Foreign Aid and Democratization:
The Impact of Western Assistance on the Orange Revolution

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Abstract

This research aims to contribute to the discussion on foreign aid's effect on democratization processes. By examining major Western contributors to Ukraine, the impact of different objectives and practices have on the domestic situation come to light. Here, the EU and the US, two large-volume donors with dynamic strategic interests in Ukraine, are examined. Applying a realist-normative theoretical approach, both the liberal agenda of democratization and the realist self-serving objectives are analyzed. Comparing this wide-scope view of donor interests, the reasoning behind aid decisions can be better understood. The timeframe for the analysis is divided into the pre-revolutionary period, the Orange Revolution, and the post-revolutionary years, during which donors pursued different aid strategies. This research finds that democracy aid is generally split between non-governmental civil society recipients and government, with results that find the former to be effective but lacking and the latter to be abundant though ineffective.

Tables, Graphs, & Charts

Bibliography

Introduction

In the fifteen years following the collapse of the USSR and the formation of new independent nations, the post-Soviet region has received 28 billion USD from the US alone.[1] Among economic, social, and other development categories, the region's transition to democracy has been a high priority for Western[2] powers. However, whether this funding is effective in stimulating the adoption of such ideology has come into question in light of recent expenditures and subsequent disappointments.

Ukraine is one of the former-Soviet republics to receive a great deal of attention and foreign assistance during its transitional phase. Despite intense efforts towards democratization spurred on by the generous quantity of aid flowing in from the West, Ukraine has failed to undergo a lasting democratic transformation.[3] When the multibillion dollar foreign policy objectives of some of the world's greatest powers appear to be essentially unsuccessful, the situation begs for further analysis and understanding of the problem. This thesis will test the hypothesis that the Western objective of democracy promotion was not fulfilled by aid because too much was given to an ineffective government and not enough went directly towards civil society development.

The Ukrainian example has the potential not only to shed light on the impact of foreign aid in countries of the former USSR, but may also be able to answer larger questions about how to effectively promote democratic transition in general. The aim of this thesis is to analyze

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1 Curt Tarnoff, "U.S. Assistance to the Former Soviet Union," Federation of American Scientists, www.fas.org/sgp/crs/row/RL32866.pdf (accessed March 27, 2013): 1.

2 For the purposes of this thesis, I have elected to use the term West (Western) in order to refer to the donor entities, specifically the EU and the US. This has been done in a conscious effort to relate these countries/unions to one another on an ideological level, sharing the common respect and interest in the promotion of democracy and other liberal ideals. This common ideology has long since distinguished them against the counterforce in the case of Ukraine's Orange Revolution (and the other color revolutions), which is of course the eastern regional hegemon, Russia.

3 Oleksander Sushko and Olena Prystayko. "Ukraine: Nations in Transit 2012," Freedom House, www.freedomhouse.org/sites/default/files/Ukraine_final.pdf (accessed April 2, 2013).

various sources and destinations of foreign aid given toward democracy promotion in the case of Ukraine, and assess its ability to affect such change. This research also aims to shed light on larger questions about whether or not foreign aid can be an effective tool in making a country more democratic. Subsequently, we must explore what types of aid recipients and targets make for the most effective expenditures toward the goal of democratization.

The effort of wealthier nations to assist and influence poorer nations through various forms of foreign aid is a well established practice developed largely in the 20th century. In recent years, aid increasingly focuses on democracy promotion as a method of promoting the overall welfare of the receiving nation's people. With the dismantling of the USSR, the promise of the Eastern bloc countries' transition to democracy has made it a major focus of such foreign aid efforts. Ukraine, a country of geostrategic, historical, and symbolic importance to the region's traditional power dynamic, has been a major recipient of such aid given in attempt to foster democratization, and thus serves as a telling example of the potential for the success of such efforts.

The collapse of the Soviet Union gave rise to a new set of challenges in the former republics. Newly independent states are still struggling in many ways to carve out a new political identity for themselves. A significant manifestation of pro- and anti-democratic tensions arose with the wave of Color Revolutions, a series of protesting campaigns that challenged the status quo throughout the region. The Color Revolutions represented the culmination of a number of different struggles that can be divided into three categories: "national, democratic, and anti-

corruption."[4] For many former Soviet republics, the color revolutions were a sort of continuation of the national revolution of the early 1990s that led to their independence from Moscow.[5]

Ukraine is one such nation that seems to teeter precariously on the brink of democracy. Ukraine's Color Revolution, the Orange Revolution, featured mass protests over the elections held in 2004 and drew attention to the nation's demand for better government and fair elections. This climactic uprising also served as a confirmation of Ukraine's newly won national sovereignty. The protests can also be seen as a continuation of anti-corruption and pro-democratic principles that defined the "Ukraine without Kuchma" protests.[6] Lingering public outrage over President Leonid Kuchma's scandals had not died down before it was revived by allegations of election fraud. These events illustrate that Ukraine's Orange Revolution was not a sudden and unprecedented convulsion, but rather the product of long-term tensions in the Ukrainian political environment.

For various parties in the West, Ukraine's ostensible push towards democracy was ample justification for increased funding.[7] Ukraine's pro-democratic Western benefactors, which are the United States and the European Union, were both prompted to increase their aid contributions to Ukraine in light of the pivotal nature of the conflict. There were also marked differences in the direction of this funding, which then flowed towards democratization efforts rather than economic, social, human rights[8], or security related projects. The newly boosted democratization aid was increased and split primarily between civil society/NGO groups and

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4 Taras Kuzio, "From Kuchma to Yushchenko Ukraine's 2004 Presidential Elections and the Orange Revolution," *Problems of Post-Communism* 52, no. 2 (2005): 42.

5 Ibid., 35.

6 Ibid., 42.

7 Natalia Shapovalova, "Assessing Democracy Assistance: Ukraine," Fride: A European Think Tank for Global Action, www.fride.org/descarga/IP_WMD_Ucrania_ENG_jul10.pdf (accessed April 26, 2013): 2-3.

8 There is an overlapping relationship between democracy promotion and human rights. This paper will try to distinguish between strictly human rights-related projects and human rights projects focusing on democracy development in tandem, the latter being considered a part of democracy promotion.

government funding.[9] Aid from these Western donors undoubted played an important part in encouraging the revolutionary process.

In the end, the Orange Revolution did succeed in overturning the fraudulent election results, and eventually Viktor Yushchenko was fairly elected by the Ukrainian people. In his inaugural speech, he emphasized the historical importance of that moment: "This is a victory of freedom over tyranny, law over lawlessness and the future over the past."[10] However, despite these noble words, it seems that Ukraine today is hardly any closer to meaningful democratic reform.

Acknowledging the current scholarship on the subject, this thesis maintains that Western support played an important role in the mounting tensions and throughout the course of the Orange Revolution. However, the aim of this research is not strictly to analyze Western aid's causal/supporting relationship in the Revolution, but rather focuses on the impact of Western aid to Ukraine on the democratization process. How did the United States' and the European Union's aid projects to Ukraine affect Ukraine's democratic development? The research here will attempt to break down the complex web of foreign aid, intended for various goals and given to various recipients.

There is a marked lack of scholarship that attempts to link the foreign aid factor to the ultimate disappointments of the Orange Revolution. This thesis aims to identify the different categories of aid coming from Ukraine's major donors in the West and assess their effectiveness in stimulating democratization processes. This is an important question deserving of scholarly attention for those interested in the larger issues of foreign aid in democracy promotion in the

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[9] Ibid.

[10] Victor Yushchenko, "Inaugural Address of the President of Ukraine Victor Yushchenko to the Ukrainian People on Independence Square," Government Portal, http://www.kmu.gov.ua/control/en/publish/article?art_id=11100895&cat_id=244315174 (accessed May 1, 2013).

former USSR, which may hold larger lessons relevant to the effort to export democracy to other regions as well.

Chapter 1- Problem Statement

1.1 The Current Debate

To better understand the implications of the research question and the case explored here, it is necessary to first understand the larger context that inspired this thesis. The research question explored in the following pages is a result of various related topics that have been of interest to the academic community. The current state of the debate around foreign aid and democracy promotion forms the academic discussion that this thesis hopes to address. The current debate centers around how Western powers may influence a country's transition to democracy and why the democratization process in certain countries is defined by perpetually slow/non-existent rate of progress. Though these debates are much larger than the scope of the case study presented here on Ukraine, they constituted greater, more abstract concepts that informed the selection of this topic and will be drawn upon in the following sections.

There is also the more narrow, case-specific issue of the Orange Revolution and Ukraine's transition to democracy. The Ukrainian example is a specific part of the broad-context discussion mentioned above. Within the bounds of Ukraine alone arises an important opportunity to study how democracy is implemented and what impact foreign aid has on the process. Of particular importance to scholars of Ukraine is what characteristics contributed to the significant pro-democratic uprising and which factors led to the stalling of this process. These debates, specific to Ukraine, have also inspired the selection of the research question explored in this thesis and will be reexamined in the conclusion.

1.1.1 The Broader Debate

The starting point for the broader discussion lies with the debate surrounding the manner in which countries transition to democracy. Coming from the perspective of a normative and liberal political culture, scholars such as Thomas Carothers have stated that it was commonly assumed that developing countries claiming to aspire to democracy were effectively in transition, and would arrive at a level of democracy comparable to their Western forebears.[11] However, the lack of progress towards this goal is evident in many countries that were viewed as being in "the transition paradigm" as Carothers calls the supposed model.[12] He explains in "The End of the Transition Paradigm" that "moving away from dictatorship" is not, as it was assumed, equivalent to being "in transition to democracy."[13] He also outlines his rejection of four other major assumptions of the paradigm: 1) Democratization occurs in the stages of "opening," "breakthrough," and "consolidation.[14]" 2) Elections equal democracy.[15] 3) "Underlying conditions" will not significantly impede or bar a country's transition to democracy.[16] 4) Third-wave democratic transitions are being based upon states that are largely "already functional."[17]

Seeing that democratic transition is not a guaranteed force in third-wave "democracies," academia must analyze the greater question of whether or not the international community can and should have a hand in this process. Most advocates of democracy ascribe to a normative approach reflecting their liberal values, and thus feel that promoting democracy will lead to better lives for all involved in the process. However, the question of whether or not the West should involve itself is rather more complex than this logic. In "Promoting Democracy: Is Exporting Revolution a Constructive Strategy?," Beissinger details the possible damage cross-

[11] Thomas Carothers, "The End of the Transition Paradigm," *Journal of Democracy* 13, no. 1 (2002), http://www.journalofdemocracy.org/articles/gratis/Carothers-13-1.pdf (accessed May 2, 2013): 5.
[12] Ibid.
[13] Ibid., 14.
[14] Ibid., 7.
[15] Ibid.
[16] Ibid., 8.
[17] Ibid.

border democracy promotion can do, especially when they support one political group in a democratic revolution (win or lose): 1) Democracy is seen by citizens as tools of foreign control.[18] 2) Human rights and civil society organizations become affiliated with a political group and cannot monitor objectively.[19] 3) Promoting revolution (even if peaceful) can lead to the outbreak of further, sometimes "intensified ethnic conflict or civil war."[20] 4) Promoting democratic revolutions could lead to an aftermath "in which democratic development is highly vulnerable to reversal."[21] Beissinger concludes his cautionary piece by claiming that even if it is a moralistic IR theory, such as liberalism, that leads a state to promote change or "export revolution," the situation may "[transform] their movement into a tool of state power, [pervert] its goals and meaning, [generate] a series of unstable post-revolutionary regimes, and ultimately [unleash] forces that it did not understand and could not control," as once happened with those promoting communism.[22] With this conclusion by Beissinger, those that want to help affect change can see that it is of utmost importance to promote democratic change properly.

Taking into consideration both the complex nature of third-wave democracies' "transition" processes as well as the risks associated with poor democracy promotion choices by foreign actors, it is imperative that aid practices be better examined. Carothers goes on to explain how the untrue assumptions of the paradigm have led the international community to grossly misunderstand and mismanage the transition periods of other countries. These assumptions of the inevitability of democracy led Western states with interest in seeing democracy realized to focus their aid on "social and economic development."[23] Carothers, an American specialist on aid,

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18 Mark R. Beissinger, "Promoting Democracy: Is Exporting Revolution a Constructive Strategy?," *Dissent* 53, no. 1 (2006), http://muse.jhu.edu/journals/dss/summary/v053/53.1.beissinger.html (accessed April 3, 2013): 19.

19 Ibid.

20 Ibid.

21 Ibid.

22 Ibid., 23-24.

23 Carothers, "The End of the Transition Paradigm," 19.

maintains that the money would be better spent on more democracy-oriented aid programs focused on systemic reform rather than simple economic stimulation.[24]

Even if revised aid plans did better work towards democratic goals, the risks outlined by Beissinger still exist. In his article, "The Backlash against Democracy Promotion," Carothers admits that the US, for example, has little power "to ease the broader discomfort with democracy promotion generally."[25] However, he does recommend that actors whose democracy promotion has angered the forces of the status quo instead be less heavy-handed in its technique and work through multilateral or international organizations in order to help reduce the association of democracy with the offending hegemon.[26]

These debates around the challenges, shortcomings, and suggestions for the improvement of aid towards democracy are essential questions that could hold the key to the successful democratic transition phase of many non- or fledgling democracies. The overall insight provided in these debates greatly shapes not only the analysis of aid's effect in the Ukraine case, but also how democracy-promotion aid policies could better succeed in the future.

1.1.2 The Ukrainian Case

In order to analyze how Ukraine fits into the above discussion of democracy promotion and foreign aid, its necessary to observe Ukraine within two important trends. The first trend, which swept through various ex-communist nations, was that of the Color Revolutions, which in itself inspired certain democracy-promotion aid patterns. Secondly, it is also important to work backwards from the Color Revolution phase, and observe the aid Ukraine received throughout its

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[24] Ibid.

[25] Thomas Carothers, "The Backlash against Democracy Promotion," *Foreign Affairs* 85, no. 2 (2006), http://www.jstor.org/stable/20031911 (accessed April 8, 2013): 67.

The recommendation Carothers suggests does not limit aid to strictly political democracy promotion, but warns against funding with no clear democratic goal. For example, he does not oppose economic aid, he simply suggests that it be designed to promote democratic ideals such as a more functional free market economy.

[26] Ibid., 65-66.

independence, which helps to establish an irregularity or a new trend around the time of the Orange Revolution.

Essential to this research and the Ukrainian case is the fundamental question regarding the extent to which the West influenced the Orange Revolution. In the case of the Color Revolutions, many academics differ on their interpretations of the causal role of Western aid, as the American ambassador to Russia, Michael McFaul indicates in his articles on the subject.[27] Scholars differ with some believing the West played a major causal role whereas others assert that the revolutions were "homegrown political events" wherein the West played a "productive but modest supporting role."[28] The causal nature of the role of Western involvement is secondary to the proceeding research; the existing consensus on the importance of Western aid to the movements is all that is needed to justify the research question explored here.

A review of scholarship must start with works that pursue greater explanations about the Color Revolution phenomenon. Donnacha Ó Becháin and Abel Polese's *The Color Revolutions in the Former Soviet Republics: Successes and Failures* provides case studies on each relevant country, attempting to isolate the factors that led to such revolutions in some cases and not in others. The collection's conclusion points to variables such as "international pressure," strength of the opposition, and popularity of the incumbents as key factors in determining whether or not a revolution would occur.[29] Theodor Tudoroiu speaks to why the revolutions failed to bring the promises they delivered, saying that the "struggle for political power within the ruling elite" did

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[27] Michael McFaul, "Ukraine Imports Democracy: External Influences On The Orange Revolution," *International Security* 32, no. 2 (2007), http://iis-db.stanford.edu/pubs/22086/InternationalSecurity-11-2007.pdf (accessed April 28, 2013): 46.

[28] Lincoln Abraham Mitchell, *The Color Revolutions*, (Philadelphia: University of Pennsylvania Press, 2012), 5-6.

[29] Donnacha Ó Becháin and Abel Polese, "Conclusion," In *The Colour Revolutions in the Former Soviet Republics: Successes and Failures*, (London: Routledge, 2010), 238.

not allow for a "civil-society driven democratization process."[30] Thus, the important role that civil society could have potentially played was thwarted by the remaining power structure, which does not lend itself to democracy. For this reason, Lincoln A. Mitchell concludes that the shift toward democracy was ultimately "misread" and US policy favored the governmental parties they supported during the revolution, although they were rather ineffective bringers of democracy.[31] The gap between these three works can be captured with the following questions: If Western aid contributed to the occurrence of the Color Revolution, how did it also factor into their failure? Is it simply a result of poor policy decisions and aid fund management or are there other reasons the West could not contribute better to the democratization process?

Scholarship focusing on the Color Revolutions has the tendency to emphasize aid trends during and after the Orange Revolution, omitting the patterns that emerged long before tensions began to mount, leaving the larger picture unanalyzed. Becháin and Polese's work cite the involvement of foreign powers as a critical variable in the cause and outcome of Color Revolutions in the reading, but the text lacks a comprehensive analysis of aid from the West, which is a major component of Western involvement. Mitchell's work argues that US policy was misguided, especially in its government-to-government aid, and contributed to the unimpressive democratic progress. However, a detailed look at Western aid is outside the scope of all of these books, which focus on other targets of analysis.

Few works pursue a more complete analysis of Western aid's impact, attempting to distinguish various forms of assistance before, during, and after the Orange Revolution. An important precursor to the research presented in this thesis is a report entitled "Assessing

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[30] Theodor Tudoroiu, "Rose, Orange, and Tulip: The Failed Post-Soviet Revolutions," *Communist and Post-Communist Studies* 40, no. 3 (2007), http://www.sciencedirect.com/science/article/pii/S0967067X07000323 (accessed April 3, 2013): 315-342.

[31] Mitchell, *The Color Revolutions*, 175.

Democracy Assistance: Ukraine" written by Natalia Shapovalova for Fride, an EU-based think tank. This assessment, released in 2010, provides an overview of major donor countries, the programs they employed, major shifts in trends, and the expressed intent of democracy assistance funding. Shapovalova's report discusses the effectiveness of democracy aid on two main objectives: civil society development and the "electoral process."[32] The emphasis on electoral process is highly problematic because it assumes falsely that they are good indicators of democracy. The issue of civil society development is perhaps more substantial.

Civil society is a key concept in the Ukrainian case. Shapovalova points to it as an indicator or democracy and a target of democratic aid. Todoroiu goes even further, citing it as the factor that would have led to a successful democratic revolution, had it not been for the political power politics that trumped this movement.[33] Furthermore, civil society development presents an attractive option for Western donors, who are likely to face significantly less backlash by furthering their democracy promotion goals than by attempting to directly fund an opposition government. Thus, civil society emerges as not only an important factor in Ukraine, but as a trend worthy of analysis with the aim of informing foreign aid policy.

Current scholarship on the subject of foreign aid in democracy promotion lacks in-depth analysis of how Western aid contributed to the results of the Orange Revolution and the subsequent democratization process. Although the causal relationship between the West, particularly through the OSCE, and the beginning of the protests has been noted by scholars such as Copsey, current scholarship fails to adequately address the impact of this aid on Ukraine's

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32 Shapovalova, "Assessing Democracy Assistance: Ukraine," 6.

33 Tudoroiu, " Rose, Orange, and Tulip: The Failed Post-Soviet Revolutions," 316.

democratization process (or lack thereof) for the duration of its existence as an independent state.[34]

After the Orange Revolution, a regional tendency to reject various forms of foreign aid, especially for civil society development, has emerged, indicating that they are perceived as both effective and threatening by the government that bans them. This "backlash against democracy promotion" is intriguing because it emerges from academic discussion as manifestation of the problems presented above by Beissinger[35] and Carothers.[36] Civil society can serve as an effective, reform-oriented recipient of democracy-promoting aid that Carothers mentions, but it also seems to have spurred the anti-democratic reaction that Beissinger warns about. Thus, it will take a closer look at foreign aid to understand the backlash and inform future aid policies accordingly.

1.1.3 Hypothesis

Based on the discussion surrounding both the Ukrainian case and the larger issue of effective foreign aid for spreading democracy, I have formulated the following hypothesis to test:

Foreign aid from the West failed in its aim to promote democracy due to high amounts of aid given directly to the Ukrainian government and little given to domestic civil society organizations.

1.2 Theoretical Framework

The research question and briefing on the various tiers of scholarly discussion surrounding the subject indicate the sorts of issues upon which the research presented here hopes to inform. Building upon the issues raised, the hypothesis provides an exact statement for the

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34 Nathaniel Copsey, "Ukraine," In *The Colour Revolutions in the Former Soviet Republics: Successes and Failures*, (London: Routledge, 2010): 37.

35 Beissinger, "Promoting Democracy: Is Exporting Revolution a Constructive Strategy?," 18-24.

36 Carothers, "The Backlash against Democracy Promotion," 55.

findings of the research to prove or disprove. In order to proceed with the research, it is necessary to provide a theoretical framework, which outlines my ideological basis for the analysis that follows. One of the potential problems with the current scholarship is that it acknowledges the ultimate goal of Western power's foreign aid as democratization for the recipients of their aid. Because of this, policy choices and aid that do not promote democracy are labeled as failures or mistakes. This is how such instances are interpreted in the liberal approach that sees democratization as a high-priority objective.

Liberal analysis does not allow for the interpretation of foreign aid policy as a conscious policy effort based on the prioritization of the state's realist goals. For example, Mitchell claims the US government "misread" the Yushchenko administration when it granted funds directly to the Ukrainian government for democratization, which implies that the decision was a mistake.[37] If one believes that the US was indeed following a normative liberal agenda that prioritized the spread of democracy, than this seems a logical interpretation. However, if the US supported the Yushchenko administration for another reason, it is completely lost in this interpretation. Similarly, Carothers discusses the US's inaction regarding the lack of free and democratic election in Fall of 2005 in Kazakhstan, Azerbaijan, and Egypt, calling the US hypocritical in this regard.[38] This implies that the US defied its stated objective (democracy), but pays little attention to the values that are in play here. What Carothers hints at and most scholars neglect, is all the objectives that democracy-promotion funds can satisfy under that name with no real obligation to the cause of furthering democratization.

The scholarly community writing on democracy advocacy and foreign aid tend to analyze the value of these objectives based on an assumed liberal and normative ideology. However, this

[37] Mitchell, *The Color Revolutions*, 167.
[38] Carothers, "The Backlash against Democracy Promotion," 67-68.

leaves out another dimension of explanation behind each shift in funding. By using both a realist and a normative approach to analyze Western donor countries, this theoretical framework may allow us to not simply distinguish between effective and ineffective aid, but also help determine which aid was meant to effectively promote democracy.

To understand the impact of aid from the West on Ukraine, we must first identify the objectives of this assistance, how much, and to whom it was issued, acknowledging both the liberal and the realist goals of the actors. In order to do this, I will be using the "realist-normative power" model that Chiara Ruffa presents on EU policies toward Lebanon.[39] The article centers on a case study of Lebanon, explaining the EU's involvement via various policies as both a symptom of its normative (essentially, liberal) goals and its realist predisposition towards protecting itself and expanding its own power.[40] Ruffa utilizes this model in order to complete the incomplete analyses yielded by structural realism and constructivism separately.[41] In Ruffa's analysis, the EU's European Neighborhood Policy ("based on a set of shared values") with Lebanon, serves as a tool both of the EU's normative-liberal agenda and of its neorealist priorities.[42]

In this analysis, foreign aid will be considered both a normative and a neorealist instrument. As Ruffa does in her analysis, I will also utilize Adrian Hyde-Price's neorealist model of analysis for EU normative power. This paper will consider Western aid to Ukraine as a product of these goals. Hyde-Price's approach helps move beyond the "explicitly normative" "liberal-idealist" view that is unable to objectively examine the power-seeking strategies that

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[39] Chiara Ruffa, "Realist-Normative Power Europe? Explaining EU Policies Toward Lebanon from an IR Perspective," *Comparative European Politics* 9, no. 4 (2011), http://www.palgrave-journals.com/cep/journal/v9/n4/full/cep201117a.html (accessed May 3, 2013): 562.

[40] Ibid., 562-563

[41] Ibid., 563

[42] Ibid.

come with the promotion of "normative" goals.[43] Instead, Hyde-Price's model of analysis will be paired with a normative analysis, allowing for the consideration of both as motivating ideologies. This method of analysis, which acknowledges the power objectives of the donor states, explains why Western aid fluctuated and shifted recipients throughout the course of the revolution, leading to the results that will be the ultimate focus of this research. Hyde-Price also contributes a justification for examining the EU as a single entity in its actions concerning its near abroad, stating that "the EU serves as an instrument of collective hegemony", with its nations cooperating to gain security and power maximization.[44]

In order to provide an overview of Western interest in Ukraine, I will draw on Hyde-Price's "'Normative' Power Europe: A Realist Critique," wherein EU interest in Ukraine is explained by five basic propositions: security competition in a self-help system, security and power maximization, relative gains, milieu shaping, and second order concerns.[45] For the purposes of this section I will expand these propositions and apply them to the West in general. Differences in the relevance of certain concerns will be discussed in subsequent sections where the two Western powers examined are addressed separately.

Western interest in the Ukrainian situation is a product of "security competition."[46] To understand the Western perspective in this region, we must acknowledge Russia as the major hegemonic competitor in Eastern Europe. Historically, Ukraine has been considered one of the critical areas where Russian influence and power can be projected, following the "well-known aphorism that with Ukraine, Russia becomes an empire."[47] Neorealism maintains that "security is

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43 Adrian Hyde-Price, "Normative Power Europe: A Realist Critique," *Journal of European Public Policy* 13, no. 2 (2006), http://dx.doi.org/10.1080/13501760500451634 (accessed April 3, 2013): 218.

44 Ibid., 227.

45 Ibid., 221-222.

46 Ibid., 221.

47 Copsey, "Ukraine," In *The Colour Revolutions in the Former Soviet Republics: Successes and Failures*, 36.

the primary concern of states" and that Russia has been the 20th century's major threat to the West.[48] Thus, in the effort to "eliminate or neutralize potential rivals" in pursuit of security, Ukraine is of strategic importance to both parties.[49] Western involvement in Ukraine can also be seen not only as a product of security interests, but also as a collaborative effort at "milieu shaping," which targets the overall stability of "their external environment."[50] Because security interests aligned between the Western powers in the Ukrainian case they were able to cooperate over their collective "stake in the stability of the region."[51]

"Security and power maximization" is a more complicated proposition of neorealism that acknowledges that after security concerns are met, power maximization strategies will be implemented. This compounded effort in international relations will better enable states to "eliminate or neutralize all potential rivals."[52] This strategy is always secondary to security concerns and will be discontinued if ever the benefits do not outweigh the costs.[53] This is a particularly important factor when considering the changes in aid flow from the West to Ukraine. These fluctuations can be explained by the perceived benefits to the West and opportunities to maximize power. The concept of relative gains is slightly less relevant to the case of Ukraine and the West because both parties are not "major powers." Ukraine (as a weaker power) is more likely to be concerned about "absolute gains." We will return to the discussion of "relative gains" when aid inflow from various Western powers is addressed in a subsequent section.

Finally, there are the "second-order concerns" which are defined as a "range of ethical concerns reflecting their distinct political values."[54] In the case of the West, these are the human

48 Hyde-Price, "Normative Power Europe: A Realist Critique," 221.
49 Ibid.
50 Ibid., 222.
51 Ibid.
52 Ibid., 221.
53 Ibid., 222.
54 Ibid.

rights and democratic values that are often associated with the normative liberal West. Liberal-idealist ideology might recognize these objectives as paramount, however, in neorealism they are always secondary to the objectives previously mentioned. If ever a core objective, such as a state's security, is threatened by efforts that uphold second-order concerns, the second-order concerns will be sacrificed. Therefore, using the framework previously provided, we must consider the West's democracy promotion to be a second-order concern, and the security and gains provided by democratization to be the true motivation for Western involvement.

Hyde-Price's secondary ethical concerns open the door for the question of prioritization. Whereas Hyde-Price's neorealist model ranks these normative goals as the lowest priority, a liberal normative interpretation would consider these concerns to be of higher importance. By analyzing the donors through both lenses, the instances of conflicting priorities will become clearer, and the objectives behind policy decisions can be better understood.

1.2.1 Defense and Limitations

The application of a partially neorealist approach to the question of Western democracy promotion in a foreign country may suggest to the wary reader that the research presented here will be skeptical and critical of the normative explanations for the West's interference. However, it is my hope that the application of a neorealist perspective will help eliminate some of the common focuses and biases that dominate research based in liberal ideology.

To begin with, it is important to consider that a lack of faith in the moral/political implications of liberalism is not a precondition for the application of this neorealist perspective. As Hyde-Price also quotes in his realist critique of "ethical power Europe," Hans Morgenthau, the father of realism, wrote:

"Political realism does not require, nor does it condone, indifference to political

ideals and moral principles, but it requires indeed a sharp distinction between the desirable and the possible—between what is desirable everywhere and at all times and what is possible under the concrete circumstances of time and place."[55]

Thusly, the liberal value of democratic ideals for the sake of humans rights purposes etc. can be removed from this discussion and considered secondary, leaving the analysis free to use the various self-serving interests of states, described above, to interpret the various changes in their democracy assistance aid.

Similarly, Hyde-Price's theoretical framework does not negate, bar, or otherwise disqualify the moral/ideological weight placed on democracy promotion. In contrast to classical realism, this approach acknowledges that "second-order concerns," such as objectives motivated by ethics, can and do influence state actions.[56] Furthermore, my mode of analysis strives not to prioritize neorealism or normative liberalism, but instead allows their importance to be compared to one another by both analyzing situational pressures and the reflection of these objectives in policy. It is precisely this feature of this model that allows Ruffa to reconcile both normative and realist explanations, in order to reach a more plausible explanation for larger trends.[57]

One of the drawbacks of this theoretical framework is that the realist objectives suggested in the research as guiding aid policy are debatable. The analysis presented cannot necessarily identify a miscalculation or misjudgment behind foreign aid policy decisions. Instead of ascribing a policy choice to a mistake in an effort to achieve a goal, this analysis will consider donor actions to be a product of their effort to further their objectives, whether they be normative

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55 Hans Morgenthau in "A 'Tragic Actor'? A Realist Perspective on 'Ethical Power Europe'," *International Affairs* 84, no. 1 (2008), http://www.chathamhouse.org/sites/default/files/public/International%20Affairs/2008/84_129-44.pdf (accessed April 13, 2013): 29.

56 Hyde-Price, "Normative Power Europe: A Realist Critique," 222.

57 Chiara Ruffa, "Realist-Normative Power Europe? Explaining EU Policies Toward Lebanon from an IR Perspective," 576.

or realist. In this interpretation, there are no 'mistakes' in the approach of policy, only hidden agendas, which by their nature are nearly impossible to know for certain.

1.3 Analytical Framework

In order to test the hypothesis, it is first necessary to choose Western donors of aid to Ukraine to analyze. Following Natalia Shapovalova's report on Ukraine for the Assessing Democracy Assistance program, the Western donors analyzed here will be Ukraine's largest bilateral donor, the United States and its largest multilateral donor, the European Union.[58] These two great powers have different relationships with and interests in Ukraine, thus their case studies may provide comparisons that greater inform the final analysis of the hypothesis. The analysis will be broken into two distinct periods: the era between gaining independence and the Orange Revolution, and the era including the Orange Revolution and continuing to the present. The Orange Revolution marks a change in the relationship Ukraine had with these two Western powers and therefore marks a change in the aid pattern.

The US and the EU will first be analyzed quantitatively. Statistics on general economic assistance and the largest funding programs of these governments will be evaluated and the amounts of funding between different types of recipients will be compared, when available. The largest governmental foreign aid operations include instruments such as TACIS and EIDHR for the EU.[59] US government funding sources include USAID and the National Endowment for Democracy (NED).[60] Year-by-year records of these types of accounts compared with overall economic assistance reveal peaks and lows of each type of spending with relation to one another.

The analysis would be unable to determine the effect of this aid by analyzing the recipient and amount alone. To supplement the quantitative section, the theoretical framework

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58 Natalia Shapovalova, "Assessing Democracy Assistance: Ukraine," 2-3.
59 Ibid., 2.
60 Ibid., 3.

will be used to explore the donor's possible political and ideological motives behind major fluctuations. These results can be compared against broader assessments of the state of democracy in Ukraine, the success of the funding program, or the effectiveness of the recipient.

The first portion of the hypothesis can be affirmed by findings that suggest a that Western country send large amounts of funding to the government with the intent of promoting democracy, and that the programs are ineffective in promoting democracy, as evidenced by poor evaluations and/or overall democracy ratings. The second portion of the hypothesis can be confirmed if less aid is given towards civil society development and democracy indicators also decline. The hypothesis can be disproven in a number of ways, such as a) ..if increased Western aid directly to the government correlates with positive democratic growth. b)...if Western donors do not give more funding to the government. c)...if decreased Western aid for domestic civil society correlates with positive democratic growth. d)...if Western donors do not give comparatively less funding to civil society. In addition, if the donor's motivation is not to promote democracy, the effectiveness of the aid must be evaluated based on its goals.

1.3.1 Defense and Limitations

There are multiple limitations to this sort of analytical framework that must be noted before a discussion of the results. One of the most glaring problems is the assessment of the impact of the various tools of democracy promotion. Gauging the impact of such institutions presents a difficult task. Ascribing stagnation, devolution, or progress in terms of democracy to specific tools of democracy promotion is not the intended result. This research model can only hope to pair funding flows against an analysis of the effectiveness of the recipients and draw conclusions based on these happenings.

Furthermore, it should be noted that the analytical framework does not allow for in-depth explorations of the recipient. This is particularly relevant to the indirect funding category that focuses on civil society and NGOs. The goal of this research model is not to assess the relationship or partiality towards governmental parties that NGOs or other such organizations may have. Instead, the theoretical framework allows the research to treat these recipients as indirect manifestations of state interests, in accordance with the Hyde-Price theoretical framework detailed above.

An additional shortcoming of this research is that a case studies of international, multilateral organizations such as the UN or the OSCE are not included. Singular actors such as the US and the EU (even though it is multilateral) are able to make decisions more easily and are less limited in their choices for aid recipients. This research seeks an understanding of their aid policies, because they are often large in volume and diverse in their approach.

Despite the theoretical and analytical limitations of the following research, it will contribute to the discussion of democracy promotion in the former USSR. The specific hypothesis explored here is one absent from current literature. By following this research model, I hope to contribute to a better understanding the relationship between donors, amounts of funding, and recipients and how this contributed to the ultimate failure of the Orange Revolution to successfully promote democracy in Ukraine.

One of the greatest shortcomings this research will attempt to overcome is the availability of data. Some of the governments and programs examined here do not offer statistical information on aid flow formatted in a manner that renders it easily compared to other data provided by different governments. The EU's various foreign assistance programs do not always divide expenditure reports by recipient country. When this information is provided, it is

sometimes extremely difficult to access for those without the proper channels. The US government's various assistance programs sometimes involve financing corporations, and the aid flow cannot always be seen as directly benefiting one country. Although available aid flow information is compiled into the provided tables, the problems with the reports (or lack thereof) issued by the governmental organizations and other institutions examined here is an indication of the need for greater transparency and clarity in understanding the role and impact of foreign aid in promoting democracy.

Chapter 2- Pre-Revolutionary Era

In order to better understand the aid flow during and after the Orange Revolution, it is important to first have a basis for comparison rooted in the preceding years. After gaining its independence in 1991, Ukraine struggled with the transition to a free market economy and privatization throughout the 1990s. The Ukrainian economy was characterized by hyperinflation, poverty, and high disparities in per capita income. Estimates place the per capita GDP of Ukrainians at just 1,307 USD as of 1991.[61] The national economy contracted annually since independence until 1996, anywhere from 9.7-22.7%.[62] Rampant corruption and the rapidly growing shadow economy negatively colored Western perceptions of the Ukrainian domestic situation.[63]

In addition to the economic volatility, Ukraine's political orientation towards Russia or the West was an issue that went largely unresolved in the 1990s. Although Ukrainians displayed a strong will to "preserve the Union of Socialist Soviet Republics as a renewed federation of equal sovereign republics" at an overwhelmingly high 83.5% in 1991, Russia remained in a

[61] Pekka Sutela, "The Underachiever: Ukraine's Economy Since 1991," *Carnegie Endowment for Global Peace*, http://carnegieendowment.org/2012/03/09/underachiever-ukraine-s-economy-since-1991# (accessed May 5, 2013).
[62] Ibid.
[63] Ibid.

weakened position throughout the 1990's, rendering it unable to exercise fully its historical influence in the region.[64] In a similar spirit of closeness with former Soviet Republics, Ukraine began the process of joining the Commonwealth of Independent States along with Russia, Belarus, and Kazakhstan. However, political turmoil in Moscow diminished faith in the venture, and Ukraine remains an unofficial member to date. Ukraine's second president, Leonid Kuchma, entertained the idea of pursuing relations with the EU and eventual membership in the late 1990s and early 2000s, though significant strides were never made. Ukraine, like many other post-Soviet nations, has maintained a cautious but close and cooperative relationship with Russia, while pursuing increasingly close relations with the West.

This overview of newly independent Ukraine will inform the analysis offered below of Western aid flow. The various donors mentioned before had different priorities and objectives that considered both the Ukrainian situation offered above, the greater balance of international politics prevalent at the time, and their own domestic situations. The following sections will consider the latter two factors using the neorealist approach set forth by Hyde-Price to analyze the reasoning behind aid flow and its quantity and quality. For each donor, this research will examine the overall aid flow, the amount of aid going toward democracy assistance, and the quality/effectiveness of this aid.

2.1 United States

2.1.1 Aid Flow

The United States government has been the largest bilateral donor of economic assistance to Ukraine from 1992-2010.[65] Fortunately for this study, the US also provides some of the most detailed qualitative data on this assistance, although changes in account/funding categorization

[64] "Referendum on the Preservation of the USSR," *RIA Novosti*, http://en.rian.ru/infographics/20110313/162959645.html (accessed May 2, 2013).

[65] Shapovalova, "Assessing Democracy Assistance: Ukraine," 3.

do render a comparison of the 1990s to the 2000s slightly problematic. As with other donor activity in the years between independence and the Orange Revolution, US aid activity is steady and concentrated. This aid flow seems to correlate with the maintenance of a steady political relationship with the United States and Ukraine's consistently poor economy. The one notable fluctuation in US aid in the period coincides with the only major political dispute, as shown in Table 1 and Chart 1.

The pillar upon which US-Ukrainian relations were built in the 1990s was the FREEDOM (Freedom for Russia and Emerging [Eurasian] Democracies and Open Markets) Support ACT (FSA). This legislation, put into effect in 1992, was the mechanism with which the US approached Ukraine and the other former-Soviet republics during the transition period.[66] The FSA's implementation and the establishment of all the newly independent republics marked the beginning of sizable aid flow to the region. In the case of Ukraine, USAID reports on total economic assistance[67] shows a spike from .65 million USD in 1992 to 198.85 million USD in 1993, which is a dramatic increase.[68]

Referring to Table 1 and Chart 1, there are high levels of economic funding throughout the 1990s, even considering the relative dip in 1997. The primary focus of this funding seemed to be the development and privatization efforts of the economy. This was one of the main goals of the FSA itself:

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66 George H.W. Bush, "Statement on Signing the FREEDOM Support Act." The American Presidency Project, www.presidency.ucsb.edu/ws/?pid=21658 (accessed May 3, 2013).

67 This 'assistance' includes both loans and grants.

68 USAID, "Ukraine," U.S. Overseas Loans and Grants (Greenbook), http://gbk.eads.usaidallnet.gov/query/do?_program=/eads/gbk/tablesByCountry&cocode=4UKR (accessed May 13, 2013).

"The Freedom Support Act was intended to help the people and governments of these newly independent states navigate the difficult transition from communism to democracy and market-based economies."[69]

Here we see that the US approach to securing democracy in these transitioning countries was to address the development of the free market economy immediately. Ukraine received large sums from the fund for USAID assistance grants (1994-1998) and then from the fund for the assistance for the independent states of the former Soviet Union (1999-2006), operating under the FSA.[70] Referring to Chart 2, the FSA's heavy emphasis on "Economy and Society" is quite evident, comprising 59.5% of in 1994 and 46.1% in 1999.

Of course, FSA funds were allocated to democracy promotion efforts, such as grants to civil society organizations, non-governmental organizations, and other such projects. Table 1 shows modest support from the NED throughout the 1990s and into the early 2000s, which experiences fluctuations that roughly parallel the overall totals of economic assistance.[71] In comparison to "Economy and Society," "Democracy" and "Human Rights" were comparatively small categories, comprising just 16.2% and 18.4% in 1994, respectively.

The heavily weighted emphasis on economic assistance began to change drastically in the 2000s. From 2001 onward, USAID Economic Analysis Data Service (EADs) makes available its expenditures by sector and implementing partner type. Unfortunately, this detailed style of report is not available for the 1990s. Although data from 2001-2003 will not reflect trends in the 1990s, these years can help establish a basis of comparison for the revolutionary and post-revolutionary period from 2004-2011. I will therefore present the data for the provided years, recognizing that

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[69] Philip H. Gordon and Daniel Rosenblum, "The FREEDOM Support Act: 20th Anniversary." *U.S. Department of State*, http://www.state.gov/p/eur/rls/rm/2012/198152.htm (accessed May 3, 2013).

[70] USAID, "Ukraine," U.S. Overseas Loans and Grants (Greenbook).

[71] Although the NED is a non-profit organization, it is funded primarily by the U.S. Department of State, and is thus listed in this section dedicated to the US as a donor.

the full period from independence until the Orange Revolution cannot be factored into these findings.

To analyze democracy promotion expenditures, the EADs sector labeled "Governance and Civil Society" is used. The data in Table 2 shows that "Governance and Civil Society" comprised around 20% of total spending for all sectors in 2002, a significant portion. Chart 3 clearly shows that a very insignificant portion of this funding goes to any non US recipient, including non-US governments (which would include the Ukrainian government). From 2001-2003, only a small portion of funding in this category goes to NGOs, with American NGOs accounting for much more than others (See Table 2).

The pre-revolution era's aid scheme can be characterized by its emphasis on economic stimulation over politicized democracy promotion. There is also a marked lack of aid flowing directly to non-US governmental recipients, i.e. the Ukrainian government, or any NGO groups. From independence to 2003, the most significant fluctuation is the drop in 2003 with a total of just 110.26 million USD in economic assistance. This may be explained by the political tensions that spilled over in 2002 as the US accused Kuchma of selling the Kolchuga defense system to Iraq.[72] This caused a Ukraine that was merely "isolated" after the Kuchmagate scandal to experience "worsened dramatically" relations with the West, especially with the US.[73] This breakdown of political relations may account for the dip reflected in the following year's aid expenditures.

2.1.2 Donor Motivation and Effectiveness

US aid to Ukraine in the period directly following independence is a reflection of the US's neorealist agenda, as outlined by Hyde Price. Ukraine, though not a particularly powerful

[72] Taras Kuzio, "Regime Type And Politics In Ukraine Under Kuchma," *Communist and Post-Communist Studies* 38, no. 2 (2005), http://dx.doi.org/10.1016/j.postcomstud.2005.03.007 (accessed April 28, 2013): 187.
[73] Ibid.

or wealthy nation in itself, has long been considered a geostrategic gem in international relations. Because of its proximity, historical connection, and entrenched social as well as political relationship with Russia, Ukraine is a priority for any international actor at odds with Russia. Although it is presumed that the collapse of the USSR brought an end to Cold War tensions between Moscow and Washington, both powers struggled for influence in the post-Soviet world. Russia strove to protect its long-standing sphere of influence, while the United States countered these efforts.

In accordance with long-standing American political tradition in the region, aid flow to Ukraine was used as a tool to promote U.S. interests. Aid is one facet through which the United States attempts to gain a competitive edge against Russia, utilizing aid in effort to secure influence in Ukraine, thereby maximizing its own power. Of course, funding the development of a free market economy and promoting democracy, rule of law, and civil society are normative endeavors. Though the promotion of these tenants is seen as being to the benefit of its population, they also serve to align Ukraine ideologically and politically with the United States.

This particular period, between independence and the Orange Revolution, featured a greater emphasis on Ukraine's market economy. This matter got the most attention in this financially struggling nation because it was a particularly pressing issue, the amelioration of which the US assumed would bring natural strides in progress with regard to humanitarian and democratic issues.

However, US aid must be viewed as politically motivated and not strictly an effort to improve the lives of Ukrainians by spreading democratic ideals. If the latter were true, explaining the surge in aid around elections would be difficult. The political economy of US aid can be easily observed in the total economic assistance figures seen in Chart 1. Presidential election

years have higher funding than either the preceding or the following year and parliamentary election years show more mild spikes in funding. This trend holds true not only for the pre-revolutionary period, but for Ukraine's entire existence as a sovereign state. Note the peaks in aid indicated for 1994, 1999, 2004-2005, and 2010, all years in which presidential elections were to be held. This suggests that aid, though not necessarily geared toward campaigns, governmental parties, or other political groups, is designed to have an impact on the elections. As Copsey notes, there has often been a pro-Western and a pro-Russian candidate. By bolstering efforts in general for election years, the US's aid patterns can be seen as trying to influence the elections and maximize its political influence over the Ukrainian state.[74]

However, if this is either the direct intent or indirect intent of this pattern, its effectiveness is dubious. In the pre-revolutionary period, Kuchma was elected in both 1994 and 1999. As explained above, his second term solidified his image as a corrupt leader and a problematic politician in terms of American security interests. Perhaps the overwhelmingly negative perception of Kuchma by the US government can be used to explain not only the drop in aid in 2003, but also the subsequent rise seen in 2004, which was an election year and a chance to secure new leadership.

2.2 European Union

2.2.1 Aid Flow

The EU's economic assistance to Ukraine in the 1990s can be characterized by its heavy focus on macro-financing and its relatively apolitical nature. The first major EU program put in place to handle foreign aid to the dissolving USSR was TACIS (Technical Assistance for the Commonwealth of Independent States). The period before the Orange Revolution brought many changes for the EU, which had a significant impact on both the EU's relations with Ukraine and

[74] Copsey, "Ukraine," In *The Colour Revolutions in the Former Soviet Republics: Successes and Failures*, 35.

its role in the international community overall. These changes, primarily instigated by the developments in EU enlargement, affected change in conjunction with the forces at play in the Orange Revolution.

TACIS was the main instrument through which EU aid was channeled to Ukraine. The program was initiated in the midst of great economic struggles with the transition process and its goals explicitly stressed the development of Ukraine's market economy. As an EU report on TACIS states: "Since its independence Ukraine has been the object of particular attention and concern for the EU on the account of its size, its military importance, its relative proximity to Western Europe and as the site of the Chernobyl Nuclear Power Plant."[75] Ukraine's importance to the EU can largely be understood as a result of its geographical proximity, which made it an area of interest with regard to regional security and stability.[76]

Financial aid and loans directed towards the development of the economy comprised the majority of TACIS funding during this time. Referring to Table 3 from the TACIS evaluation report for 1991-1998, loans and grants issued for the purpose of macro-economic stimulation were the largest category represented in the total 726.3 million ECU that went to Ukraine. Economic assistance accounted for 50.6% of the total funds.[77] However, TACIS did reflect other areas of concern for the EU, such as nuclear safety. Aid towards nuclear safety accounted for 131.4 million ECU, which is 18.2% of the total funding.[78]

The EU's liberal ideology and normative goals were not well reflected in TACIS funding. Only 1.2% of the total expenditures were dedicated specifically to humanitarian aid and democracy programs combined (Table 3). The main tool for the distribution of aid toward

[75] "Ukraine - Evaluation of EC Country Programme," European Commission, ec.europa.eu/europeaid/how/evaluation/evaluation_reports/reports/tacis/951417_en.pdf (accessed April 2, 2013), 1.
[76] Ibid., 5.
[77] Ibid.
[78] Ibid.

democracy and human rights is the EIDHR (European Instrument for Human Rights and Democracy), which was started in 2006, but is based on the European Initiative program started in 2000. Unfortunately, the availability and clarity of EIDHR budget reports makes data analysis difficult.[79] Based on two compendiums of grant projects, I have created Table 4 out of only those projects with descriptions that focused primarily on democracy promotion, civil society, or the rule of law. From 2000-2003, no Ukrainian organization received a grant for such a project, though eight foreign organizations received a total of $3,317,915.60.

2.2.2Donor Motivation and Effectiveness

To discuss the aid trends from the European Union, its motives for helping Ukraine must be examinedfirst. Starting with TACIS, the potential volatility of the former-Soviet bloc motivated aid targeting the issue of transitioning to a market economy. This type of funding flowing from government to government allowed the EU to work towards regional stability and security.

Scholarly evaluations on TACIS funding in the former USSR is somewhat mixed. However, Ukraine is believed to have achieved modest democratic reform, and slightly more significant economic improvement.[80] TACIS's limited effects are partially a result of the conservative nature of the program, which focused on aid and loans for economic development given directly to the government as well as aid for nuclear safety issues. With regard to these limited goals, TACIS performed satisfactorily. In an evaluation of TACIS, the program's performance in Ukraine was ranked in based on 14 different categories as 'high', 'moderate', and

[79] I would like to note here that the data is calculated by the maximum budget requests, not by actual disbursements. Another problem with the data is that the grants are issued for the duration of the project, not on a yearly basis. In the table, the yearly totals are calculated using the entire budget towards the year in which it was approved.

[80] "Ukraine - Evaluation of EC Country Programme."

'low'.[81] Only four out of the 14 were ranked as 'moderate'with the rest being placed in the category'low'. Nuclear safety and energy were both given ratings of moderate. In comparison to other recipients, the evaluation of TACIS in Ukraine yielded some of the least satisfactory results, in comparison to smaller recipient country with higher percentages of TACIS funds as a percentage of GDP and per capita.[82]

Rather modest efforts of the EU toward NGO funding and other more politically charged forms of direct democracy assistance were minimal in the 1990s. Small amounts of democratic assistance at this time in comparison with the levels seen in the early 2000s and after the Orange Revolution can be explained partially by the fact that the EU has seen a steady "rise" in its own power and influence in the international community.[83] The increased EU funding towards democratization efforts in Ukraine is both a reflection and a symptom of its own increasing power as an international actor. Democratic assistance efforts in the later portion of this period helped the EU to pursue "security and power maximization" objectives in order to gain influence in the region and ensure that it remains balanced and favorable. The increase in funding for human rights initiatives, rule of law, and other such liberal ideals do represent normative goals of Europe. However, the EU focused more on these "second order concerns" while engaging in power-preserving milieu shaping only once it had a more strongly developed position in the international community.

The EIDHR's civil society and democratization projects have also been criticized by scholars. The application process and standards for grant eligibility are stringent and prohibitive,

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81 "TACIS Interim Evaluation Synthesis Report," European Commission, ec.europa.eu/europeaid/how/evaluation/evaluation_reports/reports/tacis/951415_en.pdf (accessed May 2, 2013): 45.

82 Ibid., 18-19.

83 Chiara Ruffa, "Realist-Normative Power Europe? Explaining EU Policies Toward Lebanon from an IR Perspective," 567.

adding a thick layer of bureaucracy to the process.[84] The EU's democratization efforts are also viewed as minimally motivated by politics, focusing more on "social rights protection," especially of minority groups, instead of on "voter education and mobilization." [85] This generalization is particularly true in the period before the Orange Revolution, when few notable fluctuations and no identifiable patterns emerge in amounts of assistance around elections or other political events (see Table 4). This trend may hint that EU democracy assistance during this period is an example of normativity taking slight precedent over realist goals.

Chapter 3- Orange Revolution and Post-revolution Era

The Orange Revolution's mass protests came when the OSCE's reports of fraud disputed Viktor Yanukovych's victory, the candidate endorsed by the incumbent Leonid Kuchma, who by that time was suffering from the negative backlash incited by his scandals. Although the Orange Revolution did not break out until the elections held at the end of 2004, I have chosen to include it in my analysis of aid in the Orange Revolution and the post-revolution era because it is distinct from the previous period in that 2004would obviously be a tense election year.[86] Outraged by the reported electoral fraud, Ukraine's domestic situation turned its attention towards the opposition[87], headed by Viktor Yushchenko, and election transparency. Foreign aid flow trends suggest that donors also focused more on the opposition's success over general investments in democracy, such as civil society organizations.

Although it has been suggested that the West's role is frequently "overestimated,"the pivotal role played by the OSCE, a multilateral governmental organization, should not go

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84 Richard Youngs, *Is the European Union Supporting Democracy in its Neighbourhood?,* (Madrid: Fride, 2008): 93.

85 Shapovalova, "Assessing Democracy Assistance: Ukraine," 3.

86 Taras Kuzio, "Regime Type And Politics In Ukraine Under Kuchma," 170.

87 Yushchenko was a member of the opposition during the Orange Revolution but his official party before, during, and after was Our Ukraine.

unmentioned.[88] It is also pertinent to justify claiming the OSCE as a representative of the West. The Organization for Security and Cooperation in Europe's (OSCE) election monitoring results that indicated fraud in favor of Viktor Yanukovych were the only truly causal contribution of the West. The "neutral and disinterested" party's findings were taken seriously and led to outrage among Ukrainians and the international community alike.[89] Foreign powers of the West demanded that the OSCE's findings be addressed. For example, the European Parliament even passed a resolution calling for another election.[90] Without the report of election fraud from the OSCE, the unfair election may not have been exposed, in which case the people would not have begun protesting and the international community would not have gotten involved by demanding fair elections and supporting the protests.

Considering the OSCE's shared ideological basis with the governments from which it receives the vast majority of its funding, it follows that the OSCE can be viewed as a product of, if not an agent of, major Western powers. This organization's foundations are predicated on liberal values upheld by Western democracies. Together the European Union member states comprise 70% of the standard budget while the United States is the largest single-state donor with a share of 11.5%.[91] Besides this causal contribution, the West also gave reactionary involvement, filling various supporting, promoting, and facilitating roles throughout the ensuing revolution.

3.1 United States

3.1.1 Aid flow

[88] Copsey, "Ukraine," In *The Colour Revolutions in the Former Soviet Republics: Successes and Failures*, 35.
[89] Ibid., 37.
[90] Tudoroiu, "Rose, Orange, And Tulip: The Failed Post-Soviet Revolutions," 329.
[91] "Democracy Assistance Factsheet," Fride, http://www.fride.org/descarga/OSCE.pdf (accessed April 8, 2013): 1.

During and following the Orange Revolution, US aid flow targets and quantities depart considerably from the trends found in the pre-revolutionary period. A greater emphasis is placed on democracy assistance in the form of civil society development and good governance projects. Referring to Chart 1, it is obvious that total aid expenditures were not as high from 2004 onwards as they were in the earlier years. The absolute peak came in 1994 with a staggering total of 471.57 million USD. However, the decline in overall aid funding does not reflect the amount of money put toward democracy promotion.

Different funds for democracy promotion experienced differing patterns. In the midst of the Orange Revolution, democracy promotion funds of USAID were at a record high in 2005 at 58 million USD, nearly a 170% increase from the previous year.[92] Increased funding for democracy assistance came from the NED as well as from the Millennium Challenge Corporation from 2006/2007 onward. There were also high expenditures in 2005 for NGOs, both non-US and US, although such support would ultimately decline in the period between 2004-2007.[93] The higher levels of funding for democracy aid in 2004-2005, such as increased funds for NGOs via the NED (see Table 1), coincide with their role in mobilizing protestors and supporting the massive protests. Civil society groups supported by the US are generally politically aligned groups and, especially in this period, are often focused on "voter education and mobilisation."[94] Thus, although US efforts to support civil society dropped off during this period, there was significant funding in the critical years of 2004-2005 during which funding was provided towards organizations supporting the political changes brought about by the Orange Revolution. From 2004 to 2005, US aid increased overall, but "Governance and Civil Society" expenditures rose nearly 10 million dollars (see Table 2). In Chart 3, we can also observe an

92 Shapovalova, "Assessing Democracy Assistance: Ukraine," 3.
93 Ibid.
94 Ibid.

increase in funding given to non-US organizations, though it is still a very small portion of the total.

Another trend that emerged from 2004-2010 was increased aid given to the government. Between 2004 and 2007, there was 70% less funding being awarded to all non-state actors, while the government sector received 59% more.[95] Although higher totals persisted for the US government itself as an implementing agency, rates also dramatically increased for aid granted to the Ukrainian government.This was presumably a symptom of the US government's faith in the Yushchenko administration to successfully promote democratization efforts.

3.1.2 Donor Motivation and Effectiveness

In comparison to the period before the revolution, some significant changes in aid patterns can be observed from 2004-2011. Most significantly, general rates of aid decrease, democracy assistance receives more funding, and there is an increase in assistance given to governmental sectors. This is a clear break from patterns that characterize the previous era. With democratic ideals seemingly in peril after Kuchma's scandalous second term, US interests in political stability could best be served by funding civil society organizations and Kuchma/Yanukovych's opposition. The outbreak of the Orange Revolution and Yushchenko eventually taking office would indicate that US aid efforts did help move the situation in a favorable direction from a Western perspective.

However, the US has been criticized for its sudden drop-offs in democracy assistance through the promotion of civil society and its persistent contributions to the Ukrainian government under Yushchenko.[96]This evidence supports the claim that the US "viewed the new

[95] Ibid.
[96] Ibid.

leadership and the primary engine of democracy."[97] The positive result[98] of the electoral revolution, which was the focus of much aid, led the US to support Yushchenko's government directly. This premature faith caused assistance to be channeled into a government, whose "democratic credentials and desire to quickly consolidate democratic gains...were never challenged."[99]

This government and the years after the Orange Revolution did not bring long-lasting, full-fledged democratic change to Ukraine. Certain practices, such as a minor development of civil society infrastructure and slightly freer media, can be seen as enduring products of the revolution.[100] However, Ukraine remains, simply, "a more complex semidemocracy" that saw limited progress in the Yushchenko years as a result of the lackluster performance of his administration.[101] In some ways, the funding provided to the Ukrainian government does seem to have been wasted.For example, The Millennium Challenge Corporation funding which totaled $64.58 million between 2006 and 2010 was largely awarded to the Ukrainian government. Meanwhile, Freedom House's democracy ratings chart (Chart 4), gives Ukraine an unfavorable score of 5.75 for that period, only to have it drop to an even worse 6.00 in 2010. Thus there is substance to the assertion that the funds were poorly allocated.

If the US was seeking to promote a more rapid democratization process, inter-governmental aid proved to be a poor decision. Neorealism, however, does not limit us to this interpretation. The aid may have been "misguided" as Mitchell claims because the quantity that was issued to its recipient did not result in major progress.[102] Alternatively, the aid may have

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97 Mitchell, *The Color Revolutions*, 175.

98 By positive result, I mean the successful overturning of the original result of the election, not the larger democratic ideals promoted by the Orange Revolution.

99 Mitchell, *The Color Revolutions*, 167.

100 Ibid., 184.

101 Ibid., 181.

102 Ibid.

been issued in order to spur political stability and promote an amicable relationship between the two governments, after the turbulence of the Kuchma years. Although not the most effective in promoting liberal ideals, these aid trends did coincide with a years of stable, friendly, secure relations between Ukraine and the US.

3.2 European Union

3.2.1 Aid Flow

The period from 2004 until the present demonstrated drastic changes in EU policy toward Ukraine in comparison to the previous years. The enlargements of 2004 made Ukraine a geographical neighbor of the EU, and thus vastly increased its importance to EU security. The balance of international relations shifted to reflect this change. The Partnership and Cooperation Agreement of 1998 between Ukraine and the EU had simply emphasized democracy and other liberal ideals.However, this agreement is often criticized for being "superficial" because it had no definitive goals, deadlines, or incentives capable of sparking real change.[103] After the EU enlargements of 2004, Ukraine entered into negotiations for membership in the European Neighborhood Policy (ENP), which it officially joined in February of 2005. This strengthening of EU relations coincides with the Orange Revolution and contributed greatly to the EU's increased involvement in the conflict.

After 2004, financial assistance from the EU flowed to Ukraine primarily through the ENP/ENPI (European Neighborhood Partnership Instrument) and the EIDHR. Chart 4 shows slightly increased volumes of aid beginning to be distributed to CSOs (Civil Society Organizations) and NGOs in an effort to further democratization through the EIDHR. After the EIDHR's reform in 2006, there we can see more direct support for NGOs starting in 2007.[104]

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[103] Youngs, *Is the European Union Supporting Democracy in its Neighbourhood*?, 86.

[104] Shapovalova, "Assessing Democracy Assistance: Ukraine," 3.

Overall, the amount of aid dedicated to Ukrainian CSOs and NGOs grew during the 2000s, but still remained an extremely low figure in comparison to overall civil society funding. Referring back to Table 4, we also see more funding being allocated to increasingly complex civil society groups, as opposed to the groups funded before the Orange Revolution, which tend to be more one-dimensional and focused on the protecting civil liberties.[105]

Referring again to the chart, the implementation of the ENPI in 2007 marks the era of a new aid patterns. Aid dedicated to "democratic development and good governance" for 2007-2011 was roughly 44 million euro per year, which is a third of the total ENPI budget. For 2011-20113, budget reports projected expenditures for "good governance and rule of law" from 47 to 70.5 million euros per year.[106] In addition, the new ENPI also locked around 70% of total ENPI aid to Ukraine into a budget sector approach, meaning that the funds were to be dispersed to predetermined categories agreed upon and would be given to the Ukrainian government to distribute.

3.2.2Donor Motivation and Effectiveness

EU enlargement brought Ukraine and its western neighbor closer together, with aid trends that reflect this new and deeper relationship. The pro-democratic sentiment and the victory of the popular, perceived pro-Western candidateYushchenko during the Orange Revolution set the stage for Ukraine to enter eagerly into the ENP. Strengthening the goals originally set forth in the PCA that went into effect in 1998, the ENP utilized conditionality in its agreement with Ukraine for the first time, wherein the EU could offer "incentives linked to specific reforms."[107] Ukraine, a country whose various political leaders have expressed serious interest in pursuing EU membership, thus worked to implement the reforms for the immediate gratification of the

105 Ibid., 3-4.
106 "Ukraine - Evaluation of EC Country Programme," 9.
107 Youngs, *Is the European Union Supporting Democracy in its Neighbourhood*?, 89.

promised reward and the hope of one day joining the EU. On an international level, the EU can stipulate the terms of the Ukrainian democratization progress, back the reforms with capital, and work with Ukraine to implement the reforms.

The Orange Revolution ultimately changed Ukraine into a somewhat more suitable partner for the EU. If the corruption and lack of civil governance that pervaded the Kuchma era had gone unchecked, the EU and perhaps even the Ukrainian leadership as well would have hesitated to pursue further cooperation. Instead, the Orange Revolution marked the beginning of a new era, but not because the revolution itself brought the long-term democratic progress it was once thought to promise. Rather, the proposed increase in EU-Ukrainian cooperation "acquired substance only in response to domestic developments in Ukraine, namely the Orange Revolution," which called loudly for democracy.[108]Even if the goal of a democraticization was not fully realized, the Orange Revolution represented a will of the Ukrainian people to align closer with the political ideals of the West.

Observing the situation through a normative-realist lens, we can see that the EU has been using positive conditionality to increase its influence in Ukraine. The EU has potential power in Ukraine because it can offer political, economic, and financial arrangements with itself that Ukraine perceives as potentially beneficial. In exchange for these potential benefits, the EU stipulates that Ukraine pursue further implementation of liberal concepts, such as a free market economy, democratic elections, rule of law, civil/human rights, etc. Upholding these liberal values as beneficial to Ukraine and financing their implementation is stock normative power behavior. However, by employing this style of normative behavior, Ukraine, a weaker state that can be compelled to comply, may potentially come closer to adopting the EU's ideology and implementinglasting reforms. Ukraine's dependence on the EU enhances the EU's regional

[108] Ibid., 96.

security and helps it maximize its power by gaining influence outside its territory, which may one day lead to the expansion of the EU. Foreign aid serves as an incentive to liberalize as well as a tool of liberalization when the aid is channeled toward reforms. However, the success of the incentive scheme is subject to disruption based on the EU's desire to fund or otherwise support the pursuit of these goals. Conversely, the progress also hinges on Ukraine's continuous interest in the implementation of the reform, which may be affected by domestic plays for political power or more attractive options presented by other competing international actors.

Ultimately, EU foreign aid trends seem to indicate that they did not play a large, decisive, or causal role in the Orange Revolution and have not since made a significant impact on Ukrainian democratization. In contrast to US foreign aid patterns analyzed above, EU aid trends appear more "reactive" than proactive.[109] EU aid was rather "indifferent"[110] to the democracy issue throughout the 1990s, when limited funding was dedicated to the issue. Largely in response to Ukraine's increased strategic importance after the enlargements and the amenability of the new regime ushered in by the Orange Revolution, the EU strengthened foreign policy toward Ukraine, issued more aid in general, and dedicated more aid and legislation to democracy promotion. Despite the better part of a decade having passed since the Ukraine's admission to the ENP, the Orange Revolution, and increased amounts of EU democracy promotion and assistance, Ukraine has experienced little progress and continues to progress slowly.[111]

Conclusion: Findings and Implications

Hypothesis Evaluation

The basic proposition of the hypothesis is confirmed by the findings of this analysis. However, the application of the realist-normative model reveals certain problems with the core

[109] Ibid., 96.
[110] Ibid.
[111] Sushko and Prystayko, "Ukraine: Nations in Transit 2012," Freedom House

assumptions of the hypothesis. The data support the proposition that excessive aid to the government and little aid to civil society contributed to the stagnation of democratization processes in Ukraine. This leads to the ultimate conclusion that the development of civil society is a useful process to the development of democracy, while governments alone cannot necessarily be trusted to initiate or implement democratic reform. Thus, aid from the West would have been more effective in consolidating and improving democracy in Ukraine if it was instead focused on civil society.

The theory and method of analysis used here contributes meaningful qualifications to this hypothesis, helping to dispel unsubstantiated assumptions. First, the hypothesis assumes that the EU and the US's aid patterns would feature symmetrical trends, which was not always the case. Second, the hypothesis claims, based on a knowledge of the professed objectives of the aid, that the basic goal was normative democracy promotion. However, the normative-realist model of analysis revealed a more complex balance of normative values and state interests informing policy decisions.

The EU and the US's aid patterns were often different from one another. Although both donors' programs in the 1990s focused on economic development more so than tackling political democracy, the EU's TACIS dedicated a much higher portion of its budget to the build up and stimulation of a free market than the US's FSA, which gave a more significant percentage towards democracy assistance. Although both parties increased their funding for democracy promotion during the revolution, the US was still giving more toward this objective. Even within the sector of democracy promotion, the US funded more election-related projects and the EU focused more on less political aspects of democracy.[112] After the revolution, the US continued to offer more funding directly for civil society development, even though it had significantly

[112] Shapovalova, "Assessing Democracy Assistance: Ukraine"

reduced its comparative assistance to non-state recipients and was giving much more funding to the government sector. The EU also began giving more aid (around 70% of all assistance to Ukraine) to the government as a result of the sector budget started under the ENPI in 2007, which incentivizes Ukraine to democratize.[113]

The foreign aid given by the two donors varies significantly because their own circumstances were different. The analysis of donor motivation revealed that democratization was not the primary goal of either the European Union and the United States at all times. Looking back at the findings, it seems that goals and prioritization changed over time and varied between the two powers. In the case of EU aid, very little aid or attention went to democracy promotion through politics, government, or civil society. Instead, the EU used TACIS throughout the 1990s to support Ukraine's transition to a stable market economy. EU funding did not begin a notable campaign to strengthen democracy by financing good governance programs or CSOs until the enlargement and the EU's increased power in the international system made it pertinent to do so.

It was also not the consistent and primary objective of the US to promote democracy via foreign aid in Ukraine. Like the EU, the US also focused on economic support in the 1990s, though not quite as limitedly as the EU. Maintaining an American-friendly regime in Ukraine was important to the US in order to keep Russia's influence in the region in check, providing the US with security and power maximization. A normative model that explained the US efforts at democracy promotion as a persistent ideological mission could not have accounted for the fluctuations in aid flow. For example, US foreign aid for various democratization efforts and overall aid to Ukraine were markedly higher in election years. This is explained in part by the United States funding election-related monitoring and civil society endeavors. However,

[113] Ibid., 3.

increased spending during the election years also reflects support given to certain candidates and parties. Therefore, providing democracy assistance for elections lends itself to supporting American-friendly political choices, which constitutes a deviation from normative goals and reflects the US's realist objectives.

Although this research maintains that civil society development was a crucial missing element in Ukraine's democratization process, there is a need for democracy assistance given directly to the government. The government does require funding in order to affect change in the weak areas of Ukrainian democracy: governmental corruption and judicial framework and independence.[114] This is the basic principle behind awarding such aid directly to governments, such as is seen in the EU's relationship with Ukraine. The EU is in a position to offer conditionalities in exchange for these improvements, but no significant improvements have been seen. However, if governmental means could be paired with the social pressure to reform and democratize, then lasting change would perhaps be able to take hold.[115] Both governmental means and social will to democratize are important. Therefore, democracy may be best assisted by the promotion of civil society, especially domestic, grassroots groups.

Broader Implications

It is imperative that democracy promotion be understood as both a reflection of state interests and a belief in the normative value of democracy itself. A state engages in democracy assistance to help others as well as to help itself. These processes are not mutually exclusive nor do they necessarily occur in tandem. For this reason, it is important to acknowledge all objectives behind foreign aid offered for any purpose. In the case of democracy promotion in Ukraine, both the EU and the US were giving aid directly to the Ukrainian government. For the

114 Sushko and Prystayk, "Ukraine: Nations in Transit 2012," Freedom House.

115 Carothers, "The Backlash against Democracy Promotion," 60.

EU, positive conditionality in the ENPI allowed it to trade money in exchange for democratization, which held economic and security promises for the EU. The US also gave money directly to the government, but with less clear conditions. Yushchenko was, for example, a more stable president than Kuchma or Yanukovych and intended to join NATO. Perhaps the funding kept going to the government in order to preserve the favorable incumbent.

While both powers condemned the fraudulent elections, each failed to alter its policies significantly or cut off aid when democratic promises promoted during the revolution were not realized. This harks back to Todoroui's formula for the failure of the Color Revolutions: weak civil society and strong political elites.[116] Of course, it is not always feasible to sever ties with a country on these grounds, but it does contribute to the political elite's power. The realist objectives can outweigh a state's normative agenda in cases such as these. In this situation, political leaders in the receiving are granted enough leeway to maintain power even though expectations of democratization are not being met. This pattern of maintaining support to lackluster regimes by US and EU allowed the Ukrainian government to stall in its democratization efforts after the Orange Revolution.

Paradoxically, the government will inevitably need money to implement reform that will bring it closer to democratization. Western capital is not without a place in democratization. However, in order to ensure the government's effectiveness there must be a strong, developed civil society to demand those reforms. Western capital can also be used to fund CSOs/NGOs, though this is a more normative pursuit and generally promises a lesser power maximization result, as realism would favor a cooperative regime over a democratic one.

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[116] Theodor Tudoroiu, "Rose, Orange, And Tulip: The Failed Post-Soviet Revolutions," *Communist and Post-Communist Studies* 40, no. 3 (2007), http://www.sciencedirect.com/science/article/pii/S0967067X07000323 (accessed April 3, 2013): 315.

Western aid to civil society development is not a simple issue either. Western CSOs/NGOs promoting democracy are sometimes dismissed as instruments of interference by their opponents. Though important groups, such as PORA!, were accused of being puppets of the US, there is little evidence in the financial flow to suggest this is true.[117] [118] Similarly, smear campaigns were run against Yushchenko and his American wife, claiming that "NGO's, civil society, Yushchenko's bid for the presidency were all part of an American plot."[119] While there is nothing to be done about the hurling of unsubstantiated conspiracy theories such as these, some of the sovereignty of the people could perhaps be better preserved if Western democracy aid could directly fund local CSOs/NGOs or be distributed by a domestic agency, rather than being concentrated on multilateral (joint Western-Ukrainian operations) or Western recipients.

Western NGOs do still have something to offer the community. In many cases, Western CSOs/NGOs have proven instrumental in helping to oust an undemocratic leader. According to Carothers, a Western NGO can often run a modest operation in a less free society while helping train, fund, and otherwise support local groups.[120] Such an arrangement helped to oust President Meciar in Slovakia and President Milosevic of Serbia.[121]

The backlash against democracy promotion that has surfaced in the years since the Color Revolutions, especially in Eastern Europe, is to be expected given the semi-authoritarian features of many entrenched governmentsin the region. The West's democracy promotion, whether normative, realist, or both, still opposes their authority. As Carothers points out, the countries that lashed out the most against democracy promotion, Russia and China, could not be easily

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117 Ibid. 40

118 Copsey, "Ukraine," In *The Colour Revolutions in the Former Soviet Republics: Successes and Failures*, 41.

119 Kuzio, "From Kuchma to Yushchenko: Ukraine's 2004 Presidential Elections and the Orange Revolution," 37.

120 Carothers, "The Backlash against Democracy Promotion," 60.

121 Ibid.

toppled by democracy promotion tactics.[122] Rather, the allegations of Western conspiracy and the banning/restriction of CSOs/NGOs allow the leaders to protect their power and rally support against an abstract threat from a distant enemy.

Democracy assistance should ideally be a product of the donor's normative beliefs and not their realist agenda. By avoiding hypocritical and undemocratic practices, the liberal value of democracy can be promoted through the instrument of Western aid. However, if realist objectives gain too much priority in the decision-making of the donor, democratic goals might not only be compromised, but democracy aid might further stagnate the process (as happened in Ukraine) or even do damage. Many goals can be pursued in conjunction with or under the guise of democracy assistance, but there is immense opportunity for much good to be done by skillfully utilizing well-invested democracy aid.

[122] Ibid., 62.

Table 1
US Economic Assistance to Ukraine
Obligations in millions, constant 2011 $US
Source: US Overseas Loans & Grants [Greenbook]

Program or account	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Economic Assistance, Total	0.20	0.47	0.65	198.85	471.57	345.62	230.06	131.67	360.30	366.90
USAID and Predecessor, Total	.	.	.	0.75	195.22	210.36	134.36	62.92	206.82	286.09
State Department, Total	0.20	0.47	0.65	1.87	2.46	1.57	0.92	0.94	1.31	1.33
Diplomatic and Consular Programs, Department of State	.	.	.	.	.	.	.	.	.	.
Educational and Cultural Exchange Programs, Department of State	.	.	.	.	.	.	.	.	.	.
National Endowment for Democracy, Department of State	0.20	0.47	0.65	1.87	2.46	1.57	0.92	0.94	1.31	1.33
Democracy Fund, Department of State	.	.	.	.	.	.	.	.	.	.
Millennium Challenge Corporation	.	.	.	.	.	.	.	.	.	.

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Å
249.08	174.09	160.82	110.26	150.86	177.33	169.13	180.48	127.10	182.04	310.42
218.38	128.89	144.00	90.24	124.05	123.76	118.12	59.90	74.55	88.07	145.93
0.83	1.28	3.12	3.01	14.27	22.71	27.67	16.82	24.96	28.63	66.11
.	.	.	.	.	.	.	.	.	.	0.04
.	0.54	1.43	1.25	11.98	12.83	13.62	12.91	12.92	10.43	14.60
0.83	0.74	1.69	1.34	1.36	1.72	1.63	1.55	1.75	2.18	3.44
.	.	.	.	.	.	.	.	.	0.31	0.82
.	.	.	.	.	.	0.03	49.48	7.01	7.66	1.00

Table 2- Governance and Civil Society Expenditures by Implementing Partner (2001-2011)
Source:USAID. "Ukraine." U.S. Overseas Loans and Grants (Greenbook).

Implementing Partner Type	2001	2002	2003	2004	2005
Enterprises - Non United States					
Enterprises - Non United States	2,180,371	58,690	481,644	1,980,968	1,866,788
Government - Non United States			200,000	200,000	
Government - Non United States					
Multilateral - Other					
Multilateral - Other				465,901	234,099
NGO - International					
NGO - Non United States	339,416	383,870	482,671	410,866	567,286
NGO - Non United States					
Universities and Research Institutes - Non United States				25,000	
Universities and Research Institutes - Non United States	472,036		212,321		
Church and Faith Based - United States	1,472,600	6,415,001	4,363,414	2,854,202	1,953,947
Enterprises - United States					
Enterprises - United States	12,084,262	12,318,120	10,879,682	11,509,852	14,021,225
Government - United States		1,537,720			
Government - United States					
Government - United States				97,359	276,922
Government - United States					
Government - United States				185,000	
Government - United States	252,245	312,351	130,059	120,025	158,688
NGO - United States	254,788	988,538	197,529	354,156	762,203
NGO - United States	3,595,370	4,266,144	671,485	2,994,164	11,171,312
Universities and Research Institutes - United States	2,049,032	1,115,228	753,458	788,027	709,612
Total Non US	2,991,823	442,560	1,376,636	3,082,735	2,668,173
Total US	19,708,297	26,953,102	16,995,627	18,902,785	29,053,909
Total Governance and Civil Society	22,700,120	27,395,662	18,372,263	21,985,520	31,722,082
Total Expenditures	152,506,027	131,961,674	124,042,339	112,353,005	124,175,124

Implementing Partner Type	2006	2007	2008	2009	2010	2011
Enterprises - Non United States					25,233	25,005
Enterprises - Non United States	3,169,023	3,064,658	1,434,736	3,144,066	1,845,368	2,297,479
Government - Non United States	400,695	39,704	54,099	2,920,090	286,731	440,421
Government - Non United States				291	26	
Multilateral - Other				307,600		
Multilateral - Other			434,654	1,004,587	697,975	1,247,957
NGO - International					40,300	
NGO - Non United States	878,000	1,066,557	1,079,659	1,076,716	1,715,847	1,846,748
NGO - Non United States		774,279	838,066	289,165	600,057	697,556
Universities and Research Institutes - Non United States			67,000	115,350	219,670	175,550
Universities and Research Institutes - Non United States						
Church and Faith Based - United States	2,903,952	871,308	475,493			
Enterprises - United States			28,444			
Enterprises - United States	19,208,494	7,462,220	8,625,919	10,669,750	5,219,159	6,898,531
Government - United States						
Government - United States		446,528	3,043,161	2,680,991	666,619	
Government - United States	1,230,321	6,950	455,690	4,756,832	1,457,897	5,567,704
Government - United States					44,165	
Government - United States	1,193,792					
Government - United States	207,066	684,496	1,827,066	5,750,504	5,266,054	314,965
NGO - United States	396,000	50,000	780,000	50,000	1,375,400	966,666
NGO - United States	4,896,083	8,844,571	15,092,810	10,703,253	15,519,438	16,266,002
Universities and Research Institutes - United States	1,527,206	5,363,064	6,728,336	2,023,452	1,537,951	1,624,759
Total Non US	4,447,718	4,945,198	3,908,214	8,857,865	5,431,207	6,730,716
Total US	31,562,914	23,729,137	37,056,919	36,634,782	31,086,683	31,638,627
Total Governance and Civil Society	36,010,632	28,674,335	40,965,133	45,492,647	36,517,890	38,369,343
Total Expenditures	130,304,722	151,079,678	128,157,157	125,126,648	208,461,158	204,099,592

Table 3- TACIS Expenditures in Ukraine (1991-1998)
Source: "Ukraine - Evaluation of EC Country Programme," European Commission.

	1991	*1992*	*1993*	*1994*	*1995*	*1996*	*1997*	*1998*	*Total*
I. Loans				**85.0**	**200.0**				**285.0**
Macro-financial assistance				85.0	200.0				285.0
II. Grants	**28.1**	**70.2**	**72.5**	**55.7**	**51.3**	**77.3**	**40.0**	**43.5**	**438.6**
A. Tacis Action programmes[13]	***24.5***	***48.2***	***42.0***	***27.0***	***32.0***	***27.4***	***30.8***	***35.5***	***267.4***
Enterprises restr. & dvpt. (ERD)	1.4	17.5	12.4	4.3	10.7	10.3	14.0	10.7	81.2
Food & agriculture (F&A)	7.6	11.6	10.5	5.0	4.0	0.0	1.8	1.5	42.0
Energy & environment (ENE)	6.1	8.0	5.4	12.0	6.9	6.3	8.5	9.6	62.8
Transport & Telecom. (T&T)	4.8	8.1	3.5	0.0	0.0	0.0	2.0	1.8	20.2
Human resources dvpt. (HRD)	4.6	3.0	6.4	4.0	7.0	7.8	3.0	8.0	43.8
Unallocated			3.8	1.7	3.4	3.0	1.5	3.9	17.3
B. Facilities (FAC)[14]		***n.a***	***n.a***	***n.a***	***4.0***	***11.2***	***9.2***	***8.0***	***32.4***
Tempus (TEMPUS)			0.5	3.3	3.8	4.8	4.0	4.0	20.4
Bangkok		2.3	0.8	0.9	0.0	1.3	3.9	n.a	9.3
Democracy (DEMO) and Lien						1.0		0.5	1.5
Others						1.5	5.2	3.5	10.2
C. Nuclear safety	***3.5***	***22.0***	***30.5***	***24.5***	***13.4***	***37.5***	***n.a***	***n.a***	***131.4***
D. Humanitarian Aid				***4.2***	***1.9***	***1.3***			***7.4***
E. Interstate programmes	***n.a***	***n.a***	***n.a***	***n.a***	***n.a***	***n.a***	***n.a***	***n.a***	***n.a***
Total EU Assistance (I+II)	**28.1**	**70.2**	**72.5**	**140.7**	**251.3**	**77.3**	**40.0**	**43.5**	**723.6**

Sources: Various AP and Desiree database (see ADE, Interim report of phase I, op. cit., annex 10).
EBRD TA Co-operation Funds Programme (Bangkok), various documents on facilities.

Table 4- EIDHR Democracy Promotion in Ukraine (2000-2009)

Project Reference #	Recipient	Project Type	2001	2002
1	***Council of Europe***	*Political Pluralism**		
2	***Council of Europe***	*Political Studies, Rule of Law/Democracy**		
3	***Council of Europe***	*Civil Society Development**		
4	**Council of Europe**	Democracy Promotion: Monitoring*		
5	***Council of Europe***	*Civil Society Leadership**		
6	**Council of Europe**	Democracy Promotion		822,081
7	**German Enterprise**	Democracy Training: Military	425,256	
8	**German NGO/CSO**	Democracy Training: Rural Areas	173,396	
9	**International NGO/CSO**	Citizen Society: Economic and Social Rights		
10	**International NGO/CSO**	Free Press/Democracy Promotion		
11	**International NGO/CSO**	Democracy Promotion		478,370.60
12	**International NGO/CSO**	Democracy Promotion		
13	**International NGO/CSO**	Rule of Law & Justice		
14	**International NGO/CSO**	Rule of Law & Justice		
15	**International NGO/CSO**	Civil Society Development		
16	**International NGO/CSO**	Civil Society Development		
17	**International NGO/CSO**	Rule of Law & Justice: Roma Minority		
18	**Italian NGO/CSO**	Civil Society Developmet: Youth		
19	**Polish NGO/CSO**	Civil Society Development		
20	**Polish NGO/CSO**	Civil Society Development		
21	**UA (unknown)**	Civil Society Development and Gender Equality		
22	**UA (unknown)**	Democracy Promotion: Free Press		
23	**UA (unknown)**	Civil Society Development in Rural Areas		
24	**UA NGO/CSO**	Civil Society Development in Rural Areas		
25	**UA NGO/CSO**	Strengthening Democracy		
26	**UA NGO/CSO**	Civil Society for Family Rights		
27	**UA NGO/CSO**	Civil Society Networking		
28	**UA NGO/CSO**	Civil Society Gender Networking		
29	**UA NGO/CSO**	Civil Society Development and Gender Equality		
30	**UA NGO/CSO**	Civil Society Development and Gender Equality		
31	**UA NGO/CSO**	Rule of Law & Justice		
32	**UA NGO/CSO**	Civil Society Development: Youth		
33	**UA NGO/CSO**	Democracy Training: Youth		
34	**UA NGO/CSO**	Civil Society Development		
35	**UA NGO/CSO**	Civil Society Development: Youth		
36	**UA NGO/CSO**	Civil Society Development		
37	**UA NGO/CSO**	Rule of Law & Justice: Immigrant Minorities		
38	Totals		598,652	1300451.6
	Total Expenditures on Foreign Organizations:	4,549,004.35	Total Expenditures on Ukrainian Organizations:	1,530,890

Project Reference #	2003	2004	2005	2006	2007	2008	2009
1						*200,000*	
2							*1,759,500*
3			*780,000*				
4	1,325,000						
5						*350,000*	
6							
7							
8							
9							199,984
10					99,582.30		
11							
12		98,850					
13	305,797						
14			445,462				
15					98,991		
16	334,785						
17	778,230						
18				89,264			
19				99,523.45			
20					99,432		
21				96,300			
22				98,394.22			
23					70,764.84		
24			58,946				
25						193,017	
26						184,160	
27						139,000	
28					50,180		
29		54,680					
30				84,308.83			
31		28,790					
32					89,289.54		
33				94,738.25			
34		92,351.70					
35			47,970				
36		70,000					
37			78,000				
38	1418812	344671.7	630378	562528.75	508239.68	516177	199984

*These projects were launched in multiple countries and the data is not used in the totals.

Notes: This table includes projects specifically related to democracy and good governance. Projects concerned strictly with human rights outside the political context of democratization were left out in order to emulate the distinction that US records make between aid for democracy and aid for human rights.
The EIDHR gives grants to NGO/CSOs, but I have indicated otherwise for any recipients that are largely another type of organization. In addition, recipients labeled "unknown" have unclear affiliations with the international community, even though for the purposes of this chart they are categorized as Ukrainian.

Source: "European Instruments for Democracy and Human Rights: 2000-2006," EIDHR, European Union, <http://www.eidhr.eu/files/dmfile/EIDHRInitiativeCompendium-14-07-10.pdf>.
"European Instrument for Democracy and Human Rights: 2007-2009," European Commission: Europe Aid. European Commission, <http://ec.europa.eu/europeaid/what/human-rights/documents/enpi_compedium_2007_2009_en.pdf>.

Table 5- Freedom House Democracy Ratings: Ukraine (2003-2012)

Source: Oleksander Sushko and Olena Prystayko, "Ukraine: Nations in Transit 2012," Freedom House, www.freedomhouse.org/sites/default/files/Ukraine_final.pdf.

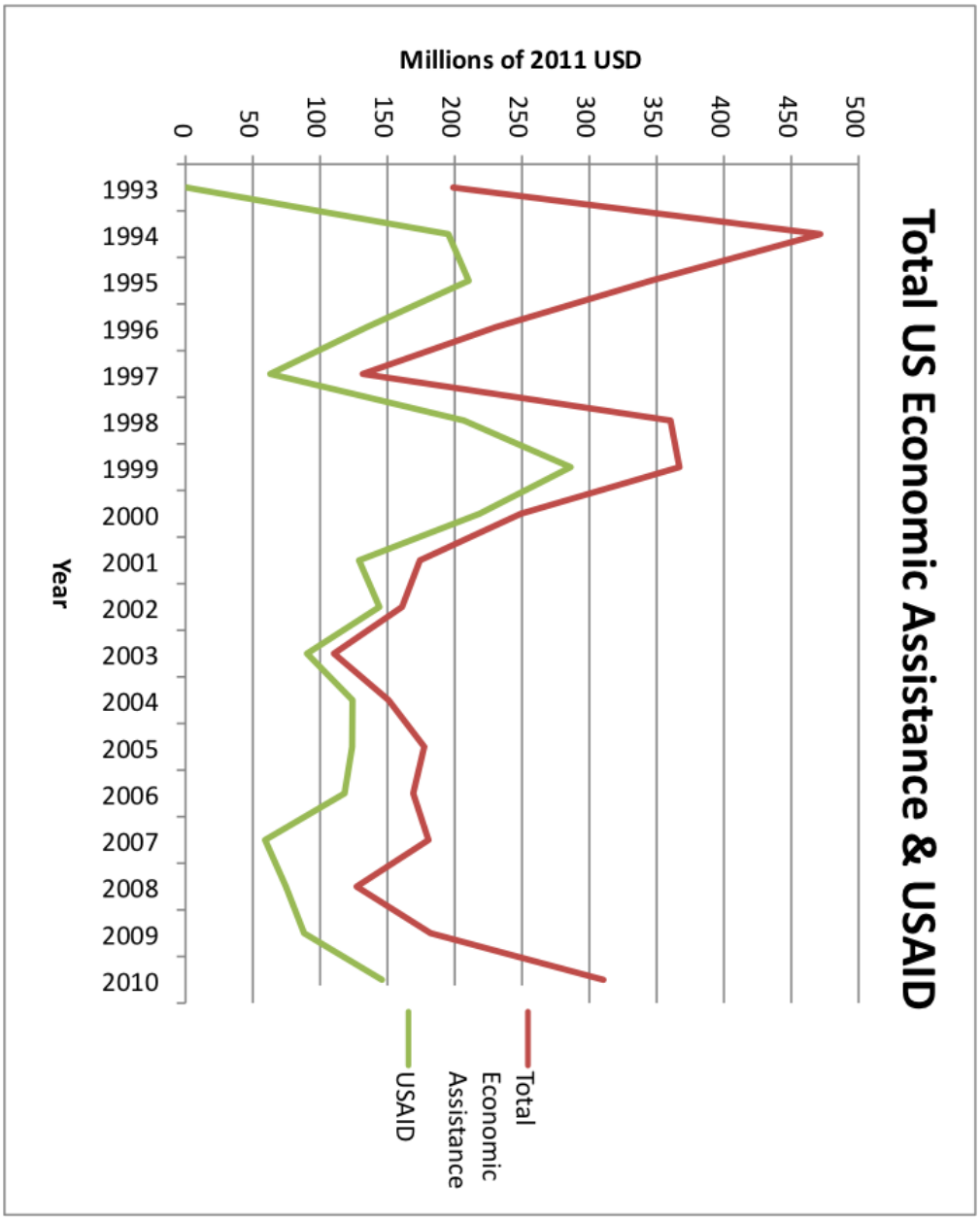
Nations in Transit Ratings and Averaged Scores

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Electoral Process	4.00	4.25	3.50	3.25	3.00	3.00	3.50	3.50	3.50	3.75
Civil Society	3.50	3.75	3.00	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Independent Media	5.50	5.50	4.75	3.75	3.75	3.50	3.50	3.50	3.75	4.00
Governance*	5.00	5.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	5.00	4.50	4.75	4.75	5.00	5.00	5.50	5.75
Local Democratic Governance	n/a	n/a	5.25	5.25	5.25	5.25	5.25	5.25	5.50	5.50
Judicial Framework and Independence	4.50	4.75	4.25	4.25	4.50	4.75	5.00	5.00	5.50	6.00
Corruption	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	6.00
Democracy Score	4.71	4.88	4.50	4.21	4.25	4.25	4.39	4.39	4.61	4.82

** Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Chart 1- Total US Economic Assistance to Ukraine (1993-2010)



Data Source: US Overseas Loans & Grants [Greenbook]

Chart 2- FSA Expenditures by Sector (1994,1999,2005)
Source: Curt Tarnoff, "U.S. Assistance to the Former Soviet Union," Federation of American Scientists.

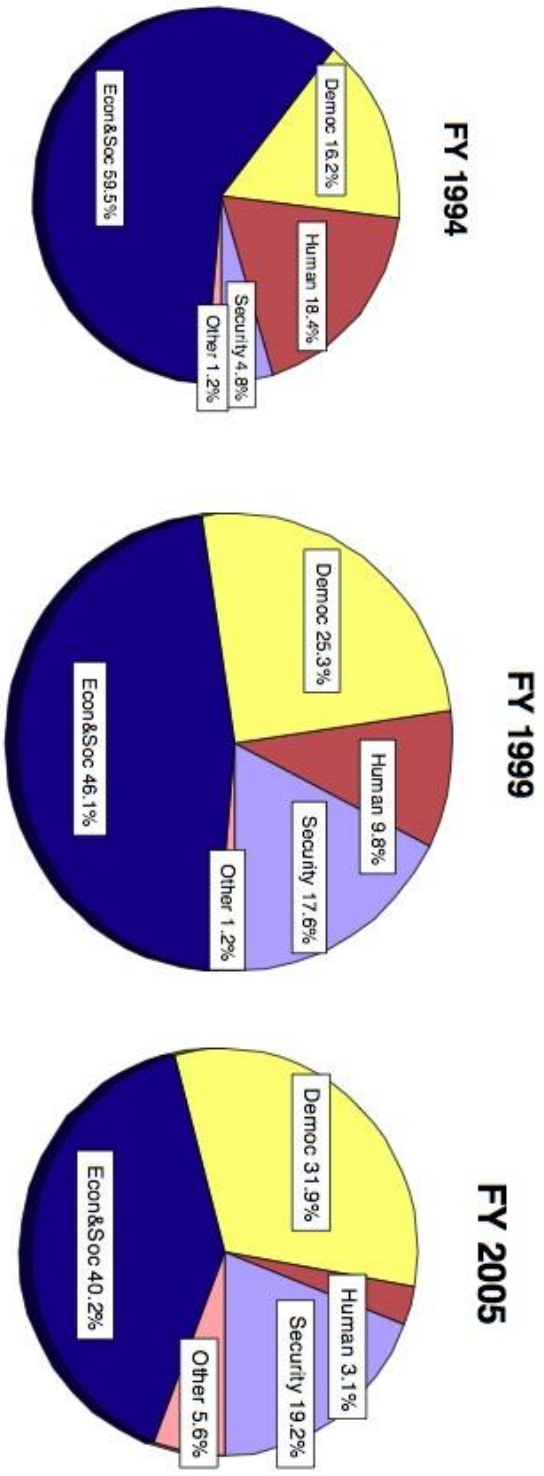
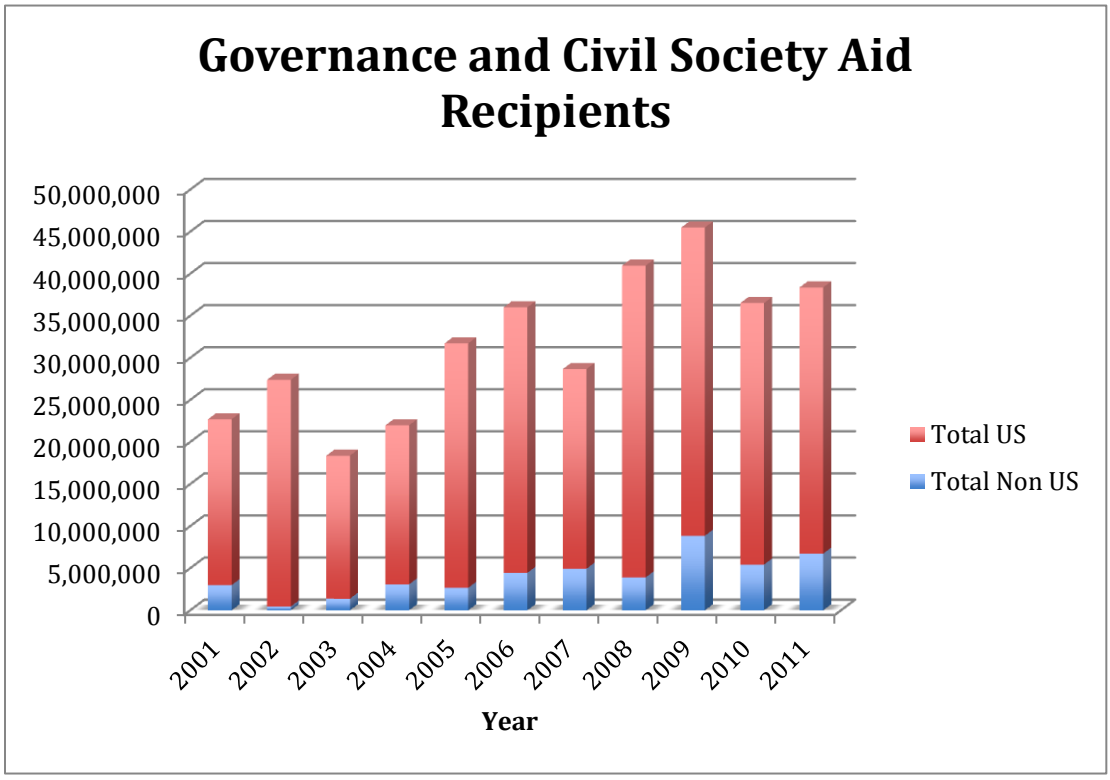


Chart 3- Governance and Civil Society Aid Recipients (2001-20011)



Source: USAID. "Ukraine." U.S. Overseas Loans and Grants (Greenbook).

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