

**Introduction by the Ukrainian Co-Chairman  
Major General Vadim Hrechaninov, President,  
Atlantic Council of Ukraine**

It is possible to state that the 1990s are becoming the transitional stage towards a new European order. The admission of Poland, the Czech Republic and Hungary into NATO will be the first practical step for this new order. It is very likely that other countries like Austria, Romania, Slovenia as well as perhaps Slovakia and the Baltic States will follow these three countries and eventually join NATO as well. Russia, too, has started to develop its relationship with NATO according to the terms of the Founding Act; other CIS countries in turn have institutionalised their relationship with NATO through the mechanism of Partnership for Peace. Parallel to the process of NATO enlargement will be the enlargement of the European Union, which has already identified Poland, Hungary, the Czech Republic and Estonia as new potential members.

As a result of these developments, we are likely to see a consolidated Europe by the beginning of the next century, consisting of three groups of states:

countries which are members of NATO and the EU;

countries which are not members of these organisations, but which seek membership;

the Union of Russia and Belarus, possibly enlarged to include some other CIS states.

In all likelihood, therefore, we will see a united Europe with a strong core, closely bound to the USA, along with a peripheral group of countries which will be strongly influenced by this core's gravitational force.

Given this new setting, the question of central importance is what practical course Ukraine should adopt. We must of course proceed from the conceptual choice we have already made: namely a western orientation of development as well as growing participation in and membership of different European structures. This orientation was confirmed both by the Charter of Distinctive Partnership between Ukraine and NATO of 9 July, as well as by the Treaty on Friendship, Cooperation and Partnership with

Russia of 31 May, 1997.

One can get the impression that Kyiv has started to shift its emphasis from a continued focus upon (and adoration of) the USA towards greater integration with Europe. Such a shift is worth supporting. We need to become closer to Europe, not as a counter to the USA — a stance which is unrealistic and would only backfire — but for the practical reason that Europe is the market for almost half of Ukraine's exports. By the same token, Ukraine's economic interdependence with Russia is also an established fact. Therefore, Ukraine must advance into Europe alongside Russia.

Such a course would not entail changes in our foreign policy. It would proceed from the premises that Europe will co-ordinate its steps with Washington and that the latter will continue to play the decisive role in the architecture of European security. Without the USA, it is simply not possible to solve any important problems concerning the future European order. Therefore we can speak only of changes of accent in our foreign policy, rather than a reorientation of the policy in principle.

Under the new, emerging political conditions, there should be no doubt about the role and importance of Ukraine. But to realise Ukraine's potential, we will need to provide three things: a clear goal, political will and a well designed international information policy. Thus far, unfortunately, we have had difficulties formulating the first, we have hardly begun to construct the second, and we do not possess the third at all.

In this evolving and still undefined political context, it is important to pay attention to the building up of the Ukrainian Armed Forces in order to ensure the security of Ukraine as a non-bloc state. It is already six years since Ukraine proclaimed its independence in August 1991. At that time, the first decree on military matters was adopted by the Verkhovna Rada ('On the military formations in Ukraine'), according to which all ex-Soviet military formations stationed on Ukrainian territory were placed under the jurisdiction of the Ukrainian Ministry of Defence, which was established by the same decree.

But sadly, we have to admit in 1997 that not everything decreed in 1991 has been realised. On the positive side, we can say that there is understanding in Ukraine about the essential role that military reform must play in building up the country's statehood; indeed such reform is possibly a decisive condition for successful socio-political and

economic transformation. Moreover, the President of Ukraine approved the concept of reform of the Armed Forces at the beginning of 1996. Additionally, the development of the State Programme for the development of armaments and military equipment is almost completed.

But an independent analysis of the situation with respect to the development and reform of Armed Forces in Ukraine also suggests the following conclusions:

1. Today's military structures, military personnel, level of training and technical equipment of the forces is at variance with what is required to prevent real military threats to the state; it is also in contradiction to our state's actual financial-economic capacity.
2. Financing during the past six years is not sufficient to ensure the day-to-day operation of the existing structure, let alone maintain the size of the Armed Forces we currently possess. Up to 95 per cent of allocated funds are spent largely to cover the most essential needs, i.e. wages and food supplies. Moreover, the wages themselves are not adequate to the difficult, intensive, important and responsible nature of military service. More than 70,000 officers' families and 30,000 retired officers do not have housing of their own. There is a profound shortage of resources for military training. Scientific research, technological innovation as well as the purchase of military supplies from abroad can be financed only sporadically.
3. The external situation, characterised by decreased threats of large-scale aggression against Ukraine, creates favourable conditions for deep military reforms.

Addressing these problems will be the precondition to reform and will also define the priorities in this direction:

Reform must bring the Armed Forces into accordance with modern military-political realities and the capacity of the state. Capabilities must be safeguarded through the optimisation of force structure, personnel and numbers, by maintaining the qualitative level of the forces, by technical equipment and training, and also by guaranteeing the social status of servicemen.

The main and most important priority must be the formation of a core of deployed, fully equipped units and formations of a new type, capable of effectively preventing conflict in peacetime, as well as neutralising armed conflict at the appropriate level. These new military formations must be deployed on all potentially dangerous directions on the country's territory.

Special attention must be devoted to providing for the qualitative improvement of personnel, as well as the training and material support of the officer corps. As a case in point, today is hardly the time to be increasing the number of military academies for armoured warfare.

It is necessary to co-ordinate steps to develop the motherland's military scientific thought, which for so long has been stagnant.

None of these questions can be addressed without changes to the structure of the military budget and means to ensure its regular fulfilment. In the first place it is necessary to review radically our attitude to the proportion of expenditure devoted to military training. It is this which indicates the real capability of units and formations of the Army and Navy and which, moreover, illustrates the stability of the general condition of the forces.

It is also necessary to increase the provision of material resources for the Armed Forces, since this itself is the indication of the qualitative condition of the army and the tempo of its development.

It is also necessary to increase the share of budgetary expenditure devoted to the current and future equipment of the Army and Navy.

One of the most important directions of reform is the provision of social and legal guarantees to servicemen, including retired officers and their families. The situation with regard to defence industry and science is such that it will not be possible to avoid tough and unpopular action if we are to save the core of the Armed Forces. The process of optimising force structure, personnel, force levels and so on has already affected tens of thousands of people. Despite this, every officer must be assured that the military establishment will do its best to defend his family on the social plane.

The realisation of steps connected with the reform of the Armed Forces must be closely tied to the performance of all organisational and financial conditions related to the

retraining of retired personnel, their adaptation to new civilian occupations and provision for their accommodation. To conclude, we can say that the process of reform must overcome difficulties and create a new army which will meet the requirement of a new, independent Ukraine. It should be an army where service will be prestigious and honourable — an army that will be able to defend the Motherland.

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