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Ukraine and the Southern Hemisphere

TARAS KUZIO

As a relatively new independent state Ukraine has sought to extend its diplomatic activity and to diversify its foreign trade into regions of the world with which it previously had had little contact and experience. A main priority for Ukraine has been to break into the markets of the developed world—North America and the Europe. Two problems, however, have thwarted a major breakthrough into these markets: the sub-standard quality of Ukrainian goods (a legacy of the Soviet era), and the protectionism of the North American Free Trade Agreement (NAFTA) and the European Union (EU).

Ukraine, therefore, has also not neglected targeting second world countries of the Southern Hemisphere—in Latin America, Sub-Saharan Africa, and to a lesser extent Oceania. Although a relatively large Ukrainian diaspora exists in Australia (similar in size to that in the United Kingdom at approximately 30,000), there has been little development in Ukraine's relations with Oceania. (Ukraine still has only a consulate, not an Embassy, in Australia.) Geographic distance, traditionally close ties to the British Commonwealth coupled with the closeness of the East Asian market have all inhibited the development of Ukraine's ties with Oceania.

Diversification of Foreign Trade: In Search of Economic Security

The evolution of Ukrainian foreign policy towards the Southern Hemisphere (including the second and developing worlds) has proceeded without the intention of carving out for itself spheres of influence or to fulfill great power ambitions. Instead, the link between Ukraine's evolving foreign policy and national security rests upon two areas. First, is the need to develop alternative sources of energy. Here Ukraine became the initiator of the new Georgian-Azerbaijani-Moldovan-Ukrainian (GUAM) axis within the Commonwealth of Independent States (CIS).¹ By becoming the main channel for Azerbaijani (and possibly Central Asian) energy into Europe, Ukraine clearly hopes that the transit charges it will earn will more than offset its annual energy costs.

Secondly, Ukrainian national security dictates that it diversify its foreign trade away from its inherited over-reliance upon Russia and the CIS. Since 1995–1997, when Ukraine obtained security assurances from the world's declared nuclear powers and NATO, Ukraine can afford to focus upon developing its economic interests within its foreign policy. These, "should always,"

President Leonid Kuchma believes, “dictate the political course of any country.”² After the recognition of the last two portions of Ukraine’s frontiers by Russia and Romania, respectively, in May–June 1997 Kuchma outlined the main tasks ahead in the following manner:

Having completed the process of the recognition of Ukrainian sovereignty on the part of its neighbors and the entire world, the Foreign Ministry must concentrate its efforts on establishing the country’s economic independence.³

The formation of a “real security belt around Ukraine” gave Ukraine the possibility of focusing upon, “resolving domestic problems, including problems relating to the national economy.”⁴ By focusing upon the country’s foreign economic interests, Ukraine would be able to end its economic crisis and implement a radical program of economic reform.⁵ Looking at this in a different manner, improving the pace and quality of political and economic transformation domestically would, in turn, provide the means to change the vectors of Ukraine’s foreign policies away from over-dependence upon Russia and the CIS.⁶

Greater focus upon Ukraine’s foreign economic interests has led to an interest in furthering or developing new ties to second world countries. In many of these countries the policies of political and economic transformation were similar to those currently being undertaken by Ukraine. As Yuri Shcherbak, Ukrainian Ambassador to the United States and Ukraine’s diplomatic representative in Mexico, pointed out, both sides understood that transformation and privatization of their economies meant that Ukraine and Mexico were undergoing similar processes.⁷ Ukraine has been particularly impressed with the successful transformations undertaken during the last twenty years in Brazil and Chile.

The experience of regional integration for Latin American states within the North American Free Trade Agreement (NAFTA) is also obviously of interest to Ukraine in its relations with the CIS, the Central European Free Trade Area (CEFTA), the Central European Initiative (CEI), as well as the European Union.⁸ The experience gained by Latin American countries during the economic and political transformation of their region during the 1980s and 1990s is therefore also of close interest to Ukraine, which is in the throes of a far more complicated “four-pronged” transition:⁹

To a large extent the historical experience of the countries of Latin America in the transformation of their national economies, in resolving problems of regional economic integration, in the development of multi-faceted relations and their self-realization on the level of subjects of international economic relations could become ‘food for thought’ for Ukraine in helping it to define its own model of joining the world economy.¹⁰

Relations between the United States and Mexico on the one hand and Ukraine and Russia on the other, are also comparable to a certain degree, the Ukrainian delegation to Mexico found in September 1997. In both cases rela-

tions were improving after some earlier difficulties. But a Ukrainian commentary believed that the “elder-younger brother” syndrome did not exist in American-Mexican relationship because “both peoples had never lived in one state.”¹¹ Nevertheless, psychologically Latin American countries had greater empathy with Ukraine than with Russia, seeing a close similarity between Russia’s and America’s arrogant and great power attitudes towards their respective “Near Abroads.” Latin American countries with whom Ukraine most closely cooperated refused to deal with Central and Eastern Europe through the G7. Instead, they preferred to deal directly with them on a bilateral basis.¹² Latin American countries often backed Ukrainian initiatives and enthusiastically supported Hennadiy Udovenko’s candidacy for president of the UN Assembly in 1997–1998.

In addition, there are close parallels between the struggles for independence of Latin American states and Ukraine. Whereas Ukraine only celebrated its seventh anniversary of independence in 1998, Mexico began its independence struggle in 1810. Nevertheless, “in a similar manner to the Ukrainian people, the Mexican path to final independence was difficult and long.”¹³

Ukraine and Latin America

Ukraine’s relations with Latin America are a relatively new development. President Leonid Kuchma visited Latin American countries with a large delegation for the first time as late as October 1995. The Organization of American States (OAS), however, had invited Ukraine to become a permanent observer earlier, and it attended an OAS meeting in this capacity for the first time in June 1994. Until 1995 Ukraine’s political and economic relations with Latin America were largely of a “symbolic character,” with trade amounting to only a small fraction of its real potential. Therefore:

The Ukrainian state has come to force the problem of developing its own, fundamentally new—in contrast to the Soviet-imperial—model of economic relations with the countries of Latin America. In the first instance, they should be based upon clearly defined and comprehensively developed Ukrainian economic interests in this region.¹⁴

Ukraine has diplomatic ties with nineteen Latin American countries, while being recognized by twenty-one. The department to deal with these countries was created as late as 1994, and was included within the European and American Directorate of the Ministry of Foreign Affairs. A major problem for Ukraine in developing its foreign policy, as for most former dependencies of an imperial power, has been two-fold. First, is the financial burden of establishing embassies and foreign trade missions (Ukraine, like other non-Russian successor states of the former USSR, never received a single former Soviet building located outside the USSR, all of which were taken over by the Russian Federation). The second problem was the lack of experts and analysts, translators and

interpreters, and diplomats familiar with these new regions into which Ukraine wanted to expand its foreign relations. All of the information pertaining to Soviet foreign trade and the research institutes devoted to world regions were located in Moscow. Ihor Tumasov, head of the Latin American department of the Ukrainian Ministry of Foreign Affairs, complained that, “therefore, Ukraine began to build its relations with Latin America practically from ground zero.”¹⁵ The process of creating a pool of experts and support staff would take another five or more years, Tumasov believed. This process was being undertaken at the Diplomatic Academy (established in 1996), the Institute for International Relations (Kyiv State University), and the Institute for World Economy and International Relations (National Academy of Sciences).

Ukraine is interested in developing its relations with Latin America for seven interrelated reasons:

1. the similarities of their transformation processes to democracies and market economies;
2. problems of organized crime and corruption;
3. the trafficking in narcotics;
4. trade and economic relations;
5. maintaining existing markets (for example, Ukrainian tractors and televisions were exported to Cuba in the Soviet era);
6. creating new markets for Ukrainian products and services;
7. obtaining diplomatic support in the UN and other international institutions.

Only three countries have thus far established permanent diplomatic representations in Kyiv—Cuba, Argentina, and Brazil. (Chile has established a trade mission, but no Embassy.) Ukraine has embassies in the same three countries in Latin America, which also represent Ukrainian interests in other countries in the region. The remainder of the Latin American countries were initially represented in Ukraine by their embassies in Moscow—a legacy of the Soviet period. Ukraine has since successfully persuaded most Latin American countries that lack direct diplomatic presence in Kyiv to transfer their representation of Ukrainian interests from their Moscow embassies to Central Europe. The reasons for this were two-fold. First, Ukraine argued that Latin American embassies would not obtain “objective” information on Ukraine based in Moscow. Secondly, the use of Latin American embassies in Central Europe to represent Ukrainian interests would clearly define Ukraine as a “European”—in contrast to a Eurasian—country. Chile, Ecuador, and Colombia, for example, were now represented in Ukraine through their embassies in Prague, Vienna, and Warsaw, respectively.¹⁶ Tumasov believed that henceforth, “Latin American countries began to understand that Ukraine and Russia were two different matters, and one could not completely understand the Ukrainian situation sitting in Moscow.”¹⁷

President Kuchma's whirlwind tour of Latin America in October 1995 included its three most important countries—Brazil, Argentina, and Chile. Kuchma met with the Ukrainian communities in all three states (that in Chile is relatively small). Argentina, Brazil, Uruguay, and Paraguay have the largest Ukrainian diasporas in Latin America, largely descended from arrivals from western Ukraine between the 1890s and the 1930s.¹⁸ In Argentina and Brazil, the Ukrainian diasporas number close to 300,000 each, and play a strategic role in facilitating diplomatic cooperation and economic trade between Ukraine and their countries of residence. On 22 June 1995 a Ukraine-Brazil Society was established in Kyiv headed by the secretary of the Presidential Administration, S. Drizhchanym. The Ukrainian diaspora in Brazil also established a Brazilian-Ukrainian Chamber of Commerce. In Argentina a "Friends of Ukraine" parliamentary group was established. During President Kuchma's visit to Argentina he laid flowers at the unveiling of the Taras Shevchenko monument in the Ukrainian Park in Buenos Aires and attended services in the Ukrainian Greek-Catholic and Autocephalous Orthodox churches. In Argentina in 1993 an Argentinian-Ukrainian Chamber of Commerce was established while in 1995 an Institute for Argentinian-Ukrainian Friendship was created that has helped to cement academic links. One of its first projects was the establishment of a Center for Ukrainian Studies at the University of Buenos Aires.

In Brazil a treaty on Friendly Relations and Cooperation was signed, as well as an agreement on trade and economic cooperation, a joint declaration on the peaceful use of space, and a protocol on consultations between both countries' foreign ministries. Diplomatic representations exist in both countries from 1995. As in many other Latin American countries both sides were interested in expanding their then small trade turnover of only \$6.3 million in 1994. These included non-ferrous metals, energy, transportation, information technology, the foodstuffs industry, pharmaceuticals, and the environment.

President Kuchma signed a Declaration on Principles of Relations with Argentina, as well as a similar agreement on trade and economic cooperation and a declaration on peaceful cooperation in space. A Joint Declaration was signed by both countries during President Kuchma's visit to Argentina, together with economic and trade agreements. Direct trade turnover amounted to \$11 million at the time, although the actual value of Ukrainian goods exported to Argentina amounted to some \$50 million which were mainly conducted through middlemen. A joint venture on air transport was established and economic cooperation in the fields of fisheries, automobiles and machinery are likely to represent future areas of cooperation. Meanwhile, Chile could become Ukraine's main partner in Latin America with regard to research into, and the peaceful use of, space technology.¹⁹

President's Kuchma's visit to Latin America in 1995 represented Ukraine's first ever diplomatic foray into this region at such a high level and led to the dynamic development of mutual relations. After his visit to these three countries, another seven Latin American countries stated their interest in forging

ties and exchanging high-ranking officials. In October 1997 alone, five delegations visited Kyiv from Brazil representing banking, military and political interests.

The Argentinean foreign minister, Guido Di Tella, paid an official visit to Ukraine in October 1996 which focused upon economic and trade cooperation. Ukrainian foreign minister Hennadiy Udoenko stressed the importance of building these bilateral relations "without intermediaries," since Ukraine, "was losing too much because of them."²⁰ Areas of cooperation between Ukraine and Argentina included water power, mining, shipbuilding, sea and air links as well as jointly opening up the Antarctic continent. A joint communiqué issued during the visit pointed to migration, space, scientific, technical and agricultural areas which would bring forth fruitful cooperation.

A Ukrainian delegation headed by President Kuchma visited Mexico in September 1997 in another bid to expand economic ties. The Ukrainian side once more stressed the importance of direct trade and not through Russian intermediaries—again a legacy of the Soviet era. President Kuchma noted that, "I hope that the agreements signed on partnership and cooperation in science, engineering, and technologies will be filled with real substance to benefit each side".²¹ The delegations signed a declaration on the principles of their relations and cooperation, a memorandum on consultations of matters of concern, education and culture and an agreement on visa-free travel for holders of diplomatic passports. The Mexican Tourist Board opened its office in Kyiv in January 1998 to entice Ukrainians to visit their country. Besides furthering bilateral relations it was hoped that greater trade and cooperation could be expanded between the Black Sea Economic Cooperation Agreement and the Southern Common Market.

A Ukrainian industrial exhibition was held in Mexico City in 1998. The Mexicans demonstrated a keen interest in furthering cooperation in energy-related issues, Ukrainian turbines and hydroelectric power plants. A number of joint ventures were created or discussed during President Kuchma's visit, including with the Bancomext Bank for foreign trade, the Pemex oil company, trade and tourism. A problematical area remains hot-rolled steel products, whose export to Mexico led it to impose a 29.6 per cent anti-dumping duty on Ukrainian products in 1995 (Mexican steel manufacturers demanded that this be raised to 64 per cent). Nevertheless, steel products make up 90 per cent of all Ukrainian exports to Mexico, accounting for over \$10 million in value in the first six months of 1997.²² Ukrainian tractors are also a possible alternative in Mexico to more expensive American ones.²³

In October 1997 a delegation of the Lower Chamber of the Brazilian parliament, led by the chairman of the Brazil-Ukraine group, Paulo Cordeiro, visited Ukraine. At the time of the visit trade turnover stood at only a pitiful \$150 million, but then Ukrainian parliamentary speaker, Oleksandr Moroz, assured his hosts that, "the Ukrainian parliament will provide for the necessary legal basis for business relations between the two states."²⁴ Areas for fruitful cooperation between Brazil and Ukraine include power engineering, shipbuilding,

aircraft engineering and banking. Cordeiro, the delegation's head, believed that Ukrainian technology and equipment were of international standards. A visit during the same month by the governor of the Brazilian state of Parana, Jaime Lerner, where the bulk of the Brazilian Ukrainian diaspora live, discussed joint cooperation in power engineering and railroad construction.

Ukraine and Africa

Africa, especially sub-Saharan Africa, represents virgin territory for Ukrainian diplomacy.²⁵ Within the Ukrainian Foreign Ministry, African affairs lie within the competency of the Directorate on Asia, Pacific, the Middle East, and Africa, responsible for 108 countries in all.²⁶ The majority of African countries recognized Ukraine's independence as early as 1992, and established diplomatic relations soon thereafter. Nevertheless, in sub-Saharan Africa Ukraine maintains embassies only in South Africa and Guinea, though Parliament (the Verkhovna Rada) has agreed to the opening of additional embassies in Nigeria and Senegal. Only South Africa maintains an embassy in Kyiv.

The African countries, like the Arab world, are important for Ukraine from the viewpoint of military specialists who aid them in economic matters, technical assistance, and the provision of expertise in such areas as medical services. Within sub-Saharan Africa, the greatest degree of cooperation exists with South Africa, although half of Ukraine's trade turnover comes from Guinea (bauxite). Many African countries have large populations, but an arid climate and/or poorly developed agricultural sectors. These are large potential markets for Ukrainian primary products.²⁷

Ukraine and Oceania

Although Australia has a relatively large and dynamic Ukrainian community, the growth of political and economic ties between Australia, New Zealand, and Ukraine since 1992 has been slow and uneven. Two major drawbacks which have hampered the growth of mutual ties have been the distances involved and the socio-economic crisis in Ukraine. In 1996 Australia only exported a meager \$10.3 million worth of goods to Ukraine, while importing only \$2 million. This is in stark contrast to the approximately \$200 million worth of wool that Australia exported to Ukraine when it was a constituent part of the USSR.

In August 1994 Ukraine's then Deputy Foreign Minister Oleksandr Makarenko led a trade delegation to Australia and initialed a "Trade and Economic Cooperation Agreement" (that is still not functioning). Ukrainian parliamentary delegations visited Australia in 1995 and March 1997 and an Australian delegation visited Ukraine in 1995. An invitation was issued to Ukrainian President Leonid Kuchma to visit Australia.²⁸

Conclusions

Ukraine's foreign relations with the southern hemisphere are a relatively recent development, more energetically pursued by President Kuchma than by his predecessor. The main factor pushing Ukraine to expand its relations with these regions are economic, especially the need to improve the country's national security by diversifying its foreign trade away from Russia and the CIS. Two other factors also play a role in the development of Ukraine's relations with the second and developing worlds. First is the similarity of their experiences—the struggle's for independence; the normalization of relations with the former imperial power and/or regional hegemon; combatting corruption and organised crime; democratization and the creation of a market economy. The second is obtaining diplomatic support in international forums and organizations on such issues as territorial integrity. Both in the short and medium terms, all these factors are likely to drive Ukrainian foreign policy in the Southern Hemisphere.

NOTES

1. *Delovoi Mir* 23 October 1997.
2. *Vechirnyi Kyiv* 1 February 1996.
3. President Kuchma speaking to the Council of Regions, Kyiv (*Interfax* 19 June 1997).
4. President Kuchma speaking to the Investment Council, Kyiv (*Uriadovyi Kur'ier* 4 October 1997).
5. President Kuchma speaking to the diplomatic corps, Kyiv (*Uriadovyi Kur'ier* 14 January 1997).
6. Volodymyr Horbulin, Secretary of the National Security and Defence Council, "Natsional'na bezpeka Ukrainy ta mizhnarodna bezpeka", *Politychna dumka* 1997(1): 88. Oleksandr Derchachov of the University of the Kyiv Mohyla Academy agrees with the link made by Kuchma and Horbulin between the domestic reform process and the need to concentrate on Ukraine's foreign economic interests. See his "Ukrains'ka zovnishnia polityka pislia madryds'kykh niuansiv," *Narodna armia* 29 July 1997.
7. See Volodymyr Tronenko, "Meksykans'ki uroky reformuvannia", *Polityka i chas* 1996 (4): 48–52 and "Pro shcho domovleno v Meksiko," *Uriadovyi kur'ier* 2 October 1997.
8. See Ievhen Svyarchyuk, "Kozhen—dlia potreb usikh," *Polityka i chas* 1997 (3): 52–57.
9. See T. Kuzio, "Ukraine's Four-Pronged Transition," in T. Kuzio, ed., *Contemporary Ukraine. Dynamics of Post-Soviet Transformation* (Armonk, NY, 1998), 165–80. The "four-pronged" transition refers to economic and political reform, state and nation-building.
10. Volodymyr Tronenko, "Nam zanovo vidkryvaty Latyns'ku Ameryku," *Polityka i chas* 1995 (6): 72.
11. *Uriadovyi kur'ier* 30 September 1997.
12. Interview with Ihor Tumasov, head of the Latin American department of the Ukrainian Ministry of Foreign Affairs, Kyiv, 23 October 1997. Tumasov recalled how in March 1997 the Chilean minister of foreign affairs had been met by all high-ranking leaders in Kyiv. When he then traveled to Moscow, Prime Minister Viktor Chernomyrdin found only thirty minutes of spare time to see him. Such arrogance and disrespect for small and, in Russian eyes, non-strategic countries as Chile only served to confirm among Latin American countries that Russia viewed itself like the U.S.

13. "Ukrains'ki prapory v meksykanskii stolytsi," *Uriadovi kur'ier* 30 September 1997.
14. Tronenko, 72.
15. Interview with I. Tumasov, Kyiv, 23 October 1997.
16. Ibid.
17. Ibid.
18. See Volodymyr Budiakov, "Nashchadky emihrantiv: Ukrains'ka diaspora v Latynskii Amerytsi," *Polityka i chas* 1994 (6): 68–70, Oleh W. Gerus, "Ukrainians in Argentina: A Canadian Perspective", and Serge Cipko, "The Legacy of the "Brazilian Fever": The Ukrainian Colonization of Parana," *Journal of Ukrainian Studies* 11(2) Winter 1986: 3–18 and 19–32 respectively.
19. On President Kuchma's tour of Latin America see *Polityka i chas* 1995 (12): 70–77.
20. UNIAN, 30 October 1996.
21. *Interfax* 26 September 1997.
22. *Infobank* 25 September 1997.
23. See Yuriy Valuiev, "Meksyka daleka i blyz'ka," *Chas* 2–8 October 1997.
24. *Interfax* 10 October 1997.
25. The Arab countries of North Africa are treated above in the article by Oles Smolansky, "Ukraine and the Middle East," 171–90.
26. On Africa see Victor Hura, "V poshuku stratehii rozvytku," *Polityka i chas* 1995 (5): 18–20.
27. Interviews with Petro Kolos, Deputy Head of the Directorate on Asia, Pacific, Middle East, and Africa and Yuriy Savchenko, head of the Department on Africa, Ukrainian Ministry of Foreign Affairs Kyiv, 23 October 1997.
28. "Ukraine Country Brief" (Canberra: Australian Foreign Office, n.d.). My thanks go to Halyna Koshcharsky for procuring me this document