

17

SELF-DETERMINATION REFINED

Perseverance

Ukraine entered 1996 with its reform programme appearing to have lost some of its momentum. In early January, the IMF responded by withholding the fourth tranche of the standby loan until the parliament approved a new budget fulfilling reform requirements.¹ At the beginning of the following month, the situation, already made more difficult by an unusually harsh winter, was further exacerbated when the country's miners went on strike. Although the country's energy grid was soon plunged into crisis and Russia severed the joint electricity grid, the Marchuk government stood firm. Eventually, after two weeks, the miners called off their strike without having won any major concessions.

The IMF's action was seen as a temporary hitch and was offset by the prospect of more international economic assistance during 1996. The United States in particular was bolstering its political support for Ukraine with economic and technical aid. In December, during a visit to Kyiv, a member of President Clinton's team noted that in 1996 Ukraine would be the third largest recipient of US aid after Israel and Egypt. Indeed, when at the end of January President Clinton signed the Foreign Assistance Bill for 1996 into law, 'not less than' \$225 million were earmarked for Ukraine, which now replaced Russia as the largest recipient of US aid of the countries of the CIS (Russia was to receive 'no more than' \$195 million). Also in December, while on a visit to London, Kuchma had obtained a pledge from the European Bank for Reconstruction and Development of assistance worth over \$200 million.²

While the parliament considered a tight new annual budget,

1 See Matthew Kaminsky, 'Slow to Reform Ukraine Irks IMF', *Financial Times*, 9 January 1996.

2 *The Ukrainian Weekly*, 31 December 1995, and 4 February 1996.

Kuchma made a brief visit to Washington, where, apart from being received by US leaders, he also met with the heads of the IMF and World Bank. He was able to announce that the IMF had agreed to expand and release suspended credits as soon as the budget was passed and to begin negotiations about a new three-year loan of between \$3 to \$4 billion. The country badly needed sufficient loans to enable it to reform the economy and not simply pay Russia and Turkmenistan for fuel imports, he explained.³ The World Bank also expressed its readiness to consider giving Ukraine further assistance, including help in dealing with the chronic problems of the coal-mining industry.

With the tenth anniversary of the nuclear accident in Chernobyl approaching, Kuchma and other Ukrainian officials also lobbied Western countries to come through with financial aid to help cover the costs of closing down the Chernobyl nuclear plant and providing an alternative source of energy. In December, the G7 states and Ukraine had signed a memorandum envisaging about \$2.3 billion in financial aid for this purpose; this fell considerably short of the \$4 billion which Ukraine considered was needed to shut down the plant by the year 2000. The replacement of the crumbling sarcophagus covering the plant's destroyed fourth reactor had not been included in the calculations. In fact, just as had earlier been the case with nuclear arms, Ukrainian officials indicated their exasperation that their impoverished country, which was having to allocate some 6% of its budget to clean-up operations, was being pressured to close down the stricken plant according to a timetable proposed from the outside but without a definite financing plan. As a result of Kyiv's insistence on adequate funding, Ukraine was being implicitly, and sometimes explicitly, accused of exaggerating the costs of closing Chernobyl and the damage caused by the accident.⁴

Another huge drain on Ukraine's resources was the defence sector, including both the new armed forces which the country had been creating, and the military-industrial complex, which was badly affected by economic dislocation and undergoing efforts to convert much of it to civilian uses. The replacement of independent

3 Reuter, 24 February 1996.

4 For example, Horbulin had recently told Reuter: 'I think it is generally supposed that Ukraine is simply begging. We are not begging. Chernobyl is not simply a problem for Ukraine.' Reuter, 15 October 1995.

Ukraine's first minister of defence, Morozov, back in the autumn of 1993, had highlighted some of the difficulties and controversy surrounding these complex issues. Two and a half years later, these problems had become even more pronounced and now it was the current defence minister, Shmarov, a civilian, who was increasingly coming under fire, especially from the national democrats.

The Kuchma leadership's decision to reduce the size of the armed forces from 420,00 to 350,000 by the year 2000 created additional tensions within the military. Furthermore, Shmarov's plan to reorganize the military districts led to friction with the effective number two in the armed forces, the chief of staff, Anatoly Lopata, who tendered his resignation in protest. Details of the differences were leaked to the press.⁵ On 12 February, Lopata's objections resulted in his dismissal by the president.⁶ The national democrats subsequently stepped up their campaign against Shmarov, accusing him of selling out Ukrainian interests in bilateral deals with the Russian military.⁷

The central domestic issue, though, remained the new constitution, which according to the terms of the Constitutional Agreement, was to be adopted by 8 June 1996. On 11 March, the Constitutional Commission, chaired jointly by Kuchma and Moroz and containing representatives appointed by both the president and the legislature, as well as legal specialists, finally concluded its work on the new draft and eight days later formally submitted it to the Verkhovna Rada. It was clear, however, that although the draft represented a compromise, it remained essentially a working document and that a major political struggle over the details still loomed ahead.

The new draft constitution, which Kuchma declared was 'completely European in its letter and spirit', envisaged Ukraine as a democratic and progressive country possessing what the president described as a 'mixed republican type of government' based on a careful separation of powers in which no one branch of power would be 'supreme', though the president would have considerable powers.⁸ Thus, even the name of the parliament was to be changed from the Supreme Council to the National Assembly. The draft

5 See *Vechimii Kyiv*, 8 February 1996.

6 Reuter, 12 February 1996.

7 For details, see *Vedimii Kyiv*, 8 February 1996.

8 Ukrinform, 20 March 1996.

proposed that the legislature would become a bi-cameral body, with the lower house, the Chamber of Deputies, consisting of 370 members, and the upper house, the Senate, composed of three representatives each from 'the Crimean Autonomy', the twenty-four administrative regions and the city of Kyiv, and two from Sevastopol. Both the deputies and senators would be directly elected for four years. One of the draft's most controversial features, therefore, was the attempt to placate the regions by giving them institutionalized representation in the revamped political system, though, as critics were apt to claim, seemingly at the expense of the parliament's powers.

Because the proposed new constitution represented a decisive break with the Soviet past, many of the leftists, the more hard line of whom had been encouraged again by the increased political influence of the Russian Communists, were opposed to it. In fact, the Communist faction proposed its own alternative variant of the new constitution, the essence of which was reflected in the desire to restore the name 'Ukrainian Soviet Socialist Republic'. Furthermore, under the influence of the hard left, the draft prepared by the Constitutional Commission had retained elements which Kuchma claimed were populist and impracticable in Ukraine's conditions, such as free housing (for the needy), medical care and secondary and higher education.⁹

Kuchma urged the deputies not to delay the adoption of the new constitution and to facilitate the process by approving the document by a majority vote. He retained the option of calling a referendum on the main principles if the parliament failed to reach agreement. Moroz opposed the idea of a plebiscite but, while making his misgivings about parts of the draft known, did not risk delaying the parliamentary debate on the document for too long: in fact, the parliament's Presidium decided that the debate on the new constitution would begin on 17 April.

Crimea, Moscow and Sevastopol

All this time, Crimea's parliament had been waiting for its Ukrainian counterpart to agree on the details of the new Ukrainian constitution

⁹ The draft constitution approved by the Constitutional Commission was published in *Uryadovi Kuryer*, 21 March 1996.

before its own new draft constitution could be harmonized with it. In the meantime, Crimea's prime minister, Franchuk, had been dismissed in early December and a replacement sought. At the end of January, Arkadii Demydenko, the deputy prime minister responsible for industry, was appointed by the Crimean speaker, Suprunyuk, as acting prime minister. Eventually, having received Kyiv's approval, Demydenko was confirmed at the end of February by the Crimean parliament as the new prime minister. He vowed to be 'neither pro-Ukrainian nor pro-Russian' but to defend the economic autonomy of Crimea.¹⁰

The unveiling of the new draft of the Ukrainian constitution immediately caused problems with the Crimean authorities, though. By referring to Crimea as an 'autonomy', rather than an autonomous republic, and downgrading its constitution to a 'statute', or charter, the draft significantly reduced the region's autonomous powers. The Crimean parliament met in emergency session on 9 March and called on Kyiv to recognize the new Crimean constitution by the end of March. With some of the Crimean deputies also calling for a new local referendum on Crimea's future, Suprunyuk warned of a new confrontation with Kyiv.¹¹ Senior Ukrainian officials responded that the document prepared by the Constitutional Commission was only a draft, and both Kuchma and Moroz expressed reservations about the articles dealing with Crimea.

The new row between Kyiv and Simferopol threatened to complicate Russian-Ukrainian relations, which in early 1996 entered a particularly delicate phase. Ukrainian officials began voicing their frustration with what they claimed was Russia's reluctance to demarcate its border with Ukraine. They announced that Ukraine would be taking up the issue of borders at forthcoming CIS meetings and that it rejected the idea being proposed by Russia of 'external' CIS borders and 'internal' ones between the CIS states.

At the beginning of February, after a visit to Kyiv, the tougher new Russian foreign minister, Evgenii Primakov, who had been born in Kyiv and was still remembered in Ukraine for his rigid views on nationalities policy during the Gorbachev era, announced that the repeatedly postponed visit of President Yeltsin to Kyiv would

¹⁰ Reuter, 28 February 1996.

¹¹ *Ibid.*, 11 March 1996.

take place in early April, providing that outstanding issues connected with the Black Sea Fleet were resolved.

The new, even more hardline composition of the Russian Duma and the intensifying political struggle in Russia in preparation for the presidential elections, however, placed in doubt whether Yeltsin would actually agree to sign a Ukrainian-Russian treaty, the terms of which would expose him to fierce attacks from the red-browns at home. In fact, Yeltsin's main political rival for the presidency, Zyuganov, declared during a visit to Kyiv at the end of February as a member of a Russian parliamentary group that 'Ukraine was absolutely sovereign within the former Soviet Union. It was a UN member and had its own Politburo'. Indicating how he saw the future, he added that if he came to power, 'there will be a qualitatively new, powerful international creation which everyone on this planet will have to reckon with'. Zyuganov was demonstratively ignored by the Ukrainian leadership but enthusiastically welcomed by Communist and Socialist deputies."

On 15 March, the State Duma hit out at the Russian president and openly challenged the entire post-Soviet order. It passed a resolution by 250 votes to 98 denouncing the Belovezhky Agreement and declaring null and void the ratification by the previous Russian parliament of the document which had marked the demise of the Soviet Union and the birth of the CIS. Yeltsin immediately condemned the act as unconstitutional and 'scandalous' (the Duma - the lower house of parliament - did not have the authority to annul the decisions taken by the previous full Russian parliament), and claimed that it represented an attempt to disrupt the presidential elections.

Kuchma joined leaders of other former Soviet republics in denouncing the Duma's legally invalid but nevertheless destabilizing action. 'This decision is a real threat not only to neighbouring countries once part of the Soviet Union but for the whole world', he declared in a televised statement which was also shown on Russian television. Russian deputies, he added, had 'laid a mine under the CIS' by in effect saying that 'Russia was leaving' this association, 'not other countries'.¹³

It now seemed almost certain that even if Yeltsin did sign the

¹² *Ibid.*, 26 February 1996.

¹³ *Ibid.*, 15 March 1996.

Russian-Ukrainian treaty affirming the principles that had been recognized in the various bilateral agreements since November 1990, the Duma would not agree to ratify it. Ukraine felt even more squeezed between Russia and the emerging military and political bloc which it was creating with Belarus and other CIS members, and NATO and the Central European states which, as Kuchma pointed out after the Duma's condemnation of the break-up of the Soviet Union, would now probably press for their acceptance into the North Atlantic Alliance to be speeded up. In the presence of US Secretary of State Christopher, who while visiting Kyiv at this time went out of his way to condemn the Duma's decision and publicly reaffirm Washington's political support for Ukraine's independence, Kuchma hinted that although his country was not requesting membership of NATO it would have to keep its options open.¹⁴

While expressing public disapproval of the Duma's action, Yeltsin was at pains to project himself at home as a leader who was promoting deeper integration within the CIS, though in a different way from the Russian legislature. He managed to achieve two successes which boosted his image in this respect. First, Moscow's long-standing emphasis on the 'reintegration' of the CIS countries produced a major breakthrough when, on 23 March, the Belarusian president, Lukashenka, announced that Russia and Belarus had agreed to form a union of their two states and that a treaty paving the way for it would be signed on 2 April. Then, on 29 March, Russia, Belarus and Kazakhstan, who had already formed a customs union, and Kyrgyzstan, which intended to join it, signed an agreement in Moscow on closer cooperation.

The Russian president also began hinting that he might have to postpone his visit to Ukraine yet again because the final terms concerning the basing in Crimea of Russia's portion of the divided Black Sea Fleet had still not been agreed on. During the final week of March, bilateral negotiations continued and, at the end of the month, Marchuk, who had been to Moscow twice in the last fortnight, was still expressing confidence that the conclusion of the Russian-Ukrainian treaty would proceed as planned. Although the

¹⁴ Ukrinform and Reuter, 19 February 1996. Two days later, while visiting Switzerland, Kuchma stated in Geneva that 'In future Ukraine need not necessarily be non-aligned . . . Ukraine does not see NATO as a threat to its existence and is actively pursuing its cooperation with this alliance . . . the next step could be establishing a special partnership with NATO.' Reuter, 24 March 1996.

Russian and Ukrainian defence ministers, who met at this time at a military base near Lviv, appear to have successfully worked out mutually acceptable agreements, the main working groups, led on the Ukrainian side by Deputy Prime Minister Durdynets, failed to conclude a deal on the terms of the basing of Russia's fleet in Crimea. The sticking point was again Sevastopol: Russia renewed its insistence on exclusive military use of the port, while Ukraine continued to reject this. Although the outstanding issues connected with the Black Sea Fleet had been deliberately excluded from the proposed new Russian-Ukrainian treaty - the actual division of the Fleet had by now got under way - and the Ukrainian side had continued to argue that they should be dealt with separately, the unresolved problem of Sevastopol provided Yeltsin with a pretext not to go to Kyiv,

On the eve of the signing of the Russian-Belarusian integration treaty, Yeltsin called off his visit to Kyiv for the sixth time. His press spokesman explained that 'The president of Russia . . . deems it impossible to sign accords which do not fully meet Russia's interests'.¹⁵ During the next few weeks Yeltsin, Chernomyrdin and other Russian leaders were publicly to renew Russia's claims that Sevastopol be recognized as an exclusively Russian naval base and Defence Minister Grachev ordered the suspension of the transfer to Ukraine of the latter's share of the naval vessels moored in Sevastopol. For their part, Ukraine's officials were to complain that Russia was failing to honour its undertaking to provide nuclear fuel for Ukraine's atomic reactors, and also to step up claims for compensation for the fissile material in the warheads from the tactical nuclear weapons which Kyiv had handed over to Moscow in early 1992. They also pressed Moscow on the issue of the demarcation of the Russian-Ukrainian border, especially in the Black Sea, where new oil and gas reserves had been discovered.

The Chernobyl factor, Marchuk's removal and the constitutional struggle

Whatever disappointment or sense of being affronted might have been felt in Kyiv, it gave way to the acceptance of the fact that, until the presidential contest in Russia was decided, there was

¹⁵ Reuter, 11 April 1996.

unlikely to be any significant progress in Russian-Ukrainian relations. Moreover, of the Russian presidential hopefuls who had declared their candidatures by this time (Yeltsin, Zhyuganov, Zhirinovskiy and Gorbachev), Yeltsin was still perceived by official Kyiv as the best of a problematic lot for Ukraine. Thus, in his annual address to the Ukrainian parliament on 2 April, President Kuchma simply commented that 'despite the postponement' of the Russian president's visit to Ukraine, 'the dialogue between the sides is continuing. We hope that the broad-ranging treaty will be concluded.'

In this speech, Kuchma focused his attention on domestic issues, especially the need to adopt the new constitution and to persevere with economic reforms. Both were essential, he argued, to ensure that Ukraine could not be turned back by 'internal [here the president referred to the development of an 'anti-systemic opposition' whose representatives were implacably opposed to Ukrainian statehood and the values associated with it] and external factors' from its chosen path of independent and democratic statehood. Ukraine was already beginning to see some positive results from the efforts to stabilize the economic situation and 1995 would, go down as having been 'generally successful' in this respect and the year during which the 'fear of reforms' had finally been overcome. He expressed the hope that the new constitution would lay a legal legitimating foundation under a new constructive stage in the development of the country, symbolize the irrevocable assertion of Ukrainian statehood ... and bear witness to the decisive overcoming of the danger' of Ukraine's returning to totalitarianism and authoritarianism.¹⁶

Meanwhile, tensions between Kyiv and Simferopol had eased after Kuchma had issued an edict on 15 March which had bolstered Crimea's economic autonomy and the Ukrainian parliament had voted on 4 April to approve most of the new Crimean constitution. The Ukrainian deputies, however, rejected a number of clauses which they considered went too far, such as references to Crimean 'citizenship', the 'Crimean people' and Russian as the peninsula's sole official language. The Crimean Tatars also remained unhappy with the document, maintaining that it did not take their specific concerns into consideration. For the moment, though, the majority

¹⁶ *Ukraina moloda*, 5 April 1996.

of the Crimean deputies accepted this compromise and awaited the outcome of the debate about the new Ukrainian constitution.

In the first half of April, official Kyiv was given another sharp reminder by the IMF that it would have to stick to the agreed strict stabilization course for external financial support to continue. Although the Verkhovna Rada had eventually passed the tight budget for 1996 on 22 March, during the first quarter of the year, when the country had gone without the IMF's financial support, the government exceeded its spending limit and issued too many credits. The IMF responded by cancelling the rest of the standby loan, though it began emergency negotiations with the Ukrainian government on the terms of a new arrangement.

When, in the second half of April, the Ukrainian parliament finally turned its attention to the draft constitution, the opposition to the document was even greater than expected. At first leftist deputies refused to register. But soon it became clear that many of the centrist and right-wing deputies also had misgivings about the document's far-reaching implications. In order to prevent a complete fiasco, the centrist and centre-right factions proposed the creation of a special interim inter-factional conciliation committee to make further revisions to the draft.¹⁷ It took about two weeks before the main leftist factions finally agreed to participate, but only on the condition that each of the twelve registered parliamentary factions would have two representatives on this *ad hoc* body, except for the Communists, who would have six.¹⁸

This new setback was overshadowed by the commemoration of the tenth anniversary of the Chornobyl disaster. In the weeks before the anniversary, the G7 increased the amount of assistance being pledged to enable Ukraine to close down the Chornobyl nuclear plant to just over \$3 billion. At its summit in Moscow on 20 April, at which Kuchma repeated calls for prompt financial help and promised to decommission one of Chornobyl's two working reactors by the end of the year, the G7 also agreed to carry out a feasibility study on replacing the cracked twenty-storey concrete 'sarcophagus'

17 For an 'insider's' account of the struggle to keep the constitutional process going, see the interview with the centrist deputy, Mykhailo Syrota, in *Uryadovyi kuryer*, 3 August 1996.

18 Ukrinform, 6 May 1996.

encasing the destroyed fourth reactor.¹⁹ No timetable for the disbursement of the funds was agreed on, though.

A few days later, during the solemn commemorations of the anniversary, Kuchma told the country that the Chomobyl nuclear disaster had 'turned Ukraine into an ecological disaster zone. After the Soviet Union fell apart, we were left facing the disaster alone.' For the last ten years, he continued, the country had been living under the 'unbearable burden' of 'the worst nuclear accident in history'. He revealed that since 1991 Ukraine had spent over \$3 billion on dealing with the consequences, which was five times more than had been allocated to education, health and culture, combined. At least now, he added, substantial international assistance had finally been pledged to help Ukraine cope with the aftermath.²⁰

Statistics about the consequences of the Chomobyl disaster had remained confusing or contentious. According to Ukrainian officials, in Ukraine alone, about 4,300 deaths had been linked directly to the disaster, an estimated 3.6 million people, half of them children, had been affected by the radiation, and hundreds of thousands had suffered ill effects or been displaced. Health officials in both Ukraine and Belarus pointed out that there had been significant increases in thyroid cancer, infant mortality and birth defects.²¹

While hoping that international assistance for dealing with the aftermath of the Chomobyl disaster would now be soon released, during the next weeks, the Ukrainian government successfully completed its latest negotiations with the IMF and secured a \$867 million loan which was to be disbursed during the year in monthly tranches. The economic indicators, however, continued to be mixed. On the one hand, inflation had been brought down to 2.4% in April (in May, it was to fall under 1%), exports had risen by 18% during the first quarter of the year, the karbovanets remained stable and the decline in output was slowing. On the other hand, the government had got itself into what the *Financial Times* described as a 'vicious circle of wage arrears [the teachers had just carried out protests about the lateness of their pay], inter-enterprise debt and poor tax collection', all of which threatened to increase the budget deficit.

¹⁹ Reuter 22 April 1996.

²⁰ Ukrinform and Reuter, 26 April 1996.

²¹ Reuter, 22, 26 and 27 April 1996.

Rather unexpectedly, in what appears to have been an attempt to send the right signal to the international financial institutions, on 8 May Kuchma appointed the economic reformer Volodymyr Lanovy as an economic adviser. A week later, the president took it out on the Cabinet of Ministers, accusing it of poor economic management and threatening, in unexpectedly harsh terms, to sack ministers."

The form which Kuchma's abrupt criticism of the work of the Cabinet of Ministers took seemed aimed at the prime minister and made the latter's position untenable. Whatever the hidden tensions between the head of the government and the president's team, Marchuk had stayed out of political controversy and had not openly opposed Kuchma and his policies.²³ On 18 May, however, he broke his silence in a lengthy but still quite guarded newspaper interview. He expressed surprise at the way in which the president had gone about publicly rebuking the Cabinet of Ministers, adding that this was not what he had expected of relations with Kuchma when he had agreed to head the government. Pointing out the extent to which decision-making about personnel appointments, including ministers, had become centralized in the presidential apparatus, the prime minister explained that this had tied his hands and caused problems within the Cabinet of Ministers. He disclosed that he had recently asked the president to remove or censure several of the ministers, adding that if he were given the choice of selecting the Cabinet of Ministers himself he would choose only about a third of the serving ministers²⁴

During the next few days, Marchuk distanced himself still more from the president. Having remained conspicuously reticent on the question of the draft constitution, the prime minister now came out against the idea of deciding things by a referendum, arguing that this would be destabilizing and needlessly wasteful. He also proposed that new parliamentary and presidential elections should be held

22 Matthew Kaminski, 'Kuchma Takes Tough Stance Over Reforms', *Financial Times*, 15 May 1996.

23 Some observers argued that a 'quiet war' was being fought out behind the scenes between the Dnipropetrovsk and State Security [Marchuk] teams. See, for example, Ukrainian Centre for Independent Political Research, *Dnipropetrovsk v. Security Service*, Kyiv, 1996.

24 Evgenii Marchuk: 'Ya soznatelno otoshel ot publichnoi politiki' [I have consciously withdrawn from public politics], *Zerkalo nedeli*, 18 May 1996.

after the adoption of the new constitution, hardly what Kuchma's team wanted to hear. In an address to parliament he also implied that a stringent monetary policy was not a panacea for Ukraine's problems, seemed to argue for a softening of the tough economic programme and called for an overhaul of the cumbersome and inefficient tax system.²⁵

While the rift between Kuchma and Marchuk was deepening, the work of the interim constitutional conciliatory commission, though hindered by the obstructive attitude of the Communists and their allies, had progressed. In order to facilitate the adoption of the new constitution, the president agreed to a number of important compromises. The most important of these was his retreat from the principle of a bi-cameral legislature.²⁶ All the same, when, on 23 May, the *ad hoc* conciliatory committee, headed by the leader of the faction 'Centre', Mykhailo Syrota, submitted the revised draft of the constitution to the parliament, the leftist deputies refused to register and again blocked the proceedings.²⁷ The centrists and rightists suspected that their political adversaries were deliberately delaying the constitutional debate until the results of the Russian presidential elections were known. Both sides also knew that the Constitutional Agreement was about to expire and that a grave new political crisis could ensue.

Against the background of this deadlock, on 27 May the presidential press office announced a presidential decree sacking Marchuk. The dismissal was carried out rather crudely: there was no recognition of any positive side to the prime minister's record and he was accused of having cared more about his 'political image' rather than the ensuring 'the effective and stable functioning of the government' and repairing the economy.²⁸ Marchuk, probably saving his ammunition for a later day, exercised self-restraint and refused to be drawn into recriminations. He rejected the purported motives for his dismissal and countered cryptically that the president 'cannot blame the entire economic crisis on one prime minister. The roots of these problems go a lot deeper'.²⁹

²⁵ Reuter, 28 May, 1996.

²⁶ *Ukraina moloda*, 17 May 1996.

²⁷ *The Ukrainian Weekly*, 26 May 1996.

²⁸ Ukrinfonn, 28 June, and *The Ukrainian Weekly*, 2 June, 1996.

²⁹ *The Ukrainian Weekly*, 2 June, and Reuter, 28 May, 1996.

As expected, Kuchma replaced Marchuk with Lazarenko. The new prime minister pledged to press on with the reform programme and to concentrate on restructuring industry, accelerating privatization, encouraging foreign investment and solving the wage payment

• ■ 30

crisis.

While the shock about the manner in which the prime minister had been dismissed was still reverberating in political circles and renewing concern about the extent of presidential powers, the political drama was heightened by developments in the Verkhovna Rada. On 28 May, with the leftists still delaying examination of the draft constitution, the speaker, Moroz, who remained leader of the SPU, came under fierce attack from the centrists and rightists, who accused him of putting his party interests first and blocking the parliament's work. On behalf of 170 deputies, the leader of the 'Reforms' faction, Serhii Sobolev, read out a statement calling for Moroz's removal.³¹ The following day, before this motion could be debated, the embattled speaker adjourned the unruly parliament for a week.

The political climate grew increasingly charged as what was widely seen as the last chance approached for the parliament to act before the president resorted to drastic action. Still seeking to appear conciliatory, Kuchma pledged that he would not call a referendum on the new constitution until after it had had its second reading, but there was no certainty that the draft would even reach that stage. With the threat of a divisive referendum hanging over the deputies, and the speaker preoccupied with saving his position, the impasse was temporarily broken: on 4 June the draft constitution got through its first reading quite comfortably by 258 votes to 109. This was still considerably less, though, than the two thirds majority (301 votes) needed for the draft to be adopted on its second reading, which was scheduled to begin two weeks later, just after the Russian presidential elections.

While reformist forces breathed a sigh of relief, opponents of the new constitution made it clear that they intended to challenge many of its provisions. The Crimean parliament also protested that the revised draft, though recognizing Crimea's autonomous status

30 Ukrinform, 29 May 1996

31 Ibid..

within a unitary Ukrainian state, deprived it of the powers to enact laws and made no mention of a Crimean constitution³²

Nevertheless, the president was now armed with the argument that a convincing majority of the parliament had approved the revised draft as the basis for the new constitution. The *ad hoc* conciliatory commission, still headed by Syrota, began working flat out to ensure that the constitutional process was not derailed by the staggering 5,680 additional proposed changes which were now submitted, mainly by the leftists; it worked day and night to ensure that all of these amendments were taken into account before the document was submitted for the second reading.³³

When the constitutional agreement formally expired, Kuchma maintained that it would remain in force until the new constitution was adopted. Moroz, having succeeded in keeping the question of a vote of confidence in him as speaker off the parliament's agenda, however, saw his chance to reassert himself and declared that the power-sharing arrangement needed to be extended, presumably after difficult and protracted new debates; the existing 1978 constitution of the Ukrainian SSR, with its post-Soviet amendments, was back in force, he declared.³⁴ Two parliamentary commissions, however, spiked his guns by concluding that the constitutional agreement still remained valid.³⁵

Balancing between East and West but gravitating westward

In the meantime, against the background of general concern about the outcome of Russia's presidential election, Ukraine had not only been strengthening its western connections, but actively seeking greater integration within European structures. As a partial response to Ukraine's proposals of the previous September about developing a special partnership between NATO and Ukraine, in mid-April, NATO Secretary-General Javier Solana had visited

³² Reuter, 6 June 1996.

³³ See the interview with Syrota, *Uryadovi kuryer*, 3 August 1996, and the chronicle of the Fifth Session of the Verkhovna Rada in *Hobs Ukrainy*, 2 July 1996.

³⁴ Interfax-Ukraine, 11 June, UNIAN, ITAR-TASS, 11-12 June, and Ukrinform, 13 June 1996.

³⁵ Radio Ukraine, 18 June 1996.

Kyiv and announced that the North Atlantic Alliance's Political Committee had decided to broaden cooperation with Ukraine.

A week later, Kuchma visited the Council of Europe's headquarters in Strasbourg and made use of this opportunity to stress that Ukraine was committed to a policy 'aimed at rapid integration into the European process and increasing its participation in the activities of European and trans-Atlantic organizations and structures'. Making it absolutely clear what Ukraine aspired to, he declared that his country's long-term 'strategic goal' was 'to become a full member of the European Union', and that in the meantime, while remaining a neutral and non-aligned state, it wanted to 'develop and deepen relations' with both with the EU and NATO and the Western European Union (WEU), the military arm of the European Union. He also announced that Ukraine was not opposed to NATO's expansion eastward as long as it was carried out in a gradual and non-confrontational manner. In this connection, he proposed the creation of a nuclear-free zone in East-Central Europe³⁶

Kyiv also welcomed the timely demonstration by the European Union of its readiness to extend more significant political and economic support. In early May an EU delegation had visited the Ukrainian capital and announced that Ukraine would be given a \$260 million loan to help it with its balance of payments problems during 1996 (on condition it continued along the reform path agreed with the IMF), as well as broader access to EU markets.³⁷ Ukraine's foreign minister, Udovenko, responded by reiterating that his country's 'strategic goal' was 'to attain full membership of the European Union'; he acknowledged, though, that this could only be envisaged at a later stage in Ukraine's development.³⁸

High-level contacts between Kyiv and European and NATO structures intensified. Udovenko was invited to a meeting in Rome on 21 May of the EU's ministerial 'Troika' (the current, past and future presidencies) - the foreign ministers of Italy, France and Spain. At this meeting, in connection with the approaching fifth anniversary of Ukraine's independence, the EU issued a special declaration reaffirming 'the fundamental importance of Ukraine's independence, territorial integrity and sovereignty as key elements

³⁶ⁱ *Ibid.*, 24 April 1996.

³⁷ Monitor, 9 May 1996.

³⁸ Ukrinform, 8 May 1996.

of security in Europe' and pledging to 'assist the process of the integration of Ukraine into the world economic order, through support for its efforts to meet the requirements for World Trade Organisation membership' and to 'further examine the possibility of recognizing Ukraine's status as an economy in transition'.³⁹ A few days later, Britain's Ambassador to the WEU John Golden visited Kyiv, his 'only foreign visit', as he explained, during Great Britain's presidency of the WEU.⁴⁰

Ukraine's foreign policy was given another boost at the beginning of June when, just as the country was removing the last nuclear warhead on its territory, it was accepted as a member of the Central European Initiative and President Kuchma was invited to attend a meeting of nine Central and Eastern European presidents in Lancut, southeastern Poland, organized under the auspices of the CEI.⁴¹ Before then, however, Udovenko participated in a conference of NATO foreign ministers in Berlin and Kuchma addressed the WEU's Assembly in Paris. On this occasion he was even more candid about Ukraine's orientation and confirmed that Ukraine was seeking the status of an 'associate partner' of the WEU already enjoyed by other Central and Eastern European states. Ukraine's integration into Europe was not just a question of a 'deeply-pragmatic' choice, he declared, but a matter of time. He explained diplomatically that his country viewed the CIS exclusively as 'a mechanism for the peaceful and democratic resolution of all problems connected with the collapse of the Soviet Union'. On the other hand, he regarded the EU as the organization which would determine the face of the continent in the twenty-first century. Assistance to Ukraine at this decisive period in its history, he continued, was a 'strategic investment in safeguarding European interests'.⁴²

In Lancut, on 7 and 8 June, Kuchma did not fail to voice his unease about the imminent presidential elections in Russia and to allude to the common security problems facing Kyiv and Warsaw. 'If Yeltsin loses', he warned, 'it would be an earthquake, especially for Ukraine, but also for Poland'.⁴³ By contrast, shortly afterwards, on 10 June,

V) *Ibid.*, 23 May, and *The Ukrainian Weekly*, 2 June 1996.

40 Ukrinform, 24 May 1996.

41 *Ibid.*, 7 and 8 June, 1996.

42 *Ibid.*, 6 June 1996.

43 Reuter, 12 June 1996.

Radio Ukraine reported speaker Moroz as playing down the threat of a Zyuganov victory, describing the Communist leader as a 'mature politician and a realist'.

Kuchma had joined other CIS heads of state in expressing support for Yeltsin at a CIS summit in Moscow on 16 May. A week later, Russian Prime Minister Chernomyrdin arrived suddenly in Kyiv, fueling speculation that perhaps, on virtually the eve of the Russian presidential elections, the elusive Russian-Ukrainian treaty might again be within reach. After meeting with Prime Minister Marchuk, however, he left without a single document being signed, the issue of Sevastopol apparently still blocking any last-minute breakthrough.*4

In the Russian presidential election, after a late recovery, Yeltsin managed to scrape past Zyuganov, with both candidates receiving close to a third of the votes. This meant that a second round of voting had to take place, which was eventually scheduled for 3 July. The surprise impressive showing of Alexandr Lebed, who came in third with almost 15% of the votes, catapulted the outspoken former general, who had made his name as the tough and independently-minded commander of the Russian 14th army in the 'Dniester Republic', into the role of kingmaker. A deal between Yeltsin and Lebed was, or as some observers suspected, had already been worked out and the Russian president immediately appointed the former officer as the new secretary of the Security Council and ditched several of his closest hardline officials.

While clearly relieved that Yeltsin had taken the lead, the Ukrainian leadership had no illusions about what the new Yeltsin-Lebed alliance was likely to mean for Ukraine. Since his days in the Transdnestrrian enclave, Lebed had enhanced his reputation as a staunch defender of Russians living outside of the Russian Federation by becoming a leader of the Congress of Russian Communities, a 'national patriotic' organisation committed to this cause. Although he had been critical about the way in which Moscow had conducted its war in Chechnya, he had run on a platform of restoring order, military pride and Russia's greatness.

Yeltsin and his advisers had continued emphasizing that gradual 'reintegration' was a goal of Russia's foreign policy towards the 'near abroad.' Shortly before the elections, the influential Russian Council

44 Ibid., 23 May 1996.

on Foreign and Defence Policy, headed by presidential advisor Sergei Karaganov, had issued a draft document on 'The Future of the Post-Soviet Space', entitled 'Will the Union be Reborn?', which focused on the means for promoting the restoration of a Union (first a confederation, then a federation) centered on Russia within the coming decade. The document, which appeared on 23 May in *Nezavisimaya gazeta*, was signed by forty prominent academics, politicians and business people representing 'a broad section of the centrist and liberal Moscow elite'.⁴⁵ It described the process of reintegration in terms which had a familiar historic ring as 'a new, absolutely voluntary "gathering of the lands"'. The authors argued that:

by constructing its relations in different ways, Russia may in the near future create an asymmetric system of mutual obligations, in which Russia will be a center of this system in any event. Despite all the talk about new models - either a CIS or Euro-Asian Union, either confederation or federation, on the territory of the former Soviet Union - a system of Russian regional leadership across the majority of this geopolitical zone is emerging, quietly but positively, whatever the wishes of other participants.⁴⁶

Recognizing that Ukraine's importance and non-compliant attitude posed an awkward problem, the authors proposed, on the one hand, maintaining political cooperation and regular high-level consultations with Kyiv, and on the other, implicitly proposed stepping up economic pressure and penetration which would erode Ukraine's economic sovereignty and make the country increasingly dependent economically on Russia.

Not surprisingly, therefore, less than a week after the inconclusive first round of voting in Moscow, Kuchma was to tell the Ukrainian media quite bluntly that regardless of the outcome of the runoff in Moscow, 'Russian policy towards Ukraine won't change ... which is why Ukraine should brace itself . . . both politically and economically'.⁴⁸ He and other Ukrainian leaders continued to

⁴⁵ See Scott Parish, 'Will the Union be Reborn?' *Transition*, vol. 2, no. 15 (26 July 1996), p. 32.

⁴⁶ *Ibid.*

⁴⁷ See the analysis by Volodymyr Zviglyanich, 'Russia Discusses Plans to Restore the Soviet Union by 2005', *Prism*, vol. 11, no. 12, part 4 (14 June 1996).

emphasize Ukraine's desire for a closer 'special' partnership with Western European political and military institutions.

By contrast to the Ukrainian-Russian nexus, Kyiv's ties with Warsaw remained a model of good-neighbourly relations which were being cemented by growing mutual interests, understanding and cooperation. On 25 June, the very day that Yeltsin again floated the idea of a closer union with Ukraine, Kuchma announced during an official visit to Warsaw that his country would not oppose Poland's membership of NATO and reiterated that it was itself interested in eventually joining the EU and its military arm, the WEU; for their part, his Polish hosts undertook to support Kyiv's admission to the Central European Trade Agreement and to continue facilitating the establishment of closer connections with other European institutions. Earlier that month, having invited the Ukrainian leader to Lancut, the new Polish president, Aleksander Kwasniewski, had indicated what the underlying premise of his administration's policy towards Ukraine was, stating: 'The more Ukraine is in Europe, the safer Europe is.'⁴⁹

The struggle for the new constitution is finally won

On 19 June, the Ukrainian parliament was supposed to have begun debating the new constitution in its second reading. Procedural wrangling, however, had resulted in more delays; although the conciliatory commission had managed to incorporate all the major proposed changes into the revised draft, the leftists, abetted in effect by Moroz, insisted that the document be voted on article by article. The main stumbling blocks were still the issues of the state language, state symbols, the degree of Crimea's autonomy and private ownership. It seemed as if the entire process would become bogged down for weeks and that the Communists and their allies remained determined to dilute the key principles on which the national democrats, liberals and economic reformers wanted to build the new Ukrainian state.

One tricky issue on which sufficient agreement had now emerged within the Verkhovna Rada was that of banning foreign military bases on Ukraine's territory. Resenting Russia's adamant claims to

48 Ukrinform, 24 June 1996.

49 Reuter, 25 June 1996.

exclusive basing rights in Sevastopol, the parliament voted to include an article on the prohibition of foreign military bases in the draft constitution. The Ukrainian president had appealed to the deputies to take existing political realities into account and not to complicate further the unresolved Ukrainian-Russian dispute over the terms of Russia's use of Sevastopol as its main Black Sea naval base, and was clearly taken aback by the decision.⁵⁰

On 26 June, Kuchma decided not to wait any further and made a courageous, if highly risky, given the prevailing social and economic difficulties, move: he signed a decree calling for a referendum on 25 September on approving the country's first post-Soviet constitution. Although he had threatened to do this all along if the parliament continued to procrastinate, his decision to actually go ahead and gamble everything on a referendum appears to have caught Moroz and the leftists by surprise. The speaker warned that this decision would only deepen the political crisis. Even the centrists and national democrats appear to have been in two minds about the prospect of a potentially divisive plebiscite. As Yavorivsky, the leader of the D P U , put it, the referendum would 'would tear Ukraine apart with an uncertain outcome. It could be tantamount to a vote of confidence in the president.'⁵¹

But just as a year earlier, during the constitutional crisis over the division of powers, Kuchma's calculated threat of a referendum did the trick. The deputies were also influenced by the fact that the president apparently intended to submit the earlier version of the draft of the constitution which had been presented to the parliament in March and which foresaw considerably stronger presidential powers, rather than the latest one, to the test of public confidence, and by the likelihood that he would also dissolve the legislature. The following day, fired by a greater sense of urgency, the deputies therefore worked non-stop to iron out their differences and to avert a confrontation with the president. They continued their session through the night, with Syrota, a hitherto relatively obscure engineer and member of the DPU from Cherkasy, playing an outstanding role in steering the intense debates over every article in a constructive direction.

The hard left put up a fierce last-ditch fight. On the key issue of

⁵⁰ Ukrinform, 24 June 1996.

⁵¹ *Ibid*, 26 June, and AP, 27 June 1996.

national symbols, the former prime ministers Masol and Marchuk both helped to break the deadlock by arguing in favour of retaining the blue and yellow flag and golden trident. At one point, all the government ministers who were deputies, except Holovaty and Yemets, were absent from the chamber, indicating that the executive branch had given up hope of a breakthrough and was falling back on the referendum. Even the Rukh faction seemed at one stage close to walking out.⁵²

Eventually, though, after an all-night session, on the morning of 28 June, the parliament approved a new constitution. Consisting of 161 articles based on the draft proposed by the conciliation committee, it was adopted by a constitutional majority of 315 votes to 36, with 12 abstentions. Spontaneous celebrations, reminiscent of the adoption of the Declaration of State Sovereignty and proclamation of independence, instantly broke out in the legislature, and parliament voted that this date would henceforth be observed as Constitution Day and a public holiday. 'Wisdom has triumphed', the elated president told the deputies. 'This historic event. . . will go down as one of the most significant moments in the annals of the modern history of the Ukrainian state.'⁵³

If Kravchuk was associated with the achievement and affirmation of Ukrainian independence, Kuchma had thus secured his place in history as the president who had not only got economic reforms under way, but had also ushered in the country's first post-Soviet constitution. Under Kravchuk's stewardship, Ukraine had chosen independence; under Kuchma, it had finally, and after considerable difficulties, reaffirmed this choice and refined its decision as to the new political and economic system it wanted to build. Just as five years earlier Ukraine had affirmed its desire to be independent, the Ukrainian parliament had now confirmed clearly and unequivocally the country's commitment to democracy, a market economy and a progressive social welfare system. As if amplifying this choice, in various other statements which he was to make during the following weeks, Kuchma also continued emphasizing Ukraine's Western

⁵² See the retrospective accounts about the adoption of the constitution by Volodymyr Korol in *Holos Ukrainy* and Oleksa Ivashchuk in *Vechimii Kyiv*, 23 August 1996, and Syrota in *Uryadovyi kuryer*, 3 August 1996.

⁵³ *The Ukrainian Weekly*, 30 June 1996.

orientation and desire to be integrated as fully and quickly as was feasible in European political, economic and security structures.

The adoption of Ukraine's new post-Soviet constitution marked a turning point in the long-drawn out political struggle between the country's two main rival political tendencies—the neo-Communists, consisting of groups nostalgic for the former Soviet Union and reluctant to move away from what it represented, many of whom were uncomfortable with the very idea of Ukraine's independence, and the emergent liberal centre and moderate right, whose representatives wanted a Western-style democracy and economy and to protect the country's independence.

Apart from its major historic significance as a fundamental law which, by enshrining basic democratic principles and recognizing the right to own private property, including land, confirmed Ukraine's abrogation of its Soviet legacy, the new constitution also represented the culmination of years of effort by Ukraine's national democratic forces in a tactful manner to promote national resurgence, revive national consciousness and restore national pride. The cautious formulation 'the people of Ukraine' was replaced in the preamble by the term 'the Ukrainian people - citizens of Ukraine of all nationalities'. The national symbols adopted by the Ukrainian independence movement before the Soviet period and still evidently reviled by many of the die-hard Communists were finally confirmed as state symbols. Ukrainian was recognized as the country's sole state language, but 'the free development, use and protection of Russian, and other languages of national minorities of Ukraine' was 'guaranteed' (Article 10). The State undertook to promote 'the consolidation and development of the Ukrainian nation, of its historical consciousness, traditions and culture, and also the development of the ethnic, linguistic and religious identity of all indigenous peoples and national minorities of Ukraine' (Article 11). The constitution also described Ukraine as a unitary state (Article 2) but the Autonomous Republic of Crimea was given considerable autonomy, including the right to have its own constitution and legislature (Articles 134 -139).

The new constitution contained a compromise as regards the ban on foreign military bases on Ukrainian territory. The ban (Article 17) was qualified by a 'transitional provision' stating that: 'The use of existing military bases on the territory of Ukraine for the temporary stationing of foreign military formations is possible'

on the basis of a leasing arrangement corresponding to 'the procedure determined by international treaties of Ukraine ratified by the Verkhovna Rada of Ukraine'.

Although the adoption of the constitution was seen as a major political victory for the president, in fact the provisions of the country's new fundamental law diluted the presidential powers that had been foreseen in the draft submitted to the parliament in the spring. The result was the establishment of a democratic parliamentary-presidential republic, with the Cabinet of Ministers, having achieved greater powers and autonomy as a distinct executive branch, emerging as the unexpected real winner.⁵⁴ The parliament had resisted the president's proposal to transform it into a bi-cameral body, retained considerable powers and ensured that there would be no early parliamentary elections. The next parliamentary elections were scheduled for March 1998 and the next presidential elections for the last Sunday of October 1999.

The president retained the right 'to appoint the prime minister with the consent of more than one-half of the constitutional composition of the Verkhovna Rada', to appoint the 'power' (defence and security) and foreign ministers independently of parliament, and to appoint other ministers 'on the submission of the prime minister. Without waiting, therefore, for the formal formation of a new government required after the adoption of the new constitution, Kuchma and Lazarenko continued carrying out personnel changes in the Cabinet of Ministers which they had begun after Marchuk's replacement. Now the defence minister, Shmarov, and Vasyl Yevtukhov, the deputy prime minister responsible for fuel and energy, were replaced. Subsequent criticism of Shmarov from military and presidential circles suggested that it was not only the national democrats who were unhappy about his performance. He was replaced by a military officer, Lieutenant General Oleksandr Kuzmuk, the commander of the National Guard. The president also sought to ensure that the new prime minister was approved by parliament before it adjourned for its summer recess and again nominated Lazarenko.

⁵⁴ See the useful analyses by Viktor Desyatnikov in *Kievskie novosti*, 23 August 1996, and Vladimir Seminozhenko, *Kievskie uedomosti*, 2 July 1996.