

## CHALLENGES IN RELATIONS BETWEEN RUSSIA AND UKRAINE OVER THE NEXT 10 YEARS

BY

LIEUTENANT COLONEL IHOR HORDIICHUK  
Ukrainian Army

### DISTRIBUTION STATEMENT A:

Approved for Public Release.  
Distribution is Unlimited.

USAWC CLASS OF 2009

Only a work of the United States Government is not subject to copyright. Based upon the nature of a particular student-author's employment, a paper may not be a work of the United States Government and may, in fact, be protected by copyright.

The views expressed in this student academic research paper are those of the author and do not reflect the official policy or position of the Department of the Army, Department of Defense, or the U.S. Government.



U.S. Army War College, Carlisle Barracks, PA 17013-5050



| REPORT DOCUMENTATION PAGE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                             |                                             |                                             | Form Approved<br>OMB No. 0704-0188       |                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|---------------------------------------------|---------------------------------------------|------------------------------------------|-------------------------------------------|
| Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing this collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports (0704-0188), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. <b>PLEASE DO NOT RETURN YOUR FORM TO THE ABOVE ADDRESS.</b> |                             |                                             |                                             |                                          |                                           |
| 1. REPORT DATE (DD-MM-YYYY)<br>16-03-2009                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                             | 2. REPORT TYPE<br>Strategy Research Project |                                             | 3. DATES COVERED (From - To)             |                                           |
| 4. TITLE AND SUBTITLE<br><br>Challenges in Relations between Russia and Ukraine over the Next 10 Years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                             |                                             |                                             | 5a. CONTRACT NUMBER                      |                                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                             |                                             |                                             | 5b. GRANT NUMBER                         |                                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                             |                                             |                                             | 5c. PROGRAM ELEMENT NUMBER               |                                           |
| 6. AUTHOR(S)<br><br>Lieutenant Colonel Ihor Hordiichuk, International Fellow - Ukraine                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                             |                                             |                                             | 5d. PROJECT NUMBER                       |                                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                             |                                             |                                             | 5e. TASK NUMBER                          |                                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                             |                                             |                                             | 5f. WORK UNIT NUMBER                     |                                           |
| 7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES)<br>Dr Robert Nation<br>Department of National Security and Strategy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                             |                                             |                                             | 8. PERFORMING ORGANIZATION REPORT NUMBER |                                           |
| 9. SPONSORING / MONITORING AGENCY NAME(S) AND ADDRESS(ES)<br>U.S. Army War College<br>122 Forbes Avenue<br>Carlisle, PA 17013                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                             |                                             |                                             | 10. SPONSOR/MONITOR'S ACRONYM(S)         |                                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                             |                                             |                                             | 11. SPONSOR/MONITOR'S REPORT NUMBER(S)   |                                           |
| 12. DISTRIBUTION / AVAILABILITY STATEMENT<br>Distribution A: Unlimited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                             |                                             |                                             |                                          |                                           |
| 13. SUPPLEMENTARY NOTES<br>Only a work of the United States Government is not subject to copyright. Based upon the nature of a particular student-author's employment, a paper may not be a work of the United States Government and may, in fact, be protected by copyright.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                             |                                             |                                             |                                          |                                           |
| 14. ABSTRACT<br>The current situation in relationship between Russia and Ukraine is the worst since 1991. It looks like clash two civilizations. From the one hand is Russian totalitarian regime (However called by Russian Government as new advanced democracy) and from the other hand young Ukrainian democracy. Most of the countries especially from Western Europe take a neutral position that should be considered as dangerous for the world's future. This project is intended to analyze research and study the most pressing problem in the area of relations between Russia and Ukraine in order to find Ukraine's best strategy for coping with Russia's increasing assertive foreign policy. Recommendations are provided to adjust the current strategy that should provide by Ukraine's authority toward the facilitation of relationship between Russia and Ukraine.                                                                  |                             |                                             |                                             |                                          |                                           |
| 15. SUBJECT TERMS<br>Promoting Democracy in Ukraine                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                             |                                             |                                             |                                          |                                           |
| 16. SECURITY CLASSIFICATION OF:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                             |                                             | 17. LIMITATION OF ABSTRACT<br><br>UNLIMITED | 18. NUMBER OF PAGES<br><br>26            | 19a. NAME OF RESPONSIBLE PERSON           |
| a. REPORT<br>UNCLASSIFIED                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | b. ABSTRACT<br>UNCLASSIFIED | c. THIS PAGE<br>UNCLASSIFIED                |                                             |                                          | 19b. TELEPHONE NUMBER (include area code) |



USAWC STRATEGY RESEARCH PROJECT

**CHALLENGES IN RELATIONS BETWEEN RUSSIA AND UKRAINE OVER THE  
NEXT 10 YEARS**

by

Lieutenant Colonel Ihor Hordiichuk  
Ukrainian Army

Dr Robert Nation  
Project Adviser

Only a work of the United States Government is not subject to copyright. Based upon the nature of a particular student-author's employment, a paper may not be a work of the United States Government and may, in fact, be protected by copyright.

The views expressed in this student academic research paper are those of the author and do not reflect the official policy or position of the Department of the Army, Department of Defense, or the U.S. Government.

U.S. Army War College  
CARLISLE BARRACKS, PENNSYLVANIA 17013



## ABSTRACT

AUTHOR: Lieutenant Colonel Ihor Hordiichuk

TITLE: Challenges in Relations between Russia and Ukraine over the Next 10 Years

FORMAT: Strategy Research Project

DATE: 16 March 2009      WORD COUNT: 5,581      PAGES: 26

KEY TERMS: Promoting Democracy in Ukraine

CLASSIFICATION: Unclassified

The current situation in relationship between Russia and Ukraine is the worst since 1991. It looks like clash two civilizations. From the one hand is Russian totalitarian regime (However called by Russian Government as new advanced democracy) and from the other hand young Ukrainian democracy. Most of the countries especially from Western Europe take a neutral position that should be considered as dangerous for the world's future. This project is intended to analyze research and study the most pressing problem in the area of relations between Russia and Ukraine in order to find Ukraine's best strategy for coping with Russia's increasing assertive foreign policy. Recommendations are provided to adjust the current strategy that should provide by Ukraine's authority toward the facilitation of relationship between Russia and Ukraine.



## CHALLENGES IN RELATIONS BETWEEN RUSSIA AND UKRAINE OVER THE NEXT 10 YEARS

After the end of the Second World War, and especially over the last 50 years, the international community has made a significant contribution to the preservation of peace, democracy and stability. The collapse of the Berlin wall and the termination of the Cold War was one of the most powerful achievements of the Free World. For more than 40 years the so-called “democratic” communist regimes had kept the entire world in suspense and uncertainty. But thanks to vigorous support from the community of democratic states, confidently led by the USA, in many states of Eastern Europe and some republics of the former Soviet Union, national-liberation movements were able to expand and promote new democratic developments. The collapse of a communism in Europe created the hope that democracy could soon become a global trend. However, there are many other vital problems in the world that remain unsolved, upon which the future of our planet depends.

In my opinion, there are three strategic tasks that global society has to resolve in the near future. First of all, we should seek to democratize societies in China, North Korea and the states of Central and South America. The second task is to accelerate the process of democratic and economic development in Africa. And the third strategic task is to help the Arabic and Muslim worlds to adapt to the challenges of modernization. Accomplishing these tasks is a necessary condition for the establishment of global peace. It also will give subsequent generations hope for a more promising future. However, the accomplishment of these tasks and achievement of the

overall objective is impossible without a complete liquidation of the main roots of totalitarianism.

The author deeply believes that the main root of totalitarianism is communism. Disguised by bright ideas and beautiful slogans, communism in fact destroys the foundations of human rights. This includes the basic right of freedom, including freedom of thought, freedom of speech, freedom of worship, etc. Having witnessed the collapse of communism, the democratic community considered that it had eradicated this negative public phenomenon and believed that the replacement of communist systems by democracy was inevitable. Unfortunately, the roots of a new communist regime have arisen in Russia and, regrettably, have given new life to the concept. This new breath of Russian totalitarianism does not allow the democratic community to move forward to resolve the three strategic problems that I mentioned above. It is essential to resolve this problem by reducing Russian influence and working toward the complete liquidation of the negative influences exerted by the Russian totalitarian regime on countries moving toward democracy.

One of the most important countries affected by these developments is Ukraine. The democratic community must understand that without a democratic Russia they will never be able to solve any global issue, including that of Ukraine's transition to democracy, in an equitable way. Totalitarian Russia will try to interfere in any affairs it can in ways that will undermine the goals of democratic nations, purposefully creating problems for them where it can. The world's democracies must address the behavior of a country as strong as Russia as it works to thwart their aims. Therefore, the major question for the world's democracies is how to encourage Russia to become more

democratic. In my judgment, one of the most appropriate ways to help Russia gradually and bloodlessly become a more democratic country is through the restoration of a reliable and trusting relationship between Russia and Ukraine. The community of democratic states should realize that it is much easier to support democracy formation in Ukraine today than to spend additional billions of dollars to contain communistic expansion tomorrow.

A strengthened democracy in Ukraine would be likely to exert considerable influence on the eastern part of Russia (economically developed and densely populated)<sup>1</sup>. In the near future this kind of dynamic could lead to democratic change in Russia's center of power. It is also very important to note that in the opposite case of the victory of Russian totalitarianism over the Ukraine's young democracy (which is quite possible) a new Cold War would not be far off. Millions of innocent people would again become hostages to insatiable tyrants like Joseph Stalin, Saddam Hussein, Slobodan Milošević, and others. The world democratic community must not allow the repetition of these evils. The author therefore believes that the subject of this paper is urgent and timely and its examination is of practical value for strategic decision makers involved in promoting democratization. In this paper, I will seek to make active recommendations about how the movement toward democracy can be restored in Russia and further promoted in Ukraine. Moreover, I will try to explain some of the possible ways these two issues can be addressed; both by strengthening Ukrainian democracy and moving Russia toward a more democratic form of government.

There are many interesting commonalities in the history of relations between Russia and Ukraine. Having formed from the same historic super state and having

many cultural similarities, the current relationship between Ukraine and Russia should resemble that between the USA, Great Britain, Canada and Australia. Unfortunately, this is not the case.

The main reason for that, in my opinion, is authority. Analyzing the history of this relationship, it is easy to recognize that the people of these countries have always been close to each other. At the same time, the politics and authorities of both countries have a certain difficulty relating to each other. It is possible to explain such big differences only by the authorities not listening to the opinions of the people. Almost always they have tried to solve issues by taking active measures. Naturally, having a big numerical advantage, Russia always came out the winner in a test of force (the fall of the Zaporozhian Cossacks in 1775, or the fall of Directory of Ukraine in 1918 are just two examples)<sup>2</sup>. Moreover, even if the questions at issue were decided in a peaceful way, Russia won nonetheless because it interpreted all agreements and applied them to its own advantage. This can be seen in the aftermath of the 1654 Friendship treaty as well as that of the Treaty of Alliance in 1922.

Nowadays, it is a well-known fact that according to the treaty between Russia and Ukraine in 1654<sup>3</sup>, Ukraine was to have remained an independent state. During the 15th -17th centuries, it was very difficult for Ukraine to achieve and develop independence because it was surrounded by very strong states such as Russia, Poland, Turkey and Lithuania. It was necessary for Ukraine to find an ally. Of course, at that time Russia was the closest nation to us and actually we had no choice. Despite the Agreement, Russia gradually deprived Ukraine of the possibility of having the main institutions of a sovereign state such as an Army, currency, and even the right to

preserve and develop its native culture and language. From there the first differences in principle between Russia and Ukraine begin and they continue to exist to this day.

While in Europe the first rays of democracy were already appearing and in the Western hemisphere the USA and many other countries were becoming independent, at the same time Russia was engaging in a policy of chauvinism. Chauvinism is a form of extreme and unreasoning partisanship on behalf of the group to which one belongs, often including malice and hatred towards a rival group<sup>4</sup>. But despite the severe policy of Russian chauvinism throughout the 18th-20th centuries, many nations of Eastern Europe, Central Asia and the southern Caucasus were not only able to survive, but also continued to struggle for independence. Fortunately, Ukraine also was able to preserve the hope for better life. Thankfully, great Ukrainian patriots like Taras Shevchenko (1814-1861), Lesya Ukrainka (1871-1913), Ivan Franko (1856-1916), W. Stus (1938-1985) and thousands of other heroes gave their own lives for freedom<sup>5</sup>.

It is an interesting fact that throughout the history Ukraine often suffered from invasions by Poland, Lithuania, and Turkey<sup>6</sup>. However, today, when these countries have become democracies they have very friendly mutual relations with Ukraine. Moreover, after the USA and the UK, Poland and Lithuania are the biggest proponents for integrating Ukraine into the EU and NATO. Even Turkey, despite some problems caused by the return of Crimea Tatars<sup>7</sup> from Russia to Ukraine, has a good and hopeful relation with Ukraine. Russia is the only country that has a completely different view on its mutual relationship with Ukraine. Russia continues to consider Ukraine its satellite or even a part of its own territory. And this is not surprising, because the present foreign policy of Russia is even more terrible than it was during the Cold War. Having come to

power in 1999 V.V. Putin<sup>8</sup>, the bright representative of a communist regime and KGB school, accurately knew the rules of a dictatorial regime. And the main rule of the dictator is to seize the power forever and never be responsible to future generations for the consequences. Having collected an appropriate team, and using old KGB methods, Putin was able to usurp authority in Russia. Putin also changed interior ministers, set up plenipotentiaries to oversee Russia's 89 regions<sup>9</sup>, and consolidated authority to gain greater control over the country. Total control over the mass media, the basic branches of economy, education and culture facilitated instant suppression of any signs of democracy or dissent. It is interesting that the Russian authority has proudly proclaimed itself to be a new, advanced democracy. But more interesting is that that we should agree with Russian authorities that its democracy is distinctive for many reasons. And the major one is that Russia is the only country where all the evil deeds of a communist regime, such as repression, political purging, famines, and others are not only not condemned by the Russian authority, but presented as heroic exploits. It really should be regarded as a new Russian democracy.

As consequence of a totalitarian regime and being under enormous control of the government, the planned economy of Russia also cannot be as successful as it should be (the planned economy of the former Soviet Union provides an example). Concerning the Russian economy, it is necessary to cite some statistical data. If these data were taken from ROSCOMSTAT (The State Committee of Statistic of Russia) the Russian economy would be presented as a world economic miracle. But there is a well-known expression that there are lies, damned lies, and statistics. It is obvious that the state statistics of Russia have essential differences from reality, and it is clear in what

direction. Therefore, instead of ROSCOMSTAT we will take advantage of the information of more reliable world sources such as the Wall Street Journal.

Russia's economy is 49.9 percent free, according to a 2008 assessment, which makes it the world's 134th freest economy. Its overall score is 2.5 percentage points lower than last year, one of the largest annual declines, caused by sharply lower scores in trade freedom and business freedom. Russia is ranked 40th out of 41 countries in the European region, and its overall score is much lower than the regional average. Russia has weak or almost average scores in every area. The top individual income and corporate tax rates are relatively low at 13 percent and 24 percent, respectively, but overall tax revenue is relatively high as a percentage of GDP. The labor system is only partially flexible. Russia's significant weaknesses lie in trade freedom, investment freedom, financial freedom, property rights, and freedom from corruption. Foreign investment in nearly all sectors faces official and unofficial hurdles, including bureaucratic inconsistency, corruption, and outright restrictions in sectors like energy. Corruption means a weak rule of law, including underdeveloped property rights and arbitrary law enforcement<sup>10</sup>.

Despite the fact that Russia has the biggest stocks of natural resources in the world, the average monthly salary in 2008 was only \$600, \$100 less than in Poland<sup>11</sup>. After that I should call into question Putin's words that in 20 years Russia would be the nicest place to live in the world<sup>12</sup>. Maybe Vladimir Putin is just considering himself. In that case I would agree. Personally these words remind me of the words of comrade Nikita Khrushchev that in 1980 in the USSR there would be communism, which

promised a bright future<sup>13</sup>. But unfortunately, instead of communism what arrived was hunger.

The political and economic situation in any country completely defines the social standard of living of the people. Even considering the official statistics of the standard of living of the population of Russia, the picture that emerges is not so optimistic<sup>14</sup>. I would like to give some examples of real statistics of living standards in Russia which have disappeared from the mass media.

The demographic situation in the country has resulted in an acute shortage of workers due to an aging population, according to the Minister of Regional Development of Russia, Vladimir Jakovlev. He writes, "In the country there will be soon nobody to work. About 60% of Russians are old men, children and invalids. From 20 million men of able-bodied age about 1 million are incarcerated for various crimes, 4 million serve in systems of the Ministry of Defense, the Ministry of Internal Affairs, the Ministry of Emergency Measures and FSB. 4 million more are chronic alcoholics, and 1 million are addicts." The minister has added that the male death rate in Russia exceeds the female rate by four times. Jakovlev considers that today losses of healthy men are similar to losses in the USSR in the days of the Great Patriotic War.

Every minute in Russia five persons die and only three are born. The death rate exceeds the birth rate on the average by a factor of 1.8. The average life expectancy of the Russian male is 59 years; women live 72 years (122nd place in the world). Annually, Russian population losses equal roughly equal the populations of Pskov or Krasnodar. In the last 10 years the population of the far eastern part of the country has declined 40 percent and 60 percent in the far north. In Siberia, 11,000 villages and 290 cities have

disappeared in recent years and more than 30 thousand Russian settlements from the total of 157,895 lack telecommunications.<sup>15</sup>

All of the above is the result of the poor policies of the Russian Government in the last several years. Unfortunately, current Russian foreign policy is also very aggressive and lacks foresight and has been especially detrimental to Ukraine's young democracy. By failing to recognize the facts of brutal violence imposed by the communist regime of the former Soviet Union in Ukraine, Russia impedes the processes of democratic development in Ukraine and retards the changing of peoples' consciousnesses. Moreover, some unexpected and inhuman expression of the major Russian policies should be taken by democratic society as challenge. For example, it is a fact that Putin described the collapse of the former Soviet Union as the biggest tragedy of the 20th Century<sup>16</sup>. This indicates that Russia will try to regain its authority over the former Soviet space at any cost and, according to the current situation Russia, it is working to achieve this goal. For example, the Baltic States, Ukraine and Georgia are presently the only post-Soviet countries that try to resist Russian chauvinism. The other nine former Soviet Republics are already playing a pro-Russian role.

Actually, the majority of the Ukrainian population might not be opposed to a union with Russia, based upon the relationship between England and Scotland for example. They are still fairly loyal to the Russian people, but they do not desire a return of the Soviet regime. Any formation of a union between the two countries must be grounded on solid democratic principles. But, the process of democracy has a long way ahead, especially for the ex-communist countries, where several generations were inculcated with a distinctive perception of the world. And it may take the government some time to

foster a new generation to be ready to think in a new way. Fortunately, Ukraine's authorities are currently trying to do a lot toward integration in the world's democratic institutions.

At the same time, trying to prevent this, the current Russian government continues to propagate the misdeeds of the former communist regime that can never be acceptable in any democratic society. For example, textbooks of Russian history for middle school students teach a new generation that Stalin is the greatest Russian hero of all time. But, there is a well-known proverb that those who do not know history will never have great future. Also, many years ago Sir Winston Churchill said that the further back you look, the further ahead you can see. Of course, all the misdeeds of the Soviet regime are history too, but we insist on learning an accurate version of history. And a new generation of Ukrainians as well as Russians has a right to know how many innocent people died due to the inhuman policies of the Soviet regime over the course of nearly 80 years. They also have to know the meanings of words such as repression, collectivization, famine, dispossession, resettlement, exile, shootings, clearings and many other words that exactly characterize the major actions of the communist regime over the former-Soviet territory. The current textbook of Russian history also says that all this violence was necessary to save the country, and that its communist regime was the conductor to the bright future. But, that textbook doesn't say to the student that to reach that goal it was necessary to kill more than half of the population of the republics of the former-Soviet Union<sup>17</sup>. And the most awful aspect of this is that many students believe that they are studying real history, breeding misperceptions that will create difficulty, not only for themselves, but also for the following generation. Besides, we

need to add that the textbooks continue to teach children that the biggest evils for the future of the world are NATO, the EU, the USA and all countries that loyal to these democratic institutions. Therefore, we, i.e., a new Ukrainian generation, will never agree with Russia's statements and we are happy that at least we currently are able to teach the new generation a more accurate history.

Of course, the new democratic way of development for Ukraine is very difficult and very expensive. But Lenin was right when he said that that each revolution that is valuable must be defended by strenuous effort. These words exactly describe the Ukrainian "Orange Revolution". The current Russian government is sure that Ukraine is the last bastion protecting Russia's aggressive foreign policy. They know exactly that in case of the total victory of democracy in Ukraine the time for antagonistic Russian authority will be at an end. And, of course, the Russian authority is using any methods at its disposal to keep Ukraine close to the absurd Russian policy. Moreover, Russia has been partially succeeds in doing that.

The current political situation in Ukraine needs to be improved. Unfortunately, the worst possible situation arrived when the one of the biggest political parties (the Bloc Yulia Timoshenko-BYT) transferred from the democratic side to the pro-Russian side. Trying to get more authority before the oncoming presidential election, and in order to get more voters from the Eastern and Southern part of Ukraine, the leader of her own political bloc, Yulia Timoshenko, betrayed her voters' choice and went into opposition to the current Ukrainian democratic policy that is represented by the democratically elected President of Ukraine, Viktor Yushchenko. Many political experts consider this as another Russian provocation after the unsuccessful performance of another pro-

Russian leader, Viktor Yanukovich, who usurped authority over the Eastern and Southern parts of Ukraine with their large Russian populations. Having observed that Yanukovich was unable to take control of all of Ukraine, Russian strategists chose a different approach that met with initial success. Thankfully, the current presidential team was able to unveil the betrayal of Yulia Timoshenko and is letting the people know about it. Working on political maneuvers instead of economic problems caused one the biggest crises of the Ukrainian economy ever and failed to increase living standards. In addition, the current world economic crisis helped lead to the discovery of the incompetence of the current Ukrainian government led by Timoshenko by demonstrating her inability to overcome the aftermath of the crisis.

According to the Wall Street Journal's assessment, in 2008 Ukraine's economy was 51.1 percent free, which makes it the world's 133rd freest economy. Its overall score is 0.6 percentage point lower than the preceding year. Ukraine is ranked 39th out of 41 countries in the European region, and its overall score is much lower than the regional average. Ukraine scores moderately well in trade freedom and fiscal freedom. Ukraine is very weak in business freedom, government size, monetary freedom, investment freedom, property rights, and freedom from corruption. Inflation is high, and government expenditures equal nearly two-fifths of GDP. While foreign investment is officially welcomed, corruption and regulations are deterrents to capital. The judiciary does not always enforce contracts and is tarnished with corruption. Corruption is a major problem throughout the civil service, and bureaucratic inefficiency makes many commercial operations difficult. Promises of more market openness and economic reform after Ukraine's 2004 "Orange Revolution" have fallen short, and infighting

between Yushchenko, Yanukovich, and Timoshenko have generated instability. Despite opportunities for foreign direct investment, economic progress is slowed by persistent corruption, increasing gas prices, poor infrastructure, and political uncertainty.<sup>18</sup>

The current situation is deeply disappointing to many who were ready to die for a better future in 2004-2005 during the “Orange Revolution”, which has in fact merely led to more of the same. The people were waiting for the types of reforms that many post-communist countries like Poland, the Czech Republic, Romania and others have already accomplished. But, unfortunately, owing to Russian influence the old government was able to return and stopped the development of the country for a long time by using the policy of living for today instead of enacting necessary reforms.

The subsequent government has gone even further by engaging in populism. But the populist approach has fallen short. The famous Polish architect of liberalization, Leszek Balcerowicz, appeared recently at Lviv's University and said in regard to the work of the current government: “I do not know any case in which a poor country has become rich by increasing social spending.” In his article “Ukraine Waiting for Reform or Collapse” he wrote that there are many examples and clear explanations of the advantages of Poland's achievements compared to Ukraine's after 1991. It is very interesting to me, as well as many Ukrainians, how Russian communism would explain the huge differences in living standards between North Korea and South Korea. In 1950 these states had the same level of income per capita, but then became divided. In the north a terrible pro-Stalin socialism formed, while South Korea developed a capitalist economy from the 1960s onward. These are the same people, but their countries show remarkable differences. A 2003 resident of North Korea received only 7 percent of the

income of a South Korean. Thus, South Korea is 13 to 15 times more prosperous. It is obvious to me and should be as well to the pro-Russian politicians that big differences in the socio-political establishment caused the great differences in living standards. Because it is possible to replace socialism, it should be done, and this change is called reform. If we summarize the experience of countries after the collapse of the socialist system, we must begin with the huge differences in the results achieved. This is the main conclusion. For example, Poland in 1989 was in terms of economics very similar to Belarus, but now there is a huge difference in the state of the economy and in living conditions. Between 1989 and 2007 in the Baltic countries, the Czech Republic, Slovenia, and Hungary, GDP increased by 113-145 percent. But if we look at Russia, despite the fact that over recent years Russia's economy has grown rapidly (especially after 1998 due primarily to increased oil prices) GDP growth was only 93 percent (compared to 63 percent in Ukraine).<sup>19</sup>

Current relations between Russia and Ukraine are at their worst state since the breakup of the Soviet Union. On the one hand, Ukraine doesn't want to return to the socialism era and is trying to eliminate Russian political influence. On the other hand, Ukraine did not expect that the biggest democratic countries of Western Europe like Germany, France, and Italy would assume pro-Russian positions on any issues between Russia and Ukraine.<sup>20</sup> That is a policy that serves Russia's purposes but damages Ukraine. Fortunately, the USA, the UK and some other countries that do not depend on Russian natural resources make an effort to help the young Ukrainian democracy stronger. At the same time, Ukrainians themselves have to do more, especially the authorities. But who is the current Ukrainian authority? Unfortunately,

most of the political elite belonged to the ex-Soviet regime, meaning that they often changed only their party membership cards but not their outlook, and that they still often think and manage in accordance with the tenets of communism. Although they aren't guilty of crimes, in most cases they need more education in areas such as management or leadership in a democratic environment. Help to provide education and training for them from the strong democratic countries could be better a better way to assist Ukraine than many other kinds of financial or material help.

Having spent almost a year in the USA, I have some recommendations for how the Ukrainian government should proceed in the near future in order to restore good-neighborly relations with Russia and to continue to solidify the democratic approach in all spheres of human life. Certainly, it is going to be a difficult to negotiate with Russia, but sooner or later we have to do this for our future generations. Moreover, we should be ready to compromise on some issues. It is better sometimes to lose a battle in order to win a war.

From the above-mentioned analysis, it is obvious that Russia's main concern about Ukraine is our pro-western policies, especially toward NATO and the EU. From the Ukrainian side, the main concern is non-recognition by Russian authorities that the former communist regime engaged in genocide against the Ukrainian population and therefore we should consider the current Russian government as the continuation of the communist regime. Furthermore, it is very important to Ukraine to have some allies to guarantee any negotiations in terms of correct interpretations and implementations. Russia is certainly capable of using its economic or other powers to bend any negotiated outcome to suit its own interpretations, as the former communist regime did.

To calm the Russian authorities and some radical groups in Ukraine with regard to our joining NATO or the EU, I would advise the Ukrainian authorities to freeze these questions for at least five years, and after that hold a referendum about the future national policy. However, Ukraine has to continue participating in all spectrums of international democratic programs that help us to spread the value of democracy among Ukraine's population. For instance, the military has to participate in programs like Partnership for Peace and many others. Moreover, the military of Ukraine could be one of the most progressive institutions contributing to the democratization of society. We hope to see NATO and the USA offering the Ukrainian military the possibility to contribute in many vital operations, and the Ukrainian authority should accept that opportunity as a privilege and honor for our military and our country. Using the military more actively abroad will be a win-win deal for the military, the country as a whole, and the world's democratic societies.

Instead of our interim neutrality we want Russia to recognize the actions of the former communist regime in Ukraine as genocide against the Ukrainian population. Ukraine should not insist on any compensation for that, although Russia is the legal successor of the Soviet Union. It will be necessary for the future generations of Ukrainians more as a moral factor than in any material sense. Additionally, Russia should not interfere in our domestic policy, as it has sought to do in regard to the language question or questions of territorial integrity.

Actually, much more should be done by the Ukrainian government with regard to the economic situation as soon as possible. It is obvious that Russia will always see Ukrainian economic dependence on Russian natural resources as Ukrainian's Achilles

Heel. A more independent Ukrainian economy is the main key to restoring a healthy mutual relationship. Looking at today's economic relationship we should be able to agree that Russia uses its economic advantages as a political argument. This is especially true for the total Ukrainian dependence on Russian oil and natural gas and casts doubts on whether Ukraine is a fully independent state. It is sad but true that since 1991 no one in the Ukrainian government has taken measures to scale down dependence on Russia. If every Ukrainian government had performed a few such steps, the current economic difference between Ukraine and Poland would not be so huge. In any case, it is high time to conduct some economic reforms. First of all, we should limit use of natural gas wherever possible. According to official statistics, there are some interesting facts. Excluding Russia, for oil and gas reserves Ukraine takes third place in Europe, behind only the UK and Norway, but the level of annual production is much lower than in many other countries. The major reasons for this are; a low coefficient of extraction, physically outdated operating plants, large depth of oil and gas bearing formations, low yield production wells (in 2007 the average production rate of one oil well in Ukraine amounted to only 1.14 tons, which is one or two times lower than in the major oil producing countries and lower three times lower than the world-wide rate). <sup>21</sup>

Almost the same problems plague the production of natural gas, whose role in the national economy of Ukraine is particularly important: the share of gas in primary energy consumption is about 43-45 percent, two times the European (21 percent) and world (25 percent) level. By the volume of gas consumption Ukraine took fifth place in the world, yet domestic oil production meets only 20-25 percent of demand, and natural gas only 10-12 percent. <sup>22</sup> Second, as a result we have to more actively use alternative

types of energy such as nuclear, solar, wind-power engineering, coal, peat, uranium, bio-fuel and so on. Ukraine is among the countries in the world that have stocks of all types of these, but the level of provision of reserves, their production and use is unequal and the amount they give is insufficient to reach the necessary level of energy security (Ukraine provides approximately 47 percent of its energy needs from domestic sources). Third, Ukraine has to increase exploration and extraction of its national energy reserves. Production of gas on the shelf of the Black Sea has become priority number one to reduce Ukrainian independence from Russia. There are several ways to increase the production oil and gas in Ukraine. They include involvement in the development of new deposits (of 261 deposits of natural gas and 305 oil fields with natural gas 145 and 201 were in operation, respectively); development of new deposits (including the shelf of the Azov and Black Seas, where about 60 percent of the initial extraction of resources have not yet been explored); increasing extraction of oil and gas through directional drilling, in production levels and the use of methods of forced removal by various reagents; and intensification of exploration of oil and gas, and particularly search and exploration of deep drilling, which in the past decade was dramatically reduced. But, the most important aspect is attraction of international investment. By the way, the low level of international investment in the country is one of the biggest weaknesses of the Ukrainian economy and the future government has to change this situation.

Through implementation of these and other events scheduled in the near future we will increase annual oil and gas production several times. Moreover, Ukraine has reserves of uranium to last for decades.<sup>23</sup> Once the issue is resolved by streamlining

domestic energy production, and its decision is in the practical plane, Ukraine may be independent of external factors in the production of at least half the annual amount of electricity through nuclear power. Furthermore, we should ask the population about opening the former Chernobyl plant's nuclear waste storage site that would allow us to save huge amount of money for other development projects. Additionally, the regime must cut expenses needed to maintain the government, starting with the supply of service vehicles and ending with the reduction of duplication of government positions. This task also should help to overcome the high rate of corruption. One might also consider requiring those occupying high positions in the Ukrainian government to demonstrate they are living within their means and not benefiting from the receipt of bribes or other illicit money.

The last, but certainly not the least of my recommendations for the Ukrainian authorities is to provide more actions to boost our spirits. The stronger our nation, the easier it will be to negotiate with Russia. We need not only to defeat Russia's brutal propaganda, but also to inspire in our people the hope for the better future that Ukraine surely deserves.

### Endnotes

<sup>1</sup>“Russian Census of 2002.” Federal State Statistics Service. Retrieved on 2008-04-05.

<sup>2</sup> Subtelny, Orest (2000). *Ukraine: A History*. University of Toronto Press. pp.27, 576.

<sup>3</sup> Editorial. Anniversary of ill-fated Pereiaslav Treaty. *The Ukrainian Weekly*, January 18, 2004, No.3, Vol. LXXII; available from <http://www.ukrweekly.com/old/achieve/2004/030413.shtml>

<sup>4</sup> The Columbia Guide to Standard American English. Retrieved on 2008-12-04. “Chauvinism is “fanatical, boastful, unreasoning patriotism” and by extension “prejudiced belief or unreasoning pride in any group to which you belong.” Lately, though, the compounds male

chauvinism and male chauvinist have gained so much popularity that some users may no longer recall the patriotic and other more generalized meanings of the words.”

<sup>5</sup> History. Ukraine under direct Imperial Russian Rule. 11October2007  
<http://edit.britannica.com/getEditableToc?tocId=30071>

<sup>6</sup> Subtelny, Orest (1988). Ukraine: A History. Toronto: University of Toronto Press.

<sup>7</sup> Pohl, J. Otto. The Stalinist Penal System: A statistical History of Soviet Repression and Terror. Mc Farland & Company, Inc, Publishers.1997.

<sup>8</sup> “Presidents of Russia. Biographies.” Presidential Press and Information Office. Retrieved on 2008-12-07.

<sup>9</sup> Russia Regions Population Geography; available from <http://argun.tripod.com/main.htm>

<sup>10</sup> The Heritage Foundation and Wall Street Journal. 2009 index of economic freedom. The link between Economic Opportunity and Prosperity. Russia; available from <http://www.heritage.org/index/country/Russia>

<sup>11</sup> Edmondson R, “Countries and their natural resources: The Natural Wealth of Countries”; available from <http://www.myuniversalfacts.com/2008/04/countries-and-their-natural-resources.html>

<sup>12</sup> Max Delany, “Life Gets Better, But Only for Some” Johnson’s Russia List # 15 JRL 2008-42 – JRL Home; available from <http://www.cdi.org/Russia/Johnson/2008-42/>

<sup>13</sup> Obituary, The New York Times, September 12, 1971, Khrushchev’s Human Dimensions Brought Him to Power and to His Downfall.

<sup>14</sup> Sergey Lawrinenko. “The Population of Russia: statistics, facts, comments, forecasts;

<sup>15</sup> Vladimir Yakovlev- Minister of regional development of Russia, “to live in Russia and the terrifying indecent; available from [http://translate.google.com/translate?hl=en&sl=ru&u=http://www.livejournal.ru/themes/id/12275&sa=X&oi=translate&resnum=4&ct=result&prev=/search%3Fq%3D%25DO%259%](http://translate.google.com/translate?hl=en&sl=ru&u=http://www.livejournal.ru/themes/id/12275&sa=X&oi=translate&resnum=4&ct=result&prev=/search%3Fq%3D%25DO%259%25)

<sup>16</sup> Ukrainian news/ October 13, 2008. Europe forecasts “bloody bath”: Ukraine and Russia will face with each other.

<sup>17</sup> Alexander Bolonkin. “American Memorial to victims communist regime”, 1996; available from <http://iasppv.narod.ru/lp20.htm>

<sup>18</sup> The Heritage Foundation and Wall Street Journal. 2009 index of economic freedom. The link between Economic Opportunity and Prosperity. Ukraine; available from <http://www.heritage.org/index/country/Ukraine>

<sup>19</sup> Other Side. Online Resource Lyeshek Balcerowicz: “Ukraine are waiting for or reform or collapse...” available from <http://otherside.com.ua/news/detail>

<sup>20</sup> Gleb Pavlonsky: “The war of Russia with Ukraine is absolutely ruled out”, Glavred, August 25, 2008; available from <http://www.fraza.ua/stenograms/25.08.08/54933>

<sup>21</sup> Edmondson R, "Countries and their natural resources: The Natural Wealth of Countries"; available from <http://www.myuniversalfacts.com/2008/04/countries-and-their-natural-resources.html>

<sup>22</sup> Oil and Gas Industry of Ukraine: Reliability, Stability and Prospects International Conference, Wednesday, November 7, 2007; Anadarko petroleum Corporation "Natural Gas and the Environment"; available from <http://www.naturalgas.org/environment/naturalgas.asp#greenhouse/>

<sup>23</sup> Little Mountain Encyclopedia: 3 tons / Edited. Bilec'kogo VS. - Donetsk: "Donbass", 2004. "Resources and reserves of uranium Ukraine.

