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Ukraine and Post-Soviet Europe: Authoritarian Consolidation or Renewed Reform?

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Independent Ukraine has suffered not just the pains of transition, but of transition inflation. Since 1991 it has variously been described as simultaneously making the transition from empire to nation-state, from totalitarianism to democracy, command to market economy, and object to subject of international relations. Ukraine's situation has indeed been complicated by this daunting array of tasks, but this chapter will argue that its problems – and those of adjacent post-Soviet Europe – can only partly be understood via a 'transition' framework. Not only is modern Ukraine strongly marked by continuities with the past, but also a certain consolidation of a semi-reformed polity and economy was evident by the mid-1990s, which has only recently begun to be challenged (Wilson, 2002). The chapter is in three sections. The first discusses the background to Ukraine's declaration of independence in 1991. The second looks at political developments over the following decade; and the third examines the key policy dilemmas faced by the new state, including the still contested nature of Ukrainian national identity, the constitutional system, economic reform and the development of Ukrainian foreign policy. Finally, some limited conclusions are drawn.

Historical Background and Independence from the USSR

Ukrainians were not expecting independence when Mikhail Gorbachev assumed the Soviet leadership in 1985. Even radical

nationalists were not anticipating it any time soon when serious political reform began in 1989–90. The events that led to the Ukrainian parliament declaring independence on 24 August 1991 and the overwhelming endorsement of that decision by popular referendum on 1 December 1991 therefore took place in accelerated time. Perspectives changed as rapidly as events, which often ran ahead of participants' plans. However, many of the arrangements and decisions then made in haste are still a powerful influence a decade later.

Soviet Ukraine was a hybrid entity. Most obviously, the westernmost territories of Galicia, Transcarpathia and Bukovyna had been part of the Habsburg Empire until 1918, and then of the new Central European states (mainly Poland, plus Czechoslovakia and Romania) until 1939. They therefore had a very different historical experience before their relatively late incorporation into the USSR, including most importantly relative political freedom, the consolidation of national identity under a degree of official sponsorship and through the persistent national and social conflict with the local Poles, and the growth of a far-right movement in the inter-war period. Most of modern Ukraine, however (central Ukraine either side of the river Dnipro, the industrial east, Crimea and the southern coast), was part of the Russian Empire until 1917. National consciousness and a national movement were only nascent forces in 1917, and were in any case largely confined to the former Hetmanate and peasant heartland regions of central Ukraine. (The Hetmanate was the name given to the polity carved out of the Polish Commonwealth after the great Cossack Uprising of 1648; although linked to the Tsar by the Pereyaslav Treaty of 1654, it retained a degree of autonomy until 1785.) The south (dubbed 'New Russia' or *Novorossiya*) was regarded as virgin territory for the official administration of multi-ethnic settlement. In the eastern Donbas a Russified working class developed a strong regional and labour consciousness. Crimea, in a separate decision, was transferred to Ukraine as late as 1954; accordingly, it missed the half-hearted promotion of the Ukrainian language and culture that the Soviet authorities briefly encouraged in the 1920s.

With the exception of the former Habsburg territories therefore, most Ukrainians supported aspects of Soviet rule and welfare socialism, and their Ukrainian identity was a Soviet Ukrainian one, nested in larger identities of great power patriotism and/or East Slavic unity. Furthermore, West Ukrainian and Soviet

Ukrainian political cultures remain very different. Patrimonial communism and its characteristic features – the suppression of civil society, clientelism and authority worship – put down strong roots outside of west Ukraine, where habits of social self-organization were more easily recovered in the late 1980s. Soviet rule also inverted Ukraine's traditional socio-economic geography. The west and the central Ukrainian heartland remained relatively underdeveloped. The former periphery, the steppe region in the south and east, was now home to most of Ukraine's industry and most of its larger cities. This was also where the Russian minority (11 million at the time of the 1989 census) was concentrated, and where the Russian language remained hegemonic over Ukrainian 'newcomers' (new in the sense of newly urbanized) – even during the brief 'Ukrainianization' campaign of the 1920s (Martin, 2001, pp. 122–4). Nationally, although ethnic Ukrainians made up 73 per cent of the population in the 1989 census (and 78 per cent in 2001), roughly a third of these were habitual and/or preferential Russophones and only 45–50 per cent of the population were Ukrainophone (though there was enormous overlap) – a large majority in the countryside, but a minority in the cities.

In 1989–91 therefore the national 'Popular Front' *Rukh* (the Ukrainian for 'movement') developed a strong base in the west and in the capital Kyiv, but was only able to win a quarter of the seats in the first free elections to the Ukrainian parliament (*Verkhovna Rada*) in March 1990. In Gorbachev's March 1991 referendum on the preservation of the USSR as a 'renewed federation', 70.5 per cent of Ukrainians voted in favour, and only 29.5 per cent said no (again, mainly voters in Kiev and the west). Unlike the Central Asian republics or Belarus, therefore, Ukraine had a powerful opposition movement; but, unlike the Baltic republics, South Caucasus or Moldova where local Popular Fronts won absolute majorities in 1990, *Rukh* was not about to win power or secure independence on its own.

Nevertheless, the number of Soviet diehards and/or committed opponents of *Rukh* was also small. In Ukraine there was a huge middle ground – the 'Soviet Ukrainians' – whose identities and political loyalties were flexible and often contradictory. Many wanted both the USSR and a 'sovereign' Ukraine. Even the communist party was split. Its official leadership – the so-called 'imperial communist' group led from 1990 by first secretary Stanislav Hurenko – tended to side with Gorbachev's conservative

opponents in Moscow. On the other hand, Leonid Kravchuk, the chairman of parliament, led a 'national communist' group; and the alternative question he manoeuvred onto the March 1991 ballot (proposing a loose confederal 'Union of Soviet Sovereign States ... on the basis of Ukraine's ... sovereignty') won even more support (80.2 per cent) than Gorbachev's question.

The contradiction was real, but typical. Rukh had already accepted it would have to work with the national communist group before August 1991, but their 'grand bargain' took on broader dimensions after the failure of the Moscow coup. Rukh still depended on former Communists to exploit what might have proven only a temporary opportunity (had Yeltsin sought to replace Gorbachev as *Soviet* rather than Russian leader after August 1991, many Ukrainians would have supported him). In return for converting their support for 'sovereignty' into 'independence', Rukh agreed not to seek to force the former communist elite from power. Kravchuk therefore easily defeated his divided and half-hearted nationalist rivals in Ukraine's first presidential election in December 1991, winning a comfortable 62 per cent in the first round. All sides now backed independence for different reasons, while Yeltsin's Russia was preoccupied with its own affairs, resulting in a euphoric majority of 90 per cent in the referendum held on the same day. The 'confederal' option Kravchuk had backed in March had now seemingly vanished, although politicians' rhetoric was still guilty of blurring distinctions, both before and during the campaign. The dramatic transformation since March 1991 was therefore both apparent and real.

Politics in Independent Ukraine

First President Leonid Kravchuk, 1991–4

Unlike other 'Popular Fronts' of the late communist period (Solidarity in Poland, Sajudis in Lithuania), Rukh has survived; in large part because its agenda remains uncompleted. The 'grand bargain' still shapes Ukrainian life. Although Rukh helped to win independence, it has been unable to displace the remodelled Soviet order in most of Ukraine. In the first years of independence, therefore, many of the issues of the late 1980s were replayed. Feeling itself a cultural minority, Rukh remains committed to a thorough

Ukrainianization of all aspects of public life. Its foreign policy is resolutely pro-Western. Its economic policies are less clear-cut, with Ukrainian nationalists claiming to support both the creation of a market and a 'national' (potentially protectionist) economy.

The Communist Party of Ukraine (CPU) was banned in August 1991, but allowed to revive in 1993 as a 'new' party. (The Constitutional Court annulled the 1991 decision in December 2001; the 'old' party was therefore formally revived and promptly merged with the 'new' party at a special 'unity congress' in May 2002.) The CPU was dominated by Kravchuk's former 'imperial communist' opponents and remained one of the most left-wing parties in the former communist region. It opposed all economic reform, and its leaders rarely used Ukrainian. As late as 2002, the party still campaigned unequivocally for the restoration of the USSR. Rukh therefore regards the party's very existence as a breach of the 'grand bargain', and has frequently called for it to be banned.

The former 'national communists', on the other hand, had no party of their own. As first president of the new state, Kravchuk's main priority was to give real meaning to the 'sovereignty' on which he had based his rise to power in 1990–1. Kravchuk found it easiest to concentrate on the formal attributes of statehood – rather more important to the elite than to the public at large. International recognition was secured, armed forces established, uniforms were changed. However, his consensual style and reluctance to embrace risky reform programmes meant that the momentum from his impressive victory in 1991 disappeared surprisingly quickly. Moreover, Kravchuk's initial desire to seek 'sovereignty' through economic autonomy from Russia (the two economies were so intertwined, they were not really separate entities at all) and his failure to launch any real project of domestic reform (see the discussion on economic policy below) led to catastrophic disruption and a huge strike wave in eastern Ukraine in the summer of 1993; forcing the concession of early elections, and further economic difficulties after Kravchuk settled the crisis through resort to the printing press.

At the parliamentary elections in March 1994, Rukh and the Communists revived their rivalry, with the latter the clear winner, taking 86 seats to Rukh's 20 (for the detailed results of all but the most recent elections, see the chapter by Sarah Birch in *Developments in Central and East European Politics 2*). Other

parties were not yet well developed, particularly in the centre ground. One exception was the Socialist Party set up during the Communists' temporary absence in October 1991, which was then anti-market but pro-independence, and won 14 seats. Ukraine's underdeveloped party system meant that most (168) of the deputies were (ex-communist) 'independents'. Another defect was 112 empty seats. The electoral system retained Soviet practices, with single territorial constituencies (*okruhy*) requiring *both* a 50 per cent plus one turnout and a 50 per cent plus one majority. As a result initially mainly of the latter stipulation, only 338 of the 450 seats were filled at the first attempt. Even after many rounds of repeat elections, 36 were still empty on the eve of the next poll in 1998. The new parliament was therefore no more capable of pushing reform forward than the last.

The *revanche* of the left in 1994 served as a prelude to Kravchuk's loss of office in the pre-term presidential election in the summer. The deepening economic crisis forced Kravchuk to stand on his achievements in 'state-building', and paint his main opponent, former prime minister Leonid Kuchma (served 1992–3), as a dangerous Russophile. Kuchma did indeed campaign on a platform attacking Ukraine's 'isolation' from Russia and defending the rights of Russian-speakers, as well as contrasting his promises of (unspecified) reform with Kravchuk's inaction; but this mix of policies was designed to appeal to archetypal Russified and/or Soviet Ukrainians (Kuchma being both) rather than the Russophile extreme. It therefore won him victory by 52 to 45 per cent in the second round. Most commentators noted the obvious fact that the second round results were highly polarized, Kravchuk winning every region west of the river Dnipro apart from Poltava, Kuchma every region further east and south. Fewer noted the corollary: that Kuchma's broad coalition of support was extremely diverse, initially including even the Communists, who detested Kravchuk for his role in ending the USSR.

Kuchma, moreover, was elected to rebalance Ukraine's balancing act – to de-emphasize sovereignty and rebuild links with Russia, but not to abandon the former. Moreover, his margin of victory was relatively narrow. In neighbouring Belarus, where the Popular Front won only 8 per cent of the seats back in 1990, the sovereignty drive had seemingly run out of steam by 1994; and Alexander Lukashenka was elected president with 75 per cent of the vote on a platform explicitly advocating the 'reunion' of Russia and Belarus.

Second President Leonid Kuchma, 1994–1999–2004

After the election Kuchma chose to de-emphasize Russian speakers' language concerns, although by freezing the linguistic status quo he delivered most of what they wanted by enshrining Russian's de facto dominance. Impending state bankruptcy forced him to change priorities and launch Ukraine's first serious economic reform in October 1994, which quickly earned official IMF approval with a Systemic Transformation loan. The economic system was only partially transformed, however. The plan's early achievements were considerable: macroeconomic stabilization culminating with the successful introduction of a proper hard currency (the *hryvnya*, to replace the emergency 'coupons' used since Ukraine's ejection from the rouble zone in 1992) in 1996, price liberalization and the privatization of 'small' enterprises (such as restaurants and shops). However, backsliding was evident as early as 1995, and things began to go seriously awry when former Kuchma ally Pavlo Lazarenko served as prime minister in 1996–7. 'Soviet Ukrainian' habits of clientelism and authoritarian rule became increasingly entrenched, and corruption exploded to endemic proportions as the prime minister tried to bring whole swathes of the economy, particularly the energy sector, under his personal control.

Nevertheless, early in his first term compromises were necessary. Kuchma's main domestic achievement was to ensure the belated approval of a new constitution in June 1996, which enshrined a delicate balance between Rukh on cultural questions, the left on welfare issues, and Kuchma's own preference for enhanced presidential authority. The two treaties signed with NATO and Russia in 1997 also seemed to secure a delicate equilibrium in foreign policy (see below). However, it soon became apparent that Kuchma's growing personal power would be the unstable element in this balance of balances. The parliamentary elections held in March 1998 were a first sign that Ukraine's 'democratization' transition was beginning to go awry. Kuchma manipulated the opposition and backed an array of new 'centre' parties that were in fact fronts for Ukraine's new 'business' interests (similar to the client or 'oligarchic' networks produced by Russia's distorted privatization process). The 'National-Democrats' were the party of government, Hromada ('Community') represented Lazarenko (now out of office, but retaining economic

power) and his power base in Dnipropetrovsk, the 'Social Democrats' were the Kiev business elite, the 'Greens' a younger group of energy traders and bankers. The Progressive Socialist Party – a breakaway from the Socialists, widely rumoured to be secretly supported by the authorities – was the other suspicious newcomer.

Kuchma also agreed to change the electoral system. Half of all deputies (225) were now elected from a national party list – with a 4 per cent barrier for representation; and half by plurality voting in enlarged territorial constituencies – with the majority requirements thankfully abolished. However, the new system failed to benefit the 'centre' parties as he had hoped, none of whom won more than 6 per cent. The Communists once again topped the poll with 24.7 per cent and 122 seats, and with the support of sympathetic independents, the three parties of the 'left bloc' (the Communists, Socialists and Rural Party) were close to a majority – though the Progressive Socialists (16 seats) remained unpredictable. Rukh, which recovered on its dip in 1994 to win 9.4 per cent and 46 seats, therefore renewed the 'grand bargain' by allying with the centre parties.

Within the centre camp, however, former prime minister Lazarenko and his Hromada party (23 seats) staged a bitter war for influence with the pro-presidential National Democrats (29 seats). When Hromada eventually allied with the left to give Oleksandr Tkachenko of the Rural Party the parliamentary leadership, Kuchma feared the same balance of forces might unseat him at the next presidential election due in 1999. Like Berezovsky in Russia or Kazhegeldin in Kazakhstan, Lazarenko over-reached himself and broke implicit rules about the elite's division of the spoils. Lazarenko's business and media empire was therefore ruthlessly undermined, followed by the *coup de grâce* of his arrest for entering Switzerland on a false passport, loss of parliamentary immunity and final flight to the USA via Greece. Thereafter, Kuchma made sure that presidential favour was the key to influence in the new economy.

After Lazarenko's exile, Kuchma was able to proceed with his re-election plans, which were really nothing more than simply copying Yeltsin's victory strategy in Russia's 1996 election. Rukh was split to ensure Kuchma faced no effective opponents to his right (see Table 6.1). Former security chief (1991–4) and prime minister (1995–6) Yevhen Marchuk ran on the centre-right, before

TABLE 6.1 *Ukraine's October/November 1999 presidential election (main candidates only; percentages)*

	<i>First round</i>	<i>Second round</i>
Leonid Kuchma	36.5	56.2
Petro Symonenko (Communist)	22.2	37.8
Oleksandr Moroz (Socialist)	11.3	
Nataliya Vitrenko (Prog. Soc.)	11.0	
Yevhen Marchuk	8.1	
Yurii Kostenko (Rukh)	2.2	
Hennadii Udovenko (Rukh)	1.2	

accepting Kuchma's 'surprise' offer to copy Aleksandr Lebed in 1996 and take over as National Security Adviser between the election's two rounds. The country's leading liberal, National Bank Chairman Viktor Yushchenko, and other strong potential centre candidates were dissuaded from running. On the left, the 'Progressive Socialist' leader Nataliya Vitrenko was used to divert votes from the relatively moderate Socialist leader Oleksandr Moroz and ensure that Kuchma faced the easily defeatable Communist leader Petro Symonenko in the second round. Given the manoeuvring, Kuchma would have won anyway, but widespread accusations of media bias and abuse of 'administrative resources' to enhance the final result indicate that he made doubly sure (see Table 6.1).

Kuchma's Second Term

After the election, Kuchma's authoritarian tendencies seemed to get worse. In January 2000 the 'Velvet Revolution' – in effect a parliamentary coup – removed the left from the leadership of the Rada. Tkachenko was replaced as chairman by a triumvirate of 'oligarchs', fronted by Ivan Plyushch, who had held the post in 1992–4. In April, Kuchma staged a much-criticized referendum to expand presidential power, although the 1996 constitution states that two-thirds of the deputies must support such proposals, implicitly before any referendum takes place. Even the normally docile Constitutional Court struck out two questions (no confidence in the existing Rada, and approval of the 1996 constitution by referendum); but the four that remained (abolition of deputies' blanket

legal immunity, a reduction in their numbers from 450 to 300, enhanced dissolution powers and the introduction of a second chamber, probably to be made up of regional governors appointed by the president) officially received 82 to 89 per cent approval on a turnout of 81 per cent. If the 1999 election had been carefully manipulated, this looked more like simple fraud.

Securing the Rada's approval was another matter, however. Even when the president's powers of persuasion were at their height in July 2000, only 251 voted in favour of the proposed amendments – and then the Gongadze affair changed everything (see below). With the 2002 elections failing to deliver the president's supporters anything like a two-thirds majority, the referendum was quietly forgotten. Kuchma's increasing heavy-handedness after his re-election was only part of the story, however. Kuchma was unable to consolidate authoritarian rule as decisively as Lukashenka in 1995–6. Ukraine is more important geopolitically, and, without Russia's subsidies to Belarus, was in a much tighter economic bind after the local financial crises in 1998. Kuchma therefore came under heavy American pressure to resume reform and, in particular, to appoint the well-regarded Yushchenko as prime minister. The new government set about its task with surprising vigour, slimming bureaucracy and reducing many burdensome controls, clamping down on oligarchs' business scams and cleaning up the privatization process. Government finances improved, pensions and salary backlogs were cleared and 2000 became the first year of economic growth since independence. The various clans around Kuchma were incensed, however, taking particular umbrage at the upheavals launched by deputy prime minister Yuliya Tymoshenko in the energy sector. As a longstanding associate of Lazarenko, she had previously been one of their own – hence the biting edge of her reforms.

As the clans manoeuvred to replace one or both of the Yushchenko–Tymoshenko tandem, trouble came from an unexpected quarter. In September 2000 a leading opposition internet journalist Hryhorii Gongadze disappeared. In October what all but the authorities accepted was his headless corpse was found in a wood near Kyiv. But the real sensation came in November, when at a special Rada session the Socialist leader Oleksandr Moroz played tapes supposedly secretly made in the president's office by a disgruntled officer in Kuchma's own security detail (Major Mykola Melnychenko) that seemed to implicate the president in

Gongadze's disappearance. Even worse, Melnychenko, who fled first to Central Europe and then the USA, claimed to have hundreds of hours of tapes, uncovering electoral fraud in 1999 and 2000, manipulation and intimidation of the opposition, corruption in the president's entourage and more.

Kuchma denied (most of) the tapes' authenticity and faced down demonstrations calling for his resignation. Instead, first Tymoshenko was removed from office in February 2001 (briefly ending up in prison) and then Yushchenko himself in April. As with Yushchenko's predecessors as prime minister, his successor Anatolii Kinakh was again a representative of the business elite, albeit one safely neutral between the clans. Kuchma survived to welcome the Pope on a historic visit to Kiev and Lviv in June 2001, after which the regime seemed to stabilize internally – although Kuchma was unlikely to be received abroad. Even more damaging allegations of arms trading to 'rogue states' (Iraq, the Taliban) surfaced in 2002.

The 2002 Elections

At the next (parliamentary) elections in 2002, Kuchma faced a triple challenge. The 'Gongadze affair' had led to the divorce of the Communist and Socialist parties, with the later now firmly in the opposition camp. Viktor Yushchenko's supporters, including Rukh, formed the 'Our Ukraine' block, which outpolled the coalition of the president's supporters calling itself 'For a United Ukraine' (and their allies of convenience, the United Social-Democrats) and pushed the Communists into second place (see Table 6.2). Tymoshenko ran her own list in more radical opposition to the president, and like the Socialists, tapped the new protest vote to clear the 4 per cent barrier with surprising ease.

Table 6.2 continues to use the orthodox classification of Ukrainian parties into left, right and centre, but this is often a serious simplification. First of all, as already mentioned, the 'virtual' parties of the centre that first appeared in 1998 were almost all business fronts. Moreover, by the time of the 2002 elections, the influence of the clans was beginning to extend outwards to right and left. The Communists had nascent business interests to protect, and provided useful support to the president and his allies during the Gongadze affair. Our Ukraine had its fair share of business

TABLE 6.2 *Ukraine's March 2002 parliamentary elections (initial alignment only)*

	<i>List vote %</i>	<i>List seats</i>	<i>Okruhy</i>	<i>Total seats</i>
<i>Left</i>				
Communists	20.0	59	6	65
Socialists	6.9	19	3	22
<i>Centre</i>				
For a United Ukraine	11.8	35	66	101
Social-Democrats (United)	6.3	19	5	24
<i>Right</i>				
Tymoshenko block	7.3	22	–	22
Our Ukraine	23.6	70	42	112
Other parties	16.1	–	9	9
Independents	–	–	83	83
Total		225	225	450

‘sponsors’ and ‘cuckoos’ from the presidential administration, including the bloc’s campaign head Roman Bezsmertnyi and Sumy governor Volodymyr Shcherban. Rukh was deeply distrustful of Yushchenko’s pragmatic relations with both types, and fearful that the cuckoos could easily be persuaded to leave the nest (seven duly defected to ensure the election of Kuchma ally Volodymyr Lytvyn as parliamentary chairman in May 2002).

Second, with little or no ideological commitment to restrain them, Ukrainian politicians are extraordinarily mobile. In the 1998–2002 parliament the 450 deputies changed allegiances more than 600 times (and most of the originally 122 communists stayed where they were). Factions changed with bewildering speed. Only four out of 33 parties or party blocs on the list for the 2002 elections were the same as in 1998. It was obviously impossible to establish any kind of stable majority amidst all this Brownian motion (Wilson, 2001). The ‘New Majority’ stitched together with great fanfare in January 2000 fell apart within a year. Even after swallowing scores of independents to reach 177 seats by May 2002, For a United Ukraine had no guaranteed majority in the 2002 parliament. After combining with the Social-Democrats to elect Lytvyn, the coalition duly disassembled into its constituent parts. Nevertheless, the various strands of opposition – particularly the ever-vigorous Tymoshenko – sought to revive the campaign against Kuchma after the elections. A new wave of demonstrations against

the president began on 16 September, the second anniversary of Gongadze's disappearance, and it was far from certain that Kuchma would survive to see out his term until 2004. As with Yeltsin in his last days in office, he was in any case now preoccupied with securing a safe succession and retirement.

Dilemmas and Choices

Jackdaw Nationalism

In part, the divisions in parliament and between parties simply reflect those in Ukrainian society. Because 'nationally committed' elements (Rukh) command the support of no more than 25–30 per cent of the population – a regional (western) and social (the Ukrainian-speaking intelligentsia) minority – Ukraine lacked a clear trajectory towards independence in 1989–91, until the failure of the Moscow coup delivered it anyway. Nationalists hoped for 'consolidation' after 1991, but results have been mixed. First president Leonid Kravchuk alienated many Russophones with his education policy and choice of national symbols. Leonid Kuchma, his successor after 1994, initially promised a more 'Eurasian' identity, but soon settled for an eclectic approach that masked a highly contradictory situation on the ground. In some state bureaucracies, formal Ukrainianization has been applied; although the programme 'On broadening the functioning of the Ukrainian language as the state language' introduced in February 2000 both promised to take further measures and admitted previous only partial success. In education, the number of children in Ukrainian language schools rose from 47.5 per cent in 1988–9 to 65 per cent in 1998–9 – an advance on the Ukrainophone share of the population. In publishing and popular culture, however, Ukrainophones continue to be underserved. If anything, writing or singing in Ukrainian became more difficult in the late 1990s. In the broadcast media the situation was more complex. Kuchma had more success than Kravchuk in creating a national 'information space' after 1994 – but largely for propaganda purposes. Ukrainian TV is notoriously biased.

At a broader level, the nature of Ukrainian identity continued to be contested. The state paid homage to elements in traditional Ukrainian nationalism and anti-communism: putting up a new

statue to the national historian Mykhailo Hrushevskyi in Kiev; rebuilding the St Michael's Monastery and Assumption Cathedral; abolishing the October Revolution holiday and removing Soviet symbols from the parliament building – but only in 2000, after nine years of nominal independence. Moreover, Kuchma combined such gestures with the rhetoric of East Slavic fraternity and suitably remodelled Soviet Ukrainian traditions. 'Victory Day' is still a huge pageant to celebrate 1945, but with rather more focus on the Red Army's Ukrainian Front. No serious attempt was made to clear up the ambiguities of the 'middle ground' – in part because it suited the authorities to preside over an amorphous society from which no organized challenge to their rule seemed likely to emerge. If Yushchenko were to win the presidency in 2004, however, then Rukh would be close to real power for the first time.

Shaping the New Polity

In 1991–6 Ukraine's political arrangements were also amorphous and provisional. The long debate over adopting a new post-Soviet constitution (Ukraine was the last post-Soviet state to do so) was itself a factor muddying the waters and diverting time and energy from other reform vectors. The belated approval of a new constitution by the Rada in June 1996 (based on the earlier 'constitutional agreement' of 1995) therefore marked a key turning-point.

Since 1995–6 Ukraine has had a semi-presidential system in which the balance of power favours the president. The president appoints the prime minister. The Rada must approve, but the president's choice is not formally dependent on the balance of forces in parliament. Moreover, limits are placed on the Rada's removal powers. In particular, no-confidence motions cannot be tabled for a year once the government's programme had been approved. The president has wide appointment powers, only some of which are shared with parliament or subject to parliamentary ratification. Authority in the regions is directly exercised by the president's appointed governors. The 'power ministries' (defence, security and the interior) are under the president's direct personal control. Presidential patronage also extends to the National Bank, the Constitutional Court (one-third, but another third are also picked by existing judges) and State TV and Radio. In 2001, after the failure of the aborted referendum, Kuchma introduced a system of

'State Secretaries' (totally unknown to the constitution) to act as his eyes and ears in all major departments.

Given Ukraine's highly fractured parliament, it is extremely hard to win the two-thirds majority necessary to override presidential vetoes (a power that Kuchma has used extensively). Impeachment ultimately requires a majority of four-fifths – so the Rada found its criticism impotent during the Gongadze affair. In fact, all attempts to censure administration officials were failures. Unlike Russia, the president's dissolution powers are limited. In practice, however, the presidential administration sits at the head of a dense network of post-Soviet clientelism and government 'by telephone', and Ukraine, like Russia, inclines towards 'hyper-presidentialism'.

Kuchma therefore shocked most observers by using his 'state of the nation' speech on the eleventh anniversary of independence in August 2002 to propose that Ukraine move towards a parliament-presidential system, with a proper 'parliamentary majority' and a prime minister answerable to that majority, not to the president. As this ran counter to the whole tenor of his policies since 1996 – the 2000 referendum in particular – most saw only a cynical move to divide and distract the opposition from its second campaign to force Kuchma's resignation. Nevertheless, academics in Kyiv took the proposal sufficiently seriously to draw up a detailed programme of point-by-point constitutional amendment. If neither Kuchma nor the opposition were to emerge a clear winner from the protest campaign, then a compromise which reduced the president's formal power was possible.

Economic Policy: No Recovery until 2000

In the first two years of independence, Ukraine's economic policy was delusional. The one minister who advocated market reform (Volodymyr Lanovyi) was sidelined, as Ukraine instead pursued the chimera of economic autonomy – meaning maximum distance from Russia. At the same time, the authorities attempted to forestall recession via subsidy and the printing press. Fiscal discipline was non-existent. For a country so integrated in the hyper-centralized Soviet economy, the result was collapsing production (huge falls in GDP of –9.9 per cent in 1992 and –14.2 per cent in 1993) and rampant inflation (1,210 per cent in 1992, a colossal 5,371 per cent in 1993). As prime minister from October 1992 to September 1993,

Leonid Kuchma attempted some U-turns; but his putative signature to an 'economic union' with Russia and Belarus in July 1993 was a step too far for Ukrainian nationalists. The huge wave of miners' strikes in the Donbas in June 1993 resulted in the parachuting into government of leading politicians from eastern Ukraine; but the government of former Donetsk mayor Yukhym Zviatil'skyi (September 1993 to May 1994) combined its overtures to Russia with an ill-conceived reassertion of arbitrary state controls that only helped stimulate increasing corruption. Nevertheless, since 1993 – unlike the Baltic states – Ukraine has made no real effort to wean its trade away from Russia. Ukraine also remains dependent on Russia, and to a lesser extent Turkmenistan, for imported oil and gas. Russia in turn depends on Ukrainian territory for its own energy exports, but has threatened to expand the Yamal pipeline that bypasses Ukraine through Belarus if Ukraine steps up its attempts to obtain alternative supplies from Azerbaijan and elsewhere.

Ukraine's frustrated autonomy plans helped the *revanche* of the left in the March 1994 elections. Kravchuk's response, announcing that there was insufficient political space for any new reform initiative and appointing the leftist dinosaur Vitalii Masol as premier, could do nothing to stave off the president's defeat in July. In 1994 GDP decline accelerated to a scarcely credible –22.9 per cent. Something had to be done. Kuchma's campaign rhetoric had concentrated on language and geopolitics. He had mocked Kravchuk's economic record and genuflected towards 'reform', but never spelt out what it might involve. He therefore deserves credit for preparing and launching Ukraine's first real reform package relatively quickly in October 1994, without any real mandate to carry him forward, although this was also one of the reasons that led him to yield fairly quickly to pressure to water the programme down. Most prices were freed, some irksome government restrictions lifted and (initially) foreign trade liberalized, some basic fiscal discipline was accepted and monetary emissions curbed. After an initial spike, inflation tumbled. The exchange rate stabilized, allowing the successful introduction of a proper national currency, the *hryvnya*, to replace the temporary 'coupon' in September 1996.

Privatization, however, was confined to small-scale and service sectors; and under prime ministers Yevhen Marchuk (1995–6), Pavlo Lazarenko (1996–7) and Valerii Pustovoitenko (1997–9) many controls were reintroduced, and an increasingly statist,

semi-reformed economy developed a worsening reputation for corruption. The privatization programme moved into a large-scale cash phase in 1997–8; but as in Russia, sales were too often made to preferred bidders at knockdown prices. Zviahivskyi fled the country on corruption charges – though he was allowed back in 1997. Lazarenko, accused of embezzling over \$800 million, followed him abroad in 1999. In August 1998 Ukraine suffered the same currency confidence and currency collapse as Russia – not quite as severely, but effectively closing off access to foreign bond markets and IMF lending. Thanks to the discipline imposed by Yushchenko at the National Bank inflation remained low, but GDP decline merely levelled out and hopes of real recovery were constantly postponed.

Ukraine therefore faced another crucial turning-point after Kuchma's re-election in late 1999, but once again pulled itself back from the brink. Yushchenko and Tymoshenko now headed a second-chance reform government and moved swiftly to clamp down on the more obvious corruption scams, particularly in the notorious energy sector, as well as removing the most odious or blatantly political government controls. Long-delayed agricultural reform was launched in summer 2000, with a promise to overhaul the grossly inefficient system of state and collective farms. The new Land Code approved in October 2001 promised to allow the buying and selling of farm land from 2004. Privatizations (of regional energy companies) were conducted more openly, and raised more money. Fiscal reform aimed to 'monetize' the state budget, replacing barter or payment in kind with cash, allowing the backlog of wage and pension payments to be cleared and stimulate consumption-led growth. Ukraine also benefited from the delayed effects of the 1998 *hrivnya* devaluation, as well as piggybacking on Russia's parallel rouble slide and subsequent growth. As a result, 2000 was not only the first year of real growth since independence, but an impressive 5.9 per cent was posted, followed by 9.1 per cent in 2001.

Western governments were accordingly dismayed when Yushchenko was forced out of office in April 2001 by the oligarchs whose rent-seeking opportunities were being closed down. The new prime minister Anatolii Kinakh pledged to continue the basic thrust of his predecessor's policy, but made several quiet U-turns to please his oligarchic supporters. Yushchenko, meanwhile, chose to remain in 'loyal' opposition, assuming that growth and piecemeal reform would maintain sufficient momentum for yet another restart in 2004.

Ukraine's Pendular Foreign Policy

For most of the 1990s Ukraine stuck to its declared aim of a 'multi-vector' foreign policy. This was a useful metaphor for the existential dilemma of Russia or the West, Europe or Eurasia – which is still far from resolved. Like Moldova, there is no simple pro-Western (as with the Baltic states) or pro-Russian majority (Belarus). Foreign policy thinking was also initially dominated by deep-felt security fears, but in this sphere at least the twin agreements with Russia and NATO in 1997 marked a decisive turning-point.

Under first president Kravchuk (1991–4), as with economic policy, foreign policy was dominated by the search for autonomy from Russia. Unlike economic policy, however, that search was less subject to sharp correction in 1993. Ukraine has always been a reluctant member of the CIS at best, and has opposed all efforts to give the Commonwealth more independent authority. Instead, Ukraine initially sought security by picking up membership cards to as many Western institutions as it could, including the IMF and World Bank (1992), CSCE, later OSCE (1992), and the Council of Europe (1995). Ukraine also attempted to forge special relationships with its own historical west. Bilateral relations with Poland were initially good, especially under Kravchuk, but grander schemes for a Baltic–Black Sea Alliance or nuclear-free East-central Europe were rebuffed.

At first, the Kravchuk administration assumed security and autonomy were the same thing, but some of the potential conflicts were soon exposed by the nuclear issue. With some territorial rights but no operational control over its share of the Soviet nuclear arsenal stationed on its territory, Ukraine was briefly tempted in 1992–3 to boost its international standing by hanging on to the weapons and trying to acquire control. The existing nuclear powers, however, thought no further than the proliferation issue, and Ukraine was unable to make any serious foreign policy progress until it abandoned its nuclear pretensions in the January 1994 Trilateral Agreement with Russia and the USA. All weapons were gone by 1996.

Thereafter, Washington was Ukraine's most important Western ally. From 1994 to 1998, it encouraged Kyiv to redefine its goals as 'cooperation with the CIS, integration with the West'; although, with the nuclear issue out of the way, the USA never upped its commitment as many Ukrainians had thought and hoped it might.

The high point of the relationship was the Charter on Distinctive Partnership signed with NATO in 1997, but progress in other multilateral areas was limited, and most EU governments preferred to concentrate on Ukraine's patchy reform and human rights record. With the EU itself Ukraine has been unable to advance beyond the Partnership and Cooperation Agreement that was signed in 1994, but only finally ratified in 1998.

A change in Ukraine's priorities was therefore apparent by 1999–2000, *before* the Gongadze affair worsened relations with the West. After the 1998 regional economic crisis, it was clear that hopes of large-scale international financial assistance were dead. Russia was also forced to refocus its ambitions closer to home, and the emergence of Putin as president heralded the adoption of a more pragmatic foreign policy no longer overshadowed by the mythologies of 1991. Moreover, the 1997 treaty between Russia and Ukraine helped defuse many fears – precisely by accepting the independent existence of a Ukrainian state, Russian elites have since been able to wield more influence within its borders. In 2000 the pro-Western Borys Tarasyuk was replaced as foreign minister by the more flexible Anatolii Zlenko. In 2001 Viktor Chernomydrin's arrival as Russian ambassador confirmed a new era of opportunity for Russian capital in Ukraine. Russian companies are now important players in Ukraine's oil refining, aluminium, power and banking sectors – because of the common language, their role in press, TV and mass culture (music, video, pulp fiction) has always been strong.

The rapprochement with Russia was undoubtedly further encouraged by Kuchma's informal isolation in the West after the Gongadze scandal, even if it was not begun by it. However, the events of 11 September 2001 further muddied the waters. Ukraine now faced the risk that America's and NATO's upgraded relations with Russia would come at the expense of less attention to its concerns, or even give a green light to Russia to reassert itself regionally. Despite opening its airspace to assist the USA in supplying its new Central Asian bases during the Afghan campaign, Ukraine had much less to offer than Russia to the new anti-terrorist geopolitics. On the other hand, Russia now no longer saw NATO expansion in the same threatening terms, and Ukraine was able to announce its long-term aim of NATO membership in May 2002.

The new slogan 'To Europe with Russia', already fashionable in early 2001, survived into 2002 to serve slightly different purposes

as Russia seemed to move ahead in the queue. Kyiv was aware, however, that its room for manoeuvre was not large. Kuchma has continued to restate Ukraine's desire for an association agreement with the EU, leading to eventual membership, but Brussels will no doubt prefer to wait for a possible Yushchenko presidency in 2004. Ukraine may also have missed the NATO boat. The USA confirmed its disillusion in September 2002 by announcing that it would suspend \$55 million in aid and 'review' its relationship with Ukraine, after it concluded claims by Melnychenko that Kuchma had ordered the sale of the 'Kolchuha' radar system to Iraq in 2000 were genuine.

Conclusion

Nation building is not necessarily a unilinear process. Under Kuchma, Ukraine seemed to have settled for a highly eclectic form of heterogeneity. The process of democratization has also had twists and turns. Ukraine scored well for the peaceful handover of the presidency to Kuchma in 1994 – but there was no real possibility of a transfer of power in 1999, and every likelihood of a bitter struggle between Yushchenko and the 'oligarchs' over the nature of Ukrainian democracy in 2004. Unlike Belarus, where Lukashenka triumphantly staged his re-election over an impotent opposition in 2001, Ukraine's parliamentary elections in 2002 showed there will be a much closer contest in the presidential election that is due in 2004.

Economic reform has meanwhile proceeded in fits and starts: with the pursuit of 'autonomy' in 1992–3, recentralization in 1993–4, liberal reform in October 1994, backsliding in 1995–9, the relaunch of reform under Yushchenko's premiership in 2000–1, and another pause under Kinakh. Foreign policy has been inconsistent, and Ukraine's goals have been regularly redefined. This is in part due to the conflicting pressures within Ukrainian society, but it also a useful corrective to the idea that 'transition' has its own momentum. In Ukraine, all eyes are on the presidential election due in the later months of 2004, when once again key choices will have to be made.