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# **ALMANAC ON SECURITY SECTOR GOVERNANCE IN UKRAINE 2012**

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This volume offers a selection of articles by the Ukrainian and international authors. They present different points of view and assessments of the current state and perspectives of the Ukrainian Security Sector development including its defence, internal security and defence industry. The analysis also covers broader issues of national domestic and foreign policy directly influencing security of the Ukrainian citizens, society and the state. Such an approach helps better appreciate ongoing developments in the Security Sector and the essence of problems related to national security.

General assessments, conclusions and proposals are those of the authors and do not necessarily coincide with the positions of DCAF or the Razumkov Centre.

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## ABBREVIATIONS

AF	Armed Forces of Ukraine
CCP	Code of Criminal Procedure of Ukraine
CPSU	Communist Party of the Soviet Union
DCAF	Geneva Centre for the Democratic Control of Armed Forces
ECHR	European Court for Human Rights
FSB	Federal Security Service (RF)
GRU	Main Intelligence Directorate of the General Staff (RF)
GS	General Staff
GUAM	Organization for Democracy and Economic Development (Georgia, Ukraine, Azerbaijan and Moldova)
HIV/AIDS	Human immunodeficiency virus/acquired immune deficiency syndrome
HR	Human Resources
IMF	International Monetary Fund
KGB	Committee for State Security (USSR)
MAP	Membership Action Plan
MDMP	Military Decision Making Process
MP	Member of Parliament
MPS	Military-political Situation
MOD	Ministry of Defence (also Defence Ministry)
MVS	Ministry of Internal Affairs
NATO	North Atlantic Treaty Organization
NCO	Non-commissioned Officer
NSDC	National Security and Defence Council
NSS	National Security System
PARP	Planning and Review Process (NATO)
PACE	Parliamentary Assembly of the Council of Europe
PfP	Partnership for Peace
PoR	Party of Regions
SBU	Security Service of Ukraine
SDS	Security and Defence Sector
TLP	Troop Leading Procedures
UAF	Ukrainian Armed Forces
UMDPL	Association of Ukrainian Human Rights Monitors on Law Enforcement
USSR	Union of Soviet Socialist Republics
WMD	Weapons of Mass Destruction







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## FOREWORD

# UKRAINE'S SECURITY SECTOR ALMANAC

Over a historically short period that passed after the release of the *Almanac on Security Sector Governance in Ukraine 2010*, the national security and defence policy saw serious change mainly caused by President Viktor Yanukovich coming to power in February 2010. Security issues more often appeared in the focus of the political community and society. The grounds for such focus usually included rather brave political decisions, declarations of the necessity and intentions of reforms, and alarming signals of problems associated with power structures' activity.

Articles by Ukrainian and foreign authors included in this issue of the *Almanac* present different views and assessments of the state and prospects of Ukraine's security sector development. The *Almanac* is structured into four sections and annexes. The first section reviews general issues dealing with the national security policy, the state and development of the security sector. The second section covers defence issues, the third – with internal security structures, the fourth – the state and prospects of Ukraine's defence industry. Annexes carry supporting materials supplementing the articles.

The *Almanac* begins with an article prepared by Razumkov Centre experts that reviews the main events and trends of the past three years and their influence on national security. The analysis covers not only the security and defence sectors but also broader aspects of the home and foreign policy that directly or indirectly influence the security of Ukrainian citizens, society and the state. Such a comprehensive approach enables better understanding of the processes taking place in the security sector and the essence of the problems related with national security. General assessments of the situation in Ukraine, the state of the security sector, its elements, and conclusions made on that basis are elaborated and supplemented in further articles – even if the authors' opinions in some aspects differ from those of Razumkov Centre experts.

The article by Oleksandr Lytvynenko “*Ukraine's security sector management system: a modernised Soviet model*” reviews main problems of the sector security reform in close connection with the more general and sometimes controversial processes of Ukrainian society development. Praising the fact of adoption and the content of the key strategic planning documents (the Law “On Fundamentals of



Domestic and Foreign Policy”, new versions of the National Security Strategy and the Military Doctrine of Ukraine), Oleksandr Lytvynenko notes their declarative rather than practical character, witnessing the durability of the Soviet tradition of the non-binding character of the authorities’ decisions and commitments.

The durability of Soviet habits and methods of the bureaucracy work and their influence on security problems are also mentioned in the material by the prominent British expert James Sherr. According to the author, modern Ukraine has a lot to be proud of, if one mentions the bloodless pace of Ukraine’s independence against the background of large-scale problems inherited after the USSR breakup. Meanwhile, he draws the attention of the Ukrainian authorities to the young state’s vulnerability to present-day challenges and threats, including military, caused by geopolitical factors, history, and present-day social and political processes. Deep analysis of development of Ukraine’s national security policy and the present situation ends with description of possible scenarios of developments in Ukraine that should be seen not as forecasts but rather as a warning of threats and advice in search of possible ways to avoid probable negative effects.

The Defence Sector section begins with the article “*New military doctrine: principles of Ukraine’s military policy in the conditions of a non-bloc status*”, which is of special interest. *First*, it carries reasonable comments on the new wording of the Military Doctrine, some provisions of which were strongly criticised in expert circles. *Second*, its authors were the main creators of the Doctrine and personally advocated its provisions during the long process of discussion and approval. The article draws the conclusion that the Doctrine is “the first conceptual step providing the basis for development of other defence planning documents, including the Strategic Defence Bulletin and the Concept of Reformation and Development of the Armed Forces of Ukraine”.

Unfortunately, the release of the new wording of the Military Doctrine was followed by a new indefinite pause in further development of the national security and defence policy. This is stated in the article by Stanislav Hurak who notes that the year of 2012 started a period of uncertainty caused by the absence of an approved programme of the Armed Forces development. Proceeding from analysis of drafts of the Strategic Defence Bulletin, the Concept of Armed Forces development, some initiatives of the defence agency heads, the author raises sensitive issues of their rationale and realism, draws attention to the need of consideration of the previous experience, first of all, negative. Trying to find valid reasons for delay of adoption of strategic documents, he warns of risks caused by the absence of programme documents and, respectively, priorities of reformation and further development of the Armed Forces.

Former US Army Attaché to Ukraine B. Lee Gabel shares his thoughts about the need of preservation, careful use and development of the powerful resource of Ukrainian Armed Forces. According to his observations, despite the fact of continuous degradation of some elements of the defence potential, there are grounds to speak of gradual growth of the human potential of Ukraine’s Armed Forces.



It was greatly facilitated by access provided to advanced methods and foreign experience of over 15 years of intense cooperation with Western countries. Possessing huge experience of work in the field of international cooperation, the author shows deep understanding of problems of the defence sector transformation, gives very simple but even more valuable advice to the Ukrainian leadership and Western partners. The particular value of such assessments of an outside observer who heartedly stands for Ukraine lies in their impartiality and in the possibility to compare perceptions of problems from within and from beyond.

Corruption as another factor that affects the development of the human potential and seriously hinders defence reforms is dealt with in Leonid Polyakov's article. Corruption that acquired signs of a systemic phenomenon endangers the efficiency of operation and development of the Armed Forces, "eats up" time and material resources. Corruption is not a purely Ukrainian phenomenon, but in Ukraine it acquired a dangerous scale, and therefore "all attempts to defeat corruption in the AF separately from the corrupt state are doomed to failure". Leonid Polyakov also cites examples from his personal experience of work in the position of the First Deputy Defence Minister (2005-2008) and gives practical recommendations how to seriously restrict room for corruption.

The section dealing with internal security aspects begins with an article by Oksana Markeyeva that reviews a set of problems hindering efficient operation of bodies of Internal Affairs. Ukrainian police (*militia*) rightly criticised by citizens and the state leadership itself suffers from the same problems as other power structures – permanent, irregular, inefficient reforms, poor provision with resources, and social vulnerability of officers.

The article by Oleksandr Skybinetskyi and Roman Marchuk covers some aspects of reformation of law-enforcement and intelligence bodies. The authors see the reasons for low efficiency of their work, in particular, in imperfection of the regulatory-legal framework and overall management drawbacks: in regimentation, control, support for their activity, task-setting, assessment of results, organisation of agency interaction and international cooperation. The authors especially stress the importance of introduction of democratic tools of governance and civilian control, guarantee of the required level of transparency and publicity in the activity of law-enforcement bodies and special services.

The article by Oleksandr Belov, the Advisor to the Head of the Security Service of Ukraine, deals with the subject of civilian democratic control. He especially hails cooperation with the expert community and highly praises constructive criticism and professional advice. The very fact that an advisor to the head of the once most secret special service advocates its greater transparency for society, employment of the expert community and international cooperation best of all illustrates positive changes within the Security Service of Ukraine.

The following author – Serhiy Akulov – offers his own view of the main reasons for poor performance of law-enforcement bodies in Ukraine and proposes ways of solution

of existing problems, resting on his experience of practical work in the Ministry of Internal Affairs of Ukraine and in international organisations. Especially interesting are his observations of police's potential ability to work properly under certain conditions (Euro-2012), and the need of cooperation of the state with private security sector structures.

In his article in the last section, Petro Nebotov describes the state of the national defence industry: its present capabilities and potential for development, operation problems and main reasons for the actual loss of communication between domestic manufacturers and customers of weapons.

Annex 1 describes the general structure of the national security system and formulation of the policy of its operation and development for better understanding of the gap between the standard requirements and the actual state of affairs in the sector.

Annex 2 carries information and reference materials summed up by the *Verkhovna Rada* of Ukraine National Security and Defence Committee for parliamentary hearings "On State and Prospects of Development of Military Organisation and Security Sector of Ukraine"<sup>1</sup> held on May 23, 2012.

Former Head of the *Verkhovna Rada* National Security and Defence Committee Heorhiy Kriuchkov said at those parliamentary hearings, "actually everything said today – dangerous, threatening trends in defence institution-building – was said in Parliament almost 13 years ago, at parliamentary hearings in June 1999. Since then, we now have the third President, more than a dozen governments changed, optimistic promises are regularly made, but the situation further aggravates".

The authors of the materials published in the *Almanac* represent the state sector and non-governmental organisations. Their articles produce both positive and negative assessments of developments and results of the three-year period. By and large, most articles assess the presidency of Viktor Yanukovych as a specific but natural stage of Ukraine's security sector development.

The *Almanac's* articles bear references to results of studies and public opinion polls held by Ukrainian think-tanks. Those results are presented in more detail on web sites, in particular, of the National Institute for Strategic Studies (<http://www.niss.gov.ua>), Razumkov Centre (<http://razumkov.org.ua>) and the Defense and Security Policy Center (<http://www.defpol.org.ua>).

I would like to thank our colleagues from the Razumkov Centre for the excellent work done. Many thanks also go to Professor Joseph L. Derdzinski for his most diligent copy-editing.

Dr. Philipp Fluri  
Deputy Director, DCAF

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<sup>1</sup> For more detail see: Parliamentary hearings "On State and Prospects of Development of Ukraine's Military Organisation and Security Sector", edited by Hrabovenko I., Kyiv, 2012. 160 p. (in Ukrainian).



## CHAPTER 1

# SECURITY SECTOR IN THE CONTEXT OF GENERAL SOCIO-POLITICAL DEVELOPMENT OF UKRAINE

*Oleksiy MELNYK,  
Mykola SUNGUROVSKYI<sup>1</sup>*

### *I*ntroduction

Ukraine's security sector is in a permanent state of transformation. The official stages of its development and reformation are rather conventional, since the boundaries of those stages are hard to mark with clear milestones of the achieved goals. Meanwhile, there are all grounds to speak of specificities of one or another period, and the main factors that differ one period from another. There is also a direct connection between the security sector development and general socio-political developments in the country, the national home and foreign policies – no matter whether plans of the Government's actions in those sectors are coordinated or not.

Experts more than once noted the importance of a systemic approach in managing the security sector's operation and reform, given the complexity of its organisational and functional structure, functions and tasks, and the security policymaking process (see Annex 1).<sup>2</sup> Politicians sometimes prefer simple solutions thought to bring immediate results. In practice, in a longer run, such decisions often prove to appear “not quite correct” and bring related negative effects. A systemic approach does not insure against mistakes but significantly decreases their probability and enables more efficient use of limited resources. The introduction of a systemic approach in governmental agencies is usually fraught with a conflict of corporate and national interests, with open or concealed sabotage on the part of bureaucracy.

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<sup>1</sup> Oleksiy Melnyk is the co-director of Razumkov Centre's Foreign Policy and International Security Programmes; Mykola Sungurovskiy is the Director of Razumkov Centre's Military Programmes.

<sup>2</sup> Annex 1 briefly outlines the security sector definition, structure and stages of the process of policymaking and implementation in the security sector. The expressions “security sector” and “national security system” are used as synonyms. Discussion of principles of a systemic approach to formulation of the state policy in general and the security policy in particular is a very important but specific and broad subject going beyond the scope of this article.



Specific to the present stage of security sector development is the dominant influence of personalistic factors, namely, the authoritarian style of state governance on the part of Viktor Yanukovich, the President and Supreme Commander-in-Chief, and his authoritarian decision-making and implementation of his rather specific vision of state development priorities and governance methods. The security sector and its separate elements are assigned a special role in the hierarchy of power built by the president, which meets not as much the logic of the development of a democratic state and society as Yanukovich's perceptions of risks, threats and ways of their countering.

In course of the three years that passed after the presidential elections, the security sector underwent substantial changes – reshuffling, restructuring, redistribution of powers, and change of priorities – that had nothing in common with the declared reforms. Almost every year the president replaced chiefs of power agencies with neither impartial assessment of the results of their work nor reasoning for their replacement. The president's keen attention to bodies in charge of internal security, and simultaneous lack of practical, not declarative, attention to the defence capability of the state became ever more obvious.

### **Home policy factors that influence the security sector development**

After three years of activity by President Viktor Yanukovich and the pro-presidential Party of Regions (PoR), one may note negative trends in next to all spheres of life of the state and society: political, economic, humanitarian, and security. Society and international partners ever better realise the logic of behaviour of the Ukrainian authorities – substitution of national interests with interests of personal enrichment, self-preservation and the regime's security. Exactly those interests guide implementation of the foreign policy, programmes of Ukraine's socio-economic development, and the security sector reform efforts.

The security sector structures led by leaders appointed on the basis of personal loyalty are vested with functions of guarding the regime from the political opposition and social discontent, as well as securing redistribution of power and property in favour of the president's "family" and their protection from encroachment on the part of competing oligarchic clans. Traditional problems of Ukraine's national security system (structural excessiveness, functional insufficiency, low efficiency, non-transparency, and disparity among structures) are only aggravated in the result of measures intended to adapt the security sector to current needs of the present authorities.

The main task of the PoR is "to come to power seriously and for the long haul". Concentration of powers in the president's hands and building a mighty executive hierarchy from the capital to local administrations became both the strategy and mechanism of attainment of that task. The main interrelated lines of implementation of that strategy shaping the current trends of Ukraine's development since the beginning of Yanukovich's presidency, have been:



- *the “constitutional reform”*, involving reversal of the 2004 constitutional amendments and introduction of fundamentals of a rigid centralised presidential executive hierarchy and return to the presidential-parliamentary form of rule;<sup>3</sup>
- *creation of a pro-presidential majority in the Verkhovna Rada* and transformation of an independent legislative body into an element of the presidential hierarchy;
- *the “judicial reform”* that instead of independence of judges, made them more dependent on personal decisions of the president;<sup>4</sup>
- *the administrative reform*, with the declared main goals of perfection of the structure, personnel cuts, enhancement efficiency and transparency of the state governance system, including the security sector. In fact, its first stage ended with restructuring of the central executive bodies that did not produce the expected results of downsizing the state machinery and costs of its maintenance, or enhancement of efficiency of its work. Meanwhile, it paved the way for unimpeded renovation of the staff of central and local executive bodies (which, most probably, was the main goal of that stage);<sup>5</sup>
- *“regionalisation” of power* by replacement of executives in the authorities of all levels with persons loyal to the president (mainly from Donetsk region), establishment of control of public prosecutor offices, law-enforcement bodies, and strategic assets and financial flows;<sup>6</sup>
- *crackdown on political opposition*, including by depriving it of sources of financial support and selective prosecution of the opposition leaders, facilitated by controllability of judges, law-enforcement officers and direct subordination and personal loyalty of their heads to the president;<sup>7</sup>
- *weakening of the system of checks and balances*, democratic control, suppression of criticism on the part of civil society institutes, perfection of tools for manipulation with the public opinion for legalisation of governmental initiatives, minimisation of public influence on the state policy.<sup>8</sup>

<sup>3</sup> According to constitutional amendments, powers of appointment to key positions in all executive bodies actually passed to the President. See: “Constitutional reform 2010: Comparative table of the Verkhovna Rada powers...”. – *National Security & Defence*, No.7-8, 2012, p.4-5, <http://www.razumkov.org.ua>.

<sup>4</sup> Melnyk, M. “Subordination of judicial branch: completion of the process”. – *Dzerkalo Tyzhnia. Ukraine*, November 27, 2012, <http://dt.ua> (in Ukrainian).

<sup>5</sup> See note 1.

<sup>6</sup> “Originates from Donbas occupied 90% of positions in the leadership of law-enforcement bodies”. See: Abibok, Yu. “Donetsk guys are coming! Interior ministry, prosecutor offices and courts are fully occupied”. – *OstriV*, <http://alldoitnow.ru/novini/558-donecki-jdut-mvs-prokuratura-i-sudi-okkupirovanni> (in Ukrainian); Oleshchuk, P. “Monoregionalism and formation of Ukraine’s government”. – *Korrespondent*, December 16, 2012, <http://blogs.korrespondent.net>; Kovaliov, P. “The ruler’s family: Yanukovich got hold of finance, law-enforcement officers and business”. – *Khvylya*, March 11, 2012, <http://hvylya.org> (in Russian).

<sup>7</sup> For more detail see: “Opposition in Ukraine: the state, conditions of activity, relations with the authorities”. Razumkov Centre analytical report. – *National Security & Defence*, No.7-8, 2011, p.32-45.

<sup>8</sup> Kramer, D. *et al.* “Sounding the Alarm Round 2: Protecting Democracy in Ukraine”. A follow-up Freedom House report, July 2012, [www.freedomhouse.org/sites/default/files/Ukraine%202012%20English%20FINAL.pdf](http://www.freedomhouse.org/sites/default/files/Ukraine%202012%20English%20FINAL.pdf).



Those tasks were achieved comprehensively, massively and promptly, with regularity, performance, determination, demonstration of a strong political will worth of better application in the field of pursuance and defence of national interests. The “success” in concentration of administrative powers and resources seems not to have added to the president’s confidence in his personal safety and security of the regime. All subsequent decisions of Yanukovych – despite warnings by experts, political opponents and the international democratic community – pursue fence-mending and actually autocratic ruling the state.<sup>9</sup> An important role in defence and long-term conservation of that system is assigned to the concerned security sector bodies that appeared directly or indirectly involved in political struggle for power and assets.

The 2012 parliamentary election campaign became an important reference point for assessment of intermediate results of the current authorities’ performance. Manipulations with the election law, use of the administrative resource, propaganda of the policy of “improvements” and distribution of promises did not give the presidential political force the expected crushing majority in Parliament.

Most independent assessments of the results of three years of the current authorities’ work, including given by reliable international rating agencies, prompt the following conclusions:

- the current authorities failed to secure the promised sustainable economic growth;
- negative trends in the economy and inability of the state to properly guarantee socio-economic rights of citizens are fraught with deterioration of public wellbeing, contribute to growth and radicalisation of protest mood in society;<sup>10</sup>
- all actions of the ruling team look consistent, strategically logical and efficient enough only in a short run and assuming that its real goals traditionally pursue not national interests but self-preservation and self-enrichment.<sup>11</sup>

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<sup>9</sup> In particular, this is witnessed by the recent changes in the Government. See: President of Ukraine Decree “On Some Measures at Optimisation of the System of Central Executive Bodies” No.726 of December 24, 2012, and subsequent decrees on personal changes in the Government.

<sup>10</sup> Industrial production in 2012 declined by 3.7%; the foreign trade deficit over 11 months hit \$12.4 billion, which is 36% more than in 2011; the state budget deficit reached UAH 41.2 billion; wage arrears in the public sector in December, 2012, exceeded UAH 1.3 billion. See: State Statistic Service of Ukraine, [www.ukrstat.gov.ua](http://www.ukrstat.gov.ua); Shvetsov, S. “Budget 2013: a suicidal final of the ‘epoch of improvements’”. – *Khvyliya*, December 8, 2012; Green Book of Small Business Ukraine-2012 / D.V. Lyapin, V.I. Dubrovskiy, O.M. Pishchulina, O.P. Prodan. – Kyiv: Property and Freedom Institute, 2012, 124p. (*Russian, Ukrainian*).

<sup>11</sup> Melnyk, M. “Political corruption: essence, factors, countermeasures”. – *National Security & Defence*, No.7, 2009, p.67-72; “Paskhaver: For improvement, the authorities have neither resources nor desire”. – *LIGABusinessInform*, October 4, 2012, [http://news.liga.net/interview/economics/738958-paskhaver\\_dlya\\_pokrashchennya\\_u\\_vlasti\\_net\\_ni\\_resursov\\_ni\\_zhelaniya.htm#](http://news.liga.net/interview/economics/738958-paskhaver_dlya_pokrashchennya_u_vlasti_net_ni_resursov_ni_zhelaniya.htm#). “70% of agreements on the market were provided by only 20 businessmen. And all are united by favour of the authorities”. See: “Twenty businessmen allowed to do business in Ukraine”. – *Komentari*, November 23, 2012, <http://ua.money.comments.ua/capital/2012/11/23/189159/dvadtsyat-biznesmeniv-yakim.html> (*in Ukrainian*).





### **Public Opinion**

Even less convincing are social achievements of the authorities against the background of their assessments by Ukrainian citizens:<sup>12</sup>

Citizens report deterioration of the situation: with prices and tariffs – 75%; with confidence in the future – 54%; the economic situation in the country – 52%; with stability – 51.5%; attitude of the authorities to the people – 51%; healthcare – 50%; remuneration of labour – 50%; attitude of the people to the authorities – 46%; with crime – 44%; with Ukraine’s international image – 41%. People could not mention a single sector where the situation had changed for the better.

The political regime in Ukraine got 4.97 points on a 10-point scale, i.e., in-between democracy and dictatorship. A relative majority of citizens (46%) are not satisfied with the state of democracy in Ukraine (40% are satisfied). Meanwhile, society clearly tends to believe that democracy is the best type of a state system for Ukraine. However, 24% of those polled believe that – under certain circumstances – an authoritarian regime can do better. Forty-two per cent of citizens are sure that in case of substantial deterioration of living conditions, they should go protest into the street; 40% are ready to suffer hardships for the sake of order, peace and calm in the country. 35% reported readiness to personally take part in protests, 51% are not ready to do that.

Among sources of threats to security, the Ukrainian government traditionally ranked first (in 2012, that opinion was shared by 35.3% of those polled), ahead even of international terrorism (33.4%).<sup>13</sup> “Beware of improvements” became a popular slogan describing the economic policy of the current authorities.

### **Main foreign policy factors that influence the security policy**

Assessing the actual, not declared, intentions and goals of the Ukrainian authorities gives a better understanding of their behaviour and priorities in foreign policy. The essence of the foreign political activity is mainly confined to attempts at equilibrium between the interests of national oligarchs and outside reaction to the situation in Ukraine, avoidance of excessive foreign pressure on the home policy, while retaining access to foreign markets and possibilities of getting financial assistance and credits from any foreign sources (especially the EU, IMF, US, Russia, and China).

The uncertainty and insufficient clarity of the foreign policy of the current authorities, trying to replace a (naturally) multi-vectored foreign policy with a choice of the ends and directions of society development (that can be only one), attempts at speculation on the reluctance of the West and Russia to give up “competition” for Ukraine, and imitation of meeting the strategic partners’ demands only add to their fatigue about Ukraine and weaken its international stand.

Such weakness prompts growth of foreign pressure on Ukraine, as the “geopolitical game” is approaching its climax. The external pressure on the Ukrainian authorities is

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<sup>12</sup> Results of the national public opinion poll held on December 21-24, 2012, by Razumkov Centre and the Democratic Initiative Foundation.

<sup>13</sup> Results of the public opinion poll held by Razumkov Centre on February 24-29, 2012.



getting tougher from both sides. The West, trying ultimately not to repulse Ukraine, delicately insisting on observance of assumed commitments regarding democratic principles and values, confines itself to accusatory declarations concerning advancing the freedom of media, ending political oppression, and promoting fair elections. However, while Europe and the US have long tried to speak with Ukrainian leaders in a more or less diplomatic language, today, the tone of the dialogue is far from friendly, and threats of imposition of target sanctions became more real. Meanwhile, the Kremlin's policy towards Ukraine has been always very aggressive. Russia "invites" Ukraine to the Customs Union of Russia, Belarus and Kazakhstan in terms of an ultimatum, using tough economic and political tools, and seeks access to Ukrainian strategic assets.

In their turn, the Ukrainian authorities, while declaring the priority of European integration, work not as much for the sake of democratic reforms, implementation of the EU requirements and fulfilment of assumed commitments, as try to place the West before the single option to cooperate with an authoritarian regime. Official Kyiv pins too much hope on the geopolitical importance of Ukraine for the West and considers Yuliya Tymoshenko and Yuriy Lutsenko out of jail as a greater threat than the risk of disruption of signing of the Association Agreement, including Free Trade Area with the EU.

Deterioration of relations with the West weakens Ukraine's position at talks with Russia, due to excessive dependence on deliveries of Russian energy resources, vulnerability to various trade and gas "wars". Lack of success in relations with Russia bears immediate risks for the ruling political force – decline of popularity among pro-Russian voters, drop in profits from business, and growth of utilities' cost due to high prices of the Russian gas. However, attempts at building "fraternal" relations at any cost in no way guarantee the desired result. The main goal of the current authorities in relations with Russia is to secure time needed to accomplish appropriation of state strategic assets, which gives an opportunity to somehow equate chances with the Russian business in case of its massive advance to Ukraine. Meanwhile, too active "fraternisation" with Russia finds no support from the part of society that sees its future in Europe.<sup>14</sup>

As the space for manoeuvre shrinks, the moment of truth is coming: Ukraine finally has to make the choice between the European or Eurasian integration projects. Existence of rather strong both pro-Western and pro-Russian forces in Ukraine, along with the weak policy of the current authorities leading to a split in society, instead of its unity, increases the risks of a socio-political outburst under any choice.

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<sup>14</sup> According to the public opinion poll held by Razumkov Centre and the Democratic Initiative Foundation on December 21-24, 2012, 48% of Ukrainians support Ukraine's accession to the EU, 40% – to the Customs Union. 38.7% of citizens believe that Ukraine does not move in any direction, 24.4% – that the country goes into deeper integration with Russia and the CIS states, 18.7% – with the EU.



## Relevance of threats, assessment of risks and priorities of development of the security sector elements

An outside observer trying to understand Ukraine's security policy on the basis of the study of its core documents may have rather a good impression from the authorities' activity. The newly-approved Strategy of National Security of Ukraine defines "general principles, priority goals, objectives and mechanisms of defence of vital interests of a person, society and the state from external and internal threats".<sup>15</sup> To elaborate and expand relevant provisions of the Law "On Fundamentals of National Security of Ukraine", it also specifies modern external and internal threats to the national security. Furthermore, the key principles and lines of the security policy are set out in the Military Doctrine adopted simultaneously with the Strategy,<sup>16</sup> annual presidential addresses to the *Verkhovna Rada*<sup>17</sup>, NSDC decisions and in official statements by state leaders.

However, real security policy and actions in Ukraine are too far from political declarations. The past three years saw excessive politicisation and economisation of priorities in the security sector.<sup>18</sup> The following threats *went out into the forefront*:

- destabilisation of the domestic situation, which threatens the president and PoR with loss of power. Before the next presidential elections in 2015, aggravation of confrontation is expected not only between society and the authorities but also between the "family" and the most influential oligarchic clans over redistribution of power and assets. In such condition, the most urgent task for the president is to monopolise control of power structures;
- negative effects of critical phenomena, which, with the short-sighted government policy, in fact draws Ukraine's export-oriented and poorly diversified economy to collapse. However, the economic policy of the current government pursues not modernisation of the economy but protection and strengthening of the business empire of the "family" and associated oligarchic clans at any cost;

<sup>15</sup> New wording of the National Security Strategy "Ukraine in a changing world", approved by the President of Ukraine Decree No.389 of June 8, 2012.

<sup>16</sup> New wording of the Military Doctrine of Ukraine, approved by the President of Ukraine Decree No.390 of June 8, 2012.

<sup>17</sup> The Law on Introduction of Amendments to Some Legislative Acts of Ukraine (concerning the system of programme documents) was adopted by the *Verkhovna Rada* on February 8, 2012, and signed by the President on June 6, 2012. For the texts of annual presidential addresses (which are the basis for the Government's decisions according to the law) see the President's official web site, [www.president.gov.ua](http://www.president.gov.ua).

<sup>18</sup> "Issues of avoidance of new political crises and shocks, as well as reversal of negative trends in popular confidence-building to the authorities and the state, remain a priority. The key task for the near future should be to pursue an efficient anti-crisis policy in Ukraine, combining implementation of reforms and minimisation of negative effects of new threats to the national security on Ukraine". See: President of Ukraine Decree "On Ukraine's National Security and Defence Council Decision of November 17, 2010 'On Challenges and Threats to the National Security of Ukraine in 2011'" No.1119 of December 10, 2010. "Speaking of internal threats to the national security ... , according to expert assessments, threats to economic security make over 90% of all kinds of threats". See: speech by Ukraine's NSDC Secretary Anrdiy Kliuyev at Parliamentary Hearings "On state and prospects of development of Ukraine's military organisation and security sector". – *Verkhovna Rada* website, May 23, 2012, <http://static.rada.gov.ua> (in Ukrainian).



- tense relations with Russia in connection with gas price reduction in exchange for joining the Customs Union, which will quite soon confront the authorities with the need to make the integration choice.

Official documents and statements of state leaders alongside with the mentioned main threats also indicate *traditional* ones: armed conflicts, terrorism, cybercrime, WMD proliferation, climate change etc. Incidence of tuberculosis and HIV/AIDS has acquired a threatening scale in Ukraine. Obsolete equipment and infrastructure are fraught with technical accidents and disasters. Such threats are real and bear risks for the national security, and citizens' health and lives.

Meanwhile, presidential and governmental decisions showily demonstrate the perception of the mentioned threats and their priority for the authorities. While reaction to threats of the *first* group takes form of concrete measures and budget expenses, it is largely confined to development of concepts, strategies, plans, and use of funds of foreign donors to counter the *traditional*.

The mentioned goals and priorities make clear the logic of the authorities' attitude to structural elements of the security sector: maintenance of the Armed Forces (AF) on the brink of survival and simultaneous development of public prosecutor offices, law-enforcement bodies and special services. In particular, the state budget for 2013 plans *reduction* of expenditures on the Ministry of Defence (MOD) by 7%, and *growth* of expenditures on the Ministry of Internal Affairs (by 3%), the Security Service of Ukraine (by 4.4%), and the General Prosecutor's Office (by 17.2%).

The argument used to show rationale behind savings on defence capabilities – absence of a real threat of armed aggression now<sup>19</sup> – cannot be deemed adequate. *First*, somewhat pacific sentiments of Ukraine's state leadership are inconsistent with less optimistic expert assessments of the security situation.<sup>20</sup> In such conditions, the president as the Supreme Commander-in-Chief of Ukraine's AF should bear personal legal responsibility for the decisions taken and their consequences. *Second*, all neighbouring states increase defence expenditures and none of the European neutrals managed to reduce them (in absolute terms).<sup>21</sup> *Third*, comprehension of trends of the present global security situation and the substantial difference between the parameters of society life, dynamic of the security environment and creation of systems of defence against threats requires consideration of the following factors:

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<sup>19</sup> "In the next 5-7 years, armed aggression against our state in the form of a local or regional war is unlikely. Therefore, we have the time for implementation of systemic reforms of Ukraine's AF and enhancement of the level of their combat efficiency, first of all, at the expense of technical re-equipment". See: Parliamentary Hearings "On state and prospects of development of Ukraine's military organisation and security sector", May 23, 2012, [http://static.rada.gov.ua/zakon/new/par\\_sl/sl230512.htm](http://static.rada.gov.ua/zakon/new/par_sl/sl230512.htm) (in Ukrainian).

<sup>20</sup> For threats that require employment of Ukraine's AF and scenarios of their escalation, see: "Current threats to Ukraine's security related with AF employment" / Defence policy: the need of Ukraine's AF reforms. Digest upon the results of public consultations. – Ukraine's National Security and Defence Council Staff, published by Razumkov Centre, 2011, p.40-52, [www.razumkov.org.ua](http://www.razumkov.org.ua) (in Ukrainian).

<sup>21</sup> Perlo-Freeman, S. et al. "Global developments in military expenditure", *SIPRI Yearbook 2012: Armaments, disarmament and international security*. Stockholm International Peace Research Institute. – Oxford, 2012.



- expenses on military threat prevention and countering are incomparable with the risks of human losses and suffering, as well as with the costs of the post-conflict reconstruction;
- the pace of escalation of threats far exceeds the terms of creation and promptness of response of defence systems – understanding of that gap stimulates the need of an advanced approach to creation, transformation and maintenance of readiness of security systems;
- security systems, especially those relying on the use of force, are designed not only for response to threats but also for their deterrence and therefore should consider not only real but also potential military threats.

*Fourth*, one should keep in mind that with growth of international instability and tension, the “break” for defence reforms comes to an end, while the probability of violent scenarios of settlement of international problems goes up. Given the ageing of the stock of weapons and equipment in Ukraine’s AF (most of which have been in service for 20-30 years), greater concentration of efforts to ensure the defence capability and reformation of the defence sector is needed. However, this is not going to happen unless entirely different approaches to setting the state priorities are applied, including security policy and allocation of budget resources.

At that, insisting on the importance of proper attention to the defence sector, the authors do not call for its priority development to the detriment of the internal security sector. Each of numerous real or potential threats has specific consequences (by the nature and scale of damage) and stages of escalation (emergence of contradictions, aggravation of tension, conflict, reconstruction). At each stage, specific forces and means are employed and adequate mechanisms of countering are used: diplomacy, political and human contacts, economic cooperation, political and economic sanctions, use of force for deterrence or for response, etc. Military force is not ranked as the primary one, but still plays an essential role.

### **Processes and trends of the security sector development in 2010-2012**

A combination of outcomes of the global financial and economic crisis and improper governance became the main impediments for development of the national economy, which curb sources of budget revenues and resources for the national security system development, and contributes to further stagnation in its structures. That situation is worsened by the effects of such negative phenomena as corruption, lack of professionalism and low executive discipline.

Both official and independent experts present extremely critical assessment of the state of affairs in power structures. Verbally, the authorities realise that the deterioration of the domestic and external situation require immediate steps at modernisation of the national security system. They also acknowledge a need for systemic, non-standard approaches to raise the efficiency under pressing resource limitations. Meanwhile,



the mixture of political and economic achievements of the government reveal a gap between declarations and real deeds, prevalence of tactical approaches aimed at further centralisation of power, deepening disparity between requirements to power structures' efficiency and their democratic control.

The general picture of processes taking place in the security sector management system and its structural elements is presented below.<sup>22</sup>

### **Security sector management and democratic control**

The real condition of the national security system as a whole and its integral parts, their effectiveness, results of reforms and prospects of development depend on organisation and efficiency of the strategic management that undergone serious transformations in 2010-2012.<sup>23</sup>

Following constitutional changes and results of the first stage of the administrative reform, key powers of control of all structures of the national security system appeared in the president's hands. Parliament, the government, ministries and agencies are largely barred from strategic decision-making and mainly deal with tactical issues of implementation of the policy in the relevant sectors set out by the President in the form of annual presidential addresses to the *Verkhovna Rada*.<sup>24</sup>

There remains a danger of the newly-elected *Verkhovna Rada* turning into a body for legislative execution of the president's initiatives – by forming an obedient parliamentary majority of MPs from PoR and its allies. Anticipating possible difficulties with formation of the loyal parliamentary majority in the new Parliament, the outgoing *Verkhovna Rada* on November 6, 2012, adopted the Law “On All-Ukrainian Referendum” that gives the president extra tools for legitimisation of his initiatives, bypassing Parliament.<sup>25</sup>

Power structures were actually taken out of parliamentary control. According to the former Chairman of the *Verkhovna Rada* of Ukraine National Security and Defence Committee Anatoliy Grytsenko:

By legislative means, Ukraine's Parliament was deprived of control of power structures. ...*First*, the deputy corps has no influence on the personnel policy. *Second*, MPs are deprived of the right to apply for information to power structure heads – and power structure heads are released from accountability for non-provided information. *Third*, interim parliamentary commissions investigating scandalous cases in the security sector are also deprived of the right to get information from power structure heads.<sup>26</sup>

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<sup>22</sup> For more detail on the state and reformation of security sector structures see relevant articles in this publication.

<sup>23</sup> For prior analysis of the national security strategic management system see articles of “Almanac on Security Sector Governance in Ukraine 2010”: Horbulin, V.P., Lytvynenko, O.V. “The National Security and Defence Council of Ukraine in the Strategic Management of National Security”; Belov, O., Lytvynenko, O. “Ukraine's Security Sector: Formation and Development of the Strategic Management System”. See also the article by O. Lytvynenko in this publication.

<sup>24</sup> The Law (note 16).

<sup>25</sup> On the possible effects of adoption of that law see, e.g.: Yakhno, A. “In the name of the people: what the new law on referendum threatens Ukraine with”. – *Glavred*, November 15, 2012, [www.glavred.info](http://www.glavred.info) (in Russian).

<sup>26</sup> “Rada's and public control of law-enforcers is nullified”. – *Radio Liberty*, December 15, 2011, <http://www.radiosvoboda.org> (in Ukrainian).



The above-mentioned National Security Strategy and Military Doctrine – as elements of strategic management of the security sector – deserve both positive and critical assessments. Their main drawback is that in the absence of stable procedures of state strategic management in Ukraine, they are not sufficiently embedded in the process of policymaking in the security sector<sup>27</sup> (see “*Stages of a rational process of the state security policymaking and implementation*” in Annex 1), and therefore, are not critical for setting binding policy targets of the current authorities, playing rather the role of “advertising” of their strategic capabilities and publicity.

If one agrees with the statement that state-building in Ukraine should rest on formation of stable democratic traditions in search of consensus between society and the state on problem issues, then from the viewpoint of the declared course towards civil society building, the trend to greater authoritarianism is very dangerous.

### **Armed Forces**

By the beginning of 2010, the Defence Review had been actually completed, and the Strategic Defence Bulletin was drafted, supposed to present the idea (concept) of further AF development. However, instead of execution of finished drafts as documents, the obtained results were reviewed with the purpose of adaptation to Ukraine’s non-bloc status that, as of the end of 2012, ended in nothing. Today, there is neither concept of the AF development, nor programme of their reformation nor reforms as such in hand. Personnel cuts in the AF take place at the rate set by the previous programme, intended for the period of 2006-2011.

According to some released data of the draft Concept of the AF development, the defence reform trajectory chosen by the current authorities mainly presumes reduction of the range of the AF tasks, MOD and AF structures and strength, and transfer of redundant facilities, equipment and land into municipal or private ownership. Through such measures, the following priority goals are to be achieved:

- harmonisation of defence expenditures with actual budget;
- suspension of conscription;
- optimisation of the of defence expenditures’ structure (50% – on personnel, 30% – procurement and modernisation of weapons, 20% – combat training);
- enhancement of social protection for military servants.

Such plans present another example of simplistic approaches to complex solutions. Thus, it may be stated with certainty that the set goals will be achieved only partially, and in the end result, such reforms are expected to do more harm than good. Most of the released military facilities, bases and ranges do not immediately find a buyer but they require significant funds for their conversion. Ill-considered personnel cuts will lay additional burdens on the budget, and non-fulfilment of social commitments will not only cause serious discontent among the retired military servants but also create

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<sup>27</sup> The urgency of introduction of state strategic management is witnessed, in particular, by submission of the Government’s Bill “On State Strategic Planning” (No.9407 of November 3, 2011) to the *Verkhovna Rada*. Due to the low quality of the document drafting, it was removed from the *Verkhovna Rada* agenda on September 6, 2012.



an unhealthy climate in military communities, undermine trust in the authorities in the armed forces and society, greatly aggravate social problems in the areas around military garrisons due to coming out of an “army of unemployed”.

### **Law-enforcement bodies**

As noted above, the law-enforcement system gets much more attention from the current authorities than the defence agency. The government demonstrates much more generosity in allocating funds to the needs of police (militia), public prosecutor’s offices, the Security Service of Ukraine. Police structures were re-equipped at the expense of expenditures on Euro-2012 championship.<sup>28</sup> In the 2013 state budget – for the first time in Ukraine’s history – expenditures on the Ministry of Internal Affairs equalled the MOD budget. The most probable reasons for such great attention were discussed in hundreds of media articles, warning about the authorities’ intention to make Ukraine a police state.

However, law-enforcement bodies remain one of the least reformed security sector structures for the time being. The Concept of reformation of law-enforcement bodies announced by the president is now pending approval. The draft Concept has not been released, but according to the president, it deals with “the need to tackle, in the conditions of limited funding, the issue of relocation of personnel and resources, efficient distribution of responsibilities among law-enforcement bodies..., to reinforce with [the main operational level] at the expense of the support and command structures”.<sup>29</sup>

At that, even before the emergence of the general Concept, the president approved and gave a start to implementation of concepts of separate segments of the internal security sector, in particular: development of juvenile criminal justice (2011); state migration policy (2011); state policy in the field of fighting organised crime (2011); reformation of the State Criminal Executive Service (2012). On September 18, 2012 – two months before the adoption of the new Code of Criminal Procedure – the president signed the Law “On Introduction of Amendments to Some Legislative Acts of Ukraine Concerning Perfection of Activity of Public Prosecutors’ Offices”.<sup>30</sup>

Furthermore, there are some bills providing for serious rearrangement of the internal security system and its structures under review in the *Verkhovna Rada* committees, in particular: on operational search activity; on introduction of amendments to some laws of Ukraine concerning provision of cyber security;

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<sup>28</sup> In particular, for expenses on Euro-2012, police structures were provided with special machines and equipment worth some UAH 76 million, and the Ministry made some procurements yet in summer, expecting deliveries at the end of October – after the Championship, but before the beginning of parliamentary elections 2012.

<sup>29</sup> “Head of state: the Concept of reformation of law-enforcement bodies is to be adopted in Ukraine in the near future”. – President of Ukraine Press Service, November 13, 2012, [www.president.gov.ua](http://www.president.gov.ua) (in Ukrainian).

<sup>30</sup> Analysis of the Code is a separate, specific subject for discussion, moreover that its assessments are highly controversial: from positive (as a result of optimisation of procedural principles of activity of law-enforcement and human rights protection bodies) to extremely negative (as a step to building a police state in Ukraine).





on introduction of amendments to some laws of Ukraine on national security issues (concerning tasks and interaction of the security sector structures); and, on the State Law-Enforcement Service (concerning reformation and expansion of functions of Internal Troops).

Such actions run contrary to the basic principles of strategic management (see “*Stages of a rational process of formulation and implementation of the state security policy*” in Annex 1), as separate plans are drafted in absence of a general idea of the future model of the security sector in general and efficient ways of its reformation. This repeats the mistake (or conscious neglect of principles of strategic planning) with drafting the Law “On Fundamentals of Domestic and Foreign Policy”, the National Security Strategy and the Military Doctrine of Ukraine, when a legislative act is passed (in case of the law-enforcement system, the Code of Criminal Procedure), supposed to specify the legal fundamentals of functioning of *reformed* law-enforcement and human rights protection bodies, and next, conceptual and programme documents of their reformation are drafted. In such conditions, development and approval of a general concept becomes a formality.

Meanwhile, one should not be too naive, accusing the reform authors of lack of the general vision for the end goals. According to some reform ideologues, over the course of the five years earmarked for implementation of the Code of Criminal Procedure’s provisions, the authorities plan to concentrate on intermediate results, in particular: centralisation of law-enforcement bodies; assignment of investigation of “90% of criminal cases” to militia; temporarily leaving cases involving top officials to public prosecutors’ offices (until the establishment of the National Bureau of Investigations, which is not prioritised, although it might be one of the main elements of division of powers of law-enforcement bodies).<sup>31</sup> That is, in the course of five years without any checks and counterbalances, powers of the existing law-enforcement bodies will be greatly expanded and centralised, as a result of which – and with account of transformation of the institute of democratic control of power structures into a decoration – arises a real risk of the law-enforcement system transformation into “a state within a state”.

The chosen main organisational line of reformation of the law-enforcement bodies and the entire internal security sector involves rearrangement of functions, forces and assets of the Ministry of Internal Affairs, the Ministry for Emergencies and other bodies. It is planned to assign to the Ministry of Internal Affairs the functions of the State Border Service, Tax Police, some functions and personnel of other law-enforcement bodies.<sup>32</sup> However, the announced versions of reforms seriously differ from each other. Namely, according to the President of Ukraine Decree No.726 of December 24, 2012, this will be another “optimisation” of state government bodies.

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<sup>31</sup> “The authorities decided not to hurry with the establishment of the Bureau of Investigations”. – *LigaBusinessInform*, November 19, 2012, <http://news.liga.net/ua> (in Ukrainian).

<sup>32</sup> According to proposals of the Parliamentary Committee for Legislative Support for Law-Enforcement Activity, the Ministry of Internal Affairs is to include departments: of police (criminal, public security, financial, transport, special), migration and citizenship, emergencies, investigations, personal information protection, border service, state guards. See: speech by the Committee Chairman Viktor Shvets at Parliamentary Hearings “On reformation of the system of bodies of the Ministry of Internal Affairs of Ukraine and introduction of European standards” on October 5, 2011 (in Ukrainian).



In particular, before the emergence of the concept of the internal security sector reform, the Ministry for Emergencies is to be reorganised into the State Service for Emergencies, to be subordinated to the MOD, although an earlier version of the concept planned its transfer to the Ministry of Internal Affairs. Such decisions prove that the current authorities have no systemic idea of the goals and ways of reformation of the state machinery in general and the security sector in particular.

Measures at centralisation of management of law-enforcement bodies at first sight envisage simplification of the system of control and coordination of their activity, removal of duplication of supporting functions, personnel cuts and optimisation of maintenance costs. Indeed, similar approaches to organisation of the internal security system are used, for instance, in the US and some European states. However, one should take into account that such models may be efficient under certain conditions, such as in the presence of a high level of economic development and the legal culture of the society, stable democratic traditions, efficient democratic control, and confidence in the law-enforcement system present in Western countries but evidently missing in Ukraine.

The planned reorganisation of the internal security sector (as well as of state governance in general – without relevant changes in the procedural base) raises the risks of deterioration of management of law-enforcement bodies and their efficiency, since it “centralises” not only positive but also negative factors – lack of professionalism, motivation, corruption, low executive discipline – and with account of serious weakening of mechanisms of democratic control of power structures and deepening of authoritarian trends in Ukraine, the law-enforcement system may become a factor of insecurity for entire society.<sup>33</sup>

### ***Defence industry***

Issues related to the shape and modernisation of the defence industry have been the Government’s “headache” over the years of Ukraine’s independence. Due to impracticability and non-fulfilment of adopted concepts and programmes, it was developing in the form of “forced-evolutionary” rise of export-oriented enterprises and artificial maintenance or decay of the rest.

The volume and structure of the state defence order traditionally do not correspond with the AF’s and other military formations’ requirements (either current or future) and failed to become a source of development of defence enterprises. Repeated attempts to start reforms in the defence industry failed at the early stages of implementation of poorly planned programmes. As one author notes, “The majority of defence enterprises, design bureaus, scientific research institutions that can design, create, produce modern arms and equipment are surviving, in the best case”.<sup>34</sup>

The main outcomes of the recent period included the establishment of the *Ukroboronprom* State Concern and transfer of assets of 134 (out of 162) state-owned

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<sup>33</sup> O. Skipalskyi: “When SBU becomes a puppet in the authorities’ hands, this threatens not only us but also the very existence of the state”. See: Internet conference of former Deputy Heads of the Security Service of Ukraine Oleksandr Skybinetskyi and Oleksandr Skipalskyi: “Will SBU roll down to reprisals?” – *Glavkom*, July 2, 2010, <http://glavkom.ua/articles/1219.html> (in Ukrainian).

<sup>34</sup> V. Lytvyn (Note 25).



defence enterprises to it. The key role in the Concern's authorised fund belongs to the MOD that does not leave attempts to assume functions of the state defence order formation and defence enterprise management. Those facts give grounds to suggest the MOD intention to concentrate cash flows from the state defence order and arms exports, and to get access to assets of state enterprises by means of large-scale privatisation. The realism of such scenarios was reaffirmed by the massive repayment of debts of defence industry enterprises at the expense of the state budget.<sup>35</sup> A decrease of the enterprises' debts does not guarantee growth of their efficiency but makes them more attractive for acquisition by speculating investors.

In principle, in the conditions of a crisis, centralisation of management often provides an efficient tool to improve the situation. However, another precondition – the high quality of management – is evidently missing, judging by the enterprise performance. One year after transfer to *Ukroboronprom*, the aggregate profit of those enterprises decreased from UAH 668 million (in 2010) to UAH 533 million (in 2011), and the number of loss-making enterprises in that timeframe increased from 45 to 62.<sup>36</sup>

The latest organisational and personal changes introduced on December 24, 2012 (President of Ukraine Decree No.726), show that the defence industry management model created during the two previous years does not suit the authorities or some groups of influence. In particular, the Decree restored the Ministry of Industrial Policy (liquidated two years earlier) that included the Defence Industry Department. The president also instructed the Committee for Reformation and Development of the Armed Forces and Defence Industry to urgently work out a concept of the defence industry restructuring.

However, if a complete audit of defence enterprises and thorough analysis of the market situation are not held again, and the concept is developed in secrecy, disregarding the opinion of independent experts, the essence of the proposals will probably be confined to creation of vertically integrated structures, large-scale privatisation, further centralisation of management, as it happened in early 2000s.

The defence industry might be rescued by the arrival of efficient investors, but it seems questionable due to huge political and financial risks and the absence of true competition. In such conditions, creation of vertically integrated (instead of project-minded) structures will only lead to concentration of cash flows and their control by the government (and some financial and industrial groups).

Other negative effects of inconsiderate measures at the defence industry reform may include growth of losses and decay of separate enterprises, ruin of the existing cooperative ties, process chains, a decrease in overall profitability of arms production, significant job cuts, and growth of social tension.

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<sup>35</sup> In course of 10 months of 2011, the total debts made UAH 1.8 billion, in that: UAH 248.6 million – debts to the state budget; UAH 366.1 million – to state target funds; 146.3 million UAH – for utilities; over UAH 1 billion – debts for bank credits. See: "PR proposes writing down UAH 1.8 billion of defence industry enterprise debts". – *RBC-Ukraine*, November 1, 2011, <http://www.rbc.ua/ukr> (in Ukrainian).

<sup>36</sup> "Salamatin's management led *Ukroboronprom* to hundreds of millions hryvnias of losses". – *Dzerkalo Tyzhnia. Ukraine*, August 4, 2012, <http://news.dt.ua> (in Ukrainian).



## **Conclusions**

The complexity of the security sector and processes within it require systemic approaches to management of its development and operation. Meanwhile, in absence of steady traditions of nation-building and strategic management on the national level, the probability of introduction of those approaches – at least in the near future – is low, and the usefulness of any structural and personal changes is questionable.

The trend of Ukraine's home and foreign policy will long be determined by the logic of relations among oligarchic clans and outside influence on them. Public influence on formulation and implementation of the state policy remains low: the authorities and some political figures seek public support only if they want legitimisation of their initiatives or in case of political pressure on them.

Meanwhile, the offbeat talents of the authorities (political will, consistency, adaptability, resolve, self-confidence) and success in building the executive hierarchy, on one hand, as well as the lack of results or their incompliance with the declarations in all other sectors, on the other, give grounds for a quite reasonable assumption: inefficiency of the current authorities' policy (in terms of public good) is caused not as much by their incompetence as by wilful substitution of national interests and goals of society development with corporate interests.

Ukraine's national security system is structurally excessive, functionally insufficient, and economically burdensome. Such are the results of failed reforms in the security sector. Due to the lack of broad consensus about the future look of the national security system, role and place of each its element, ties among them, there is no progress in reformation of the AF, law-enforcement bodies, the defence industry, and the commenced initiatives are hindered by disregarded negative factors, including resource limitations.

The main incentive and decisive factor of development of Ukraine's national security system and its elements for the near future is to keep and secure power in the hands of the Party of Regions and Viktor Yanukovich, in the conditions of growing protest mood in society due to dissatisfaction with the results of the state policy, and inside oligarchic clans in response to redistribution of power and property. The current structural and personal changes are of a tactical nature and only add to the disparity within the national security system.

The defence sector suffers the most from the "reforms" of the current authorities. Unreasonable structural changes, poor appointments and fictitious "improvements" lead to deterioration of the state of the Armed Forces and the defence industry. The AF role as a factor of deterrence of potential threats is disregarded. The defence capability of the state slides to a "default".

The security sector, as well as the state in general, needs true radical reforms based on new approaches and, respectively, new people. In such conditions, there is a critical demand for new political forces, but they are still immature in the Ukrainian political community.



## CHAPTER 2

# UKRAINE'S SECURITY SECTOR MANAGEMENT SYSTEM: A MODERNISED SOVIET MODEL

*Oleksandr LYTVYENKO<sup>1</sup>*

The main problem of the current stage of Ukraine's security sector transformation is posed by the insufficient goal-orientation, sometimes even controversy, of measures. Those drawbacks are traditional for this country that for over 20 years has been suffering from a deep crisis of identity, affecting its foreign and security policy.<sup>2</sup>

The state policy legitimacy depends not only on legislative formalisation of its main principles but also on broad public support. There are enough reasons to suggest that formulation and, the main thing, successful implementation of a consistent state policy at the current stage is greatly complicated by the uncertain foreign policy trends in Ukrainian society. The situation where nearly half of the nation supports the European vector of development, and the other half – the Russian one – seriously complicates, at times, and rules out any radical or consistent steps of the state leadership.

The state strategic management system is one of the tools supporting sound operation and development of the security sector. Its efficiency is critical for the target character, flexibility and efficiency of the state policy, the ability to foresee and detect challenges and threats and adequately respond to them.

### **Security sector strategic management system: institutional dimension**

By and large, Ukraine's security sector building may be described as a controversial process, due to controversial steps of the authorities in different periods of development of Ukrainian society and the state.

Ukraine's security sector, including its strategic management system, was shaped in 1990s-early 2000s mainly on the basis of the Soviet Army grouping and

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<sup>2</sup> Backly, N., Olearchik, R. "State in a struggle for identity and direction", September 17, 2012, [www.ft.com](http://www.ft.com).



territorial bodies and units of central subordination – to the USSR Ministry of Internal Affairs and the KGB State Security Committee. At that, the strategic management system was actually built from scratch, with a view to avoid effects of administrative-command management inherent in the USSR, which not always, not everywhere and not fully came true. The strategic management system is an integral element of the security sector that, just as the entire state, generally rested on a somewhat modernised Soviet model initially designed to serve interests of the authoritarian Soviet superpower.

Hereafter, the Soviet model of governance is understood as an extremely centralised system where the main political decisions are taken not on the ministerial but on the supra-ministerial level, in the supreme bodies of state powers: in the USSR – in the Central Committee of the Communist Party; in the post-Soviet version – in the presidential structures; in the case of Ukraine – in the presidential administration and the National Security and Defence Council (NSDC). Its effects include the weak political and analytical potential of ministries, including in the security sector. In that model, they play a purely executive role.<sup>3</sup>

Respectively, the presidential administration and Ukraine's NSDC should pool the greatest and the best managerial potential. Such a system guarantees prompt and generally efficient state response to challenges and threats in extreme conditions but fails in a normal mode, seeking return to extraordinary methods, overly securitising the situation, at the first opportunity. In the post-Soviet period, the security sector strategic management system saw sometimes inconsiderate transformations, its efficiency has been affected by personal traits of the key actors, so the role and influence of state structures immediately depend on specificities of the political situation and are often clearly personified.

The institutional dimension of strategic decision-making in the field of national security was described in the previous issue of the *Almanac*.<sup>4</sup> It preserved its general features but underwent substantial changes in redistribution of powers after the reversal of the political reform of 2004.

As before, the security sector strategic management system includes the president, the *Verkhovna Rada*, NSDC, the Cabinet of Ministers and auxiliary structures

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<sup>3</sup> Some attempts to change the situation were observed in 2000s in Ukraine's Defence Ministry, but failed to bring steady adoption of its new role in the state policy formulation and implementation. This is even more true for Ukraine's other security sector bodies. The roots of the hierarchic model originate from the so-called scheme of Mikhail Speransky who yet in the first half of the 19th century in the document "Introduction to the code of state laws" conceptualised the practice of the Russian monarchy and proposed a structure of state power where the Emperor ("supreme power") stays above theoretically independent branches of power (executive, legislative and judicial) and discharges state governance through the State Council (legislative-advisory council under the Emperor).

<sup>4</sup> Belov, O., Lytvynenko, O. Centre for the Democratic Control of Armed Forces / Almanac of governance in Ukraine's security sector 2010. – Geneva Centre for the Democratic Control of Armed Forces, 2010, pp.70-78.



of the presidential branch – presidential administration, NSDC Staff, National Institute for Strategic Studies and other consultative-advisory bodies under the president.

At that, in the system of presidential power, the presidential administration directly supports the activity of the head of state, including in HR issues, while NSDC is to provide for preparation of strategic decisions.

The role of the Cabinet of Ministers as the main state body in the system of executive bodies is traditionally small; it focuses on financial and material support for implementation of the president's decisions. Even after the political reforms of 2004 (2006-2010), the Cabinet of Ministers, despite attempts of some of its heads, failed to play an independent role in the security sector management.

Even a smaller role belongs to ministries and agencies that continue gradually to lose influence on strategic decision-making – at least as integral entities. This is not a matter of influence of some leaders, since they, as a rule, are involved in other, informal decision-making mechanisms that, according to many political scientists, dominate in Ukraine and other post-Soviet countries.<sup>5</sup>

Meanwhile, over the almost three years that passed after the release of the previous *Almanac*, the strategic management system saw rather serious changes. First of all, in October 2010, the Constitutional Court of Ukraine ruled to cancel the amendments of 2004 to the Constitution and reinstated Ukraine's Constitution in the wording of 1996. This settled one of the key problems of Ukraine's security sector: restoring to the President and the Government single command of the security sector and putting an end to dual subordination that existed prior.

Concentration of powers and responsibility into the president's hands effectively diminished the risk of a conflict among different bodies of the security sector, as the one witnessed by developments during the early parliamentary elections at the end of May 2007, involving Ukraine's General Prosecutor's Office, Internal Troops, separate units of the Ministry of Internal Affairs and the State Guards Department, when orders from different centres of power could end in a violent clash.<sup>6</sup> Return of all powers under the Constitution of 1996 to the head of state generally restored Ukraine's security sector management scheme that existed before 2006. Simultaneously, functions of the Presidential Administration and NSDC (its Staff) were seriously redistributed to the benefit of the former.

Under the presidency of Viktor Yushchenko, the status of NSDC as the lead intellectual centre of state power, designer of strategic decisions in the national security and defence sector was somewhat shattered. Among the main reasons for that, the following should be mentioned, in the first place:

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<sup>5</sup> See, e.g.: Minakov, M. "There is no public space in today's Ukraine". – *Ukrayinska Pravda*, October 22, 2012, [www.pravda.com.ua/articles/2012/10/22/6975109](http://www.pravda.com.ua/articles/2012/10/22/6975109) (in Ukrainian).

<sup>6</sup> Leonov, I. "Attack minister". – Committee against corruption, May 28, 2007, <http://kpk.org.ua/2007/05/28/print:page,1,ministrshturmovik.html> (in Ukrainian).



*First*, serious restriction of strategic functions of power in general, its focus on solution of current tasks of the state to support society life observed in the past decade in connection with aggravation of critical phenomena in the Ukrainian statehood. That negative trend has not been ultimately reversed yet, as witnessed even by brief analysis of political party programmes at the 2012 parliamentary elections.

*Second*, more than a decade-long regular weakening of state institutions related to the use of resources using purely Soviet structures in new market conditions in society. The strategy of a weak state, directly resulting, i.e., in such weakening, might be somewhat justified in the previous years, but now, it no longer meets the needs of independent Ukraine's development.<sup>7</sup>

*Third*, excessive politicisation of the NSDC institute in 2006-2009, when the Council actually became the only tool of the president's influence on the Government's activity, to the detriment of its other functions.

In course of three to four years, the situation stabilised and continued to influence the security sector after power changed in 2010. More than that, in absence of direct military threats and with complication of socio-economic processes in Ukraine following the world financial-economic crisis, the national security sector failed to become the main priority of the state authorities, which also discouraged radical changes.

Despite the repeatedly announced desire of the head of state to enhance the NSDC role, in spring 2010-spring 2012, the Council's activity slackened, and the NSDC Staff largely concentrated on technical functions. This was reflected in the relevant decisions of Ukraine's president concerning the Staff ceiling and structure.<sup>8</sup>

In 2012, many observers saw Andriy Kliuyev's appointment as NSDC secretary as a sign of greater attention of the president and serious enhancement of the NSDC role in strategic political decision-making. Such assessments were reiterated with a decision of substantial growth and perfection of the Staff structure.<sup>9</sup>

Meanwhile, due to the effect of the above factors and with the start of the 2012 parliamentary election campaign directly involving Andriy Kliuyev, the NSDC strategic functions in the security sector management did not grow up fundamentally.

On top of that, the trend to the Staff leadership to focus on economic development issues persisted and even grew up. In particular, at the parliamentary

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<sup>7</sup> That strategy and many others practically implemented in Ukraine are not official documents but can be remodelled on the basis of retroactive analysis of the decisions taken. Lytvynenko O.V. Ukrainian national security: brief description. – *Strategichni Priorityty*, No.2, 2011, p. 121-126 (in Ukrainian).

<sup>8</sup> President of Ukraine Decree "Some Issues of Ukraine's National Security and Defence Council Staff" No.353 of April 5, 2011.

<sup>9</sup> President of Ukraine Decree "Issues of Ukraine's National Security and Defence Council Staff" No.251 of April 5, 2012.





hearings on security sector development it was said that, "... threats to economic security make over 90% of all kinds of real threats".<sup>10</sup>

In such conditions, the key role in preparation of political decisions on Ukraine's national security in 2010-2012 belonged to the president of Ukraine administration. Meanwhile, one should keep in mind that for over two years the key position of the president's security and defence adviser – the head of the concerned Main Department of the Administration – remained vacant.

### **System of strategic planning documents: what's new?**

In recent years some positive developments have taken place in strategic management of the security sector. In particular, a number of key strategic planning documents were adopted, first of all, the Law of Ukraine "On Fundamentals of Domestic and Foreign Policy", a new wording of the National Security Strategy (hereinafter – the Strategy) and a new Military Doctrine of Ukraine (hereinafter – the Doctrine). The President of Ukraine's Addresses in 2010, 2011 and 2012 outlined the main lines of the state security policy. Conceptual documents on the development of Ukraine's Security Service and the State Border Service remain effective, approaches to the Ministry of Internal Affairs reform are being elaborated. Particular attention should be paid to parliamentary hearings "On state and prospects of development of Ukraine's military organisation and security sector" held on May 23, 2012. Noteworthy, the event took place for the first time in course of over ten years. The hearings analysed in detail security sector development problems and made a number of proposals for their solution. However, the very name of the hearings contains the Soviet notion of the military organisation of the state inconsistent with the present definition of the security sector, witnessing differences in approaches to the subject matter of the discussion.

The adoption of the Law of Ukraine "On Fundamentals of Domestic and Foreign Policy" in June 2010, i.e., implementation of the constitutional norm that has been effectively neglected for almost 15 years, was certainly a welcome – development. Meanwhile, the very nature of the Law that *a priori* envisages wide use of norms/goals caused a spree of controversial political and expert assessments and accusations of declarativity. Among foreign policy priorities, alongside a clear provision of the framework course of European integration, that act introduced into the national legislation and political practice the non-bloc status policy, now admitting rather broad interpretation.

Not going into detail of the content of a non-bloc status in the present European security conditions, it should be stressed that legislative formalisation of Ukraine's non-bloc status, first of all, became a statement of the fact in place for over 20 years of state independence. In fact, that norm of the Law only reflected the political situation

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<sup>10</sup> Records of parliamentary hearings "On State and Prospects of Development of Ukraine's Military Organisation and Security Sector", May 23, 2012, [http://static.rada.gov.ua/zakon/new/par\\_sl/sl230512.htm](http://static.rada.gov.ua/zakon/new/par_sl/sl230512.htm) (in Ukrainian).



formed after the 2008 NATO Bucharest Summit that noted the exhaustion of Ukraine's Euro-Atlantic integration course the way it was formulated in 1997-2002.

While the basic Law was drafted and adopted very promptly, the drafts of other strategic documents took a much longer road. In general terms, they were drafted as early as the beginning of 2011, underwent comprehensive expert assessment on both the national and international level (were sent to experts in Europe, the USA, Russia, most of whom presented serious comments), and signed by the head of state in June 2012.

One should keep in mind that the need to prepare a set of new strategic planning documents on national security was prompted by radical changes of the security situation in Eastern Europe and the whole world after 2007, and the June 2010 decision of legislative formalisation of the non-bloc state policy, i.e., a fundamental change of the security and defence policy.

The good sides of those strategic documents surely include a clearer and better description of the security environment, transparent definition of main threats and challenges for Ukraine's national security. In particular, for the first time it was recorded that weakness of democratic state institutions is one of the main negative factors ruling out Ukraine's successful development as a European, democratic, social and rule-of-law state, stressing the dangerous nature of the threat of corruption.

Noteworthy, both the Strategy and the Doctrine have a role somewhat different from the classic one, customary for developed democracies. Those strategic documents are declarations, letters of intentions, rather than practical documents with direct effect. This is mainly related with poor substantiation of financial support for implementation of the strategic decisions taken.

By contrast to similar documents in the Western countries, neither the Strategy nor the Doctrine contain a financial portion or rest on appropriate financial and material calculations, and therefore, they require additional documents to take into account the financial and economic conditions of their implementation.

To be sure, such elaboration on a proper level is impracticable in the present conditions, proceeding from the absence of adequate procedures of government activity with institutes of the Soviet model. Noteworthy, functioning of the USSR security sector did not require a National Security Strategy as the basis for strategic planning, activity and development of the concerned state institutions.

Instead, the real strategy (similar to the real constitution) in the USSR was determined *ad hoc*, as a response to external challenges and rivalry for tools of influence among the bodies of the security sector, defence industry and bureaucratic clans within the state and party bodies, and only later – recorded, for example, in decisions of the CPSU congresses, CPSU Central Committee resolutions and the USSR Council of Ministers.



Modern tools of strategic management were implemented in Ukraine in the mid-2000s mechanically, as an element of the “homework” of implementation of the Euro-Atlantic integration course, and did not cause relevant systemic changes in the security sector. Therefore, in the conditions of present-day Ukraine, the Strategy and the Doctrine *a priori* were doomed to become declarative documents.

Nevertheless, even in such form, the Strategy and the Doctrine play a very serious positive role, allowing the supreme state leadership to express its views of the security situation and to ensure a single intellectual space for state bodies’ activity in the sector.

A special mention should be made of the President’s Addresses to the *Verkhovna Rada* of Ukraine in 2010-2012 that after the adoption of the Law “On Introduction of Amendments to Some Legislative Acts of Ukraine”,<sup>11</sup> acquired a regulatory status and in principle should now be viewed not as declarations but as political documents with direct effect.

In 2010-2012, the section dealing with national security problems became an integral part of the Address, by contrast to addresses of President Leonid Kuchma that dealt with those issues in separate subject reports. Exactly the Addresses of President Viktor Yanukovich gave the official interpretation of the notion of a non-bloc status, outlined strategic lines of the foreign and security policy. A separate subsection of the 2012 Address dealt with problems of democratic civilian control of Ukraine’s security and defence sector.

By and large, it may be stated that in the recent years, rather a large body (or even system) of texts has been created in Ukraine, presenting official views of the security environment in and around Ukraine, setting priorities of the state security policy, proposing some approaches to its implementation. Nevertheless, *there are still no grounds to speak of the existence of an efficient system of strategic planning.*

Such surely important reformatory steps as the adoption of the new Code of Criminal Procedure, critical for further prospects of Ukraine’s security sector, are not always sufficiently backed with institutional measures, calculated in advance.

The process of the new *Strategic Defence Bulletin* drafting was extremely difficult. The results of implementation of its previous 2004 version were not highly praised. The same can be said about poor efficiency of the system of analysis of implementation of programme development documents of the Armed Forces, the Security Service, and other security sector bodies. There is even no articulate system of terms describing the security sector structure and functioning, and the attempts of its creation encounter significant difficulties related with specific features of strategic targets of the state development and its desired model.

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<sup>11</sup> *Verkhovna Rada* of Ukraine web site, <http://zakon2.rada.gov.ua/laws/show/4731-17>.



## **Conclusions**

To sum up this brief analysis, it should be noted that, now, the security sector strategic management system in Ukraine remains in a transitional state. Signs of a hybrid of the Soviet system with formal elements of civilian democratic governance become ever more evident. The main achievement of recent years was that the most glaring and dangerous aspects in the functioning of the security sector management system – dual subordination of security structures – was removed. However, so far, all efforts have failed to fundamentally change the situation formed in the previous years.

By and large, this stabilisation might last long enough and can hardly be replaced with development by efforts from within the system. However, gradual exhaustion of residual dimensions of the post-Soviet system, first of all, human and intellectual, puts on the agenda measures for their urgent improvement; not only the efficiency of the strategic management system but its very functioning will look questionable in the foreseeable future.

Real transformation of Ukraine's security sector management system becomes an urgent need. Without them, one cannot hope not only for serious positive shifts but even for its preservation as an active subsystem of state power.



## CHAPTER 3

# UKRAINE'S SECURITY: PROGRESS AND REGRESSION<sup>1</sup>

**James SHERR<sup>2</sup>**

From 1991 onwards, one of Ukraine's cardinal challenges has been the creation of an integrated, sustainable and cost-effective national security and defence system. In the post-independence years, this challenge was urgent. Then there was compelling reason to ask whether Ukraine would remain an independent state. By the end of the 1990s, the key questions had become less stark and more complex: What kind of state will Ukraine be? What kind of independence will it have? As these questions have evolved, perceptions of national security also have been revised and refined. Few today would argue that security is primarily a military matter. Ukraine's ability to reform its energy sector, adopt a rules-based economic culture, a rights-based political system and a robust and independent judiciary are likely to remain at least as critical to its national security, its *samostoyatel'nost'* ("ability to stand"), as the provision of capable armed forces and security services.

Yet neglect of the defence and security sector – which, we need to remind ourselves, encompasses not only MOD armed forces, but the SBU, the State Border Guard Service, the Ministry of Interior, the Tax Police, the State Customs Service, ordinary police and a number of additional agencies and formations – could prove to be not only a hindrance but a hazard. The Russia-Georgia war of 2008 stands as a reminder that hard power remains a factor in the former Soviet region, just as the Tallinn "bronze monument" affair of 2007 illustrates the potential (anticipated in Ukraine's National Security Concept ten years earlier) of external powers to foment or exploit insurrectionary activity. There are clear connections between the health of Ukraine's defence and security sector, the realism of its security policy and its relationships with the outside world. These connections form the subject of this paper.

They are given point by three factors that are likely to change slowly if at all:

- Ukraine is of geopolitical importance. It is at one and the same time the eastern extreme of Central Europe, the northern littoral of the Black Sea, a rear area of

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<sup>1</sup> The paper was originally presented at the seminar, "Ukrainian Foreign Policy and International Relations since 2010", organised by Sciences Po and CERl, the Centre for International Studies and Research on 15 October 2012 in Paris.

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the Balkans, a crossroads between Europe and the Caucasus, a barrier to an imperially minded Russia (or a gateway for it) and the source of over 70 per cent of the gas that Europe imports from the Russian Federation.

- Ukraine has a conflicted national tradition and a weak state tradition. It looks back on a history of diverse and de-centralised authorities, and its political spirit is instinctively pluralistic. In contrast to its great northern and eastern neighbour, its political tradition is not defined by awe of power but distrust of power.

- Ukrainian statehood is a challenge to Russia's identity. Its juridical independence (*nezavisimost'*) is recognised; its right to an independent course (*samostoyatel'nost'*) is not. Russia's leaders have been adamant that the norm should not merely be friendly relations but "brotherly" relations. "St Petersburg is the brain, Moscow the heart, and Kyiv the mother of Russia"; "democracy ends where the question of Ukraine begins"; "*protiv kogo vy druzhite?*" (against whom are you waging friendship?): twenty years after independence, these sentiments continue to define the subtext of relations between Ukraine and Russia.

### Starting conditions

In the post-independence period, the dominant Western image of Ukraine, reflected in a notoriously inaccurate 1994 CIA report, was of a Yugoslavia in the making, threatened by separatism and ethnic conflict and (unlike Yugoslavia), threatening "nuclear anarchy". Ukraine not only avoided these calamities, it carried through a programme of unilateral nuclear disarmament and, without conflict or upheaval re-subordinated and substantially dismantled armed forces of the former USSR on Ukrainian territory (which, together with security forces, numbered 1.4 million in 1991). No less significantly, between 1994 and 1997, Ukraine's Ministry of Foreign Affairs ably compensated for internal weakness, securing for Ukraine a strong diplomatic identity, an active international presence and a truly independent voice. The NATO-Ukraine relationship and the May 1997 accords with Russia were this policy's prime achievements. In all of these respects, Ukraine's political and security elites confounded the Western expectation.

The fact is that the actual starting conditions were at the same time less dire and more insidious than many in the West supposed. For one thing, the country's divisions were (and still are) far from incompatible with statehood (even if Vladimir Putin's characterisation of Ukraine as an "artificial state" was a sincere one). Ethnic divisions matter far less than regional divisions. The political outlooks of ethnic Ukrainians and Russians – a somewhat artificial distinction in a country with high levels of intermarriage – tend to be defined far more by region, generation and social position than by ethnicity.

Although regional divisions are significant, separatist movements have never gained traction in Ukraine even during the Orange Revolution, when polarities were at their highest. The exception, the Autonomous Republic of Crimea, proves the rule, because the territory was arbitrarily transferred to Ukraine in 1954, and its Russian



minority identify with the Russian state to a far more emphatic degree than ethnic Russians in Odessa or Donetsk. Elsewhere, the rule is that a high level of affinity with the Russian people is complemented by wariness towards the Russian state, and in the case of the supposedly russified elites of Viktor Yanukovich's Party of Regions, this wariness is underpinned by political and economic interest. From a cultural perspective, it would be difficult to argue that the differences between Kharkiv and Lviv are greater than those between Milan and Naples or Massachusetts and Mississippi. That these differences provoke greater anxiety is the result of two factors: flawed institutions (at both local and national level) and geopolitics.

Ukraine's principal challenge at the outset, and at present, has been to create institutions that would support rather than undermine the state. In the 1990s, the defence component of this challenge rightly took precedence.

The Soviet military system and defence-industrial complex (VPK) that Ukraine inherited were All-Union constructions, intricately interdependent and elaborately compartmented. The multi-national principle of recruitment and deployment extended to sub-unit (company) level. End-product weapons were assembled from sub-components produced in factories across the USSR. The Armed Forces and VPK were designed, like the command-administrative system itself, to make self-sufficiency impossible. The USSR's surprising (and surprisingly swift) collapse left the newly formed Russian Federation, *pace* Pavel Grachev (Minister of Defence 1992-1996), with "an army of ruins and debris". Despite that undoubted handicap, Russia also inherited the central apparatus and control structures of the Soviet state. This combination of factors created an expectation, even amongst Russia's self-styled liberals and democrats, *pace* Gennadiy Burbulis (First Deputy Prime Minister 1991-1992), that "there is a logic that will bring the republics back again our way".

In these circumstances, the challenge faced by Ukraine was not to reform an army but to create one. In 1991 Ukraine did not inherit an army, but a force grouping – without a Defence Ministry, General Staff or central organs of command-and-control. Moreover, this grouping, its formidable inventory of equipment and its highly trained officer corps were designed for one purpose: to wage combined arms, offensive, coalition warfare against NATO on an external front and under somebody else's direction. By the same token, it did not inherit a coherent defence industry capable of "closed cycle" production of weapons systems, but components of the once integrated structure (17 per cent of the total) that were as ill-equipped for market conditions as for self-sufficiency.

What Ukraine *did* inherit was a relatively centralised, self-confident and thoroughly sovietised Ministry of Internal Affairs (MVS) and state security apparatus, each of them with their own substantial military forces. The discrepancy stemmed largely from the fact that the USSR Ministry of Defence was an All-Union structure without analogues at Union Republican level, whereas the MVD/MVS was organised strictly on territorial (republican) lines, and the KGB USSR had centralised analogues in each of the Union Republics.



This political import of this administrative nuance was hardly slight. Ukraine's first ministers of defence did not emerge. They had to be found, and they and their deputies had to create national defence structures from scratch. Not surprisingly, these individuals were associated with the national cause, and this fact had a direct impact on the structures taking shape under their subordination. Yevhen Marchuk, first *de jure* head of the SBU, did not face an analogous situation. For one thing he had a *de facto* predecessor, Colonel General Nikolai Golushko, Head of KGB Ukrainian SSR from 1987-91, who shortly after Marchuk's appointment emerged as Deputy Minister of the newly formed Russian Federation Ministry of Security.<sup>3</sup> For another, Marchuk (one of a small number of senior KGB officers sympathetic to Ukrainian independence) found himself in charge of a highly institutionalised entity that only a short time ago had been the Party's "sword and shield" against Ukrainian nationalism and, not incidentally, Ukraine's new Western partners.

International relationships reinforced these differences. NATO's Partnership for Peace (which Ukraine joined in February 1994) was established with the avowed purpose of developing cooperation amongst national *armed forces*. Until 2000, when remits were expanded, neither PfP nor the 1997 NATO-Ukraine Charter of Distinctive Partnership established analogous mechanisms of cooperation with the MVS or SBU. By the late 1990s, NATO was intimately involved in Ukraine's defence reform process. Its involvement in such reform of the SBU as took place was virtually nil. Until Igor Smeshko became Chairman of the service in September 2003, what was known about Russian special services cooperation with the SBU (and their penetration of it) was outweighed by what was not known. The MVS was another domain largely opaque to outsiders.

By the start of Kuchma's second term in 1999, Ukraine had acquired a schizophrenic security culture, and with some evolution, it retains one to this day. The Armed Forces (and to a lesser extent, Emergency Services and State Border Guard Service) were outgoing in ethos and eager to take advantage of opportunities afforded to exchange experience and develop networks of cooperation with NATO at working level. The other half, ingrown in their working cultures and suspicious of outsiders, kept their distance and, in the case of the SBU, occasionally employed intelligence means and intimidation to hinder NATO's efforts.

A similar discrepancy existed at the higher institutional level. The National Security and Defence Council (NSDC) under its initial Secretary, Volodymyr Horbulin (and his strongest successor, Yevhen Marchuk), the MFA (especially under Gennadiy Udovenko and Borys Tarasyuk) and the MOD used the mechanisms afforded to clear away obstacles to close partnership relations, which at some levels approached the quality of relations between allies. The appointment of Viktor Medvedchuk to head the Presidential Administration in June 2002 at the height of the cassette scandals not

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<sup>3</sup> He was swiftly promoted to First Deputy and from September to December 1993 served as Minister of Security. To this day, almost nothing has been publicly said about the damage caused by the Golushko affair or the efforts taken to assess and repair it.





only produced a sharp change of temperature at the PA, it constrained cooperation with the West elsewhere and contributed to Kuchma's isolation from his erstwhile partners. Smeshko's appointment to the SBU in September 2003 was not able to reverse the process, not least because his pro-Western ally, Yevhen Marchuk (Minister of Defence since June 2003) was sacked in September 2004.

These lines of cleavage should not detract from the principal accomplishment of the 1990s: the establishment of a bedrock of national security institutions, characterised at several levels (the newly formed NSDC and Ministry of Defence and the already extant Ministry of Foreign Affairs) by an impressive degree of motivation and professionalism.

### Systemic ills

The professionalism of the NSDC staff was evident in Ukraine's first National Security Concept, which was adopted by the *Verkhovna Rada* (parliament) in January 1997. It was a model document that even today provides a template of what defence and security sector reform should accomplish.

In its assessment of "main potential threats", the Concept's main focus was the unhealthy relationship between internal weakness, international pressure and threats to the integrity of the state. The Concept's authors warned that "situations threatening our national security are distinctly regional". Not only did they list the "creation of civil society" as the first of nine "priority national security interests", they explicitly stated that defence reform and socio-economic reform had to proceed in tandem. They also called for the establishment of a well-codified division of labour between security structures under an effective coordinating mechanism. Without such measures, there was too great a risk that internal weaknesses would create international vulnerabilities: that local crises – economic, ecological, industrial or ethnic – would be exploited or provoked by actors with ulterior aims. In such crises, the task of MOD subordinated armed forces units would be to "set up a zone which would make it possible to direct or influence the processes occurring outside it".

Those who drew up the Concept were acutely aware that one of the greatest threats to the effectiveness of the state was the system of power in Ukraine, which had institutionalised but not legitimised itself. As noted elsewhere, this system represented not so much a revolutionary change from Soviet practice as a mutation of it: the transformation of bureaucratic into financial power by *nomenklaturist* elites, acting in concert with the "shadow structures" that from the time of Brezhnevite "stagnation" had begun to acquire *de facto* control over resources and their distribution. This culture of power, combined with the sovietised habits and routines of bureaucracy, compounded security challenges, and it does still:

- public institutions that function *de facto* as rent-seeking entities cannot be expected to allocate budgetary funds as intended or establish the conditions that encourage income to be declared, taxes paid and essential services (armed forces, police and bureaucracy itself) to be properly funded;



- a personalised and networked, rather than rules-based system of authority will not provide administrative stability, let alone transparent mechanisms of oversight, safeguards against arbitrariness or the creation of a normative framework that outlasts the tenure of office holders;
- those who treat information as a form of power rather than a public good will hinder the timely sharing of information with those better able to utilise it than themselves. Defence against the threats outlined in national security concepts depends upon mid-level and sub-unit competence and the horizontal (“joined-up”) integration of agencies, branches and departments;
- a legal “order” that is a “system of codified arbitrariness” (*pace* Françoise Thom), rather than one based on the “unity of primary and secondary rules” (*pace* HLA Hart) will foster corruption rather than legality and blackmail rather than impartial law enforcement;
- those who live in dread of *kompromat* are equally likely to fear transparency: the ability to know what decisions are taken, where they are taken, by whom and why. Yet without transparency, it will be exceedingly difficult to discern which actors, domestic and foreign, are influencing the strategic direction of the economy and the state.

This systemic context cannot but have a serious impact on any process of reform. Yet it affects the defence and security sector in different ways. The roles of the Armed Forces are to defend state sovereignty and territorial integrity, insulate the country from external conflicts, support emergency services and, in the worst case, defend the country against external opponents. In short, they are not a component of internal political struggle. Yet the military and civilian components of other structures are on the cutting edge of the relationship between state and society, the law and the criminal, and hence they are subject to all of the strains and distortions inherent in these relationships.

Nevertheless, the opportunities for corruption in the Armed Forces are by no means lacking compared to other services. Measured by property and assets, the Ministry of Defence is one of the largest commercial enterprises in the country and is capable of behaving like one unless its materiel is carefully inventoried, its personnel properly motivated and a strict system of internal controls put in place. The difficulty of doing so is compounded, if not directly thwarted, when the Ministry, as in the Kuchma years, is expected to generate commercial finance for its own budget. The introduction of proper controls by Anatoliy Grytsenko, first post-Orange Minister of Defence (February 2005-December 2007) uncovered a pattern of abuse, including the sale of property at heavily discounted rates to political patrons (aka, associates of the President). No less instructive was the harassment Grytsenko encountered when Viktor Yushchenko’s close associate, Petro Poroshenko was in charge of the NSDC (February-September 2005). Only weeks after Grytsenko’s dismissal, he complimented his successor, Yuriy Yekhanurov, for transforming the MOD into the “ministry for the disposal of surplus property”. In June 2009, Yekhanurov was dismissed following a host of accusations of corrupt practices, yet it would be surprising if they were not connived in or mandated by his political superiors.



Corruption is not the only danger posed by an unreformed service. The Ministry of Defence is also the largest employer of people equipped with arms and trained to use them. The peril lies not in coup-making (for which there is no tradition in either Russia or Ukraine), but freelance activity by demobilised servicemen and officers retired without retraining and resettlement into civilian accommodation and jobs.

On the surface, the challenges facing the security sector are more graphic and straightforward. If a *militционер* is paid a wage inconsistent with life, he will cheat rather than die. If the state cannot afford to fund the Ministry of Internal Affairs, the SBU, the State Border Guard Service, the State Customs Service or the Tax Police, somebody else will. Yet reform is not simply a matter of halving personnel and doubling salaries, let alone dismissing corrupt officers and officials, as Yuriy Lutsenko (Minister of Internal Affairs, February 2005–December 2006) did in droves. Money will not overcome the harm caused by misguided policies, incoherent security concepts, out-dated training regimes and poor motivation.

As this analysis implies, it can neither be said that the Orange Revolution stimulated systematic reform, nor that elements of a systematic approach were absent before. Despite the primary institutional accomplishments of the early-to-mid 1990s, the latter years of Kuchma's tenure were characterised by thinking of the highest order and dismal achievement. The March 2000 *State Programme of Armed Forces Reform and Development 2001-2005* was an eminently serious document that made a concerted attempt to bring strategy, force structures and finance into balance. Nevertheless, it was not financeable as it stood, and only half-hearted steps were taken to implement it. In contrast, the *State Programme for the Development of the Ukrainian Armed Forces 2006-11*, drawn up under Grytsenko's team, was radical, well staged, properly costed and, most significantly, followed by action. By summer 2006, NATO had concluded that Ukraine's MOD and Armed Forces had already satisfied the criteria for MAP (Membership Action Plan).

The verdict regarding other services was more equivocal. Unlike Grytsenko, a career military officer, former head of the analytical staff of the NSDC and co-author of the 1997 National Security Concept, Yuriy Lutsenko had no prior security or police experience, and it took him some time to grasp that anti-corruption measures and security sector reform were not synonymous. His opposite number in the SBU, Yulia Tymoshenko's close associate, Oleksandr Turchynov (February–September 2005), was an even more fanatical opponent of corruption, and he employed the SBU to investigate Ukraine's energy sector until dismissed by President Yushchenko. Yet he also articulated the view that the SBU's departure from decent standards had been due to the pressures placed upon it *by others* – by shadow structures and the Kuchma regime – rather than its history and the world view and methodology it inherited.<sup>4</sup> Fortunately, Turchynov's successors, Ihor Dryzhchaniy (September 2005–December 2006) and Valentyn Nalyvaichenko (Acting Chairman December 2006–March 2009;

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<sup>4</sup> See his interview in *Dzerkalo Tyzhnia* [Mirror of the Week], 18-24 June 2005. – [http://dt.ua/ARCHIVE/vid\\_kogo\\_schit\\_dlya\\_kogo\\_mech-43719.html](http://dt.ua/ARCHIVE/vid_kogo_schit_dlya_kogo_mech-43719.html)



Chairman March 2009-March 2010) were far more committed to what insiders call the de-KGBisation of the service, yet they also had to defer to the needs of a president whose stance towards corruption was far from unequivocal.

Not least significantly, Yushchenko and Tymoshenko presided over a “personalisation” (*personifikatsia*) of instruments of power, such as the NSDC, which in turn led to the departure of many dedicated professionals from state service. In the defence and security domain, as in so many others, Yushchenko exhibited a poor understanding of what was expected of him and what was at stake. Thus, the defence and security sector inherited by Viktor Yanukovich was coherent neither in its direction nor its ethos. It was and remains a cornucopia of excellence, promise, laziness, opportunism and retrograde thinking and practice.

### Between blocs

In Russia and in many parts of the West as well, Ukraine’s long-standing relationship with NATO has been seen as a precursor to membership. But to those who put this relationship in place, its premises and objectives were decidedly different: to achieve a meaningful degree of *de facto* integration with the Euro-Atlantic security system. Whilst the “ultimate” objective of joining NATO was not articulated until May 2002 (and then very guardedly), the relationship was launched in earnest when Ukraine joined Partnership for Peace in February 1994, and it expanded by an order of magnitude after conclusion of the NATO-Ukraine Distinctive Partnership in July 1997.

The geopolitical purpose of such *de facto* integration was to provide a counterweight to Russia, not through hard guarantees, but by extending NATO’s “habits of cooperation” to Ukraine.<sup>5</sup> According to senior Russian officials, one of the purposes of the conclusion of the Russia-Ukraine State Treaty and intergovernmental Black Sea Fleet accords of May 1997 was to “tear Ukraine from NATO’s embrace”. Had there been no such embrace, it is possible that Boris Yeltsin would not have removed the obstacles that had blocked the path to agreement since 1992. Ukrainians privately shared the view openly articulated by Russia: that PFP served to “blur the line between partnership and membership”.<sup>6</sup>

The complementary purpose, in the words of former Minister of Defence Oleksandr Kuzmuk, was “to strengthen defence reform in the country”. Not only did the Charter formalise an intensity of cooperation unprecedented between NATO and a non-candidate state, it established new mechanisms of cooperation (such as the NATO-Ukraine Commission, the Joint Working Group on Defence Reform and the NATO-Ukraine Action Plan) that did not exist between NATO and any non-member, candidate or otherwise. By the end of the decade, this growing matrix of working

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<sup>5</sup> Nevertheless, Ukraine was conscious of the fact that Article 8 of the Partnership for Peace Framework Document established an undertaking to “consult with any active participant in the Partnership if that Partner perceives a direct threat to its territorial integrity, political independence, or security”.

<sup>6</sup> Speech by Vice Admiral Alexander Kornilov, commander of the Leningrad Naval Base, to representatives of the NATO Military Committee, Zeebrugge, Belgium, July 2000.



level cooperation had produced not only an impressive degree of joint consultation and planning, but a significant measure of cultural change in what recently had been a sovietised military establishment. (As a case in point, the mechanisms of control and oversight instituted by Grytsenko accompanied the incorporation of Ukraine's MOD into NATO's Planning and Review Process, PARP). In these enterprises, Russia's armed forces were never seen as a suitable model. Neither the character of the country's defence reform efforts (arguably even less consistent than Ukraine's own) nor its employment of force in the north Caucasus lent itself to emulation. Moreover, in the words of Leonid Polyakov (who became First Deputy Minister of Defence under Grytsenko in 2005):

So far, Russian officials, unlike NATO's, have never voiced their concern about the weakness of Ukraine's defence or the slow pace of its military reform. One might infer that Ukraine's problems in building its Armed Forces are simply more acceptable to Moscow than Ukraine's success in that area.<sup>7</sup>

A further purpose of NATO-Ukraine cooperation was to offset a perplexing and outwardly unyielding relationship with the European Union. In the 1990s, EU institutions were decidedly cool towards Ukraine, and a number of members were apprehensive about allowing Ukraine to advance further than Russia, despite the fact that Ukraine had declared a European vocation and Russia had not. In its initial guise, the European Neighbourhood Policy not only grouped Ukraine with Belarus (whose international vocation was decidedly different) but a number of southern littoral states who had no eligibility for EU membership under the Treaty of Rome. In refreshing contrast, NATO refused to link the Ukraine relationship with Russia or with any other third party. Strains and difficulties between NATO and Ukraine (which became significant after the tape scandals and Kolchuga affair) reflected the specifics of that relationship alone.

Given the tangible accomplishments of the NATO-Ukraine relationship, the wisdom of Viktor Yushchenko's single-minded goal of membership must be called into question. Whilst Ukrainian society was not significantly divided on the merits of NATO-Ukraine cooperation, membership was and remains a polarising issue. Moreover, even pro-NATO professionals in Ukraine had been judiciously wary of moving towards membership whilst Ukraine's internal condition left it open to Russian pressure and, in the extreme case, de-stabilisation. James Greene's assessment is worth citing in full:

Particularly damaging was the Yushchenko administration's focus on political symbolism – especially formal acceptance into MAP – while it allowed substantive reforms that could be painful to business interests in the president's inner circle to languish. In practical terms entry into MAP meant little; Ukraine had already received MAP tools in 2002 under the NATO-Ukraine Action Plan. Yet the effort to lobby for MAP drew scarce leadership attention, political energy and administrative resources away from implementing practical reforms and distracted pro-reform constituencies.<sup>8</sup>

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<sup>7</sup> Leonid Polyakov, "The Russian Factor in Ukraine's Relations with NATO: Possible Outcomes and Policy Implications for Ukraine and NATO".

<sup>8</sup> James Greene, *Russia's Responses to NATO and EU Enlargement and Outreach* (Chatham House Briefing Paper REP RSP BP 2012/02, June 2012), p 11.



Yushchenko's NATO mania was one of several misjudgements that facilitated Viktor Yanukovich's rise to power.

### The vagaries of non-bloc status

When the *Verkhovna Rada* gave legal form to Ukraine's "non-bloc status" on July 2, 2010, a number of outside observers (including US Secretary of State Hillary Clinton) concluded that after the Orange interlude, Yanukovich was simply restoring the "multi-vector" policy of Leonid Kuchma. The analogy is misconceived. The multi-vector policy operated in different conditions and on very different principles from those initially embraced by Viktor Yanukovich. It was a transitional and dynamic policy designed to bring Ukraine by stages into the Euro-Atlantic system, but on terms consistent with a mutually beneficial "strategic partnership" with Russia. It was not only defined by counterbalances to Russian influence, but by calculated ambiguity about Ukraine's long-term intentions. Although Ukraine was a non-aligned state *de facto*, it never put this status in stone. Under these conditions, Ukraine's close relationship with NATO gave substance to its sovereignty, it expanded Ukraine's prerogatives, and it afforded Ukraine real leverage in its relationship with others. In 1997, this leverage enabled Ukraine to conclude accords with Russia on the Black Sea Fleet that met its national interests and mandated the Fleet's withdrawal in 2017.

As articulated in 2010, the "balanced" policy of Yanukovich was not designed to bring Ukraine into the West. It was a policy of equidistance designed to make Ukraine a "bridge between East and West". The April 21, 2010 Kharkiv accords (which extended the Fleet's lease until 2042) and the codification of non-bloc status discarded these levers and did so for very dubious return. Having conceded what he considered to be Russia's principal *desiderata*, he assumed that Russian gas prices would stabilise and that efforts to erode Ukraine's sovereignty would cease. Instead, he was told by President Medvedev that "it's only the beginning".<sup>9</sup>

To make matters worse, Yanukovich began his tenure as president by unceremoniously curtailing the scope of NATO-Ukraine cooperation. On April 2, 2010, the country's six specialised structures coordinating NATO integration were dissolved by decree without any consultation with NATO or public discussion. In one fell swoop, Ukraine lost all interagency mechanisms for coordinating what was still an interagency relationship, and 200 highly expert civil servants were redeployed and disbursed.

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<sup>9</sup> On 26 April, only five days after the conclusion of the Kharkiv accords, Prime Minister Putin presented Kyiv with a draft inter-governmental agreement that would afford Russia *de facto* control over Ukraine's gas production, transmission systems, internal gas trade, export, as well as nuclear power generation. On the 30th he added the merger of Naftogaz and Gazprom to this shopping list. The package brought by Medvedev on 17 May encompassed measures designed to "synchronise the development of [Russian and Ukrainian] socio-economic relations", as well as Russia's acquisition of leading stakes in Ukraine's steel, chemical, shipbuilding, aviation and nuclear industries. For a full discussion, see James Sherr, *The Mortgaging of Ukraine's Independence* (Chatham House Briefing Paper REP BP 2010/01 August 2010).



The following month, British adviser, who had hitherto enjoyed a close working relationship with former SBU Chairman Valentyn Nalyvaichenko, was summarily summoned by his successor, Valeriy Khoroshkovskiy, and informed that her contract would not be renewed. Russia swiftly filled this gap. On May 19, the SBU concluded an agreement with the FSB designed to establish a full spectrum of cooperation with that service, including industrial counterintelligence, the return of counter-intelligence officers (expelled by Nalyvaychenko) to Crimea and possibly, if the past is any guide, privileged access to the resources and personnel of the SBU. By the time Yanukovych understood the rashness of these steps, considerable damage had been done. Whilst part of the damage has been repaired, the relationship has been stripped of much of its soul and substance.

Defence policy has experienced a similar cycle: an abrupt reversal of direction followed by a flawed restoration of strategic momentum. Yanukovych's first Minister of Defence, Admiral Mykhailo Yezhel (former Commander-in-Chief of Ukrainian Naval Forces) was but one of several high-ranking MOD officers reinstated by the new authorities after dismissal on grounds of deficient performance and illegal transfer of military assets.<sup>10</sup> His tenure as Minister was rightly "graded a pure zero" by Yanukovych.<sup>11</sup> The President's response was twofold. In February 2012, Yezhel was replaced by Dmytro Salamatin, a Russian citizen until 2005 and former General Director of Ukraine's state arms exporter, UkrSpetsEksport: a strong supporter of the Black Sea Fleet's presence in Crimea whose truculence on the issue led to a display of fisticuffs in the *Verkhovna Rada* on April 27, 2010. Like Khoroshkovskiy's replacement at the SBU, Igor Kalinin, Salamatin is known to be fiercely loyal to the President. According to Grytsenko, "it's very clear, the main feature of his appointment is loyalty and his readiness to fulfil any order".<sup>12</sup> Yet a more strategic reason might be his knowledge of cash flows inside Ukraine's defence-industrial complex and his interest in expanding the commercial possibilities of the military system. This would appear to be a presidential priority as well.

The countervailing step was Yanukovych's appointment, also in February, of Andriy Klyuyev as NSDC Secretary – and, in addition, Secretary of the newly formed State Committee for the Reform and Development of the Armed Forces and Defence-Industrial Complex. Klyuyev (who has direct access to the president), is a far more substantial figure, untied to any of the clans in Yanukovych's camp and grudgingly respected by Ukraine's democratic opposition (though no democrat himself).

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<sup>10</sup> Here, as in so many other instances, the charges were possibly camouflage for other motives: in Yezhel's case, a staunchly pro-Ukrainian stance regarding relations between the two fleets in Crimea. (Roman Woronowycz, "Controversy Continues over the Dismissal of Commander of Ukraine's Naval Forces", *Ukrainian Weekly*, 8 June 2003). However, the deputy ministers and other officials dismissed by Grytsenko (and immediately reinstated by Yanukovych) lost their positions because of corruption and malfeasance.

<sup>11</sup> Valentyn Badrak, "Prescription for the Army: Elixir or Poison?" [*Retsept dlya armii: eliksir ili yad?*], *Dzerkalo Tyzhnia*, 23 March 2012.

<sup>12</sup> Rachkevych, M. Yanukovych Tightens Power Grip by Putting Loyalists in Key Security Posts, *Kyiv Post*, 9 February 2012. – [www.kyivpost.com/content/ukraine/yanukovych-tightens-power-grip-by-putting-loyalist-122172.html](http://www.kyivpost.com/content/ukraine/yanukovych-tightens-power-grip-by-putting-loyalist-122172.html)



Within weeks of his arrival at NSDC, an administrative housecleaning was underway, and professionals were returning to the staff. If any figure can transform the Yanukovych family business into a competent enterprise, it is probably Klyuyev, who is tagged by many as a replacement for Prime Minister Mykola Azarov. Should Yanukovych take this step, many of the interests associated with his administration might be moved to one side. Some would say he faces that choice or failure.

In parallel with these conflicted developments, a comprehensive and ambitious *Draft Concept of Reform and Development of the Armed Forces of Ukraine* has been drawn up for discussion, albeit within a closed circle from which both Parliament and Ukraine's corps of independent experts have been excluded. The unnamed authors of the document consider the Armed Forces to be in a critical state and are adamant that the status quo is not an option. Their plans call for modernisation and re-equipment, radical pruning of facilities, swingeing force reductions (from the 2011 establishment of 192 000 to 100 000 by 2014), the complete professionalisation of the force and the achievement of European standards of social provision by 2017. Even under the heroic assumption that Ukraine steps back from the economic abyss and Stakhanovite budgetary targets are met – from the planned (but yet to be allocated) 2013 authorisation of UAH 17.4 bn (USD 2.1 bn) to a projected UAH 25.8 bn (USD 3.2 bn) in 2014 – the Concept lacks any visible correspondence to economic reality. The one ruthless economy lies in the restriction of the Armed Forces to a single function: localisation of border conflicts. Of every other contingency regarded as likely by experts – “destabilisation of the situation in Ukraine (which can be provoked by a foreign state), terrorist attack, man-made and technogenic catastrophe” – there is no mention.<sup>13</sup> Given present or foreseeable conditions, the Concept is not only ambitious, but other-worldly. At least, it is a basis for discussion, which is vastly preferable to having none.

Yet on two subjects, there has been neither serious discussion nor reassessment. The first of these is the Black Sea Fleet. The Kharkiv accords, which extended the Fleet's lease in exchange for a USD 100 discount off the “market price” of gas, set a trap not only for Yanukovych but his successors, because the gas discount is offset against the Fleet's USD 98 mn per annum rent. By this sleight of hand, Russia has acquired a powerful financial deterrent against any curtailment of the Fleet's deployment.

But can the conditions governing its deployment be revised? The Kharkiv accords lock in place all the deficiencies of the 1997 agreements. Those agreements provided an enlightened escape from an apparently untenable situation. But they were an interim solution that failed to resolve key issues that have become more serious with the passage of time.

From a military perspective, the most acute issue has been the Fleet's employment in ways that contradict Ukraine's national interests. The most dramatic (but by no

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<sup>13</sup> “The Reform of the Army Reduces its Functions to the Minimum” [*Reforma armii svedet ee funktsii do minimuma*], *Dzerkalo Tyzhnia*, 24 March 2012.





means only) example was its role in the August 2008 war against Georgia, a fellow member of GUAM and a country with whom Ukraine maintained a cordial level of defence cooperation. The second issue, scarcely less significant, is that the basing agreements afford Ukraine no sufficiently attractive basing facilities for its own navy, which is for the most part co-located with Russian units. The third issue is the demise of the CFE accords, which create the possibility that special purpose forces, advanced missile systems and even nuclear armament can be deployed in Crimea without accountability or verification.

There are other issues as well. The 1997 agreements preserved in place ten intelligence and counter-intelligence detachments subordinated respectively to the GRU (Main Intelligence Directorate of the General Staff) and the FSB (Federal Security Service). Their role has been as much political as military. Finally, the Black Sea Fleet is the largest economic actor in Crimea, and it is well integrated into many of the “shadow structures” that dominate the peninsula’s economy.

The second issue that warrants discussion is non-bloc status. As Yevhen Marchuk once observed, “Ukraine has not been blessed with geopolitical cornucopia”. Defence in such circumstances exacts a high *tarif*. Other countries that found themselves between blocs have paid it. As a non-aligned state during the Cold War, Sweden spent more on defence *per capita* than most NATO member states, and despite a much-diminished defence today, the current budget of this country, with one-fifth Ukraine’s population, is 1.8 times Ukraine’s projected 2014 figure. Comparisons with neutral Finland and Switzerland produce similar conclusions. What these comparisons do not reveal is the extent to which EU membership and NATO Partnership have eroded the type of distinction that Ukraine is upholding. All of these countries (including Switzerland) are part of a Euro-Atlantic security system (and sub-systems such as Nordic Defence Cooperation) and benefit from the sharing and pooling of assessments, plans, resources and responsibilities. Under three presidents, Ukraine was drawing closer to this system. In 2010, it decided to set itself apart. At last, there are signs that a reassessment is taking place.<sup>14</sup>

### **Through a glass darkly**

When Victor Yanukovych became president in February 2010, many seasoned observers expected that he would face a steep learning curve. But no one could forecast when he would realise it. An optimist can see signs that the process has begun. The optimist’s view must be a guarded one, based on informed pessimism. Geopolitical discomfort and economic stringency are not yet forcing change upon Yanukovych, only the consideration of it. They will not force him to choose between the national interest and his corporate interest – that is the view of the romantic rather than the optimist – but they might force him to re-evaluate the corporate interest.

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<sup>14</sup> At a July 2012 conference co-sponsored by the Ministry of Foreign Affairs and the NATO Information and Documentation Centre in Kyiv, at least one official and several prominent advisers spoke of non-bloc status as “transitional” and “open to interpretation”.



Whatever Yanukovich's policies have done to solidify his power, they are painting him into an economic and geopolitical corner. The regime's better minds can grasp this even if the regime's metabolism rejects it. Even under the optimist's scenario, there are likely to be red lines: no release of Tymoshenko or Lutsenko. But it is possible that the Ukrainian *gosudarstvenniki*, will rise and that the current circle of rogues, "family" and friends will fall (or at least be moved from the centre of the board). This will not produce a sea change in Europe, but at least it will give pragmatists something to be pragmatic about.

The sceptic's scenario is that nothing of the kind will take place. Brezhnev's axiom, "what we have, we hold", will exert its crude logic. The purpose of power will be what it always has been: to acquire more power – which also means acquiring more money. There will be no strategy, only tactics, no change in direction, only manoeuvre, each one offset by another. The Klyuyevs will have the same self-serving priorities as those they displace. Irrespective of the geopolitical and economic scenario, the system will carry on, even if its casualties mount, and none of this will change until the system is rooted out. The majority of Ukrainians are sceptics.

The pessimist's scenario is that events will overtake Yanukovich whether he changes or not. True, the combination of private resourcefulness and political fatalism that prevails in Ukraine do not suggest that civil unrest is around the corner. But it is plainly possible. The hardness of people's lives, their contempt for the political class and their growing animosity towards a predatory state are not things to be complacent about. Whilst the authorities might take comfort from the shortcomings of the opposition, those shortcomings might make the difference between a movement and a mob. The absence of trusted opposition leaders, credible principles and effective organisation increases the probability that if anger does erupt, it will take a more anarchic and combustible form than it would otherwise. The fragmentation and de-professionalisation of security institutions suggests that when such outbursts do occur, they will not be handled intelligently.

Pessimism must be reinforced by the fact that for the first time since the Marshall Plan, Europe faces a risk of instability and social breakdown, and the added risk (as in any Greek tragedy) that measures to avert the crisis might precipitate it. In that dire eventuality, Ukraine could find itself off every country's radar except Russia's. If so, Yanukovich won't have the luxury of learning in 2013 what he should have learnt in 2010.



## CHAPTER 4

# NEW MILITARY DOCTRINE: PRINCIPLES OF UKRAINE'S MILITARY POLICY IN THE CONDITIONS OF A NON-BLOC STATUS<sup>1</sup>

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Viktor PAVLENKO,  
Viktor BOCHARNIKOV,  
and Serhiy SVESHNIKOV<sup>2</sup>**

The President of Ukraine Decree No.390 of June 8, 2012, put into effect the new Military Doctrine of Ukraine (hereinafter – the Doctrine<sup>3</sup>). It is the third version of the document in the times of independence. The first Doctrine (1993) fit the non-bloc status of the state recorded in the Declaration of State Sovereignty of Ukraine of July 16, 1990. The second version of the Doctrine (2004) focused on Ukraine's future NATO membership. Seven years passed between the second and third versions of the document. That period saw many changes in the essence and nature of modern military conflicts. Those changes dealt with state foreign and home policy, in particular, declaration of new principles of the military policy legislatively provided in the Law of Ukraine “On Fundamentals of Domestic and Foreign Policy”. All this prompted the need of development and adoption of a new Doctrine.

So, in pursuance of the President of Ukraine Decree<sup>4</sup> and the National Security and Defence Council (NSDC) decision, the Defence Ministry, jointly with the concerned bodies of state powers, drafted a new version of the Doctrine. The draft agreed

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<sup>1</sup> The article is published in the abbreviated form. For the full version see: *Nauka ta Oborona*, No.2-2012, pp.18-26.

<sup>2</sup> Volodymyr Mozharovskyi – Deputy Minister of Defence of Ukraine – Head of Staff; Oleksandr Zatynaiko – Director, Military Policy and Strategic Planning Department of the Ministry of Defence of Ukraine; Viktor Pavlenko – Deputy Department Director – Head of Military Policy Section, Military Policy and Strategic Planning Department of the Ministry of Defence of Ukraine; Viktor Bocharnikov – Lead Research Fellow of the Centre of Military Strategic Studies of the National Defence University of Ukraine; Serhiy Sveshnikov – Lead Research Fellow of the Centre of Military Strategic Studies of the National Defence University of Ukraine.

<sup>3</sup> Formally, Presidential Decree No.390 of 8 June 2012 introduced “changes into the Military Doctrine of Ukraine” approved in 2004, [www.president.gov.ua/documents/14824.html](http://www.president.gov.ua/documents/14824.html) (ed.).

<sup>4</sup> President of Ukraine Decree No.1119 *On the National Security and Defence Council of Ukraine Decision* of November 17, 2010; *On Challenges and Threats to the National Security of Ukraine in 2011*, of December 10, 2010.



with all concerned bodies of state power, and passed public discussion involving representatives of national scientific research institutions and non-governmental organisations. On April 13, 2011, the Government approved the Doctrine.

Right afterwards, a working draft of the new version of the Doctrine appeared on the Internet and caused an outbreak of stormy, sometimes-biased criticism. Some publications relied on arguments largely prompted by home policy struggle and therefore cannot be considered seriously.<sup>5</sup>

Meanwhile, articles that originated in the expert community showily witnessed experts' misunderstanding of the Doctrine's role and importance, its place in the system of the state defence planning documents, key ideas and principles making its basis.<sup>6</sup>

The criticism prompted some adjustment of separate provisions of the draft Doctrine, which was done by the relevant working group under the NSDC Staff. On July 22, 2011, the draft document was again considered and approved by the Government. Furthermore, on April 20, 2012, the draft Doctrine was approved at the first meeting of the Committee for Reformation and Development of Ukraine's Armed Forces and Defence Industry.<sup>7</sup> However, even after the Doctrine's approval by the country's president there is need for impartial and rational comments and explanations of provisions of that important strategic document.

## Role and place of the Military Doctrine

The Law of Ukraine "On Organisation of Defence Planning", terms the Doctrine one of the key defence planning documents. On one hand, the Doctrine is to rest on the Constitution, laws and Strategy of National Security of the state. At that, it should not duplicate them but only develop, elaborate and explain the key provisions insofar as it deals with them, and reflect the main goals, principles and priorities of the national military policy.

At the same time, the Doctrine makes the conceptual basis and gives input data for all other defence planning documents, in particular, the Strategic Defence Bulletin as the summary defence review document, as well as for drafting state programmes of development of Ukraine's security and defence sector (SDS) components, setting tasks for the Armed Forces of Ukraine (AF) and other military formations. With this in mind, the Doctrine should not specify details of the military policy that should

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<sup>5</sup> See, e.g.: "Yanukovich may cancel the ill-famed military doctrine. On formal grounds." [www.zn.ua/articles/79665](http://www.zn.ua/articles/79665); "Phobias of the authorities in the new military doctrine." [www.maidan.org.ua/static/news/2011/1302868864.html](http://www.maidan.org.ua/static/news/2011/1302868864.html); "New military doctrine will make Ukraine defenceless." <http://news.dt.ua/articles/80890>; "Military doctrine: the government against citizens?" [www.pravda.com.ua/columns/2011/04/18/6110659/](http://www.pravda.com.ua/columns/2011/04/18/6110659/) (in Ukrainian).

<sup>6</sup> See, e.g., "Ukraine keeps defence." [www.kommersant.ua/doc.html?docId1621247](http://www.kommersant.ua/doc.html?docId1621247); Sungurovskyi, M. "On rationale of approval of Ukraine's new military doctrine." [www.dsnews.ua/policy/art46516.html](http://www.dsnews.ua/policy/art46516.html) (in Russian).

<sup>7</sup> A consultative-advisory body under the President of Ukraine (authors).



be elaborated in other documents, such as tasks for the state power bodies or SDS components. The document should not specify the AF strength, as was required by experts. Its figure should be specified in other documents and approved by the *Verkhovna Rada* in line with the Constitution.

Importantly, the Doctrine sets out the principles, goals, priorities and main lines of development and action of not only AFU but also other SDS elements. The Doctrine is the core of Ukraine's military policy implemented by the state as a whole, not only by its Armed Forces.

### **Foundational ideas of the Military Doctrine**

The new version of the Doctrine rests on the classic commonly accepted definition: a doctrine (Latin *doctrina*) is a theory, a system of views, a guiding principle. Hence, a Doctrine is “a system of leading views of the reasons of emergence, essence and nature of modern military conflicts, principles and methods of their prevention, preparation of the state for a possible military conflict, and use of military force for defence of state sovereignty, territorial integrity, other vital national interests” (Article 1). The Doctrine sets out the key goals, principles and priorities of Ukraine's military policy, which gives it a leading place in the system of state defence planning documents.

According to the definition, the new Doctrine focuses on a military conflict, while the previous one focused on Ukraine's military security. This makes the fundamental difference between the two documents. The category of “military security” means the state of “protectedness” of vital national interests of a state, its sovereignty, territorial integrity and inviolability against encroachments with the use of military force. In case of emergence of a military conflict that category cannot fully describe all military-political processes and phenomena. For instance, if a military conflict has already arisen, the “state of protectedness” and “inviolability” are no longer relevant, while sovereignty and territorial integrity are still to be defended.

Selection of the Doctrine subject shapes the content of its sections, building the overall logic of the document:

- the military-political situation (MPS) and specific features of present-day military conflicts (conditions of emergence of present-day military conflicts);
- prevention of a military conflicts (what the state should do to avoid a military conflict);
- preparation of the state for armed defence of national interests (how the state should get ready for a military conflict);
- use of military force in military conflicts (how the state will take part in a military conflict and defend national interests).

Let us look into these main ideas in more detail.



## **Military-political situation and specific features of present-day military conflicts**

This section is decisive for the content of the other sections, so, it makes sense to briefly outline the methodological approaches giving rise to the Doctrine provisions. Critical for understanding the MPS essence is the category of military-political relations. According to the definition, “military-political relations are a totality of intentions and actions of parties (states, coalitions of states, international corporations, political parties, blocs, groups of population) aimed at attainment of their interests using all available tools, including military force, in political, military, economic and other spheres of life” (Article 5).

It should be stressed that the assumed actors of military-political relations include not only states or coalitions of states but also international corporations, political parties, separate groups of the population, that is, not only external but also internal actors. This ensues from the structure of present-day military-political relations: today, other states immediately contact not only bodies of state power (state representatives on the international scene) but also domestic political, and sometimes military-political forces, for instance, paramilitary or armed formations. Such practice is found in the updated EU neighbourhood policy, whereby the European Union plans to contact directly (that is, without state control) not only domestic civil society institutes and non-governmental organisations but even separate individuals. The EU also plans to finance political parties, which is prohibited by the legislation of actually all countries (including the EU states). Another example is presented by close cooperation of the leading Western states with armed rebel formations in Libya well before the adoption of UN Security Council Resolution No.1973.

Critical among all categories of MPS is the category of military-political relations, defined as a totality of intentions and actions of the parties. The MPS is assessed with account of the trend and awareness of intentions and actions of the parties. If intentions and actions of the other party to military-political relations may cause damage to Ukraine’s national interests only indirectly, under certain conditions (i.e., “unconsciously”), they are categorised as a *military-political risk*. If the other party to military-political relations reveals intentions or commits actions disregarding Ukraine’s interests (i.e., “consciously”), such intentions and actions are categorised as a *military-political challenge*. If the other party to military-political relations reveals intentions or commits actions demonstrating its readiness to use military force against Ukraine, such intentions and actions are categorised as a threat of *use of military force*.

It should be stressed that the new version of the Doctrine for the first time clearly formulated categorisation signs of intentions and actions of parties to military-political relations. Till then, in state documents the same actions were sometimes classified differently.

Proceeding from the described methodological principles, the second section of the Doctrine formulates world trends of MPS (Article 7), i.e., the trends that most of all determine intentions and actions of parties to military-political relations: greater



variety of relations, growth of their all-embracing effects, kind of a crisis in the lead security organisations and, the main thing, preservation of the role of military force as a way of solution of problems of military-political relations. Those trends were identified on the basis of years-long studies performed by the leading institutions of Ukraine's Defence Ministry, Foreign Ministry and scientific organisations. At the same time, the Doctrine (Article 8) describes the internal conditions in Ukraine that seriously undermine its ability to respond to negative developments in military-political relations and may prompt unfriendly actions by other states.

The Doctrine also describes the most pressing problems of military-political relations (Article 9). The emphasis made on them in the Doctrine text is to announce to the world that Ukraine is aware of those problems and will try to solve them in a constructive manner.

Among those problems, mass media paid the greatest attention to the provision of interference in home affairs. In publications, the authors arbitrarily interpret that provision, making absurd allegations that actions during peaceful demonstrations and protests may be treated as a "military threat" – and the military-political state leadership may use the army against protesters.<sup>8</sup> There are no arguments behind such allegations, but the conclusion frightens an ordinary citizen. In fact, that provision of the doctrine deals with actions of other states aimed at *"aggravation of the socio-political, inter-confessional and inter-ethnic relations, creation of paramilitary or armed formations not envisaged by the law"*. The Doctrine terms such actions as problem issues in military-political relations. This is a problem not only for Ukraine but for many countries, since foreign interference in internal affairs of a state is now used as one of the most efficient tools of military-political pressure. Such interference is sure to raise tension in society and can lead to emergence of an armed conflict inside the country. Important for military policy is not only a military conflict proper at the extreme stage of development of military-political relations but also the reasons for its emergence, problem issues in relations that led or may lead to it. In this sense, the Doctrine prompts the state to take "preventive" actions.

In the conditions of globalisation, present-day military-political relations become all-encompassing. However, there are limits of state sovereignty, breakage of which leads to its loss. Interference in internal affairs dilutes those limits. The expert community has even invented a special term, "dilution of sovereignty", mainly associated with funding of non-governmental organisations from abroad and their political activity (including not to the benefit of the state), although according to the effective legislation, they are not its actors.

The Doctrine also categorises possible intentions and actions of states (coalitions of states) as military-political risks or challenges (Article 10) and concentrates on

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<sup>8</sup> See, e.g., "Phobias of the authorities in the new military doctrine." [www.maidan.org.ua/static/news/2011/1302868864.html](http://www.maidan.org.ua/static/news/2011/1302868864.html); "New military doctrine will make Ukraine defenceless." <http://news.dt.ua/articles/80890>; "Military doctrine: the government against citizens?" [www.pravda.com.ua/columns/2011/04/18/6110659/](http://www.pravda.com.ua/columns/2011/04/18/6110659/). "Ukraine keeps defence." [www.kommersant.ua/doc.html?docId1621247](http://www.kommersant.ua/doc.html?docId1621247).



the threat of use of military force and military conflicts in which Ukraine may be involved. By contrast to the previous one, the new Doctrine clearly distinguishes two categories: the option of beginning of a military conflict (i.e., the way the threat of use of military force may become a reality), and a military conflict proper. This was necessary to specify and elaborate the effective legislation. In particular, the Law “On Defence of Ukraine” specifies the course of action in case of an armed aggression and an armed conflict. However, an armed conflict may take place on the state border or inside the country. Hence, the state’s actions in such cases will seriously differ. Similarly, armed aggression may lead to a local or regional war, it may be a result of an armed conflict inside the country (for example, the events in North Africa). The consequences of such conflicts will also seriously differ.

The Doctrine drafting relied on clear understanding of the fundamentally new, more varied and opaque mechanisms for emergence of modern military conflicts, whose main features include:

- a specific sequence of development of a military conflict:
  - ♦ foreign support for internal political forces (funding, training in methods and techniques of civil resistance, training of special paramilitary detachments);
  - ♦ arming of internal political forces by all possible means, including illegal supply of light arms, and assistance with creation of illegal armed formations in that way;
  - ♦ terrorist attacks or provocations by illegal armed formations using arms against state police forces or peaceful population of another faith, another nationality, etc., seizure of some administrative territories;
  - ♦ a forcible reaction of the state to terrorist attacks and provocations, including with the use of Armed Forces;
  - ♦ a global media campaign aimed at defamation of the political regime, stressing its unpopular nature;
  - ♦ direct armed aggression against a state even without a UN Security Council mandate;
- variety of tools used during escalation of tension in foreign and home relations (first of all, information and psychological means, political and economic pressure, sanctions);
- refusal of the seizure of territory of the state or change of the state border as the end goal of a conflict, desire of only political and economic control of state power, provision of access to the country resources.

Such features were observed in military conflicts that took place after the end of the cold war in the Balkans and the Persian Gulf and are now observed in North Africa and the Middle East. Not touching on the issue of the fairness of specific military conflicts, it should be noted that for the state, foreign armed aggression remains armed aggression even in case of its approval by the UN Security Council that practically interferes in conflict settlement only at the last stage of escalation of





military-political relations. At that, every time, foreign interference in internal affairs of a state remains the “first step” toward a conflict.

The actions at enforcement of a no-fly zone in Libya provided by UN Security Council Resolution No. 1973 formally fall within the definition of aggression formulated by the 29<sup>th</sup> session of the UN General Assembly in 1974.<sup>9</sup> This is another proof of weakness of international security organisations, illusiveness of hope for firm international security guarantees and resultant evidence of the need to rely solely on a country's own armed forces.

Given the decrease of the military component of tension among the leading centres of power and simultaneous growth of contradictions among them in connection with the division of spheres of influence, as well as the fact that the most recent military conflicts had the mentioned features, the Doctrine makes the conclusion of low probability of emergence of a local or regional war in the middle run (Article 13). Hence, the focus should be on prevention of an armed conflict on the state border and inside the country and, respectively, the state and AF should get ready for such conflicts.

### **Prevention of military conflicts**

The presence of that section emphasises the defensive character of the Doctrine: Ukraine's military policy in the first place pursues prevention of military conflicts, i.e., timely detection of problem issues in military-political relations and conditions evolution of which may lead to a military conflict. In this context, the main goals of military policy include removal of contradictions in military-political relations, balanced arms reduction and development of international security mechanisms. Such are the commonly accepted basic components of security maintenance. The Doctrine proclaims as the main principles of prevention of military conflicts:

- substantiation, consistency and regularity of the military policy;
- abidance by the non-nuclear status and non-bloc policy;
- coordination and consistency of actions on the interstate level.

The first principle emphasizes the requirements to Ukraine's military policy. It is to rely on thorough analysis of the military-political relations and an adequate forecast of their development. Military-political decisions should be taken considerably but promptly. Mutually exclusive, uncoordinated, politically expedient decisions that do not contribute to the state's reputation on the international scene and in society should be avoided. This is ours and only ours sovereign right and duty. Given that the role of military force as a means of solution of problems in military-political relations remains on the agenda, Ukraine is to pursue a sovereign and efficient military policy, since history knows no examples of a state diligently securing sovereignty, territorial integrity, inviolability of borders and non-interference in internal affairs of another state.

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<sup>9</sup> Aggression means the use of armed force by a state against sovereignty, territorial integrity or political independence of another state or in any other way inconsistent with the UN Charter.



The second principle means that Ukraine does not intend to side with any world centres of power. At the same time we hope that that step will be appreciated by global powers and they will no longer view Ukraine as a zone of geopolitical struggle. Declaring the principle of abidance by the non-bloc policy, the Doctrine consolidates the basis for the atmosphere of trust in the region, being an undeniable precondition for prevention of military conflicts. Noteworthy is that Ukraine's refusal of military-political integration is accompanied with the development of international cooperation as one of the most important methods of prevention of military conflicts.

Today, many experts question the efficiency of the non-bloc policy, arguing that in the tough economic conditions Ukraine will find it difficult to ensure defence by its own powers. They usually suggest that Ukraine joins one of collective security systems, mainly, the North Atlantic Alliance. However, any military-political alliance has strict delimitation of influence, powers and specialisation of the countries. To be sure, the chances of new members, especially those that have a weaker (compared to others) economy, to influence the bloc's decisions and preserve state sovereignty in the military sector are low. So the question of the expediency of Ukraine joining one of collective security systems now remains rhetoric. Even some prominent US experts express doubts about the expediency of such a decision.<sup>10</sup> According to the above principles, the main lines of Ukraine's military policy (regarding prevention of military conflicts) involve the use of mainly "soft", non-forcible tools that envisage development of international relations and improvement of Ukraine's image as a respected international actor (Article 17). This will promote Ukraine's cooperation and interdependence with other states, being a factor decreasing the possibility of problem solution using military force.

An important element of the military policy of prevention of military conflicts is presented by categorisation of intentions or actions of other states that create preconditions for emergence of a military conflict and use of military force against Ukraine (Article 19). The list of such actions rests on the Laws "On Fundamentals of National Security of Ukraine" and "On Defence of Ukraine". At the end of the section, the Doctrine describes Ukraine's actions after said preconditions are in place (Article 20). As one may see from the list of those actions, Ukraine does not plan to use military force for prevention of military conflicts. This once again demonstrates the defensive character of the Doctrine.

### **State preparation for armed defence of national interests**

The Doctrine rests on three key principles of Ukraine's preparation for a military conflict (Article 22), namely:

- defence sufficiency;
- high readiness;
- regularity of planning of the state preparation for armed defence of national interests.

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<sup>10</sup> Geopolitical Journey. – Part 6: Ukraine. – [www.stratfor.com/weekly/20101129\\_geopolitical\\_journey\\_part\\_6\\_ukraine](http://www.stratfor.com/weekly/20101129_geopolitical_journey_part_6_ukraine).



The principle of defence sufficiency is dialectic by nature. On one hand, it requires satisfaction of the needs of the state preparation for a military conflict, i.e., full funding of defence needs of the state; on the other, limitation of funding with account of:

- ♦ the military-political situation, i.e., realistic assessment and forecasts of the possibility of a threat of use of military force against Ukraine – funding should be adequate to real needs;
- ♦ economic capabilities of the state with account of priority of progressive socio-economic development – Ukraine does not plan to unreasonably militarise its economy at the expense of the living standard of the population.

The search of equilibrium among the above-mentioned varied factors is one of the most difficult tasks of Ukraine's military policy for the near future. The principle of high readiness envisages efficient transition of the state from peace to war and guarantees of the required level of readiness to use AF and other military formations.

The principle of regularity of planning envisages centralised management on the basis of an integral system of strategies, programmes, plans and all-round, well-coordinated preparation of the state for armed defence of national interests. The Doctrine proclaims as the main goal of the state preparation for armed defence of national interests achievement of the level of defence capability sufficient to deter other states from the use of military force against Ukraine (Article 21). So, Ukraine does not seek any advantages over other states in the military-technological sector.

The goal and principles of the state preparation for armed defence of national interests are shaped by the relevant priorities, the main idea of which lies in preservation and restoration of Ukraine's defence potential with limited economic capabilities (Article 23). So, priority attention is paid to enhancement of the command and control system efficiency and search of a rational combination of the defence potential elements: functions and tasks of the AF and other military formations, their operational and combat capabilities, mobilisation and combat readiness, manning system, defence industry, state system of mobilisation training, its infrastructure.

Pursuant to the Law "On Defence of Ukraine", the Doctrine prioritises three interrelated components of the state preparation for armed defence of national interests: military-economic, military-industrial and military-technological. The AOR of the military-economic component covers provision of resources for the implementation of the military-industrial (development of defence industry, development and production of arms, military and special equipment) and military-technological (technical equipment of the AF and other military formations) policy.

In the field of the military-economic policy, the Doctrine makes emphasis on provision of resources for programmes of reformation and development of the AF and other military formations, greater efficiency of use of budget funds (which is very important in the conditions of financial limitations), functioning and improvement of mobilisation readiness of the national economy, the AF and other military formations, disposal of redundant and unfit arms, military equipment, ammunitions and rocket



fuel components (Article 26). The essence of the military-economic policy is to ensure adequacy of programmes of reformation and development of the AF and other military formations to the military-political situation and economic capabilities of the state, as well as full and unconditional implementation of said programmes. Missing that, all good intentions will remain wishful thinking.

The main idea of Ukraine's Military Doctrine in the field of the military-industrial policy is to preserve and develop the national defence industry on the basis of innovation, more efficient use of market mechanisms, preservation of key enterprises in state ownership, perfection of the system of mobilisation deployment (Article 28). All this will make it possible to arrange and organise production of arms, military and special equipment, which, in turn, will ensure implementation of programmes of development, modernisation and procurement of arms and military equipment for the AF and other military formations.

In the field of military-technological policy, the Doctrine stresses the need of acceleration of technical equipment of the AF and other military formations (Article 30). In line with the priorities formulated in the President of Ukraine Address to the Ukrainian people, particular attention is paid to automated control systems and digital communications, high-precision ammunitions, aircraft, air defence systems, warships and missile systems. Those types of weapons are decisive for victory on the battlefield in present-day military conflicts. Today, Ukraine possesses the scientific and production potential for production of many of them. The rest can be produced on the basis of military-technological cooperation. Other priorities in the field of the military-technological policy include enhancement of technological readiness of arms; development of test facilities and ranges; compatibility of domestically produced arms with similar systems of lead countries of the world; and standardisation and unification of arms.

### **Use of military force in military conflicts**

That section logically accomplishes previous sections of the Doctrine. It specifies the main goal and principles of use of military force by Ukraine in case of emergence of a military conflict.

The goal of Ukraine's using military force in case of an armed aggression is not to defeat the aggressor but to make it give up the use of military force against Ukraine on the condition of restoration of Ukraine's territorial integrity, sovereignty and reimbursement of losses inflicted by the aggression (Article 31). The goal to "defeat of the aggressor" is absent from the formulation because it is only one of the possible ways of achievement of a victory. Another way may involve asymmetric actions, whereby the adversary, despite the general military advantage, will have to give up aggression. In other words here, Ukraine, retains room for manoeuvre. Meanwhile, defeat of the aggressor does not ensure a logical end of the conflict and restoration of favourable conditions for attainment of Ukraine's vital national interests. In case of emergence of an armed conflict (on the state border or inside the country) the goal



of the use of military force is to conciliate the parties to the conflict, disarm illegal armed formations, and give up the use of military force and demands inconsistent with Ukraine's vital national interests.

Among the principles of use of military force, Ukraine declares no-first use of military force, adequate use of military force and scale of the military conflict, observance of norms of the international law (Article 32). It is also stressed that Ukraine will not reject other, non-forcible methods of conflict settlement.

Relying on said principles and the Laws "On Defence of Ukraine", "On Legal Regime of the Martial Law", "On Legal Regime of the State of Emergency", the Doctrine specifies Ukraine's possible actions in case of a military conflict separately for its different kinds (Articles 33, 34).

For instance, in case of armed aggression or an armed conflict on the state border, Ukraine (apart from the use of the AF and other military formations in line with their purpose) will step up actions in the international media and apply to the UN Security Council, other international organisations to stress the unfair character of the conflict and demand its recognition as an act of aggression. Noteworthy, in case of armed aggression or an armed conflict on Ukraine's state border it does not rule out, first, movement of combat operations to the aggressor's territory, and second, the possibility of getting military assistance from other states and international organisations. Such provisions, on one hand, give the military command some independence from political considerations during combat operations, on the other – do not confine settlement of a military conflict to military power alone but demand employment of other tools, too.

It should be particularly stressed that the Doctrine assigns to the AF an auxiliary role in an armed conflict inside the country Ukraine will use law-enforcement bodies and employ military units of the AF. Those provisions rest on clear understanding that in case of an armed conflict inside the country, the manpower and resources of law-enforcement bodies may be insufficient for its efficient settlement. In other words, the AF must be ready to perform tasks similar to those of a peacekeeping contingent: localisation of a conflict, safeguarding critical facilities, disarmament of illegal armed formations, assistance to the civilian population, etc. Such views are common for the international practice: most states in the region assign their armed forces a similar role.

## **Conclusions and recommendations**

1. Ukraine is a young state that is still building key state mechanisms in tough economic conditions. This, however, does not decrease but on the contrary, increases the need to pay attention to attainment of vital national interests: defence of state sovereignty, territorial integrity, inviolability of borders and non-interference in internal affairs. Missing that, no nation may respect itself. This makes the core of the new version of the Doctrine.



2. Recently, military-political relations have seen fundamental changes. Problems arose, associated with interference in internal affairs, striving for political and economic domination of states and regions. This influenced the character of present-day military conflicts. Conflicts inside countries caused by internal political, economic, ethnic and other contradictions and often instigated from abroad went out into the forefront. Radical changes took place in the media space that has become an integral element of military-political relations. All this prompted the need of relevant changes in Ukraine's military policy and the Doctrine.

3. The new Doctrine focuses on a military conflict, describing Ukraine's actions in connection with it: its detection, prevention, preparation for it and use of military force. Such an approach enables comprehensive coverage of all elements of the state military policy, logical combination of separate sections of the Military Doctrine.

4. The Doctrine clearly categorises actions and intentions of states in the field of military-political relations. It has a defensive character, setting out the principles and ways of prevention of military conflicts. Emphasis is made on priority use of non-military tools by Ukraine. The Doctrine proclaims the principle of defence sufficiency as the main principle of preparation for armed defence of national interests.

5. Adoption of the Doctrine is just the first conceptual step providing the basis for development of other defence planning documents, including the Strategic Defence Bulletin and the Concept of Reformation and Development of the AF.

The military policy, as well as other elements of the state policy, requires thorough elaboration of all details and full-scale scientific support. Consideration should be given to development of a framework law to provide the integral structure of the legislation in the military sector, in particular, the purpose, area of responsibility, main ideas and content of separate laws. Furthermore, in order to provide a single-term base, next to all effective laws dealing with national security in the military sector will require adjustment.

Solving those problems will make it possible to accelerate formation of a fundamentally new security and defence sector in Ukraine, meeting the national needs and capabilities.



## CHAPTER 5

# REFORMATION OF UKRAINE'S AF: NEW AMBITIONS, OR A PRACTICAL WAY?

*Stanislav HURAK<sup>1</sup>*

The year of 2012 opened a period of uncertainty for Ukraine's Armed Forces (AF). For the first time in over a decade the Ukrainian army entered a new year without a development programme. In the past 10 years there were two effective programmes of Ukraine's development of the AF, and both were implemented only partially – the declared goals were not achieved. The situation in the defence sector is now termed critical, and such assessments are heard not only on the expert but also on the official level: one should just analyse the main lines of activity of the national army. This includes the state of arms and military equipment, the level of training, social protection of military servants.

### **Starting conditions for the AF reform**

The year 2011 was the last year for the State Programme of Development of Ukraine's AF for 2006-2011 (hereinafter – State Programme 2011). The results of its implementation make all actors – the state and the Defence Ministry (MOD) leadership – to pretend that such a programme never existed. The expected results of implementation of State Programme 2011 measures were not achieved and the state of the AF did not improve. On the contrary, the situation only deteriorated.

Such a result was caused by a number of both external and internal factors. The fact remains that over 50% of State Programme 2011 remained unaccomplished, the fighting potential of troops has not increased, measures at overhaul, procurement and modernisation of arms and military equipment were implemented by only 26%. Among the main reasons for the actual disruption of implementation of the State Programme 2011 measures and tasks they usually mention annual underfunding of the MOD needs, short of targets, and inappropriate allocation of the defence budget expenditures and funding of reform measures without due account of their priority, leading to dispersion of limited resources.

A no less important factor, according to independent experts, was presented by imperfection and inefficiency of the defence planning system and resource

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management in the defence agency. For instance, during the period of implementation of State Programme 2011 the MOD and the General Staff (GS) leadership unreasonably, in a “manual” mode, decided to implement some measures, in particular, to reform the system of military command and control bodies. The examples of such approach to reformation of the system of command and control bodies include organisational measures at establishment and dissolution of the United Operational Command and Support Force Command – bodies of military command and control of the operational and operational-strategic levels, respectively.

Now, one must admit that the AF continue to function without due account of resource capabilities of the state. One of the main principles of defence planning – correspondence of defence expenditures to economic capabilities of the state – was not observed. The desire to achieve unachievable, neglect of universal laws and ordinary logic at allocation of the defence budget, disregard of global trends of development of armed struggle and their influence on the structure and strength of the national armed forces were all more important reasons for the present state of Ukraine’s AF than merely insufficient provision of the defence agency needs with resources.

The AF rapidly fall into decay, the need of resolute measures strikes the eye, the wasted time only deepens the problems. This is especially true for the state of arms and military equipment, where the situation has long reached a critical limit. This primarily refers to hi-tech weapons (e.g., aircraft, helicopters, air defence systems, warships and boats) and munitions (e.g., ammunition and missiles). In the current situation, the AF have exhausted their reformation and development potential through “cosmetic repair”. New foreign policy realities require radical changes in approaches to defence building, resolute steps at the AF restructuring and adaptation to present-day needs. Noteworthy, the MOD and GS experts are well aware of the urgent need of radical measures. After two years of study of lines of further AF development, search of possible ways of their implementation, long- and middle-term conceptual documents were drafted. After a long procedure of national coordination and expert analysis, the drafts of the Strategic Defence Bulletin (hereinafter, the Bulletin) and the Concept of Reformation and Development of Ukraine’s AF through 2017 (hereinafter, the Concept) were submitted to the president of Ukraine for consideration.

The extremely long drafting and coordination of those documents may point to differences regarding the lines of reformation of Ukraine’s AF. In that period, the drafts of the Bulletin and the Concept saw substantial changes, compared to the initial versions. MOD and GS representatives attribute the delay of their emergence to the need to consider all constructive comments and proposals. If “all constructive comments and proposals” were really taken into account (and they were not), this might be a good reason, in view of the importance of those documents for further development of Ukraine’s AF.

The 2010 declaration of Ukraine’s non-bloc status and resultant need of fundamental changes in the abilities to respond to real and potential military threats





became decisive for creation of a new look of the AF. Furthermore, changes in the military-political and military-strategic environment, emergence of new approaches to employment of armed groupings in modern wars and armed conflicts required additional analysis.

However, the ultimate goal of Ukraine's AF building set in earlier programme documents remained unchanged: "building small-size, combat-ready, mobile, manned with trained personnel and well-equipped AF that can adequately respond to military challenges and threats". Differences arise in views of the troop structure, command and control system and concentration on development of specific means of armed struggle and relevant military structures. Also invariable was the extremely low mid-term probability of full-scale armed aggression against Ukraine. History gives Ukraine another chance to build new armed forces, not to try to reproduce a "concise copy" of the Soviet Army. This is not the first chance, but another delay of reforms in the army bears a risk that it may be the last one for the country.

However, the situation is unfortunately developing that way. The year 2013 will be the second year in a row Ukraine's AF will enter without a programme document of mid-term development. What are the risks of management of AF development without a programme of action?

*First*, the AF stay without a regulatory-provided structure and development targets. As a result, the MOD and GS executives almost every week announce intentions to set up some military command and control bodies or military units, to develop and adopt for service some weapon systems. Nobody knows for which goals this is done and to what extent this meets the national interests. Some of such actions resemble whims rather than well-considered political steps of reputable military leaders. (Take, for instance, the idea of mounting paratroopers on motorbikes?!).

*Second*, inefficient and uncontrolled use of limited financial resources. Funds are spent on current needs without due account of the effects for further development of the AF. In particular, the MOD widely publicised the beginning of construction of new boats for the Navy but did not inform of the tasks for which they would be acquired. Calculations of the effect of such decisions for the combat readiness of the AF were never made.

### **Positive changes in approaches to AF development**

After critical comments set out above, it should be admitted that the analysis of the draft Bulletin and Concept gives some grounds for optimism. It seems that Ukraine's AF leadership has finally realised the rapid and large-scale changes in the forms and methods of armed struggle.

For instance, one novelty (not that new, in reality) proposed by the drafts of those documents is to build the future AF on the basis of formation and maintenance of permanent readiness units manned with professionals – contracted military service-members. The time of maintenance of skeleton military units that require much time and resources for placement on alert footing is fading away.



The draft documents suggest AF reformation and development measures in two stages:

- 2012-2013: to form the future composition and to improve the AF command and control system, to optimise their strength, to free military structures of redundant property and inorganic functions;
- 2014-2017: to complete reformation and begin sustainable AF development, to raise the level of troops training and social guarantees for military servants to the parameters of the AF of the lead European states.

The military leadership also took into account advanced lines of development of armed struggle and military structures. The documents provide for concentration of efforts in such domains as intelligence support for operations, development of means of radio-electronic warfare, high-precision weapons and media campaigns.

Fundamental changes must take place in the command, control and support systems. Transition from the arms-based to combined principle of Ukraine's AF building is planned. The General Staff will remain the main military command and control body that will integrate the staffs of different arms (of the Land Forces and the Navy – by the end of 2013; of the Air Force in 2014, with completion of automation of alert air defence forces).

Organisationally, troops (forces) will be subordinated to operational commands "North", "South"<sup>2</sup> and the Naval Command. According to the GS calculations, this will enable reduction of the number of military command and control bodies four-fold, their strength almost two-fold. It is planned to divide the peacetime effective forces by their purpose, into the Permanent Readiness Forces and the Reserve Forces. Furthermore, the draft Bulletin and Concept note the need to ensure the AF ability to adequately respond to real and potential military threats with asymmetric actions. With that purpose, it is planned to form Special Operations Forces in Ukraine's AF.

By and large, it should be noted that the declared goals are rather ambitious, far-going and meet present-day global trends. Readiness of the top military leadership for resolute and non-standard actions is proven with new approaches in command and control introduced in the MOD and the GS. Even separate steps of the military-political leadership during the Bulletin and Concept drafting witnessed their resolve to act and readiness to part with the old stereotypes. In particular, despite some resistance to the "novelties", said drafts rely on refusal from preparation for large-scale wars specific of the past century and from maintenance of a large mobilised army.

As noted above, for that purpose, it is planned to adopt the combined arms approach to the AF building, to do away with redundant command and control elements, to restore fully-fledged combat training, to modernise arms and military equipment, and to introduce European standards of military education, technical equipment and all-round support for troops.

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<sup>2</sup> Planned to be formed in 2013 on the basis of commands of the 13<sup>th</sup> and 6<sup>th</sup> Army Corps in the cities of Rivne (CC *North*) and Dnipropetrovsk (CC *South*).



Funds for implementation of those plans are to be obtained from reduction of maintenance costs, to be achieved thanks to disposal of redundant materiel and stocks of military garrisons, as well as introduction of efficient mechanisms to release the military of inorganic functions, including by means of outsourcing. Training of troops is to acquire a new quality, first of all, at the expense of greater intensity, improvement of the relevant facilities and use of computer, training and simulation systems. Manning of the AF units solely with contracted military servants is to start in 2014.

### **Doubts and reservations**

Indeed, plans of national defence capabilities development could give grounds for optimism, but the failed previous attempts to reform and qualitatively improve Ukraine's AF arouse serious concern about the ability to implement the declared plans.

What causes that concern? Insufficient substantiation of approaches to setting Ukraine's AF strength. During preparation of the previous Programme, reduction of the AF strength was reasoned by the need of soonest integration to the Euro-Atlantic collective security system. However, with Ukraine's non-bloc status, even greater cuts in the AF were not sufficiently reasoned and explained to society – maybe because the state leadership was not ready to assume the associated risks.

The following factor that may hinder successful implementation of the plans is presented by the unresolved issues of delimitation of functions and powers between the MOD and the GS. That problem gradually turns a long-standing disease, aggravating after rather ambitious managerial teams come to the MOD or the GS. It was not resolved under the new state leadership. Lack of unity in the MOD and GS approaches to solution of fundamental issues will not facilitate effective implementation of the AF reformation and development measures.

One more issue deserves particular attention: development of arms and military equipment. The draft Bulletin and the Concept give no detailed answers to the question of the lines and priorities of their development – at the expense of what new capabilities, in the conditions of general personnel cuts and evident deterioration of technical readiness of arms and military equipment due to ageing and obsolescence, the required level of combat efficiency of Ukraine's AF will be maintained. Repair and modernisation of the available arms and military equipment alone will hardly bring the wanted result. At that, large-scale procurement of domestic or foreign weapon systems requires a much larger defence budget than envisaged even in the drafts of those documents.

The problem of meeting the AF needs becomes critical, given that when drafting the Bulletin and the Concept, the authors used funding figures exceeding governmental forecasts. So, in 2010-2012, financial needs of the AF were covered by 40-50% of the minimum level. Further substantial growth of defence expenditures is possible only on the condition of a true economic breakthrough of the country,



which is also unlikely. Hence, abidance by the commonly accepted principles of the defence budget allocation (50% – personnel, 30% – acquisition of arms and military equipment, 20% – training) will long remain a dream and one of the main reasons for the failure of the AF reformation and development plans.

Despite that, the draft Concept has no proper financial and economic substantiation of the proposed measures. This gives rise to doubts about the realism of implementation of a number of radical, the most costly measures at the AF reform, in particular:

- reformation of military command and control bodies;
- reduction of many military units and the AF personnel strength (from 192 thousand to some 100 thousand persons);
- refusal from military draft starting from 2014;
- growth of social guarantees and money allowances for military servants to the level of the lead European states;
- upgrade and modernisation of arms and military equipment.

Even brief analysis of the scope of measures proposed by the draft Concept witnesses the impracticability of their implementation with the forecasted expenses of the general fund of the State Budget on defence, planned by the Cabinet of Ministers of Ukraine. This issue becomes especially pressing now, when the State Budget of Ukraine for 2013 planned expenses on the AF needs is not only below minimal needs but even below the previous year of 2012, i.e, even unapproved drafts of the Bulletin and the Concept already need adjustment relating to implementation of separate measures.

Furthermore, a number of reservations arise, directly dealing with military aspects of the AF reform. One of the main reservations deals with the realism of measures at reformation of military command and control bodies. The lack of appropriate scientific substantiation and testing of the most problem-hit issues of transition to the new command and control system during command post exercises makes one doubt about the expediency of its prompt adoption. References to the exercise *Perspektyva-2012* and the scientific-practical conference held upon its results are not quite correct because they *focused on substantiation of decisions passed earlier* rather than studies as such.

The draft Concept plans disbandment of commands of separate arms, army corps headquarters and some other military command and control bodies as soon as 2012-2014. At that, no detailed analysis of the ability of newly-established operational commands to perform functions of planning, employment, training and all-round support for combined forces was performed. Such an approach may result in the loss of the command and control system stability.

Meanwhile, according to the National Institute for Strategic Studies' conclusion, issues of transfer of powers of air defence forces' use within the united national air defence system to the General Staff require additional review. This issue becomes



especially topical with account of the firm world trend towards integration of forces and means that can operate in air and outer space. The Concept provision of transformation of the Air Force Command in the headquarters of an arm not retaining functions of operational command and control also looks controversial, to say the least.

In the present conditions, automation of command and control of troops (forces) and weapons offers one of the most efficient and economic ways of enhancement of operational capabilities of the AF. This issue found a decent place in the plans of creation of a single automated AF command and control system but attempts of creating a comprehensive automated system without its proper provision with resources may again lead to the waste of budget funds and creation of only separate elements of the system that will not give the expected effect. Namely, as soon as 2013, the MOD budget allocated to the creation of the single automated AF command and control system UAH 27.3 million instead of the substantiated UAH 425 million, i.e., 6.4% of the required amount.

Furthermore, somewhat declarative, in view of the financial and economic capabilities of the state, seems the task of building the deterrence potential at the expense of high-precision air, land and sea-based weapons by 2017, planned by the draft Concept. Now, Ukraine has no sufficient scientific-technological potential for creation of such weapons within the set terms, and forecasts of procurement of such weapons from abroad are overly optimistic – as are the hopes to do away with the burden of redundant materiel and inorganic functions in 2013, viewed as a source of economy of financial resources, if not their collection.

There is already some experience of negative results from large-scale reforms in the AF without realistically planned provision with resources. However, previous plans did not envisage such radical changes in the most sensitive for the military organisation sector – the command and control system. The haste and insufficient substantiation of measures – in the conditions where the old system will be ruined while the new one – not established yet – this will be a direct way to loss of control of the AF in general.

Such mistakes in other sectors of somewhat a lower scale happened in the past. For instance, according to experts, the AF logistic and maintenance system reform measures (disbandment of the MOD Arms and Logistic Service, establishment and subsequent liquidation of the Support Force Command, formation of the new AF Arms and Logistic Service) seriously deteriorated controllability and quality of the AF logistic and maintenance.

Hence, irregular, and not backed with appropriate resources, reform measures of the system of military command and control bodies of the operational and operational-strategic levels, as well as decisions taken beyond the limits of programme documents, without proper substantiation, may lead to disruption of the forces command and control system and inappropriate use of extremely limited resources allocated by the State Budget.



## **Conclusions**

A pressing question arises: what to do in such conditions?

The very approaches to the development and implementation of the key planning documents should be changed. There is no sense to develop a programme against fictitious, unrealistic targets not backed with economic capabilities of the state.

Conceptual and program documents of the AF reformation and development should bind the required results to concrete volumes of funding. Maybe development programmes should be developed in several versions (the so-called mainstream approach), each containing relevant indicators of the AF development, dependent on provision with resources.

Today, the world is changing rapidly. For adequate response to new challenges, Ukraine's AF should be ready to perform their tasks today, not in the future. To be sure, one cannot get everything at the same time. In the conditions of tough resource limitations, the AF should be reformed from their present state to the planned future status in small steps, and at each step, the efficiency of the AF functioning should be as high as possible.

In such conditions the role of identification of lines and priorities of the AF development – backed with appropriate resources, high executive discipline and responsibility – goes up. All measures at the AF reform should be technologically interrelated and coordinated by resources, time, actors, and results. All this should make the substance of development programmes and plans of the AF support and use.

For efficient use of resources allocated to programme and plans, their implementation should be accompanied with proper control and transparency mechanisms. For that purpose, programmes and plans should specify measurable parameters fully describing intermediate and end results.

Present-day realities demand from the MOD and GS leadership not only the ability to prepare and implement non-standard decisions but also abidance by certain standards and principles of management, allocation of limited resources to provision of the appropriate level of combat efficiency and development of the AF.



## CHAPTER 6

# HOPE IN HIDDEN POTENTIAL: THE HUMAN FACTOR IN REFORMING THE ARMED FORCES OF UKRAINE

**D. Lee GABEL<sup>1</sup>**

*“The most common commodity in this country is unrealised potential.”*

*Attributed to Calvin Coolidge,  
30<sup>th</sup> President of the United States*

One often hears people say that Ukraine has great potential. If only it could deal with issues like corruption, lack of respect for the rule of law, and its split East-West identity, it could begin to really tap its own potential. As with many other aspects of Ukrainian governance, this caustic environment eats away the potential of the Ukrainian Armed Forces. In addition to this, general lack of attention to the Armed Forces on the part of the Government is causing a gradual erosion of much of the potential capability of the Armed Forces. This is especially true of equipment and infrastructure.

Despite these troubling trends, however, there are some real ways in which the potential of Ukraine's Armed Forces is slowly improving in an area that no military can neglect: its people. At the centre of effectiveness of any organisation is a combination of the capabilities of its people and how well those capabilities are put to use. The same can be said of the Ukrainian Armed Forces, which are now seeking to transform into a Western-modelled military.<sup>2</sup> In order to transform effectively, the Armed Forces of Ukraine need personnel that have the skills to function in a Western-modelled military and those skills must be put to good use by the leadership of both the Armed Forces and Government of Ukraine.

Slowly, the Ukrainian Armed Forces have been building this kind of capability through cooperation with Western militaries. However, until this capability is put to full use, it will continue to be slow-growing, with unrealised human potential. The human potential in the Ukrainian Armed Forces might grow faster if at the national level Ukraine viewed the military as critical for the defence of Ukraine. It also might improve faster if the Armed Forces eliminated Soviet leadership techniques more quickly. There are things that the Armed Forces can do that can preserve and possibly accelerate and tap the human potential that has developed.

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<sup>1</sup> Colonel, US Army (Retired). The author served as the US Army Attaché to Ukraine (2010-2012), as the Chief of the Office of Defence Cooperation in Ukraine (2003-2006) and as the Assistant Army Attaché to Ukraine (1996-1999). The views expressed are solely those of the author and not of the U.S. Government.

<sup>2</sup> “Volodymyr Zamana, Nachal'nyk Heneralnoho shtabu ZC Ukrainy: ‘Nasha Meta – V Korotki Stroky Pobuduvaty Novu Armiiu levropeis'koho Typu’” (Website). DefenceExpress (May 29, 2012), <http://www.defense-ua.com/rus/hotnews/?id=38144&prn=yes> (accessed December 3, 2012).



Western countries can help to preserve and build this potential, which will need to be available if and when Ukraine chooses to realise this human potential to shape its Armed Forces into a modern military.

### **Latent potential**

While there are areas in the Ukrainian Armed Forces where potential is generally decreasing, such as Ukraine's ageing equipment, the Armed Forces, in some ways are increasing the potential of their people. This gradual, somewhat uneven and underexploited growth in potential is occurring because the Ukrainian Armed Forces and those countries willing to expend resources to expose Ukraine to Western military concepts and techniques have managed to cooperate continuously for over 15 years. Additionally, time and downsizing may be encouraging an increase in potential by causing the Ukrainian Armed Forces to come up with more Western solutions as they gradually optimise force make-up and structure.

There are some encouraging trends as we look at the personnel of the Ukrainian Armed Forces. These are a cumulative gain in the amount of exposure to Western militaries and the number of Ukrainian military people that have benefitted from this exposure, the gradual collective lessening or distancing from Soviet-era experience and the gradual elimination of conscription. These factors seem to have also encouraged some reasonable decisions given Ukrainian desires to have a Western-modelled military.

### **Western exposure**

As time goes by, more and more Ukrainian Armed Forces personnel are exposed to Western militaries. Since Ukraine's independence in 1991, NATO and NATO-member states have sought to engage with the Ukrainian Armed Forces on just about any military topic or area of activity one could imagine. It is a reasonable thing to expect that such interaction, applied consistently over time, could encourage a shift in the way military personnel think about the way they do business. Ukraine has generally been receptive to cooperation, which has allowed thousands of Ukrainian military personnel the opportunity to at least experience a small amount of exposure to Western military concepts. For example, hundreds of Ukrainians have spent time attending US military courses.<sup>3</sup> Additionally, the US, Poland, the United Kingdom and other Western countries have conducted small events, such as senior counterpart meetings and large events such as multinational exercises involving thousands of Ukrainian service members. This cooperation encourages Ukrainians to interact with other countries' military personnel in contexts ranging from in-depth cultural immersion for an extended period of time to short meetings and briefings during the course of an exercise. Contrast this to the life of an officer in the service of the Soviet Armed Forces with no idea of what it is like to even speak to a NATO-nation military person. While it can be hard to quantify this gradual gain in potential, and such things

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<sup>3</sup> Discussion with Lieutenant Colonel Shannon McCoy, U.S. Army, Chief of the U.S. Office of Defence Cooperation, (Kyiv; 2009). cited by Espinas, Gary D. in "Rethinking Russia: Ukraine's Defence Engagement with the United States" (Website). Columbia School of International Affairs *Journal of International Affairs* 63, no.2 (Spring/Summer 2010), <http://jia.sipa.columbia.edu/ukraine's-defense-engagement-united-states> (accessed November 21, 2012).





as Western-exposed leaders leaving the service mitigate its positive effect, it is on the whole a gradual gain in human potential for the Ukrainian Armed Forces.

One aspect of this cooperation, Ukraine's participation in numerous deployments to take part in NATO and UN operations, is building human potential in the Ukrainian Armed Forces. According to the 2011 edition *White Book* of the Armed Forces of Ukraine, as of the end of 2011, 468 Ukrainian service members participated in 9 multinational NATO, UN and EU operations.<sup>4</sup> These deployments provide real operational experience and expose Ukrainians to NATO, EU and UN techniques. However, like other ways in which human potential is growing in the Ukrainian Armed Forces, this growth is slow because of the small proportion of the Ukrainian military that actually takes part in these operations. Other than the deployments to Kosovo and to Africa, most Ukrainian contingents are very small. This means that it probably takes a long time for this experience to become ingrained in the institution as a whole and for this potential to grow.

### ***Time***

In addition to international exposure, as time passes Ukraine's Armed Forces get more distant from things Soviet. Slowly but surely the number of Ukrainian service personnel with first-hand memories of the way things were is decreasing, while the number of those with no first-hand memories slowly increases. This is not meant to criticise those who served in the Soviet military, simply because they remember their time of service. Many such Ukrainian service personnel are ardent supporters of a Western-modelled Ukrainian Armed Forces.

One should still be mindful of the fact that the Soviet era narrative is present in many aspects of Ukrainian military life. Some aspects of the Soviet era are not necessarily harmful, but cause the modern Ukrainian military to see itself as a successor to its Soviet forbears. One benign example of this is seen in the way the Ukrainian Armed Forces are a central part of celebrating the Soviet victory in World War II. A more difficult example is officer leadership techniques in the absence of professional sergeants (these leadership techniques and sergeants will be discussed later in this chapter). It is not a forgone conclusion that simply because personal, first-hand memories of life in the Soviet military disappear the Ukrainian military will somehow automatically switch over to new techniques without intentional transformation. Without an intentional effort to change, Soviet era leadership techniques are likely to persist, as they will be naturally passed on through generations of officers. Nonetheless, it stands to reason that as the first-hand memory of the Soviet past fades in the organisation as a whole, the job of intentionally changing the way the organisation operates becomes slightly easier.

### ***Toward a volunteer force***

A third way in which human potential is gradually growing in the Ukrainian Armed Forces is the proportion of volunteer service personnel as opposed to conscripted personnel. The percentage of voluntary (commonly called "contracted") service

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<sup>4</sup> *White Book* 2011, Armed Forces of Ukraine. Kyiv: MOD of Ukraine, 2012, p.63. – [http://www.mil.gov.ua/files/white\\_book/WB\\_Eng\\_final\\_2011.pdf](http://www.mil.gov.ua/files/white_book/WB_Eng_final_2011.pdf).



personnel from 2006 to 2011 has ranged from 45% to 53%. As of the end of 2011, the ratio of contracted to conscript service personnel was 50% to 50%.<sup>5</sup> In addition to reducing the negative image of military life in Ukrainian society caused by the poor reputation of the life of a conscripted Ukrainian soldier, this is expected to bring about a qualitative improvement in service personnel. Not that those who are conscripted necessarily make poor soldiers, but usually one who volunteers to do a job will be motivated to do the job better than one who is forced to do it. Conceivably, if this development causes an improvement in the standing of the Ukrainian Armed Forces in Ukrainian society with stories spreading of a rewarding, respectable, reasonably compensated career in the Ukrainian military, properly funding the Ukrainian military might become more politically acceptable.

### ***The effect of human potential built through cooperation with the West***

With this building of human potential, it follows that there should be some kind of results or indications that in some places in the Ukrainian Armed Forces there is an ability to apply the things learned from cooperation with the West. Commensurately, some of the plans for restructuring the Ukrainian Armed Forces indicate that Western ideas have been analysed and to some extent assimilated. Two indications of this are plans for Ukraine to transition to a system of operational joint (i.e., multi-service) command and control and Ukraine's choice to establish a professional sergeants' or non-commissioned officers' (NCO) corps.

As the Ukrainian military continues to downsize, it is undergoing numerous force structure changes. According to recent pronouncements, the next progression of this process is to create two joint commands and a navy command that would subordinate virtually all of the units of the Ukrainian Armed Forces. Furthermore, the service commands would be out of the operational command and control business altogether.<sup>6</sup> While the details are not clear and the concept has yet to be implemented, there appears to be a parallel to Western joint operational command structures and the role of the services as force providers and not part of the operational command and control architecture.

Another Western principle that has been adopted and partially implemented is the development of a career professional NCO corps. This has been a constant theme of military cooperation between NATO-nation and Ukrainian militaries for over 15 years.<sup>7</sup> When the Soviet Union collapsed, the idea of a professional NCO corps that could play a role alongside the officer corps in leading a military was about as foreign an idea as one could imagine. Despite the slow pace and difficulty in the implementation of this concept, the decision to establish a professional NCO corps represents a significant shift in mind-set from the point where the Ukrainian military was after the breakup of the Soviet Union.

<sup>5</sup> *White Book* 2011, Armed Forces of Ukraine. p.39.

<sup>6</sup> "Volodymyr Zamana, nachal'nyk Heneralnoho shtabu ZC Ukrainy: 'Nasha Meta – V Korotki Stroky Pobuduvaty Novu Armiu levropeis'koho Typu'" (Website). *DefenceExpress* (May 29, 2012), <http://www.defense-ua.com/rus/hotnews/?id=38144&prn=yes> (accessed December 3, 2012) and "Strukturu Zbroinykh Syl Ukrainy planuiet'sia zminyty" (Website). *Ministerstvo Oborony Ukrainy* (November 29, 2012), <http://www.mil.gov.ua/index.php?lang=ua&part=news&sub=read&id=26595> (accessed December 3, 2012).

<sup>7</sup> Polyakov, L. *U.S.-Ukraine Military Relations and the Value of Interoperability*. (PDF). (Carlisle, Pennsylvania: Strategic Studies Institute, U.S. Army War College, 2004), pp.29-30, <http://www.strategicstudiesinstitute.army.mil/pubs/display.cfm?PubID=590> (accessed November 30, 2012).



## Arrested growth

From the discourse above, we can surmise that growth in human potential in the Ukrainian Armed Forces is taking place, but why is the growth so slow? Why are the Ukrainian Armed Forces not benefitting much from the human potential that has accumulated? There seem to be two general categories of factors that attenuate growth and tapping of potential. These are: 1) an apparent view on the part of the Ukrainian Government that the Armed Forces are of limited use and, 2) some harmful Soviet vestiges still present in Ukrainian military culture.

### **Limited view of the Armed Forces**

The Government of Ukraine appears to see the Armed Forces as a tool of limited usefulness and therefore the Ukrainian Armed Forces receive less attention and fewer resources. After examining the budget allocations of the past several years to the Armed Forces one could even suppose that the Ukrainian government does not seem to see a need for a military that can actually defend Ukraine. Officially, the primary mission of the UAF is to answer threats to Ukraine's territorial integrity.<sup>8</sup> However, this has not resulted in the Ukrainian Armed Forces receiving funding to a level that would allow adequate training, compensation and recapitalization of equipment, let alone funding the cost of transition. For example, the 2010 edition of the *White Book* laments the lack of funding over several years and the problems this causes in recruiting volunteers, stating, "to increase the motivation and attractiveness of Armed Forces service the appropriate State support is needed to provide proper social guarantees to Service personnel and ensure the level of their professional training".<sup>9</sup>

Presumably, based on a calculation of security threats and other priorities, the Ukrainian Government chooses to assume risk by not allocating realistic resources to properly fund the Armed Forces. Instead, the leadership chooses to deal with external security issues through other means such as foreign and trade policy. The picture that forms is one where the most senior government leaders of Ukraine see the Armed Forces as a tool to enhance Ukraine's international standing by using small portions of the military to participate in numerous multinational coalitions in various peacetime operations. Participation in multinational coalitions and having a good reputation internationally are very commendable things, but these are not all the Armed Forces are for. The Armed Forces need to be funded to transform in order to fulfil their primary mission of defending Ukraine.

Better funding of the Armed Forces could be used to capitalise on any extant human potential or accelerate growth of human potential. Money to pay competitive compensation would retain and attract more volunteer service personnel and would fund the costs of transitioning to an all-volunteer force. Better funding could also be used to implement some of the aforementioned force structure plans to establish an operational joint command and control architecture. This would provide a framework to capitalise on some of the nascent human potential in Armed Forces by providing an organisation in which to apply the Western principles of operational command and control learned in the course of Ukrainian military cooperation with Western nations.

<sup>8</sup> "Zakon Ukrainy pro Zbroiny Syly Ukrainy" (Webpage). *Zakonodavstvo Ukrainy* (December 25, 2008), <http://zakon2.rada.gov.ua/laws/show/1934-12> (accessed December 3, 2012).

<sup>9</sup> White Book 2010, Armed Forces of Ukraine. Kyiv: MOD of Ukraine, 2011, p.42, [www.mil.gov.ua/files/white\\_book/Book\\_WP\\_2010\\_eng.pdf](http://www.mil.gov.ua/files/white_book/Book_WP_2010_eng.pdf).



## **Soviet leftovers**

In addition to the apparently limited view of the Armed Forces' purpose, also slowing growth in human potential is the probability that the Ukrainian Armed Forces have not fully eliminated the Soviet leadership style. This has been a constant point of difference between Western and Ukrainian Armed Forces that has been evident during cooperation activities. For the sake of this discussion, the Soviet leadership style is an over-centralisation of decision-making authority that carries with it a lack of delegation and lack of subordinate empowerment. Younger leaders do not have the chance to make many decisions, which stunts their development as leaders. When subordinates make mistakes, the situation is seldom seen as an opportunity to help subordinates learn. This naturally dampens initiative and creativity in leaders causing a passivity that slows the development of human potential and leaves it untapped.

In comparing the US and Ukrainian leadership styles, Leonid Polyakov puts it well:

It is a familiar thing to complain of the "Ukrainian tendency to over-centralise both decision making and execution," which is in vivid contrast to the U.S. military doctrinal standard of "centralised planning and direction and decentralised execution." Some Americans recognise that this is not simply a case of bad leaders with poor leadership ability, but rather a cultural and organisational tendency, reinforced by a legacy of Soviet over-centralisation. But it remains frustrating to most, who view it as an impediment to efficient planning and reform progress overall.<sup>10</sup>

This does not mean that there has not been progress over the past 20 years, especially as Ukrainian military personnel participate in multinational exercises or work with other militaries during multinational operations and seek to establish a professional NCO corps. However, a relatively small proportion of the Ukrainian Armed Forces participates in multinational exercises and operations and the Ukrainian NCO corps is still in its infancy.

To a non-Ukrainian observer there is an impression that this leadership style still exists in some parts of Ukraine's Armed Forces. To the degree this impression is correct, the growth of human potential is slowed and untapped. While this assertion is hard to substantiate, more than once I have heard Ukrainians say, sometimes jokingly, sometimes seriously, that in Ukraine, "we punish initiative." I have also encountered many creative, intelligent Ukrainian leaders ready to show initiative – the epitome of the Armed Forces' untapped human potential.

Only the Ukrainian Armed Forces can answer the question to what degree good leadership techniques are being employed. To ask the question another way: How consistently are the Western leadership techniques that empower subordinate leaders applied in a Ukrainian-only (i.e., not only during the conduct of cooperation with Western militaries) context to be used as a basis for permeating the force in a way that can grow human potential?

## **Preserving human potential, accelerating its growth and reaping its benefits**

If someday the Ukrainian Government places enough priority to properly resource Ukraine's military, the Ukrainian Armed Forces will have an opportunity to build and capitalise on the human potential it has accumulated. To be ready for this as well as

<sup>10</sup> Polyakov, L. p.48-49.



to preserve human potential and even possibly accelerate its growth in hopes of the coming opportunity to realise potential, the Armed Forces should work to develop subordinate leaders among young officers and its nascent professional NCO corps and continue to cooperate with NATO members while consistently applying the benefits of this cooperation.

### **Growing leaders**

To preserve and grow human potential, the central component should be cultivating the military leadership principles that breed thoughtful, creative leaders who show initiative and can learn from their mistakes. While there are consequences to some mistakes, and some mistakes deserve punishment, the focus in dealing with mistakes needs to be developing young officers and sergeants to become better leaders. As noted earlier, there is progress in this, but it appears that there is still work to do to institutionalise such a leadership climate throughout the Ukrainian Armed Forces. The central component of such an effort needs to be actually giving more responsibility to subordinate leaders. For example, company and battalion commanders could be given full responsibility to determine training programs for their units based on their units' missions. Another key part of young leader development will be fully implementing existing plans to establish a professional NCO corps in the Ukrainian Armed Forces.

To achieve a conclusive result, this process of “powering down” to subordinates should be accompanied by changing the military educational system to focus on Western military decision-making. A truly transformed military educational establishment is fundamental to permanent and true military transformation, not to mention a key investment in the Ukrainian Armed Forces' human potential. There has been much discussion and cooperation between Ukrainian and NATO nation military educational institutions and there are a few places where Western military decision-making is being taught. However, this, as of yet, does not appear to represent a full shift from a Soviet mathematical algorithmic approach to tactical military decision making to the more non-mathematical analytical approach inherent in what the US Army calls Troop Leading Procedures (TLP) and the Military Decision Making Process (MDMP). These techniques empower all levels of leaders to deliberately analyse a military mission and decide what to do about it.

Some Ukrainian military academic institutions have taken steps to give military personnel the opportunity to learn Western military decision-making techniques. The Ukrainian National Defence University hosts “The Course for Officers of Multinational Staffs,” which teaches Western military decision-making and other courses to Ukrainian military personnel in preparation for deployment to multinational operations. The faculty of “The Course” has assimilated much from cooperation with NATO countries and makes a good effort to transmit this knowledge to its students.<sup>11</sup> Incorporating the principles taught at “The Course” as a central theme in core career progression courses, such as staff college (known as the operational-tactical course) or senior service college (known as the operational-strategic course), would provide Ukrainian leaders throughout the Armed Forces an understanding of Western military decision-making.

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<sup>11</sup> Kurs ofitseriv bahatonatsional'nykh shtabiv. (Website) [http://www.naou.mil.gov.ua/index.php?option=com\\_content&view=article&id=34%3A2012-03-22-09-04-14&catid=22%3A2012-02-09-07-53-15&Itemid=1&lang=ua](http://www.naou.mil.gov.ua/index.php?option=com_content&view=article&id=34%3A2012-03-22-09-04-14&catid=22%3A2012-02-09-07-53-15&Itemid=1&lang=ua) (accessed December 4, 2012).



The Lviv Ground Forces academy is working with US specialists to make available an understanding of Western TLP to its cadets.<sup>12</sup> While it seems that these techniques have yet to become a central part of the program of instruction, officer cadets have an opportunity to become somewhat familiar with TLP. Making techniques like TLP or MDMP a central theme at career developmental military education institutions, such as the service academies, would help preserve human potential and further cultivate its growth. This would make more Ukrainian leaders potentially useful in the transformation of the Ukrainian Armed Forces into a Western-modelled military.

Additionally, the Armed Forces plans for an NCO corps need to be carried through. The *2011 White Book* has several pages devoted to plans for a professional NCO corps. These pages show an NCO creed, a list of NCO positions, a rank structure and a plan of NCO career progression.<sup>13</sup> If and when these plans are implemented, the NCO corps can be a place to grow human potential by developing young leaders.

### **Keep cooperating**

By continuing military cooperation with NATO members, the Ukrainian Armed Forces are already practicing another way in which human potential can be preserved and grown. Despite Ukraine's choice not to pursue NATO membership, such cooperation has continued more or less at the level when Ukraine was seeking NATO membership.<sup>14</sup>

As Ukraine continues to engage in cooperation with Western armed forces, the Ukrainian side needs to react in a way that makes proper use of the military cooperation. This maximises the effect that military cooperation has on human potential and encourages Western countries to continue to desire cooperation with Ukraine. Ukrainian efforts to assign graduates of Western military courses to positions where they can make a useful impact are a prime example of properly maximising the effect of cooperation. It is frustrating when a Ukrainian graduate who has individually benefitted from language training or been funded by a Western country to attend a military course is prematurely released from military service or is assigned to a job that does not make use of the course training. In addition to forfeiting the chance to build human potential, such things can cause Western governments to defund military cooperation programs with Ukraine.

As noted earlier, this cooperation not only grows human potential by exposing Ukrainian military personnel to Western techniques, it offers concepts that can be

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<sup>12</sup> "Mizhnarodne viis'kove spivrobitnytstvo" (Website). *The Website of the Hetman Petro Sahaidachny Ground Forces Academy*, <http://www.asv.gov.ua/content.php?lang=uk&page=11> (accessed December 4, 2012). This reference notes the work of U.S. experts in using command and control computer simulations training techniques. TLP and MDMP are inherent to this type of U.S. computer simulated training. See also Rudkovskiy V. *Stratehichni lhyr viys'kovykh. – Ofitser Ukrainy*, no. 4 (2011) (available at [http://asv.mil.gov.ua/content/officerukraine/officerukraine3\\_2011.pdf](http://asv.mil.gov.ua/content/officerukraine/officerukraine3_2011.pdf)): 8-9. This latter reference shows several photos of L'viv Ground Forces' Academy cadets using the U.S. – developed Joint Conflict and Tactical Simulation (JCATS) program.

<sup>13</sup> *White Book 2011, Armed Forces of Ukraine*. pp.71-73.

<sup>14</sup> *Ibid.*, 55-60; and "Ukaz Prezidenta Ukrainy № 273/2012 pro zatverdzhennia Richnoi natsional'noi prohramy spivrobitnytstva Ukraina - NATO na 2012 rik" (Website). *Prezydent Ukrainy Viktor Yanukovich – Ofitsiine internet-predstavnytstvo* (April 19, 2012), <http://www.president.gov.ua/documents/14697.html> (accessed December 3, 2012).



incorporated into the Ukrainian Armed Forces, which provide a framework in which human potential can further develop. For example, the choices to incorporate the concepts of an all-volunteer force and a professional NCO corps came from military cooperation with various NATO nations. As noted above, as these initiatives are implemented, they provide more opportunities to grow human potential.

It is important to note that this does not mean that Ukraine should adopt a Western technique or concept simply because it was discussed during the course of a military cooperation activity. Military conscription is a good example of a concept that works well in some cultures, but is inappropriate in others. Some NATO countries have conscription while others do not. In modern Ukraine's case, ending conscription makes sense and provides a way to focus on other things, like recruiting willing volunteers, that will go much further in building human potential. Despite the difficulty of the task, Ukraine, after gaining an understanding of the benefits of an all-volunteer force through military cooperation with several NATO nations' militaries, chose to end conscription.

### ***A word to NATO and other Western cooperating countries***

Many NATO nations have been engaged in some level of military cooperation with Ukraine for over a decade. Ukraine's leadership, regardless of who its president is, has consistently stated that Ukraine's future is with the West.<sup>15</sup> Military cooperation between Ukraine and Western countries are a component of this vector. It is important that military cooperation continues with the Ukrainian Armed Forces. This interaction is gradually broadening the exposure of many Ukrainian service members thereby building human potential. It is hard to imagine that there would be much military reform progress at all without NATO-nation military cooperation. However, with the demand on scarce budgetary resources, it can become tempting to reduce or even eliminate military cooperation programs with Ukraine. It might be helpful to approach programs of military cooperation with Ukraine with a focus on its ultimate end with an expectation that military cooperation with Ukraine probably means a long-term effort that will require perseverance.

### ***Keep the ends and means in mind***

The ultimate end of military cooperation with Ukraine is that it contributes to stability regionally and enables Ukraine to contribute effectively to multinational operations. Western countries should approach their military cooperation programs with Ukraine with this focus. The way in which cooperation with Ukraine achieves this end is by helping the Ukrainian Armed forces understand the West in a way that helps them choose appropriate Western techniques and concepts to implement as military reform.

### ***A long-term proposition***

With this focus on the end and way of military cooperation in mind, Western countries need to expect that cooperation will continue for years. Military-to-military cooperation programs, by their nature, take a long time to have an effect. Most cooperation activities

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<sup>15</sup> Yanukovych, Viktor. *Modernizatsia Ukrainy — Nash Stratehichnyi Vybir Shchorichne Poslannia Prezydenta Ukrainy do Verkhovnoi Rady Ukrainy*. (PDF). (Kyiv, Ukraine. 2011), 131, [http://www.president.gov.ua/docs/Poslannya\\_sborka.pdf](http://www.president.gov.ua/docs/Poslannya_sborka.pdf) (accessed December 3, 2012).



where there is substantial face-to-face interaction only reach a few people at a time. Nonetheless, each one of these interactions has the potential to get the Ukrainian Armed Forces a bit closer to a better understanding of Western military techniques and concepts and build the human potential that the Ukrainian Armed Forces need.

In addition to the slow way in which military cooperation programs affect change, helping Ukraine to reform its military from what it inherited from the Soviet Union is a huge task. Given a historical perspective starting with Ukrainian independence, one can see progress. While there are still Soviet leftovers, the Ukrainian Armed Forces have made some key choices that reflect the influence of cooperation with Western militaries. Additionally, the size of the Ukrainian Armed Forces is still relatively large compared to most European militaries. This means that positive effects of Western military cooperation will take time to percolate throughout the entire force.

The combination of the importance of Ukraine's place in regional stability and the long term demands of the task means that Western nations have to persevere to see success.

## **Conclusion**

At the core of any country's armed forces' potential to accomplish its mission is the ability of its military personnel to perform their duties and the ability to put those abilities to good use. In the same way, to accomplish transformation, Ukraine's Armed Forces will need to develop personnel able to lead in a Western-modelled military and they will need to put these personnel to good use. In other words, the Ukrainian Armed Forces need to preserve, grow and tap human potential.

Despite many problems, there is reason to hope that human potential in the Armed Forces of Ukraine is slowly growing. This is thanks to Ukraine's military cooperation with the West, which exposes Ukrainian military personnel to Western techniques and concepts, some of which have been adopted by the Ukrainian Armed Forces as reform initiatives. Additionally, the effect of time and the distance it builds from Ukraine's memories of the Soviet military also help human potential to grow.

However, this human potential is somewhat latent and largely untapped. The restraint on potential seems to come in part from the Government's view of the utility of the Armed Forces as not really a key part of the defence of Ukraine, but rather as a way to build an international reputation by participating in multinational coalitions. As a result, the Armed Forces continue to be funded at a minimal level making many reforms, such as transitioning to an all-volunteer force very difficult. The growth in human potential also appears to be slowed and underexploited because the negative aspects of the Soviet leadership style have not been eliminated fully.

Nonetheless, there are things that the Armed Forces can do to retain, grow and even capitalize upon the human potential that is there. These things include focusing on developing creative leaders and encouraging initiative in leaders at all levels while continuing military cooperation with Western countries and assimilating things appropriately from it.

Western countries that engage in military cooperation with the Ukrainian Armed Forces should continue this cooperation. These countries should approach military cooperation with their eye on the end of enhancing Ukraine's ability to be a force for regional stability and enabling Ukraine to participate in multinational operations by helping the Ukrainian Armed Forces make informed choices about military reform, realising that it can take a long time.





## CHAPTER 7

# CORRUPTION OBSTRUCTS REFORMS IN THE UKRAINIAN ARMED FORCES

*Leonid POLYAKOV<sup>1</sup>*

Corruption in the defence sector has gradually acquired features of a systemic phenomenon, that shameful thing seriously threatens the efficiency of operation and development of Ukraine's Armed Forces (AF). Corruption greatly hinders military reforms and leads to permanent loss of time, resources and capabilities.

The main reasons that have obstructed true reforms include not only lack of practical attention of political leadership to the army, insufficient funding and endless reshuffling in the Ministry of Defence (MOD) and the General Staff (GS) leadership but also corruption inside and outside the defence agency.

Corrupt scandals in the defence agency involving abuses in traditional domains (i.e., resources supply, procurements and repair of arms, and write-off and disposal of materiel) take place not only in armies of the countries, like Ukraine, seriously hit by corruption but at times even in the democratic United States or United Kingdom, and in communist China. Apparently, some universal role behind corrupt manifestations belongs to purely consumer qualities of the human nature manifested irrespective of the country or state system. Specifics of the military sector under certain terms create favourable conditions for corrupt activity, since it gives additional opportunities to escape control under the disguise of secrecy.

However, the regularity (rather than casually) of corrupt manifestations in Ukraine's defence sector points to the presence of specific peculiar long-standing factors that cause it. Generally, those factors may be attributed, first of all, to the influence of the outside nationwide, extremely corrupt environment on the army. The top state political leadership publicly admits the problem, demands resolute measures at fighting corruption,<sup>2</sup> but it seems that all attempts to defeat corruption in the AF separately from the corrupt state are deemed to failure.

The defence agency itself has no data from a deep study of the problem. There were only isolated attempts to address the subject of corruption in the defence sector by separate state research institutions (National Institute for Strategic Studies) or

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<sup>1</sup> Chairman of the Expert Board, Centre for Army, Conversion and Disarmament Studies.

<sup>2</sup> Ukraine's President Viktor Yanukovich: "There remain spread cases of illegal alienation of military property and lands, embezzlement of budget funds, various abuses". President of Ukraine Press Service, November 30, 2010, [www.president.gov.ua/news/18836.html](http://www.president.gov.ua/news/18836.html) (in Ukrainian).



non-governmental think-tanks (e.g., Razumkov Centre, Centre for Army, Conversion and Disarmament Studies). If today, when Ukraine's AF are facing another stage of reforms, the need of removal of systemic corruption in the defence sector is again disregarded, a great deal of financial resources allocated to defence will be lost due to bribes or kickbacks, and reforms will only be imitated.

### **Effects of general (external) corruption**

Transformation from a strictly controlled environment of the communist past of the Ukrainian Soviet Socialist Republic to a much more liberal society of independent Ukraine was accompanied with phantasmagorical manifestations of human greed and irresponsibility – first of all in the sectors of economy and finance – that paved the way to prompt enrichment. The corrupt policy facilitated it through redistribution of limited budget resources in favour of the deftest persons. At that, the sectors of medical care, education, housing and utilities and, certainly, defence that offered smaller earning opportunities and were traditionally funded from the state budget have long been trying to survive – and gradually caught the virus of corruption.

By and large, the subject of corruption in the defence agency came to the forefront rather long ago and, unfortunately, remains there even now. Meanwhile, the current National Anticorruption Strategy for 2011-2015<sup>3</sup> has no mention of military activity, although the preamble to the State Programme of Implementation of the National Anticorruption Strategy traditionally carries correct words, “The absence of a uniform nation-wide anticorruption policy in Ukraine is one of the reasons for inefficient reaction of the state and society to the threat of corruption, the level of which has been growing in the recent years”.<sup>4</sup>

Such trends were observed not only in Ukraine. Regular corruption scandals arose in all post-communist countries at the stage of transition from the Soviet-type socialism to stable democracy. In the strictly hierarchic military environment, outside corrupt influences first of all concentrated on its leadership, since its role is decisive for how soon private interests can be satisfied at the expense of interests of national defence. There were many reports of accusations of corruption of top executives involving their dismissal or conviction in Bulgaria, Poland, the Czech Republic. In early November 2012, the Russian MOD leadership was replaced in the midst of accusations of corruption.

To be sure, the specificity of corruption in the defence agency is conditioned not only by the general influence of the external corrupt environment in the country. The phenomenon of corrupt evolution of the Soviet military legacy in Ukraine that has

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<sup>3</sup> Approved by the President of Ukraine Decree No.1001 of October 21, 2011, <http://zakon2.rada.gov.ua/rada/show/1001/2011>.

<sup>4</sup> State Programme of Prevention and Fighting Corruption for 2011-2015, approved by CMU Resolution No.1240 of November 28, 2011, <http://zakon2.rada.gov.ua/laws/show/1240-2011-%D0%BF>.



barred the creation of a modern AF was largely caused by the systemic resistance of corporate and personal interests within the MOD and AF. Such resistance brought to naught numerous attempts of reforms, reducing all previous reform programmes to imitation of reforms in the sectors of purely military activity, whose policy is decided within the MOD. The sectors most of all affected by the national climate of corruption include use of the defence budget funds and filling of the so-called special fund, state procurements, construction and distribution of housing, military education, management and control of implementation of objectives set in programmes and plans, military draft, HR policy, and peacekeeping activity.

### **Defence budget and special fund**

The problem of funding Ukraine's AF to guarantee their reformation and sustainable development has been facing the state since the early days of Ukraine's independence. In all years of independence, the defence budget barely provided planned funding for the AF maintenance, while expenditures on their reformation and development, despite the existence of several reform programmes, were never planned in the budget at least in the minimum required amount.

Such situation substantially enhanced the role of the human factor at allocation of funds within the MOD to the many needs planned in programmes but insufficiently or improperly funded. Preconditions for corrupt abuses grew accordingly. At that, on top of the problem of limited AF funding from the general budget fund, significant corruption risks are associated with funding defence needs via the so-called special fund.

The pattern of the military infrastructure Ukraine got after the breakup of the Soviet Union in many cases did not meet the needs of armed forces of an independent state, too many material defence resources (such as redundant ammunitions, a cumbersome system of military higher educational establishments, and facilities used to support nuclear weapons) were not necessary or gradually became such due to ageing. During those infrastructure cuts, released (redundant) property should have provided an additional resource for defence reforms in case of its efficient disposal. However, that property and, especially, land plots for years have been in the focus of corporate and personal interests and, respectively, of corrupt acts.<sup>5</sup>

The state leadership quickly got used to thinking that the military themselves should earn part of the annual budget – in the form of proceeds to its special fund – performing inorganic commercial functions for the MOD and AF. Collection of the special fund till now remains (on a smaller scale, though) a traditional duty and at the same time a problem for the Ukrainian AF, which was repeatedly stressed by

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<sup>5</sup> See: "In the Crimea, a criminal case against a military unit commander was submitted to court". – *Press Service of Public Prosecution Office in the Crimean region of Ukraine for observance of laws in the military*, October 4, 2012, [www.gp.gov.ua](http://www.gp.gov.ua) (in Ukrainian).



military experts.<sup>6</sup> In reality, the concerned officials' interest in commercial activity with the formal goal of funding AF needs is often prompted by the chance to get illegal revenues.

The practice proves that control measures taken within the MOD are not enough. Almost every source of the special fund revenues may be infected with corruption. In addition, there are no instances of officials being brought to responsibility for non-fulfilment of plans of the special fund revenues. Meanwhile, a balanced approach to material resources management with the purpose of filling the special fund with cash, low professional and moral qualities of the involved actors, irresponsibility of the military-political and military leadership for inefficiency of such activity create favourable conditions for corruption.

Actors committing corrupt acts in activities related with the special fund revenues are many. Disposal of redundant arms and procurement of other AF property are probably the most non-transparent sectors of the defence agency activity.<sup>7</sup> Due to inefficient activity in the sector, the AF still cannot get rid of huge stocks of redundant military equipment, hopelessly obsolete and only diverting resources for storage and disposal, which demoralises personnel and maintains a corrupt environment. On the other hand, marketable redundant property may be sold at unreasonably understated prices in the interests of certain structures and persons, which inflicts losses to the special fund of the defence budget. The difference between the market value of military property and the price of its actual disposal presents a source of unlawful profit (i.e., a bribe) for the official who created "friendly" conditions for conclusion of the agreement.<sup>8</sup>

Collection of special fund revenues requires from some commanders (as executives) close engagement in commercial activity, which in principle is inconsistent with the AF mission. Against the background of earning money for the special fund, unlawful use of military infrastructure through provision of business services for illegal reward has become a widespread phenomenon. Under the guise of economic activity to collect the special fund, some commanders solve personal problems using the available military resources. Abusing their powers by using military equipment, infrastructure, and military personnel, some commanders build private houses, make repairs in their apartments, do the same for their superiors and make unaccounted money, thereby breaking the law.<sup>9</sup>

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<sup>6</sup> Shtyblikov, D. "Kyiv shifts the army to self-support". – *ROSALT/Ukraine*, February 13, 2012, [www.rosbalt.ru/ukraina/2012/02/13/945350.html](http://www.rosbalt.ru/ukraina/2012/02/13/945350.html) (in Russian).

<sup>7</sup> "Kyiv City Public Prosecution Office initiated a criminal case against a department head in *Tekhvoenservis* concern". – *DefenceExpress*, July 27, 2011, [www.defense-ua.com/rus/news/?id=35899](http://www.defense-ua.com/rus/news/?id=35899) (in Ukrainian).

<sup>8</sup> A department head in one structural unit of Ukraine's MOD obtained from a commercial enterprise representative a bribe in the amount of UAH 120 thousand for execution and issue of documents related with disposal of redundant military property. See: "A criminal case was initiated against a department head in one structural unit of the Ministry of Defence of Ukraine". – Public Relations Department of the General Prosecutor's Office of Ukraine, February 17, 2012, [www.gp.gov.ua/ua/news.html?\\_m=publications&\\_t=rec&\\_c=view&id=101862](http://www.gp.gov.ua/ua/news.html?_m=publications&_t=rec&_c=view&id=101862) (in Ukrainian).

<sup>9</sup> Apartment Management Department head in the city of Ternopil got from a private businessman a bribe of UAH 21 thousand for premises granted for temporary use. See: "Criminal case against Apartment Management Department head in the city of Ternopil was submitted to court". – Public Relations Department of the General Prosecutor's Office of Ukraine, July 6, 2011, [www.gp.gov.ua/ua/news.html?\\_m=publications&\\_t=rec&\\_c=view&id=95594](http://www.gp.gov.ua/ua/news.html?_m=publications&_t=rec&_c=view&id=95594) (in Ukrainian).



Therefore, a conclusion can be made that so far numerous controlling and anticorruption measures in the field of public resources use implemented in the MOD and AF have failed to bring serious shifts towards better integrity. Due to corrupt practices, the MOD budget is short of significant funds that might be allocated to maintenance of combat readiness of Ukraine's AF and social programmes for military servants. Commercial (business) activity diverts military servants from the discharge of their main functional tasks, and corruption demoralises personnel of the Ukrainian Armed Forces and strongly undermines Ukraine's defence potential.

### **State procurements**

The tradition of permanent changes or adjustment of the regulatory-legal framework for state procurements affects the quality of relations between the parties. Only in the recent years, the rules in the sector have been seriously amended several times, with introduction of the new regulatory-legal framework.

Alongside the controversy of the legislative framework for state procurements, corruption may also be facilitated by the lack of publicity and bias during decision-making by tender committees.<sup>10</sup> Arrangement of closed tenders for procurement of goods, works and services from one participant rules out competition and transparency of pricing for goods (services). This leaves more room for unreasonable overstatement of procurement prices, later turning into a bribe. In such conditions, corruption in the field of spending public funds became threatening on a national scale, not leaving MOD and AF aside.

The problem of limited budget funding of AF programmes adds corruption risks to state procurements because of complete dependence of decisions as to the needs and choice of items of procurements, services, and works on the commander (the administrator of funds). For instance, public funds can be used to extend the service life of a few fighters at a certain enterprise, or to repair attack aircraft at another one. Otherwise, the same funds may be spent on ship repair. Due to the long-standing shortage of financial resources, such repairs cannot fundamentally change the general combat readiness, so, a military executive, taking a decision in favour of one or another enterprise, actually does not risk anything.

It may be similarly difficult to find logical substantiation of efficiency of many other decisions on state procurements passed in the MOD. Many interesting instances can surely be found in decisions of the MOD and AF commanders (executives) concerning procurement of medical equipment, communications systems, spare parts and repair

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<sup>10</sup> First Vice Prime Minister of Ukraine Valeriy Khoroshkovskiy: "...The Law On State Procurements... does not eradicate corruption but on the contrary, offers a very good cover for corruption, because namely our tender committees established today in accordance with that Law are a cover for corruption". – *ShusterLive* TV programme, March 23, 2012, <http://3s.tv/programs/shuster-live-23-03-2012-/> (in Ukrainian).

services, catering services, etc.<sup>11</sup> Due to natural secrecy requirements in some sectors of the AF activity, procurements subject to state secret are made from few qualified suppliers. Such background may also facilitate unreasonable classification of procurements.

As Ukraine's AF face reforms, rearmament and re-equipment, they will require large-scale funding of defence procurements. The main expenditures will be used for procurement of arms, military equipment and weapon systems, and research and development activities. Officially recognised abuses and corruption during procurements for public funds pose huge risks of acquisition of arms and military equipment falling short of present-day requirements and unable to ensure the claimed defence capability for the state.

### **Construction and distribution of housing for military servants**

The building industry in Ukraine is known to be one of the most corrupt sectors. According to numerous estimates made by independent experts, cost estimates of construction for budget funds are overstated two-fold, while “kickbacks” reach 40-60%.<sup>12</sup>

Since the MOD builds housing for military servants in accordance with nation-wide principles, it may be expected by analogy that negative phenomena in that industry did not bypass the defence agency either – as well as the “kickback” rate reported by civilian experts. At least, such an opinion seems quite logical, if one tries to grasp the reasons for endless troubles with provision of military servants with housing, and the reasons for absence of reforms in the sector. The cost of such “kickbacks” lays a burden on the housing stock built and transferred to the MOD, which means a decrease in the area or quality of construction to the amount of the paid “corrupt tax”. In such cases, when accepting projects from the developer, the customer's representative, abusing his powers, “overlooks” the low quality, and in some cases, even unfitness of the premises for housing.

According to the MOD data, in the years of independence, over 85 000 apartments were built (purchased) for military servants. So, given the rules of “grey math” and assuming the average corruption rate of 50%, 170 000 apartments could have been built. This means that the disgraceful phenomenon of years-long queues for MOD housing (the current demand for housing is 40 000 apartments) would have long gone, if all budget funds allocated to provision of military servants with housing had been used in accordance with the target purpose.

The Ukrainian state still formally preserves the Soviet system of provision of military servants with housing although it has long been unable to provide required

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<sup>11</sup> “Defence Ministry topped the rating of ‘curious’ procurements”. – *Ekonomichna Pravda*, November 29, 2012, [www.epravda.com.ua/news/2012/11/29/347763/](http://www.epravda.com.ua/news/2012/11/29/347763/) (in Ukrainian).

<sup>12</sup> “Expert: Contingencies in construction in Ukraine are the world-highest”. – *OHO Internet newspaper*, August 30, 2010, <http://ogo.ua/articles/view/2010-08-30/22336.html>. Lyamets, S. “Ukraine is a country of independence”. – *Ekonomichna Pravda*, August 25, 2011, [www.epravda.com.ua/publications/2011/08/25/295939/](http://www.epravda.com.ua/publications/2011/08/25/295939/) (in Ukrainian).



housing to those to whom it has legislatively provided commitments, largely due to corruption spread in that sphere. Media reports of cases of corruption backed with testimony of bribes and abuses during distribution of official housing for homeless military servants appear more frequently than stories of happy new occupants.<sup>13</sup> Especially cynical against the background of the long queue of homeless servicemen look the actions of some military executives who got several apartments for public expense, abusing their official powers.<sup>14</sup>

Corruption is also spread in Ukraine's AF apartment management units that accept housing from developers, maintain the housing stock owned by the MOD and take part in distribution of apartments among homeless military servants. For instance, in 2006, the Control and Audit Department of the MOD revealed that officials of the Main Apartment Management Department of Ukraine's AF concealed from distribution several apartments in the city of Kyiv, probably with the purpose of their subsequent sale.

Noteworthy, anti-corruption measures at distribution of housing built for military servants do not require many extra material resources or very experienced experts to supervise. One should only open to the public the automatic system of accounting of the available and distributed housing to reduce the factor of personal interference in the system.

### **Military draft and human resources policy**

Starting from military draft and ending with appointments to the top MOD positions and conferment of general ranks, serious preconditions for corrupt abuses are found everywhere, which is facilitated by the extremely high role of subjectivity, personal loyalty to superiors, material factors in HR issues and neglect of professional qualities.

Entrance to military higher educational establishments, including lyceums, study at military departments of civilian educational establishments, as well as entrance to prestigious civilian higher educational establishments, have been seriously corrupt since the Soviet times. The main precondition for corrupt "attractiveness" is that military higher educational establishments with daytime attendance give a military profession for state budget funds, not for citizens' cash. Although the military profession is not especially prestigious among Ukrainian youths, it guarantees a working place. All this makes education at military higher educational establishments quite popular. To limit corruption's influence on the process of entrance to military higher educational establishments, in 2005, the procedure of entry exams for applicants was changed: all applicants to all military higher educational establishments

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<sup>13</sup> See: "Corruption in the army: one can cook on porridge millions, on land – billions". – *Segodnia*, February 21, 2011, [www.segodnya.ua/corruption/14224868.html](http://www.segodnya.ua/corruption/14224868.html) (in Russian).

<sup>14</sup> According to the Accounting Chamber of Ukraine, the former Chief of the General Staff during his military service in Ukraine got four apartments, which he made over to his relatives. See: Interview of the *Verkhovna Rada* of Ukraine National Security and Defence Committee Chairman Anatoliy Grytsenko for TVi TV channel, [www.youtube.com/watch?v=x6gGzEenzbg](http://www.youtube.com/watch?v=x6gGzEenzbg) (in Ukrainian).



passed exams together, simultaneously, at a military range. However, all returned to the old “tested” practice of entry exams separately in each higher educational establishment.

The process of appointment to positions after graduation from military higher educational establishments also bears signs of the spread of corruption. In that case, corrupt influences can help solve issues of appointment to a selected military unit (garrison) or a more promising position. The first place of service for appointment is usually selected “closer to the parents”.

The social injustice of the existing selective draft to unpopular military service in Ukraine’s AF continuously provokes corrupt acts. Officials at military registration and enlistment offices or medical examination boards can “solve” an issue to the benefit of conscripts unwilling to pass military service, and for those ready to serve, they can corruptly “decide” on the place of service, etc. For instance, in 2012, public prosecutor’s offices recorded approximately twice per month cases of corruption related with draft at military registration and enlistment offices.

The main mechanisms of fighting corruption during military draft and in issues of human resources management should include transition to contractual manning and a transparent mechanism of HR management. However, the process of the armed forces professionalism is delayed, and HR management in the MOD and AF witness a situation where a formally centralised system of HR management has been introduced but the command system was preserved entirely. HR centres established to ensure passage of unbiased decisions on HR management on the rating basis, in most cases do not perform their progressive role and confine themselves to formalisation of the taken decisions and personnel records.

Certification commissions, if unbiased, can play some positive role in the career of military servants, but that role remains limited by the principle of unity of command, since the personal decision is anyway taken by the concerned commander.

As long as selection, training and deployment of personnel rest not only on professional qualities of a person but on his or her loyalty to the leadership and the ability to “shape” or “sponsor” decisions of HR management, HR management in the defence agency will remain inefficient and extremely dependent on corrupt inputs.

## **Peacekeeping**

Unfortunately, there are many facts today pointing to the spread of corruption in peacekeeping activity that more than once had an international echo and affected Ukraine’s image.

Corrupt manifestations are observed at all stages of preparation and performance of a peacekeeping mission – in particular, during the peacekeeping contingent manning and selection of peacekeeping personnel. Before 2006, there was a practice of target formation of units for participation in peacekeeping operations. It offered





wide opportunities for corruption during selection and manning of such units, from the lower-ranking positions up to the unit commander.

Starting in 2007, pursuant to a decision of the Defence Minister, national peacekeeping contingents must be manned on the basis of organic units. Recently, the so-called modular principle of peacekeeping contingent manning was introduced.

However, the actual manning procedure in fact differs little from the previous one in terms of the possibility of appointment of “desired” military servants to the relevant posts. Formally, there is a system of certification of the key personnel of contingents and military observers, but the existing system of selection and unit manning in no way removes biased decisions regarding appointments to peacekeeping units, since certification (collective) boards are only advisory bodies of the concerned military leader.

In the issues of military servants’ detachment to peacekeeping contingents (i.e., missions), one of the main priorities is usually presented by the money factor. This may prompt individual potential candidates for peacekeepers to look for corrupt schemes, and such “demand” gives rise to appropriate “supply” on the part of officials taking the relevant HR decisions. According to unofficial data, the sums of bribes for protection with enlistment in peacekeeping contingents may be close to a monthly pay of a military servant abroad. The sums of bribes for positions related with management of material assets, respectively, may reach several thousand US dollars.

Corruption among Ukrainian peacekeepers dealing with management of finance and material values also bears regular traits, as corruption in manning does. Unfortunately, that phenomenon already has a disgraceful international history. In particular, while in 1990s and early 2000s separate cases of corruption among peacekeepers were treated as pitiful accidents, after 2005, when law-enforcement officers detained Ukrainian military servants returning from Iraq with large amounts of foreign currency, it gradually became clear that it was not an accident but rather the established practice.

Due to the low efficiency of control of peacekeepers and lack of efficient anticorruption measures, facts of corruption in the field of management of property of missions under the international mandate gradually suffered a relapse in later Ukrainian missions. In particular, several cases of corruption have been recently recorded in Kosovo.<sup>15</sup>

### **Administrative management and control mechanisms**

Fighting corruption in the MOD and AF was officially set as a strategic goal, and the progress of that fight is reported in the relevant section of the MOD official web site. At that, corruption in the MOD and AF is fought by many of their structures. First of all,

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<sup>15</sup> “General Prosecutor’s Office found a bribe-taker among peacekeepers”. – *Prozora Ukrayina*, August 26, 2011, [www.transparentukraine.org/?p=1865](http://www.transparentukraine.org/?p=1865) (in Ukrainian).



it is the Military Law Enforcement Service and MOD Inspection, as well as concerned structures in the GS. An important controlling role belongs to the MOD Internal Audit Department. Some educational role is assigned to the MOD Legal Department and the MOD Humanitarian Policy Department, as well as the institute of deputy commanders for socio-psychological and educational work in the AF. Furthermore, the MOD created a special body – a sector for prevention and countering corruption.

However, despite many actors tasked to prevent corruption within the MOD, the most striking cases of corrupt abuses are detected by outside structures, in particular, the Security Service of Ukraine units and public prosecutor offices, and the public learns about such cases mainly from the public prosecutor office reports of initiation of criminal cases. As one report notes, “The defence agency is a closed organisation, and departmental audit and special law-enforcement bodies are inefficient, since they are subordinated to those whom they control. There are instances of failure of those bodies to detect violations, which was revealed by territorial control bodies. The military law-enforcement service in the AF of Ukraine in its activity is guided by its own experience”.<sup>16</sup>

Principles of democratic civilian control, introduced in Ukraine by a separate law, provide that civilian political leadership bears responsibility for the AF state. With respect to fighting corruption, this means that in order to control the military, civilian MOD executives must be honest and pass proper professional training. Unfortunately, turnover among the top civilian MOD leadership is very high, while the professional level is often short of high requirements to those positions, which affects the efficiency of countering corruption.<sup>17</sup>

The efficiency of parliamentary control of the security sector in Ukraine remains low. The powers of the Accounting Chamber, that regularly checks the progress of fulfilment of the MOD budget on behalf of the *Verkhovna Rada*, are strongly limited due to excessive secrecy of access to MOD documents and non-transparency of the results of those inspections for the public. The unreasonably high level of secrecy conserves a friendly climate for corruption and hinders prevention of corruption and the removal of its systemic foundations.<sup>18</sup>

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<sup>16</sup> Holomsha, M. “Corrupt risks for Ukraine’s defence sector”. Building integrity and reducing corruption in Ukraine’s defence sector / A compendium of materials of international conference on May 16, 2011. National Institute for Strategic Studies. – Kyiv, 2011, p.22 (in Ukrainian).

<sup>17</sup> “In the recent years people who have nether education nor experience in the sector were more than once appointed to executive positions in the defence agency... after all, one should pass nearly 1,650 hours of special disciplines and learn some 1,400 bylaws regimenting the defence agency activity”. See: Holomsha, M. “Corrupt risks ...”.

<sup>18</sup> “According to the materials of audit by bodies of state power, the system of anticorruption measures both in the Ministry and in the country is inefficient and does not ensure removal or mitigation of reasons for its emergence, which raises the amount of losses caused by corrupt acts of officials that mainly remain unpunished for committed corrupt acts”. See: Shchasny, E. “Role of the Accounting Chamber in reduction of the corrupt potential of defence agencies. Building integrity and reducing corruption in Ukraine’s defence sector / A compendium of materials of international conference on May 16, 2011. National Institute for Strategic Studies. – Kyiv, 2011, p.27 (in Ukrainian).



Noteworthy, recent attempts to introduce in the MOD a system of electronic document circulation enabling the Minister, if necessary, to promptly, without paperwork and reports, monitor all processes of cash movement and resources, failed. Preparatory works initiated in 2006-2007 were stopped in the following years under the pretext of insufficient funding, and in 2010, the relevant department supposed to support operation of that system was liquidated.

Also in 2005-2006, the authorities tried to formalise public involvement in decision-making on the security sector control and management. Interaction was to be arranged via public boards under the relevant agencies, and in November 2005, such a board was also established under the MOD. However, till now, the public board has no regular influence on internal processes in the Ministry, its activity was episodic and mainly dealt with discussion of social security issues.

## Conclusions

Ukraine inherited vast corrupt practices from the Soviet system and substantially expanded them due to the weakness of state governance and lack of efficient reforms. In the defence sector, in addition to inefficient use of resources and undermining the morale, corruption hinders many reforms: transition to a professional army, introduction of advanced management and control mechanisms, HR management, modernisation of arms, social security, peacekeeping activity, management of budget funds, disposal of equipment, arms and property, organisation of catering for personnel, etc.

Actually since the early years of independence, the Ukrainian authorities have been consistently declaring a resolute intent to do away with corruption, formally recognising the fact of spread of that dangerous phenomenon across the country. However, anticorruption measures are imitated, rather than regularly implemented. To reduce the level of corruption in the defence agency, the main strategic goals at the present stage should include: first, resolute reformation of the MOD activity towards reduction of risks from introduction of procedures vulnerable to corruption and efficient control of the activity of officials; and second, gradual removal of the AF from commercial activity: procurement of goods, works and services for the army should be performed by the concerned structures of the MOD and other state bodies.

The MOD can and should implement some reforms on its own, in particular, in the field of peacekeeping. However, in some other sectors (e.g., provision with housing, state procurements, alienation and disposal of property) cooperation with other agencies and continuous support from the *Verkhovna Rada* and the Cabinet of Ministers of Ukraine are needed. In particular, eradication of corruption in the field of state procurements is a nationwide task; the MOD and AF cannot fully do away with that disgraceful phenomenon on their own due to the pressure of the corrupt present-day business environment. Similarly, liquidation of corrupt schemes in provision with housing is impossible without introduction of new procedures by



the Government, the principles of which have already been legislatively provided by the *Verkhovna Rada*. In this connection, it is also important to promptly part with the practice of funding defence expenditures from the special fund, since its revenues are related with commercial activity vulnerable to corruption.

In today's Ukraine, remains of the former Soviet culture of total secrecy continue to play their negative role, in particular, as a cover of corruption in the defence sector. That is why it is fundamentally important to enhance the transparency of the defence agency activity and to widen public access to the results of audit of its activity.

In the present conditions of poor efficiency of the legal system of fighting corruption and lack of efforts of the executive branch, public organisations and independent media could play a greater role, since with access to information and stronger support from the concerned state structures they could consistently fight corruption. It is similarly expedient to enhance the role of parliamentary control of the defence sector. The results of the Accounting Chamber of Ukraine inspections should be more accessible both for national deputies and for public organisations.

By and large, the problem of fighting corruption is very acute in today's Ukraine. Unfortunately, the defence sector is no exception. Corruption seriously hits next to all sectors of the MOD and AF activity, especially where resources are distributed. If the present dangerous level of corruption in the defence sector persists and the situation is not corrected, this will have serious negative effects in the form of conservation of the trends to diversion of already limited state resources from security and defence tasks and impairment of the AF combat efficiency.



## CHAPTER 8

# URGENT PROBLEMS IN REFORMATION OF THE INTERNAL AFFAIRS ENTITIES IN UKRAINE'S SECURITY SECTOR REFORM

*Oksana MARKEYEVA*<sup>1</sup>

*I*nternal affairs' bodies of are vested with the key functions of national security: defence of social values, civil rights and freedoms, and state interests. However, their activity often involves limiting civil rights, which causes social sensitivity toward issues of the functioning and reformation of the internal security sector – and the Ministry of Internal Affairs as its key element – decisive for the democratic development of the state.

A long absence of regular steps toward real changes in internal affairs' bodies led to a situation where the unreformed internal security sector itself poses risks to national security. Power structures are often viewed as an administrative resource used not for social development but for taking and keeping power, with its further translation into different benefits for various business and political groups and individuals. This hinders society and state development and causes a confidence deficit in Ukraine for foreign partners.

The practice of any reforms in Ukraine, in particular in the security sector, manifests itself sporadically, notably in the lack of regularity and consistency. This is largely attributed to specific features of the domestic political culture: political corruption, arbitrariness, and lack of consensus among political actors.

### **The security sector: the need for reforms and reasons for low efficiency**

The slow and difficult pace of reforms in Ukraine is traditionally attributed to the lack of political will. Meanwhile, some indecisiveness in implementation of radical, often unpopular changes has an explanation. An economic crisis adding to risks and threats in essentially all sectors of national security, the army, militia and other power structures are viewed as a “natural” ally of the authorities. Furthermore, these services perform an important social function: giving people jobs and social protection. So, the conditions inherent in an economic crisis require particularly balanced approaches, including regarding personnel cuts in those structures.

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Pushing radical reforms in the security sector is the task for the political ruling class. Given the neo-patrimonial nature of the Ukrainian political regime, representatives of the “party of power” occupying key positions in the system of state governance operate not akin to society but above it, and should assume full responsibility for that process. This bears both benefits and risks: in view of personalisation of power in the public eyes, the success or failure of reforms is fully attributed to the head of state. Among many reasons hindering the pace of transformation one should specifically mention the *crisis of identity* that bars a clear formulation of the goal of reformation of the Ministry of Internal Affairs. Experts note the “dualism” of Ukrainian society, trying to move in two polar directions, European and post-Soviet.

On the one hand, declaring European integration, society becomes more European. In particular, this is manifested in the regular peaceful transfer of powers, settlement of socio-political conflicts without aggressive confrontation, a strong role for mass media and public opinion. On the other hand, vestiges of the Soviet institutional framework are preserved in Ukraine, with corresponding views of the security sector dominated by disposition to a strong centralised government, subordination and dependence of law-enforcement bodies and justice on the central authorities. Such dualism not only hampers progressive development but also presents a source of permanent social tension.

Reform processes are also affected by corruption, one of the gravest problems for Ukraine.

The probable reasons for a long delay of reforms in the internal affairs bodies may also include politicisation of the Ministry of Internal Affairs, seen as a tool of command and control of operational units. In the conditions of imperfect legislation, a corrupt and dependent judicial system, there is a temptation to use investigation and judicial procedures as an efficient tool of political manipulations and economic pressure.

### **Problems of activity of internal affairs bodies: facts, reasons, and effects**

Out of all security sector elements, internal affairs bodies must cooperate the most closely with society. Any events and changes involving them – both positive and negative – immediately find an echo in society. So it makes sense to list the key problems in the activity of internal affairs bodies that require immediate solution, in view of their social sensitivity.

*Long transitional state of internal affairs bodies.* Despite declarations of reforms, the system has seen little change for years. By its substance, militia remained a post-Soviet repressive-type institute. It retained obsolete principles of management of the Ministry of Internal Affairs that in fact remains the “ministry of police” and does not solve the tasks that should be solved on the ministerial level.

Mainly numerical criteria of assessment of the efficiency of internal affairs bodies have long stayed unchanged. The more, the better. For instance, the crime solution rate was to be not below 70% (say, in 2011 – 88%), achieved at any cost: from



manipulations with statistic data to use of violence. For comparison: in European countries, the crime solution rate makes 40-50%. Noteworthy, the Ministry of Internal Affairs recently has been looking for new approaches to assessment of results, since the old ones no longer suit the Ministry leadership and officers of internal affairs bodies. For instance, within the framework of the pilot project “Assessment of militia activity using the public opinion” it was proposed to assess militia’s performance on the basis of special regular public opinion polls (statistic data will remain for reporting).<sup>2</sup> This is expected to improve the treatment of militia by the people, feeling like consumers of services of provision of their security.

*Drawbacks in activity of internal affairs bodies.* Alongside with great many problems complicating the activity of internal affairs bodies, there are also problems of “internal” origin, intrinsic in them. Such problems include:

- *Indifference to citizens’ applications*, evasion from registration of crimes, unscrupulous actions at detection and punishment of offenders. For instance, according to the Association of Ukrainian Human Rights Monitors on Law Enforcement (UMDPL), in 2011, 43% of citizens who applied to militia got no assistance, a third got it late, or not in the full volume.

- *Violation of civil rights.* Militia officers are actually every day named in media reports of human rights violation. Mistreatment of detainees and the use of torture remain major problems.<sup>3</sup> For instance, according to UMDPL, in 2010, 780 thousand Ukrainians suffered from violence on the part of officers of the Ministry of Internal Affairs; in 2011 – over 980 thousand people. Damage caused by criminal acts of militia officers is estimated at UAH 1.5 million. There are also registered instances of death of people staying under the jurisdiction of internal affairs bodies: in 2010 – 51 cases; 2011 – 35; and in 2012 – 22.<sup>4</sup>

The urgency of the problem is witnessed by cases of conviction of innocent people: although courts are very much to blame, pressure on suspects and eyewitnesses, falsification of evidence are entirely on militia’s “conscience”. Specific to internal affairs bodies are the code of silence and defence of the “*esprit de corps*”, so, culprits often go unpunished.

Noteworthy, the Ministry of Internal Affairs’ leadership admits the problem, referring to external reasons related with drawbacks in the working arrangements and deficit of human resources. Meanwhile, the Ministry of Internal Affairs’ Public Relations Department has a section for monitoring of observance of human rights in

<sup>2</sup> The Project was implemented by the Ministry of Internal Affairs of Ukraine in cooperation with the Kharkiv Institute of Social Studies with support from the International Renaissance Foundation.

<sup>3</sup> “Information collected during the visit gives grounds to believe that the phenomenon of mistreatment by militia officers remains widely spread and that individuals face a serious risk of mistreatment, while staying in militia’s hands (in particular, if they do not promptly confess to commitment of crimes of which they are suspected)”. Statement by Lətif Hüseynov, European Committee for the Prevention of Torture (ECPT) delegation head, of December 6, 2011, following an official ECPT visit to Ukraine (November 29 - December 6, 2011). See *Verkhovna Rada* web site: [http://zakon1.rada.gov.ua/laws/show/994\\_a64/](http://zakon1.rada.gov.ua/laws/show/994_a64/).

<sup>4</sup> “Death in militia: in 2012, 22 persons died because of actions or inaction of law-enforcement officers”. – UMDPL web site, January 16, 2012, <http://umdpl.info/index.php?id=1358313627> (in Ukrainian).



internal affairs bodies and cooperation with civil society institutes. For fighting tortures, a national preventive mechanism was introduced in 2012. In November 2012, a law giving proper powers to the *Verkhovna Rada* Human Rights Commissioner entered into effect.<sup>5</sup>

- *Instances of corruption and crime among officers of internal affairs bodies.* This refers to the practice of exaction not only from citizens but also within the Ministry of Internal Affairs system. There are repeated instances of commitment of crimes by militia officers. Mechanisms of employment, promotion, incentives remain non-transparent, gender inequality poses a problem.<sup>6</sup> This undermines officers' motivation for self-perfection, ruins the professional core, since the most conscientious and morally resistant officers cannot work in such conditions.

The above-mentioned problems and drawbacks in the work of internal affairs bodies entail, *first*, low public confidence in militia. In particular, according to Razumkov Centre, nearly 40% of citizens get no assistance from militia, and a majority (57%) distrusts militia.<sup>7</sup> The results of the poll conducted by the Ministry of Internal Affairs jointly with the Kharkiv Institute of Social Studies are more optimistic, but even they witness a sharp deficit of social trust in law-enforcers: 47.7% of those polled distrust militia.<sup>8</sup>

*Second*, complication of cooperation of internal affairs bodies with the public – people are afraid to cooperate with militia, which restricts its capabilities to get information and, respectively, complicates and impairs the efficiency of its work.

### **Impartial assessment of the criminal situation as an indispensable element of reformation of internal affairs bodies**

Experts argue that a large-scale reform of the law-enforcement system is impossible without due account of the true scope of work which is done or should be done by law-enforcement bodies. Similarly, the Ministry of Internal Affairs policy, in particular, of HR management and provision with resources, should rest on a realistic assessment of the scale, specificities and trends of crime – both on the national and regional levels. However, such realistic assessment is disregarded when reformation measures are planned. The reason lies in the bias of departmental statistics. Every year, the general figures, as a rule, witness a decrease in crime – contrary to eyewitnesses.

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<sup>5</sup> *Law of Ukraine* “On Introduction of Amendments to the Law of Ukraine “On the *Verkhovna Rada* of Ukraine Human Rights Commissioner” Concerning a National Preventive Mechanism” of October 2, 2012, whereby Ukraine implemented provisions of Optional *Protocol* to the UN Convention against *Torture*, to which it acceded in 2006.

<sup>6</sup> According to calculations of the Association of Ukrainian Human Rights Monitors on Law Enforcement, as of January 1, 2012, public prosecutor's offices handled 1950 criminal cases initiated against 1992 officers of internal affairs bodies. The 676 cases initiated in 2011 included: of excess of power or official duties (64), abuse of power or official duties (46), hooliganism (10), tortures (5), infliction of bodily damage (5), intentional killing (5).

<sup>7</sup> The poll was held by the Razumkov Centre Sociological Service in all regions of Ukraine on September 7-12, 2012. 2008 respondents aged above 18 years were polled, the sample theoretical error is 2.3%. See: Razumkov Centre web site, [www.uceps.org/ukr/poll.php?poll\\_id=597](http://www.uceps.org/ukr/poll.php?poll_id=597).

<sup>8</sup> The poll was held by the Kharkiv Institute of Social Studies in cooperation with the Ministry of Internal Affairs of Ukraine with support from the International Renaissance Foundation. 15 thousand respondents were polled in 349 populated localities of all regions of Ukraine. See: “Almost half of Ukrainians distrust militia”. – *News One*, November 27, 2012, <http://newsone.com.ua/suspilstvo/majzhe-polovina-ukraïnciv-ne-doviryayut-milicij.html> (in Ukrainian).





Official assessments are controversial. For instance, the Ministry of Internal Affairs of Ukraine Board of February 7, 2012, noted that the criminal situation in Ukraine remained rather complex. It noted an increase in the number of grave and extremely grave crimes, many of which remain unsolved, crime in public places, robberies and plundering. In general, crime was termed a threat to the national security.

According to the *Verkhovna Rada* Committee for Fighting Organised Crime and Corruption, over ten months in 2012, the total number of crime victims was 282 847; 5 355 of whom were killed. This makes 11.39 killed per 100 000 residents of Ukraine – in 2005-2006, the figure was 6.35.<sup>9</sup>

Meanwhile, official statistics of the Ministry of Internal Affairs over nine months of 2012 reported “stabilisation of the situation and a decrease in the number of registered crimes, compared to the same period of 2011”. Similarly, speaking at the Coordinating Council of heads of law enforcement bodies on November 13, 2012, General Prosecutor Viktor Pshonka said that for the first time over the past four years, there appeared a trend to “a decrease in crime” in the country (while admitting that only half of crimes were solved, and the repeat-crime index demonstrated an upward trend).

It should be added that use of advanced methods of assessment of the rate of crime produces figures several times exceeding official ones. For instance, the 2011 rate of crime calculated using one of such methods was close to 4 million crimes (equal to the aggregate of officially registered and concealed crimes) – approximately eight times higher than the official statistical data (515 800).<sup>10</sup>

The above, *first*, reaffirms that official statistics reflect records of internal affairs bodies and other law-enforcement bodies, rather than the true criminal situation (at that, one should not forget that some crimes were not registered or reported, which does not produce a full picture of crime in the country either). *Second*, the cited data show that crime is a much more complex phenomenon than it is usually believed to be. Latent crime is a result of different factors, in particular, the reluctance of victims to inform law-enforcement bodies of committed crimes due to disbelief in their ability to effectively investigate crimes. There is also “intentional” latency, when law-enforcement officers, contrary to the law, do not register reports of committed crimes. According to the latest data, only one in seven applications of citizens ended in criminal cases, while in 1990s, prosecution was initiated on information in 30-40% of cases.<sup>11</sup>

Noteworthy, the law enforcement bodies’ leadership and officers and those of the Ministry of Justice are aware that the existing system of statistic indicators and criteria

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<sup>9</sup> “Moskal: in course of 10 months, over 280 thousand people fell victims of crime in Ukraine”. – *Tyzhden.ua*, November 13, 2012, <http://tyzhden.ua/News/64881> (in Ukrainian). For comparison: the world average index is 9.61 killings per 100 thousand residents, specifically: in the USA – 5.62, in Great Britain – 2.6, in Germany – 0.88, in Belarus – 7.53, in Colombia – 61, in Brazil – 30.

<sup>10</sup> The data in this report were calculated under the method for the first time presented in Ukraine on February 27, 2012, at the Round-table “Topical problems of activity of internal affairs bodies countering crime in the context of realities of the present-day criminal situation in Ukraine” by the NISS research fellow O. Yarmysh. For more accurate data with categorisation by kind of crimes, a special national-wide survey is needed.

<sup>11</sup> The new Code of Criminal Procedure cancelled the stage of initiation of proceedings in a criminal case, which is to remove grounds for understatement of actual crime figures, where cases are not initiated and investigation is not conducted, following obtained reports.



of assessment of the criminal situation and performance of internal affairs bodies is obsolete. However, departure from the customary reporting system established for years proved a difficult task.

### **Changes in internal affairs bodies in the context of reformation of law-enforcement bodies: from the concept to systemic actions**

In 2005-2007, reformation of the Ministry of Internal Affairs was reasonably viewed as an element of reformation of all law-enforcement bodies. For instance, the *Conceptual principles of reformation of law-enforcement bodies of Ukraine* drafted in 2006 envisaged removal of pre-trial investigation units from the Security Service and Public Prosecution structure and transfer of their powers to the Ministry of Internal Affairs and other law-enforcement bodies. The Ministry of Internal Affairs was also to assume functions of the border police, fire and technical safety, labour safety, protection of forest and water resources. Migration issues were to be vested in the Ministry of Justice. Finally, that document was rejected, since it contained no regulatory-legal substantiation of reforms.

The *Concept of reformation of criminal justice* (2008) provided for transformations in the field of the legislation on criminal procedure and institutional changes. In particular, for pre-trial investigation, the national police, the financial police, the military police, an investigation unit of the Security Service and a specialised anticorruption body were to be established. The Ministry of Internal Affairs was also to assume civil defence functions.

However, the measures envisaged by those documents have not been implemented in full. Attempts at systemic and consistent reformation failed. As a result, internal affairs bodies faced serious reduction in their public image. Unreformed militia caused discontent in society and an appropriate reaction of the state leadership.

Trying to overcome the problems and difficulties, the Ministry of Internal Affairs leadership in 2010-2011 engaged in “self-reformation” involving personnel reductions, removal of various disparities and distortions in the organisation structure (e.g., the ratio between senior and rank-and-file positions, executive and operational staff),<sup>12</sup> etc. For instance, in 2011, 50% of general positions were liquidated, the Ministry of Internal Affairs central staff was cut, names and subordination of structural units were changed, but – as before – corruption, personnel turnover, and violations of human rights affected the agency’s work and image. The Ministry of Internal Affairs’ leadership admits serious problems and sets quite clear priority tasks for subordinates.<sup>13</sup>

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<sup>12</sup> According to the Ministry of Internal Affairs, in 2010, 142 thousand officers were immediately engaged in fighting crime (patrol services, State Automobile Inspection, licensing system, operational and technical services, surveillance services, district militia officers, etc.). Another 118 thousand worked in units supporting the former 142 thousand.

<sup>13</sup> Appeal by the Ministry of Internal Affairs Ukraine Board to the agency staff, February 7, 2012. See the Ministry of Internal Affairs of Ukraine web site, [www.naiu.kiev.ua/tslc/index.php?razdel=news&page=080212\\_0](http://www.naiu.kiev.ua/tslc/index.php?razdel=news&page=080212_0) (in Ukrainian).



Therefore, as of the beginning of 2012, the problem of reformation of internal affairs bodies and law-enforcement bodies as a whole remained on the agenda.

On April 6, 2012, the President of Ukraine by his Decree No.252 set up the *Committee for Reformation of Law-Enforcement Bodies*. Its main goal encompasses further all-round reformation and enhancement of the efficiency of law-enforcement bodies' activity.

It may be rightfully assumed that a *reform of law-enforcement bodies is to contain at least the following elements*:

- (1) optimisation of the regulatory-legal framework regimenting law-enforcement bodies' activity, especially in the field of operational search and pre-trial investigation;
- (2) institutional and structural transformations on the basis of the Concept of reformation of the law-enforcement system and with account of the need of their provision with resources (human, financial, material and technical).

So, the first step is to *change norms of the criminal procedure, reform the legislative framework regimenting the activity of militia and the entire law-enforcement system*. With the effectiveness of the Code of Criminal Procedure (CCP) of Ukraine that task is now being implemented, but full-scale implementation of CCP requires solution of a number of problems (Insert "*New Criminal Code of Ukraine...*", p.100).<sup>14</sup>

Key objectives of the first stage of reforms include the following:

*Development of the Concept, Strategy and Programme of reformation of law-enforcement bodies*. The domestic practice proves that law-enforcement bodies may undergo serious changes even without approved strategic documents. However, those documents setting the goals, plan and algorithm of transformations are needed at least to improve administering the reform process.

The body of notions and categories of the law-enforcement sector requires deep elaboration on the scientific-theoretical and applied levels (there are still no agreed and properly regimented definitions of "law-enforcement bodies", "law-enforcement system", "law-enforcement activity"). Those notions must be provided by a law. Ultimately, strategic documents should be developed on the basis of systemic approach methods that may guarantee the success of reforms.

Development of strategic documents must involve an *all-Ukrainian criminological survey, to identify the true level and dynamic of crime* (in view of the above-mentioned problem of assessment of the criminal situation). Missing this, all proposals regarding the strength of law-enforcement bodies, separate services, structural changes and, respectively, volumes of budget funding will stay unreasoned.

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<sup>14</sup> Noteworthy, in 2012, there were some attempts, too, to propose reforms in the legislative framework without coordination with the Committee for Reformation of Law-Enforcement Bodies. Two bills were submitted to the *Verkhovna Rada* by national deputies Vasyl Hrytsak and Valeriy Konovaliuk – "On State Law-Enforcement Service" (No.10579 of June 7, 2012) and "On Police" (No.10688 of July 3, 2012). For a number of reasons, the bills were not supported, and later – recalled in connection with termination of powers of Parliament of the 6<sup>th</sup> convocation.



### **Problems in Implementing the new Code of Criminal Procedure of Ukraine**

Implementation of the new CCP will seriously influence reformation of the system of internal affairs bodies (operational and investigation staff) and other law-enforcement bodies, including the Security Service and Public Prosecution. Much preparatory work has been done for law-enforcement bodies' functioning in the new conditions. Nevertheless, there remain quite a few important issues, without solution of which, application of the new CCP may lead to imbalance in the system of pre-trial investigation, systemic violations of human rights (of victims, suspects, defendants) and resultant growth of crime and social discontent with the authorities' activity.

*First*, the problem of **human resources**. The Ministry of Internal Affairs and Public Prosecutor's Offices require serious professional enhancement and, possibly, augmentation of the operational and investigation staff on the central and regional level. Furthermore, professional training should be organised.

The new CCP cancelled the stages of initiation of proceedings in a criminal case. This is expected to remove grounds for underreporting crime figures, where cases are not initiated, and investigation is not conducted, following obtained reports. However, there are all grounds to suggest that that novelty will, on the contrary, lead to violation of civil rights and deterioration of the criminal situation. Entry of all reports of crimes into the **Single Register** automatically involves beginning of pre-trial investigation in approximately 4 million cases. Law enforcement bodies have no human and financial resources for that. The staff of public prosecutor's offices, investigative and operational units of the Ministry of Internal Affairs will need to be increased several times.

*Second*, **deterioration of pre-trial investigation quality** – due to improper HR and financial support for pre-trial investigation bodies. In absence of the stage of supplementary investigation, the number of verdicts that cannot be deemed lawful may substantially increase. The promised increase in the number of verdicts of no-guilty *de facto* passed after poor investigation may have the negative effect of violation of rights of victims and seriously raise risks of corruption.

*Third*, **growing risks of violation of human rights**. The refusal from the assignment of the procedural status of a suspect and a victim to specific persons, as suggested by the CCP, involves impracticability of an appeal questioning the lawfulness of prosecution. In the national system of criminal prosecution, being punitive and repressive by its nature, this seriously restricts human rights: proceeding from the quoted figures of actual crime, this may touch at least **8 million persons** whose rights may be violated

**Therefore, the experience of application of the new legislation on criminal procedure needs thorough examination for minimisation of risks of imbalance in the law enforcement system, and further perfection of the legal framework and activity of law enforcement bodies.**

*Introduction of amendments to the legislation on administrative offences* (drafting of the relevant Code is nearing completion). The novelties are to substantially reduce the repressive component in militia's activity. According to the former Minister of Internal Affairs Anatoliy Mohilyov, during a year, militia drew up 9 million reports of administrative violations by individuals. There used to be repeated cases of execution of fake reports for fulfilment of "target plans". At the same stage of reforms, other laws regimenting activity of internal affairs bodies must be reviewed.



## Structural aspects of reformation of internal affairs bodies

The issue of structural changes in the Ministry of Internal Affairs' system may be viewed as secondary, compared to the large-scale task of perfection of the regulatory-legal framework for law-enforcement. However, today, that task is also on the agenda, as its fulfilment will ensure adequate response to changes in the criminal situation and improve organisation of activity of internal affairs bodies. This means not repeatedly criticised "self-reformation" but substantial perfection of management of the system of internal affairs bodies, which will require relevant changes in the structure and managerial schemes.

The priority task is to create a full-fledged civilian Ministry of Internal Affairs, as follows from the administrative reform objectives. The President's Decree "On Optimisation of the System of Central Executive Bodies" No.1085 of December 9, 2010, laid down fundamentals for further perfection of the system of executive bodies, including law-enforcement. The National Action Plan for 2012 for implementation of the Programme of Economic Reforms for 2010-2014 envisages perfection of the structure of the Ministry of Internal Affairs as a central executive body in the context of the state governance system reform.

According to the reform logic, the Ministry of Internal Affairs is to formulate the state policy. Functional management of units rests with the concerned departments. The Ministry might include, among other entities, the immigration department, the department of emergencies, and the border service. In general, the Ministry of Internal Affairs structure should combine components backing police functions proper, and units discharging functions of internal security policy ("internal affairs"). With time, this will make it possible to depart from the traditional managerial approach to the Ministry of Internal Affairs and create conditions for its transformations into a civilian ministry. In this respect, the structure the Ministry of Internal Affairs proposed by the agency's Reform Concept (presented in the Ministry on February 17, 2012) seems reasonable.

The Concept provided for creation of a fully-fledged Ministry of Internal Affairs, the structure of which would include, in addition to militia/police, immigration and pre-trial investigation services, but also fire fighting and rescue, civil defence, and border service (border police) units. Internal Troops were to be renamed State Guards, with appropriate transformation of their functions from military to law-enforcement. It was also planned to consider subordination of tax militia to the Ministry of Internal Affairs, as an element of militia in charge of economic security.

Later, the Concept was finalised and again presented at the Ministry of Internal Affairs on April 6, 2012. The novelties included "militia" renamed "police", and Internal Troops – Internal Security Forces. It was also planned to create the Anti Corruption Bureau on the basis of the Main Department of Fighting Organised Crime.<sup>15</sup> However,

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<sup>15</sup> "Vitaliy Zakharchenko: Concept of reformation of internal affairs bodies should be made known to citizens". – Governmental portal, April 6, 2012 [www.kmu.gov.ua/control/uk/publish/article?art\\_id=245110129&cat\\_id=244277212](http://www.kmu.gov.ua/control/uk/publish/article?art_id=245110129&cat_id=244277212) (in Ukrainian).



adoption of the new Code of Criminal Procedure led to a delay in implementation of those projects. *At present, one has to admit preservation of the departmental approach to the structural reform beyond the framework of the law-enforcement bodies' reform concept.*

### **Resource support for reforms**

Issues of *HR and logistic support* for reformation of Ukrainian law-enforcement bodies are also highly important.

Speaking at the Ministry of Internal Affairs Board meeting on February 7, 2012, the Minister of Internal Affairs mentioned among the reasons for poor results of previous reforms an inefficient HP policy, first of all, regarding preservation of the HR core and employment of valuable professionals. For instance, the criminal investigation staff changed by 100% over the past 10 years. The situation with district militia officers is very much the same. They are required to be perfectly aware of the situation in their area, to know everything about everyone, while most local residents do not have the time to get acquainted with their “sheriffs”.

The issue of HR support also actualised in connection with introduction of the new legislation on criminal procedure, which will require a fundamental change of approaches to *personnel training*, especially investigators and public security militia officers.

In Soviet times, the Kyiv Higher Militia School turned out enough personnel for Ukraine and Moldova. Today, they are trained in 16 specialised higher educational establishments. The study there does not differ from the study in civilian higher educational establishments, and graduates have no practical or professional experiences, since they are isolated from society in the artificial environment of a militia educational establishment. This requires refinement of the rules for entrance to specialised higher educational establishments and harmonisation of curricula with “real-world” conditions.

Considering proposals of simplification of personnel training for law-enforcement bodies, one should be especially cautious. Experts believe that such approaches may lead to hindering acquired skills, and the limitation of scientific research, which, as a result, weaken the state's ability to counter crime. Such an approach is not welcomed by heads of higher educational establishments.

According to the overwhelming majority of specialised educational establishment heads, professional education of a law-enforcement officer should rest on general higher education, not replace it. Graduates of specialised higher educational establishments should not only possess all professional skills for discharge of law-enforcement functions but also be able to adequately respond to changes in the criminal situation, be ready for permanent learning, professional self-perfection during the entire period of service. Therefore, an officer of internal affairs should be intellectually and professionally head and shoulder above those whom he has to oppose. According to one official:



A representative of internal affairs bodies or other law-enforcement bodies cannot have education below the society average; he must be not only technically, but also, first of all, intellectually, armed to counter crime. A law-enforcement officer in Ukraine cannot be trained worse than a criminal who in his criminal activity can use the best intellectual products of humanity and advanced computer and information technologies.<sup>16</sup>

However, moral qualities of officers of internal affairs bodies remain the most critical factor. Today, a number of issues remain unanswered: how not to admit persons inclined to abuses and commitment of crimes to serve in militia; how not to allow degradation of personnel in the conditions of an economic and moral crisis; and how to employ talented, honest and scrupulous officers. Search for answers to those questions should be the main line of the Ministry of Internal Affairs HR policy today.

*No reform can be efficient without proper funding.* Today, funding of internal affairs bodies, salaries, and social security of their officers are inconsistent with the set tasks. Long postponement of those problems is a factor for ruination, crime and corruption, endangering efficient activity of the law-enforcement system and society and the state in general.

The Ministry of Internal Affairs is traditionally funded at 40% of its needs. For vehicles engaged in operational activity, 2.3 litres of fuel are allocated daily, on the average. This gives rise to the problem of “exactions”, since units of internal affairs bodies, especially at the lower level, have to “provide for themselves”. According to some calculations, for proper funding, the Ministry needs UAH 26 billion a year. In 2011, its budget equalled UAH 13 billion (11 billion of budget allocations plus 2 billion from provision of services).

Following anonymous questioning held by the Ministry of Internal Affairs, eight out of ten law-enforcement officers reported that their pay was not enough to cover even the basic life necessities (the minimum pay of militia officers in 2011 equalled UAH 1 450, from February 2012 – UAH 1 600. Due to social problems, every fourth militiaman is ready to retire. A third of officers complained about poor housing conditions (the Ministry of Internal Affairs housing queue lists almost 25 000 families; UAH 2.2 billion are needed for housing construction. In 2011, the state budget allocated no funds to housing construction).

The success of reforms is dependent on proper updating of *technical equipment*. Advanced equipment can enhance militia officers' functional capabilities, raise the quality of registration of event details, and expert examination and, as a result, reduce personnel strength. For instance, fitting motorways with monitoring cameras will make it possible to reduce the number of automobile inspection units. However, today the state is unable to finance those needs. Only 2% of the Ministry budget is earmarked for the development of the Ministry of Internal Affairs assets.

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<sup>16</sup> Presentation by the principal of the Kharkiv National University of Internal Affairs Oleksandr Bandurka at the Round-table “Topical problems of reformation of law-enforcement bodies in Ukraine”. – National Institute of Strategic Studies, February 10, 2011, [www.niss.gov.ua/articles/371/](http://www.niss.gov.ua/articles/371/) (in Ukrainian).



## Some conclusions

Long focus on quantitative indicators, repeated instances of violation of human rights – including tortures, falsification of evidence, evasion of the registration of reports of crimes, corruption and crime within the militia – inflicted serious damage to the image of the Ministry of Internal Affairs, leading to public distrust. The need to observe human rights, restore public trust, and establish partner relations with the public require enhancement of the role of district militia stations, district militia officers and the quality of work of the units in charge of public relations.

The state faces the task of reformation of the Ministry of Internal Affairs system based on European principles. Those changes need to be implemented in extremely difficult socio-political and economic conditions. Success of the Ministry of Internal Affairs' reform greatly depends on economic reforms, but one should be aware that the state should pay priority attention to the creation of proper conditions for work and social protection of militia officers and pay for militiamen.

Deciding on the ways of reformation of the system of internal affairs, one should critically review the work of the previous years and use all rational and promising ideas and proposals. The reform should be scientifically grounded and take into account advanced foreign experience and European standards of human rights protection.

Structural changes in the Ministry of Internal Affairs should meet goals and objectives of the updated National Security Strategy, be comprehensive, and stay within the limits of the administrative reform, reforms of the security sector in general and the law-enforcement system in particular.

Efficient functioning of internal affairs bodies in the current criminal situation, with changes in the law on criminal procedure, requires serious professional reinforcement of the operational and investigation staff within the Ministry of Internal Affairs – both on the central and regional levels – and, possibly, an increase in their strength.

With limited funding, the operational and investigation staff should be increased at the expense of cuts in supporting and managerial structures. The strength of internal affairs bodies, operational and investigation units, and other structural elements should be set on the basis of real figures determined following a nation-wide criminological survey of the actual rate of crime and situation modelling in the field of criminal justice in the conditions of the new CCP, including with account of possible data of latent crime.

Funding for internal affairs bodies is unsatisfactory. Territorial bodies are on the brink of survival. Extremely low allowances for middle- and low-ranking militiamen, who constitute the system's backbone, transfer to officers the burden of providing service transportation and equipment, which effectively provokes abuses and corruption; therefore, the Government should take appropriate measures for better funding of social programmes and development of the Ministry of Internal Affairs, growth of money allowances for middle- and low-ranking militiamen. We should plan the adoption of a departmental programme of development of district militia stations and the institute of district militia officers, with the purpose of better cooperation with citizens and use of local budget funds. *All this proves that society and internal affairs bodies have a strong demand for reformation of the law-enforcement system.*





## CHAPTER 9

# ON THE ISSUE OF INTELLIGENCE AND LAW-ENFORCEMENT BODIES' REFORM

*Oleksandr SKYBINETSKYI,  
Roman MARCHUK<sup>1</sup>*

Today, Ukraine's security sector remains maybe the least reformed segment of state governance. The existing model in many aspects rests on old Soviet approaches, is inadequate to the present conditions, enables employment of power structures for performance of inorganic functions and requires maintenance of a large staff. Therefore, the security sector is costly for the state, but this does not guarantee its efficient operation.

In fact, the need for reform of the intelligence and law-enforcement bodies has been discussed since 2001, due principally to the new global terrorist challenges. Officially, the tasks surrounding their reform were first actualised in 2004. Then, the reforms were planned to be implemented in the context of the European integration process, taking into account the experience of the leading democratic states, most especially European states.

A serious step in that direction was represented by the separation from the law-enforcement body – the Security Service of Ukraine – the foreign intelligence units and the concurrent establishment of an independent intelligence body – the Foreign Intelligence Service of Ukraine. Such separation meets European principles of organisation of law-enforcement and foreign-intelligence activity, and creates preconditions for target-minded (and therefore, efficient) use of financial, material and special intelligence resources. It also created (at least in legal principle) safeguards against unlawful use of that body for the solution of inorganic home security tasks and its involvement in home policy conflicts.

### **The Intelligence Bodies' Reform**

The process of the intelligence bodies' reform was legislatively backed with passage of the Law of Ukraine "On the Foreign Intelligence Service of Ukraine" (2005) and introduction of amendments to more than two dozen other laws. In particular, amendments to the Law of Ukraine "On Intelligence Bodies of Ukraine" (of December 15, 2005) improved definition of fundamental notions, key tasks and specific powers of intelligence bodies, measures at social protection of intelligence bodies' officers, their

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<sup>1</sup> Oleksandr Skybinetskyi, MP of Ukraine (V-VI convocation), SBU Major General, former SBU Deputy Chief. Roman Marchuk, Assistant to MP.



human resources, financial and logistics support. In the following years, several dozen by-laws were passed, in particular, setting annual priorities of intelligence activity and its mid-term guidelines, regimenting the procedure of provision of consumers' with intelligence information, and the intelligence bodies' role in the security of Ukraine's foreign missions.

Unfortunately, the expected serious improvement of intelligence activity never came. Both the previous (2007) and current versions of Ukraine's National Security Strategy noted that despite some gains achieved in the years following Ukraine's independence, the intelligence bodies' activity is still inadequate to present-day challenges and threats to national security.

The grounds for such assessment stem from the intelligence bodies' concentration on coverage of past events, largely on the basis of open information sources, and insufficient capabilities of getting preventive intelligence information of threats to national security (this became evident, in particular, such as during critical situations in energy supply, over the Tuzla island, and the armed conflict in the Caucasus in August, 2008).

Defects in the intelligence bodies' activity are largely conditioned by drawbacks in their management. Such drawbacks are primarily manifested in issues of general management, vested by law in the Ukraine's president. After all, general management covers issues of the regimentation of conduct of intelligence measures, their proper funding, task-setting for intelligence bodies, integral assessment of implementation results, interdepartmental interaction and international cooperation, and control of their activity. General management naturally requires a qualified staff. However, the intelligence bodies' management system is institutionally, organisationally and materially underdeveloped. The auxiliary structures existing under Ukraine's National Security and Defence Council (NSDC) and the Cabinet of Ministers have limited powers and cannot discharge managerial functions on their own.

The absence of specialised managerial staff bars effective influence on the organisation of intelligence activity and skilful integrated assessment of its overall and current results. In such conditions, the decisive role in the process of generation, coordination and passage of managerial decisions belongs to the managerial authorities of the intelligence bodies themselves. In this respect, in particular, is the fact that those very same intelligence bodies determine the assessment of intelligence information.

In the present conditions, it seems right to use the experience of the lead democratic (primarily European) states of intelligence bodies' control through the budget process. For instance, in actually all European states the amount of allocations to intelligence bodies rests not on their strength but on an economically-reasoned amount of funds necessary for resource support for specific functions (i.e., financial, HR and logistics). So, if the scope of tasks is reduced or financial capabilities of the state shrink, two main alternatives are considered: (1) a decrease in monetary allowances for all personnel (and at the same time, motivation for service), or (2) a decrease in the number of personnel with simultaneous freezing or even an increase in allowances with account of the growing workload on each of them.



Proper organisation of budgeting enables control of intelligence bodies, starting from the stage of their task-setting (identification of the needs of consumers and customers of intelligence products, as well as expert examination of those needs for compliance with the national priorities). Such an approach guarantees internal transparency of the budget process. That is, funds are allocated consciously, and the intelligence bodies' activity and its results are assessed through the prism of target-minded and efficient use of relevant financial resources.

Use of the European approach will require introduction of relevant amendments to the Budget Code of Ukraine. Introduction of the practice of intelligence activity funding using the mechanism of state target programmes would be useful in this respect. By and large, the intelligence bodies should be reformed mainly with a view of improving the intelligence activity proper. The process should start with a comprehensive review of those bodies. Such review should be performed not by them but by a special commission set up with participation of the *Verkhovna Rada* of Ukraine National Security and Defence Committee, in accordance with the plan approved by Ukraine's President. Within the framework of that review it seems expedient to examine practical effects of the consumers' use of the intelligence activity results over the past five to seven years.

### **Law Enforcement Bodies**

As regards the law-enforcement bodies' reform, the strategic task today seems to transform them from a tool of control and coercion of society into a tool defending the state democratic system. After all, a democratic government should not rest on fear and non-freedom, to use the security sector as a shadow tool of state governance, and moreover allow its transformation into a force not controlled by society.

The necessity of the law-enforcement bodies' reform also conditioned by the aggravation of such long-standing problems as:

- (1) corruption of personnel, accompanied with the decrease of its professional level;
- (2) the excessive strength of the bodies and a high level of their militarisation;
- (3) violation of human rights and freedoms, use of tortures and excessive force during the discharge of official duties;
- (4) too many special units, their employment for solution of tasks going beyond their legally provided responsibilities.

So far, attempts of reformation of law enforcement bodies have been inconsistent, irregular and in practice went no further than adoption of declarative "conceptual" documents and mainly cosmetic, intra-departmental experiments. This was largely conditioned by such "traditions" of the national political anti-culture as voluntarism and the lack of consensus within the political community.

It seems that even now the reform is implemented in an overly-simplified manner and may be reduced to outwardly effective but barely efficient solutions, from the viewpoint of true democratic transformations in line with the requirements of PACE Resolutions on Ukraine of 1992, 2005, 2010. What is alarming is that our obligations to PACE not only remain not met but the Committee for law-enforcement bodies' reform established by the president but it is not even tasked to meet them.



## The Security Service

Reform of the Security Service has long been on the agenda, meaning harmonisation of its tasks, functions and lines of activity with present-day needs of securing national interests and human rights. The issue of SBU de-politicisation, prevention of abuse of the Service's resources in the interests of separate political forces or individuals remains unresolved. The Service's activity is still regulated by the obsolete Law of 1992 that proclaimed de-politicisation but did not back it with practical prevention and deterrence mechanisms. The drafting of the new Law is delayed, and the activity of the special service, as well as all law-enforcement bodies, is still assessed on the basis of numerical reports of its work, not its assessment and trust by civil society, as is the case in democratic countries.

We should consider the idea of transforming the main law-enforcement body – the Ministry of Internal Affairs – from a purely policing agency into a European-type ministry responsible for overall operation of the national state authorities and security of society life. In line with that approach, all active militia units should be taken out of the central staff of the Ministry of Internal Affairs and together with other police structures pooled up in police as a national service subordinated to the Minister of Internal Affairs. Similarly, the Minister of Internal Affairs should be in charge of the State Border Service of Ukraine and the State Rescue Service, to be set up on the basis of the Ministry for Emergencies, to be liquidated.

To be sure, the process of intelligence and law-enforcement bodies' reform will require legislative support from the newly-elected *Verkhovna Rada* of Ukraine. It should rest on legislative changes restoring the system of checks and counterbalances, the equilibrium among branches of power, the *Verkhovna Rada*'s role of the key element of the democratic civilian control system and a safeguard against the abuse of power for personal or narrow party interests. This will require a constructive dialogue in Parliament, between Parliament and the president, and in society as a whole. After all, such critical threats for the state's stability and security as the economic crisis, the high level of corruption in the country, excessive concentration of powers against the background of strong social stratification resulting in radicalisation of public spirits affect everyone.

## Conclusions

Apparently, the situation requires real, not decorative reformation of the security sector. For that, the Committee for law-enforcement bodies' reform set up under NSDC, if it deals with the reform, not its imitation, should cooperate with concerned parliamentary committees and representatives of public organisations that have some experience in that field. In particular, they should jointly draft the new Bill on the Security Service of Ukraine, in the context of the overall reform of criminal justice, with the purpose of making SBU an efficient European-type special service.

The experience of developed countries proves that maintenance of stability in the country and countering external challenges can be ensured only by furthering democratic principles and progressive transformations in the security sector and society in general. Apparently, for Ukraine, its choice of the European vector of development has no other alternative.



## CHAPTER 10

# EXPERT COMMUNITY AS AN ELEMENT OF DEMOCRATIC CIVILIAN CONTROL OF THE SECURITY SECTOR IN UKRAINE: PROBLEMS AND PROSPECTS

*Oleksandr BELOV<sup>1</sup>*

The system of democratic civilian control presents an important element of Ukraine's security sector management. The national legislation, first of all, the Law "On Democratic Civilian Control of the Military Organisation and Law-Enforcement Bodies of the State", does not separately define the notion of the security sector, but the Ukrainian expert community views it in the context of the European tradition. According to it, the security sector is to include civilian organisations that study or provide advice on security issues: public organisations, independent think-tanks, scientific research institutes, the expert community, and mass media.

In democratic countries of the world, including Ukraine, civilian experts outside the state machinery begin to play a more profound role in democratic control of the national security sector. Analysis of the Security Service of Ukraine (SBU) experience enables distinction of a few lines of interaction with civil society institutes, including the expert community.

The first line is the practice of building societal awareness about the activity of the internal security services, such as the SBU. The importance of that activity was stressed by the Parliamentary Assembly of the Council of Europe in Recommendations 1402/1999 ("Control of internal security services in Council of Europe member states") and 1713/2005 ("Democratic oversight of the security sector in member states").

Noteworthy, public information about SBU activity started long before the adoption of PACE Recommendation 1402 in 1999. The current Law "On Security Service of Ukraine," passed by Parliament on March 25, 1992, contains relevant norms that deserve to be quoted.

Specifically, Article 7, the "Public right to know about the Security Service of Ukraine Activity" in the basic wording of that national legislative act of March 25, 1992:

The Ukrainian public is informed about the Security Service of Ukraine activity via mass media and in other forms in accordance with the procedure established by the law.

It is banned to impose restrictions on information about the total budget of the Security Service of Ukraine, its competence and main lines of activity, and instances of unlawful acts by the Security Service of Ukraine bodies and officers.

Data constituting state, military and commercial secrets, as well as information of a confidential nature, the disclosure of which may cause harm to the national security of Ukraine, honour and dignity of a person or violate his or her legitimate rights shall not be disclosed, except cases envisaged by the law in the interests of justice.

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<sup>1</sup> Adviser to the Chief of the Security Service of Ukraine.



Speaking during the bill's consideration in the *Verkhovna Rada* on January 30, 1992, the National Security Service of Ukraine chief Yevhen Marchuk stressed the importance of the above fundamental provisions of Article 7: "Specific of the bill is that it provides some opportunities for the National Security Service control by society beyond the framework of usual state structures. Here, an important role is played by the so-called fourth estate – mass media".<sup>2</sup>

Noteworthy, at the time of adoption of the Law "On Security Service of Ukraine", its structure already included a Press Centre led by V. Oliynyk. Subsequent heads also contributed to its work: A. Sakhno (1992-2000), O. Skrupnyk (2000-2005), M. Ostapenko, leading the SBU Public Relations Department since 2005.

Over 20 years, more than 20 amendments were made to the Law "On Security Service of Ukraine" but the quoted legislative norm has not been revised. I am absolutely positive that principled stand of the state political leadership will be retained in the new wording of the law "On Security Service of Ukraine". The bill is being drafted on instructions from Ukraine's President Viktor Yanukovych in pursuance of Ukraine's commitments to the Council of Europe.

Every citizen can personally learn about the practice of observance of norms of Article 7 of the Law "On Security Service of Ukraine" at the SBU official website,<sup>3</sup> accessed daily by over 7'000 users of the Web (almost 1.6 million a year). The SBU leadership highly praises especially constructive, critical comments and proposals. It is hard to disagree with the known Canadian expert in state policy Leslie A. Pal who noted that criticism should be *target-minded and well-intentioned*. In this context, "good intention" is determined not by an expert's personal temperament but his professional competence, awareness of his involvement in a common cause. In our case, such common cause is to build a modern system of national and state security of Ukraine on democratic fundamentals and principles.

In fact, it is one of the forms of public participation in management of state affairs. That right is a firm constitutional norm (Article 38 of the current Constitution of Ukraine) that has remained unvaried since the adoption of the Basic Law. Concrete forms of exercise of that constitutional norm are always in the focus of the state political leadership. In 1996-2012, more than 15 regulatory-legal acts dealing with those issues were adopted, including ten Decrees of the President of Ukraine.<sup>4</sup>

Item 5.4.4 of the new wording of Ukraine's National Security Strategy (2012) termed "involvement of civil society institutes in formulation and implementation of the national security policy...assessment of its efficiency" as one of the key lines of the national security sector reform.

One of the mechanisms of SBU interaction with civil society institutes is presented by the Public Council under SBU set up in 2006 pursuant to the President of Ukraine Directive.<sup>5</sup> Noteworthy, its analogue never existed prior. On November 25, 1991,

<sup>2</sup> At a plenary sitting of the *Verkhovna Rada* of Ukraine on January 30, 1992, the bill was presented by the National Security Service of Ukraine Head Yevhen Marchuk. *Den*, March 23, 2012, [www.day.kiev.ua/uk/article/podrobic/na-plenaromomu-zasidanni-verhovnoyi-radi-ukrayini-30-sichnya-1992-roku-zakonoproekt](http://www.day.kiev.ua/uk/article/podrobic/na-plenaromomu-zasidanni-verhovnoyi-radi-ukrayini-30-sichnya-1992-roku-zakonoproekt) (in Ukrainian).

<sup>3</sup> SBU official website, [www.ssu.gov.ua](http://www.ssu.gov.ua).

<sup>4</sup> In 2012, Ukraine's President Viktor Yanukovych issued the following Decrees on those matters: "Issues of Promotion of Civil Society Development in Ukraine" that set up the Coordinating Council for Civil Society Development under the President of Ukraine (No. 32 of January 25, 2012); "On Strategy of the State Policy of Promotion of Civil Society Development in Ukraine and Immediate Measures at Its Implementation" (No. 212 of March 24, 2012); "On the National Security and Defence Council of Ukraine Decision" (of June 8, 2012), and "On the New Wording of the Strategy of National Security of Ukraine" (No. 389 of June 8, 2012).

<sup>5</sup> President of Ukraine Directive No.269 of July 20, 2006 "On Public Council under the Security Service of Ukraine". Regulations of Public Council: [www.ssu.gov.ua/sbu/control/uk/publish/article?art\\_id=114732&cat\\_id=52170](http://www.ssu.gov.ua/sbu/control/uk/publish/article?art_id=114732&cat_id=52170) (in Ukrainian).



the *Verkhovna Rada* of Ukraine chairman Leonid Kravchuk by Directive No.1859-XII set up the National Security Service of Ukraine Board that included national deputies of Ukraine Henrykh Altunian, Mykhailo Horyn, Yuriy Kostenko, V. Lemish, and V. Slobodeniuk.

The Public Council is now led by the People's Deputy (MP) of Ukraine, a member of the *Verkhovna Rada* of Ukraine National Security and Defence Committee Yuriy Samoilenko. The Public Council includes learned experts: Dmytro Vedeneev (Deputy Director of the Ukrainian National Memory Institute), Oleksandr Vlasiuk (Corresponding Member of the National Academy of Sciences of Ukraine), Larysa Ivshyna (Chief Editor of the *Den* newspaper), Serhiy Kozyakov (Associate Professor of the Institute of International Relations of Taras Shevchenko Kyiv National University), Yuriy Lavreniuk (leader of the public organisation "All-Ukrainian Collegium for Fighting Corruption and Organised Crime"), Oksana Markeyeva (acting Deputy Director of the National Institute for Strategic Studies), Yuriy Sorochyk (Secretariat Head of the *Verkhovna Rada* Ukraine Committee for Fighting Organised Crime and Corruption), and Yuriy Yakymenko (Deputy General Director of Razumkov Centre).

What is expected from the Public Council's activity? At a meeting on November 22, 2012, SBU Chief Ihor Kalinin said that the Service leadership sought "a continuous open dialogue, possibly, a discussion, joint search of answers to the questions: what a modern special service should be like, what its relations with society should be"? In fact, these are the conceptual expectations of the Security Service, and they coincide with the stand of the Public Council leadership and members.

Public representatives' awareness of their common responsibility makes their role in events of civilian democratic control of the Security Service activity and reformation more constructive. This was noted by the Public Council members and the Service executives at the Council's meeting in November 2012. The relevant provisions are also contained in its work plan for 2013 (approved at the Public Council meeting on December 26, 2012) that, in particular, envisages:

- continuous control of observance of human rights and freedoms in the *SBU* activity;
- participation in drafting of the new wording of the Law "On Security Service of Ukraine", primarily, organisation of its public discussion;
- better information of the public about the Security Service activity and measures at building public confidence in it;
- assistance with provision of the proper level of social protection for its officers, required logistic, legal and information support for their work;
- participation in civic education and training of the new generation of the Service operatives.

There are grounds to expect that the SBU Public Council will provide an efficient tool of modern democratic civilian control.<sup>6</sup>

There is also a pressing issue of better training civilian experts who can be efficient mediators between SBU, on one hand, and society, on the other. The existence of some problems there becomes evident from even a brief analysis of the Ukrainian-language Internet segment content. At the end of November 2012, there were over 400 000 webpages with various information about the SBU, mainly reports of some events dealing with SBU activity. The Ukrainian media experience a shortage

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<sup>6</sup> The prospects of cooperation were discussed at the international seminar "Civilian control of security sector: how to improve the activity of the Public Council" organised by *SBU* with support from NATO Information and Documentation Centre in Ukraine and active participation of the *SBU* Public Council on December 11, 2012, in Kyiv, [www.sbu.gov.ua/sbu/control/uk/publish/article.jsessionid=5ACF164C9B8F9620D1760FB420171829?art\\_id=114875&cat\\_id=39574](http://www.sbu.gov.ua/sbu/control/uk/publish/article.jsessionid=5ACF164C9B8F9620D1760FB420171829?art_id=114875&cat_id=39574).



of analytical expert materials assessing the state of Ukraine's national security, domestic and international aspects of the state security policy. For comparison, after the National Counterintelligence Strategy adoption in the US in 2009, the university and expert community immediately reacted to that document, offering some 80 programmes of civilian expert training in economic security, international relations, geopolitics, as the example that should be followed.

In civilian expert training in the field of national and state security, an important role belongs to the annual international scientific-practical conference "Defence of democratic values and observance of human rights in special service activity" arranged by the Security Service of Ukraine under the auspices of the Head of State since 2008. Its co-sponsors included the National Institute of Strategic Studies under the President of Ukraine, the Geneva Centre for the Democratic Control of Armed Forces (DCAF), NATO Liaison Office and NATO Information and Documentation Centre in Ukraine, the Organisations for Security and Cooperation in Europe Mission to Ukraine, leading Ukrainian higher educational establishments. All in all, since 2008, almost 150 foreign and Ukrainian experts have taken part in the conference. The general content of discussions and passed recommendations may be found at the SBU official web site.

In his greeting to the organisers and participants of the third conference (April 2010), Ukraine's President Viktor Yanukovich expressed hope that "the problem of equilibrium between the society right to security and human rights...is to find a harmonious solution at formation of the Ukrainian national legislation, reformation of the law-enforcement and judicial system of this country in line with democratic traditions".

Thanks to the conferences, Ukrainian experts for five years learned the relevant experience of the US, the United Kingdom, Germany, Bulgaria, the Netherlands, Poland, Estonia, Latvia, Lithuania, Belgium and other countries of the European and Euro-Atlantic community. A special role in dissemination of advanced international experience belongs to DCAF and its leadership and its head, Dr. Philipp Fluri.

In 2011 and 2012, the conferences were hosted by the National University "Yaroslav the Wise Law Academy of Ukraine" and Taras Shevchenko Kyiv National University with support from their principals Vasyl Tatsiy and Leonid Huberskyi.

Starting from 2011, the Security Service of Ukraine arranges a competition for the best paper on democratic civilian control. Its winners included over 60 students and young scientists (including from the SBU National Academy and Institute of Legal Staff Training for SBU). This looks very promising.

In his annual Address to the *Verkhovna Rada*, "On Internal and External Situation of Ukraine in 2012", Ukraine's President Viktor Yanukovich paid particular attention to the importance of efficient outside control as a reliable safeguard against taking advantage of the ample opportunities for the security sector in corporate interests, to the detriment of society and the state. Meanwhile, the head of state stressed that, "civilian democratic control is not only the right of oversight and inspection but also shared responsibility".<sup>7</sup>

The above examples illustrate quite clearly consistent steps of the state and the Security Service of Ukraine leadership building a modern system of democratic civilian control of the security sector and constructive interaction with such its elements as civil society institutes, in particular the civilian expert community.

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<sup>7</sup> On Internal and External Situation of Ukraine in 2012: annual Address of the President of Ukraine to the *Verkhovna Rada* of Ukraine. Kyiv, NISS, 2012. pp. 208-210 – [www.president.gov.ua/docs/posl.pdf](http://www.president.gov.ua/docs/posl.pdf) (in Ukrainian).





## CHAPTER 11

# UKRAINE'S LAW-ENFORCEMENT BODIES: RESERVES AND LIMITATIONS OF REFORMS

*Serhiy AKULOV*<sup>1</sup>

The Ukrainian state is in a continuous process of transformation in its ideology of the relationship between civil society and the country's citizens. One important element supporting the efficient operation of the state is the law-enforcement bodies, also going through endless reformation while at the same time trying to ensure law and order.

Disorderly "reforms" have already led to the demolition of management mechanisms designed earlier and the creation of imitative, transient, inefficient, cumbersome and costly structures, duplication of activity of different power structures, disparity of powers and responsibilities among branches of power.

The state still has no overall strategy of the security sector development. Four presidents and every new team were trying to create something new in state governance. At that, almost every political figure is trying to employ the most rational, in his opinion, model, so, continuity and inheritance are evidently missing from the activity of newly-appointed agency heads. In absence of proper democratic control and mechanisms ensuring steadfast observance of norms of Ukraine's Constitution and effective legislation by all actors, the probability of mistakes with grave, even tragic, effects for society, individual citizens, and law-enforcement bodies increases.

### **Key functions and quality of their discharge**

Law-enforcement entities in a broad sense include "bodies of prosecution, internal affairs, security service, military law-enforcement service, customs bodies, bodies of state border protection, bodies of the state customs service, penitentiary bodies and institutions, investigation wards, bodies of state financial control, fish conservation, state forest protection, other bodies discharging law-administration or law-enforcement functions".<sup>2</sup> Meanwhile, average citizens associate the notion of law enforcement bodies, first of all, with the Ukrainian militia. The Ministry of Internal Affairs is one of the largest law enforcement structures, and people can assess its action or inaction much more often than those of other structures. The special status of bodies of internal affairs in the system of law enforcement bodies is also conditioned by the scope and complexity of tasks – they are vested with the main burden of fighting and preventing crime.

<sup>1</sup> Independent Expert, Police Colonel (Ret.), participated in three peacekeeping operations as the UN Police Adviser, former Safety & Security Manager at Local Organising Committee "Euro 2012 Ukraine".

<sup>2</sup> Law of Ukraine "On State Protection of Court and Law-Enforcement Officers" (1993).



In the Ukrainian Soviet Socialist Republic, the total strength of the Ministry of Internal Affairs totalled nearly 100 000. Also, in the Soviet times, the Ministry of Internal Affairs had much wider functions. It included fire fighting, penitentiary and anti-corruption units. In Ukraine, the militia has over 300 000 persons.<sup>3</sup> If one adds to that the personnel from other state structures discharging law enforcement functions (Security Service, State Border Service, Tax Militia, Penitentiary Department, State Guards Service, and Public Prosecution Offices), their total strength will be close to 500 000, while the population in the period since independence fell from 52 million to almost 45 million.<sup>4</sup> So, the current ratio is one law enforcement officer per 90 Ukrainians. European countries, average a ratio of one policeman per 1 000 citizens. That is, according to European norms, the Ministry of Internal Affairs of Ukraine personnel strength should not exceed 45 000 persons.

The nearly seven-fold excess from European standards of police strength barely influences the rate of crime and efficiency of law-enforcement bodies' activity in Ukraine. According to the most complete and reliable statistical data from the General Prosecutor's Office of Ukraine, in 2011, the crime rate rose, compared to the previous year, by 6.6% – from 109 to 113 crimes per 10 000 residents. Such growth was mainly attributed to crimes against property (the number of thefts rose by 9%) and premeditated murders (growth by 6.4%).<sup>5</sup>

Compliance with legal standards by militia officers during operational search activity, inquiry and pre-trial investigation remains very alarming. Militia officers often deny victims' right to defence, refusing to record the facts of crimes, or vice versa, initiate criminal cases against innocent citizens. Reimbursement for damage inflicted by crimes remains poor. In 2011, out of over UAH 1 928 million of damages, only half was reimbursed (UAH 979 million).<sup>6</sup>

Despite the positive dynamics of reduction in the number of crimes hidden from records noted in the recent years (2009 – 18 400; 2010 – 15 600), the total number of such instances is extremely high. In 2011, militia units received 3.3 million applications and reports of crimes. Following their review, 491 000 criminal cases were initiated and over 2.5 million decisions of refusal of their initiation were passed. Prosecutor inspections revealed 13 200 crimes not registered by the militia, and 12 600 unlawful refusals to initiate criminal cases. Sometimes, cases are not initiated in time, and investigative activities are poorly executed. Frequently, unlawful decisions to stop pre-trial investigation or to close a case are made. In 2011, prosecutors cancelled 1 900 unlawful determinations of militia investigators to initiate criminal cases, 56 700 determinations to stop pre-trial investigation, 4 500 determinations to close cases; 86 cases initiated without valid reasons were terminated.<sup>7</sup> Every instance of unlawful refusal or unlawful initiation of a case is a violation of human rights by the state.

<sup>3</sup> Duda, A. "Regime's watchdogs: Ukrainian militia can fight only citizens". – *Ukrayinskyi Tyzhden*, October 14, 2011, <http://tyzhden.ua/Politics/32955> (in Ukrainian).

<sup>4</sup> State Statistic Service of Ukraine, <http://www.ukrstat.gov.ua>.

<sup>5</sup> General Prosecutor's Office of Ukraine. Information on the state of law and order in the country in 2011. – Kyiv, 2012, pp.12-13 (in Ukrainian).

<sup>6</sup> *Ibid.*, p.24.

<sup>7</sup> *Ibid.*, pp.18-22.



Mass media carry almost daily reports of unlawful actions or inaction by law-enforcement officers: non-cooperation, unreasonable detention, use of torture, and other infringements.<sup>8</sup> People often do not report crimes to law enforcement bodies due to their lack of faith that criminals will be punished, lack of faith in the militia's ability to defend a witness from criminals, and fear that they will be turned from a witness into a suspect. According to public opinion polls, Ukrainians increasingly see militia not as a factor of security and defence but as a threat to their safety (Table "Imagine that you see a militiaman at night, in an empty street. How do you see him?"). Although public perceptions of law enforcement bodies are always personal and present only one criterion of assessment of their activity, "from the viewpoint of social mission of those bodies, said criterion is decisive, since their main task is to ensure security of citizens, defend their rights and freedoms, establish law and order in the country".<sup>9</sup>

**Imagine that you see a militiaman at night, in an empty street.  
How do you see him?<sup>10</sup>**  
(% of those polled)

Suggested answer/ Polling date	August 2002	April 2004	June 2006	April 2009	October 2011	September 2012
As a guarantee of safety, since he can defend me	23.2	23.8	30.5	24.7	20.7	27.0
As a factor for insecurity, since he can harass me	28.9	31.4	19.1	28.5	31.2	27.0
Neither	38.4	38.0	36.0	36.4	31.8	33.1
Hard to say/no answer	9.5	6.8	14.4	10.4	16.3	12.9

Victims who cannot get proper defence and legal support have to appeal to higher authorities with complaints about unlawful actions or with a request to defend them from law enforcement officers. Disappointed in the ability to right a wrong in Ukraine, people quite often appeal to international human rights organisations. Ukraine ranks fifth among European countries by appeals to the European Court for Human Rights (ECHR) and other international human rights institutions. For example, in July 2012, the ECHR obliged Ukraine to pay EUR 154 000 to Bohdan Savytskyi for his cruel treatment at a police station, the highest compensation ever awarded to a Ukrainian citizen.<sup>11</sup> At that, the number of cases against former high-ranking officials based on political foundations points to the state leadership's influence on law enforcement officers and the selective character of justice.<sup>12</sup>

<sup>8</sup> "Public prosecution offices submitted to courts 90 cases dealing with facts of tortures and other cruel treatment of people during inquiry and pre-trial investigation". *Ibid.*, p.38.

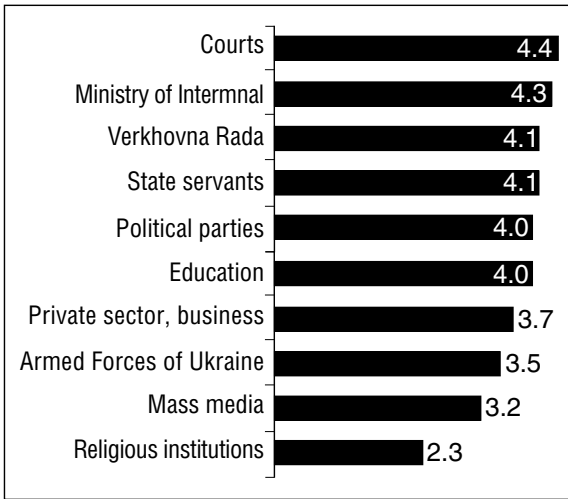
<sup>9</sup> Melnyk, M., Mishchenko, M. "Factor of insecurity". – *Dzerkalo Tyzhnya*. Ukraine, June 8, 2012, [http://gazeta.dt.ua/LAW/faktor\\_nebezpeki\\_takoyi\\_dumki\\_gromadyani\\_ukrayini\\_pro\\_vitchiznyanu\\_pravoohoronnuyu\\_sistemu\\_html](http://gazeta.dt.ua/LAW/faktor_nebezpeki_takoyi_dumki_gromadyani_ukrayini_pro_vitchiznyanu_pravoohoronnuyu_sistemu_html) (in Ukrainian).

<sup>10</sup> Razumkov Centre public opinion poll, [www.uceps.org/ukr/poll.php?poll\\_id=59](http://www.uceps.org/ukr/poll.php?poll_id=59).

<sup>11</sup> "ECHR obliged Ukraine to pay EUR 35 thousand to victims of tortures of Chernihiv militia". – *Korrespondent*, November 27, 2012, <http://ua.korrespondent.net/ukraine/events/1430842-espl-zobovyazav-ukrayinu-viplatiti-35-tisyach-evro-zhertvam-tortur-chernigivskoyi-miliciji> (in Russian).

<sup>12</sup> "Ukraine ranks fifth by number of appeals to European Court for Human Rights, – Government's Commissioner". – *Radio Liberty*. December 10, 2012, [www.radiosvoboda.org/content/article/24267785.html](http://www.radiosvoboda.org/content/article/24267785.html) (in Ukrainian).

### Corruption index



The main reasons for violation of constitutional civil rights include non-abidance by the law on criminal procedure by law enforcement officers, and poor official control by separate heads of investigative departments, especially in at the regions. Corruption that hits all sectors of activity of the Ukrainian state and society predominantly flourishes among those who are supposed to fight it (Figure “Corruption index”). According to Transparency International, in 2012, Ukraine ranked 144<sup>th</sup> among 176 countries in its corruption perceptions

index. At that, the Ministry of Internal Affairs got 4.3 points out of maximum 5, ceding the disgraceful first place to Ukrainian courts (4.4 points).<sup>13</sup>

In 2011, criminal responsibility was applied to officers of the following services: militia – 385, tax – 118, customs – 37, prosecution – 20, Ukraine’s Security Service – 2. Meanwhile, even the General Prosecutor’s Office statistical data give no grounds to state for sure how accurately those data reflect the level of corruption among officers of said structures. There remain repeated instances of executives forging reports of alleged commitment of administrative offences by persons suspected of crimes.<sup>14</sup>

Grave consequences stem from inconsiderate changes in the career arrangements of men and officers. In particular, tens of thousands professionals of the lower and middle level resigned within 2 or 3 months at the end of 2010. The unhealthy trend persists, where appointments of new heads of the Ministry of Internal Affairs, Ukraine’s Security Service, Internal Troops give rise to mass reshuffling of personnel, from the deputy head of the central staff, heads of main departments, heads of regional divisions, departments and sections down to city and district level executives. Lack of proper planning of the human resources policy and fair competitive selection to fill the vacancies create favourable conditions for flamboyant protectionism, place-hunting, opportunism. A number of issues of social and legal defence of law-enforcement officers, enhancement of their motivation to diligently discharge official duties also require solution.

Another problem in law-enforcement bodies’ activity that aggravated recently is presented by their regular use for the authorities’ crackdown on political opponents. Opposition politicians and independent experts note negative trends of using militia against peaceful protests. There is a feeling of *déjà vu*, when one mentions comments of opposition politicians before the 2004 presidential elections concerning alarming

<sup>13</sup> Transparency International, [www.transparency.org/country#UKR](http://www.transparency.org/country#UKR).

<sup>14</sup> General Prosecutor’s Office of Ukraine (note 4), p.32-35.



trends to weakening mechanisms of independent control of law-enforcement officers' activity that acquired signs of a "systemic problem" because law-enforcement bodies "are controlled by and serve only the top of Ukraine's executive branch".<sup>15</sup>

Two socially important achievements of the "Orange authorities" (non-interference of militia in political processes and some growth of trust in law-enforcement bodies), unfortunately, were not furthered. "... in 2006, then oppositional Party of Regions gathered thousand men-strong rallies in the capital and occupied central city squares for weeks. Meanwhile, militia did not pull down tent camps, did not enter into violent confrontation with protesters and public activists by initiating criminal cases for "damage of paving slabs". The current authorities treat any meeting as a threat".<sup>16</sup> The parliamentary elections of 2006 and 2007 and the presidential elections of 2010 were deemed democratic not least of all because law-enforcement bodies and militia had not interfered in the election process, which cannot be said about the elections of 2012, when there were instances of large-scale use of law-enforcement bodies by representatives of the authorities or loyal candidates for distortion of manifestation of the popular will.

### **Not everything is lost yet – the case of Euro 2012**

Hosting of the 2012 European football championship in this country became "a beam of Europeanism" and had a doubtless positive effect on Ukraine in general and its law-enforcement bodies – at least for a short period. Despite the sharp growth in the number of football fans and tourists arriving in Ukraine, not a single serious incident was reported. More than that, the offences' statistics even improved during the championship: "during the first week of the championship, the number of thefts even decreased from 1 126 to 886, of robberies – from 300 to 209, instances of hooliganism – from 107 to 85".<sup>17</sup>

All that was made possible by the political will of the state leadership, law-enforcement bodies and active international cooperation, joint efforts at all stages of preparation and during the tournament. Various trainings for law-enforcement bodies were organised long before Euro-2012, both in Ukraine and abroad.

For the first time in Ukraine's history, with assistance of UEFA security experts, it performed dynamic risk analysis, took into account specificities of behaviour of fans of different national teams, the history of relations between rival teams, etc. at the preparation stage, the dynamic risk analysis was updated monthly, during the tournament – daily.

The main guarding functions at sports facilities were successfully performed by private security agencies, stewards and volunteers temporarily hired for that purpose. Law-enforcement officers were employed at the outside perimeter and stayed in

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<sup>15</sup> Tarasiuk, B. "Priority lines of reformation of the non-military security sector in Ukraine in present-day conditions". – *Dzerkalo Tyzhnya. Ukraine*, June 12, 2004. [http://dt.ua/ARCHIVE/prioritetni\\_napryami\\_reformuvannya\\_neviyskovogo\\_sektora\\_bezpeki\\_ukrayini\\_v\\_suchasnih\\_umovah-40152.html](http://dt.ua/ARCHIVE/prioritetni_napryami_reformuvannya_neviyskovogo_sektora_bezpeki_ukrayini_v_suchasnih_umovah-40152.html) (in Ukrainian).

<sup>16</sup> Zhdanov, I. "Militia and elections – all the evil comes back, or When the *Berkut* commander will be CEC member?" – *Ukrayinska Pravda*, November 19, 2012, <http://www.pravda.com.ua/articles/2012/11/19/6977681/> (in Ukrainian).

<sup>17</sup> "Euro-2012 did not cause rise of crime in Ukraine – Ministry of Internal Affairs". – Information centre "Ukraine 2012", June 21, 2012, <http://ukraine2012.gov.ua/interviews/54686/> (in Ukrainian).



reserve for emergency situations. The most difficult task was to convince executives of all levels in the need to use the European model of law and order, where private security agencies cooperate with state special services.

The security and law department of the local organising committee of Euro-2012 Ukraine jointly with law-enforcement officers approved comprehensive interaction measures, tested plans to guarantee security, law and order at every facility. Such cooperation proved that even few highly skilled professionals can handle mass events of such a scale on a high European level. For instance, only 65 officers of the *Berkut* special police force kept sentry of *Donbas Arena* stadium during matches, while the stadium accommodated over 50 thousand spectators.

It is commonly known that a crowd (of fans) raises the probability of criminal activities and accidents. However, additional rapid reaction groups formed under the Ministry of Internal Affairs before Euro-2012 arrived at the spot within minutes. Reports of events were urgently passed to the Ministry of Internal Affairs of Ukraine Operational Staff that accumulated all information of the operational situation in Ukraine, which made it possible to pass considerate managerial decisions and to ensure law and order.

Importantly, thanks to professional actions, the Ukrainian militia did not allow any serious violations of public order. At that time, militia changed for the better, which was noted by locals and foreign guests alike. All noted the politeness of Ukrainian law-enforcement officers, their ethic and readiness to help in any situation. Prompt reaction to a request, a resolved crime, property returned to the owner – such things shape a good opinion of the work of law-enforcement officers.

### **New approaches to reformation – old mistakes**

Unfortunately, the known motto “Championships go – achievements remain” proved untrue for positive changes in the work of the Ukrainian militia. The necessity of reforms for transformation of the Ministry of Internal Affairs into a modern law-enforcement agency of a European, legal, democratic state remains on the agenda.

The main novelties of the new Concept of reformation of bodies of internal affairs drafted in early 2012 included serious structural changes and de-militarisation of a great deal of the law-enforcement system. The document proposes that the Ministry of Internal Affairs includes: the State Police Department, the State Department of Migration and Citizenship, the State Department for Emergencies, State Guards, the State Department for Personal Information Protection, the State Border Police Department. It is planned to leave officers’ insignia to police, state guards and, partially, the State Department for Emergencies. All the rest must be civil servants.<sup>18</sup>

Experts who had an opportunity to analyse the content of the draft Concept noted among its main drawbacks inconsistency and irregularity of approaches, attempts of the authors and masterminds to create a superpowerful structure – a monster without an adequate mechanism of democratic control and counterbalances.

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<sup>18</sup> Bodnia, T., Shvets, V.: “We must do our best for our people to stop fearing the law-enforcement system”. – International Agency for Information Investigations. January 20, 2012, <http://mair.in.ua/interview/show/id/16435> (in Ukrainian).



The new Code of Criminal Procedure of Ukraine that entered into effect on November 20, 2012, might start new relations in the law-enforcement system. Some experts believe that it pursues defence of human rights and can seriously raise the percentage of acquittals in courts. However, won't implementation of the Code's advanced norms be obstructed by a new wave of corruption in the law-enforcement system, low professionalism and lack of funds?

### **Private guards: an alternative, or a threat?**

Leading countries of the world see a booming market of private guards, security structures and other non-state law-enforcement agencies. Transfer of some secondary law-enforcement functions by the state to private agencies and companies makes it possible to somewhat cut state budget allocations to police. In some cases, growing needs and capabilities of involving the private sector for solution of problems of protection of law and order in the economic sector are attributed to poor training and improper skills.

Private security agencies are also believed to let the state police devote more efforts, material and technical resources to detection and solution of the most dangerous crimes. Meanwhile, experts warn of the danger related with imperfection of the law regimenting the activity of private companies in the field of protection of law and order.

Given different forms of ownership, development of market relations, international trade, economic, scientific and technological ties, Ukraine should be interested in creation of a non-state element of a security system supplementing and expanding state capabilities of fighting crime in general, economic crimes, industrial and economic espionage.

The emergence of the first such agencies in Ukraine in early 1990s naturally caused caution and mistrust. Then, there were quite many half-legal entities working under the disguise of security agencies offering similarly half-legal or entirely unlawful services. Today, private security guard activities are allowed in Ukraine and performed in accordance with the Law "On Security Guard Activities".<sup>19</sup> However, criminal structures that came to the security business market ahead of legal companies do not want to cede the ground. Licensed security agencies are set up and operate in tough rivalry with criminal structures. Security guard services are a very profitable business. Maintenance of one guard post may cost some UAH 20 000 a month. According to media reports, "half of private security firms are half-legal or entirely illegal".<sup>20</sup>

The state should first of all be interested in separation of the security guard business from criminal; both companies and the state should be interested in strict regimentation of private security guard companies' activity. The demand for guard services remains high. There are all grounds to speak of presence of a "private army" in Ukraine comparable by its size with the state sector. According to expert estimates,

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<sup>19</sup> Law of Ukraine "On Security Guards Activity", *Verkhovna Rada* of Ukraine web site, <http://zakon2.rada.gov.ua/laws/show/4616-17>.

<sup>20</sup> See: "The new law on Security Guards will allow creation of private armies". – *TSN*, October 22, 2012, <http://tsn.ua/article/print/ukrayina/noviy-zakon-pro-ohoronciv-dozvolit-stvoryuvati-privatni-armiyi.html> (in Ukrainian).



the number of private guards exceeds one million persons.<sup>21</sup> One should keep in mind that recruiting agencies are contacted by tens of thousands former officers of law-enforcement bodies and special services who remained unemployed due to endless reorganisations. State support for their legal activity will facilitate social protection and social adaptation of former officers and veterans of law-enforcement bodies.

## Conclusions

Ukraine's law-enforcement bodies are overstuffed, inefficient and short of their key mission. This is witnessed by the official statistics, mainly negative public perception of militia, criticism of their work in mass media, great many complaints about actions by law-enforcement officers.

The negative factors include the law-enforcement system's dependence on political influences, inefficiency of democratic civilian control of law-enforcement bodies' activity on the part of Parliament and society.

Meanwhile, thousands of officers every day professionally and diligently discharge their duties, sometimes – risking their life and health. Militia showily demonstrated its ability to work properly during the 2012 European football championship. Apparently, good governance and international cooperation can promptly produce a positive effect without much extra funds.

Employment of private security agencies (guards) makes it possible to spare powers and funds of state law-enforcement bodies, while state support and strict regimentation of their activity create additional conditions for social protection of former militia and special service officers.

The present model of the law-enforcement system has long exhausted its capabilities and hinders economic and social development of the state. To be sure, the demands to remove duplication of powers, cut the number of law-enforcement structures and agencies, accomplish their demilitarisation and effective de-politicisation are fair. However, law-enforcement bodies are an element of the state, and the level of their efficiency, integrity, democracy, etc. cannot seriously differ from the national average. The sad statistics "... of militia influence the criminal situation only 20%. All the rest are circumstances independent of law-enforcement activity".<sup>22</sup>

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<sup>21</sup> *Ibid.*

<sup>22</sup> Livandovskiy, M., Vitaliy Yarema: Some figures of the present authorities in 1990s were on operational records as members of gangs. – *Delo*, October 18, 2012, <http://delo.ua/opinions/vitalij-jarema-nekotorye-chleny-nyreshnej-vlasti-v-90-h-byli-na-op-185302/> (in Russian).





## CHAPTER 12

# ABILITY OF THE NATIONAL DEFENCE INDUSTRY TO MEET DEMANDS OF UKRAINE'S ARMED FORCES FOR ARMS AND MILITARY EQUIPMENT<sup>1</sup>

*Petro NEBOTOV<sup>2</sup>*

Pursuant to the President of Ukraine Decree “On Optimisation of the System of Central Executive Bodies” No.1085 of December 9, 2010, central executive bodies were reorganised, including those in charge of formulation and implementation of the state policy in the defence industry sector.

The Presidential Decree No.634 of May 31, 2011, put the Ministry of Economic Development and Trade of Ukraine (Ministry of Economic Development) in charge of formulation and support of implementation of the industrial policy and development of military-technological cooperation.

### **State of defence industry sector**

In pursuance of provisions of the Law of Ukraine “On Specificities of State Property Management in Defence Industry Sector”, *Ukroboronprom* State Concern was created, and over 130 enterprises, institutions and organisations were placed under its management. Other ministries, the State Space Agency, the State Property Fund and the State Agency for Management of State Corporate Rights and Property, manage other manufacturers of defence products.

The structure of enterprises producing defence and dual-purpose products includes industrial enterprises, institutions and organisations of aircraft, space, shipbuilding, radio electronics, instruments and defence industries. The main branches of the defence sector are those producing armour, ammunitions and special chemical products.

The term “defence industry sector” still has no legislatively-provided definition. The Cabinet of Ministers Directive No.1382 of October 30, 2008 (classified as restricted approve the list of defence industry enterprises, institutions and organisations.

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<sup>1</sup> Presentation at the Roundtable “The future of Ukraine’s military-technical and defence industry policy” on November 29, 2012. Materials were provided by the NISS.

<sup>2</sup> Director, Defence and Security Economy Department, Ministry of Economic Development and Trade of Ukraine.



However, now, it requires review, to bring it into compliance with the sector reform results. In particular, the List does not include 36 private business entities engaged in defence production.

Generally speaking, branch lists of industrial enterprises are now rather conventional. The reason is that in addition to lead enterprises, they include many other enterprises focusing on production of specific kinds of defence products or multi-role enterprises. So, when such lists are drawn, there is always a risk to omit allied organisations and institutions involved in production in separate branches that can take part in development or production in different sectors. Such enterprises include, in particular, electronic product manufacturers or *Mikrotek* Basic Centre of Critical Technologies state company managed by the Ministry of Education and Science, whose developments are used in dynamic armour protection systems.

Pursuant to the Law of Ukraine “On Licensing of Some Kinds of Business Activity”, nearly 300 enterprises, institutions and organisations are licensed to produce arms and military equipment: over 200 were licensed by the liquidated (and later restored) Ministry of Industrial Policy, some 90 got licences from the Ministry of Economic Development. Among all business entities registered as manufacturers of defence products, works and services subject to state secrecy (75 in total), 39 (52%) are state-owned, 36 (48%) and privately-owned; only 30 enterprises (40%) belong to the defence industry.

Therefore, the defence industry sector of the economy now includes enterprises, institutions and organisations of different forms of ownership and subordination that manufacture defence products or may be employed to perform tasks in the interests of the state defence capability. This should be taken into account at the defence order formation, the structure of which barely represents the true needs of the Armed Forces, while production volumes for domestic needs are limited by poor resource capabilities of the state to maintain the defence capability a bit above the critical level.

Domestic production of arms, military and special equipment for the Armed Forces, other military formations and law-enforcement bodies now makes only 5-8% of the defence industry potential. Out of all arms and military equipment now operated by Ukraine’s Armed Forces, the industry produces with a closed production cycle very few end products (some 1-2%). Meanwhile, export of arms and military equipment, technologies and scientific research services has actually become the only source of funds for defence industry enterprises and organisations – performance of foreign economic contracts let defence enterprises not only earn money for their own needs but also use the developed products to meet some needs of the Armed Forces. Therefore, today, Ukraine’s defence industry is mainly export-oriented and requires immediate reformation to enhance its economic efficiency and contribution to the national defence capability.

Reformation of the defence industry is to bring all producers of arms and military equipment in compliance with present-day market requirements, and to provide state mechanisms to control production, consumption and sale of defence products that can work efficiently in a market environment. Restructuring of the existing defence enterprises should pursue perfection of their management, improvement of their financial and economic standing and possibility of creation of the required product range of arms and military equipment with a closed production cycle.

Noteworthy, the State Target Programme of Reformation and Development of the Defence Industry Sector through 2013 (hereinafter – the Programme) approved by the Cabinet of Ministers Resolution No.766 of August 27, 2008, intended to promote development of new defence products, was actually not funded. Respectively, its planned measures at commencement of production of new competitive types of arms and military equipment, development and introduction of new technologies, reconstruction and technological modernisation of production facilities and creation of new production capacities were not implemented. This affected the financial and economic standing of defence enterprises, especially state-owned ones, which in absence of the state defence order, have become economic hostages to the state owner.

Today, both the Armed Forces and the defence industry are in the state of reformation. The government's decisions adopted in 2010-2012 gradually acquire an accomplished regular form.

### **Satisfaction of Armed Forces' needs**

Analysis of employment of industrial enterprises, institutions and organisations by the Ministry of Defence (MOD) for meeting the Armed Forces' needs demonstrates the following:

At present, 23 state and 17 private enterprises manufacture products for the Armed Forces. The number of enterprises performing defence orders and transferred to *Ukroboronprom* State Company into management is very low, at 26. In 2011, only 20 enterprises performed defence orders for the Armed Forces, eight of them not state-owned.

Meanwhile, the defence agency today actually cannot guarantee solvent demand and orders for the defence industry, and Ukrainian enterprises that in principle can meet the Armed Forces' needs have to export their products and supply the armed forces of other countries.

Over a nine-month period in 2012, 53% of all research and development activities were financed under contracts with foreign customers (Brazil, China, Russia, and the US). In the general structure of domestic production of military and dual-purpose products, the needs of the Ukrainian military account for 1.5-2% of the total.



Clearly, given the financial and economic situation in the country and incompleteness of the reform of enterprises within the defence industry, *the Armed Forces' need for renovation of the stock of arms and military equipment cannot be fully met*. So, issues of establishment of new cooperative ties and retargeting from the foreign to the domestic market require immediate solutions. Moreover, the problem of the distribution of powers of arms production among agencies, especially identification of the agency responsible for preparation for production, needs to be addressed.

The Armed Forces' needs required by official guidelines requires serious adjustment. Clear prospects and, respectively, future needs of the defence agency provide very important points of reference for both arms and military equipment producers and for potential investors. Today, the only comprehensive programme document in the military technology field is the State Target Defence Programme of Development of Arms and Military Equipment for the Armed Forces for 2012-2017, approved by the Cabinet of Ministers of Ukraine Resolution No.46-2 of February 1, 2012.

According to the Programme measures, three large-scale projects must be implemented for the Armed Forces: creation of the *Sapsan* multi-purpose missile system, a corvette, and the *An-70* military cargo plane. Their implementation involves many Ukrainian and foreign manufacturers of defence products. However, implementation of those projects progresses, albeit slowly. In 2012, the MOD substantially cut project funding, while MOD officials more than once expressed doubts about the need for their continuation.

### **Capabilities of national defence enterprises**

The Ukrainian defence industry can manufacture the following products for the Armed Forces:

- military transport aircraft;
- airborne and armoured vehicle-mounted missile systems;
- precision weapons;
- tanks and armoured vehicles;
- radars, satellite navigation systems, and electronic countermeasures;
- ammunition;
- tank and aircraft engines;
- warships and patrol boats.

Ukrainian enterprises can also perform all manner of modernisation and repair of arms and military equipment currently in service with the Ukrainian Armed Forces. At that, defence enterprises export 65-75% of their products, while the domestic market consumes only a small share (less than a third). This witnesses the low demand of the domestic market but also rather the high competitiveness of those products on the world arms market. Insufficient consumption of defence



industry products on the domestic market is a factor hindering the development of separate enterprises, the defence industry and the national economy as a whole.

Some finished products and projects of the Ukrainian defence industry have long been of interest to defence agencies of different countries. Such world-famous systems include the *Kolchuga* passive detection system, produced in the *Iskra* plant. The *Nizh* dynamic protection system produced by the Kharkiv Morozov Machine-Building Design Bureau is mounted on Israeli *Leclerk* tanks. The *Adros* optoelectronic system for Mi-24 helicopter protection from precision weapons is in demand. Furthermore, Mi-24 helicopters may be retrofitted with the *Baryer-V* antitank missile system produced by the *Luch* Design Bureau state company, for the destruction of modern armoured targets (fixed and mobile), and small-size targets similar to tanks, light armoured facilities and helicopters.

Over 40 countries of the world got deliveries of the *Hurt* automated system of preparation for engagement and technical maintenance of all airborne-guided weapons produced by the *Luch* Design Bureau (its advanced version *Hurt-M* is now available). That enterprise offers a wide range of innovative products of its design and can upgrade its missiles and missile systems, including for export. The products of that design bureau may be useful for national military intelligence: *Sokil-2* container-launched drone; and TV reconnaissance system for prompt remote detection of enemy military equipment, surface shelters and manpower beyond line-of-sight, for example. That enterprise also developed new internal cooperation schemes that envisage measures at import substitution and engagement of Ukrainian enterprises of different forms of ownership in production.

However, the majority of domestic enterprises that manufacture defence products remain dependent on imported products and materials from many countries. Most of them are delivered from the Russian Federation. However, the list of enterprises engaged in cooperative deliveries of military products developed to work in concert with the Russian range of products or used as component parts for products of Russian enterprises are steadily being reduced. Especially dependent on Russian deliveries are shipbuilding, aircraft building, rocket and space, radio and electrical branches. The share of imported products, parts and materials in them is close to 70-80%.

So, the focus should be on solution of the problem of import substitution. Ukrainian defence enterprises have the potential for that. However, their utilisation depends on MOD orders, regular and full funding. To create the conditions for investment in the defence industry, it makes sense to draw up a single register of defence products manufactured by Ukrainian enterprises. Such a register might be useful also for promotion of Ukrainian products on the world markets during specialised international fairs.

Generally speaking, domestic enterprises' ability to meet the Armed Forces' needs should be discussed on the basis of revised MOD priorities. At that, it will be

necessary not only to set out the priority lines of modernisation but also to outline long-term prospects of rearmament. The priority lines should include creation of new weapon systems and development of fundamental science (by the way, the share of fundamental research in products for the Armed Forces makes only 1%).

### **Aviation industry**

Ukraine is one of the few countries in the world that possesses the full cycle of development and production of aircraft equipment and ranks among the world leaders on the market of transport and regional passenger aircraft. By the level of aircraft engineering development, Ukraine is also among the leaders. Some models of *An* aircraft are three to four years ahead of similar foreign projects. All conditions are in place for batch production of *An-70* military cargo planes, including for the armed forces of Ukraine and Russia.

Aircraft engineering is one of the most profitable and at the same time capital-intensive branches of machine building. The branch has some 60 enterprises employing nearly 25% of all those employed in machine building.

Aircraft engineering enterprises are concentrated in three main industrial centres of the country: Kharkiv (Kharkiv Aircraft Production Enterprise State Company), Zaporizhyya (*Motor Sich* OJSC, Zaporizhyya Machine-Building Design Bureau *Prohres* State Company) and Kyiv (*Antonov* State Company, *Antonov* Concern, 410 Civil Aviation Plant State Company).

Meanwhile, despite rather advanced production of military transport aircraft, Ukraine has no domestic production of warplanes, but only their repair and modernisation.

### **Shipbuilding industry**

Currently, nine big shipyards are operational in Ukraine:

- Shipyard named after 61 Communards State Company, Mykolayiv;
- Black Sea Shipyard Public Joint-Stock Company (PJSC), Mykolayiv;
- *Okean* Mykolayiv Shipyard PJSC, Mykolayiv;
- Kherson shipyard PJSC, Kherson;
- *Palada* Kherson Dock-Building Plant Closed Joint-Stock Company (CJSC), Kherson;
- Sevastopol Marine Plant (*Sevmorzavod*) PJSC, Sevastopol;
- *Zaliv* Shipyard JSC, Kerch;
- *More* Feodosiya Shipbuilding Company Open Joint-Stock Company (OJSC), Feodosiya;
- *Leninska Kuznia* Plant PJSC, Kyiv.

Most of those enterprises are modern, high-tech facilities that can build ships competitively on the world market and perform orders for construction of modern civilian and military vessels and ships. For that, the enterprises have the required production capacities, expertise and technological capabilities.

Furthermore, the sector includes some 30 enterprises of marine machine building, marine instrument building, electrical assembly and other industrial enterprises, design, research and development organisations employing over 24 000 workers.

Domestic research and development organisations and industrial enterprises have the scientific potential and expertise in the development and production of ancillary equipment for ships and vessels, specifically: gas turbine power units, ship control systems, integrated communications systems, radar and hydro acoustic equipment, electronic warfare systems, automated battle management systems, protection from WMDs, fire-fighting equipment, ventilation and air conditioning systems, navigation equipment, and stealth technologies, as well as for naval base infrastructure design.

Therefore, the branch used to build and can still build all classes of surface ships, special and support vessels, and basic floating craft, and can produce various ship-borne equipment. These enterprises design and manufacture products in line with the requirements of international classification societies (*Russian Maritime Register of Shipping, Det Norske Veritas Classification, Germanischer Lloyd*).

Previously, Ukrainian shipyards built all classes of surface ships: heavy aircraft-carrying cruisers, surveillance ships and auxiliary vessels, missile cruisers, large antisubmarine ships, submarine search-and-rescue vessels, patrol and escort ships, gunboats, small antisubmarine ships and research vessels, fast patrol boats, support vessels, floating composite docks; and performed modernisation and repair of surface ships and submarines (except nuclear-powered) as well. The ships were fit with Ukrainian gas turbines (*Zorya-Mashproekt OJSC*), radar and navigation systems, hydro acoustic equipment, radio communications means, naval equipment control systems. Combat information control systems for submarines were delivered.

In the years since Ukraine's independence, shipbuilding enterprises completed and transferred to the Armed Forces of Ukraine five ships: *Hetman Sahaidachnyi* frigate (*Zaliv* shipyard); antisubmarine corvettes *Lutsk* and *Ternopil* (PJSC *Leninska Kuznia* Plant); *Zubr* air cushion landing ship (*More OJSC*); and the *Slavutych* command and control ship (Black Sea Shipyard PJSC).

In pursuance of the state defence order, *Sudnokompozyt* Technology Design Bureau State Company (Feodosiya) in 1993-2002 designed, built and delivered to the State Border Service of Ukraine two *Khvyliya* hydrofoil boats; in 1996, *More OJSC* built and transferred to the active coastguard fleet of Ukraine's Border Troops a fast boat of the *Kalkan* type.

The Shipbuilding Research and Design Centre State Enterprise (in Mykolayiv) – a specialised institution designing ships and boats for the Armed Forces and State Border Service of Ukraine – designed:



- multipurpose frigates *Hetman Sahaidachnyi*, *Tornado*;
- corvettes *Mirazh*, *Hayduk*, *Muson*, corvette project 58250;
- patrol ships *Bora*, *Dozor*;
- small missile boat *Komar*;
- armoured gunboats *Giurza*, *Kaiman*, *Falanga*;
- fast patrol boats with the displacement from 32 to 400 tonnes *Kasatka*, *Lan'*, *Saihak*, etc.

Ukrainian enterprises performed a number of contracts for foreign customers:

- in 2001-2002, *More* OJSC built and delivered to Greece two *Zubr* air cushion landing ships;
- in 2002, in pursuance of agreements between the Presidents of Turkmenistan and Ukraine, *More* OJSC built and delivered to the State Border Service of Turkmenistan four patrol boats *Kalkan-M*;
- in 2004-2005, PJSC *Leninska Kuznia* Plant built and delivered to Uzbekistan two small armoured gunboat *Giurza*;
- in 2005 *Palada* Kherson Dock-Building Plant built a composite dock for nuclear-powered submarine repair on a Russian order.

The potential of shipbuilding enterprises is not exhausted. Domestic shipyards currently perform orders for Ukraine's MOD:

- building a corvette – Black Sea Shipyard PJSC;
- building one *Giurza* small armoured gunboat – *Leninska Kuznia* Plant PJSC.

To the State Border Service order, *More* OJSC is building patrol boats of the *Orlan* type and a ship of the *Koral* type.

In 2012, Black Sea Shipyard PJSC performed comprehensive repair of small reconnaissance ship *Pereyaslav*; repair works are underway on big landing ship *Kostyantyn Olshanskyi*, medium landing ship *Kirovohrad*, corvette *Prydniprovyia*. *Sevmorzavod* PJSC performed repair works on frigate *Hetman Sahaidachnyi*.

*More* OJSC is performing an order of the Chinese MOD for construction of air cushion landing ships of 932 *Bizon* project.

Meanwhile, the scientific and technological base for solution of many critical issues of ship design at the branch enterprises is developed insufficiently, a number of component parts and units are not produced: main diesel engines, diesel generators, steering gear, screws, ship-borne weapon systems (missile, artillery, mine and torpedo). In particular, for design of the key elements of the 58250 corvette project, more than 30 domestic enterprises are employed. All in all, both in quantitative and value terms, the share of component parts of those enterprises in the 58250 ship design is close to 62%.





Contingent on sufficient funding, in the next five to seven years domestic design bureaus and industrial enterprises can design and commence production of missile, artillery, mine and torpedo weapons, i.e., create a closed cycle of production of naval systems.

### **Production of missile and artillery systems**

Ukrainian enterprises produce less than 1% of systems and component parts of missiles and artillery pieces in service with Ukraine's Armed Forces. Production of ammunitions and optic-mechanical products requires modernisation.

Air defence and radio-technical units of the Ukrainian Air Force, Air Defence (AD) Troops of the Land Forces and the Navy are armed with weapon systems developed in 1975-1980 and put into operation yet before 1985. Their service life expires in 2012-2014, some of them no longer meet the requirements of countering advanced air and missile attacks. The main designers and manufacturers of the overwhelming majority of operational AD systems are located outside Ukraine. Ukrainian design bureaus and scientific research institutions were involved mainly in the development of separate elements, component parts and units. Out of all AD systems, Ukrainian enterprises produced only a few (one radar type (*35D6*) and one type of guided air defence missiles (*48N6*).

However, a number of Ukrainian enterprises continue to produce component parts for AD systems. *Pelikan* advanced radar has been developed and is produced by *Iskra* Scientific-Production Complex, Zaporizhya. *LORTA* State Company (Lviv), *Vizar* machine-building plant (Zhuliany), *Luch* State Design Bureau (Kyiv), *Iskra* Scientific-Production Complex (Zaporizhya), and the Generator plant State Company can perform overhaul and extension of service life of air defence systems.

Ukrainian industrial enterprises can modernise avionics of *MiG-29* Air Force fighters, *Osa* AD missile systems (*SA-8*) in the Air Defence Troops of the Land Forces. They have capabilities for deep modernisation of the *Buk* AD missile system (*SA-11*), with a new domestically-produced surface-to-air guided missile and guidance loop. The results of that project can enable deep modernisation of the system to the level of a sophisticated air defence missile system *C-300P* (*SA-10*).

The service life of operational AD weapon systems can be extended with organisation of domestic production of some component parts for fighter aircraft (*MiG-29*), AD missiles and systems *Buk*, *C-300P*, *C-300V* (*SA-12*), surveillance radars and electronic warfare systems. At that, AD weapon systems are modernised to raise their tactical and technical specifications to present-day requirements.

Maybe the main achievement of the past years is presented by creation of a line of precision weapons, now effectively operating within a closed production cycle. It has developed and produces *Kombat*, *Stugna* guided weapons, *Baryer*, *Skif*, *Korsar* systems (*Luch* State Design Bureau, *Artem* State Joint-Stock Company, *Vizar* machine-building plant (Zhuliany)).



## **Tank-building**

Malyshev Plant State Company produces world-famous tanks *T-80UD* of different configurations and with different protection systems. They may be optionally equipped with an advanced Ukrainian development – *Nizh* modular dynamic protection system (Kharkiv Morozov Machine-Building Design Bureau State Enterprise) that ensures protection from all types of antitank weapons, including high-velocity armour-piercing projectiles. Furthermore, customers all over the world know *BTR-4* can carry fighting modules fit with 30mm guns, automatic grenade launchers, and *Baryer* antitank missile systems.

In 2005-2011 alone, Ukraine exported nearly 1.400 tanks and light armoured vehicles. However, only one out of 618 tanks was a new *T-80BV*, the remainder were repaired or upgraded versions of *T-55* and *T-72* tanks. Out of 776 light armoured vehicles, 36.7% fell on *BMP-1* whose batch production ended before the 1980s. The share of new *BTR-4* is only 3%. In recent years, the picture has improved somewhat, in particular thanks to 2009 contracts for delivery of 420 *BTR-4* to Iraq, joint production of 100 *BTR-4* with Kazakhstan, 2012 contracts for delivery of nearly 180 *T-80BV* to Ethiopia and Thailand.

However, the main production enterprise of Malyshev Plant State Company subordinated to *Ukroboronprom* is now undergoing bankruptcy proceedings. Performance of current contracts and prospects in meeting the Armed Forces' needs will depend not only on the main enterprise's recovery but also on the adequacy of the branch reaction to situation changes in Ukraine and on foreign markets.

## **Conclusion**

Despite the difficult and painful processes of defence sector reform, the Ukrainian defence industry can perform tasks of rearmament and creation of new weapon systems set by the defence agency and is interested in clarification of future needs of the Armed Forces. The key factors of conservation and development of the domestic defence industry potential include the creation of a national market for arms and military equipment and an emergence of solvent demand on the part of the MOD.



## GENERAL STRUCTURE OF THE NATIONAL SECURITY SYSTEM, ITS PROCESSES IN FUNCTIONING AND DEVELOPMENT

There is no uniform normative definition of the security sector. Foreign and domestic sources often identify the security sector with the national security system (NSS), as a rule, deemed to include state and non-state actors.<sup>1</sup> In this article, the security sector, or NSS, is understood as a totality of interrelated state and non-state bodies, organisations, institutions, their forces and assets united by goals and objectives of protection of national interests and operating in line with legislatively provided functions, powers, norms and rules.

For threat prevention, countering, and removal of their effects structures with appropriate capabilities, forces and assets are created and operated within the NSS, they are developing in line with changes in the security situation, provided with resources, and ensuring that the functioning and development processes are properly managed. Organisationally, NSS consists of state and non-state sectors; in terms of targets, of the internal security sector and the defence sector (Chart 1); functionally (by kind of activity or focus on countering the relevant threats), the security sector is conventionally divided into segments: “of foreign policy; state security; military and security of the state border; home policy; economic; scientific-technological; environmental; social and humanitarian; and information”.<sup>2</sup>

The *state security sector* includes “concerned” bodies, organisations, and institutions whose competencies encompass some tasks of protection from threats or some kinds of threats (NSS management bodies are described below):

- the Ministry of Defence (MOD), the Armed Forces, and the State Border Service – the main actors dealing with military security and protection of the state border;
- the defence industry, most enterprises of which are controlled by *Ukroboronprom* State Concern;
- the Security Service of Ukraine – the main body in charge of state security;
- the Ministry of Internal Affairs – the main body in charge of public order;
- the Ministry for Emergencies – the main body in charge of environmental and technical security;
- the Ministry of Public Health;

<sup>1</sup> Korba, M. ‘Security Sector Reform’, Centre for European and North Atlantic Affairs, [http://cenaa.org/wp/wp-content/uploads/2009/11/SECURITY\\_SECTOR\\_REFORM\\_-\\_M.Korba1\\_1.doc](http://cenaa.org/wp/wp-content/uploads/2009/11/SECURITY_SECTOR_REFORM_-_M.Korba1_1.doc) (reverse translation – Ed.).

<sup>2</sup> Law of Ukraine “On Fundamentals of National Security of Ukraine”, <http://portal.rada.gov.ua>.



- intelligence bodies: the Foreign Intelligence Service, the Main Intelligence Department of the MOD, and the Intelligence Department of the State Border Service Administration;
- the Department of State Protection of Bodies of State Power and Officials;
- the State Service of Special Communications and Information Protection;
- the State Special Transport Service;
- units of bodies, organisations, institutions “with general competence” (e.g., the Ministry of Economy, the Ministry of Finance), for which protection from threats is not the main function but that may have relevant specialised structural units dealing with security issues.

Similar to the state sector, the *non-state sector* is made up of actors “concerned” and possessing “general competence”: nongovernmental organisations, private security services, companies rendering services to the Armed Forces and other power structures. In Ukraine, that sector remains insufficiently developed; the specific market of non-state security services is in the making and is developing chaotically, first of all, due to absence of proper organisational and legal support. On one hand, further development of the non-state security sector is promoted by gradual growth of political maturity of civil society, its institutes, growing scale and intensity of business activity, transformation of security into one of its segments; on the other, development of the non-state security sector prompts the need of clear definition of functions of the state in civil society, greater attention to definition of legal and organisational principles of operation of non-state actors and their interaction with the state sector structures.

The *internal security sector (system)* includes state and non-state bodies, organisations, institutions or their specialised structural units (both “concerned” and “with general competence”), their forces and assets designed for protection of an individual, society and the state from non-military threats: management bodies, forces and assets of the Ministry of Internal Affairs, the Ministry for Emergencies, the Ministry of Public Health, the Ministry of Internal Affairs, state special services of transport, communications and information protection; and the State Guards Department.

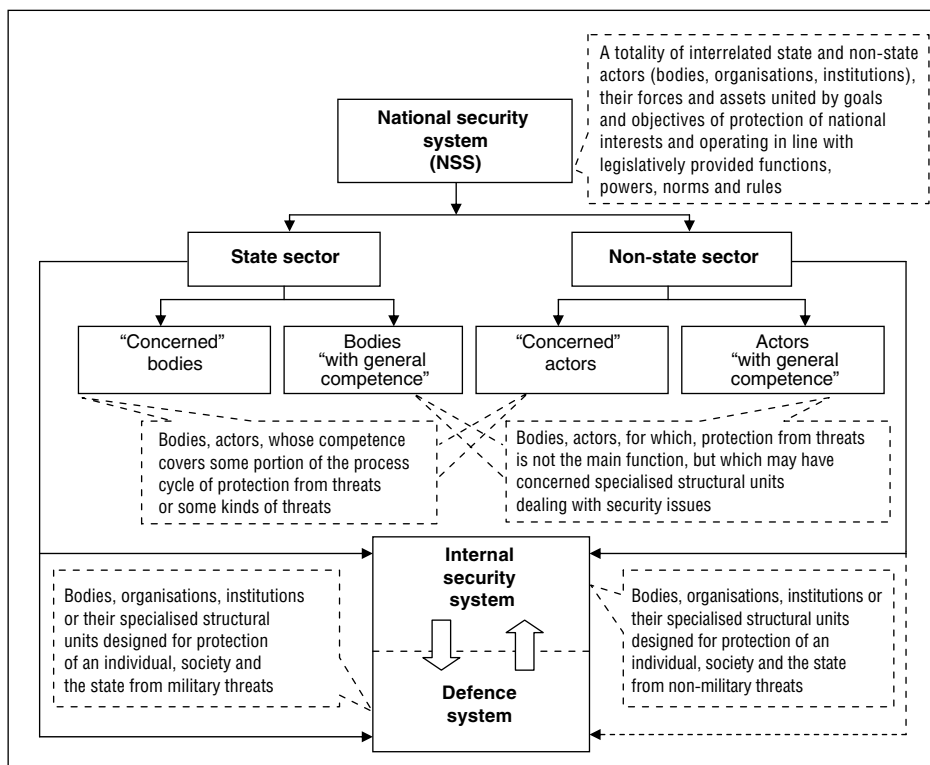
The *defence sector (system)* (the Ukrainian legislation also uses the term “Military organisation of the state”) encompasses state and non-state bodies, organisations, institutions or their specialised structural units (both “concerned” and “with general competence”) designed for protection of the individual, society and the state from military threats. The basis of the defence sector is made up of the Armed Forces and defence industry.

Dependent on the situation, forces and assets of the internal security sector (i.e., Internal Troops, the Ministry of Internal Affairs, and the Ministry for Emergencies) may be employed for attainment of set defence objectives. Similarly, forces and assets of the Armed Forces and defence industry are involved in attainment of objectives of internal security (transport aircraft, engineering, medical, maintenance, communications units, enterprises producing materials, property and equipment for law-enforcement and other activities).

The security sector elements possessing mechanisms of coercion are commonly termed as “power structures”.



## Structure of the national security system



### Stages of a rational process of formulation and implementation of the state security policy<sup>3</sup>

Processes of the NSS activity and development, policy formulation and implementation in the sector are related, functionally and by resources, with the processes of society life, formulation and implementation of the policy of socio-economic development as the entities to be protected. In their turn, the *process of functioning* and the *process of development* of the NSS are interrelated but different, and are planned (should be planned) by different documents: *functioning* – by plans of employment of the relevant structures and current plans of support for their activity; *development* – by strategies, mid- and short-term programmes of development of the NSS and its concerned structures. The very process of formulation and implementation

<sup>3</sup> Now, that process is insufficiently regimented in Ukraine, being one of the reasons for its low efficiency. Solution of that problem might be facilitated by adoption of a law on principles of strategic planning. A relevant bill was drafted by the Cabinet of Ministers and submitted to the *Verkhovna Rada* of Ukraine for consideration (No.9407 of November 3, 2011). On November 15, 2011, the bill was generally approved, but on November 22, 2011 – due to internal controversy, lack of substantiation and coordination with the available regulatory-legal framework – it was sent for the second reading, and on September 6, 2012 – removed from review (witnessing the low priority of the subject for the current authorities).



of the state policy of national security is methodologically complex, multifaceted and is to contain a number of interrelated and technologically systematised stages: conceptual, strategic, programme, budgeting, implementation of programmes and plans.<sup>4</sup>

*Conceptual:*<sup>5</sup> on the basis of long-term forecasts and comprehensive analysis of global and internal processes, the desired state of society and the state are identified in the form of national interests, along with the main development targets, social, political and economic priorities, as well as preconditions, limiting factors, general views of the methods of problem solution.

At that stage, long-term principles of national security are formulated: the external and internal security environment are analysed with account of national interests, current threats for the national security, forms and means of protection, required capabilities and resource needs are identified. On that basis, political guidelines and general principles of the security sector functioning and development are determined, reflected in the regulatory-legal framework: in the national security concept (that may be a separate section of the Concept of Ukraine's development), laws and regulatory documents laying down the principles of power structures' functioning. At that stage it should be envisaged that the process of organisation of national security has two aspects: (1) NSS building and development (modernisation, reformation); and (2) NSS functioning (detection and prevention of threats, response to their emergence, and liquidation of their effects).

According to the Constitution of Ukraine, the tasks of formulation of conceptual, legal and regulatory principles of national security are a prerogative of the president (*supreme commander-in-chief*) and the *Verkhovna Rada*. *Organisational and analytical* support for that activity is vested in Ukraine's National Security and Defence Council (NSDC). For formulation of conceptual principles, concerned ministries and agencies, scientific institutions, independent experts are involved. The concept of society development and national security undergoes broad public discussion.

The general concept of national security is elaborated in conceptual provisions worked out on its basis in separate NSS structures and coordinated within the framework of the general concept.

*Strategic:* following a more detailed long-term forecast, the idea is formed and the strategy ("roadmap") of achievement of Ukraine's development targets (strategic

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<sup>4</sup> For more details see: "Principles of State Strategic Management" / Report of the study "Ukraine in the regional security system: methodological problems of national security policy formulation within the framework of the Ukraine-HATO partnership network..." performed by the Razumkov Centre to the order of the Ministry of Education and Science of Ukraine, Contract No. ЦП/398-2008 of July 3, 2008, Annex 1, state reg. No. 01080007505: "Methods of formulation (reformation) of the system of protection from threats" / Defence policy: the need of Ukraine's AF reforms. Digest upon the results of public consultations. – Ukraine's National Security and Defence Council Staff, published by Razumkov Centre, 2011, p.110-147, [http://razumkov.org.ua/upload/oboron\\_pol\\_consult\\_XII-2012.pdf](http://razumkov.org.ua/upload/oboron_pol_consult_XII-2012.pdf) (in Ukrainian).

<sup>5</sup> The cited methodological principles somewhat differ from the Western standards by terminology, not settled in Ukraine yet. Noteworthy, in the Western countries, thanks to the state policy continuity, the conceptual stage cycle may last decades and even centuries, so, the current practice mainly focuses on subsequent stages (i.e., strategic, programmatic). Meanwhile, in Ukraine, the conceptual stage that started in 1991 is not over yet, and the following ones are too ambiguous.



goals) is designed, the lines, stages and intermediate results of development are determined, the priorities and requirements to methods of achievement of the goals are specified and agreed, and the developed strategy enjoys full backing.

On the basis of the chosen conceptual, political, legal and regulatory principles, the strategic idea of socio-economic development of the country, the national security strategy is developed, describing the main threats to national interests, goals, lines and priorities of NSS development (formulation, reformation) and protection of national interests, the required capabilities, forces, means, resource limitations. The national security strategy sets out the main parameters and interconnections in development and operation of the concerned NSS structures. Functioning and development processes are coordinated by stages, results, and resources in accordance with the principle: *at each stage of development (reformation), the protection system must preserve the efficiency sufficient for achievement of the set objectives.*

Tasks of the strategy development are also vested in Ukraine's president, the *Verkhovna Rada* and the NSDC. Development involves concerned ministries and agencies, scientific institutions, independent experts. The results are presented for public discussion and adjusted afterwards.

The general strategy of national security is elaborated in relevant strategies developed by concerned structures – with obligatory consideration of interconnections described in the general strategy.

*Programme:* on the basis of mid- and short-term forecasts, the strategy is elaborated, and a mid-term national programme of socio-economic development is drafted. The experience and alternative ways of attainment of strategy goals are examined. Rational alternative ways of attainment of strategy goals are formulated, resource needs and limitations are analysed. Rational ways of attainment of strategy goals in separate domains are chosen and agreed within the framework of a single set of measures. The obtained results are summed up in mid-term and short-term programmes and a plan of current activity of the Government. A short-term programme and a plan of current activity of the Government make the basis for the state budget.

Simultaneous with those processes and proceeding from the national security strategy, programmes of development and plans of functioning of concerned NSS structures are drafted. Development programmes specify the algorithm of action for the strategy implementation, i.e., the sequence of interrelated objectives of development (creation, reformation) of the NSS and its structures. Functional plans set targets of operation support, readiness, employment and interaction of NSS structures. Those programmes and plans are developed by concerned ministries and agencies involving scientific institutions and independent experts and should be coordinated within the framework of the national security strategy and with other state programmes (as applicable), and the resources necessary for their implementation are identified.

Conceptual, strategic, programme and planning documents are developed following data collection, forecast, threat and risk analysis, assessment of the situation and its possible effects. Those tasks are vested in the NSDC staff, information-analytical units of the *Verkhovna Rada*, the Cabinet of Ministers, the presidential administration,



concerned ministries, agencies, other executive bodies and subordinated structures, the State Statistic Committee, intelligence bodies and special services, and scientific institutions. Broad employment of non-governmental organisations and independent experts for attainment of those targets, especially at the conceptual and strategic stages, greatly improves the quality of the results and the transparency of that process.

*Budgeting*: the set of annual programme measures (programme objectives) is evaluated, the budgetary requirements and the consolidated budget of the national programme are drawn up. Resource needs for implementation of a short-term (yearly) programme are agreed and entered into the budget request. On the basis of the economic development forecasts, budget expenditures are allocated, and parameters of the national programme funding are approved in the budget for the relevant year.

The budgeting process involves calculation of financial requirements for implementation of NSS development and functioning programmes and plans, the structure of allocation of funds, funding terms and procedures.<sup>6</sup> For that purpose, elaboration of programmes and plans must reach the level of separate objectives subject to evaluation.

For convenience and higher quality of budgeting, programmes and plans may be conventionally classified: *budget programmes* – by similarity of expenditures (on personnel maintenance, training of troops, construction, logistic support, arms procurement, etc.); *targets programmes* – by focus on achievement of concrete (as a rule, functional) results; *time programme blocks* – by stages of achievement of concrete results (e.g., deployment of a certain system by level of readiness – initial, intermediate, full). Recipients of budget funds are ministries and agencies that developed the programmes and plans and exercise direction of the concerned security structures.<sup>7</sup>

*Implementation of programmes and plans*: the main actors implementing a national programme and its elements are finally determined; their targets are set (under contracts and agreements made) and funds are allocated. The main actors implement

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<sup>6</sup> In absence of a law on principles of strategic planning in Ukraine and imperfection of the laws on the procedure of state target programme development, the only document that sets out such a procedure on a national scale is the Budget Code of Ukraine, that actually assigns the prerogative of setting budget priorities (and therefore, development priorities) to the Ministry of Finance. The existence of the Law “On Organisation of Defence Planning” regiments activity only within the MOD and underlines its inconsistency on a national scale. In such conditions, budgeting prevails over substantive (technical) planning, and the existing structure of the state budget in general and the defence budget in particular (let alone their volume) contributes to establishment of largely negative trends formed in the previous years, rather than progress of transformation processes.

Introduction of budget planning for several (2-3) years cannot remedy instability of funding while laying additional burden on planners. Programme-target planning methods offer a different approach – introduction of current planning within the framework of implementation of mid- and short-term programmes (plans) with the purpose of their adjustment for the rest of the relevant planning period with account of the obtained results, new ideas of needs, goals, priorities, methods of problem solution, changes in the conditions of implementation of programmes (plans) at the beginning of a certain planning period.

<sup>7</sup> The following step in improvement of strategic planning may be presented by creation of special units under central executive bodies – *programme administrators* – possessing appropriate powers of coordination of the actors' activity, adjustment of programmes, administration of budget funds.





programme objectives (employing contractors) and produce results. All this involves monitoring, control of correspondence of expenditures and results and, if necessary, prompt adjustment of the programme objectives.

In this way, programme objectives of development (modernisation, reformation) of the NSS and its structures and plans of measures at protection of national interests and support for NSS structures activity are implemented. Those tasks are vested in concerned ministries, agencies and their subordinated structures. The mechanisms of implementation of objectives, actors' interaction, their responsibility for the results and expenditure of funds are laid down by Ukrainian laws, the programmes and plans, relevant agreements (contracts), and technical requirement specifications.

In parallel with implementation of programmes and plans in the security sector, they are monitored, controlled and adjusted. Efficient assessment of results and adjustment of strategic and programme documents are facilitated by regular (as a rule, every 4-5 years) comprehensive review of the security sector. Under certain conditions, comprehensive review may focus on the weakest NSS elements. Those tasks are vested in the concerned ministries and agencies (internal control), outside controlling bodies (inspections), parliamentary control mechanisms. Monitoring of implementation of programmes and plans is to follow their stages, focus on assessment of concrete results and expenditure of the relevant funds, and ensure impartial control and timely adjustment of the security policy. Mechanisms of monitoring, control and assessment of implementation of programmes and plans should rest on reports of the actors implementing programme objectives and producing the required results, the available state statistic system, and independent sources.

The complex NSS structure, technological complexity of the processes of creation and functioning of that system require strong cooperation and coordination of all its elements, timely and efficient management resting on a systemic, process-oriented approach.

# INFORMATION AND REFERENCE MATERIALS SUMMED UP BY THE NATIONAL SECURITY AND DEFENCE COMMITTEE OF THE VERKHOVNA RADA OF UKRAINE FOR PARLIAMENTARY HEARINGS “ON THE STATE AND PROSPECTS OF DEVELOPMENT OF MILITARY ORGANISATION AND SECURITY SECTOR OF UKRAINE” MAY 23, 2012<sup>1</sup>

## Armed Forces of Ukraine strength setting in 2006-2011 (thousand of personnel)

Document	2006	2007	2008	2009	2010	2011
Strategic Defence Bulletin of Ukraine through 2015	160-175	130-135	100-110	100-105	97-103	95-102
State Programme of Development of the Armed Forces of Ukraine for 2006-2011	221	200	183	165	147	143
NSDC Decision of 26.09.2008, President of Ukraine Decree of 10.01.2009				212	212	212
NSDC Decision of 13.10.2009, President of Ukraine Decree of 30.10.2009				200	200	200
Laws on the AF strength for the relevant year	221	200	191			192
Strength of the Armed Forces of Ukraine (factual)	221	200	200	200	200	192

## Manning level of the Armed Forces of Ukraine in 2006-2011 (%)

	2006	2007	2008	2009	2010	2011
Total manning level	92.8	98.8	93.0	94.2	92.5	95.6
Manning level for officers	91.4	90.9	86.7	84.2	78.9	77.0
Manning level for initial officer assignments	87.8	87.9	82.6	73.7	64.5	56.7

## Changes in strength of the Internal Troops of the Ministry of Internal Affairs of Ukraine in 2006-2011

Year	Assigned personnel	Payroll strength (personnel)	Manning level (%)	Undermanning (personnel)
2006	33 166	31 062	94	- 2 104
2007	33 270	31 713	95	- 1 557
2008	33 271	30 610	92	- 2 661
2009	33 221	31 950	96	- 1 271
2010	33 218	31 516	95	- 1 702
2011	32 962	30 983	94	- 1 979

<sup>1</sup> For more detail see: Parliamentary Hearings “On the State and Prospects of Development of Military Organisation and Security Sector of Ukraine”, edited by Hrabovenko, I.M. Parliamentary Publishing House, 2012, 160p. (in Ukrainian).



### Changes in strength of the State Border Service of Ukraine in 2006-2011

Year	Assigned personnel	Payroll strength (personnel)	Manning level (%)
2006	44 114	38 991	88.4
2007	44 203	38 995	88.2
2008	46 050	36 576	79.4
2009	45 798	34 943	76.3
2010	46 509	34 346	73.8
2011	46 388	33 854	72.9

### Changes in strength of the Security Service of Ukraine in 2006-2011

Year	Assigned personnel	Payroll strength (personnel)	Manning level (%)
2006	32 575	29 927	91.9
2007	32 993	28 431	86.2
2008	32 890	29 168	88.7
2009	32 169	28 982	90.1
2010	32 486	28 938	89.1
2011	32 165	29 114	90.5

### Changes in strength of the Security Guards Department of Ukraine in 2006-2011

Year	Assigned personnel	Payroll strength (personnel)	Manning level (%)
2006	2 915	2 545	87
2007	2 912	2 652	91
2008	2 912	2 583	89
2009	2 912	2 456	84
2010	2 912	2 618	90
2011	2 912	2 640	91

### Changes in strength of the State Special Transport Service of Ukraine in 2006-2011

Year	Assigned personnel	Payroll strength (personnel)	Manning level (%)
2006	5 000	4 500	90
2007	5 000	4 493	90
2008	5 000	3 908	78
2009	5 000	4 617	92
2010	5 000	4 540	91
2011	5 000	4 525	91

### Changes in strength of the State Service of Special Communications and Information Protection of Ukraine in 2006-2011

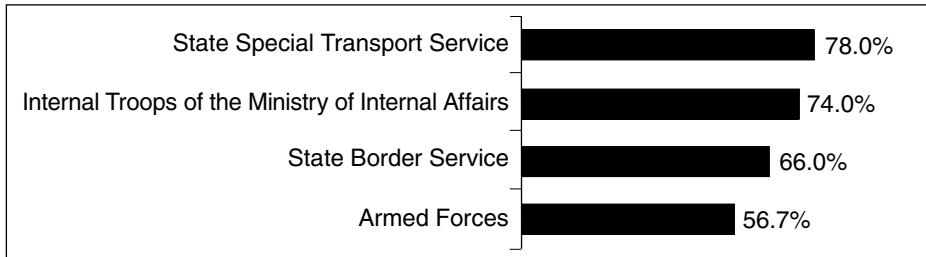
Year	Assigned personnel	Payroll strength (personnel)	Manning level (%)
2007	8 249	6 320	77
2008	7 682	5 587	73
2009	6 918	5 594	81
2010	6 088	5 353	88
2011	6 209	5 401	87



### Changes in strength of the State Penitentiary Service of Ukraine in 2006-2011

Year	Assigned personnel	Payroll strength (personnel)	Manning level (%)
2006	52 385	47 763	92
2007	52 459	47 615	92
2008	52 368	46 463	90
2009	50 948	47 565	93
2010	51 929	47 676	92
2011	52 336	46 126	91

### Manning level for initial officer assignments



### State and conditions of manning private and sergeant positions with contracted servicemen

Formation	Manning level, as of 31.12.2011	Enrolled under contract in 2011 (personnel)	Average money allowance under the first contract (UAH)	Number of recruitment centres	Planned term of transition to contractual service
Armed Forces	49.5	5 773	1 500	25	2002-2015
Internal Troops of the Ministry of Internal Affairs	50.2	1 707	1 461	–	–
State Border Service	69.0	2 143	1 390	6	<i>transition completed in 2008</i>
State Special Transport Service	24.0	98	950	–	2005-2015

### Comparison of budget expenditures per serviceman in some European countries in 2012

Country	Per Armed Forces serviceman (thou. USD)	Defence expenditures (% of the GDP)
Ukraine	6.00	1.18
France	152.80	2.60 (2008)
Germany	113.40	1.70
Poland	56.50	1.90
Russia	41.60	3.0-4.0
Turkey	22.70	5.30
Belarus	42.10	1.30
Romania	8.68	1.40



### Funding of the Ministry of Defence of Ukraine in 2006-2011

Year	Required, according to the budget request (mln. UAH)	Allocated by the budget (mln. UAH)			Allocated by the general fund, % of request	Actually funded		
		total	general fund	special fund		amount (mln. UAH)	% of plan	% of GDP
2006		7 604.9	5 925.7	1 679.1		7 604.9	84	1.24
2007	13 100.4	9 061.5	7 549.4	1 512.1	58	8 078.2	89	1.12
2008	17 357.9	9 926.5	8 926.6	999.9	51	9 495.2	96	1.00
2009	31 976.6	11 650.2	7 428.6	4 221.6	23	8 323.0	71	0.91
2010	19 853.4	11 335.1	8 671.1	2 664.0	44	10 242.2	90	0.95
2011	13 600.0	13 688.8	11 479.1	2 209.7	84	12 295.1	90	0.94
2012 plan	17 416.5	16 387.4	14 171.0	2 216.4	81			

### Structure of the Ministry of Defence of Ukraine expenditures in 2006-2011 (%)

	World average	2006	2007	2008	2009	2010	2011
Maintenance	50	68.7	73.9	77.1	84.0	87.9	86.9
Training	20	9.7	9.8	7.8	9.0	5.1	4.1
Investments in arms and infrastructure development	30	21.6	16.3	15.1	7.0	7.0	9.0

### Funding of the Internal Troops of the Ministry of Internal Affairs of Ukraine in 2006-2011 (%)

Year	Required, according to the budget request (mln. UAH)	Allocated by the budget (mln. UAH)			Allocated by the general fund, % of request	Actually funded	
		total	general fund	special fund		amount (mln. UAH)	% of plan
2006	1 037.2	536.7	452.3	84.4	44	521.4	97
2007	1 276.4	713.6	619.6	94.0	49	706.4	99
2008	2 000.8	1 028.5	885.6	142.9	44	1 009.5	98
2009	4 392.1	1 116.9	923.0	193.9	21	1 094.9	98
2010	4 539.7	1 355.0	1 099.7	255.3	24	1 342.2	99
2011	5 148.7	1 273.9	1 091.2	182.7	21	1 259.8	99

### State budget funding for the State Border Service of Ukraine in 2006-2011

Year	Required, according to the budget request (mln. UAH)	Allocated by the budget (mln. UAH)			Allocated by the general fund, % of request	Actually funded	
		total	general fund	special fund		amount (mln. UAH)	% of plan
2006	1 792.1	1 022.4	967.0	55.4	54.0	967.0	94.6
2007	2 859.5	1 268.6	1 237.2	31.4	43.3	1 237.2	97.5
2008	2 454.6	1 733.4	1 704.2	29.2	69.4	1 680.4	96.9
2009	4 094.6	1 589.2	1 551.4	37.8	37.9	1 498.1	96.6
2010	4 164.5	1 879.3	1 842.6	36.7	44.2	1 842.6	94.3
2011	4 249.6	2 208.1	2 165.2	42.9	51.0	2 165.2	98.1

**Funding of the Security Service of Ukraine in 2006-2011**

Year	Required, according to the budget request (mln. UAH)	Allocated by the budget (mln. UAH)			Allocated by the general fund, % of request	Actually funded	
		total	general fund	special fund		amount (mln. UAH)	% of plan
2006	2 871.4	1 505.5	1 330.1	175.4	46.3	1 284.9	96.60
2007	2 673.4	1 624.2	1 475.9	148.3	55.2	1 474.7	99.92
2008	4 883.3	2 115.8	1 962.5	153.3	40.2	1 910.2	97.34
2009	6 310.9	2 135.6	1 968.9	166.7	31.2	1 959.8	99.54
2010	6 362.4	2 550.1	2 348.0	202.2	36.9	2 341.2	99.71
2011	6 786.1	3 151.5	2 917.1	234.4	43.0	2 917.1	100

**Funding of the Foreign Intelligence Service of Ukraine in 2006-2011**

Year	Required, according to the budget request (mln. UAH)	Allocated by the budget (mln. UAH)			Allocated by the general fund, % of request	Actually funded	
		total	general fund	special fund		amount (mln. UAH)	% of plan
2006	355.1	170.8	168.6	2.2	47.5	168.9	98.9
2007	454.7	256.0	254.4	1.6	56.4	256.2	100
2008	540.1	352.5	350.0	2.4	65.3	373.3	100
2009	829.0	349.0	344.6	4.4	41.6	356.4	100
2010	830.5	388.4	384.7	3.7	46.3	396.9	100
2011	840.1	457.4	455.9	1.5	54.3	455.6	99.6

**Funding of the Security Guards Department of Ukraine in 2006-2011**

Year	Required, according to the budget request (mln. UAH)	Allocated by the budget (mln. UAH)			Allocated by the general fund, % of request	Actually funded	
		total	general fund	special fund		amount (mln. UAH)	% of plan
2006	159.6	108.0	107.4	0.55	67	109.7	101
2007	224.0	170.2	169.6	0.55	76	165.9	97
2008	285.1	193.7	193.2	0.51	68	182.9	94
2009	445.2	191.3	191.3	–	43	189.5	99
2010	317.4	239.3	239.3	–	75	239	100
2011	363.9	283.7	283.7	–	78	286.4	100

**Funding of the State Special Transport Service of Ukraine in 2006-2011**

Year	Required, according to the budget request (mln. UAH)	Allocated by the budget (mln. UAH)			Allocated by the general fund, % of request	Actually funded	
		total	general fund	special fund		amount (mln. UAH)	% of plan
2006	66.3	78.9	65.1	13.7	98	81.5	100
2007	94.4	98.5	79.8	18.7	85	114.8	100
2008	179.8	133.1	107.0	26.1	60	152.8	100
2009	286.9	149.3	113.7	35.5	40	142.5	95
2010	305.9	189.8	143.9	45.9	47	162.5	86
2011	334.1	202.2	147.5	54.8	44	176.2	87



### Funding of the State Service of Special Communications and Information Protection of Ukraine in 2006-2011

Year	Required, according to the budget request (mln. UAH)	Allocated by the budget (mln. UAH)			Allocated by the general fund, % of request	Actually funded	
		total	general fund	special fund		amount (mln. UAH)	% of plan
2006	889.4	338.1	331.0	7.1	38.0	331.2	98.0
2007	1 015.0	396.4	391.0	5.5	39.0	386.7	97.5
2008	1 189.0	334.2	327.4	6.8	28.1	338.4	82.6
2009	1 194.8	409.8	402.8	7.0	34.3	405.0	98.8
2010	988.9	429.8	420.5	9.3	43.5	703.2	100
2011	889.4	338.1	331.0	7.1	38.0	331.2	98.0

### Funding of the State Penitentiary Service of Ukraine in 2006-2011

Year	Required, according to the budget request (mln. UAH)	Allocated by the budget (mln. UAH)			Allocated by the general fund, % of request	Actually funded	
		total	general fund	special fund		amount (mln. UAH)	% of plan
2006	2 802.1	1 215.3	1 062.6	152.7	37.9	1 052.1	99.00
2007	2 606.2	1 613.3	1 455.0	158.3	55.8	1 455.0	100
2008	3 667.0	2 188.2	1 978.2	210.0	53.9	1 966.2	99.40
2009	4 946.5	2 034.3	1 881.5	152.8	38.0	1 876.8	99.80
2010	5 006.0	2 459.9	2 322.2	137.7	46.4	2 321.1	99.95
2011	5 347.6	2 776.5	2 619.7	156.8	49.0	2 603.6	99.40

### Funding of the Main Intelligence Department of Ukraine's MOD in 2006-2011 (general fund)

Year	Required, according to the budget request (mln. UAH)	Allocated by the budget, general fund (mln. UAH)	Allocated by the general fund, % of request	Actually funded	
				amount (mln. UAH)	% of plan
2006	249.9	158.0	63.2	158.0	100
2007	320.4	240.7	75.1	240.7	100
2008	483.6	334.9	69.3	334.9	100
2009	755.3	322.9	42.8	322.9	100
2010	843.3	380.8	45.2	380.8	100
2011	1 040.9	425.2	40.8	423.3	99.6

### Upgrading of the main weapon systems of Ukraine's Armed Forces in 2006-2011 (%)\*

	Tanks	Combat aircraft	Attack helicopters	Warships and boats
In accordance with the State Programme of Development of the Armed Forces of Ukraine for 2006-2011	22	31	38	22
Actually upgraded	10	3	0	4

\* Only a third of attack and half of transport helicopters are operational. Most artillery systems, armour and motor vehicles need repair. The military communications system mainly consists of analogous information transmission systems of 1970-1980s. Totally, 95% out of nearly 1,500 main weapon systems require immediate replacement, modernisation or repair.



**Upgrading of the military equipment of Internal Troops of the Ministry of Internal Affairs of Ukraine (%)**

	2006	2007	2008	2009	2010	2011
Upgraded	0.7	0.7	5.6	0.9	2.3	2.5

**State of military equipment of Internal Troops of the Ministry of Internal Affairs of Ukraine**



**Funding of measures aimed at creating special capabilities for the Security Service of Ukraine under the State Programme of Development of Weapons and Military Equipment (%)**

Description of measures	Level of funding						
	First stage of the State Programme				Second stage of the State Programme		
	2007	2008	2009	Total	2010	2011	Total
Development of special technical means and special equipment	36.2	20.1	9.6	21	10.8	13.8	12
Production and procurement of new systems (units, samples) of special equipment	10.3	94.4	0	35	41.2	100	84.7
<b>Total</b>	<b>25.1</b>	<b>47.8</b>	<b>5.5</b>	<b>27.1</b>	<b>36.7</b>	<b>53.2</b>	<b>47.0</b>

**Rate of provision of the Security Service of Ukraine with special equipment (%)**

Rate of provision of units	Obsolete and with expired service life	Upgraded in 2007-2011
65.3-75.0	39.2-90.0	1.0-23.7

**Rate of provision of the State Border Service of Ukraine with arms, equipment and technical means**

Motor transport	92.0%
- operated for over 10 years	49.0%
Weapons and ammunitions	100.0%
Aircraft	82.0%
- operated for over 10 years	82.0%
Ships and boats	78 ps.
- with expired service life	55 ps.





### Key indicators of training of the Armed Forces of Ukraine

Indices of troops (forces) training	2006	2007	2008	2009	2010	2011
<i>Land Forces</i>						
Battalion tactical exercises	0	5	6	3	4	5
Average flying time of Combined Rapid Reaction Force army aviation crews	52 hrs	43 hrs	46 hrs	12 hrs	19 hrs	20 hrs
<i>Air Forces</i>						
Average flying time of Combined Rapid Reaction Force aircraft crews	65 hrs	44 hrs	36 hrs	18 hrs	17 hrs	20 hrs
Average flying time of Main Defence Forces aircraft crews	27 hrs	31 hrs	19 hrs	5 hrs	3 hrs	4 hrs
Tactical exercises with combat firing of air defence troops	6	8	9	0	12	8
<i>Naval Forces</i>						
Average sailing time	19 days	30 days	29 days	10 days	21 days	22 days
Average flying time of Combined Rapid Reaction Force naval aviation crews	33 hrs	27 hrs	58 hrs	28 hrs	28 hrs	32 hrs

### Participation of Ukraine in international peacekeeping, peace enforcement and security operations in 2007-2011

Year	Participation in peacekeeping operations		Took part (personnel)		Death toll		Expenditures (mln. UAH)			UN compensation (mln. UAH)
	countries	in that, African	MOD during a year	Ministry of Internal Affairs as of 31 December	MOD	Ministry of Internal Affairs	MOD	Ministry of Internal Affairs	total	
2007	14	4	982	228	2	–	155.6	17.2	172.9	104.5
2008	13	4	1 008	80	1	1	152.0	41.4	203.4	135.2
2009	12	4	954	69	1	–	97.3	35.2	132.5	161.1
2010	15	4	708	73	–	–	195.9	10.8	206.7	180.2
2011	15	4	709	73	1	–	207.6	9.2	216.8	158.2

### Money allowances for military servants by main standard positions as of December, 2011 (UAH)

	Brigade commander	Battalion commander	Company commander	Platoon commander	Contracted serviceman of the first year of service (minimum)
Armed Forces of Ukraine	4 063	3 425	3 185	2 379	1 463
Internal Troops of Ministry of Internal Affairs	4 217	3 413	2 853	2 221	1 461



### Money allowances by personnel category as of December 2011 (UAH)

	General officers	Senior officers	Junior officers	NCOs	Contracted servicemen
State Special Transport Service	3 440	2 890	2 510	2 190	
State Border Service	6 380	3 770	3 110	2 240	1 690
Security Guards Department	12 456	7 896	4 360	3 272	
Security Service		4 600		3 000	

### Provision with housing

#### Armed Forces of Ukraine

Indices	2006	2007	2008	2009	2010	2011	2006-2011
Funding of housing construction in line with the State Programme targets (mln. UAH)	1 371.8	1 440.4	1 481.8	1 431.2	1 286.2	1 221.4	8 232.8
Actual funding (mln. UAH)	671.7	499.1	509.5	98.5	229.9	178.1	2 186.9
Implementation (%)	49	35	34	7	18	15	27
Built (acquired) housing (apartments)	4 427	1 549	2 569	85	2 020	1 454	12 104 0
Implementation (%)	57	20	34	1	35	28	30
Number of servicemen in the housing queue	45 500	51 800	51 500	45 100	45 200	45 175	

#### Internal Troops of the Ministry of Internal Affairs of Ukraine

Years	2006	2007	2008	2009	2010	2011
Number of servicemen provided with housing, in that, at the expense of budget funds	–	97	50	11	–	–
other sources	88	22	19	18	175	36
Number of servicemen in the housing queue						4 983

### Data of military garrisons of the Armed Forces of Ukraine in 2006-2011

Number of military garrisons						
State	2006	2007	2008	2009	2010	2011
Registered	2 092	1 932	1 905	1 882	1 875	1 846
Released	481	435	422	430	411	416

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