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MESSAGE FROM PROGRAM DIRECTOR



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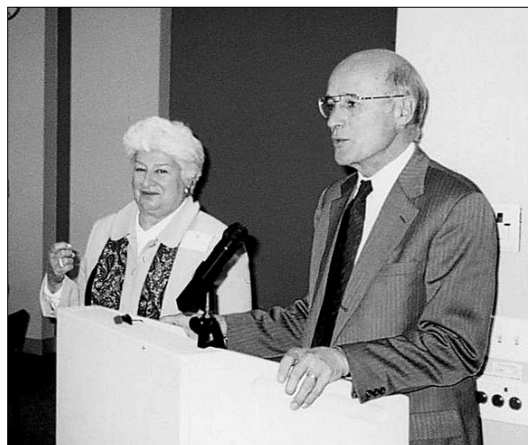
The articles contained in this publication are drawn from talks given at the Ukrainian Security Program, offered by the John F. Kennedy School of Government at Harvard University. I feel privileged to be working with Ukrainian colleagues on the Ukrainian Security Program at this exciting time. Ukraine is emerging as a powerful and independent force in the new strategic architecture of Europe, playing a pivotal role and critical to stability and peace for the region and for Europe as a whole.

Looking back, I have realized that the Program had its inception in the spring of 1996, when a group of Harvard faculty, senior staff, and associates first recognized the crucial role Ukraine was beginning to play in Central Europe. In our first few meetings, the intent of our group was to assist Ukraine by bringing together leaders in the Ukrainian national security community with their counterparts in the United States: policy-makers, strategic thinkers, and academic experts from Harvard and other institutions, in examining what we felt would be important issues for Ukraine to address in the coming years. Out of those early meetings we hoped to develop a program that would look at problems of strategic doctrine, policy formulation, and civil-military relations, problems that were common to all the newly-independent states. But we also hoped to keep the focus on

Ukraine and how Ukraine, because of its important role, could meet those challenges in positive ways and become a role-model for other nations.

We also hoped that the program we were organizing would serve another purpose as well: that it would enhance the understanding of those in the policy-making community in the United States of the multitude of complex problems Ukraine was facing as it charted its independent course in Europe.

Shortly thereafter, the Secretary of the National Security and Defense Council of Ukraine, Volodymyr Horbulin, sent two Ukrainian military officers, Vadim Tyutyunnyk





and Ihor Smeshko, to attend the Kennedy School's National and International Security Managers Program, to critique the program and gain an understanding of what a national security program for Ukraine, organized at Harvard, might be like. The assistance of all three was invaluable to us in conceptualizing the program we were to offer.

In 1997 our newly-founded Ukrainian Security Program received a grant from the Smith Richardson Foundation to organize a two-week session here in Cambridge. The program we had sketched out in our proposal to the Smith Richardson Foundation was consistent with the Foundation's focus on issues central to the strategic interests of the United States and those programs which enhanced international order. The Foundation felt our program concept met their priority concerns at that time in addressing challenges in the post Cold War security environment.

We have now offered three annual seminars at Harvard for key members of the Ukrainian national security community, generously supported by the Smith Richardson Foundation, which provides core funding for the program. The Program also receives generous support from the United States Department of Defense, which provides funding for travel for the delegates and assigns U.S. general officers with substantive interest in Ukraine to attend the session.



In the seminars, we have tried to target those Ukrainians, both in government and the wider strategic community, who will be in policy-making positions in the next ten to fifteen years. Just as we had hoped, the Program brings these Ukrainian leaders together with their counterparts in the United States and with key policymakers and academic experts here. The articles in this issue will give readers an idea of the variety of topics covered, but broadly speaking, we have

tried to focus on global and regional strategy, defense organization and policy formulation processes, and professional military concerns and civil-military relations. Over the four-year period the emphasis within the Program has shifted subtly, first addressing in depth professional military concerns, then moving to more active consideration of issues such as global and regional strategy and the challenges of economic reform and restructuring and their impact on national security. In the future we hope to place greater emphasis on regional strategic concerns, as Ukraine more actively reaches out to its neighbors. We also hope to address some of the public management concerns common to all national security communities such as organizational strategy and the management of change.

We are enormously grateful to the national security communities in both Ukraine and the United States for the regard they have shown to the Program. It has been singled out for specific mention in the three annual statements of the Bilateral Commission on Cooperation between the United States and Ukraine for its contribution to cooperation and understanding between the two countries. In 1999, Colonel General Volodymyr Shkidchenko attended the session. At that time, we also invited Moldova and Georgia to send observers to the session, with the feeling that there were common concerns that would make the Program relevant to the needs of these two countries as well as Ukraine. Moldova sent Deputy Minister of Defense Anatol Guboglo, and Georgia's Chief of the General Staff of the Armed Forces General Joni Pirtskhalaishvili attended the session. The attendance of these three most senior delegates added enormously to the dialogue within the Program.

We are grateful to the National Security and Defense Council of Ukraine, which continues to organize the Program in Ukraine and provide administrative support for it. The U.S. Department of Defense also strongly supports the Program: the Harvard sessions include U.S. general officers and the Defense Department also provides vital financial support for travel and interpreters and organizes a Washington visit with Pentagon and Hill briefings. Under Secretary of Defense Walter B. Slocumbe has indicated his early support for our efforts, and Assistant Secretary of Defense Edward L. Warner and Principal Deputy Assistant Secretary Franklin Miller have also been very supportive of the Program. Deputy Assistant Secretary Jeffrey Starr and his staff have helped us immeasurably from the very beginning and have arranged for us to have Major General Nicholas Krawciw attend the sessions as an interlocutor. In Ukraine, first Ambassador William Miller and then



Ambassador Stephen Pifer have encouraged and assisted us and the Embassy staff, particularly Defense Attache Robert Hughes, has given us enormous assistance and good advice.

Throughout the three sessions we have tried to present the widest range of expert viewpoints to our Ukrainian colleagues. Former National Security Advisor Dr. Zbigniew Brzezinski has spoken at Program sessions and has been of invaluable support to us in his role as chairman of the Ukrainian-American Advisory Council. Drs. Sherman Garnett and Elizabeth Sherwood-Randall, both former Defense Department officials whose purview includes Ukraine, have addressed strategic issues. Each year Professor Samuel Huntington of Harvard has given a talk on global strategy. Former Deputy Secretary of Defense John Deutch has spoken at Program sessions on defense organization, and Professors Richard Cooper, former Under Secretary of State for Economic Affairs, Jeffrey Sachs, and Marshall Goldman have spoken to the group on international economic issues and the challenges of economic reform. Professor Michael Desch, a leading expert on civil-military relations, has addressed each session of the Program and we have asked experts on professional military concerns to address particular issues: Lieutenant General Richard Chilcoat, President of the National Defense University on military education; former Assistant Secretary of Defense Lawrence Korb on military personnel and recruitment issues, and academic experts such as Charles Moskos and Alvin Bernstein to address trends in military professionalism worldwide.

We are very grateful to the NATO administrative staff, which organizes and underwrites a three-day stay in Brussels for NATO/SHAPE briefings. After the Harvard session and briefings in Washington, the delegates spend four days in London, underwritten by the International Institute for Strategic Studies, which include briefings at the IISS and the Ministry of Defence; we enjoy a close cooperative relation-

ship with the IISS on the Program. In these follow-on sessions, we hope that the variety of viewpoints, which the Ukrainian delegations hear, suggest to these seasoned professionals new ways to think about some old problems. At the same time, we hope to broaden the perspectives of their American counterparts, both the general officers in the classroom and the policymakers who address them, providing them with valuable insights into the range of problems which face Ukraine.



In organizing this Program, we have felt that the **United States has a strong interest in a stable, democratic Ukraine committed to cooperation with the West and its Central European neighbors and constructive, friendly relations with Russia.** It is our hope that the Harvard seminars are providing a neutral forum, external to Ukraine, where Ukrainian civilian officials and military officers, together with their American counterparts, can engage in examining those issues of strategic concern and civil-military relations which are at the core of Ukraine's security and that of the United States. And we hope also that the Program will convey to the Ukrainian defense community the strong support of its many friends in the United States for Ukrainian independence and for its democratic institutions as it faces the complex challenges of this new Century.

MESSAGE FROM PROGRAM ASSOCIATE DIRECTOR



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The idea of a national security program focused on Ukraine emerged from the desire of Franklin A. Lindsay to assist Ukraine as it confronted the problems of independence. Mr. Lindsay, former president of the ITEK Corporation, worked in Ukraine in the early nineties, advising the Government in the area of defense conversion and privatization. He was an early witness to Ukraine's efforts to build a state and the problems it encountered as it moved forward. Upon returning to the United States, he approached Joseph Nye, Dean of the John F. Kennedy School of Government at Harvard University, with a proposal to create a program that would help Ukrainian executives learn from the experience of others in this field, and to establish contacts with academic circles and the political elite in the U.S. Frank discussed this idea with Nancy Huntington, a Harvard veteran in executive programs, and with Vadim Tyutyunnyk, a representative of Ukrainian National Security and Defense Council Staff. As a former officer of the General Staff of the Armed Forces of Ukraine, and a graduate of Harvard University, I was asked to co-chair this Program from the Ukrainian side.

From the very beginning of the Ukrainian National Security Program, we decided not to limit our efforts to a seminar at Harvard with U.S. experts. We felt that to make the dialogue more productive it was necessary to compare the views and thoughts of both U.S. experts and their European counterparts. In 1997, the first Ukrainian delegation began its tour with a visit to NATO headquarters in Brussels, continued its work in Harvard classrooms, became familiar with the Pentagon and Congress in Washington, and completed its tour in London at a seminar organized by the International Institute for





MESSAGE FROM PROGRAM ASSOCIATE DIRECTOR

Strategic Studies. The following year, the delegation began its work with a round table at the Western European Union in Paris.

Since 1997, over 100 Ukrainian executives and experts have attended the Program and received Harvard certificates. Among them have been representatives of the National Security and Defense Council Staff, Presidential Administration, the Cabinet of Ministers, the Verkhovna Rada, the Ministry of Foreign Affairs, and the Ministry of Defense.



In 1999, we decided to make the Program more diverse geographically, inviting the governments of Moldova and Georgia to send observers to the session. Lydia Spataru, the first Moldovan Harvard graduate, helped to arrange the attendance of the Deputy Minister of Defense of Moldova, Brigadier General Anatol Guboglo, and the Head of the Department of International Relations of the Ministry of Defense, Colonel Petru Bolun. Georgia was represented by the Chief of the General Staff of the Armed Forces of Georgia, General Joni Pirtskhalaishvili and the Head of Military Inspection, Guivi Iukuridze. The military delegation from Ukraine was headed by the Chief of the General Staff of the Armed Forces of Ukraine, Colonel-General Volodymyr Shkidchenko. The positive feedback from such a diverse group encouraged the Harvard organizers to consider creating a new program of regional scale where security issues would be studied with-

in a broader framework. At present, we are actively working on this program, which we will offer in the spring of 2001, with the participation of the Ukrainian, Moldovan, Georgian, Armenian, and Azerbaijani delegations.

Many Verkhovna Rada representatives have taken part in the Harvard Ukrainian National Security Program, and now we are working on creating a separate program for members of the Ukrainian Parliament at Harvard University.

It is understood that such work is not possible without support from all sides. I want to make particular mention of the important contribution of the heads of three delegations: Olexander Belov, Director of the National Institute for Strategic Studies, Victor Bondarenko, Deputy Director of this Institute, and Sergei Pyrozhkov, Director of the Institute of Ukrainian-Russian Relations under National Security and Defense Council of Ukraine.

We are very grateful to Terry Terrence, Deputy Director of the International Institute for Strategic Studies, and Oksana Antonenko, its Research Fellow; the IISS has become a valuable partner of the Program. Thanks to their efforts, we have been able to organize seminars in London for the delegations, with briefings at the highest levels. For example, during past seminars, Program participants had the opportunity to meet with former Defense Secretary [currently NATO Secretary General] Lord George Robertson, and the UK Secretary of Defence Geoffrey Hoon.

We are also grateful to Natalie Melnyczuk, Head of the NATO Information and Documentation Centre in Ukraine, and John Lough, Head of NATO's Office of Information and Press in Brussels.

We hope that this first issue of our digest will give readers the opportunity to familiarize themselves with the best publications and speeches from what our delegations have heard and read at Harvard and in Brussels, Washington, and London. We would like UCEPS magazine "National Security & Defence" to become an open forum for all those who would like to share their thoughts on the issues of national security and defense.

SECURITY: INTERNATIONAL AND NATIONAL ASPECTS

THE NEW WORLD ORDER IN THE 21ST CENTURY: GLOBAL STRATEGIC INVOLVEMENT AND ITS IMPLICATIONS FOR UKRAINE¹



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The article offers, first, to outline and update the arguments in my book concerning the new cultural and civilizational pattern of global politics; second, to discuss the post-Cold War power structure; and third, to say a few words about the implications of these developments for Ukraine and its neighbors.

CLASH OF CIVILIZATIONS

The 20th century was the century of ideologies, characterized by a fierce struggle between the ideologies of communism, fascism, and liberal democracy. This era has already ended. I believe that at present **we are entering a new era, where culture and cultural factors will play the most important role in the formation of world policy.**

Throughout the world, countries are confronting major crises of identity. Everywhere, peoples are attempting to answer the most basic question humans face: Who are we? And they are answering that question in the traditional way human beings have answered it, by reference to the things that mean most to them. People define themselves in terms of ancestry, religion, language, history, values, customs, institutions. They identify with cultural groups: tribes, ethnic

groups, religious communities, nations, and, at the broadest level, civilizations. In the time to come, states will be less likely to see threats coming from other states which are culturally similar than from states which are culturally different. States with a common culture are more likely to understand and trust each other. Global politics is being reconfigured along cultural and civilizational lines.

During the Cold War power was divided into ideological groupings, between the Free World led by the United States, the communist bloc led by the Soviet Union, and the less developed Third World, where much of the Cold War took place. **Global politics is now more complex. The most important groupings of states are no longer the three blocs of the Cold War but rather the world's eight major civilizations: Western, Orthodox, Chinese, Japanese, Muslim, Hindu, Latin American, African.**

¹ Speech at a Round Table in the National Institute of Strategic Studies (Kyiv) on October 18, 1999.



The leading countries in the present world represent different civilizations. They are the United States, Russia, the European countries, Japan, China, and India. This list also includes important Islamic countries, which exert huge influence within the system of international relations due to their strategic position, large populations and oil resources.

If we are discussing the eight most populated countries of the world, all of them belong to different civilizations. If we talk about the seven most developed countries, they belong to five different civilizations. In this emerging world, local politics is the politics of ethnicity; global politics is the politics of civilizations. For the first time in human history, global politics is truly multi-civilizational. In this new world, the relations between states from different civilizations will often be complicated and sometimes even antagonistic.

The most important axis in world politics will be the relations between the West and all other civilizations, as the West attempts to impose its values and culture on other societies. In this new world, the principal sources of conflict and hence of political instability will be the rise of China and the resurgence of Islam. The relations of the West with these challenger civilizations, Islam and China, are likely to be particularly difficult and antagonistic. The evolution of these conflicts will be significantly influenced by the extent to which the core states of the "swing" civilizations, that is Russia, India, and Japan, align with one side or another.

Potentially the most dangerous conflict is that between the United States and China. At present, many issues divide these countries, but the fundamental issue is one of power: which country will play the major role shaping developments in East Asia in the coming decades? The Chinese have made it clear that they see their era of subordination to and humiliation by other major powers coming to an end and that they expect to resume the hegemonic position that they had in East Asia until the mid-nine-

teenth Century. The United States, on the other hand, has always opposed the domination of Western Europe or East Asia by any single power, and in this century has fought and won two world wars and one Cold War to prevent that from happening. Whether conflict or accommodation will characterize Chinese-American relations is thus central to the future of world peace.

The challenge from the Muslim world is quite different. It is rooted not in economic development but in population expansion. For several decades, Muslim countries have had very high birth rates, often approximating 3% a year, which is more than ten times that of European countries. This rapid growth of population has often been accompanied by the recommitment of Muslims to Islam as a way of life.

At present, many ethnic wars are taking place in the world. Muslims are involved in more of them than the people of any other civilization. All along the border of Islam in the Balkans, the Caucasus, Central Asia, South Asia, South East Asia, the Middle East and across Africa, Muslims have been fighting non-Muslims. Within the Muslim world, Muslims also have been fighting each other far more than the people of other civilizations. Why is this the case?

One reason is the high birth rates in Muslim countries, which have created a major "youth bulge" of people between the ages of 15 and 25. History shows that when people in that age group amount to more than 20% of the population of a society, instability, violence and conflict are likely to escalate. In most Muslim countries the youth bulge has reached the 20% mark and has given rise to Islamic militancy, Muslim migration, and the pressure of rapidly growing Muslim societies on their neighbors. In the United States, Europe, and Russia the share of youth is decreasing, while in Muslim countries the upward tendency continues.

I'm afraid that the events of recent years once again prove the important role of the factors of culture and civilization in modern politics. The new war between civilizations in Kosovo did not come as a surprise; a very similar conflict is now arising in Xingiang (China). A war between the Chechens and Russians has blazed up again recently. India and Pakistan tested nuclear weapons and fought a small war in Kashmir. China and the United States have remained at odds, with the Chinese expanding their missile capabilities and the United States moving ahead to develop theater ballistic missile defense. The clash of civilizations is alive and well in world politics.

THE NEW WORLD POWER STRUCTURE

The majority of people agree that the Cold War system was bipolar and that now there is



only one superpower. Much debate goes on, however, as to whether the world is unipolar, multipolar, or something else. **My opinion is that the present international political system is unipolar and multi-polar at the same time. The resolution of key international issues requires action by the single superpower plus some combination of other major states; and the single superpower is able to veto action by combinations of other states.**

In this uni-multipolar world, the global power structure has **four levels**. The United States is the only superpower. Next are the major regional powers which are the dominant actors in important areas of the world but whose interests do not extend as globally as those of the United States. Then there is a group of countries which I call secondary regional powers. They include Great Britain with respect to Germany and France in Europe, Ukraine with respect to Russia, Japan and Vietnam with respect to China, Pakistan with respect to India, Australia with respect to Indonesia, Saudi Arabia with respect to Iran, Egypt with respect to Israel, and Argentine with respect to Brazil. Finally, at the fourth level are the remaining countries, some of which are quite important, but which do not play roles in the global power structure comparable to countries at the top three levels.



In this uni-multipolar system, the single superpower clearly would prefer a unipolar system in which it could act unilaterally without having to secure the cooperation of the major powers. The major powers, on the other hand, would prefer a multipolar system in which they would be able to pursue their interests independently. The stability of uni-multipolar system thus depends on the extent to which these conflicting pressures towards uni- or multi-polarity balance each other out. This balance is inherently unlikely to be maintained indefinitely. Global politics has moved from the bipolar system of the Cold

War through a brief unipolar moment at the end of the eighties and is now, in all likelihood, moving through one or more uni-multipolar decades into a multi-polar system in the 21st century, when it will prevail.

Opposition to American hegemony is particularly strong among the major regional powers, and the United States and the secondary regional powers share common interests in limiting the dominance of the major regional states in their regions.

POSSIBLE CONSEQUENCES FOR EUROPE

First, in looking at Western civilization, we find that **the United States and European countries have much more in common with respect to values and lifestyles among themselves than with the "non-Western" countries.** They have mutual relations of trust and cooperation, which they do not share with other countries. The differences which existed between the United States and the Western countries during the Cold War were secondary because of their mutual opposition to the Soviet Union. Now, in a new uni-multipolar world, the existing conflicts between the United States and the Western European countries have multiplied. Increasingly, these countries are moving away from their dependence on the United States: France, in particular, talks about the need to put an end to American hegemony, and the European currency — the Euro — was consciously introduced to compete with the U.S. dollar. Europeans are now working on forming plans for a common foreign policy and common military potential. And, if earlier the United States was in favor of the unification of these countries, then now the United States is more often asking whether this is to the benefit of the United States. As a result, a conflict is beginning to arise in these relations between the logic of culture and the logic of power.

A second consequence of my analysis: **a civilizational realignment of countries is clearly taking place on Europe's borders. The principal political dividing line in Europe is no longer the "Iron Curtain". It is the line separating the peoples of Western Christianity, on the one hand, from Muslim and Orthodox peoples, on the other.** This division is very clearly seen in the Balkans. During the war in Yugoslavia, the Catholic countries of Europe and Latin America contributed significant aid to Slovenia and Croatia. At the same time, Orthodox Russia and Greece sent materials, diplomats, and military technology to Serbia. Islamic countries, most notably Iran, Saudi Arabia, Turkey and Malaysia, provided hundreds of millions of dollars in money, arms, and military training to the Bosnian Muslims. The conflict between Greece and Turkey, which had remained quiet during the



Cold War as a result of the threat from the USSR, has resumed. At this time, the relations between the two countries have improved somewhat, but it appears that this may be only temporary.

And, of course, **the recent conflict in Kosovo can be called a classic example of a conflict between civilizations**, one which has its roots in the Ottoman conquest of this region. This conflict in Kosovo, like the earlier conflict in Bosnia, has its roots in the demographic factors which I cited earlier: both in Bosnia and in Kosovo, a very large growth in the Muslim population could be observed. In addition, several factors explain this conflict. First, historically, relations between the West and the Orthodox world have never been close; second, the government of the leading Western power, the United States, is intent on imposing its values favoring a multiethnic and multireligious society on Balkan peoples who basically do not want to live together. Third, it was easy for the Western media to exploit Milosevich's brutal actions and portray the Albanians, who had persecuted the Serbs in Kosovo in the 1980s, as the victims of Serb persecution. Having first fought the Orthodox Serbs, however, NATO may now find itself in a long-term struggle with the Muslim Albanians to prevent them from driving out the few remaining Serbs in Kosovo and to prevent them from declaring independence.

There is a third consequence for Europe: **at this time a new security system is taking shape in Europe along civilizational lines**. Having once been the leading Orthodox country in the world, Russia believes it is its duty to maintain order and stability among Orthodox countries. On the other hand, those countries — the former republics of the USSR — that from a cultural point of view belong to Western Europe, are actively seeking ways to integrate with NATO and other European organizations. NATO is an organization that ensures the security of Western Europe. Without a doubt, NATO should include all the countries of Western Europe that want to become its members and comply with Western standards. In discussing Western standards, what I have in mind are the standards of democratic government, market economies, recognition of existing international borders, and respect for the rights of minorities. But it is very important that NATO expansion takes place with a minimal threat to Russia. Two things are needed for this. First, Russia should be convinced that only those countries will be included in NATO that both historically and culturally are recognized as part of Western Europe. Second, NATO should assure Russia that it will cooperate with it on those issues that apply to Orthodox countries. And if the discussion concerns events in Kosovo, then it must be admitted that NATO did not do this.

The war in Kosovo could have been avoided if, in January of 1999, the United States reacted immediately to the extermination of forty Kosovars by the Serbs by initiating military action. NATO should have turned to Russia and explained that in the event of such murders, the Western public would view them as military interventions. NATO also should have supported Russia's demarche against Milosevic and warned him that he should refrain from such actions in the future. Milosevic should have stood before joint Russian-NATO imposed economic, political, and, if necessary, military sanctions. It is very important that in the future NATO cooperate with Russia in resolving similar situations.

POSSIBLE CONSEQUENCES FOR UKRAINE

In terms of civilizations, Ukraine is a cleft country, divided between Western Ukraine which is largely Uniate, nationalist, and Western-oriented and Eastern Ukraine, which is largely Orthodox, Russian-speaking and Russia-oriented. Because of this history, Ukraine should not be a member of NATO. On the one hand, Ukraine should not enter NATO because Russia would view this as a hostile act. But, on the other hand, neither should Ukraine be part of the Russian Federation. Without a doubt, it would make sense for Ukraine to cooperate with Russia, and so far this cooperation has been developing. Ukraine may even be called a model of coexistence between different ethnic groups and civilizations. That is another reason why it would be desirable for Ukraine to stay united, have close relations with Russia, and, at the same time, maintain independence and develop cordial ties with the West.

In terms of the global power structure, Ukraine is an important secondary regional state. Hence, it has an interest in maintaining its independence and autonomy from the major power in its region. The dynamics of the global power structure have led the United States to maintain or to develop close relations with the secondary regional powers such as Great Britain, Japan, Saudi Arabia, Egypt, Australia, Argentina, and, less successfully, Pakistan. Those same dynamics call for close relations between Ukraine and the United States. Both countries have an interest in ensuring that Russia does not expand and once again become a super-power, dominating its neighbors.

In terms of civilization, Ukraine is uniquely situated to be a bridge between the Western world and the Orthodox world. In terms of the global power structure, it is uniquely situated to be an important partner of the United States in maintaining an effective balance of power in Eurasia. I feel these challenges are the most important tasks that Ukraine will face at the beginning of the 21st Century.

UKRAINE AND EUROPE



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former National Security Advisor to the US President*

Europe is no longer the central arena of world affairs. It was the central arena much of the century. It is not an accident that the two great European wars were called W.W.I and W.W. II. Because a conflict in Europe was automatically a conflict of world importance. **Today the central arena of world politics is Eurasia.**

It is in Eurasia, that the six next largest economies after America are located. It is in Eurasia, that the largest military spenders after America are located. Eurasia accounts for 75% of the world's population, 60% of the world's gross economic product, 75% of the world's energy resources. It is also in Eurasia, that the principle challengers to America's current global preponderance are located.

Is Eurasia today the central arena of world politics? In thinking about world politics, we can no longer concentrate on Europe. We have to think of Eurasia as a whole. In fact, we have moved from the era of European politics to the era of Eurasian politics.

America is formally ensconced in Eurasia. America finds its own security centrally dependent on what happens in Eurasia. And a stable balance of power in Eurasia requires continued American presence. It is not an accident, that one hundred thousand American troops are deployed in the Western extremity of Eurasia. And it's not an accident that one hundred thou-

sand American troops are deployed in the Eastern extremity of Eurasia. The American security presence in Eurasia is desired by most (not all) Eurasian states. In the West 17 Allies of the United States, organized in NATO, desire the continued American presence in Europe. Not only our NATO allies desire American presence in Europe. The neutral states desire American presence in Europe. There may be disagreements between us and some of our Allies, notably friends, regarding our role in leadership of the NATO Alliance. But friends are solidly in favor of continued American military presence in Europe. In the Far East Japan and South Korea want and need American military presence for their own security. More indirectly, but as well the Philippines, Taiwan and some other South-East Asian states desire American presence in the Far East.

More than that, it is probably true, but no man said it officially, that at this stage China desires continued American military presence in the Far East. The reason for that is quite simple. If there was no American presence in the Far East, Japan would very quickly rearmed on a very significant scale. And the potential of Japan's economy to sustain rapid and very modern military establishment is considerably greater than China's. Thus, China too in all probability desires continued American presence in the Far East.



There is only one major country in Eurasia, which does not want American presence there. It is Russia. That was an open policy of the Soviet Union. It is not the open policy of Russia. But one can judge from Russian strategic statements, that the American presence in Europe and in the Far East is resented and opposed.

With Eurasia as the central arena, and with America deeply entrenched in Eurasia, it is striking that in Eurasia itself, the healthy, strong and vital parts of Eurasia are at the extreme West and at the extreme East. And the middle of Eurasia, from a power point of view, is weak.

Western Europe economically equals America. Japan is the number two economic power in the world on a national basis. China is growing rapidly. Moreover, the Western extremity of Eurasia is in the process of significant organizational expansion, that has strategic implications. NATO has already been enlarged to total of 19 states. In the next four years it will probably enlarge by a minimum of two, perhaps as many as three or four. And a process of enlargement will continue into the next decade on a steady basis.

The European Union has already 15 members and probably in the next five to six years six more will be added. Probably, in the course of the next ten years that might grow to as many, as 12. And some think, that it might even be 13, which means, that somewhere between the year 2010 and 2015 the European Union will have 27 members. And it will increasingly have a more significant military capability. However, because the expansion of the European Union will be accompanied by the expansion of NATO, that European military capability will continue to be linked closely to that of the United States.

The situation is far less clear in the Far East. If the American - Chinese relationship were to deteriorate, it is likely to have the effect of accelerating the rearmament of Japan. And that will introduce major elements of unpredictability and instability in the Far East. Secondly, it is very unclear, whether the partition of Korea will continue. And this is equally unclear to ask: "How it might end?" If the partition ends violently, we could have a significant conflict in the Far East.

But, if the American - Chinese relationship continues to improve, Japan is less likely to rearm at an accelerated rate; and a relatively peaceful reunification of Korea may become possible, in which case we will have the beginning in the Far East of regional cooperation, creating a larger bloc of politically and economically successful states.

In contrast, the middle strategic area of Eurasia, primarily that of the former Soviet Union, and especially Russia, is likely to be unstable, lacking in effective power, lacking dynamic economic growth.

Russia, to be sure, is a great nuclear power. But nuclear power by itself, nuclear power alone, is useful in only two ways. One — as a deterrent against an attack upon itself. And, secondly, as a means of committing suicide in a larger war with an equally "nuclearly" armed opponent.

Outside of these two extreme sets of circumstances nuclear power alone does not define great power status and does not give effective political leverage. First, that leverage has to be obtained by the existence of equally effective, highly modern conventional military power, capable of being projected over long distance and capable of being applied swiftly. Second, **it is also dependent on the existence of a modern, creative dynamic economy, based on a modern and successful society. Currently Russia, however, is a social, economic and political failure.** In either aspect of Russian life, Russia confronts today a serious crisis. Just a few examples to illustrate it. Russian population is declining. Declining dramatically. When Russia became a separate state on the ruins of the former Soviet Union, it numbered hundred and fifty million people. Today the population is closer to one hundred and forty-five. Birth, as well as emigration exceed. Moreover, birth is not a guarantee of national health in Russia, because only 40% of Russians newly born are healthy. 60% are born not healthy, according to Russia's own statistics. There is a biological crisis in Russia. That is serious.

The economic crisis is well-known. But it is useful to remember, that Russia's economy today is roughly the size that of the Netherlands. It is not a major global economy. It is also remarkably uncompetitive economy, which means it is not a creative economy.

In a global assessment, conducted in 1999, of the competitiveness of different economies, in which 59 countries were assessed (compared), Russia was listed as 59, after Zimbabwe. In a global assessment of corruption in the economy, which deprives the economy of constructive incentives, in which 99 countries were assessed, Russia was listed as 88. You may be interested to know that number one was Denmark, number 18 — the United States, number 75 — Ukraine, number 88 — Russia.

Moreover, Russia, as I have already suggested, bothers on neighbors that are more successful and more dynamic. To the East is China, whose economy today is four times larger than Russia's. Further East is Japan, whose economy today is five times larger than Russia's. And thus to the East of Russia there are two states, which have economies nine times that of Russia. To the West is the European Union with an economy 11 times the size of Russia. And it is allied to the United States, which has an economy 12 times the size of Russia. It is in this context, that Russia confronts fundamental geostrategic dilem-



mas and a major challenge to its own status on the international scene.

Whenever a Russian political leader or a journalist visits me in Washington, almost invariably, his first question to me is "Do you Americans consider us, Russia, to be a great power?" That is always the first question. And my answers are always the same: "If you have to ask the question, it means you know the answer".

The Russian crisis is a problem for Ukraine.

Because, if Russia today was a moderately successful country, with a political elite, which understood realistically the condition of Russia and took into account the situational context, that I have described, Ukraine would have no problem. If Ukraine had a neighbor — Russia — which was pro-NATO, pro-European Union, given Ukrainians close economic links, and even to some extent its economic dependence on Russia, Ukraine would confront no strategic problem. You could then very easily make it clear, that your own commitment is the most rapid integration with existing European and existing Euro-Atlantic structures. But precisely because Russia confronts a dilemma, because of the crisis that it faces, and difficulty that its elite encounters in understanding the historical nature of the challenge, you are confronted with a serious problem. It is difficult for you to take a position, which places you clearly in an antagonistic relationship to Russia in terms of the historical trend, as long as the Russian elite still is unable to understand it and to draw the necessary historical implications from it.

Where is Russia headed? Given the objective strategic and historic situation — it is a critical question for your future. It is an important question for us, because of our interest in maintaining an equilibrium on the Eurasian "mega-continent", as I call it. My own view, as to "in what direction Russia is headed" is in the short run a pessimistic one. I am pessimistic about a foreseeable political orientation of Russia. I think the present conflict in Chechnia is both a symptom and a cause for being pessimistic. It reflects a deeply entrenched neo-imperialist orientation in the Russian political elite. That elite still defines the future of Russia in very traditional terms. Namely, that the geostrategic space of the entire former Soviet Union is the special zone of Russia's influence and preponderance. This is why Chechnia is more than just a minor event. Chechnia is not a struggle over Northern Caucasus. Chechnia is the beginning of a struggle over Southern Caucasus. And the implications of the one-sided effective Russian success in Chechnia for Georgia and for Azerbaijan are not good. And I think we in the West have to be aware of that. And if there is success in Southern Caucasus, than, if I were a citizen of Estonia,



Latvia or of Lithuania, I would be worried. And the Estonians, the Latvians and Lithuanians are worried. The President of Estonia refused to go to Istanbul in protest not only against what the Russians were doing in Chechnia, but in protest over the failure of the West to take a clear stand on this issue. But the neo-imperial orientation in the Russian elite is not limited to the Southern Caucasus or to the Baltic republics.

For most current members of the Russian political elite Ukraine is an illegitimate state. It is not only an illegitimate state, it is an unnatural state. Ukrainian nationalism is considered to be artificial, rootless and essentially a provincial aberration, detaching it from the greater Russian traditions. This is not my invention. This is what the Russian elite itself says in official journals or in semi-official pronouncements.

For some time to come, I fear that the political situation in Russia will remain unclear and potentially dangerous. And the reason for that is that, while communism failed in Russia, the Soviet political elite has still remained in power. There is today in the Russian government not a single person, who could not have been in it, if there was a Soviet government today. Every member of the Russian government was a younger member of the "apparatus" and of the "nomenklatura", being trained to be a future member. And the best example of that is the KGB Colonel, who today is the Prime-minister of Russia¹. Not a single dissident, not a single opponent of Soviet power is a member of the Russian government. And the reason is, for that in turn, that the opposition both to Communism and to Soviet power in Russia was not very strong. And thus, the collapse of Communism and the disintegration of the Soviet Union still left in power much of the old elite. Even though the territorial realm dramatically decreased, particularly by the independence of the Soviet republics, it will take a longer time, I believe a generation or so, before this changes.

¹ This presentation was made on November 30, 1999, i.e. before electing Putin the President of Russia.



So far as Russia is concerned, we'll have to be patient and prudent. The Russian process of change still has to work itself out. We have to wait until a genuine non-Soviet elite emerges. And that probably will not take place for another decade or so at the earliest.

As far as the West is concerned, while it is important to keep all doors to Russia open, and to try to engage Russia in cooperation with the West, it is equally and even more important to consolidate the independence of the post-Soviet republics. If they remain independent, if they remain successfully independent, and if they become successful states (socially and economically), then the process of political change in Russia may be accelerated. Therefore the consolidation of geopolitical pluralism in the space of the former Soviet Union has to be the central strategic objective of the West.

In the course of this next decade and probably sooner rather than later Ukraine will have to make more basic choices. You could avoid having to make these choices during your first phase of independence, because the relationship between Russia and the West seemed somewhat more promising. This was a period, when one expected that Yeltsin would consolidate democracy in Russia. This was the period, when one expected closer Russian - Western cooperation. But, if I am correct in being pessimistic about the next decade, for reasons connected with Chechnia and with a nature of the Russian elite, then Ukraine will confront a situation, in which you will have to make some difficult choices.

It will not be possible indefinitely to straddle at the same time two orientations: a Russian and a Western one, which so far you have been able to do. When you speak to us, you say to us: "Our trajectory is NATO. Our trajectory is Europe". When you speak to the Russians, you say: "The most important relationship is the relationship with Russia. We have to maintain close cooperation, trade relations, fraternal relations etc." And

that makes sense. Although we hear both voices, because we are not entirely deaf, but it is understandable. Are you not believing you will be able to keep doing that indefinitely? Kuchma has been very good at it. He has been an expert at speaking in two directions with two different voices at the same time. But this is not going to work indefinitely.

You will find increasingly NATO next-door. You already have it in Poland. You will have it before too long with Romania. You will find the EU next-door before too long in Poland. And it will be very important, that this door not be shut. That the door to be open. But, if it is open, than you will have to make some important decisions yourselves. And these decisions will require changes that are subjective and objective. Subjective, it will require a clearer definition of Ukraine as a European state. The state that clearly wants to be part of the European structures and the Euro-Atlantic structures which will be expanding. It means a clearer statement on the subjective level, not just by your elite, but by your people, who have to begin to understand that Ukraine with its culture and history has to be part of Europe. Because, if it is not part of Europe, it will become part of the "black hole" in the middle of Eurasia. Which, probably, Russia will remain for the next several decades.

And objectively it means meeting the criteria for closer connection with the EU and with the Euro-Atlantic systems. **These objective criteria are very well defined. And it is very clear, that Ukraine does not meet them today. Far from it. It means that your political elite will have to undertake some very difficult choices.** Till now your political elite has been successful in establishing Ukraine internationally as an independent state. And it has also been successful in avoiding difficult choices. And I am saying you will no longer have the luxury of avoiding those difficult choices in the years ahead. That incidentally is a message, that President Kuchma is going to hear very explosively in Washington.

In this geostrategic context of Eurasia, of Russia, which eventually will have to make a choice for the West, if it is to survive, but also of Ukraine that cannot wait for Russia to make that choice indefinitely — **it is very important to bear in mind the special role of the military.** Ukrainian military, in my view, have a very special role to play.

That role, of course, in the first instance, is to provide traditional defense, your existence, your determination. The fact that you are the only post-Soviet, non-Russian republic, with a truly respectable, credible military establishment, means that you can defend yourself. Ukraine is





not a Chechnia. And that is very important. Because, if you did not have that capability, than the problem of Crimea, the problem of some of your disaffected citizens in certain parts of your country, could become very serious. So, on the first instance — traditional defense.

But beyond that, given the present conditions in Ukraine, given its relatively early stage of political development, the Ukrainian military are the custodian of national interest. You are the ones, more than anyone else, in your political system, who have a sense of the national interest. Not of particular interests: regional or economic and particularly selfish ones, which is a characteristic of a good part of your political elite. You are the custodians of the national interest. You are therefore the guarantor of Ukrainian independence. And as such, you also provide and should provide to the younger generation a school of national identity. For the military it is an important educational instrument. And this educational instrument has to be used to develop a younger generation that is truly conscious of your national interest, and is truly committed to independence.

Because military have the commitment to national interest and to independence, they are also an important source of an anti-corruption ethics that is needed in your body politics. The military more than any other branch of government motivated by patriotism and by sense of service can instill and propagate anticorruption ethics. And that is very much needed today in Ukraine, if it wants to be a successful, modern state.

And the last, but not least. Military are also (I know this is very controversial, what I am going to say) the political intervener of last resort. Military are the source of last resort intervention, if the political system were to fail to function. **Military are potentially that institution of the state, which might do and might have to do what your counterparts have done at times in Turkey or in Brazil. That is to safeguard the state, if the state is threatened from within. Not by an outside enemy, but from internal fragmen-**

tation or corruption. And that places a special burden of responsibility on military. Because, that last resort function should only be exercised as a last resort. It should be the last desperate reaction. And one should be very careful not to abuse that very special responsibility. But one should also not forget that the military do have that last resort responsibility.

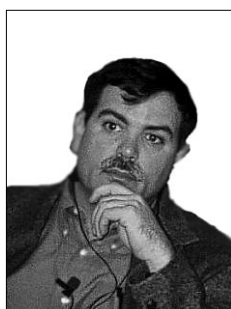
And in that context, I think it is important, that they try to expand their relationships with those, who want to see a larger Europe, a Europe that is modern, that is secure, and that is not a subject to imperial pressures.

In the short run there may be useful initiatives that you can undertake to expand the range of military regional cooperation. **I know that Ukraine has played an important role in setting and motion the so-called GUUAM (the association of Georgia, Ukraine, Uzbekistan, Azerbaijan, and Moldova). And that is an important regional instrumentality, which balances some imperial aspirations.** You might consider at some point, including in this effort, may be initially as observers, Poland, Romania and Turkey. Because it is important that GUUAM not remains only a post-Soviet initiative, but becomes a genuinely regional initiative. And having some form of relationship with Turkey and Poland, both of which are members of NATO, would greatly enhance your sense of security and open up more opportunities for closer cooperation with the expanding and enlarging Europe and the Euro-Atlantic zone.

In the long run, I am convinced, that Eurasian stability will be successfully maintained, and that the pressures on Russia, which I have described, will push Russia towards making the European choice, as well. And this is why, an earlier decision by Ukraine and a more deliberate exercise of its choice is an important element in accelerating, what I consider to be an almost inevitable historical process. And it is a process, in which America will remain engaged. And it is a process, in which we view Ukraine as an important element, one with which we want to have close relations.



UKRAINE'S REGIONAL SECURITY CHALLENGES



*Sherman GARNETT,
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I'd like you to see the post-Soviet space with the eyes of American, Polish, European observers. And the first challenge is, frankly speaking, that the post-Soviet space is coming to an end. There will be a lot of post-Soviet spaces. For many, many years, the influence of what was the Soviet Union, its history, politics and culture will remain. But the first fact, that an outsider sees, is that it is not a unity anymore. It is clear for you. But it is not always clear for those living in Washington, in Europe and in Moscow. I will talk about this problem of the post-Soviet space in three headings.

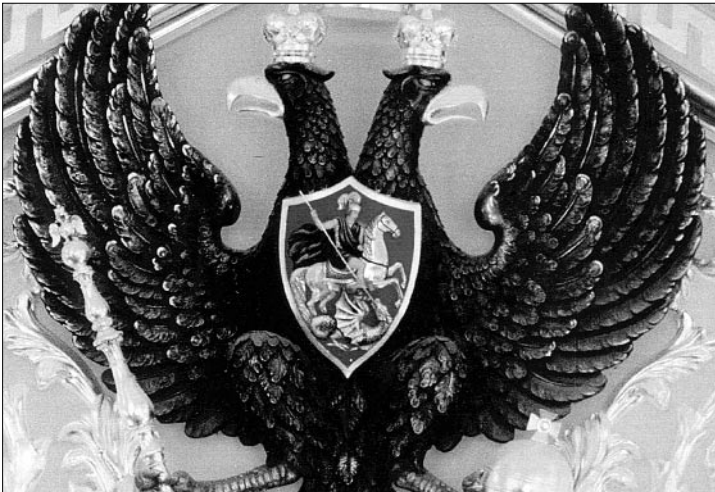
The first is a geopolitical and structural heading. The second is a political category. We'll try to define the way your politics looks to us. The third is really a cultural or ideological heading, in which the problems of national identity and relationship of the post-Soviet space to the global trends are highlighted.

If I were to sum up, what has happened in a former Soviet Union, I would borrow a term from Mr. Primakov: it is "multipolarity". In other words the kind of multipolarity Mr. Primakov would like to see in a whole world, you've already got in the former Soviet Union. It's an odd multipolarity, in a sense, that none of the poles are poles of great strength. They are

poles of weakness and potential strength. This multipolarity is really the result of three things.

The first is Russian weakness. Obviously the paradox of Russian weakness is that Russia looks very weak to us. Russia may not look so weak to you. Russia looks weak to the Chinese. Russia does not look weak to Kazakhstan. So, there is a regional difference in how Russia appears. But even in a sense of relative power, in which Russia is relatively more powerful than any of its neighbors in the former Soviet Union, it is weak. As we look at Georgian - Russian relations, that is a very big country, and that is very small. It is true that Russia has the capacity to influence Georgia, when it wants to. But Russia has become so weak and so distracted, that it only can focus its energy on Georgia, or Moldova, or Ukraine for a very short time. And so, if you look at the history of Georgian - Russian relations, Moldovian - Russian relations, or Ukrainian - Russian relations, you see very intense periods of Russian pressure, often leading to an agreement, that smaller side resents. And then a period on which that agreement is not implemented. And a smaller party forgets about it.

Moldova and Georgia are very good examples of countries, which have learnt to figure out



how to survive periods of intense Russian pressure. I am not saying, it is a good thing. I am not saying, those relations are normal. But as long as Russia remains this weak, it is going to be the future. **There will be these periods of Russian pressure and then relaxation, because Russia cannot sustain its strategic power.** I am very pessimistic on Chechnia. The Chechens are waiting, and waiting, and waiting. I think, at the end the Russians will be very sorry, that they are pursuing this course.

The second fact, which is shaping this multipolar former Soviet Union, is that there are states, like Ukraine. It is not strange to you. But in Washington there is a great reluctance to see the Soviet Union falling apart. There is a hope among some, that Russia would be the leading state of the former Soviet Union. And there is a fear that smaller states would be unstable, nationalist, war-like etc. Therefore the CIS for some people in Washington was a very good thing. It is long enough now since 1991 to realize that your states are permanent. And the question is going to be: "what kind of state you are", not "is there Ukrainian state?" And that is a problem. There are many people in Washington, who talk, that somehow strong and reformed Russia would organize this part of the world. I think, it is very clear: there is no one, who can organize this part of the world, unless you do it with the help of the variety of outsiders.

The third point is that too many experts like me, who are experts in the Soviet Union, have tended to look at this as a closed space. The most interesting thing is the role that NATO, the European Union, Turkey, Germany, Poland, India, China and Japan are playing in the former Soviet Union. In fact, the states on the outside of the former Soviet Union are more dynamic; some of them are more powerful than the states on the inside. Since 1917, and even before, you had a closed space, a space, dominated by

Moscow. And now you have a space, which is being penetrated in interacting with the outside rim: China, Europe etc. What do these three facts suggest?

You are going to continue to have a number of conflicts and problems, which are inherent in weak states and in states trying to establish themselves. I think, Russian or Soviet Military Doctrine was very prepared for a nuclear war, but really never was prepared for Afghanistan or Chechnia-type war. Official Soviet ideology did not even talk about the 19th Century wars in Central Asia and the Caucasus as wars. So the military history of the Soviet Union did not even talk about Shamil etc. It talked those were internal matters. Those kinds of wars are the hardest to fight. And that means, that in the ones that we have seen, even those which are quiet, but not resolved, still have not been produced a good method of keeping peace, enforcing the peace, moving to peace from the state of war etc. The most interesting attempt has been in Moldova in the last couple of years, when the Ukrainians have offered to broaden the structure for seeking peace there. I really do not think there will be a stable way of dealing with this until you get powers from outside the former Soviet Union to take a role. It does not mean troops on the ground. But some CIS peacekeeping force alone, not going to be capable.

A couple of other things that grow out of multipolarity, and especially multipolarity of weakness.



That is a danger of "no man's lands" in quasi-states. You really do have in Tajikistan, in Chechnia and potentially in other parts of the former Soviet Union places, where no central government seems to be in control. And additional problem is the emergence of the states, which are not used to being involved in diplomacy (like in the case of Ukraine). But also the European Union, China, Iran etc. are not used to being involved in diplomacy with Ukraine. So



while the initial problem of setting up embassies and diplomatic relations is over, there is another one.

When you look at Europe itself there is a whole set of institutions, agreements and traditions, which regulate diplomatic patterns. In East Asia there is a similar set, which is not as large as that one in Europe. But in the former Soviet Union there is nothing. There is a set of arms control agreements and some CIS agreements, which basically mean nothing. And the most important point for you is how we react to this. It was easier to pay attention to a problem, when it was a great rivalry between two powers. When you could point to the Soviet Union and say: "This is a great enemy. It has a lot of nuclear weapons, a lot of soldiers, a lot of naval power". But the current security problem is very difficult to describe to ordinary Americans. They do not know geopolitical matters, where Chechnia or Tajikistan is. It is a problem of instability. It is a problem of state building. It seems like hundred different problems. And so America's interest, China's interest, Europe's interest is not as comprehensive as it once was. Someone pays more attention to Russia or Ukraine, then it does to Kyrgyzstan. The Chinese pay more attention to the Russian Far East, to Central Asia...

Just as you cannot look at the former Soviet Union as a single space, the outside world is not able to see so far from what goes on there. As I said, most people in the US have no idea where Central Asia is. They do not know Ukraine and many other states. What goes on in this part of the world is going to have an influence on Europe, it is going to have an influence on China, it is going to have an influence on Middle East. Places unknown before, "we did not know who those people are" are going to be more and more important. They are going to be connected by pipelines, by railway, by airlines, by the movement of people and by the movement of ideas.

The problems the West has with Ukraine is not simply this list of potential threats, but a tension between strategic understanding or strategic ignorance of what is going on in your part of the world and a growing strategic importance of it. The multipolarity, in a way the multipolarity that you live in right now, is a real test of whether the West can come up with a policy and efforts that are equal to the challenges that are presented by this part of the world.

There is another area — politics, the state formation. This is also a very new trend to think about this part of the world. Clearly US foreign policy has always been concerned with the problems of weak states in the developing world. The



collapse of the regime in Afghanistan, problems generated by weak, corrupt regimes in Africa... But no one, who did Soviet politics, envisaged that we would confront weak states in a Russian heartland.

There are two pieces of the problem. Two things are happening at the same time, which are very confusing. The one is that there is a kind of common set of symptoms and problems of all post-Soviet states. In politics — things like corruption, like clans, the struggle for property. And there is also an enormous set of differences, which very few people in the West are able to handle. **Most of the people, who study your part of the world, have Russian. They are specialists in the Soviet Union. Their ability to figure out what is happening in Georgia, Moldova or Armenia is probably limited.**

On the West you can find people, who attempt to emphasize the common shape, you all are like. They emphasize corruption, small elite, big bureaucracy. And they are not going to be very settled about the difference between the Ukrainian parliamentary system, the Russian system, Uzbeki system. Another thing enormously troubling and battling to Americans, is that you experience the state simultaneously everywhere and nowhere. These are uncertain issues: the bureaucracy is everywhere on taxes, on licenses. When it comes to running schools, the bureaucracy is nowhere. So, for ordinary citizens, seeking health care and schools, they are lucky enough now to see the Leninist period, where the state was playing a part. And in fact, if you look at the problem of the state, it is even more problematic. It is a problem of many ordinary func-



tions of the state, which have been almost privatized. And the model here is P.Lazarenko. Somewhere one of his political allies said that when he became a Prime minister, he could devote fifty percent of his time to state business. There is no prime minister in a world, who does not devote one hundred and ten percent time to state business. So, you can understand already, why Ukraine has this disadvantage.

The biggest problem intellectually for Washington is that it is very used to dealing with the president, the foreign minister and the central elite. So, if you have an Arms Control problem you go to your foreign minister, your deputy foreign minister, your defense minister. You have two days of negotiations, you have a declaration. And that is it. But in Russia and other states of the former Soviet Union, there is a fragmentation of power. If regions are more important, if people, who are even sitting in the center of power, are more interested in private affairs than in public ones, and if the bureaucracy has trouble implementing decisions that are taken. Then you have a problem of dealing with the state, which has many potential actors. And no US or European foreign policy structure is prepared to deal with such a state. Our President likes to claim that his special personal relationship with Yeltsin or Kuchma makes a big difference. But in the model of Russia, it is going to be important to know regional governors, executives of "Gazprom" and "LUKoil". And, like in nuclear issues, to know people, who run laboratories, who manage naval stations. It



is a very difficult problem for us. And, in fact, during the negotiations with Ukraine on nuclear issues one of the biggest problems on my side was assuming that the Ukrainian bureaucracy was like us. There were certain issues that the President would decide. There were certain

issues that were delegated to lower levels. And the decisions of both those levels would be implemented very quickly. I would go to US government meetings on Ukrainian nuclear weapons, and there could be 75 people. These are policy questions, big decisions. The US President made those decisions himself, but there were 75 people, who wrote papers and participated in this process. There was no that many people on the Ukrainian side. There is a difference in bureaucratic structure, culture and outlook.

There are two unrelated points on politics. The first is about young people. In the United States there is a strong belief that ten-fifteen years from now in your countries there simply will be new people, new kinds of people. And they will take care of a lot of the problems we have now. Unfortunately, when you go to Belarus, when you go to Ukraine, when you go to Kyrgyzstan or Russia, you realize that this may not be true. **Because, if the current life is so hard for twenty-five-year olds; if the political system prevents them from having an ordinary life within a normal economy; if thirty-five-year olds have to take care not only about their sons and daughters, but their parents and grandparents — this is going to be a very cynical generation by the time they are forty-five. They will spend most of their time in a side economy, not in a normal economy. And the number of young people, who want to emigrate, is very, very high.**

The other important factor is corruption. Americans talk a lot about no corruption and democracy and a normal system. But we live in a real world and we know, that there is corruption, and there are systems that are not as democratic and open as ours. But you need to understand that there are at least two kinds of corruption. There is a fixed and predictable system of corruption. And there is one, which is not predictable and fixed. In certain Middle East countries it is very common for American or European businesses to hire relatives of the leader. It is common that presents and gifts to be passed. It is common that contracts are got not in open competition, but through indirect decides. But everyone from the outside, who comes in, learns those rules quickly. So American, German, French businesses understand how to live in that environment. But that is not a kind of corruption, Ukrainians have. **You have an unpredictable and very difficult system to understand. It is a one in which once you find an official, to become a partner with, you discover that there is another official, who destroys that partnership. And the worst thing that happens is that you talk to President Kuchma, senior leaders, who promise that this deal or that deal will be fine, and then nothing happens.**



So even, if you cannot become a democracy very quickly, you need to get a kind of stable sort of corruption, if you want to be a part of the wider world. That is not a joke.

The last category of things I would like to talk about is ideological or cultural. The biggest danger right now is that your part of the world will not fully integrate into the bigger global trends. The worst thing in a world, that could happen, is that you are affected by large global economic and political trends, but you are not enjoying any benefits. You are in a part of the world that is left out of the positive global changes, but subject all of the pressures, created by this new world. And, if that is a dynamic, you will see a lot of very negative, nationalistic, regional, local attempts to that outside world away. When I compare my world and your world, many of the local family neighborhood structures that exist in the West actually complement the state. They work with it. But in your part of the world in many of the countries these were designed to shield you from the state, from the government. That makes a big difference. There is a feeling of not an organic link between local communities and state institutions, but actually a great degree of cynicism.

I would like to mention one more point, which is: "Does Ukraine, or Moldova fits into a larger Western political, and economic, and global environment, or there is some sort of division: cultural, civilizational, economic etc.?" There are two different answers. One from professor Samuel Huntington: more or less said to respect differences, the boundaries, that exist. He believes that Russia, Ukraine, Moldova probably always be on the other side of a border. The second is Mr. Brzezinsky's say. You should try to become full members of NATO or the European Union.

In this case I am not a pessimist or an optimist. But I think it is a fact that right now you



are outside. You do not qualify. It is a tragedy, if in fact, the five hundred, six hundred year-old historical lines in Europe somehow become the modern division between countries that are rich and countries that are poor, countries that are democratic and countries that are corrupt, authoritarian. The problem from your side is to develop a set of policies that are moving in the direction of greater integration. And from our side to be more effective in understanding how hard is that. How dangerous is that, if the "Berlin Wall" appears between the European Union and non-European Union members. I was in Europe in 1989, when the Berlin Wall came down. That was really a very powerful time. For the first time I was able to think about Europe, which is transparent, open, free, where there are possibilities of equalizing the rich and the poor to some degree, eliminating boundaries...

It is wrong to say: "You guys have gone as far as you can. You never are going be much of the democracy. You never are going be much of a free market. Somehow your people cannot deal with it." And the refusal to accept that is one of the most vital element in US (also Polish, German etc.) policy. There are some tendencies now to put the wall up. But I hope that will never happen.



THE EUROPEAN SECURITY AGENDA AFTER KOSOVO¹

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Not long ago agreement at Helsinki on defence took place. It will provide a launch pad for work next year that will give EU a capacity to undertake military crisis management. UK-French co-operation is the motor behind this. Not rhetoric, but practical and political co-operation between two countries which has been instrumental in maintaining momentum since President J.Chirac and Prime-minister T.Blair issued their joint statement at St. Malo. The significance of what they were proposing was recognised from the outset.

First, the changes they envisaged were directed to enabling the European Union to contribute more effectively to international crises and thus to contribute to international and European stability. Kosovo is a vital catalyst here.

Second, the St. Malo text recognised that the new European enterprise had to contribute to the vitality of a modernised NATO, as the foundation of the collective defence of its neighbours, thus recognising the centrality of the transatlantic link with the North American allies. French explicit recognition that this was the case brought UK and France together at St. Malo.

And third, the statement emphasised that the reinforcement of European stability *must* take into account the various positions of European states. This clearly applies to those European countries which are either members of the Union but not of NATO, or are members of NATO but not the Union. But it also includes the wider fra-

ternity of countries affiliated — as associate Partners to the Western European Union, all of which also have associate status with the European Union. And by implication **it encompasses other key players, notably Russia and Ukraine, with which the European Union has substantial and developing relationships.**

For the foreseeable future, even when European capabilities are strengthened, it will invariably be the case for crises involving a response at the higher end of the military spectrum, that the NATO will be the instrument of choice. This is not just a consequence of the Alliance's greater military resources. If one looks at events in the Balkans in recent years, the political pressure for the United States to engage has invariably come most strongly from the European states, which have recognised that solutions are more likely to be found if the political weight of the US is deployed.

Crises do not arrive out of the blue. They usually have a relatively long gestation, with the warning signs being evident well before military action is likely to be contemplated. In these circumstances, as an impending crisis develops, it is likely to be the subject of discussion both in the NATO Council and among Political Directors and Ministers in the European Union.

Turning now to the next set of relationships, those within Europe itself, I should emphasise that the process of consultation within and between the EU and NATO will involve — on the

¹ The presentation was made on December 13, 1999.



EU side — the six non-EU European Allies who currently enjoy the status of Associate Members in the WEU. At the Washington Summit, it was agreed that it was of the utmost importance to ensure that the non-EU European Allies enjoy the fullest possible involvement in EU-led crisis response operations, building on existing consultation arrangements within the WEU.

TWO POINTS ARE OF IMPORTANCE

First, the EU with the military capability to undertake crisis management operations, in addition to its ability to deploy very substantial economic and political leverage will offer much more to those partners willing to work with it than is currently the case with the WEU, whose weight in the scale of international affairs has always been uncertain.



Second, the WEU Associate Partners already enjoy associate status with the EU. Thus, they already have a consultative relationship with the EU which extends across the spectrum of international issues. There is therefore little danger that the views of the Associate Partners will go by default. Indeed, the contrary is the case. The EU will wish to hear their views and, if an EU-led operation is judged necessary, will want to call on their resources, just as today the Atlantic Alliance seeks their views through the EAPC and looks to draw on their capabilities through the mechanisms of PfP.

Ukraine is already a major, and very welcome contributor to European security and stability, and enjoys strong and evolving co-operative relations with the WEU and the EU, in addition to her special relationship with NATO. She has made a substantial contribution to the NATO-led operations in the Balkans. Apart from regular consultations with the WEU about security issues, points of contact have been designated on both sides and the WEU has concluded with Ukraine a framework document in the field of long-haul air transport, intended to enhance the WEU's operational potential by giving it privileged access to Ukraine's significant strategic air-

lift resources. **Looking to the future, there can be no doubt that if the EU mounts an operation and seeks the assistance of partners, Ukraine would be among those to whom the EU would look. Thus, just as strengthened EU capabilities increase the range of options available to us when responding to potential crises; so does the development of the scope for EU-led operations expand the possibilities for Ukraine to engage more widely across the full spectrum of Euro-Atlantic security organisations.** Just as development of EU-NATO relationship will, in time create a mature and confident partnership between the two organisations, so I envisage the development of Common Foreign and Security Policy (CFSP) as a partnership of Europeans, especially in crisis management field, more meaningful than we have now.

Similar points can be made with respect to Russia. She too has a substantial dialogue with the WEU and the EU, in addition to that with NATO through the Permanent Joint Council. Russia already contributes in a very significant and welcome fashion to the NATO-led operations in Bosnia and Kosovo. Looking to the future, and depending on the nature of the operation envisaged, it is very likely that if the EU mounted an operation (NATO itself not being engaged directly), then the EU would wish to explore the scope for a Russian contribution. For Russia, it may well be the case that participation under EU leadership might be easier politically in some circumstances than participation in a NATO-led operation. Some in Moscow may see this as an opportunity to exploit possible divisions. **While Russia is a welcome partner, her preferences will not be allowed to become a source of trans-Atlantic differences.**

So, to conclude, I believe that just as development of EU-NATO relationship — so essential to creating a more effective European capacity to tackle crises — will create a more mature and confident **partnership** between the two organisations that should be mutually reinforcing, so I envisage development of CFSP as an evolving **partnership** of Europeans. One EU fault is sometimes to identify the Union with "Europe". What the extra dimension of military crisis management does is help to break down some of this, often unintentional, sense of exclusivity. **Because if Europe is to take on a greater share of the burden of its own security — something wanted as much in Washington as in Europe's major capitals — it must be done on the basis of the widest possible co-operation within Europe as a whole. With focus on capabilities, through a mature analysis of common interests, on the practical basis of how Europe might take on a greater role.**

ECONOMIC REFORM IN CENTRAL AND EASTERN EUROPE



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When Chinese Communist leader Zhou En-lai was asked whether the French Revolution had been a success or a failure, he replied, "It's too early to tell." Ten years after the fall of the Berlin Wall and eight years after the collapse of the Soviet Union, it's perhaps too early to assess the social transformations in Central Europe and the former Soviet Union. Yet it's important to learn what we can from the drama of the past decade. There certainly have been surprises. Poland — everybody's "basket case" of 1989 — proved to be the most durable and dynamic reformer. By contrast, the Czech Republic, everybody's favorite for a smooth transition, is mired in recession and controversy. Yugoslavia exploded, and the rest of the Balkans are beset by economic difficulties. The Baltic states, especially Estonia, outpaced the rest of the former Soviet Union, as could have been expected.

STUBBORNLY REFUSED

But most of all it is Russia that has perplexed us. It failed to fall into utter chaos, as gloomy Sovietologists predicted it would. But it has also stubbornly refused to become a "normal" country, as reform-minded economists like me hoped it would. I thought the end of Communism would bring a quicker social rejuvenation in Russia, though I always argued that the path from Communism would be very difficult and that Russia would need considerable and timely financial help from the West, help that did not in fact arrive.

This kaleidoscope of success and failure offers some general lessons.

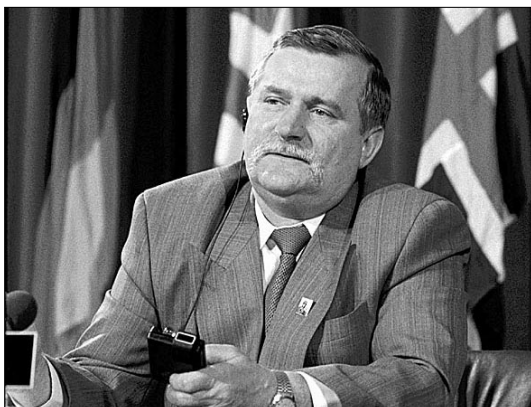
❖ Markets work, but privatization isn't easy. The end of price controls and the convertibility of exchange rates at the start of eco-

nomic reforms succeeded in ending chronic shortages and bringing long-absent goods to the market. Quick liberalization unleashed the beneficial forces of supply and demand, as Poland's experience made dramatically evident. But when privatization was rushed through via mass voucher schemes, as in Czechoslovakia in 1991 and Russia in 1993, the result all too often was corrupt asset grabs, managerial plunder of enterprises and paralysis of firms. The voucher holders often ended up with nothing. Even though the abuses became clear early on and could have been lessened or reversed, many governments were themselves too corrupt to care.

❖ Civil society is critical. Power corrupts, and while constitutions can provide some modest checks, civil society — with associations of professions, religions and regions — must provide the deeper balance. Stalin was no fool, he



kept his grip on power largely by dispersing every manifestation of civil society. In Poland, some vestiges of a civil society survived. (Stalin once complained that establishing Communism in Poland was like putting a saddle on a cow.) **The Roman Catholic church and the Solidarity movement deserve much credit for the success of Poland's reforms, even though they opposed many specific policy proposals.** Solidarity unionists within the enterprises stopped the managers from committing outright theft. In Russia, where civil society was dead, corrupt government officials and enterprise managers could act with impunity.



❖ Geography influences the pace and depth of transformation. States bordering prosperous Western European countries — states such as Poland, Hungary, the Czech Republic, Slovakia, Slovenia and the Baltic states (a short ferry ride from Scandinavia) — have done much better at attracting foreign direct investments, expanding exports and generally achieving a successful transformation. Just as U.S. firms often go next door to Mexico, German firms similarly head for the immediate neighborhood to the east. Farther away, some of the Balkan states are doing poorly. The non-Baltic former Soviet Union is in worse shape still.

❖ History casts a long shadow. Nineteen eighty-nine was supposed to be a fresh start, the awakening from a nightmare. But 1989 also awakened ancient antipathies that had been repressed in the Communist era. Who would have thought that Serbian myths about the 1389 Battle of Kosovo would galvanize a population in the late 20th century behind the murderous leadership of Slobodan Milosevic? History conditions different societies to expect different things of their leaders. In Russia, society expects little of its leaders and gets less. In Poland, much more was expected — and demanded — of the post-1989 leaders, and much more was obtained in good governance.

Initial conditions matter often in unexpected ways. The chaos in Poland in the 1980s actually helped create the basis for rapid growth in the 1990s. By the time the reforms began, the Poles had effectively smashed the stultifying hand of central planning. By contrast, central planning was still very much intact in Czechoslovakia until the Velvet Revolution in November 1989. As a result, even today the Czech Republic and Slovakia are much more burdened than Poland by unprofitable state enterprises.

❖ Western actions make a huge difference but typically fall far short of what is needed for true transformation. There has been a damaging and persistent view in the West that the success or failure of the transition was none of our business. The glib optimists held that reform would be its own reward; simply introduce markets and all will work out well, they said. The pessimists maintained that no matter what we did, the situation would be terrible for a generation to come, so why wasting the money and effort? These rationalizations of inaction proved tragically wrong. When the West helped — as when it canceled Poland's debts and gave Warsaw a special fund to stabilize its currency — the results repaid the efforts many times over. When the West did nothing — by not providing Russia with funds in the beginning and not canceling its debt — the results were disastrous. (The International Monetary Fund finally gave aid to Russia, but only after the reformers had been thrown out of office). Similarly the West missed opportunities to help Yugoslavia, as when Belgrade appealed unsuccessfully for a rollover of its foreign debts in 1990.



My own watchwords as an economic adviser to the region were these: go for quick internal reforms; seek ample international assistance because that is necessary in practice for successful and democratic transformation; pay attention to morality and government ethics; and



insist on transparency in the actions of all parties. This formula got a lot right, and in the places where it was actually applied — Poland, Estonia, Slovenia — the results have been salutary. I was overly optimistic about the possibilities of mass privatization, an approach that I now think was flawed, especially when the governments themselves ignored the dangerous signs of corruption. In the case of Russia, I repeatedly warned in 1992 and 1993 that Russian reforms were going off the rails. I even resigned from advising Moscow six years ago and issued a strong public warning against

Russian corruption and Western inattention. Sadly, that particular forecast has proved correct.

EXPANDED INFRASTRUCTURE

And for the future? For the states that are doing well, the crucial next step is admission into the European Union. This will consolidate the democratic and market reforms and will spur urgently needed private investments. For the Balkans, accession to the EU will probably take some years longer. In the meantime, there is a vital need for greatly expanded infrastructure investments by the EU — in highways, fiber-optic networks, power grids — to link the Balkans more closely with Western Europe. As for Russia, we can only hope that we have not cheated ourselves of a unique historical opportunity to help it find its way to democracy, social stability and a market economy. If the Russian people are wise enough to select a real reformer in next year's presidential election, we should be wise enough this time around not to squander a precious chance to create a more peaceful world.



ECONOMIC REFORM IN UKRAINE: WISHES AND REALITIES



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The legacy from the past is very difficult thing to overcome. There is only one illustration: the question of international debt. When these countries were going through the transformation process, it was not that they were starting with an empty table. One of the important advantages that Poland had, when it began to reform is that the International Monetary Fund and other groups established a moratorium on debts. *Russia and Ukraine were not able to free themselves from those debts.*

This is where foreign economic advisors most go at fall. There is a failure to appreciate the culture and the history of that part of the world. After 70 years of Communism, reminiscences of the market system and political democracy were destroyed. *Everyone engaged in private activity was accused of economic crime.* This means that when you destroyed the Communist system you are suddenly left with a vacuum. In 1991-1992, when Communism was an illegal activity, and plan system was gone, the ministries were gone, the factory directors did not know where to obtain supplies. They did not know where to distribute their products. That created a very dangerous situation for the reform process.

There is one more factor, seriously braking reforms in Ukraine. The *sources of energy supply*

were now coming from a foreign country. In 1991-1992, I expected that Ukraine would be the success story of the Soviet Union. But what I did not appreciate, was the fact, that **Ukraine would have to pay for energy supplies in a way that would be enormously expensive. Ukraine had based its industries on inefficient use of energy. It means that the transition would be even more painful,** because some of those industries would probably have to be closed down.

The last factor. *We did not appreciate how important the military-industrial complex was.* How large were the expenditures on military production in the former Soviet Union? Some were saying — only 6% of the GDP. Others were saying — close to 10-12%. Gorbachev has acknowledged that it was 20% of the GDP. The





20% of the Soviet Union's GNP was spent on military production and on military. I was in Irkutsk in 1997. Irkutsk is just almost a dead city. 70% of the industrial production in Irkutsk was devoted to military production. When the Cold War comes to an end, what you do with those factories? This is a problem of the transition, that most economists have not considered. Even in the United States we find that conversion is a very difficult process. And here we are now talking about 6% of the GDP. If you are dealing with 20%, that means that no economic strategy can change that. It is interesting that Putin is saying that one of the things he wants to do is to restore the military-industrial complex in Russia. And in year 2000 he has indeed increased the military budget by a quarter. Because he thinks, that is the way to start up some of these industries. But that is not the reform process.

The first thing, you need is to have some consensus about which direction you want to go. If anything has helped Poland in its reform, which has been probably the most successful in Eastern Europe, is that the Poles knew, what they wanted to do. To some extent you had the same kind of consensus in China. It is not that they wanted to appraise full democracy, but they knew they never wanted to have any Cultural Revolution again. The Soviet Union suffered, because there was no consensus. Both in Russia and Ukraine there are some people, who are not happy about moving to



the market. The second thing is to ensure that the consensus lasts for a little while. You need some elements of success. In both Poland and China you got some immediate results. You could show that the reform has made life better.

In Russia it took about nine years before there was any sign of growth. In Ukraine I am not sure there are even now any signs of success for the multitude. **In Ukraine you have to begin the reform in agriculture.** That is how they began in China. That is true about Japan and Taiwan...

The next factor regarding reform is that some institutions remain in place. It is dangerous, if you destroy everything. Gorbachev said: "We could not have private farms." But it is not necessarily call them private farms. Just expand the size of the garden parts. If you double it today, double it tomorrow, pretty soon you will get a small farm.

You need a reasonable level of Government competence. The problem is that in the reform process you are distrustful of those who were in power before. **You need cadre of Government officials, who are honest and who take pride of their work.** By the end of the Soviet period there were not many, who fell under that description. You need not only strong Government, as it was in the Soviet time, but the law and order, stability. But the Government must not repress, must not overpress. It is a very hard balance to maintain. One of the ways the Chinese have been reasonably successful is that the Government has been strong enough to hold down criminal groups. It has not been strong enough to stop corruption, but at least you do not have the problem of the mafia. The mafia that they have to deal with is a Russian mafia.

The most important thing is the need to encourage start-up businesses and small private farms. It is a cultural problem at some extent. You have to create a climate, in which these small businesses begin to grow and to become larger.

In Russia and Ukraine the biggest problem was that they began with privatization of the state sector. They did not encourage start-ups, brand new businesses. If you contrast Poland with Russia or Ukraine, what you find in Poland, is that they held back on the privatization. Instead they emphasized the start-up businesses.

In Ukraine you privatized state monopolies. But you get private monopolies, which is not, what you want. You have to create infrastructure. But you got some very rich oligarchs. We have them in the United States too. But our oligarchs created something at least: refineries, railroads etc. In the former Soviet Union they created nothing, except personal wealth. You need a "traffic-light" controlling the monopolists. When you get this infrastructure, you should begin to privatize.

One of the criticisms of those, who argued for "shock therapy" in the reform process, is that there was no infrastructure in place. There was no network of small businesses. No competitive environment. The market does not always work well. So we have to make it possible to eliminate



some of the controls and it will work better. That was an experience of Latin America, Africa and Asia. The Americans did not understand the culture of the former Soviet Union. The market was not asleep in Russia or Ukraine. It was dead. There was no infrastructure. You have to build this infrastructure. And then you "come up to the cliff". And you make a jump. **If you privatize right away larger units, who has the money to buy these privatized businesses? Only the mafia, or the "nomenclature". Obviously that is not the way to do it.**



After the World War II the Japanese started from scratch. Their industries had been destroyed. They had very little technology. They bought large quantities of particularly American technologies. But if you look at Japan today, you find very little presence of American corporations there. **The Japanese managed to take west-**

ern technologies, but retain their own culture. This would be a good way for both Russia and Ukraine. In Poland they have set up a system, where the Polish owners retain control, but provide an opportunity for western specialists to come in as part of their 15 national investment funds. If you want to become a part of the global economy, bring in specialists, bring in investments.

The Poles began with the emphasis on start-ups. I do not want to say that there is no corruption in Poland. There is corruption, but it is not in the privatization process. In 1995-1996 (by the time they got to privatization) there were others than "nomenclature" who could bid. More than just the mafia. **They managed to prevent the factory directors to become owners. They managed to make sure that any benefits that came from the privatization activity went to the public at large, not just to the few. They also managed to improve their efficiency in productivity that did not happen in Russia and did not happen in Ukraine.** The Polish culture is not the same as Ukrainian or Russian, but it is not that different. There was a difference, that Poland only had Communism for 45 years. But if you go back to the pre-Communist period, you really would not think of Poland, as a well-developed market economy. But it recently performed impressive changes. Poland managed to adjust to reforms quite nicely.

Given all these problems both in Russia and Ukraine, what you do now? How do you get out of this morass? First of all, you should build up the infrastructure: to build up small businesses, to allow private farming. It is not "gigantomania". It will take some time. But for the larger firms you begin to reinforce the rules and do it uniformly. If you do not pay your taxes, if you do not pay your wages, than you are a bankrupt. The state has the right to come back and take over the business. This is one way of forcing the oligarchs to play by the rules.

RISKS OF THE ATTRACTIVE CASPIAN OIL

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Over 70% of the world's proven oil and over 40% of natural gas resources are concentrated in the Persian Gulf and the Caspian region. The Persian Gulf is presently undoubtedly more important than the Caspian. The Caspian Basin could become important in the future. Right now people estimate that the retrievable reserves of the Caspian Basin, and that includes the oil of Azerbaijan, Turkmenistan and Kazakhstan, equals about the amount of oil in the North Sea. Which means that if everything went according to plan in terms of development in the next ten years you might be able to produce from three to four million barrels of oil a day from the Caspian. That is significant, but it pales in comparison to what the Persian Gulf produces.

Most of oil, which is coming out of this area, in the next 10-15 years is going to Asia, not to the United States. Some of it is going to Europe. And if pipelines through Georgia and Turkey get built, more may go to Europe, than it is anticipated right now. But Asia, particularly China, Japan, Korea, have a huge interest in this region of the world, as well as the United States and Europe. And therefore, when we talk about the geopolitics of the Caspian, we must not forget that the Asian countries are going to play an increasingly important role.

Because this was a region closed for international investments, when the Soviet Union existed, there is a very limited infrastructure for producing the sorts of equipment, necessary for

developing oil both onshore and offshore. The climate in the Caspian, particularly in the North, is extremely difficult. Very cold in winter and very hot, desert like conditions, in summer. Therefore construction is a problem. It is very difficult to get equipment to this part of the world. And therefore **the speed, at which resources can be developed, is slow.**



What is unique about the three countries, that have the energy resources in abundance (Turkmenistan, Azerbaijan and Kazakhstan), is that they are all landlocked. In order to get their oil and gas to market they have to cross someone else's territory. This is quite unique in the history of the energy business. Historically, all the major oil producers had direct access to



world markets. Furthermore, all three countries are ruled by weak regimes. And there is an intense political competition to see, which of the outside powers has most control over which routes, these various oil and gas pipelines take. The countries that are the most important in terms of the external powers, which are competing for the resources of the region: Russia, Turkey, China, the United States and Iran. They are competing in the region, which is replete with unresolved conflicts, like an unresolved conflict between Armenia and Azerbaijan over Nagorno-Karabakh; the Kurdish problem in Turkey, may be getting better, but it is still there; of course, Chechnia; Georgia has great instability with Russian presence still there. And to the East and South the war in Afghanistan continues. And Iran continues to have extremely difficult relations with the United States. **All these**



regional conflicts make it very difficult to cooperate, and have made the competition for the particular routes for oil and gas to be particularly intense.

There are dozens of ways for oil to get out. The oil and gas from Kazakhstan can go directly North into the Russian system to the Black Sea. Then there is a route through Georgia. The routes through Georgia take two forms. One is a direct route, that goes to the Georgian port of Supsa and then on to the Black Sea. The second route would go either through Georgia or Armenia, if the war was ended, down to the Turkish port of Ceyhan, to be exported through the Mediterranean.

One of the reasons, the Iranians are so angry with the United States, is because they would like to build a pipeline connecting Turkmenistan and Turkey. So, that gas could flow up from their southern fields into Turkey, could flow East into India and Pakistan, and

they could tap this huge resource, which they have in abundance. That has been nixed by the United States.

There are dozens of proposed pipelines. Not all of them are going to be built, because they are extremely expensive and there is no enough capital. There are two specific proposals. There is already a small pipeline from Baku to Supsa. The United States has argued that if you were to link up the Kazakhi oil and some of the Turkmeni oil to Baku, you could really have a big pipeline that could carry oil to the West and go through Georgia and then down to Ceyhan. This was the proposal that Clinton announced in Turkey. It is the proposal that is of enormous importance because it is very unpopular in Russia, and very unpopular in Iran. It competes with the Russian proposal to build the pipeline from Tengiz (Kazakhstan) to Novorossiysk.

Why does Turkey so much want the oil to exit Ceyhan? The simple answer is the Bosphorus. Turkey argues that the Bosphorus is so narrow and so populated, that it could be a catastrophe, if tanker traffic grows at the rate it is expected to grow, if both oil and gas come out of the Caspian in quantities, people are talking about. Therefore they have a very strong ecological argument for limiting traffic through the Bosphorus. But if you limit the traffic through the Bosphorus, you do not make the pipelines profitable. Therefore there have been proposals that, if this line here is too expensive to build, that instead of going through the Bosphorus the oil would come out of the Georgian ports and then go either to Odessa, or Constanta, or Burgas — all routes that would bypass the Bosphorus.

None of these pipelines make any sense, if the market is not in place. We assume that the market for oil will continue to grow. The market for gas is likely to grow also, but if there were for instance a serious economic downturn in Turkey, if India and Pakistan growth rate diminishes rather than grows, then the gas will have to find other markets. But getting gas to the international market is much more complicated and much more expensive than getting oil. It could be that none of these major gas projects actually get completed. Furthermore there are other competitors, that have not been mentioned. Egypt has a lot of gas. Egypt, in fact, has proposed to build a pipeline from Egypt through Israel, Lebanon, Syria to Turkey. That of course assumes that there is peace between Syria and Israel and Lebanon. A lot of countries are trying to compete for the Turkish market, no one knows what its actual value is going to be.

The other great uncertainty has to do with the relations between Russia and the United



States, and Iran. Russian routes are only going to be viable, if there is a market. And once you get beyond Novorossiysk you have to find markets either in Europe or in Ukraine, or you have to find the way to get the oil without going through the Bosphorus. If Russian - American relations continue to get worse, Russia might well make it very difficult for any of the American-supported new pipelines through Georgia to be built. That is a real danger. **And therefore Georgia assumes great importance in this whole geopolitical equation, because it becomes key to the American plans for getting both oil and gas across the Caspian through Azerbaijan into Turkey.** Therefore anything would have happened to make this not work, clearly would be a major step back for not only the United States, but for all the countries, who are dependent upon this potential bonanza.

The other big issue, that could change everything in a different way, would be, if the United States and Iran were to improve their relationship. There has been a lot of discussion about, whether the new President of Iran Mohammed Khatami will be able to accumulate enough power to change Iran's anti-American posture. Then, all those routes, going South, through Iran could once more become possible. And this of course would be very discouraging for Russia.

The proposal regarding Odesa terminal makes sense under several sets of conditions.



One, that there is a lot more oil discovered in the region, than currently is the case. **Two**, that this oil is developed with foreign money, particularly in Kazakhstan. And **three**, that the Baku-Ceyhan pipeline gets either slow down, or canceled because of cost.

The first thing that you have to do is to look for the financing. Clearly, this is not going to be financed by Ukraine. Clearly, it is unlikely that it would be financed by any international institution. International institutions, like the World Bank, that provide concessional loans, do not fund pipelines. This is big capitalism. You have got to attract the big oil companies. Western oil companies, which have a lot of capital, and therefore under the right circumstances might be prepared to make the investment. But there are lots of other ways they can spend their money. And they have looked at the numbers very carefully. The alternative, of course, is Russia. And therefore, much depend upon the relations between Russia and Ukraine. If Ukraine is to export this oil eventually to Western Europe, it will have to be in cooperation with Russia. Those are the two primary sources of capital: the Russian companies and the Western companies.

The major oil companies, who are part of the Azerbaijan consortium, would much prefer to build a larger pipeline from Baku to Supsa to take the increased oil. However, this is not what Turkey or the United States want. Turkey has made it very clear that, if such a pipeline were built, the oil could not egress the Bosphorus. And since the costs of taking it in the other routes are very high, that is a very serious setback.

The three countries, that have the resources (Azerbaijan, Kazakhstan and Turkmenistan) are incapable of developing the resources themselves, or getting the product to market themselves. They have to collaborate with outside powers. And in this process of collaboration you have created an extraordinary complicated geopolitical equation, which could become very dangerous in the years ahead, particularly, if relations between the United States and Russia continue to deteriorate.



EUROPEAN SECURITY AND NATO



*Richard FALKENRATH,
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First observation about European security and NATO today: there is a huge amount going on. The enormous amount of activity. But it doesn't have any clear strategic direction.

There was a difficult period for NATO from 1991 to 1996. This was a period when people really didn't know what was going on. There was uncertainty about the purpose of NATO. I would suggest you in this period, this question was unanswered, and debate was raising.

There were many critics of NATO enlargement, in Europe and in America. Many people thought it was drawing new lines in Europe. It was seen antagonizing Russia. It was seen as hurtful and damaging for the states between Russia and those that were going to get admitted. The purpose was not clear and a cost might have been high. But the course was set up and the Alliance has made up its mind. It was going to enlarge. The decision was taken in July 1997 at the Madrid Summit, where the decision to admit three new members was made, and "an open door policy" was officially declared.

Dayton Accord became the key event in this period. And before Dayton, the future of NATO really was in doubt. But what happened in Dayton, was that the United States made its choice, that it would stay deeply, directly engaged in European security. If European Allies have failed in Bosnia under American neglect, that might have been the end of the Alliance. NATO bombed Bosnian Serbs in August 1995 with the UN Security Council authorization. And in three months there was a negotiated settlement to that war. That was, as

I think, the turning point. So, we got from confusion to NATO-based incrementalism.

It is important to notice that prior to Madrid, NATO signed a Founding Act with Russia, where it tried to mollify Russia's very strong objection. And at the same time **the Alliance signed with Ukraine Charter on a Distinctive Partnership, giving Ukraine a special role and recognizing its enormous geopolitical importance.** The new members were admitted at the Washington Summit in April 1999. And officially there is still "an open door policy".

It can be claimed today that NATO is going to be a dominant security institution. There is no longer debate about whether it will be the OSCE, or the other organization. At the same time *there is no overarching strategy for what NATO should be doing. As an outside observer looks at NATO, it looks to him that the very strategy is to stay as busy as possible on as many fronts as possible, and make progress in many areas incrementally, in small steps, with no overarching design and no real time to consider the fundamental questions.*

Grounds exist to say that the path to new admission is going to be very slow and deliberate in future. But overall NATO partnerships with the Eastern European States is somewhat different issue. The really important step came in 1994, with the creation of the Partnership for Peace Programme (PfP). PfP had a lot to do with the debate over NATO enlargement. The origin of that Programme was essentially motivated by an effort to distract the tension from enlargement to slowdown that process. And it was seen and it was hoped to be not so



much as a stepping stone to enlargement, but an alternative to enlargement.

The Alliance generously offered Russia the chance to become one of the great European powers, participating constructively in resolving security problems on the continent. But Russia has for variety of reasons been unable to take that opportunity. Partly due to some unsettled domestic political problems. Besides, Russia has found very much difficult to accept the role of a normal state in Europe. A state that has no special rights in the affairs with its neighbors. I think that relations between Russia and NATO had a chance, but they lost it.

As for Ukraine, she is involved in an intensive engagement through PFP. But it does not give Ukraine any particular say in NATO decisions. We know that from Kosovo.

Next issue is peacemaking in the former Yugoslavia. NATO has basically made former Yugoslavia a security dependency award, where NATO is now responsible for providing internal security of a significant portion of the states in that region. There is no apparent end point to this commitment. And no exit strategy, and more or less open-ended responsibility for the stabilization and reconstruction of the Balkans. Hopefully, the European Union will play a primary role in the economic reconstruction. The very troubling point is that the Balkans will, for at least the next decade, distract NATO from a wide range of other very important issues and security problems. The Kosovo involvement, the troops on the ground, and the responsibility, generated by their actions, prove that NATO leaders are going to be spending a huge portion of their time on the Balkans, as they did the last five years. That means they have less time for the

former Soviet Union, the Baltics, the Caucasus, North Africa, Persian Gulf.

Next problem is a plain fact, that operation "Allied Force" in 1999 — bombing of Serbia over Kosovo was **a violation of international law**. It was not authorized by the UN Security Council (would be vetoed by Russia or China, if it had come to vote); and clearly was not self-defense by NATO. It was an offensive military action. So, by any fair reading of the UN Charter this was illegal. But nevertheless, it was carried out unanimously by 19 NATO countries. And these states argued that the overwhelming humanitarian disaster in Kosovo was so important to prevent that we could not allow the absence of the UN Security Council authorization to prevent action. But it was an extremely important precedent. Because, what it said was that NATO was assuming the right to authorize its own use of force when it sets so.

The idea of distinctive European defense identity has got a new emphasis because of what happened in Kosovo, and what Kosovo showed. In Kosovo, the Americans launched 80% of the precision guided ammunitions, conducted 85% of the night-time, bad-weather air strikes, 95% of the cruise missile strikes. What Kosovo operation revealed, was something specialists have known for a long time, that the Europeans were far, far behind the Americans in deployable military power. The European force structure essentially has stayed the same for a long time. And the Europeans have not pursued the use of advanced computer electronics and surveillance systems integrated into the combat system. And it became very embarrassing for the European leaders. The idea of distinctive European defense identity is old (forty or fifty years). Historically, it has been driven by the French. France has always intended to limit American influence in Europe. Thus, historically this idea had a very anti-American, anti-NATO cast. And that is why they never went very far. Because, outside of France, anti-Americanism is much weaker. And NATO is working.

Americans know that the Western Europeans are producing lots of memorandums of understanding, proposals. But the issue really comes down to a force structure, and money, and very expensive investments in modernization. And until they are not willing to do that, the capabilities gap will remain and widen. They are unlikely to make the money available for new defense capabilities. They focus on European integration, on the European Union, not on strategy.



IMPORTANT EXPERIENCE

NEW CHALLENGES TO DEFENCE DIPLOMACY



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International Institute for Strategic Studies is the leading London-based, independent and international think-tank with over 2500 members in 150 countries. Among the most well-known IISS publications are *The Military Balance*, *Strategic Survey*, *Strategic Comments*, *Survival* and *Adelphi* paper monograph series. The IISS is conducting research and seminar programmes all over the world, including Military Reform Seminar Programme for Russia and NIS states. Over the past three years, IISS established co-operation with Harvard University Ukrainian National Security Program and hosted three seminars for Ukrainian participants on various issues of European Security and military reforms in Western European countries.

With the end of Cold War, the emphasis of national defence policy among NATO states shifted away from deterrence and territorial defence towards co-operative security. That shift resulted in an enlarged role for European armed forces and military establishments in supporting the foreign and security policy strategies of their governments. Increased direct contacts between the military establishments of NATO countries

and Central and Eastern (CEE) European states represent one manifestation of this change. NATO military personnel is now involved in many programmes to support military reforms in CEE states as well as in joint training and educational exchange. Since 1994 and until now, Ukraine was one of the largest recipients of such military assistance from NATO countries among all NIS states.



Defence diplomacy activities started to occupy prominent positions in the national security policy documents of practically all NATO countries. In 1998 United Kingdom adopted Strategic Defence Review (SDR) which identified defence diplomacy as one of the eight core missions of the UK armed forces. The SDR provided the following definition of defence diplomacy: "to provide forces to meet the varied activities undertaken by the Ministry of Defence to dispel hostility, build and maintain trust and assist in the development of democratically

¹ The full text of this article appeared in *Strategic Survey* 1999/2000 published by the IISS.



accountable armed forces, thereby making a significant contribution to conflict prevention and resolution".

Defence diplomacy concept has been more prominently reflected in NATO communiqués after the appointment of Lord Robertson as NATO Secretary General. In his previous position as the UK Secretary of Defence, Lord Robertson was a strong proponent of a greater emphasis on defence diplomacy in SDR. In one of his speeches he described it as promoting "interoperability of minds".

However, in spite of increasing rhetoric about the importance of defence diplomacy, this policy is currently undergoing a serious identity crisis. On the one hand, the emotional and political commitment of NATO member states and their public to welcoming former adversaries in CEE into reunited Europe to a large extent due to unfulfilled expectations about the speed of military and economic reforms in CEE and NIS states. At the same time, NATO Europeans are facing pressure from increasing financial burdens of their own military modernisation programmes. On the other hand, growing disbelief about NATO's commitment to further enlargement compels CEE states, which were not included in the first wave, to demonstrate caution in promoting unpopular and costly military reforms. Moreover, CEE states started to prioritise economic integration with European institutions, such as the EU over NATO membership as in the mid-nineties. And finally, political and military elites within CEE and NIS states demonstrate greater resentment to pressure from abroad to speed up their military reforms under shortage of funds and people for their implementation.

These trends demonstrate that unless there are significant changes in the defence diplomacy strategy, the well-meaning idea of the nineties could soon be consigned to history as a well-meaning but ineffective diplomatic instrument.

THE COST OF DEFENCE DIPLOMACY

A widely held myth is that defence diplomacy is the cheapest way to strengthen European security. Indeed, its proponents like to argue that it can fulfil its major goals with very little investment. But, of course, it has its costs. Although funding allocated to military assistance worldwide by key NATO members has declined since the end of Cold War, they continue to spend substantial sums to support defence diplomacy activities, both within NATO's Partnership for Peace (PfP) Programme and bilateral programmes. Critics of defence diplomacy spending also emphasise indirect, or opportunity costs of these activities. They argue that participation in co-operative and assistance programmes in CEE imposes new burdens on financial and manpower resources, which they can ill afford at a time when Europeans are preoccupied with development of European Security and Defence Identity (ESDI) and participation in multinational peace-keeping operations in the Balkans (*Table «NATO Spending on PfP Activities»*).

CEE states also spend large amounts to implement what NATO states regard as defence diplomacy commitments: a transition to professional armed forces, reforming defence management and civilian oversight institutions, participation in joint exercises, educational exchanges, and providing forces for joint peace-keeping operations (such as SFOR and KFOR in the Balkans). Since 1999, the cost of defence diplomacy for CEE states started to increase. With the next phase of NATO enlargement on hold, the focus of their foreign policies has shifted to meeting the EU membership criteria. This requires increasing spending on economic restructuring rather than on defence.

Even recently admitted into NATO Poland, the Czech Republic and Hungary find it difficult to sustain public support for increased defence spending while competing for a place in the first wave of the EU enlargement. Moreover, many

NATO Spending on PfP Activities², BEF'000

	Military Committee Budget	PfP cost	Civil Committee Budget	PfP cost	Total PfP spending
1996	1 100 207	12 103	520 849	5 729	17 832
1997	2 093 626	23 032	540 010	5 940	28 992
1998	2 299 751	27 597	703 528	8 442	36 039
1999	2 140 266	27 823	1 059 059	13 768	42 591
2000	2 602 476	33 832	1 293 063	15 510	49 347

² Source: NATO.



UK Defence Assistance Fund for Central and Eastern Europe ³					
Year	1994/1995	1995/1996	1996/1997	1997/1998	1998/1999
Amount					
Mln (br.pounds)	0,3	0,3	0,3	3,954	3,69
Distribution of Defence Assistance Fund Allocations					
Country	Personnel trained in UK		MoD subsidy		
Albania	6		52 000		
Baltic States	—		106 000		
Belarus	3		25 000		
Bosnia Hercegovina	—		10 000		
Bulgaria	10		158 000		
Croatia	—		18 000		
Czech Republic	46		336 000		
Estonia	7		66 000		
Georgia	6		113 000		
Hungary	36		194 000		
Latvia	10		134 000		
Lithuania	13		129 000		
Macedonia	6		49 000		
Moldova	3		30 000		
Poland	40		132 000		
Romania	54		318 000		
Russia	10		1 107 000		
Slovak Republic	18		187 000		
Slovenia	9		141 000		
Ukraine	47		389 000		
Uzbekistan	—		3 000		
Total	324		3 698 000		

CEE and NIS states have completed the first phase of military construction when defence diplomacy programmes with NATO countries played a very important role (*Table «UK Defence Assistance Fund for Central and Eastern Europe»*). Most partner countries have established defence ministries, reorganised their force structure, hired new personnel, adapted defence doctrines and passed necessary legislation to support basic principles of civil-military relations. The next phase of national military reforms in these countries is likely to concentrate on the new set of problems related to improving readiness and modernising equipment, while increase the professional component within their armed forces. Unlike the first stage, this stage will require much larger resources both from CEE and NIS states themselves and from their NATO partners who are currently seeking ways to adapt defence diplomacy strategy of the nineties to the realities and requirements of the next decade. In order to develop a new strategy, it is important to undertake critical assessment of successes and limitation of the first phase.

IS DEFENCE DIPLOMACY EFFECTIVE?

The costs of defence diplomacy should be measured against the benefits and overall effectiveness of various programmes. These programmes can be divided into four categories:

- ❖ **Establishing direct military-to-military contacts** (seeking to build understanding and trust through the human dimension);
- ❖ **Promoting democratic transition** (civil-military relations, civilian control, strengthening defence management and oversight institutions);
- ❖ **Enhancing interoperability** (of exercises, doctrines and equipment);
- ❖ **Supporting hard-security objectives** (non-proliferation and arms control)

Military-to-military contacts is one of the most widely used components of defence diplomacy, absorbing a large part of allocated funds. It is clear that military-to-military contacts have had a strongly positive effect on enhancing relations between NATO and CEE states all throughout the nineties. However, in many

³ UK MoD Performance Report, 1998/1999. UK MoD subsidy includes language training, resettlement assistance (Russia/Ukraine), equipment grants, seminars etc.



countries where national military construction and reform are implemented slowly (this category includes practically all NIS states including Ukraine) there is some doubt about their effectiveness. In these countries officers educated in Western military academies and colleges face difficulties in applying their knowledge upon return to their home country. They often find that political, doctrinal and operational requirements in their home country differ radically from NATO members. Moreover, they have to operate in a dramatically different economic environment. Often these officers are less likely to be promoted because they are regarded as representing a threat to their superiors who do not share Western vision of national military reform strategies. In other cases, these officers are assigned to military intelligence. In many cases, returning officers with language and computer skills retire from the armed forces because they realise that their skills can be used for much more attractive compensation in a more dynamically developing civilian sector. In short, resources invested into military exchanges and military-to-military contacts often fail to reduce the key obstacles for national military reforms — the shortage of medium and junior level officers, lack of civilian component within defence management system, and slow promotion of a new generation of Western trained officers to the highest decision-making authority within ministries of defence and general staffs of the armed forces.

Thus critics argue that money can be better spent on developing and equipping national military education institutions and civilian educational institutions studying military and security related subjects and defence economics, as well as establishing a system of mid-career training for medium level officers in their home countries.



Promoting democratic transition is an important task for defence diplomacy as defined by most NATO states. Advice from NATO countries on these practical aspects of military reform has been very valuable to all partner-countries in CEE and NIS. After the collapse of the Soviet Union many countries had to develop the national defence management system as well as military command structure practically from scratch by the military. Any external advice within PfP and bilateral military co-operation programmes provided an important contribution to European security by allowing CEE and NIS states to take control over their armed forces. It also promoted development of constitutional and legal norms regulating defence policy-making and civil-military relations, which are compatible with those of other NATO members.

However, once the basic groundwork for military construction was completed, the effectiveness of democratic assistance programmes became much harder to measure. **It is far easier to draft and adopt laws on civil-military relations than it is to make these relations a norm in the society.** In some countries development of democratic elements within a weak state actually slowed down the implementation of national military reforms. It was much harder to reach political consensus on strategic goals and on the main concepts for such reforms. Moreover, military elites continue to demonstrate weakness in carrying out effective lobbying of their interests in a dialogue with various highly segmented political parties within national parliaments and with executive authorities.

At the same time, **military elites in practically all NIS states continue to resent the idea of placing civilians, which can be more effective in providing link with civilian branches of government, at the top and medium levels of authority within national ministries of defence.** And finally, representatives of civilian authorities such as members of parliament themselves are often interested to use the military to make a quick political capital on a highly socially charged issues of deteriorating conditions within the armed forces and among individual officers and their families. At the same time, **legislators are often unwilling and unable to organise a systematic work on developing and approving by political consensus the key documents regulating the process of military construction — such as national security concepts.** As a result, external advisors working with national military establishments in CEE and NIS cannot achieve progress in implementing their advice due to the lack of basic political framework for military and security policy.



IMPORTANT EXPERIENCE

Enhancing interoperability of armed forces, doctrines and equipment of NATO countries, and their partner-states in CEE and NIS represents a more clearly defined, easier measurable, and strategically important task for defence diplomacy. Activities under this heading include joint exercises, establishment of permanent multilateral units and providing assistance in acquiring and/or modernising military equipment for partner-states in CEE and NIS. However, the number of PFP exercises is gradually declining from 1998 level. Many exercises lead to regional tensions — such as Russian opposition to Sea Breeze exercise in Crimea or regional controversy over Central Asia joint peacekeeping unit exercises in Kazakhstan. Moreover, joint exercises often have more political significance than



actual contribution to interoperability. Interoperability is best assured through participation in joint operations such as SFOR and KFOR, but participation of CEE and NIS states in such operations are often limited by the lack of financial resources to fund their national units participation.

Permanent multilateral units inspired by Franco-German initiative within NATO have become a reality in all parts of Europe, often with the assistance but without participation of

NATO states. Ukraine is one of the active participants in such initiatives through Ukrainian-Polish battalion and joint unit within GUUAM. Other examples include BALTBAT, Central Asian joint peacekeeping unit, German-Polish-Danish Multinational Corps NORTHEAST and other *ad hoc* arrangements.

Assistance in equipment purchases and upgrades is very important for practically all CEE and NIS states which are facing financial limitation for implementing national procurement programmes. Such assistance can provide the greatest contribution to the enhancement of military readiness of partner states armed forces and assuring greater interoperability with NATO forces. However, such programmes face many difficulties for NATO states. Initiatives for donating equipment are expensive. At the same time, sale of equipment under favourable economic conditions (such as long term financing) face competition between NATO states themselves, each seeking to promote orders for their national defence industry. The same is true of initiatives for privatisation of defence-industry enterprises in CEE states. Moreover, any joint programme for joint production of equipment for CEE states and NATO countries — such as AN-70 project — face active opposition and pressure from NATO states defence industries seeking to promote their own alternatives. Finally, equipment programmes were often tainted by corruption scandals. For all the above reasons, Western European and US equipment assistance programmes have been implemented mainly through donation of used equipment to CEE and some NIS states. However, such assistance cannot contribute to interoperability because such equipment is often old or no longer used by NATO states themselves.

Supporting hard security objectives such as non-proliferation and arms control is a highly important defence diplomacy task. The US takes the lead in such assistance programmes to Russia, Ukraine, Belarus and Kazakhstan

CTR Achievements — Russia, Belarus, Ukraine, Kazakhstan⁴

	1999	2003	2006
Warheads deactivated	4854	7404	8515
ICBM destroyed	372	769	977
ICBM silos eliminated	351	436	598
ICBM mobile launchers destroyed	—	175	258
Bombers destroyed	52	95	96
SLBM launchers eliminated	160	564	652
SLBM destroyed	30	565	645
SSBN destroyed	13	15	32
Nuclear test holes, tunnels sealed	191	194	194

⁴ Expanded Threat Reduction (ETR) Report prepared by the Office of the coordinator of US Assistance to the Newly Independent States.



through its Co-operative Threat reduction (CTR) programme (*Table «CTR Achievements — Russia, Belarus, Ukraine, Kazakstan»*).

The amount of European contribution to such programmes is much smaller. European countries are not as active in providing CTR related assistance to Ukraine and other Eastern European and NIS states, comparing to Russia.

IMPLICATIONS FOR UKRAINE

These recent trends in the evolution of defence diplomacy strategy have important implications for Ukraine. As active participant in PFP programme and party of the special Charter with NATO, Ukraine has already benefited from many defence diplomacy programmes. However, experience of such programmes over the past six years allows Ukraine to undertake its own assessment of the effectiveness of such programmes and offer some recommendation for its improvement to meet the tasks of the new stage of its military reform.

On the one hand, **Ukraine has completed the first stage of its military construction only partially and therefore retains interest in receiving assistance from NATO countries in reforming defence management system, introducing a new approach for economic planning and forecasting for major defence programmes, improving technical base and educational programmes in its military educational institutions, continuing language training and education exchange with NATO states, introducing civilian specialists to the decision-making positions within the Ministry of Defence and promoting civil-military dialogue on strategic concept and approaches for implementing national military reform policies.**

On the other hand, Ukraine also experiences some pressure to move beyond military-to-military contacts and promote democratic transition programmes towards greater emphasis on

those programmes which focus on improving interoperability of forces and equipment. However, it is important to understand that such initiatives place much higher requirements on both NATO states and on Ukraine itself. Such programmes should be based on three elements.

First of all, improving human resource potential for conduct of national military reform. It is important to expand not only educational exchanges, but focus more attention on improving educational programmes for a whole spectrum of military and security policy experts both among mid-level military officers and among civilians. NATO should focus more resources on supporting such programmes, while Ukrainian side should provide guarantees that such experts will be promoted and more highly rewarded.

The second component should be directed on developing and improving permanent multinational forces with Ukrainian participation. Training and equipment for the Ukrainian-Polish brigade should be improved. It is important to develop similar projects with other countries with support from European states. Europeans should direct funding and equipment contribution programmes to such units. Ukraine, in its turn, should also contribute resources such as training grounds and professional, well-paid and well-training personnel.

The third component of the new defence diplomacy programmes should be military-technical co-operation. Although Ukraine proclaimed such programmes as priority from the beginning of its co-operation with NATO, so far there are only few projects, which were practically implemented. In this regards Ukraine's experience in co-operation with WEU in providing satellite imagery and transport aircraft should be used to develop co-operation between Ukraine and the newly established office on European Defence and Security Policy within the EU which is headed by Mr. Solana. Moreover, Ukraine should open up its own market for European equipment both in terms of purchasing components for modernising existing equipment and in the future possibly entire platforms.

All European countries share a common vision about the key role of Ukraine for European security. However, if Ukraine does not take initiative in offering a concrete vision for the new phase of defence diplomacy co-operation with Europe, it risks being marginalized within these programmes as both Western Europeans and Central European candidates for EU membership seek to reshape defence diplomacy strategy to meet the new challenges.





NEW CHALLENGES REQUIRE NEW APPROACHES TO THE NATIONAL SECURITY POLICY MAKING



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former CIA Director and Deputy Secretary of Defense, USA*

Let me say at the outset a few words about my career, because it speaks to the viewpoint that I will be presenting to you. I started working to the Department of Defense in the Office of the Secretary of Defense for Robert McNamara, who had a philosophy about the management of defense affairs, resources strategy and associated politics. After that period of time in the Office of the Secretary of Defense, which I left in 1965, I went to teach in the university. In 1976, I went to the Department of Energy with Jim Schlesinger (a former Secretary of Defense, a former CIA Director) to serve with him first at energy research and later being the Undersecretary and Manager of the Department, responsible for the nuclear weapons for the United States. I returned to MIT after that period in Government, until I joined Les Aspin in the Clinton Administration as Undersecretary of Defense for Acquisition and Technology. And when Mr. Perry became the Secretary of Defense, I became his Deputy. And then the President forced me to become a Director of Central Intelligence, which I did for two years. During this period of time I have had the great opportunity to concern myself with security issues, but especially with the management of the security.

I believe the world is changing not only with respect to the character of the threat we face, but also with respect to the management approach we must take for dealing with security issues. Old rules do not apply. We face new demands, requiring new technique. The old view going back really to napoleonic times was that security issues were through sequence of diplomacy. When diplomacy failed, you fought a war. At the end of the war you made peace. And there was a period of time for trade, and reconstruction and cultural interchange. There was a linear progress to these three phases.

Today we face an entirely new set of security challenges for the biggest measure. I speak here principally with the viewpoint of the United States, but in some degree, it applies to most nations of the world. **Our problem today is not to prepare for a conflict of the classic sort. Our problem really is much more directed towards preventing conflict** using the ingenuity of our diplomats, warriors, and the intelligent disposition of our forces for deterrence. The new world insists on preventing conflict. It has concerns about peacekeeping.



There are three important kinds of transnational threats. The first is **the proliferation of weapons of mass destruction**. I speak here of nuclear weapons, biological and chemical weapons, that can spread around the world. The explosions of nuclear weapons by India and Pakistan show that in proliferation it is not only preventing it, but also a tremendous demand for managing the consequences of proliferation, once it happened.

The second major requirement has to do with **catastrophic terrorism**. These new threats of catastrophic terrorism are different from the past. We are not talking of some anarchists, assassinating the tzar or a minister of justice somewhere. We are talking about the possibilities of terrorists, using weapons of mass destruction. We are talking about increased vulnerability of our telecommunications and information infrastructure to disruption or destruction at a great distance. I always like to say to my friends in the military that the ultimate precision weapon is an electron, which can find its way to exactly the right socket, which controls the communication between political authority or military command and forces. And the ability to manage those electrons intelligently has tremendous implications both for terrorists and military forces in warfare.

The third aspect of this new threat has to do with **criminality, drug trafficking** into a country. It is quite a change in comparison to worrying about a conventional armor attack by Soviet forces against NATO.

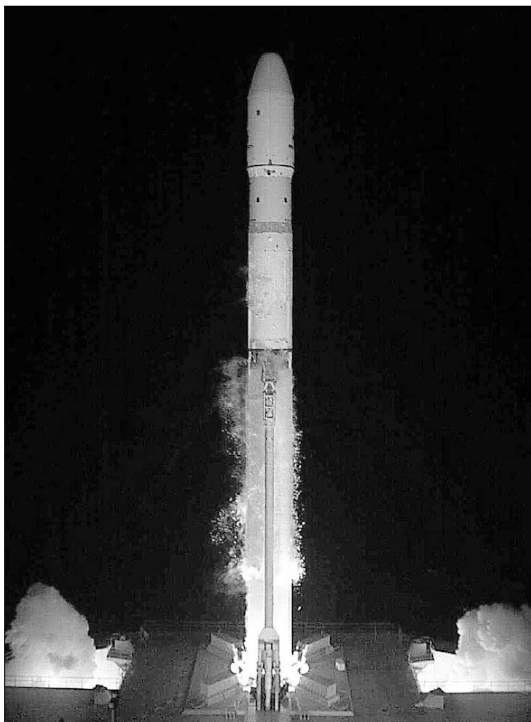
We need to have a new political and security structure for dealing with this range of threats. The historic napoleonic arrangement of

ministry of foreign affairs, ministry of war and then commercial and economic activities no longer deals with the reality of the decisions, which have to be taken by our national leaders in committing our forces into battle.

The second consequence of this new threat environment is the effect it has on people. The vast conscription of individuals may not be the best way to marshal military personnel to work in this much more complex security environment. There is a tremendous **new priority on ability for the professional military to work well with their civilian superiors. We need a new organization.**

Another reason has to do with the changing technology. Battlefield commanders now have the possibility of gaining near real time information from airborne and space sensors. That gives unprecedented advantage to the forces that have that capability. The first hint of the potential here was demonstrated in the Gulf War. I would like to mention the results of a war game, held at the Naval War College, where the war game consisted of asking: "How long does it take to stop a massive North Korean invasion of the South under two different assumptions". The first assumption was "business as usual". Our forces deployed our systems as they currently are. It took 28 days until the front was stabilized, and the process began of grabbing the North Koreans back to the other side of the 38th parallel. The second scenario involved assuming the possession of every echelon of military command access to the appropriate level of near real time information both from pictures and from signals and access to appropriate precision guided ammunitions, which would be able to destroy both fixed and mobile targets. The result of that war game was that it took four days to stop the North Korean invasion.

Of course, at time of war nothing will work as well as planned in a Newport war game. But it does illustrate very forcefully the advantage in time. The factor of seven in a time to stabilize the front means that military objectives can be achieved more quickly with fewer casualties and less civilian destruction. There are some implications of this new information-based technology for the management and the planing of our military forces: it stresses quick resolution of conflict; it puts a tremendous demand on the Intelligence Community; they have to turn their attention from diplomatic cocktail-parties to technical collection from airborne or space platforms. The power of this new technology, if being honest, is used much more slowly than I would like by the United States. It underguards our conventional force capability for the foreseeable future. It permits us to take actions that we otherwise could not have taken as a country.



The interesting other part of that capability is that it is not technology that has been created specially for the Department of Defense. It is technology, which exists everywhere around us. So, we **have to change our historical approach (to arming ourselves, to our acquisition programmes) of trying to develop the technology in special defense laboratories, in isolated defense industry, in government-run arsenals or depots. We must be much more able and flexible in using commercial products and services, which capture the information technology.**

If you are in the General Staff of a country (the Joint Staff in case of the United States), in either on high level, or low level, you have to ask: "How can we get this? How do we move from our present position to a position, which addresses a new reality?"

First, it means **moving away from an emphasis on platforms to understanding how to make use of information technology** in command, control, communications and intelligence. It means seriously examining the balance between expenditures we make on research and development and procurement, with the expenditures that we have to make on operations and maintenance, and maintaining the readiness of the forces that we have in a field. Most importantly, for the high-ranking military professionals and the civilians, who are concerned with security matters, is **developing a doctrine of how forces will be sized and how forces will be used.** These matters are not achieved in one day. A programme plan requires to make any innovation of reality. And it means that the "inside family" of civilian and military leadership must be able to explain to the public and to the political leadership of the country the need for stable resource commitment. The need to explain the programme plan to the public and especially to the Congress is key to achieving good results.

If some random Chief of a Service wants to ignore the programme, proposed by the Secretary of Defense, he can disrupt execution of the whole plan. Therefore, those differences must be worked out inside the "family" before its public promulgation and adoption. **It is essential, if that process is going to continue, reconfiguring our military forces and our broader security considerations to these new threats.**

NEW CHALLENGES AND DEFENSE ORGANIZATION REFORM



Ashton CARTER,
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What usually causes military organizations to undergo revolutionary change? **One possibility is defeat.** After our actual defeat in Vietnam we made a lot of changes. We were not defeated in the Cold War. I do not believe that we won the Cold War. All sides won the Cold War. Then we won the war in "Desert Storm". And then we conducted a number of operations in the course of nineties: in Bosnia, Haiti and elsewhere. And all of these operations seem to go pretty well. So the most of the American public think that everything is fine with American military, and there is no need to reform it.

The second thing that frequently gets military to reform is if there are totally new threats, new dangers. Americans do not feel threatened either. But if you take a frog and you put a frog in a pan of boiling water, the frog will jump out. But if you put a frog into a pan of water and turn on the fire underneath it and slowly warm up the water, the frog will boil to death. Our security situation is changing very gradually. But we are not changing with it.

Let me be specific about where the United States military needs to adapt. **The first category has to do with new missions, new types of operations that we are not used to have to conduct and we now have to conduct.** Saddam Hussein was a miniature version of the Warsaw Pact. He used many of the same weapons, the

same doctrine, and the same organization as the Warsaw Pact. And for 40 years we had been practising against the Warsaw Pact. Just as the Cold War ended, we had a military perfectly tuned, designed against the Warsaw Pact. There was a perfect match. We were the hammer. Saddam Hussein was the nail. And we defeated Saddam Hussein.

But the next enemy is not going to be like that. The next opponent is not going to be a miniature of the Warsaw Pact. Future opponents looking at the victory at "Desert Storm" are not going to behave like Saddam Hussein. They are not going to meld a symmetrical campaign. Anybody would be a fool to take on the US military symmetrically. They are going to fight asymmetrically. We continue to spend most of our money working on the hammer, as though every future opponent is going to be a nail. That is a big mistake. **So, the first area where we need reform is in preparing for asymmetrical warfare (weapons of mass destruction — chemical, biological or nuclear etc.).**

The second area where we are failing to reform properly is in the introduction of information systems into warfare. We say that the way we are going to keep the American military the best in the world is by applying information technology to warfare — computers, advanced sensors, advanced communications etc. We are spending a lot of money on that. But we still



buy weapons separately: Navy weapons, Air Force weapons, etc. Information systems are supposed to tie the military together. These systems should be bought and designed jointly.

The third area is homeland defense. The United States has Canada and Mexico as our neighbors. So, when Americans think about war, war is always somewhere else. But suppose a future enemy decides to create destruction in the United States. We are not prepared for that. Many Americans object to the idea of the US military having a role in defense of our homeland. They say that is for the police, not for the military. We have the military. We have the police. And we have a problem which is right in the middle.



The second issue has to do with the way **the defense industry is changing.** We decided during the Cold War that the only way to confront the Warsaw Pact was to be technologically superior. We could not build enough tanks, artillery pieces and have enough divisions to match the Warsaw Pact. The American style of waging war was to wage high technology war. We spent a lot of money building a high technology defense industry. In 1980, the whole world spent \$240 billion on research and development. Half of that was spent by the United States. In 2000, the world will spend \$360 billion on scientific research. Once again, the United States will spend half of that amount. And the Defense Department will only account for 1/12 of that. That means for defense that most scientific advances are occur-

ring in commercial industry, not defense industry. Most commercial companies are global companies. They are not American companies. We used to have a special American high technology industry, which was the source of our military strength. Now we need to rely upon a global commercial technology base. And that technology base is available for everyone, including our potential opponents. **In the future, technological advantage in warfare will go to the side that is able to exploit commercial technology faster than potential opponents.** Without effort and reform we will not be the best and the most advanced technologically.

The world is changing and we need to change too. In the future, many more military operations are going to be conducted not by just the United States alone, but cooperating with other countries, with the United Nations, with NATO, with the Partnership for Peace countries. We do not have a good way of organizing ourselves to work with others. That is another place where we need reform.

There is another big problem that does not just affect the US military, but the US Government as a whole — we are very good at the military part of a peacekeeping mission. **But once the military has established order, then the real work begins: to help rebuild the society, which was destroyed by civil war. That is not a military task.** We have no relevant mechanism for such a task in the United States Government. And the international community has no mechanism to help rebuild states after the peacekeeping phase has been completed.

I am not sure that we have the right national Government for dealing with a new world. We have the Department of Defense, the Department of Energy, the Department of State, the CIA, the National Security Council, and then separately the Justice Department, the FBI, the Border and Customs Authorities, and then separately the Treasury Department, etc. I do not think this system is matched to the world, in which we live.

I do not want to be too gloomy, but many of my countrymen are arrogant and complacent. The frog is already in the pan. The water is just a little warm. And they do not realize that if they do not jump out now, they will boil...

DECISION MAKING IN THE WHITE HOUSE

*Robert BLACKWILL,
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There are some characteristics of the American security system which clearly would not be appropriate for your countries. But I think there might be some elements of how we do business, which you might find helpful. I want to divide my comments into two parts. First, is the role of our President in national security decision-making, and second — the role of the White House Staff in national security decision-making.

The President has *three major functions* in the national security area in our system. **First, he is the Commander-in-Chief.** And this function is taken extremely seriously in the United States. He is in charge of the major national security decisions of the nation. And there has been no example in the post-war era in the last half of the

Century, in which a President was not aware of a major national security decision. The President regularly visits US forces in the field. Every President does it from time to time by actually going to military bases or naval bases. He is showing the American people that the military matters are of great importance for him.

The second function of the American President is more broad, which is telling the American people why having a first-rate military is important to the United States and to the American people. This was especially important in the period after our Vietnam War, when the military came out of that defeat deeply weakened and demoralized.

The third role of the President is to try to ensure that the military is provided with enough money by the Congress to perform their missions.

Our system does not work well unless the President is quite involved in these matters. Without direct presidential involvement our national security agencies (the Department of Defense, the State Department, the intelligence agencies) often quarrel among themselves and do not produce coherent policies. In our system, we need a strong and involved President, or our system does not work very well.

The National Security Council (NSC) Staff, is working on national security issues at the White House. It consists of the President's National Security Advisor, his deputy and the staff of about 40-60 people. There are different





offices, working for the National Security Advisor. There is one office, which deals with European, Russian and Eurasian agenda. It has about five people in it. Next office (three people or so) deals with East Asia. This office usually consists of China expert and Japan expert. Offices responsible for Middle East, Latin America, and Africa usually comprise two people each. The biggest office (Defense Policy and Arms Control) may include up to ten people. Intelligence Coordination Office has three or four people from the Intelligence Community, who are assigned to the White House. There are also separate International Economics, Crime, Drugs, and Terrorism Offices. And, finally, Congressional Relations Office. Most of these people work right next door to the White House.

One might be asking, when there are State Department, Defense Department, and intelligence agencies, why the President needs those 40 staff members at the White House? For the last 25 years presidents have decided they needed them all for two reasons. The first reason is that these 40 people work for the President, and they are loyal to him. Their job is to serve only the President's agenda. That is not true of people in the Pentagon and State Department, who work for the Secretary of Defense, the Chairman of the Joint Chiefs, or the State Secretary. Their concerns are for their agency, for their ministry, not for the President. So, presidents have wanted people, whose only concern is the President's welfare on behalf of the nation. The second reason is that our system has shown that without this coordination different agencies pursue different policies. The NSC Staff, these 40 people who work for the National Security Advisor, have at least ten specific functions. All of these functions are carried out on behalf of the President.

First, to help the President manage events, rather than be the hostages of events. These people's job is to ensure, that the President can anticipate what is going to happen in a week, or a month, or maybe even in several months. So, that the President is not only reacting to events.

Function number two (especially of National Security Advisor) is to help the President set national security priorities and stick to them. These people's primary job is to make sure as much as they can that the President has national security priorities and does not change them every other day. Of course, this depends much on the President. If we have an undisciplined President, someone who either cannot set priorities or cannot stick to them, then these people cannot force the President, but what they try very hard to do is to help the President set priorities.

The third thing they do is to prepare all the papers for every presidential meeting with the foreigners. They do all the memos for every meeting that our President has with any foreigner. The reason that presidents have believed these people, who work directly for them, is that they have a better understanding of what the President needs from meetings, than someone in the State Department, or the Pentagon, several levels down. These memos tend to be more informal than Defense or State Department memos. Usually our Secretary of State, and Defense Secretary never see these memos. They are not circulated to these agencies. The reason is that sometimes these memos say things that the State Department or the Pentagon do not like or would not like.

The fourth function is to make sure that all relevant agencies are involved in important presidential decisions. These people's responsibility is to avoid a situation, in which the Secretary of Defense comes in to meet the President and gets the President to make an important decision without the participation of the State Department. It happened a lot in the Reagan's Administration.

The fifth function is to ensure that the President receives good analysis from the rest of the Government. Classically, here is what happens: the Minister of Defense or the Secretary of State sends over a memo to the President, recommending to do something. The NSC staffers then put for the National Security Advisor their memo on top of the minister's memo. And it says: "The Secretary of Defense recommended "X", but he has not actually mentioned all the dangers of doing "X". And the National Security Advisor then recommends to the President to either follow the advice of the Defense Secretary, or not. These people's job is to make sure that when these memos arrive, there is the highest analytical quality.

The sixth function is to ensure that the bureaucracy does not hide issues from the President.





The seventh function of the NSC Staff is to make sure presidential decisions are implemented. In the United States, we often have a problem, when the President decides something that the bureaucracy does not like, and just does not do it — it delays, it implements decisions in a slow motion, etc. For example, in 1961, J.F. Kennedy made a decision to withdraw our intermediate-range ballistic missiles from Turkey. When the Cuban missile crisis began about a year later, one of the Soviet concerns was the intermediate-range ballistic missiles in Turkey. And President Kennedy said a year after he made this decision: "You mean, they are still there? I decided 12 months ago that they were supposed to be removed. Why have not they been removed?" And the answer was that the State Department and the Pentagon worried that this would cause a serious problem with Turkey. So, they did not do it.

The eighth function of these people is to make and come up with options for the President that the bureaucracy does not think over or will not forward to him. For example, in 1989 President Bush very much wanted to launch two initiatives with respect to the Soviet Union and Europe. One was a new initiative to reduce conventional forces. And the second was the initiative to remove tactical nuclear weapons from the deployed inventories of the two sides. President asked the Pentagon to give some ideas about how to do this. The Pentagon's answer was: "We cannot think of anything". And that was the NSC Staff, these people here in the Defense Arms Control office and these people here, working on the Soviet Union, who came up with the proposals, which were then forwarded to the Soviets. There is another famous example — the idea of the all-volunteer army, which was an idea that came out of Nixon's White House and was completely opposed by the American military establishment. But now it is regarded by the American military as a great success.

The ninth function of these people is crisis management. The crisis management mechanism in the US Government is run out of the White House. Usually, by the National Security Advisor or his Deputy.

The tenth one is coordinating America's intelligence activities. Of course, that does not mean running the satellites and so forth. But it is rather trying to make sure that the American Intelligence Community supports the policies of the President, and their activities are in support of the policies of the President.

Usually, of these 40 people at least two thirds are career civil servants. Ten or so are serving military officers, who are assigned to the White House for two or three years and then go back. The people in the office, that coordinates intelligence, usually come directly from the Intelligence Community agencies. State Department Foreign Service officers are involved too. And there are outsiders as well — academics and so forth. The outsiders usually do not do very well, because they do not know "the rules of the game". They come into Government for a couple of years in one of its offices, and by the time their assignment is up, they are just beginning to learn how Government works. There are few exceptions to that.

We had a very big advantage over the Soviet Union at the time of unification of Germany in the respective national security systems. The Soviet policy was a very uncoordinated one. And that was a big advantage for us. I will give you one last example again from my Russian friends about the Russian deployment of small number of their forces in Kosovo to the Prishtina airport. An hour after they arrived at the airport, the Foreign Minister of the Russian Federation Ivanov said publicly, that they would only be there briefly and then would return to Bosnia. Obviously he was mistaken. But obviously also he knew nothing about what was happening, there has been no coordination inside the Russian Government. Defense Minister Sergeev called him immediately after he saw Ivanov's public statement. Ivanov then quickly changed his public position. In a system in which the kind of coordination, I have described here, is happening, such mistakes would not occur.

In the US system we have shown again and again, that when you have a weak NSC Staff we have weak policies, and uncoordinated policies.



INTELLIGENCE AND DEMOCRACY



*Ernest MAY,
Charles Warren Professor of History, Harvard University, USA*

My general subject is intelligence analysis and national security policy. I want to say something about the structure of the US intelligence community, particularly, as it relates to analysis of intelligence.

I start with the National Security Council (NSC), because the intelligence community theoretically reports to the NSC. That Council consists of the President, the Vice-president, the Secretary of Defense, the Secretary of State. The President may invite any number of other people to take part, depending on what the agenda is.

The NSC does not make decisions. Only the President makes decisions. The NSC is sim-

ply an advisory body. Its agenda is developed by the National Security Advisor, who is not a member of the Council, but is the Secretary of the Council. He works with the members of the committees, of which he, or his deputies, are chairs. According to the Statute there are two advisors to the NSC. One is the Chairman of the Joint Chiefs-of-Staff. The second is the Director of Central Intelligence. And **it is a function of the Director of Central Intelligence to provide the NSC with intelligence and analysis, dealing with issues that are on the Council agenda. For that purpose the Director of Central Intelligence is charged with oversight and coordination of the US Intelligence Community.** The Community consists of a large number of agencies, mostly engaged in collecting intelligence of one kind or another; listening to signals, including electronic emissions of various kinds; collecting information through human agents.

The budget of the US Intelligence Community is approximately \$30 billion a year. That was a secret until recently. It is now a public fact. Of that \$30 billion, around \$26-\$28 billion is invested in data collection. Nearly all of that, while overseen by the Director of Central Intelligence, is actually controlled and run by the Secretary of Defense, except for the collection of human intelligence through agents. Everything else belongs to the Department of Defense.

The Director of Central Intelligence controls only \$3 billion-budget, which is for the Central Intelligence Agency (CIA). But **most of the analysis of intelligence is done in or through**





the CIA. So, in theory at least, all these images, photographs, that satellites and aircraft bring in, all those signals that are picked up and so on, all of that work under the US Intelligence Board, is being done mainly by the Director of Intelligence in CIA.

CIA consists of a Directorate of Intelligence, which does analysis, and the Directorate of Operations, which manages agents and covered operations. The Directorate of Intelligence is connected with an organization, called the National Intelligence Council, which is not a part of the CIA. But it is housed in the CIA and dominated by people from the CIA.

The US Intelligence Community produces the **National Intelligence Estimates** — a document analyzing particular problems, which are on the agenda of the NSC. Those Estimates pass through the US Intelligence Board, which is composed of not only the CIA, but also of various agencies mostly in the DOD, as, for example, the intelligence agencies of the separate military services. In addition, there is a bureau in the State Department that analyzes intelligence; the Department of Energy, which concerns itself primarily with nuclear weapons intelligence; the Federal Bureau of Investigation, etc.

This US Intelligence Board looks at the Estimates, advises the Director of Central Intelligence whether they agree or disagree with the Estimates. If a member disagrees strongly enough, he or she will introduce a footnote, saying, for example: "Air Force intelligence does not agree with this estimate". The finished Estimates then go to members of the NSC.

The President and other members of the NSC get a constant stream of intelligence information, some of which has been analyzed. Every morning an officer from the CIA comes to the White House at about 7.00 a.m., bringing a document called "**The President's Daily Brief**", which contains whatever was collected in previous 24 hours, and may be interesting for the President. The person who delivers that, then answers questions, if the President has any. That is mainly just information. Analysis is mostly embodied in Estimates that go through this process.

I think, it is the case that **the more democratic the government is, the harder it will find it to make effective use of intelligence analysis**. The reason is, that in a democratic government the people who can use the analysis — the people at the very top (the President, in the US system) — have to spend most of their time and energy managing the democracy over which they precede. They have to spend most of their time thinking about domestic constituencies and about contending factions within their own political system. They do not have much time or energy to think separately about events or conditions in the world outside.

In the United States the President every morning receives intelligence — "The President's Daily Brief". The Director of Central Intelligence is available to answer any questions the President has about the world outside. For the most part, for presidents and their staffs is common to pay less attention to what comes to them from the Intelligence Community than to documents that have a more direct bearing on the domestic situation.

In the White House, the first thing that is read by the President and his staff is "*The Washington Post*". And it is not read for information about what is happening in the world outside. It is read to find out what people in the United States are saying about the President. And what questions are likely to arise at a press conference later in the day. The first thought in the White House about any foreign country is likely to have to do with its friends or enemies inside the United States. That is natural to a democratic system, and should be expected as a development in any nation, that the latter is in a process of becoming more democratic.



INFORMATION TECHNOLOGIES AND NATIONAL SECURITY

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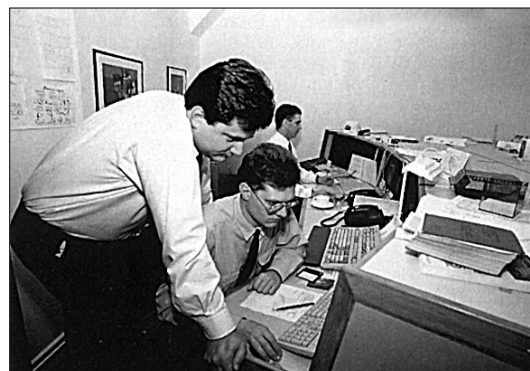
Information technology in this context means computers and computer networks, which are changing our capacities to collect data, analyze data, send it around the world, and coordinate this process. National security in this context means protection from unexpected events. Some of those events historically are at the center of most people's attention. Some of them may be military events and attacks in a physical sense.

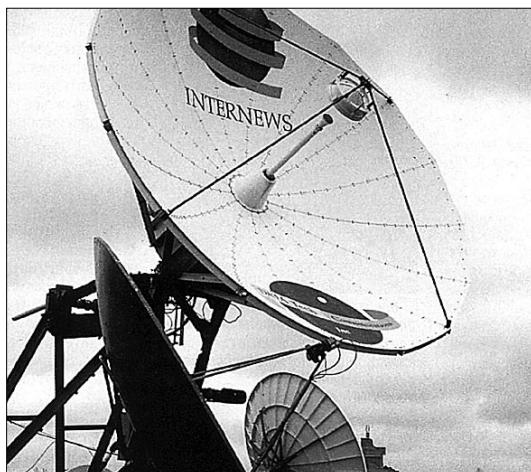
In today's world many of those attacks influence economy. What can we do to protect ourselves from undesirable economic consequences? I will focus mostly on, how public leaders are thinking about the issue of computers and information technology in order to promote their constituencies, their responsibilities, their missions, their organization and how to prevent unwanted negative factors that threaten the security of their organizations and their missions.

What do we care about? The first thing to note in public organizations is that we must resolve conflicts. In general, people are to produce important things: they are to produce national defense, to produce education, to produce housing or food... It is a multi-person effort. It is groups interacting together. But if groups are going to interact well, they have to coordinate things. In either case (big or small conflict) we have got to resolve differences of opinions. And the central idea is how to resolve those conflicts in a way, which we consider civ-

ilized, not with the use of force. And to do that people must see things sufficiently the same way. How do we shape values so that our conflicts are not leaving us so far apart we cannot agree? How do we legitimize certain values? When we have a conflict, whose values are going to win? And if the management of the organization has selected a set of values, how do we enforce those values to make them real? That is a fundamental problem in management or governance.

What changes in management or governance occur because of computers and telecommunications? First, we note that lots of management in coordination happens by letting people work it out by themselves. That is sort of a broad principle behind market. Let people trade, when they want to trade. One of the several reasons, we think that can be a good idea: we get a lot of focus on what customers want, when people, who produce, and people, who buy, can





just work it out by themselves. Second fundamental thing is that, if we go out to a market, instead of buying all the resources we need to produce something inside the organization. The market actor can work at the economy of scale that makes the most sense. In addition, in lots of places around the world, we find that people like freedom, that market provides for people, to do pretty much what they want. Markets have had a huge growth in attractiveness over the last 10-15 years. Of course, they do not work perfectly. They may work well in some cases, in others we face difficulties. But there are lot of market failures, where letting people work it out among themselves, is not a very good idea.

So, we turn in two areas, two authorities to resolve this conflict. One authority is that traditional governmental authority, when we do collectively decide, what is to be done, and not let people just do what they want. One answer, as we need to do this in order to resolve the conflicts, that are in the market economies, with contracts between people. Two people have worked something out. They then disagree. How do they resolve that disagreement? They go to the police and the courts to enforce contracts without bloodshed. Fundamental underpinning for all market economies is a government that can govern.

Another idea is that markets do not resolve conflicts among people, who do not have purchasing power in the market. In addition, markets do not care about fairness. Many of us feel much more comfortable morally and politically, when issues of fairness get handled by the community and not just by markets. But if markets can fail, so governments can be tyrannical, the power of government can't be well controlled, and we worry about the failures of the government process.

The second authority is used to coordinate things. For most individuals, our life goes more in organizational manner, perhaps than in home

life and market life. We have a hierarchy of authority that resolves many things. And when we deal with people inside the organization, to get things done, we are dealing with people that we know well. It is not the same as negotiating the contract with an outsider.

In general, the idea of organizational design is to reduce coordination costs and the governance of these groups activities. We also have organizational failures. This is being a long wind up. I am trying now to say what computers and telecommunications do in order that leaders could govern inside organization and in entire society. To do that, we have to say something about what does information technology enable us to do.

The first question is: "What is information technology?" It means two fundamental things. The first is processing. The processing can now hunt and find the next step, much quicker than it could 30 years ago? Processing has doubled its productivity twice every two years. How much more productive is the processor in your computer now, than it was 30 years ago? You can do the calculation. You double the productivity 15 times, or roughly 32-33 thousand times more productive. We can use this to help people find out, what the next step is in the process.

The ability to find information is one thing the computers do. And they use that ability to change jobs in the organization. The other thing they can do is to send the answers to these questions anywhere in the world immediately. The question still is: "How to add the value? What is likely to happen to the governance and management of public sector organizations, military or otherwise?" The first thing that happens is that all the rules can now be looked up quickly. They may be used to eliminate certain handoffs. Work that used to be done by 12 or 15 different people, today could be done by one person. It is also allowing many public and private organizations to get much of their work done by outsiders. Because they can see and coordinate much easier.

Organizations around the world struggle with using computers not to just automate (what was done before), but to redesign it fundamentally in this way, which is a difficult political issue. Because everyone has a job that may change, or may be eliminated by a new way of designing the work. Revolution is a difficult word, but this is a revolutionary process. And it is happening in many places.

The big trend. What has happened over 30 years? The fundamental thing is that the computing processors in the computer networks have grown so, that the whole technology component



is some 32-33 thousand times more productive than it used to be. But the interesting aspect now is not "automation". It is "innovation" that promotes a fundamentally different way to do something. We have shifted from bringing the technologies and consider them to be the problem, and have them solve it, in a situation, where traditional leadership and conflict resolution make people agree with what is necessary, even when it is difficult. That is, what we are trying to get done. Where are we heading with this?

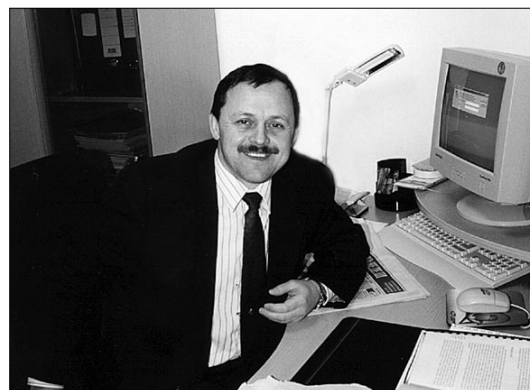
There are some numbers from North America. More people are breaking the law than they used to. We have been getting conflicts to be resolved and the richer getting richer faster than the poor. When I graduated from college, 82% of Americans thought, their Government did the right thing "most of the time". That number has decreased to around 15% today. The continued trends to inequality we are wondering about are a great concern for those, who are trying to use technology more aggressively. We have been getting more inequality during the last 30 years. Will it continue? There is a strong set of people, who believe the answer is "yes". But there is another set, that thinks the ultimate answer may be "no". The broad picture is, we have been getting welfare, as the economy has used information and information technology more aggressively. But we have been getting more conflicts. And very broadly, people trust the Government less.

Lots of people are trying to understand that this model is not perfect, and influence may be going in many different places. Where will it go? And where should it go? Where are the natural communities of people interacting and interdependent that must have their conflicts resolved? And who should have jurisdiction? Much of these will happen in organizations very much like the World Trade Organization. But managers of these organizations are uncertain.

CONCLUSIONS AND PROPOSALS

First, the way we are organized inside our organizations and for governance beyond them is being strongly influenced by our ability to process information and produce things differently. This may be the core of the "number one" problem that must be resolved by leaders in the near future. That national security, properly understood, will have as much to do with the economic performance of social institutions, as with the military performance. And both will depend on how technologies are used.

The core problem for you, as a leader of any public sector institution, has shifted. For



technology, the problem used to be "how to automate". But the problem now is "how to invent very different ways of organizing the work". It is a problem of innovation. You can not successfully delegate this kind of problem to a computer company or to a computer specialist inside your own organization. The core of the problem happens after you get the computers to work. It is: "How do we want to organize things here?" To get this done, you will have to be good and know something about what this computing is bringing to the world.

As a place to begin with many public sector organizations, at least in North American context, the ones, we deal with most often is that the "Internet" is making a big difference. To offer services that reach your suppliers or your clients 24 hours a day from almost any place in the world is a very attractive thing to do. When it has been done, it has often been successful. But there have been enough problems that remain to be worked out. There is a long agenda yet to be serviced on network delivered services.

Our work has focused very heavily on getting the Government to do, what the private sector organizations are clearly a little ahead on, which is to offer the services more efficiently, more accessibly over the "Internet" or other computer networks. But if Government cares about fairness, and if Government cares about jurisdiction, those issues are going to come into play powerfully and soon.

President Kennedy said in the sixties, that it is time for a new generation of leadership to cope with new problems and new opportunities, because there is a new world to be won now. We still have many of those problems. We have not solved all of those problems. But if there is a new world to be won, and if Kennedy were here today, he would also note that the fundamental ability to reorganize work is very powerful and will take the leadership. That is where we need the leadership.

WHO GUARDS THE GUARDIANS?

*Michael DASCH,
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There is an old Latin phrase: "Who guards the guardians?" Civilian control of the military is a necessary precondition for democracy. Without civilian control we can not be a democracy. The United States Government devotes a lot of resources to promoting civilian control. There are many programmes and institutions, which the US Government supports to promote civilian control of the military throughout the world. The reason the United States Government is so committed to this is the widespread recognition that without firm civilian control of the military there can be no democracy. That is a very obvious point. Another argument, you might find a little bit more surprising, is that civilian control of the military is not only good for democracy, it is also good for the military itself.

What we mean by "civil-military relations"? Even if we can figure out exactly what civil-military relations mean, how do we know, whether these relations are good or bad? The distinction between civilian and military is clear in theory, but very murky in practice. For example, on many policy issues there is not a clear military position and a clear civilian position.

There are certain organizations in governments, for example, intelligence organization.



In the United States, the Central Intelligence Agency is perhaps the best known part of the American Intelligence Community. And it is largely a civilian organization. The vast majority of the American Intelligence Community is comprised by military intelligence, the service intelligence organizations, the National Security Agency etc. This is a complicating factor on this civil-military division.

What we do with para-military organizations? Especially Russia and the other former Soviet states (newly independent countries) have very extensive para-military sorts of organizations: border troops, troops of the ministry of interior, etc. Many European countries



have similar sorts of organizations. The "carabinieri" in Italy. Where are these organizations from? One more complicating factor in the civil-military equation is retired military officers. Especially military officers, who retire and then go into civilian government positions. Or retired military officers in Congress. And finally, where did defense industries fall in this situation? On the one hand, in the United States we rely quite heavily on the private sector to produce our weapons. On the other hand, large percentage of people, who work in defense industry, are either retired US military officers, or people, who work there so long, that their perspective is indistinguishable from the military position. The point of all this is not to say that civil-military relations is a meaningless concept, but rather to emphasize that **it is a much more complicated issue than it seems at first blush.**

Good civil-military relations exist, when there is effective national security policy in a state. I want to be very careful to make clear, what I am arguing. In general, civilian control of the military produces better national policy. But effective national policy is not the only objective of the civilian control of the military. **There are two objectives: preservation of democracy on the one side; effective national policy on the other side.** Often they go together, but not always. Let me comment two historical examples. In the United States during the Vietnam War the Joint Chiefs-of-Staff had fundamental reservations about, how the Johnson Administration was conducting the war in Vietnam. Essentially, they saluted and obeyed orders and did not descent publicly from policies, that they were sure, were leading the country to disaster. That is one illustration of how strong civilian control may not produce good national policies. Another historical example: in June of 1940, after the German defeat, French military basically splits in two. A small fraction of the French military goes into exile with Charles de Gaulle. But the vast majority of the French military remains loyal to Marshall Patone and the Vishi regime. So, the criteria of effective policies is very complicated.

And finally the criteria, I use to judge civil-military relations. When I talk about civil-military relations, I am talking about civilian control of the military. And basically the question I would ask, is on major policy debates, which divides the civilian leadership from the military leadership: "Who prevails in those debates?" If the civilian leadership does, we have good civil-military relations. If it does not, we have a problem. What factor affect civilian control of the military? There are four clusters of factors.

The first has to do with the character of the civilian and military leadership. Obviously, if you have a weak civilian leadership, civilian control is not going to be very strong. Conversely — the character of the military leadership may also affect civilian control.

The second factor has to do with characteristics of the military organization itself. There are two elements. One has to do with the unity of the organization itself. Many people in the United States point to the reorganization of the American military, of the mid-eighties, which created for the first time in a long time an American General Staff, as being a problem for civil-military relations. A second factor is organizational culture. With reference to the American military, the notion that the US military is subordinate to civilian authority is very deeply ingrained in a US military's organizational culture.

The third set of factors involves the nature of the civilian government and society. Many people would argue that the fact that control of the American military is constitutionally divided between the Congress and the President is a problem. There is a very famous saying: "He, who serves two masters, serves neither." In fact throughout the Cold War from the National Security Act of 1947 and 1949, the President as Commander-in-Chief has had primary responsibility for exercising civilian control of the mil-



itary. Another factor has to do with the strength of the institutions of civilian government in a society. Basic argument here is, if the institutions of civilian government do not have much legitimacy, it is going to be very hard for them to exercise very firm civilian control of the military. This is a problem throughout the "Third World", where the only institutions in many of these societies that have much coherence are the military once. Often, the institutions of civilian society were very weak. A third factor has to do with the method of civilian control. In Huntington's very famous book he drew a distinction between two ways of exercising civilian control of the military: objective control and



subjective control. Objective control was referred to a situation, where you would delineate a clear and distinct military realm: the operational level of war and down. And a civilian leadership would say to a military leadership: "We will give you a great autonomy in this purely military realm. In return, you allow us to make decisions of the higher political level". Huntington contrasted that with a different pattern of civilian control, which is subjective control. And instead of having a distinct military and civilian realm, the idea here is to merge them as much as possible.

The fourth set of factors. The domestic and international threats environment. Military organizations, that are configured primarily to fight external wars, are much easier to control, than militaries, that have a substantial internal security role.

Let me turn briefly to the heart of the talk, which is my argument that civilian control of the military is good for the military. Any military professional ought to be an enthusiastic proponent of civilian control. Let me suggest four reasons why that might be the case.

First of all, a country's economy represents the "muscles" of its national military power. Civilians are much better able to manage an economy than military professionals are. That is one reason. The second reason is that civilian democracy is better able to generate popular support and to build an enthusiasm for a war effort. Third, civilians tend to have different biases than military professionals. I am not saying the military have no biases, but they have different biases. And so, in a civilian democracy the biases of the civilian leadership and the military leadership will likely cancel each other out. Finally, if democratic civilian leaders make the wrong choice, it is relatively easy to correct them. You vote them out of Office. That is a very powerful incentive for national leaders to make careful decisions on when and how military forces are employed.

Let me just talk briefly about some current trends. They are little surprising. For example, the trends in some areas of the "Third World", which previously had very poor civil-military relations, look much better. Argentina, Brazil, Chile are all civilian democracies now. All three countries previously had military dicta-

torships. Conversely, in some areas of the developed world, that previously had excellent civil-military relations, things are less good now. Over the past 7-8 years there have been a host of problems in American civil-military relations. In Russia, civilian control of the military is not as strong as it once was. And events, surrounding the latest military operation in Chechnia, make that clear.



What explains these surprising trends? It is clear to me, that in Argentina, Brazil and Chile one of the big changes has been reorientation of those militaries away from domestic military missions. And that has improved civil-military relations there. Conversely, **the problem both the United States and Russia face when dealing with their militaries, is the end of the Cold War. And the end of a clear external mission for those two militaries.** I am not equating the status of civil-military relations in Russia and in the United States. I think, things are much more serious in Russia than in the USA. But the only thing, that I would compare those two, is that the problem of the end of the Cold War has left them with. When the external threat changes, as radically as it has, there is always something of a crisis in finding new missions for a military.



PEACEKEEPING OPERATIONS: MILITARY INSIGHT

*William NASH,
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provisions of the Dayton Peace Accord in Bosnia and Herzegovina (1996)*

The purpose of the division operation was to contribute to peace in Bosnia. We were not going there to win the hearts and minds of the people of Bosnia. But my strong belief both from before the operation and during, and afterwards that the successes of our efforts in keeping a peace were directly attributable to our proficiency and credibility as a war fighting force. We operated from a position of strength throughout the time we conducted operations in Bosnia.

We entered, of course, at the end of approximately a four-year war, with three armies have been fighting near continuously for four years. We were in with a mind set of total domination of our area of operation. The American Secretary of Defense Mr. Perry described to the press the fact that we would be the biggest, meanest, toughest dog in town. We did not consider ourselves neutral. We considered ourselves an agent of the Dayton Accord. We decided that we would not ask permission of anybody to do something. I distinguished between neutrality and evenhandedness, because we were definitely an interested party and we had an agenda to follow. Very positive aspect, as opposed to a more negative one of sitting, watching, and observing — we were active. It was clear from the very outset that we were both capable of and willing to use force to ensure compliance. There were numerous occasions from platoon level to division level, when we were literally cocked our guns and prepared to execute a combat operation. Fortunately, we were never challenged.

Americans are sometimes criticized for an overemphasis on force protection. Mission accomplishment was the priority, but associated with a preservation of combat power, of our soldiers. We were never in a posture of being apprehensive about receiving casualties either through combat or accident, we were always conscious of that measures necessary to prevent them, and if we were in doubt, we took extra care. I was most concerned about a hostage situation. I understood that the headlines on television and newspapers from a small defeat would be much more important than an extra military implication. We traveled in large groups — platoon-size formations. We were always in a posture to react to tactical situation. Representatives of all three armies in Bosnia (Croats, Serbs, Bosnians) all commented to me about their envy of the discipline, the competence, the professionalism of our forces. In my mind I left that experience.

In our intent from the very beginning we made a very key statement about peace-building as part of the peace enforcement mission. I gave one sense, which, I believe, told my commanders the most important consideration — our implied task for the conduct of all operations is to facilitate non-military efforts towards infrastructure development, economic growth and democratic practices. Everything we did militarily was designed to facilitate non-military efforts towards democracy, economic reconstruction, the rule of law and the promotion of human values in the country. Critical to this, of course,



were lines of operations. Traditionally, soldiers are familiar with lines of operations. These are from the United States Army Field Manual. But in peace operations it is very different. There are multiple lines of operation.

And what is key — is the linkage between the political, the economic and the military, and in fact we put in many other lines of operations here. We can put in the social lines. Human rights lines. The hard part was here: court systems; municipalities; elections; banks; roads; and of course trade. In Bosnia obviously the social issues included ethnic diversity, the rebuilding of the social fabric over time. This is a very difficult problem to focus on. There is no single organization, designed to look at all these problems.

Something we all too often forget in dealing with these peacekeeping situations is that we have to begin with the indigenous institutions that you want to create over time. You obviously are looking to build the indigenous institutions up to a point, where they are self-sustaining, self-sufficient. As far as the local focus has been on war or conflict, military intervention will have primacy in the early days. There is a rapid build up of military capacity, which is designed to stop the fighting, separate the combatants and start the business of creating the absence of war. The critical point, the red dot, is the transition between military primacy and civilian primacy.

It is often the case in conflict, when there is the civilian presence in the area before the military presence there. But the civilian capability of the international community is much slower in building up than the military capacity builds up at the end of the conflict. I give evidence of Bosnia and Kosovo as an example where the military builds up the force much faster than civilian institutions can build up their

force. Today, in Kosovo the organized military conflict is over. So, the military role is definitely under decrease. Civilian priorities have grown up in Kosovo rapidly.

I think we need to pay more attention to transition of the responsibility for military stability from the international community to the indigenous people. The Dayton Accords were very weak in a design of the civilian implementation. Further complicated by the lack of international support to the civilian institutions, designated to build the civilian implementation. We had great difficulties with civil-military coordination at the operational level. Kosovo is better, but not as good as it needs to be.

The coalition is put together to accomplish something. And being a multinational force, commander requires a degree of dignity and respect for all components of the coalition as great as you have for the dignity and respect of your own national soldiers. The use of the commander's intent is very important for American military operations. Using that intent in a multinational environment was just as productive with Russians, and Turks, and Swedes and Poles, as it was with Americans. I did not talk to the Russian through the liaison officer. I did not talk to the Turk through the liaison officer. I talked to the commander. I talked as long as necessary to make sure he understood, what I was talking about. The human interaction is essential. In Bosnia I was visited by 11 ministers of defense. And each one had a useful advice for me. And they all felt like they could give the advice, because I had their soldiers in my command. I treated all ministers of defense as my minister of defense. But I also had an international objective. The strengths of these operations are the professional nature of the militaries involved. Professional military attributes overcome geography and language.

My impressions of the Ukrainian forces are positive from my time in Bosnia. A characteristic, that I had read about for many years of Soviet forces, I found to be true with the Russian forces, I worked with in Bosnia. It was an organization of central planning, where it was little initiative given to the subordinate soldiers. One of the proposals, I would submit, it is the development expansion of decentralized operations, which is essential in peacekeeping environment. The sergeant, the lieutenant and the captain on the ground have to make decisions. They cannot wait for battalion, brigade, division, Washington or Kyiv to make a decision. Decentralization is essential, as well as the education of commanders to see a much wider battle field of peace-building, as opposed to just military operations.



PRESENTATIONS OF THE PROGRAM PARTICIPANTS

PRIORITIES OF UKRAINE'S NATIONAL SECURITY



*Serhiy PYROZHKOV,
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From the very beginning, Ukraine's independence meant paying a significant amount of attention to the issue of national security, while the National Security Concept of Ukraine began being developed immediately after the country gained state sovereignty. In July, 1992, a Decree of the President of Ukraine created the National Security Council of Ukraine (NSCU) under the President of Ukraine, as a consulting-advisory body within the system of the bodies of state power.

It existed in this form until 1994, when another presidential decree established that the Council also performs organisational and co-ordinating functions. Giving the NSCU co-ordinating powers, along with measures for creating a system for ensuring national security (the

Armed Forces, the Security Service, structures within the Ministry of Internal Affairs, the units of the Border Troops, and the Customs Service) made the activities of the Security Council more effective, and it began to deal with complex and large-scale issues of the state's existence. Certain limitations were also experienced, since the status of the Council was defined at the level of presidential decrees, while its activities actually influenced the acts of the President, the Government's activities, the power structures, etc., and objectively demanded approval on the constitutional and legislative levels.

The indicated requirements were reflected in the Constitutional Agreement between the Verkhovna Rada and the President (1995), where the status of the National Security Council was determined, as well as its place within the system of state power in Ukraine. This issue was elaborated in detail in the Constitution of Ukraine (1996). **In the first place**, the Constitution names a new state body — the National Security and Council Defence of Ukraine (NSDCU), which inherited the functions of the former Defence Council and National Security Council. **Secondly**, the Constitution makes the NSDCU responsible for the functions of co-ordinating and controlling the activities of the bodies of the executive branch in the area of national security and defence. **Thirdly**, the Constitution lays down fundamentals for the creation of the NSDCU. And **finally**, the Constitution contains a direct assignment with respect to drafting a special law which would define the functions and powers of the Council.





Therefore, today, the National Security and Defence Council of Ukraine is a specialised state body with a constitutional status, and an organic part of the system of power, called upon to ensure one of the most important constitutional functions of the President — guarantee the state's independence and national security.

The tasks and the principles of the activities of the NSDCU are defined by the Law "On the National Security and Defence Council of Ukraine" (1998) and the National Security Concept, approved by the Verkhovna Rada in 1997. The law provides the functions and competence of the Council in both war and peacetime, its make-up and structure, the procedures for its functioning, the powers of its members, etc. The Concept more or less clearly defines those areas of social activity that are affected by the policies of national security.

The directions of the country's national security policy which have become, or are in the process of becoming, the subject of continued attention, were more clearly defined during the period of existence of the Council, its apparatus, and its subordinate research establishments.

It is worth noting that in 1994, the National Institute for Strategic Studies (in the report "The strategic development of Ukraine: the challenges of time and choice") concluded that the main threat for Ukraine is its domestic problems, and the main danger can be found in the economic sphere. Its removal depends on whether Ukraine undertakes fast-paced economic reforms and makes its transition to stable economic development.



Therefore, the problems of Ukraine's national security are concentrated within the main priorities of the country's development. Until 1997, the main directions of the country's national security were: ensuring territorial integrity, reforming the economy, and creating a self-sufficient energy supply system. With the signing of the large-scale agreement on friendship and co-operation with the Russian

Federation, the problem of Ukraine's territorial integrity was definitively resolved. The daily agenda no longer included the problematic issue of the status of the Crimea, despite the fact that some political forces in Russia bring it up on occasion. Our country stated that among its most important priorities was maintaining friendly relations with neighbouring states on all of its borders.

Today, the main priorities of Ukraine's national security are concentrated in the following main spheres: **the political and military-political, economic, and humanitarian spheres.**

In the political and military-political spheres, the following priority issues can be distinguished:

- ❖ The settlement of global, regional, and national interests under a multi-vectored, and multi-level foreign policy of Ukraine within the system of international and regional security. The development of a partnership strategy with various countries, even if relations with them become more strained (in particular, between the Russian Federation and U.S., the Russian Federation and Poland). Carrying out international obligations in the area of non-proliferation of weapons of mass destruction, and disarmament.

- ❖ The correlation of domestic and foreign security factors. The formation and reformation of state and inter-state organisations, structures, and mechanisms for implementing the country's foreign political strategy (integration with the Euro-Atlantic community; co-operation with NATO, the Council of Europe, the European Union and the West European Union, the countries of the "Big 7", the strategic partnership with the Russian Federation; relations within the CIS framework and with Central European countries). External influences on the process for approving of state decisions and on state institutions.

- ❖ Optimising the mechanism for ensuring the country's national security (both domestic and foreign) in the process of deepening administrative reform. Improving the mechanisms of organising and providing funds for the scientific and information-analytical support of the activities of the bodies of state power and governance.

- ❖ Ukraine's participation in international humanitarian and peacekeeping operations. The development of military-political and military co-operation with foreign countries.

- ❖ The system of regulating border disputes and conflicts in the process of delimiting and demarcation of the country's borders, exploration of the sea shelf, delimitation of the sea shelf, areas of developing sea resources, etc.

- ❖ Defence reform within the structure of state transformations (improving the structure, functions, and defining of the optimal strengths



of the country's military formations, the introduction of democratic civilian control over the military sphere). The optimisation of interrelations between military formations, law enforcement bodies, and other power structures.

- ❖ The introduction of a nation-wide system of measures directed toward the fight against corruption, organised crime, terrorism, drug trafficking, illegal migration, overcoming the processes that render the economy, society and the authorities increasingly criminal. Co-operation on these issues with international and regional organisations, and the national security structures of other countries.

The main priorities in the sphere of economic security are:

- ❖ Creating a safe environment for conducting structural and institutional reforms in the economy (privatisation, effective governance over state corporate rights, the investment process, deregulating the economy, etc.), and providing for a strategy of economic growth. Increasing the competitiveness of Ukraine's economy, and strengthening innovative and scientific-technological components.

- ❖ Optimising the budget process. Restructuring and repayment of Ukraine's foreign and domestic debts.

- ❖ Creating a system of economic relations that would lead to pulling the economy out of the "shadow" (bringing the financial and credit sphere back to health, and preventing the outflow of capital; reforming the tax system; decreasing the barter economy and the cash flows outside the banking system; the problems of legalising "shadow" capital, the hidden employment of the population, and its social consequences).

- ❖ The country's energy security. Creating a transparent environment for the stable functioning and development of the fuel and energy complex (overcoming the negative tendencies within the electricity sector; diversifying the sources of energy resources supply through the development of transport corridors within the system of GUAAM countries, as well as through trade relations with the countries of the Middle East).

- ❖ Providing for food supply security, and resolution of the problems of the agro-industrial complex.

- ❖ Technogenous overburdening of the environment. Decommissioning the Chernobyl Nuclear Power Station, and ensuring the safety of the sarcophagus (the issue of involving international organisations, and the effective use of funds provided by them).

- ❖ Deepening integration into the world economic system (reorganisation of foreign

economic activities; Ukraine's participation in the creation of international transport corridors and their infrastructure; improving the policy of customs tariffs; increased participation in the activity of international trade-economic and financial organisations, etc.).

- ❖ The issue of equipping the Armed Forces with arms and military hardware (independent designing and production; foreign purchases; joint designing and production with other countries). The optimisation and funding of state defence orders, production and the purchase of arms, military equipment, and spares for the Armed Forces of Ukraine and for other countries.

- ❖ The planning, financing, and implementation of the State restructuring program, conversion and privatisation of defence industry enterprises.

Important priorities of national security in the humanitarian sphere are:

- ❖ The processes for developing society (political structuring, ethno-political consolidation, inter-confessional accord). The problems of the socio-psychological adaptation of the population to the processes of present-day modernisation, innovation, and market reforms.

- ❖ Improving the country's demographic situation. The state of the system of public health care, and its correspondence to the present environmental situation.

- ❖ The development of modern science, education, and modern high-tech designs as a basic component of modern national progress and security.

- ❖ The development of an information environment in Ukraine. The creation of the country's image, and the effective representation of the values of Ukraine's traditional and modern culture as a part of the world information space and culture within the context of Ukraine's integration into the international community. Ukraine's informational presence in important regions (Russia, GUAAM countries, Western and Central Europe).

- ❖ Resolution of the problems of one-sided foreign socio-cultural, religious, and *information expansion*, undertaken with the goal of imposing political dominance and strengthening the political influence; countering the misuse of mass media capabilities for manipulating public conscience.

Thus, at the present stage, the main priorities of Ukraine's national security include three main spheres: the political and military-political, the economic, and the humanitarian. Therefore, the activity of the authorities should be concentrated on resolving the tasks of ensuring the country's national security namely according to the indicated directions.

GEORGIA HAS ALREADY DETERMINED ITS STRATEGY...



*Joni PIRTSKHALAISHVILI,
Lieutenant General, Chief of the General Staff -
First Deputy Minister of Defence, Georgia*

Georgia's National Security Concept ensures the integrity of formulating and pursuing state policy in the area of national security. It is concerned with unifying approaches in the formation of the legislative base, the development of doctrines, strategies, concepts, and state and ministry programmes in different national security sectors.

Georgia has been independent for ten years. This period was extremely painful for the country. In 1989, a new stage in Georgia's struggle for independence began. The country went through an internal war in 1991-1992, and the war in Abkhazia in 1993-1994. There have also been achievements. One of them is the operational oil supply pipeline Baku-Supsa, and the agreement on the commissioning of the Baku-Tbilisi-Ceyhan oil pipeline.

When defining political strategy, one should keep in mind that Georgia has already announced its Western orientation. As far as economic targets are concerned, after the break-up of the Soviet Union, our economy virtually collapsed. External and internal conflicts stopped practically all plants and factories, so we had to restore lost facilities on a new basis within a short period of time. In this endeavour, we feel support from both the West and the fraternal

Ukrainian people. Since 1991, Georgia has been in a state of war. It had no Armed Forces, and When Russian troops left the country, they took munitions with them; what was left went into the hands of our enemies. Georgia lost the war in Abkhazia, but it was defeated by Russia, not by Abkhazia. The only people that stood shoulder to shoulder with us was the Ukrainian people. Nearly 200 Ukrainians fought together with us. And when times were tough in 1994, when thousands of people were to be evacuated from the mountains, Ukraine deployed a helicopter regiment and helped us.

Today, the internal hotbed remains in place, and external threats remain real, as we actually lost part of our territory, and Russian military bases still exist on Georgian territory. Therefore, we need to keep our Armed Forces combat-ready, conduct reform, and build up the Army at the same time.

The strategy for this has already been determined. Above all, this is our relations with NATO and participation in the «Partnership for Peace» Programme. Our troops are employed in Kosovo, where we rely on support of the USA, Turkey, Germany, Ukraine, and other countries. Georgia is seeking an alliance within the GUUAM framework.



MILITARY EDUCATION IN UKRAINE WITHIN THE CONTEXT OF THE HARVARD PROGRAM



*Mikola NESHCHADIM,
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Ukraine's entrance into the world community after the long authoritarian rule and limited international co-operation is taking place with difficulty, painfully and, unfortunately, not without mistakes. We believe that the evolution of this process has a positive direction, and should be supported at various levels of state and international institutions interested in retaining such a tendency.

After Ukraine declared its independence, an active search began for the country's own path of building and developing education and science. Creation and development of a pliant, open system of permanent education on the basis of world experience should establish the foundation for the already begun national revival of Ukraine on the basis of statehood and democratisation of the society.

An integral part of state education system is military education. Formation of up-to-date high-effective system of military education, its priority development in building the Armed Forces of Ukraine has become an important and responsible task of the state.

Today, it can be said that a system of military education has been created in Ukraine as an integral part of the overall state system that takes into account the characteristics of the professional military training of specialists. Its functioning and further development are taking place in the legislative field which is based on the Constitution of Ukraine, and is regulated by the Decrees of the President of Ukraine, Govern-

ment resolutions, ministerial normative acts, international agreements and treaties.

Military education is also a part of a national system of education in Ukraine. Directing the training of specialists for all power structures within a single system of military education is being done by the Ministry of Education, and other central bodies of power to which military educational establishments are subordinate, on the basis of the recommendations of the Coordinating Council — a collective advisory body attached to the civilian Ministry of Education.

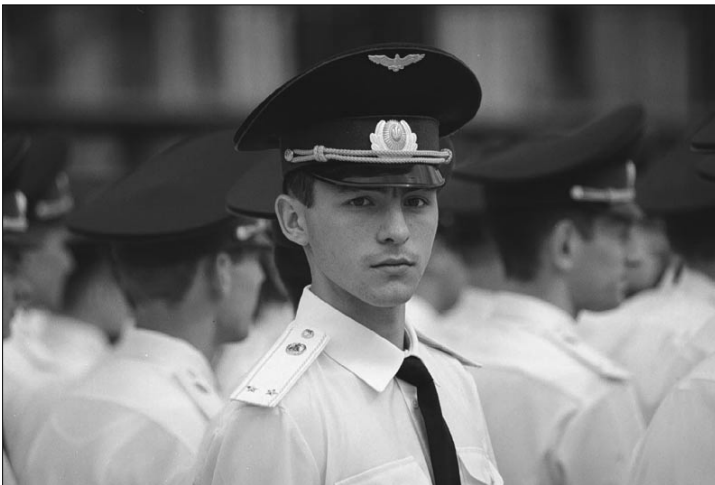
Also, an analysis of the practice of the normative-legal regulation of military education in Ukraine, and familiarisation with the experience of foreign countries in this sphere, make it possible to assert that this legislative base has a number of faults. The main of them include the





absence of an integral normative-legal Code regarding military education; individual social relations are not legislatively regulated; an imbalance in the interrelation between laws and by-laws; the existence of outdated and temporary principal governing documents.

Furthermore, in our view, **it is necessary to create a clear-cut legal mechanism that provides for the functioning of state policy in the area of military education:** create a stable and precise system of normative-legal acts; provide systematic and active control over compliance with the law, and generalise the practice of its application; introduce a system of expert assessments; perform fundamental and model educational studies; conduct seminars, conferences, and develop propositions; improve the methods of management.



Solving the indicated, and other, problems of establishing military education in Ukraine is taking place with some complications, but in a determined and advancing way — the way of integration into the world com-

munity on humanitarian and democratic principles. The Harvard Ukraine National Security Program has made an important contribution to this affair.

The Program was started by a group of Harvard professors, and the directorship and employees of the Kennedy School. In the opinion of the Program's directors (shared by us), Ukraine occupies one of the leading positions in the world by its integrated potential. It is a geopolitically important nation, and is viewed by the USA as a strategic partner. It is namely these factors that were the reason for starting the Program whose positive realisation is viewed by us with optimism.

The Harvard Program gives good and smart things like:

- ❖ information and analytical materials regarding the problems of civilisational processes and European security, Ukraine's place in the world, and democratic relations between nations;

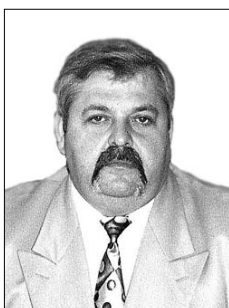
- ❖ conceptual approaches to the goals of national security, civil-military relations, the division of functions between the executive and legislative branches, the prospects for developing military affairs, the future of humanity, and regional politics;

- ❖ views on the assessment of threats to Ukraine, economic security, military professionalism, the armed forces manning, the organisation of national defence; military training, and the global character of education;

- ❖ discussions of all problems of democratic nation-building, and proposals that encourage the optimisation of this process.

Co-operation with the Harvard Program leads to the broadening of the participants' outlook by providing a system of contemporary and relevant knowledge.

SOME ASPECTS OF UKRAINE'S ECONOMIC SECURITY



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Ukraine's economic policy presently bears signs of the so-called neo-liberal model. It is characterised by such factors as the complete liberalisation of prices and foreign trade, reduction of the budget deficit, deregulation of the economy (i.e., diminishing the state's influence), rapid privatisation, and fighting inflation by purely monetarist, fiscal means. Under monopoly economic conditions, liberalisation of prices can lead to a complete collapse. Unfortunately, Ukraine went exactly in this direction. It was forced to do so, as Russia accepted such rules of the game. The border with Russia was virtually non-existent, and when prices were released there, Ukraine had to follow the same pattern.

That's why Ukraine had little choice when forming its economic strategy in the first half of the nineties, as it was a reaction to Russia's policy, and was confined to a set of measures for implementing the requirements of international financial institutions. Today, an analysis of the reasons behind the deterioration of basic economic indicators lays the grounds for discussing a number of threats to Ukraine's economic security, which emerged as a result of the pursuit of such an economic policy.

How do we understand economic security? This is a situation within the national eco-

nomy when the state retains mechanisms for neutralising factors threatening its economic interests.

Within this context, the national monetary system is cause for concern. It was virtually liquidated in 1992-1993 when the economy was dominated by the dollar, and the amount of cash in circulation rose dramatically. Starting in 1994-1995, tough limitations made it possible to reduce inflation. However, such a reduction should be understood as a "strangling" of inflation: after such measures, the monetary system was unable to correctly transfer market information and provide market incentives. Intense macroeconomic stabilisation considerably strengthened the monetary and currency components of economic security. At the same time, such strengthening occurred as a result of deep structural economic imbalances.

Another painful factor is the general status of the financial system. The financial state of enterprises remains difficult. For instance, in 1998, more than half of domestic enterprises, and close to 90% of agricultural farms, were loss-making. For Western economists, this is incredible: unprofitable enterprises must go bankrupt. However, such a huge share of bankruptcies points to certain problems within the national economy. At the same time, last year, as well as



in 1998, accounts receivable (or, in plain language, debts) were rising. Today, they exceed Ukraine's GDP. All this gives reason for discussing the weak financial state of enterprises.

Another important problem lies in the credit sector. This sector is unable to perform the function of accumulating and effectively redistributing resources. For example, the amount of authorised funds of Ukrainian banks that have been paid up stands at around UAH 2 billion, and the assets at their disposal are a little higher than UAH 20 billion. An average Boston bank probably has more funds. The lack of credit resources in Ukraine makes the real interest rate so high, that enterprises are virtually unable to use credit resources on a regular basis. Clearly, the production decline of the past eight years significantly decreased budget revenues. Therefore, under the pressure of the budget deficit, the Government was forced to give up using the budget as a means of economic regulation.

The Government is not likely to take the blame. It works under conditions created by Parliament. The pressure of the budget places the Government in a position of pursuing a tougher tax strategy. Enterprises are hiding from taxes in the "shadow". In 1998, tax arrears again rose, this time — by more than five-fold, and reached UAH 10 billion. The conclusion is that tax rates went beyond the effective measures, and turned into a factor of inflation, excessive expenditures, and decreased the competitiveness of the national manufacturer. Quantitative indicators reflect a real threat to national security. Public enterprises that went out of direct state management actually ended up in no one's hands, and now could be

operated within the unofficial sector of economy. An attempt was made to find ways for accelerating the privatisation of public property, but the absence of corresponding laws made this impossible.

A lengthy domestic demand crisis, and increased tax pressure led to negative changes in Ukraine's economy. For example, within the country's overall industrial structure, the share of metallurgy rose from 10% in 1990, to 50% in 1998. **This means, above all, that the domestic economy is moving toward developing energy-consuming, hazardous, low-technological production.** Ukraine is forced to move in this direction, since there is a demand for such production abroad. Therefore, the economic policy pursued in the country in 1990-1998 (despite successes in individual branches) was unable to accumulate the critical mass of market transformation which could influence the economy's overall development. The main development was that the overall macroeconomic stabilisation achieved in the country was not maintained by individual Ukrainian enterprises at the microeconomic level.

Therefore, it can be said that the Government overestimated the ability of Ukrainian businesses for self-improvement. On the one hand, the previous policy did not encourage the accumulation, or mobilisation, or even the preservation of institutional resources; on the other hand, company managers appeared unprepared for active market actions. The aggravation of social tension in Ukraine led to a dramatic gap between the interests of individuals, companies, and the state. The situation emerged where each of these components of the social organism was fighting for its own survival. In contrast to the economic policy announced in early nineties, the time has come to move toward restructuring the national economy on market conditions. The central element of this transformation can and should be the enterprise. The Ukrainian state presently has no resources for performing broad economic restructuring. Given the absence of foreign investments, it will be domestic enterprises themselves that will be responsible for finding funding sources. In this connection, the support of reform, and bringing the interests of enterprises closer to the national economy, require protective measures by the Government. It is clear that the state's credit, financial, and budget strategies need to be changed.



UKRAINIAN NATIONAL SECURITY PROGRAM



*Valeriy SHARYI,
Major General, Deputy Commandant,
National Defense Academy, Ukraine*

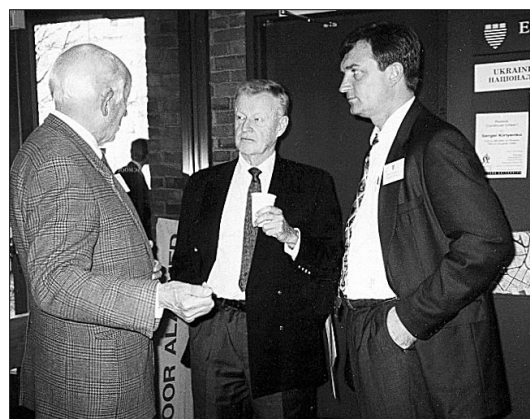
The Program's contents. The Program is thoroughly thought-out; it encompasses a wide range of issues that are of principal importance for mid- and top-level executives (public servants): strategy and national security, military security, economic security, the decision-making process, prospects for development, and administrative issues.

The schedule for the entire curriculum and for each day of study was drawn up beforehand, announced, and issued in hard copy to the delegation members at the very first organisational session. The high quality of planning and organisation of the educational process is demonstrated by the fact that there was not one incident where the replacement of a lecturer was registered over the two and a half week program period.

The qualification of experts invited to deliver lectures was extremely high. They included prominent politicians, diplomats, national security and geopolitics experts, top state officials, congressmen, widely known professors of the most prestigious American universities (Zbigniew Brzezinski, Samuel Huntington, John Deutch, Ashton Carter, Marshall Goldman, etc.).

Taking into account wishes of participants from the previous Ukrainian National Security

Program, the schedule provided not only planned lectures, but also group discussions involving 8-9 persons, so that participants could share views in a friendly atmosphere, and prepare short reports on the results of such discussions. In all, group discussions on three subjects were planned.



When discussing *the priorities of Ukraine's national security*, the participants touched upon Ukraine's priorities and policy towards Russia and other CIS countries, Central and Eastern European countries, NATO members, as well as defence agreements and arrangements, that need to be worked out with other countries and groups of countries.



When discussing *the priorities of Ukraine's economic security*, the focus was on the obstacles standing in the way of Ukraine's economic revival and development, Ukraine's strategy regarding trade with Russia and other CIS countries, short- and long-term strategies for Ukraine in the area of energy resources, taking into account its dependence on foreign oil and gas supplies, ways for reorganising Ukraine's defence industry in accordance with the country's interests.

When discussing *the problems of decision-making and military professionalism*, the participants concentrated on the roles of and interaction among, the National Security and Defence Council, the Ministry of Defence, and the Verkhovna Rada for purposes of effective policy formulation and decision-making. The steps related to improving, agreeing to, and adopting the defence budget were discussed, along with present-day approaches to defining the strength and structure of Ukraine's Armed Forces, as well as the role of the military in defining state policy, and civil-military relations.

The variety of training aids at the Kennedy School of Government is beyond our dreams.

All classrooms are equipped with static and dynamic projectors and audio equipment. Simultaneous translation of all speeches into Ukrainian and Russian was provided. Each student was given a complete set of materials: a case, a binder, historical references regarding Harvard University, a map of Boston, a Harvard University campus plan, a subway plan, a university telephone directory, a personal pass to university lecture-rooms, a pass to the gym, a guide to Boston, an ID card for admission to the library and medical station, a card for mini-van travel, a time-table of lectures, texts of all planned lectures, personal references of each lecturer, writing implements and notebooks. Furthermore, each student was assigned a post box for personal correspondence, and a free card for long-distance phone calls.

Living conditions were beyond praise. The delegation members lived in a university hostel,

which resembled a good hotel: single rooms, studies, living-rooms equipped with gas and electric stoves, refrigerators, quality furniture, telephones, and colour TV sets.



Meals were as good and diversified as at a restaurant. Leisure was also perfectly organised. The Program provided very interesting excursions, theatre, museum, sporting event visits, etc. It should be noted that all expenses for the educational program, lodging, meals, and transportation of the delegation members were paid for by the organisers, that is, by the U.S. side.

Proposals

1. The list of subjects and topics included into the Program should be agreed to with relevant ministries and agencies in advance in detail, depending on the delegation targets and personal composition.

2. The faculty involved with the training program should be informed in advance about the delegation's composition, and positions and ranks of its members. For each subject included in the Program, a list of questions needs to be prepared in order that the lecturer answers them. Such questions should be presented to the lecturer in advance, or at least prior to the lecture. If possible, the organisers should arrange that each lecturer should interpret his materials by taking Ukraine's present problems into account.



THE BALL IS IN UKRAINE'S COURT: SOME THOUGHTS ON THE US-SPONSORED NATIONAL SECURITY PROGRAM



*Robert HUGHES,
Colonel, United States Air Force,
Defense and Air Attache in Ukraine*

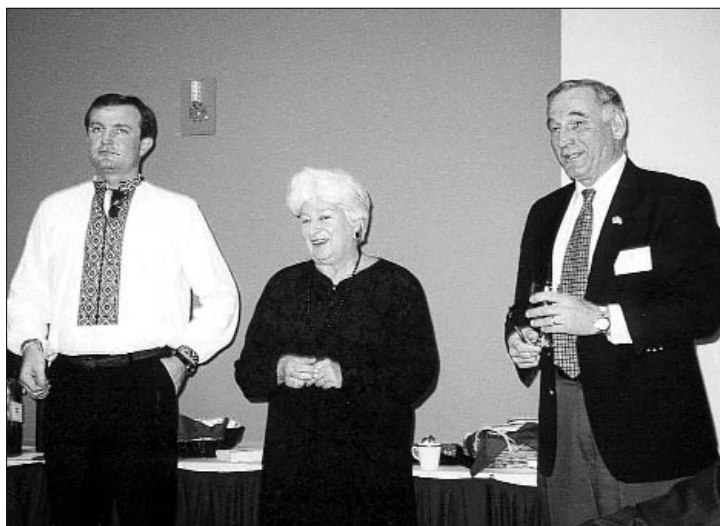
In November 1999, Professor Pyrozkhov, Director of the National Institute of Ukrainian-Russian Relations led thirty-five high-ranking delegates from Ukraine, Georgia, and Moldova to Cambridge, Massachusetts to attend a two-week seminar on national security hosted by Harvard University's John F. Kennedy School of Government. I had the extraordinary privilege of participating in this outstanding two-week Program and returned to Kyiv with deep and lasting memories of the many insightful conversations shared with my Ukrainian colleagues.

Picture a classroom setting with a room full of students. Not your average students, though. Over there sits the Chief of the General Staff. Right next to him sits the well-known director of a leading academic institute. Next to these "students" are the Chief of the Georgian General Staff and the Deputy Minister of Defense of Moldova. In back, are the reinforcements: deputy ministers, military officers, advisors, and academics. All are here to find ideas-keys that

might enable us to unlock doors to Ukraine's future of continued independence, regional leadership, and economic prosperity for her people.

Stimulating lectures and sometimes heated discussions enlighten me to the intricately tangled problems besetting Ukraine. Informal discussions afterwards continue to remind me that the challenges of independence and national





identity are not at all simple. Being here in one place with such a variety of people is doubly valuable: exposure to different ideas may trigger an idea to be developed later; discussions with colleagues from different ministries plant the seeds of transparency so necessary in team building.

This Program is about team building. Rarely do military generals, deputy ministers, administration advisors, and academics have the luxury of discussing important topics with each other in a totally relaxed environment. Over the days and weeks, such discussions reveal significant mutual interests and friendships begin to blossom. As the discussions deepen, soon frustrations surface and real problem solving begins.

Too soon, the Program comes to a close. It is not easy to part with "Momma Nancy".

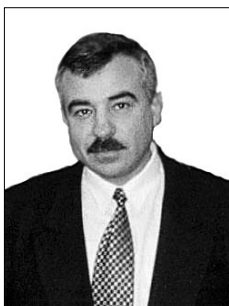
Dr. Nancy Huntington, Director of the Harvard Ukrainian National Security Program, and her outstanding staff looked after our every need for the last two weeks. Now we experience the bittersweet conclusion of an intensely personal and professionally useful Program. We also part from each other promising to stay in touch after we return to Kyiv.

Although formally concluded, the National Security Program is really only beginning. Back at work, as graduates, we begin to contemplate on the ideas, the discussions, the insight received from two weeks abroad. We begin to look for opportunities to reassemble and continue our discussions, so rudely interrupted by the swift arrival of the predetermined ending date. Occasional meetings with each other renew smiles and recall those newly forged friendships.

Three classes of Ukrainian leaders have graduated from the National Security Program so far. The experiences I describe are unique neither to me nor to any of the other graduates. Each of us feels a certain kinship to each other — a common experience, a genuine appreciation for the differing gifts and talents brought by each delegate, and a desire to extend this forum of exchange and discussion to Ukraine. Why should delegates travel so far for the privilege of exchanging ideas? Why not dream the impossible and take turns hosting reunions at one of the many institutes and centers so ably represented in the Program. Why not set a precedent for future graduates with a bright future to look forward to?

Ukraine, the match to be fought against the adversary of time has begun. The team is assembled; the ball has been served. And it is in your court.

THE KNOT IN THE TRANSDNISTRIA



*Anatol GUBOGLO,
Brigadier General (Ret.), former First Deputy Minister of Defense,
Republic of Moldova*

The issues of national security are urgent ones for the Republic of Moldova, and require a definition of priorities. The main tasks for our country are the consolidation of its independence and territorial integrity, continuation of socio-economic reform, strengthening its economic potential, and the development of relations with neighbouring countries. Equally important are the issues of further integration into European regional structures, the fight against crime, above all — organised crime, defeating corruption, etc. The problem of settling the Transdnistrian issue remains extremely acute. In accordance with its Constitution, the Republic of Moldova is a neutral state. This does not mean, however, our passivity toward matters of regional and European security.

The building of democracy continues; we are advancing, although not that quickly. The issue of internal stability in the country is very complicated. We recognise that the solution of this problem depends to a certain extent on the terms for the withdrawal of Russian troops from the Republic of Moldova. This primarily refers to ammunitions and other military equipment stockpiled in Transdnistria and threats to the environment within the entire region. Unfortunately, the solution of this problem is being delayed by the Russian side and, quite probably, intentionally. We believe that neighbouring Ukraine is capable of speeding up this process. In our opinion, it is not satisfied with the present situation either. We hope that Russian troops will withdraw from Moldova before 2002, and that Russia's declaration during the Istanbul summit in 1999 will not remain as

mere words. Indeed, the Transdnistrian knot is a catalyst for crime in the region and the entire country. This area continues to attract criminals from the entire post-Soviet space.

Within the context of agreements reached during the Kyiv meeting of the Presidents of Moldova and Ukraine, the Prime Minister of the Russian Federation and the head of the Transdnistrian Administration, in the presence of OSCE representatives, on July 16, 1999, decisions were taken regarding the establishment of a common border, as well as a common economic, legal, defence, and social space between Transdnistria and the Republic of Moldova. Unfortunately, they are being implemented with difficulty. This is conditioned by the existence of principled differences on issues which cannot remain unresolved. The Transdnistrian side exploits this situation to delay the negotiation process. For instance, the position of the Transdnistrian side with respect to the common defence space presumes the existence of two armies under a single command, which itself is inadmissible. The Transdnistrian problem goes beyond the borders of the Republic of Moldova, so, the neighbouring countries are equally interested in its expedient resolution.

We see the resolution of the national security problem of the Republic of Moldova in ensuring territorial integrity, the continuation of reform, normalisation of the situation in the Transdnistrian region, the withdrawal of Russian troops from the Republic, stepping up the fight against crime and corruption, and further integration into the regional structures of European security.

"LET'S WORK TOGETHER ON A NEW SECURITY STUDIES PROGRAM"



*Hryhoriy NEMYRIA,
Director, Center for European and International Studies,
Institute of International Relations, Ukraine*

Ukrainian National Security Program provided me with an opportunity not just to learn more about security, foreign policy and defense, but also encouraged to think heavily how to utilize an experience gained and lessons learnt. I came to a conclusion that the best way would be an establishment in Ukraine the structure and process that would help to strengthen capacity for policy analysis and formulation in a way that would bridge an evident gap between different cultures of national security existing in the West and Ukraine and would help to overcome traditional estrangement between the scholarly and policy communities in Ukraine. I would like to outline here my vision of a new Security Studies Program (SSP) that could well serve as a tool for achieving this strategic aim.

The program would consist of a combination of specialist training, research, and policy analysis in support of achieving the following goals:

- ❖ Refine and strengthen skills for public policy analysis and formulation and to improve the quality of government policymaking in Ukraine.
- ❖ Strengthen civilian control over the military.
- ❖ Support the institution-building of pol-

icy-oriented think tanks in the area of foreign policy and security closely linked to partner institutions in the U.S. and Europe; facilitate the closer integration of Ukrainian researchers and research centers into the international scholarly and policy communities.

- ❖ Build an active regional network of experts and institutions (strategic communities) capable of addressing strategically important issues of NATO and EU enlargement, and providing independent, in-depth analytical support for both governmental and non-governmental participants in the policy process.

One of the obstacles to continued reform in Ukraine was the inability of Ukrainian policymakers to secure independent, timely, and context-specific analyses of their policy options and of the longer-term consequences of their policy choices. I believe that there is now substantial political momentum behind the Program that needs to be utilized.

Firstly, Ukrainian President has signaled its intention to speed up political and economic reforms in all spheres including administrative and security ones. This indicates a readiness for a greater receptivity of alternative policy solutions and willingness to support a public



debate on important issues. The SSP would become an effective forum for policy formulation, public debate and thus help to sustain pressure for a steady progress along a reform path.

Secondly, EU-Ukraine relations have reached a critical phase and it is increasingly important to provide a broader political menu and timely high-quality analysis for decision-makers on various aspects of EU-Ukraine current and future relationships as well as on broader regional impact of enlargement. The SSP would increase policy analysis capabilities in Ukraine on these issues and would provide European partners a flexible mechanism to study issues of mutual importance.

Thirdly, U.S. - Ukraine strategic relationships require fresh ideas to dissolve a growing sense of frustration and dissatisfaction and to assure a positive continuity. If successful, the SSP would be able to contribute to this important task.

Fourthly, due to the current developments in Russia, some CIS countries (Georgia, Moldova, Azerbaijan etc.) are eager to intensify their contacts with Ukraine to explore further a positive potential of sub-regional cooperation to strengthen their security environment. The SSP could be one of the venues for providing such opportunity for them.



Fifthly, there are still prospects for better cooperation with neighboring countries, first of all with Poland, Romania, Slovakia and Hungary that are undercapitalized. Despite of intensive high-level governmental contacts there are no stable relationships with policy-oriented institutions in these countries. The SSP would help to bridge this gap contributing among other things to minimization of Ukrainian fears of being marginalized if not ignored in the course of EU and NATO enlargement.

The best way to achieve the above mentioned goals is to join efforts and expertise of

the leading Ukrainian organizations both governmental and non-governmental. I envision constructive engagement of such institutions as National Institute for Strategic Studies, National Institute of Ukrainian-Russian Relations, Center for European and International Studies (CEIS), Institute of International Relations, Ukrainian Center for Economic and Political Studies and others willing to contribute their time and resources. Needless to say that proper Program development would be impossible without cooperation and involvement of such governmental agencies as National Security and Defense Council, Ministry of Foreign Affairs, Ministry of Defense. Where it is appropriate the SSP will obviously benefit from the involvement of relevant Committees of the Verkhovna Rada. The Center for European and International Studies would thus play a catalytic role in shaping this partnership and coordinating the process.

I strongly believe that it is in this way that the Security Studies Program could help to institutionalize a still lacking in Ukraine an effective pattern of cooperation, including healthy labor mobility, between the governmental and non-governmental entities in the area of foreign policy, security and defense. Any other projects that currently are under execution at partner institutions would not compete but rather mutually complement the SSP.

As to the foreign partners, the CEIS have already discussed this with an interested parties from the Kennedy School of Government, Harvard University, the International Institute for Strategic Studies, and some other colleagues who indicated their willingness to build such partnership within the framework of the SSP. It is of critical importance to secure an involvement of the leading foreign institutions and centers to ensure efficient transferring of the most needed first class knowledge and skills.

Possible Program activities include:

Individual Security Policy Fellowships (ISPF) would provide an opportunity for senior (acting or just retired) and middle carrier executives and experts to spend 3-12 months at the Center for European and International Studies. Fellowships will be awarded to Ukrainian and non-Ukrainian citizens in the field of European and International Studies, European Integration, Euro-Atlantic Security, Civil-Military Relations. During their term in residence fellows will work on the issues of practical significance which involves reflection on their own experience and need to communicate with other experts, including those from academia (from Ukraine and other countries) to be



able to formulate policy recommendations for the Government and/or international organizations. Fellows will be expected to: 1) publish a significant work or policy paper in the field of Security (Security is understood in a broad sense) and 2) participate in the general research activities of the Center and partner institutions.

Security Studies Groups (SSG) would enable experts from different countries to communicate with each other to study strategic issues from a comparative perspective using an interdisciplinary approach and methods of analysis. We suggest using teleconferences as one of the modern and effective methods of discussion with research groups and individual experts based at partner institutions. The fact that the Center for European and International Studies is located at the Institute of International Relations we consider as a serious competitive advantage that would allow the SSP fellows to communicate with students and professors of this educational institute as well to have access to the institute's library and to the resources of the NATO Information and Documentation Centre.



Security Task Forces (STF) would be established to provide a platform for both governmental and non-governmental experts to study an urgent or emerging political problem and prepare policy reports to be sent to decision-making bodies. The STF would be organized on the Government's request and/or on the decision of the SSP International Advisory Board.

Executive Security Training Modules (ESTM) would provide an opportunity for acting officials to upgrade their skills through an intensive training program that will consist of one week in Kyiv and one week in one of the CEIS partner institutions. A "Ukrainian module" would help to modernize the Harvard Ukrainian National Security Program and make

it more tailored to the needs of participants. Groups' composition will reflect **regional** focus of the SSP to include officials and experts from such countries as Georgia, Moldova or Poland. At a later stage institutions and individuals from such countries as Turkey, Greece or Russia may be involved in participation at "Ukrainian module" to reflect broader regional interests. ESTM would emulate the SSG's model of short-term executive programs.

Working Papers and Occasional Reports would record results of ISFP, SSG and STF and thus would help to eliminate the crying deficit of regular policy research publications in Ukraine. To serve regional needs and to enable international communication, Working Papers and Occasional Reports are to be published both in Ukrainian and English.

European and Global Security Seminars (EGSS) would be established to become a forum for expert and public debate. The EGSS should serve as a focal point of public debate with a perspective to become a pole of gravity to media (electronic and printed) and a modern mechanism of opinion-making. Resident Fellows and prominent guest speakers would contribute to the EGSS program.

To secure necessary funds, we intend to seek support from the foundations and governmental agencies both in Western countries and Ukraine. An important condition for the SSP development is the Ukrainian Government willingness to support it and contribute relevant resources for its implementation. Our preliminary contacts indicate that the Government is ready to provide such support and resources. The Center for European and International Studies has already received requests from our Georgian and Moldovan colleagues to be admitted to the Security Studies Program at the earliest stage.

To ensure a proper level of coordination, governance and advice we suggest establishing an International Advisory Board, which would include high level representatives of partner institutions and influential individuals from Ukraine, countries of the region, U.S. and Western Europe.

The Center for European and International Studies invites all those willing to cooperate on the implementation of the Security Studies Program to express their interest in sending their comments to us. We would welcome any suggestions and critique that would help the SSP to become a reality.



Harvard Ukrainian National Security Program participants, 1997



Harvard Ukrainian National Security Program participants, 1998



Harvard Ukrainian National Security Program participants, 1999