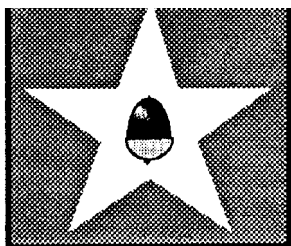


Conflict Studies Research Centre

James Sherr

**Ukraine's Defence Reform:
An Update**

July 2002



G112

Ukraine's Defence Reform: An Update

James Sherr

Introduction

Defence reform is no longer a slogan in Ukraine, but a fact. This in itself is a breakthrough in a country where state policy, programmes and official declarations often have little impact upon the realities of life. Since January 1997, Ukraine has had a radical and realistic vision of the roles which MOD armed forces and non-MOD military formations need to perform in today's radically transformed security environment. Yet as late as December 1999, Ukraine's most authoritative independent analyst, Anatoliy Grytsenko, warned that 'the military organisation of Ukraine is in a state of deep crisis'. Only on 28 July 2000 did President Leonid Kuchma approve a State Programme broadly consistent with the needs identified. It took until 1 January 2001 for the official process of implementation to begin.

This suggests that something has changed since Ukraine established its own armed forces on 24 September 1991. The 780,000 military personnel located in Ukraine's three military districts in 1991 were not an army. They were a force grouping, without a Ministry of Defence, without a General Staff and without central organs of command-and-control. Moreover, this grouping, its inventory of equipment and its officer corps were designed for one purpose: to wage combined arms, coalition, offensive (and nuclear) warfare against NATO on an external front and under Moscow's direction. They were not equipped, deployed or trained to defend Ukraine. They were bone and muscle without heart or brain.

In the first official stage of armed forces development (1991-96), Ukraine established the legislative basis, as well as the institutional and command structures for independent armed forces. It repatriated over 12,000 officers and warrant officers who refused to take an oath of allegiance to Ukraine (and absorbed 33,000 military servicemen from other parts of the USSR). It also disarmed the world's third largest nuclear force, removing the last nuclear warhead from its territory by 1 June 1996.

Yet at the start of the second stage (1996-2000), Ukraine's armed forces were a bloated, grossly underfinanced establishment of 400,000, lacking any authoritative, coherent and realistic scheme of transformation and development. This establishment also continued to nurture a number of Soviet principles and prejudices about security and war, plainly at variance with Europe's transformed security environment.

In 1996, the National Security and Defence Council under its then Secretary, Volodymyr Horbulin, drew up a National Security Concept (approved by parliament in January 1997), which directly confronted this general war ethos. Its authors viewed the probability of large-scale aggression as extremely low. Instead, they drew attention to the dangers of local conflicts in Ukraine's immediate vicinity. They also demanded urgent attention to the risk that the country's civic,

institutional and economic weaknesses could be used to undermine the state. These dangers not only called for an entirely new relationship between armed forces and society (and genuine civil-democratic control), but an integrated national security system, a joint approach to military operations and a rationalised division of labour between MOD armed forces and other force structures.

The State Programme of Armed Forces Reform and Development 2001-2005 is the first programme designed to translate these principles into reality. Since the 'stage of reform and development' began in January 2001, this document has been supplemented by several others, including the Concept of the Armed Forces 2010 and the State Programme of Armed Forces Transition Towards Manning on a Contract Basis, designed to transform today's 295,000 mixed conscript-volunteer force into an all volunteer force by 2015.

Today, three distinct pressures are fuelling the implementation, not to say further revision, of these programmes. The first is economic. Ukraine's real GDP is considerably greater than the official estimate of UAH 204 bn (\$41 bn) projected for 2002. But the latter is the measurable (and taxable) figure, and the overall state budget amounts to only about 26 per cent of this sum. Despite three years of impressive economic growth, there is little possibility that Ukraine will be able to spend 3 per cent of GDP on defence, as the law now requires, versus the current 1.5 per cent (UAH 3.2 bn/\$600 mn). Thus, in early 2002 the Ministry of Defence revised its manning goals for 2015 from 230,000 to 180,000. Yet even under the most buoyant economic assumptions, not even 3 per cent of GDP will meet manning and procurement objectives by this date.

The second is geopolitical. Ukraine borders seven countries and one unrecognised entity (the Pridnestrovian Moldovan Republic), and it is the northern littoral of the Black Sea. It is a vital transit country for energy and, involuntarily, illegal migrants, arms and other forms of organised crime. Unless Ukraine can curb this activity and control its borders, the future Schengen frontier with the EU will be economically damaging and politically unfriendly.

Ukraine is also an ambivalent host to Russia's Black Sea Fleet (BSF), required by treaty to withdraw from Ukraine in 2017. The Fleet presents two problems. First, Russia's authorities assiduously avoid acknowledging the temporary nature of its presence. Second, its presence has already raised the risk that Ukraine could be drawn into conflicts between third parties. At the outset of Operation Allied Force (NATO's intervention in Kosovo, vigorously opposed by Russia), the Russian Federation dispatched an intelligence vessel from Sevastopol, the main operating base of the BSF, to the Adriatic and readied six additional ships for transit. Since October 1999, Russia has been using Crimean training grounds in order to prepare units of BSF Naval Infantry for combat duty in Chechnya. Finally, Ukraine is concerned that changes of government in Russia or Romania could bring to power those who question the legitimacy of the country's borders.

NATO is the third source of pressure. Well before Ukraine declared NATO membership its long-term goal (23 May 2002) the scale and intensity of NATO-Ukraine cooperation had become unique for a non-candidate country. The 8 July 1997 Charter on a NATO-Ukraine Distinctive Partnership established a NATO-Ukraine Commission and, under its auspices, a Joint Working Group on Defence Reform (JWGDR). In 2000 Ukraine joined NATO's Planning and Review Process (PARP) and submitted its State Programme 2001-2005 to NATO for analysis and comment. Since then, NATO-Ukraine cooperation has become a structured process

Ukraine's Defence Reform: An Update

of audit and consultation designed, in the words of former Minister of Defence Oleksandr Kuzmuk, 'to support defence reform in the country'. The 23 May decision places an added onus on Ukraine to question the realism of its goals and implement those which are realistic.

Eighteen months into implementation, a process of rationalisation is definitely underway. This is clearest in the education sphere. Above officer commissioning level, education is now joint service and includes several non-MOD force structures. The curriculum is increasingly 'Euro-Atlantic' in orientation, and National Defence Academy qualifications (Masters) are accredited by the Ministry of Education. Several NCO academies have been established, and a well considered scheme of 'differentiated remuneration' is being put in place for 'contract' (volunteer) soldiers, 35,000 of whom (one fifth of the enlisted contingent) now serve in the forces. Base closures have begun, and the process of eliminating duplication and redundant structures is in train.

The dynamics of modernisation, stagnation and decay, however, remain precariously balanced. Major General Valeriy Muntiyan, Assistant to the Defence Minister for Budget and Financial-Economic Activity, is convinced that without a radical revision of financial support, 'the Armed Forces have no more than five years till self-ruination'. This can be seen in three key areas:

- *Budget levels and structure.* As Ukraine's authoritative Razumkov Centre says, today's budget does not exceed 'the level which allows Ukraine's Armed Forces to ensure the survival of troops'. Maintenance of personnel, logistics, barracks and other facilities now consume 80-90 per cent of expenditure. Whereas the USA allocates 70 per cent of its budget to procurement and R&D, the corresponding figures in Ukraine are 3 per cent and 1.5 per cent.
- *Deterioration of equipment.* According to Muntiyan, the annual rate of wear-and-tear of arms and hardware is 9 per cent. Fifty per cent of Ukraine's projected total of 300 fixed wing aircraft already require repair and modernisation. The corresponding figures are 84 per cent of 100 helicopters, 55-67 per cent of 2,000 artillery pieces and air defence systems, 11 per cent of 2,000 tanks and 3,500 armoured vehicles and 82 per cent of 20 warships. Even under optimistic economic forecasts, no more than 10 per cent of the existing inventory can be upgraded before the end of its service life.
- *Training.* Whereas the UK allocates 20.3 per cent of its budget to training, Ukraine allocates little more than 1 per cent. Despite improvements in the individual training regime in 2001, an army helicopter pilot receives an average of 10 hours in the air per year, and an Air Force fixed wing pilot receives just over 20 hours – in both cases some ten times less than the NATO standard.

Until Ukraine's political authorities take firm responsibility for this state of affairs, it is unlikely to change. Despite Ukraine's presidential constitution and the state's increasingly authoritarian character, the President does not allocate funds, and he therefore has limited means of providing practical support to the Armed Forces. The Cabinet of Ministers (government) establishes financial priorities, but it has suffered from frequent and highly politicised changes in composition, and it is notoriously lacking in strategic focus and defence expertise. The Ministry of

Finance has accumulated a vast debt to the Ministry of Defence, yet according to Muntiyan 'not a kopeck of the debt has been repaid'. Whereas the *Verkhovna Rada* (parliament) allocates funds, it is regularly at odds with executive structures. As a result, it does not approve projects of defence reform, and it has generally been shut out of the process. To date, this process has moved forward through a combination of presidential decree, military resourcefulness, the pressure of NGOs and the moral and material support of NATO. Today the Ministry of Defence and its Minister, Army General Volodymyr Shkidchenko, and the National Security and Defence Council and its Secretary, Yevhen Marchuk, are the main engines of reform. However, they are hamstrung by the present political system. The conclusion, increasingly obvious to society at large, is that the political system is the principal obstacle to meaningful change.

The Armed Services

At the outset of independence, Ukraine maintained four armed services under subordination of its Ministry of Defence: Ground Forces, Air Forces, Air Defence Forces and Naval Forces. In addition to these establishments, Ukraine inherited more than 700,000 militarised troops under jurisdiction of the Ministry of Internal Affairs (MVD) and KGB, including KGB subordinated Border Troops. Whereas the USSR Ministry of Defence had no branches in the Union Republics, this was not true of the MVD and KGB. These were relatively cohesive entities, and they added to anxieties about the security of the new state. In response to these anxieties, the *Verkhovna Rada* established an entirely new force structure, the National Guard of Ukraine, on 23 October 1991. In December 1999 the National Guard was abolished by presidential decree.

Under the current State Programme, the structure of command, operations and logistics is to be joint. This fact explains the absence of any public reference to individual service programmes. Very possibly, no such programmes exist. Individual armed services have ceased to be the focal point of planning and operations.

In *operational* terms, Operational Commands (OK) are becoming the lynchpin of the defence and security system. The three OK (Western, Southern and Northern), established in 1998, differ dramatically from the three Military Districts (Carpathian, Odessa, Kyiv) which Ukraine inherited from the USSR. The latter were simply territorial-administrative structures without the authority, capability or infrastructure required to plan or conduct military operations. In contrast, the Operational Command is 'a permanent operational and strategic formation assigned operational and mobilisation missions...responsible to defend territory and provide logistic and other support to forces in its sector regardless of their subordination' – and do so not only in war but 'conflicts of various intensity'. This scheme of subordination also applies to non-MOD formations located in the zone of responsibility of OK Commanders. In NATO's parlance, these are strategic joint commands.

In *structural* terms, Ukraine is reorganising its forces into three components:

- (1) Forward Defence Forces. These are to comprise Strategic Conventional Deterrent Forces, centring on the newly formed 1st Rocket Division, Rapid Reaction Forces (RRF) and Covering Forces. According to the Programme, RRF are 'to be the main element of the future Ukrainian

Ukraine's Defence Reform: An Update

Armed Forces'. They must be professional, 'combat ready', 'capable of acting autonomously' in 'one' (but also in 'any') direction in order to eliminate 'low intensity military conflict' and 'neutralise a threat and prevent it escalating into local or regional war'. By 2005 they are to comprise a Ground Forces Rapid Reaction Corps, an Aviation Group and a Combined Naval Squadron. Cover Troops are to supplement the RRF and, if necessary, support the deployment of the first operational echelon of Main Defence Forces. Preparation of the Forward Defence Forces required UAH 267 million (\$53 mn) in 2002, yet according to Muntiyan, 'the 2002 budget earmarked *for the entire State Programme* is only UAH 255 million.'

- (2) Main Defence Forces. These comprise a First Operational Echelon, a Second Operational Echelon and Operational Reserves, 'which are assigned in case of regional conflict'. These, too, are co-located with and subordinated to Operational Commands. Today few of these forces could be considered combat ready. But in the short-to-mid term, this is not a serious liability. Although Shkidchenko believes that 'transient, limited, possibly very fierce local interstate conflicts' remain possible, he is also confident that 'the probability of a large-scale and prolonged war is low. Ukraine has no enemies to wage a total war, and ... one should not expect the appearance of such enemies in future.' But until recently, the MOD was not so confident about the longer term. This geopolitical pessimism partially explains the 2000 decision to retain large equipment holdings beyond 2005 (including 3,276 tanks, 4,203 AFV, 3,684 artillery pieces and 406 fixed-wing combat aircraft). In January 2002, under Shkidchenko's tenure, this requirement was revised downward by more than 30 per cent (to a maximum of 2,000 tanks, 3,500 AFV, 2,000 artillery pieces and 300 combat aircraft). It is unlikely to be the last revision. Several years ago, sale of the bulk of this hardware would have generated funds for defence reform. Now according to Razumkov's Mykola Sungurovskiy, the military leadership finds itself forced 'to hand this sort of kit over to other countries for almost nothing in order to save money for maintenance'.
- (3) Strategic Reserve Forces. These are subordinated to the Supreme Commander, designed to 'reinforce the main defence forces' and 'conduct operations in new operational directions'. Today it cannot be said that such forces exist.

The Concept of the 2010 Armed Forces envisages that Ukraine will have three armed services subordinated to the Ministry of Defence. Today there are four.

- (1) Ground Forces (*Sukhoputni Viyska* – SV). The State Programme defines the Ground Forces as the 'backbone of the Armed Forces', which 'plays the leading role in preventing and dealing with possible aggression against Ukraine'. Ground Forces are to include in their establishment no more than 54 per cent of the total number of personnel serving in MOD Armed Forces and non-MOD formations. Today and in future the SV comprise the following arms of service: Mechanised, Armour, Air Mobile, Missile Troops and Artillery, Army Aviation and Air Defence Troops. They also include several components of Special Forces, including reconnaissance, 'forces of special designation' (*Spetsnaz*), NBC

James Sherr

protection, radio-electronic warfare, topographical, hydro-meteorological, technical, logistical and medical.

At the beginning of 2001, the Ground Forces numbered 180,000 men in 13 divisions. This is a striking illustration of the extravagant number of higher command formations which the State Programme is designed to eliminate. By way of comparison, the 500,000 strong United States Army, has only 10 divisions. Therefore, the first component of Ground Forces reform is transition from a division-regimental structure to a brigade-battalion structure. By 2005 12 of 13 divisions are to be transformed into brigades. But at a cost of UAH 10-15 million per division, this is an expensive process. To judge by the failure to finance the scheduled measure of reforms for 2002, it cannot be assumed that this target will be met by 2005.

The second component of Ground Forces reform is professionalisation. The State Programme of Armed Forces Transition Towards Manning on a Contract Basis, which applies to all armed services, is a three-stage programme, mandating 30 per cent contract manning by 2005 (as opposed to 20 per cent today), 50 per cent by 2010 and 100 per cent by 2015. In 2005 the term of conscription is to be reduced from 18 months to 12. Three challenges central to professionalisation are being addressed with appropriate seriousness but with a mixed degrees of success.

The first is attracting contract soldiers (*kontraktniki*) of a suitable intellectual and moral standard. At the start of the second Chechen war, the Commander of Russian Airborne Forces determined that the standard of *kontraktniki* was 'absolutely unsatisfactory' and dismissed 80 per cent of the cohort. This has been an object lesson in Ukraine.

An obvious prerequisite of standards is wages. Today contract soldiers are paid UAH 425 (\$80) per month (which compares with UAH 20-30 for conscripts and an average wage of UAH 329 in the civilian sector). Beginning in 2003, this wage will be index linked, and by 2015 it is scheduled to rise to 5.5 times its current level. Beyond this, the MOD is determined to link wages with experience, performance and service in posts relevant to combat readiness.

A second prerequisite is decent housing and proper social provision. The MOD is of no mind to compromise on these principles. Barring the miraculous, a budgetary revolution, the conclusion stands to reason: acceptance of more protracted pace of professionalisation or a smaller military force.

The second and related challenge is providing a career structure which will induce *kontraktniki* to remain in the service. At present, *kontraktniki* undergo training not very different from that of conscripts, and many NCOs are recruited directly from civilian occupations and sent to NCO academies. Colonel-General Oleksandr Zatynaiko, Commander-in-Chief of Ground Forces, has promised a 'fundamental reform' of this system. In future, there will be an integrated training regime and career structure. All NCOs, whatever their educational qualifications, will be required to serve one year (as *kontraktniki* or conscripts) before

Ukraine's Defence Reform: An Update

proceeding to specialist NCO training. By the same token, *kontraktniki* with suitable qualifications and experience will be able to advance, with appropriate advanced training, through the ranks of junior specialist, sergeant and master sergeant.

The third challenge is preserving the coherence of units. As much as their Russian counterparts, Ukrainians were aghast at the performance of Russian composite units during the first Chechen war. Norms are therefore being devised for ensuring 'a period of coherence' for each unit and sub-unit.

- (2) Air Forces (*Viyskogo-Povitriani Syly* – VPS). According to the State Programme, the VPS are to number no more than 16 per cent of the total number of troops serving in MOD and non-MOD force structures. Today the Air Forces comprise the following arms of service: Bomber Aviation, Fighter Aviation, Attack Fighter Aviation, Reconnaissance Aviation and Transport Aviation. As part of the reform, the command bodies of five aviation divisions are to be disbanded and five bases closed. At present an Air Force Group of Operational Assignment is being formed as part of the Rapid Reaction Force.

In 2000 it was agreed that the Air Forces and Air Defence Forces (VPO) would be merged. This is widely recognised to be a costly and complex undertaking, and the Russian Federation programme for merging their analogous services (VVS-PVO), which is now in full swing, is an object of interest and study. It is also recognised that the capital and technology intensive Air Forces suffer even more than other services in the present climate of financial stringency. In his interview to the highly informative Ukrainian publication, *Defence Express*, VPS Commander-in-Chief A. Strelnikov admitted:

In 2001, despite a reduction in planned tasks for combat training, only 15 per cent were fulfilled. On the assumption that material support remains at the same level in 2002, the Ukrainian Air Force could lose its remaining combat potential. At present, we simply cannot speak about improvements in training, whilst we are unable to renew our pilots' skills, including those of our formerly well prepared top-level specialists.

- (3) Air Defence Forces (*Viyska Protypovitrianoiy Oborony* – VPO). Until the merger with the VPS is accomplished, these forces will number 13.5 per cent of the total. The VPO is 'the basis' of the State Air Defence System, the one component of Ukraine's defence system which is linked to CIS defence structures (via the CIS Joint Air Defence Agreement of February 1995). Although Ukraine retains administrative and operational control over its air defence system, this relationship remains a source of controversy in Ukraine, likely to increase as the implications of the 23 May decision, envisaging membership of NATO, are discussed.

The VPO consists of the following arms of service: Anti-Aircraft Missile Troops, Radio-Technical Troops and Air Defence Aviation. Owing to the integrated character of air defence, the VPO is not strictly subordinated to Operational Commands, as are other armed services. Nevertheless, it

James Sherr

is required to contribute Mobile Groups of Elements and Forces to the Rapid Reaction Force.

- (4) Navy (*Vyskogo-Morski Syly* – VMS). Formed on the basis of components of the former Soviet Black Sea Fleet (BSF), the establishment of a Ukrainian Navy, fully separate from the BSF's Russian successor, had been a chronic and bitter source of tension between Ukraine and the Russian Federation until three intergovernmental agreements and an interstate treaty were concluded on 28/31 May 1997.

The VMS and the BSF share a main operating base at Sevastopol. Unlike the latter, which in May 1997 comprised some 100 warships and 160 support vessels, the VMS is an extremely small force comprising three frigates, one submarine and a small number of patrol boats, coastal combatants and amphibious vessels. Its servicemen number no more than 4.5 per cent of the total. Despite the agreements of May 1997, the Russian Federation periodically tables new proposals for the creation of joint naval structures.

- (5) Non-MOD Military Structures. Despite the abolition of the National Guard in December 1999, forces outside MOD subordination have proliferated since Ukraine's independence. These include Internal Troops (VV) and other specialist formations of the Ministry of Interior (MVS), Border Troops (subordinate to the State Committee on Defence of the State Border), anti-terrorist, communications troops and other specialist formations of the Security Service of Ukraine (SBU), troops of the Ministry of Emergency Situations (MChS), along with several other bodies possessing specialist units. For the most part, neither programmes, budgets nor staffing levels of these bodies are published. To this day, only the Border Troops and the MChS show enthusiasm for Ukraine's 'Euro-Atlantic' course, and in other formations (notably components of the MVS and SBU), some of the values and methods of the Soviet era remain in evidence. Until these substantial, well funded, influential and opaque bodies adopt the spirit of reform present in the MOD, Ukraine's defence and security system is bound to remain schizophrenic in character.

Reproduced with permission from Jane's Information Group - Jane's Defence Weekly. The original title of this article in Jane's Defence Weekly was 'Ukraine: A State of Reform'.

Disclaimer

The views expressed are those of the
Author and not necessarily those of the
UK Ministry of Defence

ISBN 1-903584-93-0

Published By:

**The Conflict Studies Research
Centre**

Royal Military Academy Sandhurst
Camberley
Surrey
GU15 4PQ
England

Telephone : (44) 1276 412346
Or 412375

Fax : (44) 1276 686880

E-mail: csrc@defenceacademy.mod.uk
<http://www.csrc.ac.uk>

ISBN 1-903584-93-0