and other extreme outcomes. They had travelled quite a road in the past few years to have arrived at this point. But what was fascinating to me was that the Ukrainian Foreign Ministry official was not only unshaken by the Irish situation but also saw no connection between that and the EU appetite for Ukraine becoming a member. For him, one had nothing to do with the other.

The troubles the European Union was facing did not strike pro-EU Ukrainians as changing the basic game. There was no question in their mind that they wanted Ukraine in the European Union, nor was there any question in their mind that the barriers to entry were in the failure of the Ukrainians to measure up. The idea that EU expansion had suffered a fatal blow due to the Irish or Greek crises was genuinely inconceivable to them. The European Union was not going to undergo any structural changes. Nothing that was happening in the European Union impacted its attractiveness or its openness. It was all about Ukraine measuring up.

In many countries we have visited there has been a class difference for EU membership. The political and economic elites are enthusiastic, the lower classes much more restrained. In Ukraine, there is also a regional distinction. The eastern third of the country is heavily oriented toward Russia and not to the West. The western third is heavily oriented toward the West. The center of the country tilts toward the west but is divided. Linguistic division also falls along these lines, with the highest concentrations of native Ukrainian speakers living in the west and of Russian speakers in the east. This can be seen in the election returns in 2010 and before. Yanukovich dominated the east, Timoshenko the west, and the contested center tilted toward Timoshenko. But the support in the east for the Party of Regions and Yanukovich was overwhelming.

This division defines Ukrainian politics and foreign policy. Yanukovich is seen as having been elected to repudiate the Orange Revolution. Supporters of the Orange Revolution are vehement in their dislike of Yanukovich and believe that he is a Russian tool. Interestingly, this wasn't the view in Poland, where government officials and journalists suggested that Yanukovich was playing a more complex game and trying to balance Ukraine between Europe and the Russians.

Whatever Yanukovich intends, it is hard to see how you split the difference. Either you join the European Union or you don't. I suspect the view is that Yanukovich will try to join but will be

rejected. He will therefore balance between the two groups. That is the only way he could split the difference. Certainly, NATO membership is off the table for him. But the European Union is a possibility.

I met with a group of young Ukrainian financial analysts and traders. They suggested that Ukraine be split into two countries, east and west. This is an idea with some currency inside and outside Ukraine. It certainly fits in with the Ukrainian tradition of being on the edge, of being split between Europe and Russia. The problem is that there is no clear geographical boundary that can be defined between the two parts, and the center of the country is itself divided.

Far more interesting than their geopolitical speculation was their fixation on Warsaw. Sitting in Kiev, the young analysts and traders knew everything imaginable about the IPO market, privatization and retirement system in Poland, the various plans and amounts available from those plans for private investment. It became clear that they were more interested in making money in Poland's markets than they were in the European Union, Ukrainian politics or what the Russians are thinking. They were young and they were traders and they knew who Gordon Gekko was, so this is not a sampling of Ukrainian life. But what was most interesting was how little talk there was of Ukrainian oligarchs compared to Warsaw markets. The oligarchs might have been way beyond them and therefore irrelevant, but it was Warsaw, not the European Union or the power structure, that got their juices flowing.

Many of these young financiers dreamed of leaving Ukraine. So did many of the students I met at a university. There were three themes they repeated. First, they wanted an independent Ukraine. Second, they wanted it to become part of the European Union. Third, they wanted to leave Ukraine and live their lives elsewhere. It struck me how little connection there was between their national hopes and their personal hopes. They were running on two different tracks. In the end, it boiled down to this: It takes generations to build a nation, and the early generations toil and suffer for what comes later. That is a bitter pill to swallow when you have the option of going elsewhere and living well for yourself now. The tension in Ukraine, at least among the European-oriented, appears to be between building Ukraine and building their own lives.

Sovereign in spite of itself

But these were members of Ukraine's Western-oriented class, which was created by the universities. The other part of Ukraine is in the industrial cities of the east. These people don't expect to leave Ukraine, but they do understand that their industries can't compete with Europe's. They know the Russians will buy what they produce, and they fear that European factories in western Ukraine would cost them their jobs. There is nostalgia for the Soviet Union here, not because they don't remember the horrors of Stalin but simply because the decadence of Leonid Brezhnev was so attractive to them compared to what came before or after.

Add to them the oligarchs. Not only do they permeate the Ukrainian economy and Ukrainian society but they also link Ukraine closely with the Russians. This is because the major Ukrainian oligarchs are tied to the Russians through complex economic and political arrangements. They are the frame of Ukraine. When I walked down a street with a journalist, he pointed to a

beautiful but derelict building. He said that the super-wealthy buy these buildings for little money and hold them, since they pay no tax, retarding development. For the oligarchs, the European Union, with its rules and transparency, is a direct challenge, whereas their relation to Russia is part of their daily work.

The Russians are not, I think, trying to recreate the Russian empire. They want a sphere of influence, which is a very different thing. They do not want responsibility for Ukraine or other countries. They see the responsibility as having sapped Russian power. What they want is a sufficient degree of control over Ukraine to guarantee that potentially hostile forces don't gain control, particularly NATO or any follow-on entities. The Russians are content to allow Ukraine its internal sovereignty, so long as Ukraine does not become a threat to Russia and so long as gas pipelines running through Ukraine are under Russian control.

That is quite a lot to ask of a sovereign country. But Ukraine doesn't seem to be primarily concerned with maintaining more than the formal outlines of its sovereignty. What it is most concerned about is the choice between Europe and Russia. What is odd is that it is not clear that the European Union or Russia want Ukraine. The European Union is not about to take on another weakling. It has enough already. And Russia doesn't want the burden of governing Ukraine. It just doesn't want anyone controlling Ukraine to threaten Russia. Ukrainian sovereignty doesn't threaten anyone, so long as the borderland remains neutral.

That is what I found most interesting. Ukraine is independent, and I think it will stay independent. Its deepest problem is what to do with that independence, a plan it can formulate only in terms of someone else, in this case Europe or Russia. The great internal fight in Ukraine is not over how Ukraine will manage itself but whether it will be aligned with Europe or Russia. Unlike the 20th century, when the answer to the question of Ukrainian alignment caused wars to be fought, none will be fought now. Russia has what it wants from Ukraine, and Europe will not challenge that.

Ukraine has dreamed of sovereignty without ever truly confronting what it means. I mentioned to the financial analysts and traders that some of my children had served in the military. They were appalled at the idea. Why would someone choose to go into the military? I tried to explain their reasons, which did not have to do with wanting a good job. The gulf was too vast. They could not understand that national sovereignty and personal service cannot be divided. But then, as I said, most of them hoped to leave Ukraine.

Ukraine has its sovereignty. In some ways, I got the sense that it wants to give that sovereignty away, to find someone to take away the burden. It isn't clear, for once, that anyone is eager to take responsibility for Ukraine. I also did not get the sense that the Ukrainians had come to terms with what it meant to be sovereign. To many, Moscow and Warsaw are more real than Kiev.

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