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**THE INTERNAL ASPECTS OF UKRAINIAN  
NATIONAL SECURITY**

**BY**

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## ABSTRACT

Among the newly independent states which have emerged after the disintegration of the Soviet Union, Ukraine occupies a crucial place. With a population of about 52 million, and an area of some 233 square miles Ukraine is considered by many to be the country that is most likely to achieve economic prosperity. Unfortunately, in spite of its resources and economic potential, Ukraine's political and economic development has lagged behind expectations. Moreover, lack of economic reform has created conditions which could undermine Ukrainian independence. Poor economic conditions, organized crime, high levels of corruption within the government, and an irresponsible parliament are the primary causes of instability in Ukraine. Resolution of these issues is vital to Ukrainian National Security as well as the continuation of Ukrainian independence.



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## THE INTERNAL ASPECTS OF UKRAINIAN NATIONAL SECURITY

In recent years, the world has seen a flow of radical political, ideological and psychological changes that have made the international situation much different than it was only five-six years ago.

After the disintegration of the Soviet Union new independent states have appeared with different levels of political, economic, and historical development. These new independent states had different attitudes toward their independence, but only one reason has been common for them all--they did not want to be under total control by "big brother" and they wanted to taste the meaning of independence, freedom, and democracy.

The international community has met the new members with respect and with the understanding that they should contribute to security and stability in the world, and the new independent states will play an important role in international organizations such as the UN and others. Today, the current situation shows that independence is easier to gain than to maintain, especially for countries with undeveloped economic systems and relatively poor natural resources. As a result a short period of rejoicing over independence has changed into a period of collapsed wishes and hopes for states which did not understand what independence was really all about. But, despite the difficulties and obstacles on the way of development for such states as Ukraine, Estonia, Latvia, and Lithuania these new independent states do not see for themselves ways to the past. At the beginning of their independence these states were looking for their own ways of development and own place among the international community, while other states of the

former Soviet Union searched for new kinds of relationships among themselves with the aim of reestablishing the “old” society where survival is guaranteed but nothing is done to develop and improve their own economy.

Ukraine is among those new independent states with strong negative attitudes toward new kinds of “ post-Soviet models of union “ such as the Commonwealth of Independent States and Ukraine still tries to persuade the world as well as the European Community that it wishes to be a full member of this community with all rights and all obligations. “It is obvious that Ukraine occupies a crucial, if often still unacknowledged, place in Europe. Its importance is a result of obvious geopolitical factors, such as its size and central location between Russia and the West; but its significance also stems from the fact that Ukraine is still a state in the making . Its internal challenges are the potential source of regional instability.”<sup>1</sup> Moreover, Ukraine cannot for the foreseeable future be easily integrated into existing political, economic or security structures on the continent, yet it will play a key role in the success or failure of these structures and of stability in Europe overall. Ukraine’s well-being is especially important not only for Ukraine itself , but also for its neighbors including Russia, because the Russian-Ukrainian relationship can change the balance of power (including military ) not only in Europe, but also in the world.

Today, the political situation in Eastern Europe is neither stable nor predictable . The sources of instability are often incomprehensible for Western political observers and even for the media because internal processes within post-Soviet states never lie on the surface of political life. Ukraine is not a pleasant exception. Its way of political and

economic develop did not avoid mistakes and miscalculations that are very significant for countries with a young and sometimes immature democracy and political system. But nobody can deny the fact that Ukraine's striving for independence and democracy is strong enough to achieve this vitally important aim.

What does Ukraine need today? What is vitally important for its independence, freedom and prosperity? What kind of internal and external processes could be destructive for Ukrainian statehood? These questions have been asked too often in recent times. And in accordance with this urgency they should be classified as vitally important for the national security of Ukraine. It is absolutely clear that Ukraine as an independent state has its own national security interests which are reflected in the peaceful policy of Ukraine and have been declared in the Constitution of Ukraine in 1996. The national interests of Ukraine include sovereignty, territorial integrity and immunity, economic and informational security. The national interests of Ukraine do not contradict international law or infringe upon the national interests of any other states. But, as a sovereign state Ukraine must be able to protect its national interests and constitutional order. At the beginning of creating the national security system the government of Ukraine did not have a clear definition of the main principles of national security for Ukraine as for an independent state. The old national security system was created by the Communist government and its internal mission mostly had focused on "protecting" the population of Ukraine from the penetration and influence of "Western ideology" and to guarantee the stability of the Communist regime ( the main instrument for accomplishing this mission was the KGB with its huge power ). For protection from external aggression there were

the Soviet Military forces which were represented on the territory of Ukraine by three military districts with headquarters at the Kiev, Odesa and Lviv that together with the KGB could guarantee the integrity and stability of the Communist regime. As a result of the disintegration of the Soviet Union Ukraine has inherited this old "post-Soviet" model and its corresponding principles of national security. These, however, do not satisfy the requirements of the contemporary situation. The old "Soviet" principles of national security never concentrated on internal problems (economic, ethical or criminal), the Soviet government totally denied the very existence of these sorts of problem and attributed them to the "capitalist system". Meanwhile the KGB carried out the clandestine operations which were directed toward the suppression of national and liberation movement, and the elimination of any kinds of domestic threats toward the existing governmental power.

Obviously, newly independent Ukraine has collided with new challenges which required solutions and "old" instrument for these solutions should not be used. Today, it is necessary to have a clear list of national security priorities as well as a sharp imagination about potential sources of the internal and external threats which should be eliminated.

Probably, among contemporary Ukraine's national security problems its internal component should play the most important role in the foreseeable future. This conclusion can be made due to an analysis of the international environment around Ukraine. This analysis shows that in the history of Ukraine, external conditions never have been so favorable since the XVI century. The end of the Cold War and the disintegration of the

Soviet block (including military ) have brought more stability and given the opportunity to Ukraine to create international relations with neighbors on a basis of respect and confidence. It certainly does not mean that the external factor of Ukraine's National Security has lost its importance. Today, Ukraine's national security agenda does include a number of external questions which should be considered as soon as possible. These include, especially, regarding Russian-Ukrainian relations, demarcation of the state border of Ukraine, relations with NATO countries, and others. But it will be more important to pay attention toward the internal aspects of security, because internal instability is more threatened. It is also important to realize that , in order to protect the state from external aggression the nation can count on international organizations such as the UN or NATO, but in order to solve economic problem, to defeat organized crime, corruption, and the irresponsibility of leadership, to build one's own statehood the supporting of the international community can be extremely important but, is absolutely not sufficient.

There is also another significant reason to pay more attention toward the domestic aspects of Ukraine's National Security. Despite the striving of the government to create strong relations with the West as well as to persuade the new western partners that Ukraine is able to build its statehood, Ukraine often faces distrust concerning its ability to lead and manage this process. The reason for this distrust is first of all the lack of a clear strategic plan and program for political, economic, and social reform in Ukraine. This is also a cause of poor Western investments in Ukraine.

It is also necessary to note that it is impossible to separate completely the domestic and international aspects of National Security especially for countries such as Ukraine.

Ukraine's historical legacy exerts a strong influence and has contributed a large number of problems which could not be examined only from the internal or external side. To these kinds of problem belong ethnic and territorial issues. It is in fact necessary to consider the ethnic and territorial aspects of national security together with the "pure" domestic agenda.

The historical context of Ukrainian security policy is relevant for contemporary policy-making, which requires an understanding of the forces that shape Ukrainian security policy. The independent Ukrainian state inherited a large number of territorial conflicts and disputes that play a role in developing contemporary threat perceptions. Before World War II, territories with Ukrainian ethnographic majorities were divided between its neighbors and became the source of various sharp disputes over the "historical" ethnic, and political rights on these lands. At one time or another, therefore, Ukraine's borders have been contested by all of its neighbors, except Belarus. A small number of Ukrainian national minorities live in Poland, Slovakia, Romania, Moldova and Belarus, where they all live contiguous to the Ukrainian border, except in the case of Poland.

In the Russian case the threat is all the more dangerous because of the large number of Russian denationalized Ukrainians living in Ukraine, the Crimean question, and the dangerous belief within the Russian leadership that Ukrainian "independence" is temporary. Russian security policy has shifted steadily to the right during 1993-1996

becoming in the process more assertive in supporting its coethnics abroad and reestablishing its hegemony within the former USSR.

Although 11 million Russians live in Ukraine, 7 million Ukrainians also live in the Russian Federation. Russian complaints about forcible "Ukrainization" are increasingly matched by Ukrainian claims that their coethnics in Russia are also denied minority rights. Areas adjacent to Ukraine within Russia, such as the Kuban area of the Northern Caucasus, are regarded as "Ukrainian ethnographic territories" for historical and ethnic reasons. If the disintegration of the Russian Federation were to take place, a nationalist Ukrainian government might be tempted to annex these areas to Ukraine. Alternatively, the disintegration of Ukraine could lead to the secession of eastern Ukraine and the Crimea to Russia.

Russian territorial conflicts with Ukraine remain over eastern Ukraine (Donbas), southern Ukraine (so-called *Novorossia*), and the Crimea. In all of these regions only the Crimea has a Russian majority that moved there after World War II when the Tatars were deported and their autonomous republic abolished.

Since 1954 the Crimea has been a part of Ukraine and until December 1990 held the status of a county (oblast). In January 1991 the Crimea was elevated to the status of an autonomous republic within Ukraine, and in spring-summer 1992 it concluded negotiations over the sharing of power between Kiev and Crimea. The Crimean republican elite has therefore a great deal of autonomy within which to pursue its agendas. Although Ukraine successfully defused the situation in the Crimea by granting it a high degree of autonomy, Russian nationalists are not content with the situation and repeatedly

try to ignite this painful and dangerous process. And the Crimea continues to be a potentially destabilizing area that could bring Ukraine into conflict with Russia. The Crimea, in particular, is a potential source of instability and could ignite a major Russian - Ukrainian conflict. The center of gravity of the Crimea problem is more likely in Moscow than in Kiev. Instability in the Crimea region makes possible Russian interference in this region, and gives an opportunity to Russian politicians to play a Crimean card in Russia- Ukraine relations.

Aside from Ukraine, the only republic of the former USSR where Ukrainians outnumber Russians is Moldova. The Dniestr republic has been the scene of ethnic and political conflict with the Moldovan authorities since 1990, primarily over the refusal to grant it autonomy and the campaign for early reunification with Romania. The Dnestr Republic was a part of the Ukrainian SSR before World War II and historically never belonged to Romania. Romanian and Moldavian nationalists have suggested that it be exchanged for Northern Bukovina, which Ukraine obtained from Romania as a consequence of the Molotov-Ribbentrop Pact. Ukrainian -Russian relations will remain strained in the case of the Dnestr Republic, where Ukraine opposes the dismemberment of Moldova.

Ukrainian minorities lived within the Hungarian state and later in the Hungarian portion of the Austro-Hungarian empire in Transcarpathia and Slovakia. These territories were removed from Hungary and given to the Czechoslovak state in the interwar period. Transcarpathia, although geographically located in western Ukraine, has made demands for

autonomy that have been resisted thus far by Kiev. Potentially, Hungary and Slovakia could lay claim to part or all of Transcarpathia .

The history of Polish-Ukrainian relations is dominated by conflict at least since the seventeenth century. After the disintegration of the Austrian-Hungarian empire in 1918, Poland's attempts to reconstitute itself with its "historic" borders exercised little regard for the rights of ethnic minorities who lived there. The large, discontented Ukrainian minority in Poland pursued their demands either through parliament or through acts of terrorism by Ukrainian nationalist groups.

During World War II, a Polish-Ukrainian civil war erupted again in western Ukraine. Between 1945 and 1947, the Polish inhabitants of western Ukraine, which was incorporated within the Ukrainian SSR, were deported to Poland. It was ostensibly to stop the struggle of Ukrainian nationalist partisans in southeastern Poland that the Ukrainian population was deported from the region to the newly acquired German territories in 1947. The bloody conflicts of the interwar period and the 1940s left a bitter legacy that had to be overcome before relations could improve between both countries.

During the 1980s, during the Solidarity movement in Poland, certain émigré publications and Ukrainian opposition groups helped to overcome historical animosities and focus on current political and strategic questions. Relations between Ukraine and Poland are now good, and the likelihood of territorial conflict between them is therefore remote.

The historical legacy of hundreds of years of external domination coupled with more than seven decades of Soviet totalitarianism has left a great scar upon the Ukrainian

national psyche. This has produced sharp regional differences and outlooks, a major cleavage between western-central and eastern-southern Ukraine, and varying degrees of national consciousness.

A lack of statehood in modern times, large national minorities, and a lack of experience in dealing with the outside world have produced a deep sense of insecurity within the Ukrainian ruling elite. This insecurity is translated into suspicion, mistrust, and exaggerated threat perceptions. Regional disparities and varying degrees of national consciousness influence the ability to forge a coherent security policy and formulate generally accepted national interests.

The requirement of building a Ukrainian identity among denationalized Ukrainians and national minorities who would be loyal to Kiev will preoccupy Ukrainian leaders. The Ukrainian government should be very careful and patient with its plan to reverse the legacy of denationalization. It is vitally important for the national security of Ukraine to choose an appropriate speed of nationalization which will provide public order and political stability among different ethnic groups. Interethnic harmony would be seriously threatened if "Ukrainization" were implemented in a rapid and injudicious fashion, by crude administrative measures. Thus far Ukraine has been successful in maintaining interethnic peace.

There is also another reason to be careful with the process of nationalization. An economically stable Ukraine will be more attractive for the Russian population of the eastern regions. In that context it would be most important to pay more attention to improving the standard of living of all citizens of Ukraine.

Ukraine's failure to establish an independent state in 1917-1921 highly influences current Ukrainian policy-making. This legacy is reflected in the priority given today to building the armed forces and maintaining domestic social and ethnic stability. Ukraine's struggle for independence was a simultaneous struggle against most of its neighbors who at one time or another have harbored territorial claims against it.

The current Ukrainian borders were created only in 1945; the potential for border conflict remains therefore large, primarily with Romania and Russia. These territorial contradictions do not permit any kind of consensus in Ukrainian - Romanian negotiations and as well as in the case of Russia, Ukraine does not have any agreements about relations with these states. But, Romanian-Ukrainian relations have tended to improve. There is a real possibility that because Romania has a serious intention to join NATO, NATO will require Romania to settle its conflicts with its neighbors.

Ukraine, given the historical record of territorial changes and claims by the majority of its neighbors, is likely to remain a status quo power in central and eastern Europe. There is a broad consensus within Ukraine against territorial changes and deep fear that any loss of one region of its territory would have a "chain reaction" effect, leading to the ultimate disintegration of the entire state.

In addition to a Ukrainian historical legacy which has influenced too much on the national security of Ukraine, there are a number of domestic threats to Ukrainian security which the current Ukrainian government did not sufficiently recognize. It is obvious that economic crisis, corruption, lack of political reform, and influence by communist as well as nationalist groups are very dangerous for Ukrainian survival. It is even more dangerous

than potential foreign threats, but unfortunately the current government as well as other political leaders ( including the President of Ukraine ) do not pay enough attention to these potential domestic threats.

Ukrainian independence could not have been achieved without the help of the national communists. In 1991, their interests coincided with the interests of their national allies. Although the national communists played an important short-term role in insuring social and ethnic stability their continued domination of the ruling elite and levers of power blocked the Ukrainian program of political and economic reform and led to economic stagnation.

As Ukrainian instability has grown, social and national consensus has broken down, and the ruling elite has divided over different orientations. These factors profoundly affect Ukrainian security policy. It is difficult to reorient the loyalties of Ukrainian citizens and national minorities to an Ukrainian state that appears economically and politically unappealing and unstable. The growing crisis has encouraged regionalism and pro-Russian tendencies. All these factors have undermined the legitimacy of the state, in turn preventing the formulation of a coherent security policy with broad public consensus.

Ukrainian's leaders did not sufficiently recognize the domestic threats to Ukrainian security. Unfortunately, even today the "Post- Soviet mentality of Ukraine's leadership does not allow them to understand that economic crisis is as great, or even greater, a threat to the survival of the Ukrainian state as potential foreign threats. Indeed, there was little appreciation within the former Ukrainian leadership of the importance of economic security to Ukrainian independence. As a result, Ukraine possessed no overall economic

strategy and little understanding of the new wider definitions of national security discussed in the West.”( 2 ).

Economic security is damaged by hyperinflation , a declining growth rate, a large budgetary deficit, corruption and organized crime. Poor economic performance also leads to unfulfilled expectation and prevents the transfer of allegiances within the population to the independent state. The weaker the economy, the greater the likelihood of economic pressure, foreign influence, dependence for imports, and an inability to pay for budgetary outlays on defense.

With its relatively good transportation system, highly fertile agricultural land, and variety of mineral resources, Ukraine potentially could be an economic power. The republic produced 46 percent of the agricultural output of the former USSR. Ukraine's potential in industry, agriculture, mineral resources, and business, combined with its level of education, infrastructure, proximity to Europe, and homogeneity of population, gave it a higher rating than any others former Soviet Republics.<sup>2</sup> But, Ukraine's economic disadvantages may outweigh its advantages, given its abundance of unskilled labor, low labor productivity, high degree of unionization, lack of modern equipment, and likelihood of reoccurring energy shortage.

The legacy of the USSR has also left Ukraine with human and physical capital that requires a long term program. A problems include restructuring-high job security, low prices, a lax work ethic, high social benefits, bureaucracy, lack of responsibility and initiative, backward technology, the lack of banking- financial sector, and inexperience in foreign trade.

Due to profound economic crisis many people have been forced to look for alternative sources of income, and in the process have become less dependent on the state. However, most working adults either lack the opportunity to gain additional income or lack the time and energy to take advantage of such opportunities. In addition, although most of the Ukrainian population still prefers to use legitimate means to express their social grievances a majority of the population are convinced that protest action will have no positive results. In order to prevent a further reducing of their standard of living, in spring 1994 one quarter of Kiev's residents were ready to engage in illegal or semilegal activities, a reflection of substantial moral alienation and contempt for the law.

The likelihood of social conflict has also increased as a result of growing social differentiation and a resulting polarization between a small wealthy elite and an increasingly majority of the population who live in poverty or are close to the poverty line. Only a small category of individuals can be said to belong to the middle class which is considered as a guarantor of stability in society.

But, the economic situation has begun to change since the middle of 1994, when President L. Kuchma started to conduct a radical economic reform that won the backing of the Ukrainian parliament and all the country's political groups, except for the communists. For the first time in independent Ukraine's short history, a consensus has been reached throughout Ukraine over the need to implement of serious economic reform program. The program won financial backing from the IMF, the World Bank, and the European Union (EU)

Ukraine's economic reform is not an easy task. But it is vitally important for the national security of Ukraine to put the Ukrainian economy on to the right track. And the economic reforms have showed the first positive results: during the three last months inflation was running at only about 2 percent. Also in September 1996, Ukraine successfully launched its new currency, the "hryvnia", which is already stronger than the "kharbovanets", the provisional currency it replaced. In spite of the slowing down of economic crisis, however, it is too early to judge the stabilization of Ukraine's economy.

"Ukraine's socio-economic difficulties have not provoked mass protest threatening the stability of the state, but they have led to increasing alienation, demoralization and political apathy among a large part of the population and among members of the younger generation in particular."<sup>3</sup> Even if the economic situation soon begins to improve, it will be a considerable period of time before the impact of this negative phenomena can be reversed. In the meantime, many of Ukraine's most talented scholars, scientists, and graduate students, unhappy with their prospects in the country, have emigrated or are considering emigration. As a result Ukraine can lose a whole generation of young people which should be a "builder" of the new independent state.

Obviously, economic issues should take an important position in the current agenda of Ukraine's government and the government in turn should realize that economic reform in Ukraine is vitally important for the survival and sovereignty of the state.

Undoubtedly, among the newest and most unusual challenges in current political and social life are organized crime and corruption. In accordance with the urgency and importance of these issues, they must be regarded as vitally important for the national

security of Ukraine. Indeed, the contemporary changes in the political and economic situation in Ukraine, conditions of democracy and a "free-market" oriented economic system, have brought a broad set of challenges, which can destroy all government attempts to stabilize the political and economic situation. In accordance with Oleksander Omelchenko's ( he is chief of the Department to Combat Organized Crime and Corruption within the Security Service ) definition, Ukraine's organized crime should be divided into three categories. First are black market criminals ( posing no security threat to the state). Next is the commercial *Mafia* ( which came into being under the favorable conditions created by the state monopoly within the economy). The black market criminals and the commercial mafia benefited from price instability to earn large profits. Third is a political Mafia ( the senior officials ). The latter have set up their own small enterprises trading the state goods sold to them at low prices for a large profit.

Corruption linked the former state leadership (nomenclatura) within state enterprises and the administration to the Mafia. The profits earned from these activities were used to create "support groups" in the higher echelons of the state. Former chairmen of security service and former prime minister Evgen Marchuk claimed that the gaps which existed until mid-1993 within legislation and law enforcement had encouraged the spread of organized crime and corruption. He also admitted that the Ukrainian Mafia could not be completely liquidated - only kept within certain limits.<sup>4</sup>

The growth of corruption and organized crime has led to a huge capital flow from Ukraine. In the view of the head of the Main Directorate of the Struggle against Organized Crime, Deputy Minister of Internal Affairs Yurii Vandin this amount is about

US \$4 billion, but another sources gives a total amount of about US \$15-20 billion. This amount came from figures of capital flight by investigating the total number of export licenses granted, the value abroad of the goods exported and the difference between what was returned to Ukraine and what was left abroad. The governmental inspection carried out in the winter of 1994-95 by the State Taxation Service found that 2,500 businesses had failed to declare in whole or in part their funds held in foreign banks. Over 180 businesses opened foreign bank accounts without authorization, making investments into joint ventures or other projects abroad. Most offenders came from ministers tied to the military-industrial complex as well as those related to conversion, agriculture, and foodstuffs, the coal industry, transportation, as well as oil and gas.

Corruption and organized crime were heavily involved in counterfeiting Ukraine's previous karbovanets currency. Printed outside Ukraine, mainly in Poland and Chechnia by Azery and other Caucasian craftsmen, the total figure of counterfeit karbovantsi deposited in Ukrainian banks was estimated at K300-400 billion by January 1994, according to the National Bank chairman Victor Yushchenko. During the preparation for and implementation of currency reform on 2 September 1996 ( which replaced the karbovanets with the hryvnia), forged notes with a face value of K2.4 billion were confiscated. Through the currency reform, the authorities had hoped to encourage an exchange of the estimated K223,000 billion circulating within the shadow economy outside the banking system ( a third of the entire volume of money in circulation) to hryvnia . This was an attempt to legalize the funds and bring the shadow economy it represented within the official economy.

Perhaps the greatest security threat to Ukraine lies in its large and growing shadow economy. In an economy such as Ukraine's, where the shadow economy has grown to more than 40 per cent of GDP, the state has in effect lost much of its macro-economic control. The growth of the shadow economy encouraged the parallel growth of the counter-society which begins to double state functions and remains beyond the control of the authorities for taxation purposes. This makes the shadow economy also easy prey to organized crime and encourages the illegal export of capital which in turn leads to capital depreciation at home and investment abroad.

For many, the shadow economy is a means of survival--75 per cent of the population rely upon it either wholly or partially for their income. The shadow economy's positive role rested in its prevention of the complete collapse of the Ukrainian economy. Whereas official figures, for example, show that GDP in 1994 was allegedly only 39 per cent of its figure, in actual fact it was closer to 74 per cent. Ukraine's economic crisis was therefore not as bad as official figures portrayed it--another reason for the absence of social strife. According to Oleksandr Razumlov, former presidential economic adviser and an expert of the Ukrainian Economic and Political Research Center, the shadow economy has grown from 36-40 per cent of GDP in 1994 (when economic reform began in earnest) to 50 per cent in 1995 and 60 per cent in 1996. These exceeds even Nigeria's (50 per cent), Italy's and Latin America's (30 per cent) totals. In the industrial west it averaged between 5-10 per cent.

There is no doubt that the authorities are alarmed at the growth of organized crime and corruption and regard it as a threat to national security. President Kuchma described

organized crime as the "Fifth estate" and noted the failure of an earlier anticrime campaign he had launched in August 1994 and February 1995. A new decree issued in August 1996 came a month after the attempted assassination of Prime Minister Lazarenko and called for the development of a comprehensive crime fighting program for 1996-2000.

Besides organized crime, the authorities are also alarmed at the growth of corruption. The deputy chairman of the security service, L. Derkach, admitted that "the fusion of corrupt state officials with criminal formation runs so deep that the measures being taken against them frequently encounter resistance on the part of the violators and their highly placed protectors"

It would be wrong to predict a fast positive result for Ukraine's anticrime campaign because apparently the "Mafia" is not a distinct body outside the state apparatus. The so called "Mafia" already has become a part of the state bureaucracy, and successfully co-exists within the state. This is the reason why it is so difficult to eliminate organized crime and corruption in Ukraine.

There is also a serious affect on Western economic help to Ukraine. Many Western authorities have expressed distrust regarding the advisability of investments in Ukraine's economy due to the high level of corruption in government.

Among domestic sources of instability a crucial place should also be given to energy supplies. Ukraine's overdependence upon imported energy supplies increases the trade deficit and produces a feelings of insecurity. This, in turn, is likely to increase demands for the greater use of nuclear power and alternative energy sources. Yet, Ukraine only imports half of its energy requirements, and its inability to pay world prices is

more a reflection of economic mismanagement and failure to reorient export trade from Russia.

Ukrainian overdependence on Russian energy supplies is a major factor preventing Ukraine from seceding from the CIS. Ukraine does not consider its membership within the CIS as a vitally important component of contemporary political life. The CIS is not able to be a intergovernmental structure and hundreds of its decisions, programs, and projects remain on paper. Ukraine's approach is different. The CIS could be potentially useful, from the point of view of developing economic relations, mainly on a bilateral basis with coordination of a balance of interests. In fact, the framework of the CIS is not suitable for Ukraine's political purposes, because some politicians in Russia consider it as an instrument for the integration of the former Soviet republics under the CIS umbrella. This is an unacceptable course for Ukraine.

This is a reason why Ukraine's dependence upon Russia has traditionally been regarded as a threat to its national security. One of the many areas of dispute between Russia and Ukraine surrounds energy supplies to, and through, Ukraine's territory. Russia has used energy supplies as a major lever in its security policy toward Ukraine. At the same time, 90 percent of Russian gas is exported to western and central Europe through Ukraine, which has given Ukraine leverage in its dealings with Russia and Turkmenistan.

The problem of ensuring adequate supplies of oil and gas has perceptibly altered the deep hostility previously held toward nuclear power in the aftermath of the Chernobyl nuclear accident in April 1986. Ukraine possesses 14 reactors located within 5 nuclear power plants, accounting for a third of its energy consumption. The Ukrainian National

Security Council decreed in November 1992 that there was no alternative to increasing reliance upon nuclear power, and parliamentary committees have demanded the lifting of the moratorium on the building of new nuclear power stations, arguing that the future belongs to nuclear power stations. In April 1993 parliamentary and government officials decided to put energy independence and supplies before fears of another nuclear accident and decreed that the moratorium on continuing the Chernobyl plant after its 1993 deadline should be dropped. Two problems, however, concern the interest in nuclear power in Ukraine. First, although uranium is mined in Ukraine, it cannot undergo a full production cycle, as no plants are capable of enriching uranium or disposing of the waste. This would mean reliance upon Russia or searching for alternative supplies, as with oil and gas. There are even indications that Ukraine's nuclear power plants could run out of fuel if payments are not made to Russia. Second, there is the issue of the safety standards of Ukraine's nuclear plants, which are equipped with old reactors and can be the source of another accident. The importance of energy supply for the development of economic reform is vital and the role of Western aid will be crucial in dealing with this issue.

The greatest near term source of domestic instability exists in the contacts among regional and governmental elites for control of the political and economic assets controlled by the state. This struggle is not reducible to executive-legislative tensions; the struggle is within the executive branch and among various regional and sectional elites over control of the executive branch and its resources during economic transition. In crucial matters of economic, social, and foreign policy, a small group of people governs Ukraine. "Civil society and state institution that limit and distribute power are still weak. The

Ukrainian press is becoming more open and sophisticated, but it still has relatively little information on- and thus influence over - governmental decisions. The people exercise a strong level of control through elections, but elections are few and far between.”<sup>5</sup>

Unfortunately, in Ukraine , the main levers of power at both the center and the regions remain in the hands of those with roots in the old nomenklatura. In order to gain power former president L. Kravchuk included a large section of former old Communist nomenklatura in the new power elite. Thus, power and influence were distributed across the wide range of regional and sectional elites, maintaining a rough balance among these groups. The current situation in Ukraine shows the endless struggle among the regional and central authorities and this process of “ division of spheres of influences” probably will get worse and became the predominant thread of Ukrainian politics in the next year. There is no question, that conflicts at the top of the pyramid will slow down the process of economic and social reform in Ukraine and will reduce the confidence of the population toward the Government.

Although the newly independent Ukrainian state faced a number of security threats, the leadership and majority of political groups have tended to overconcentrate on, and partly exaggerate, external threats almost to the exclusion of others. Poor relations with Russia have contributed to this situation, resulting in Ukraine’s neglect of domestic reform. There was a continued failure to recognize the economic dimensions of its security problems. The desire to hang onto independence at any cost has blinded many nationalist groups to the growing internal threats to Ukrainian independence, which will likely prove the decisive factor in Ukrainian security. The national security council which

was created in order to improve the national security of Ukraine did not concentrate as well on internal instability. As a result economic stagnation, corruption, and a high level of organized crime still prevent progress in political and economic reform, as well as leading to widespread disillusionment within the population. It is very doubtful that the contemporary president and government of Ukraine will be able to defeat the widespread public nihilism.

Nothing has threatened the national security of Ukraine more than the absence of strong and coordinated actions by the president and government in order to improve the economic situation and reinstall public order. It is also difficult to deny the irresponsible position of Ukraine's Parliament ( Verkhovna Rada ) which has not been able to achieve consensus among its 450 members in order to create a legislative framework for building statehood. Probably, the contemporary structure of Ukraine's legislative power does not match the scale of missions which should be decided on a modern stage of the state's development. Today, the Ukrainian Verkhovna Rada still functions as a dependable shelter for former communist nomenklatura, ultra-right nationalists, and irresponsible populists.

The growing political and economic crisis brought into question the legitimacy of the newly independent state and the foundation upon which it was built. All of the structure of power in Ukraine became illegitimate and highly unpopular ( presidency, government, and parliament), producing a potentially dangerous situation. Apparently, in the foreseeable future neither the structure nor quality of Ukraine's Verkhovna Rada

will change, and even the intention to change this part of state power will encounter resistance by the former nomenclatura and a new generation of irresponsible politicians.

Regarding the threat to Ukrainian territorial integrity in the Crimea, the solution to reducing the danger of the growth of demands of autonomy and even separatism is to deal with symptoms of the economic crisis and poor relations with Russia. The “ Crimean problem” will exist as long as Russian and Ukrainian governments are not able to reach consensus and realize that it is mutually beneficial and important to work together. Many observers note the importance of stability and peaceful relations with Russia for regional and international security. But all attempts by the Ukrainian government to set up a really equal rights relations with Russia failed to bring a positive result. It could be explained as an unwillingness of the Russian government to recognize Ukraine as an independent state and also imperial ambitions, which still exist and have strong influence within the Russian government. Probably, there are no others ways for Ukraine to be recognized by Russia as an independent state than to continue to carry out its independent policy and widely participate in international political, economic, and military programs. There is also no particular reason for Ukraine to restrict participation in bilateral relations with the former Soviet republics in order to create new political and economic links.

The best scenario for Ukraine’s future would be if:

- The country will have active leadership with a clear socioeconomic and political strategy;
- The ultra-nationalist and ultra-communist will not be elected for next term and Ukraine’s Verkhovna Rada becomes a real legislative power for building the foundation for a market economy;

- The Ukrainian economy emerges from the “shadow” and “Black market” and moves toward a legal economy;
- The Ukrainian Mafia will return stolen money and deposit it to the National Bank of Ukraine ( if it could be accomplished Ukraine’s government will have the possibility to continue economic reforms without huge Western investments).
- The Russian establishment will recognize Ukraine as an independent state and a Russia-Ukraine treaty will be approved by both parliaments.

There are a lot of “ifs” in current Ukraine’s internal problem agenda, and reality is still very complicated and contradictory. In the worst case, Ukraine will suffer under hesitant government and under huge influence from different groups , which will attempt to pull Ukraine into the CIS in order to improve economic stability, and turn back the process of state building. The lack of reform will also provoke ethnic conflicts in Crimea and the Eastern region of Ukraine which can have an unpredictable outcome.

But, despite the problems listed above some optimistic forecasts should be made regarding Ukraine’s process of stabilization. There are notable steps toward creating new links of cooperation with East-European countries such as Poland, Slovakia, Hungary, the Baltic states, as well as bilateral treats with Turkmenistan, Uzbekistan, and Kazakhstan which will reduce dependence upon the Russian market. Slowing down inflation, finishing the process of privatization, promoting land reform, and cutting taxes and bureaucracy should play a positive role in encouraging international investment in the Ukrainian economy.

So many people believe and are working hard today to put Ukraine on the right track Ukraine has no right to be the loser.

## ENDNOTES

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- <sup>1</sup> Garnet W. Sherman. Ukraine: Europe's New Frontier. Conflict Studies Research Center Military, Royal Academy, Sandhurst, (1996), pp. 1-3.
- <sup>2</sup> Taras Kuzio. Ukrainian security Policy. Published with the Center for Strategic and International Studies, Washington, D.C: Westport, Connecticut: Praeger, (1995), p. 41.
- <sup>3</sup> Ivan Jaworrsky. Ukraine: Stability and Instability. Institute for National Strategic Studies, National Defense University: Washington, D. C. 1995, pp. 15-16.
- <sup>4</sup> Taras Kuzio. Crime Still Ukraine's Greatest Enemy. Jane's Intelligence Review, (Jan. 1997), p. 25.
- <sup>5</sup> Sherman, p. 3.



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