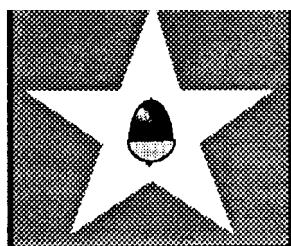


Conflict Studies Research Centre

James Sherr

**Another Ukrainian
Minister of Defence**

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Another Ukrainian Minister of Defence

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This brief sets out the factors which Ukrainians believe influenced the appointment of Yevhen Marchuk as Defence Minister. Whatever their relative merits, Marchuk is eminently capable of achieving real, though limited, reforms within current political and economic constraints.

On 20 June 2003 President Leonid Kuchma accepted the resignation of Army General Volodymyr Shkidchenko, Minister of Defence since 12 November 2001. The resignation was submitted at the end of a highly critical meeting at the National Security and Defence Council called to assess the performance of the Armed Forces in carrying out defence reform. Shkidchenko's dismissal had been rumoured for months, and insiders had noted a sharp deterioration in his relations with the head of the Presidential Administration, Viktor Medvedchuk. The dismissal of Vice Admiral Mykhaylo Yezhel, Commander-in-Chief of the Ukrainian Navy, on 25 April was seen by many as indication that the Minister's demise was imminent.¹

On 25 June, President Kuchma appointed Yevhen Kirylovych Marchuk, Secretary of the National Security and Defence Council (NSDC) since 11 November 1999, as Shkidchenko's replacement. Marchuk is Ukraine's sixth Minister of Defence.² In principle and by professional upbringing, he is also its second civilian minister, although he holds the rank of Army General by virtue of his tenure as the first head of the Security Service of Ukraine (SBU) (November 1991 to July 1994). Marchuk had been tipped as a possible Minister of Defence when Army General Oleksandr Kuzmuk lost his job over the *Sibir* airliner tragedy on 24 October 2001. But five days before appointing Shkidchenko to the post, Kuchma declared, 'It is not yet time for a civilian Minister of Defence'. Clearly, times have changed.

Marchuk is a long-standing security service professional, who joined the KGB USSR in 1963 and, by the time of Ukraine's declaration of independence, occupied the post of First Deputy Chairman KGB Ukrainian SSR. Yet he also has broad (some would say unrivalled) experience of service in senior state posts, and he has long had a high political profile. Before assuming the post of NSDC Secretary, Marchuk served as Deputy Prime Minister (July-October 1994), First Deputy Prime Minister (October 1994-March 1995), Acting Prime Minister (March 1995 to June 1995) and Prime Minister (8 June 1995 to 27 May 1996), and he was also elected to the second (1994) and third (1998) convocations of Ukraine's parliament, the *Verkhovna Rada*. Despite a political career closely entwined with that of

Ukraine's incumbent president, Marchuk stood against Kuchma in the first round of the October-November 1999 elections on a progressive, centre-right platform and on the basis of an alliance with three other opposition figures (the so-called Kaniv Four), who pledged to support him as their joint candidate.³ The failure of two to honour this pledge facilitated Kuchma's efforts to detach Marchuk after the latter's disappointing showing in the first round. Since accepting the NSDC appointment, Marchuk has been in an equivocal position, distrusted by the opposition and the President alike and without a political base of his own. Nevertheless, his single-minded promotion of the NATO-Ukraine relationship has earned him a firm base of support in the West.

What is the political significance of Marchuk's appointment? What are its likely consequences for defence and security sector reform? These are two separate questions which the stratagems and passions of the power struggle constantly entangle and conflate. Yet it is important to separate them.

The Political Context

In Ukraine as in most other countries of the former Soviet Union, questions of power have a habit of trumping questions of national interest. That they should do so in the 15 months before a constitutionally mandated transition of power is only to be expected. Anyone who believes that the defence sphere is off limits to these intrusions need only consider the dismissal of Vice Admiral Mykhaylo Yezhel on 25 April. As ever, there was real evidence behind the President's charge of deplorable conditions and disarray 'on a criminal level', but such evidence will always be found so long as Ukraine's Armed Forces are over-manned and starved of resources. Yezhel had his defects, but he had transformed the ruins and debris inherited from the division of the Black Sea Fleet into a coherent force, he had done much to create real combat readiness, and he was widely respected throughout the Ukrainian Navy. What he lacked was infinite elasticity in accommodating to the demands of Russia, which is reluctant to part with infrastructure in Crimea, and there is possibly no coincidence in the fact that Yezhel was dismissed only shortly before Kuchma's Crimean summit with Vladimir Putin took place on 1 May. Yet possibly more to the point, the Ukrainian Navy has title to large tracts of derelict land sought after by business interests rumoured to be close to the President.⁴ The point has never been lost on Marchuk: politicians will dismiss officials when it is convenient to dismiss them, and they will never be short of good reasons.

The President had a raft of good reasons to dismiss Shkidchenko on 20 June, but they tell us little about why he was dismissed. The President knows that Shkidchenko is not to blame for the state of the Armed Forces, and it would take little investigation to discover that they are in a rather better state than they were before he was appointed. Along with Marchuk at NSDC, Shkidchenko was one of the two principal motors driving defence reform. This said, he did not make any breakthroughs, and breakthroughs are urgently needed. Although the Deputy Head of the Presidential

Administration for Armed Forces, Law Enforcement and Judicial Reform, Mykola Bilokon, had put forward a serious force reduction plan within the past few months, he spoke largely for himself, and because he had no executive backing (let alone finance) for the plan, the MOD could not have implemented it and therefore had no difficulty burying it. The fact is that the Minister of Defence does not have the power to make breakthroughs because deep force reductions, the *sine qua non* of real reform, require state support and money. As noted by Iulia Mostovaya, Editor of *Zerkalo Nedeli*, 'neither the [Presidential] Administration nor the Cabinet wants to assume the responsibility for the reform. With elections round the corner and no money in the coffers, neither wants to "bring the bad news" to voters.'⁵

Because these facts are well known, it stands to reason that a number of cynical explanations for the change have been put forward in Ukraine. They fall into two categories, by no means mutually exclusive.

1. *A Step Designed to Please the West.* According to Ukraine's toughest opposition figure, former Deputy Prime Minister Iulia Tymoshenko, the change 'is a forerunner to the fact that Mr. Kuchma will ... bend towards the West for some period'.⁶ It is only logical that he should. If Kuchma seeks to stay in power by changing or reinterpreting the Constitution, he has nothing to fear from Russia, only from the West.⁷ If, to the contrary, he makes guarantees of immunity the condition of his departure, Russia cannot deliver these guarantees, whereas the West, notably the United States, might be able to induce Ukraine's leading (and more pliable) opposition figure, Viktor Yushchenko, to grant them and honour them. But if, as he hopes, he can keep Yushchenko out of power and secure the election of a member of his political 'family' instead, he would still wish to keep the West on his side. Bold steps in a Euro-Atlantic direction – Marchuk's appointment, the Defence Review (due for completion in June 2004) and deep force reductions – would, under any scenario, be regarded as very positive factors almost certain to complicate the West's response to further retreats from democracy in Ukraine. Tymoshenko believes that the 28 June decision to deploy a contingent of Ukrainian forces to Iraq (which she opposed) should be viewed in this context.

2. *A Further Consolidation of Power.* Viktor Yushchenko is not alone in believing that the election period could be one of turbulence. 'The authorities are making their final alterations on the eve of the elections, the main aim of which is to strengthen their influence over key institutions, in the first place, the Ministry of Defence.'⁸ Yet changes in the MOD must be seen in a wider context, not least because in becoming Minister of Defence, Marchuk vacates the NSDC – that body which, according to the Constitution, 'coordinates and controls the activity of executive bodies in the sphere of national security and defence'. To go further, the MOD might not be the centre of the action at all, but a side-show. During his tenure as Secretary of the NSDC, Marchuk made Euro-Atlantic integration his top priority. If, as many have suggested, the time has come to 'remodel' the NSDC and, in the characteristically indelicate words of *Ukrainskaya Pravda*, transform it into an instrument of 'purging', then a different sort of Secretary

is needed.⁹ For this reason, many have speculated that the head of the Presidential Administration, Viktor Medvedchuk, might be appointed to the post. This would kill two birds with one stone. The Presidential Administration, currently employing some 600 people, has immense *de facto* powers, but no constitutional role. For this reason, it has drawn the fire of the West. Downgrading it to a support staff would, once again, please the West whilst shifting the locus of presidential power to a more logical place.

In Ukraine, opposition explanations of state policy are not meant to be charitable, and these are not. Many truths can be seen through these distorting mirrors, but the distortions need to be borne in mind. Iraq is a case in point. The Iraq deployments were approved by the President, but they were not initiated by him.¹⁰ Marchuk was one of the key initiators, and many of the People's Deputies who supported these decisions in the *Rada* understood that there were economic and geopolitical stakes involved for Ukraine, not simply political ones for Ukraine's president.

But there are also two wider issues. On the basis of her declarations and actions, it would be reasonable to infer that Iulia Tymoshenko sees the Euro-Atlantic agenda as a diversion from the business of building democracy in the country. Without doubt, there are a number of officials and politicians, including many 'centrist' supporters of the *status quo*, who would like that to be so. Yet there are at least an equal number of individuals, inside state structures and outside them, who believe that the NATO-Ukraine relationship facilitates criticism of the *status quo*, legitimises it and internationalises it. The NATO-Ukraine Action Plan is a conspicuous example. It not only gives greater priority to strengthening democracy than strengthening military capability, but it is a *Ukrainian* state document. Whilst this is no guarantee that its provisions will be implemented, it strengthens those who wish to implement them. Second, there is the issue of President Kuchma. Perhaps charity has long ceased to be appropriate, but a sense of proportion still needs to be preserved. For years, the President's 'subjective' interests have taken precedence over wider and arguably better considerations. But that is not to say he has no wider considerations, let alone, even now, that he is incapable of acting on the basis of mixed motives, including one or two sensible ones. The decision to appoint Marchuk as Minister of Defence is sensible, whatever the motives. Very likely, at least one of these motives is sensible, even if far from idealistic. Marchuk is possibly the one person in the country who can achieve qualitative changes in the defence sphere within financial and institutional constraints that Kuchma is unwilling to alter. This is not only a 'headache' for Marchuk (as *Korrespondent* characterises it), it is a risk for him. Yet it might also be a risk for President Kuchma, and it might lead to more qualitative change than he would like.

Implications For Defence Reform

Can a decisive, energetic and well connected Minister of Defence achieve breakthroughs within these constraints? In the first place, let us understand why even the best of his predecessors, General Shkidchenko, could not. Shkidchenko was a conscientious and thoroughly professional minister who radiated integrity: attributes which secured trust inside NATO and actually enabled him to educate his partners about the practical obstacles that stood in the way of in-depth reform. He also understood the absurdity of maintaining an army designed to wage large-scale and prolonged war. 'Ukraine has no enemies to wage a total war, *and ... one should not expect the appearance of such enemies in future.*'¹¹ Consistent with this premise, he slashed the equipment holdings stipulated in Ukraine's military reform programme by more than 30 per cent.

Yet Shkidchenko had three telling limitations. First, in Mostovaya's words, he was 'too lenient' and very cautious about challenging vested interests in the Armed Forces still attached to his predecessor, Army General Oleksandr Kuzmuk, and 'his style of command, management and distribution of benefits'.¹² Second, everything in Shkidchenko's temperament and background conspired to mould him into the best Chief of General Staff in the 12 year life span of the Ukrainian Armed Forces, but it also made it impossible for him to break that mould. When it came to economics, he had very little competence at all. In the inevitable battles with powerful civilian ministries, notably the Ministry of Finance, he found himself outmanoeuvred and out of his depth. Finally, he displayed a 'well known servility to the government'.¹³ He was, after all, a Soviet trained military man.

Shkidchenko's fate is not a commentary on the inadequacy of Shkidchenko, but on the inadequacy of military defence ministers in democratic countries with market economies – even when the market is less than free and the democracy is as rigged and oligarchical as it is in Ukraine. The problem in post-Communist countries tends to be that the cure, even when known, is not available. In the Soviet and post-independence years the cure, a capable civilian defence minister, was not available, and whilst Ukraine's first civilian Minister of Defence, Valeriy Shmarov (August 1994-July 1996) *did* know something, his tenure proved disastrous. Despite the fact that he, like Humpty Dumpty, might have been pushed, his tenure only fortified the conventional wisdom that 'civilians know nothing about defence'. One accomplishment of the NATO-Ukraine relationship and the growth of independent expertise inside Ukraine is that, today, this wisdom has become suspect. Will Marchuk bury it?

To be sure, he is without Shkidchenko's limitations. The assessment of Hryhoriy Kriuchkov, Chairman of the *Rada's* Standing Commission on Security and Defence, is illuminating, not least because Kriuchkov is a Communist and not Marchuk's most natural supporter:

Not every person can say 'no' to a high-ranking superior. To do this you have to have definite toughness and courage and firmly

feel the ground beneath your feet, and Yevhen Kirylovych has enough of that.¹⁴

Marchuk also understands the two strategic sectors of Ukraine's economy: energy and defence and, what is more, he understands the inner workings of the oligarchies and trans-national networks that dominate both. (As Secretary of the NSDC, he was not only handed the responsibility of stopping covertly authorised siphoning of Russian gas through Ukraine's energy transport network, but also the more perilous responsibility of locating and suppressing the sources of unauthorised siphoning.) His ministerial, prime ministerial and parliamentary (not to say intelligence) experience certainly will not place him at a disadvantage in the inevitable struggles he will face with the Cabinet of Ministers and *Verkhovna Rada*. No less important, they will make him well equipped to cut through the web of the MOD's commercial relationships – and, to the extent they are wasteful or improper, cut them to the quick. If he meets this challenge, he might succeed in untying the knots identified by Kriuchkov:

During the last two-to-three years the defence budget has almost doubled. It used to be over two bn *hryvni*, and it is now just over four bn [about \$785 bn] [But] we have an army of about 375,000 people [including civilians] Of course, such an army is not needed. On the one hand, we cannot maintain it because there is not enough money, yet in order to reduce it we also need money On the other hand, even the money allocated is not always economically distributed.¹⁵

Set against these strengths, Marchuk has one obvious limitation, one more serious limitation and one disadvantage. The obvious limitation is his lack of the kind of knowledge which made Shkidchenko so competent within his own sphere. Yet this need not be a debilitating limitation: first because Marchuk is a fast learner with an eye for first principles; second because, in current conditions, a defence minister needs knowledge, not to say horizons, very different in kind from that of a CGS. If it succeeds, the division of functions between the MOD and General Staff, which Marchuk is under orders to complete, should make this clear to everyone. Marchuk's first challenge will be to define and master his own turf and make it clear that he has no intention of competing with his military subordinates. What he needs is a CGS whom he trusts and who will point the forces in the direction the minister wants them to go. He also needs to build up a corps of capable civilians (some, inevitably, ex-service personnel) who will make his own role and position less anomalous.

The more serious limitation is the fact that Marchuk is not loved in the Armed Forces. His role in the Yezhel affair, as co-chairman of a commission (alongside the Procurator-General's Office) investigating the navy, can only have deepened the distrust that many military professionals harbour towards an individual with his background. He has a swift but delicate operation to perform. He needs to move decisively against those (a small minority, but an influential one) who are set against real reform, yet he

needs to do so in a way that persuades everyone else that he is an effective reformer rather than a political intriguer.

Marchuk's disadvantage is that President Kuchma will not want him to do *too* well, and the more he succeeds, the more tempting it will be for the President to move the goalposts to keep him in check. According to *Zerkalo Nedeli*, it is probable that Marchuk extracted three conditions from Kuchma before accepting his appointment: authority to change the structure of the MOD; *carte blanche* in matters of personnel – indispensable for someone determined to overhaul the Ministry's economy 'with its numerous parasitic commercial structures'; and transfer of military counter-intelligence to the MOD from the subordination of the Security Service (SBU) – a Soviet hangover, discomfiting to NATO, the Ukrainian MOD and to Marchuk himself, who is not in love with the service that he helped to create.¹⁶ Even if Kuchma honours these conditions – and that is anything but certain – he is very unlikely to reward Marchuk with the defence budget stipulated in the law 'On Defence': three per cent of GDP. Most likely, Marchuk did not set a budget increase as one of his conditions because he knew what the answer would have been. Kuchma has several incentives to appoint Marchuk, but he has no incentive to grant him largesse. The remodelling of executive institutions and reshuffling of cards that so alarms the opposition testify not to Kuchma's confidence, but his nervousness. Kuchma has uncertainties enough, he does not trust Marchuk, and he did not appoint him Minister of Defence in order to allow him to become a future rival.

Conclusion

'It is the reality of Ukrainian politics that no one political project has a long life If you become fixated on a single project, however successful, you are bound to lose out in the end.'¹⁷ Defence reform is a long-term project, and despite the absence of breakthroughs and the intrusions of the political process, it has moved forward, particularly since implementation of the current State Programme began in January 2001. But thanks to 'the reality of Ukrainian politics', Marchuk is Ukraine's sixth defence minister. Today, he must be wondering whether he can change this reality. He is only likely to do so by working within established constraints. Whatever is laid down in presidential decrees, economic realities (not least of all tax revenues) simply won't allow the Armed Forces to receive three per cent of GDP. His challenges will be to ensure that the current budget of two per cent does not fall, that the sums approved are actually allocated, that they are efficiently and effectively apportioned within the military system and that redundancies in this system and 'parasitical structures' are shut down. These are realistic goals for an individual with Marchuk's abilities, but they will probably test his abilities to the limit. If by these means, he succeeds in wringing more resources out of the same budget, then the cycle by which force reductions release funds for a smaller, professional army can be set in motion.

If despite the intrusions of the political process, Marchuk drives things

forward and even achieves some breakthroughs, then the question in Ukraine is certain to be, 'how will NATO respond?'

ENDNOTES

¹ Mykola Semena, 'An Oak has been Sawn Down Near the Coast: The President's Actions are Regarded as Ill-Considered in the Crimea and Sevastopol', *Zerkalo Nedeli*, 8 May 2003.

² The four ministers prior to Shkidchenko were Major General of Aviation Konstantin Morozov (September 1991-October 1993) (soon promoted to Colonel General), Army General Vitaliy Radetskiy (October 1993-August 1994), Valeriy Shmarov (August 1994-July 1996) and Army General Oleksandr Kuzmuk (July 1996-October 2001).

³ The other three were Oleksandr Tkachenko, then Chairman (Speaker) of the *Rada*, Oleksandr Moroz, leader of the Socialist Party and former parliamentary Chairman and Volodymyr Oliynyk, Mayor of Cherkassy. At the height of this alliance, Marchuk stated, 'I can only regard the authorities and their actions from a standpoint of criticism and opposition. I have expressed these attitudes more than once towards President Kuchma and the executive power structures generally, both with regard to internal and foreign policy. They have made a colossal number of mistakes.' The Kaniv Four dissolved on 26 October 1999.

⁴ This was the land visited by Kuchma on his 'surprise visit' to the Navy. Of the four grounds visited, two were derelict and awaiting transfer to other owners. If the President's aim was to assess combat readiness, he certainly would have taken a very different tour from the one he arranged. Mykola Semena, *op cit.*

⁵ Iulia Mostovaya, '... And no Fooling!' [... *I Chtob bez Glupostey*], *Zerkalo Nedeli*, No 24 (449), 28 June, 2003.

⁶ Interview with *Hromadske Radio* [Public Radio], reported in BBC Summary of World Broadcasts [hereafter SWB], 'Prominent Ukrainian MP mulls appointment of new defence minister', 25 June 2003.

⁷ The Constitution mandates a two-term limit for the President of Ukraine, but some members of the President's entourage maintain that Kuchma's 'constitutional' term did not begin with his election in July 1994, but with the adoption of the Constitution in June 1996. The President himself has proposed a straightforward constitutional 'reform' (i.e. revision) to ensure that presidential, parliamentary, regional and local elections occur simultaneously. If adopted, this could mean delaying the next presidential election until 2006.

⁸ Aleksey Shevchenko, 'Marchuk's Headache' [*Golovnaya bol' Marchuka*], *Korrespondent/Kyiv Post*, 1 July 2003, p19.

⁹ Serhiy Tsokolenko, *Ukrainskaya Pravda* (www2.pravda.com.ua) 27 June 2003 in Ukrainian and Russian, English translation in SWB, 27 June 2003, 'Kuchma using Security Council to oust Ukraine's old political elite'. Hryhoriy Honhadze, the journalist whose murder touched off the 'tape scandals' known as 'Kuchmagate', was a writer for *Ukrainskaya Pravda*.

¹⁰ There were two deployment decisions, each approved by the *Rada*. The first, on 20 March, authorised the dispatch of a nuclear, chemical and biological defence battalion to Kuwait; the second, on 5 June, authorised the deployment of a Ukrainian brigade of 1,800 service personnel to the Polish sector of Iraq.

¹¹ Army General Volodymyr Shkidchenko, 'Some Aspects of Professionalisation of the Armed Forces of Ukraine', National Security and Defence, No 5 (29), 2002 (Ukrainian Centre for Economic and Political Studies, Kyiv), p4. Emphasis added.

¹² Mostovaya, *op cit.*

¹³ Hryhoriy Kriuchkov, 'Offensive on Defence' [*Nastupleniye na Oboronu*], *Korrespondent/Kyiv Post*, 1 July 2003 p22.

¹⁴ *Ibid*, p22.

¹⁵ *Ibid*, p22. The reason money is required to reduce the strength of the army is that by law, career service personnel cannot be released into the civilian economy without offers of jobs and housing.

¹⁶ Mostovaya, *op cit*.

¹⁷ Olesya Yakhno, 'Who will Kuchma Strengthen?' [*Kogo usilivaet Kuchma*], *Glavred* web site (www.glavred.info), 26 June 2003.

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Haig Road
Camberley
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Telephone: (44) 1276 412995
Fax: (44) 1276 686880
E-mail: csrc@defenceacademy.mod.uk
<http://www.csrc.ac.uk>

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