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Changing Relations
Russia's Relations with Ukraine and Belarus

by

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Doctor of Philosophy

Presented to
The Institute of Central and East European Studies
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Abstract

In the period of transition which followed the collapse of the USSR, the states of that region were forced to make many political and economic adjustments. A crucial part of the process was the restructuring of relations among these formerly fraternal republics and as they became in 1991, independent states. For most states structuring relations with Russia became a priority since it is the largest and most dominant regional actor. Such relations are shaped by a number of factors including historical development, economic legacies and geopolitical concerns.

These issues have impacted upon the evolving relationship between Russia and its Slav neighbours, Ukraine and Belarus. Drawing on a common background in terms of historical political, economic and cultural development, Russia's relations with these states developed to the point where they were formalized in a Russian Belarusian Community (1996) and a Russian Ukrainian Treaty of Friendship and Cooperation (1997). The impetus for Russia to renegotiate its relations with the states on its western borders was strengthened by the proposed eastward expansion of NATO. Belarus and Ukraine however benefited from this. Belarus was guaranteed cheap supplies of Russian natural resources, vital for its economy, even if this came at the cost of ceding a degree of sovereignty. Ukraine, still excluded from European political and economic organizations was recognized by Russia as independent state and significant regional influence. Russia secured a buffer zone on its western borders.

Russia's relations with Ukraine and Belarus are now qualitatively different. Ukraine has emerged as a potential ally and even future rival to Russia while Belarus has opted to become a Russian client state with, it appears, the ultimate goal of union with Russia.

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I am indebted to a number of people who have assisted and encouraged me during my studies. Particular thanks go to the staff of the Institute of Central and East European Studies, notably my supervisor Mrs Tanya Frisby and to Professor Stephen White, Department of Politics, who read and advised on several chapters. Dr James Whites provided support and encouragement from an early stage. I am also grateful to the University of Glasgow for its financial support in the form of a Doctoral Scholarship and assistance for overseas travel. Thanks also to Mrs Kay McWalter for administrative assistance. Friends and family have been especially supportive throughout my research. I would also like to thank my husband, Greg and my parents for their confidence and support throughout this project.

Changing Relations

Russia's Relations with Ukraine and Belarus

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List of Abbreviations Used

BPF	Belarusian Popular Front
DB	Democratic Block (Ukraine)
CFE	Conventional Forces in Europe
CIS	Commonwealth of Independent States
CPE	Centrally Planned Economy
CPSU	Communist Party of the Soviet Union
CPU	Communist Party of Ukraine
FSU	Former Soviet Union
FYP	Five Year Plan
NATO	North Atlantic Treaty Organization
NIS	Newly Independent States
OSCE	Organization for Security and Cooperation in Europe
RB	Republic of Belarus
RCB	Russian Central Bank
RF	Russian Federation
RSFSR	Russian Soviet Federal Socialist Republic
RMFA	Russian Ministry of Foreign Affairs
SCPE	Soviet Centrally Planned Economy
START	Strategic Arms Reduction Treaty
UDB	Ukrainian Democratic Block
UHU	Ukrainian Helsinki Union
WTO	Warsaw Treaty Organization

Chapter 1 **Introduction**

When the USSR collapsed in 1991, the submerged nations which had been contained or suppressed by communism emerged as nation states. The legitimacy of claims to nation state status was undisputed in several instances, notably Russia, the former centre of the Tsarist and Soviet empires and the three Baltic states of Estonia, Latvia and Lithuania, whose forcible incorporation into the USSR in 1940 had since been acknowledged and condemned by all, even Russia. Some nations, chiefly Ukraine, had a history of movements striving for national autonomy and even independence but had experienced these only briefly in the past, if at all. Others however had weaker claims to legitimacy, borne of their artificial construction within the so called federation that was the USSR. Amongst these are included the Central Asian states and Belarus, the third of the Slavic states of the European part of the USSR.¹

The three states examined in this thesis fit into each of these categories. Russia, with a largely incontestable right to statehood; Ukraine with a strong sense of national destiny but only limited experience of statehood, and Belarus, with an under-developed sense of national identity and consciousness. The issue of legitimacy and strong historical and sociopolitical foundations for independence was to be of great importance in the consolidation of nation statehood in the post independence period.

For these new states, independence meant a restructuring programme - abandoning the centrally controlled political and economic systems of the Soviet era and replacing them with a pluralist democracy and free market economy. Some have progressed more rapidly than others and this is due to a number of factors. The success of Russia is attributed to the favourable infrastructure created by the Soviet regime as well as its plentiful resources. For the Baltic states, their experience of independence in the interior period had a strong impact on their post-Soviet adaptation, as well as favourable infrastructures. However these factors alone do not guarantee success. Both Ukraine and Belarus boast comparatively well developed infrastructures and sufficient resources yet have been less successful in their economic restructuring. This is partially explained by a strong predilection for Soviet style politics and economics, most evident in Belarus but also acting as a restraint on more radical reform in Ukraine. The involvement of western financial and political institutions (e.g. The International Monetary Fund and the Council of Europe) as well as Western governments (e.g. the British Government's 'Know How Fund') in the restructuring process led academics, politicians and the Western media to focus primarily on internal political and economic developments once key international issues such as nuclear weapons had been resolved. By and large this reflected a Russo-centric approach recognising that Russia was the dominant state in the region of the former Soviet Union (FSU).

¹ My use of Slavic rather than Slavonic conforms to conventions in the Social Sciences even though Slavonic is technically the more accurate adjectival form.

In the initial post-Soviet years, much of the literature consisted of 'familiarisation' monographs, reflecting the need for material on these new states, of which little was previously available. These often consisted of a potted history of the state and a description of and comment on their 'transition'.² Generally changes in the external relations of the new state were dealt with only selectively, and tended to focus on Russia.³ There were some exceptions - Taras Kuzio recognized the importance of Ukraine as a second regional power early on with the publication of his *Ukrainian Security Policy* (1995).⁴

Relations among the former republics themselves was a neglected area of study. The collapse of the USSR meant that these new states now had to relate to each other as regional neighbours and since Russia was the dominant state in the area, this meant in the first instance, working out their relationship with it. Monographs charting the historical relationship and the evolution of the post-Soviet relationship were slow to appear. Karen Dawisha's and Bruce Parrott's *Russia and the New States of Eurasia* (1994) was one of the earliest.⁵

The uniqueness of the problems and issues generated by the emergence of the Soviet successor states was not adequately met by the emerging literature of 'Transitology' and Post Communist Studies'.⁶ The latter approach addressed how the transition was undertaken internally, from both theoretical and empirical perspectives but overlooked its impact on with neighbouring states.⁷ Transitology endeavoured to provide models of similar transitions to measure and compare the experience of the newly independent states (NIS), but while comparisons with other transitions from authoritarianism, e.g. Latin America and Chile, had some utility for examining internal developments, they had little value for understanding

² See for example Bremmer, I., & Taras, R., (eds) *Nation and Politics in the Soviet Successor States* Cambridge: Cambridge UP 1993 and *New States New Politics: Building the Post Soviet Nations* Cambridge: Cambridge UP 1997

³ Petro, N.N., & Rubinstein, A.Z., *Russian Foreign Policy - From Empire to Nation State* New York: Longman 1997

⁴ Kuzio, T., *Ukrainian Security Policy* Washington: Praeger 1995

⁵ Dawisha, K., & Parrott, B., *Russia and the New States of Eurasia* Cambridge: Cambridge UP, 1994, was one of the earliest.

⁶ see for example: Mandelbaum, M., *Post Communism - Four Perspectives* New York: Council on Foreign Relations 1996; Khazanov, A. M., *After the USSR - Nationalism and Politics in the Commonwealth of Independent States* Wisconsin: University of Wisconsin Press 1995; Colton T. J., & Legvold, T. J. *After the Soviet Union From Empire to Nations* New York: W.W. Norton & Co 1992; Holmes, L., *Post Communism - An Introduction* Cambridge: Cambridge UP 1997

⁷ One critic of this was Mette Skak who argued Post Communism should abandon the preoccupation with the domestic dynamics of transition and focus on foreign and security policy. Skak, M., *From Empire to Anarchy: Post Communism, Foreign Policy and International relations* London: Hurst & Co 1996 p1

relations among the NIS.

Given the vastness of the area of the FSU and the diversity of transitional experiences there, a comparative methodology was found to most useful for this research. However a comparative study investigating how the ex-republics restructured relations with Russia and each other could only produce a very general analysis. It seemed necessary therefore to identify a suitable sub-region as a case study. In this instance the sub-region of the Slavic states of Russia, Ukraine and Belarus was identified as a suitable unit of analysis. This approach facilitated intra and inter sub-regional comparison after which a whole regional could be studied. This is envisaged as the basis of post doctoral research.

At this critical juncture in the history of the region the comparative method facilitated a reevaluation of the concepts and theories applied to Soviet and Post Soviet Studies.⁸ Analyses of nation states and state building could be undertaken on a comparative basis not only amongst post communist nations but with other nations at similar stages of development. In the long term the comparative approach offered opportunities for trans-regional comparison. For example a comparison between Russia's relationships with the former Soviet republics and that of the USA and the countries of Latin America would be useful for understanding relationships between regional hegemonies and peripheral nations.

I selected the Slavic sub-region as a comparative unit because of a) similarities in their historical background and their political, economic, social and cultural development, and b) differences in their national development since independence. These factors have affected the types of relationships which have evolved since 1991.

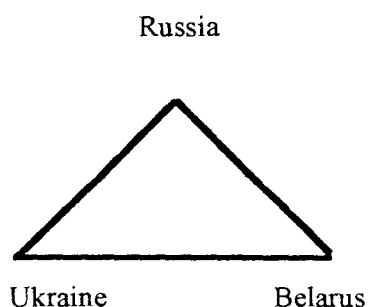
Commonality between these states derives from their linguistic and cultural affinity and a common history as tribes descended from the ancient kingdom of Kievan Rus' and the provinces of Tsarist Russia (though this is frequently disputed, particularly by Ukrainian nationalists). Russia, Ukraine and Belarus were the three key areas of the former Tsarist empire which formed the USSR in 1922, and it was these states which left it in 1991, to form the Commonwealth of Independent States (CIS). They all played a key role within the USSR: Slavs formed the majority of the CPSU membership and took up key positions in other republics which was important for reinforcing the communist system throughout the region. In Soviet times all three republics made important contributions to sustaining the union: Ukraine and Russia economically, and Belarus strategically. They were the key republics of European part of the USSR and the most industrialized. On the eve of independence they were thought to be the republics most capable of effecting successful market reform (apart from the Baltic states). They had suffered greatly during World War Two, doubly from the scorched earth policies of the Soviet administration

⁸ Chandler, A., *The Interaction of Post Sovietology and Comparative Politics - Seizing the Moment* *Communist and Post Communist Studies* Vol 27 No 1 p 3-17 1994

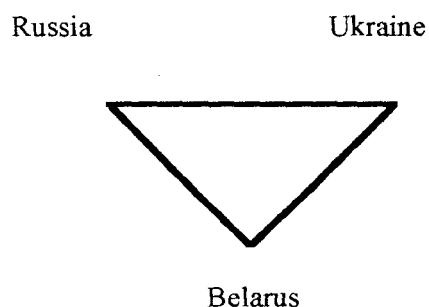
fleeing from the Nazi advance and the Nazi withdrawal as the Red army pushed the Germans back. Since 1991 all three states were courted by the West, initially because of the nuclear weapons which the West wanted to demilitarize (successfully); Russia because of its status as regional power, its military capability and potential economic strength and Ukraine, with a population of 52 million making it the second largest nation in the region with good economic potential and a possible bulwark against Russian expansionism. However in spite of a range of similarities and common experiences, since 1991 the Slavic states have developed in different ways and this is evident in the different type of relationship which Russia has formed with Ukraine and Belarus.

The main aim of this research was to investigate and analyse how these relationships evolved in the post-Soviet period and explain why they varied. Since Russia is the dominant power in the region, the research focused on its relations with the two other Slavic states. It traces the evolution of the relationship from 1991 until 1997, when a historic point was reached with the eventual signing of the Russian-Ukrainian Treaty of Friendship and Cooperation (June 1997) and the Agreement to pursue greater union with Belarus (May 1997). Although Russia remains the dominant partner, by the end of the research period (1997) the Slavic Triangle had become inverted, with Ukraine emerging as a credible partner for Russia, and potentially a serious rival, while Belarus's position was greatly weakened, rendering it vulnerable to influence from either or both of its Slavic neighbours.

The Slavic Triangle (1991)



The Slavic Triangle (1997)



This then is a comparative study using a qualitative research methodology and favouring a cross disciplinary approach. I began my research in autumn 1993 at a time when new approaches to *Post-Soviet Studies* were being debated.⁹ The collapse of the USSR was seen as presenting a unique opportunity to break away from the more narrowly focused approaches of 'area studies' and apply the methodologies of other related disciplines, e.g. Comparative Economics, Comparative History and Comparative Politics. With a background in History and Politics and having completed my M.Phil dissertation on 'Russian Foreign Policy in Transition 1991-1992',¹⁰ this doctoral thesis was an opportunity to apply the comparative methodology on a cross republic basis. The research was supported by a number of field trips to the FSU between 1992 and 1998.¹¹ During these research trips I interviewed political advisors, academics and members of local government. On several occasions I visited the Russian Duma and spoke with Dr Alexei Kuzmin, special advisor to Gregori Yavlinsky of Yabloko. My main research activity however was library and archival based, collecting and analysing materials relating to my main area of interests and included statistical evidence, newspaper commentaries, texts of treaties and research monographs. I have endeavoured where possible to refer to original sources in Russian and Ukrainian. On a few occasions sources could only be found in translation and for these the *Current Digest of the Post-Soviet Press* was consulted. Tracing original sources for television and radio interviews and commentaries was particularly difficult and for these the Summary of World Broadcasts (SWB) and the Open Media Research Institute's *Daily Digest* were helpful.

An approach which is comparative historically, politically and economically contributes greatly to understanding the changes underway in the FSU and provides a framework for analysing the restructuring of relations between Russia and its neighbouring republics. Historical comparisons and analogies offer guidelines by which to understand processes of change in the FSU. In particular, two related historical processes are of value (i) Collapse of Empire¹² and (ii) Decolonization.

Collapse of empire is a rare historical phenomenon. The collapse of the Soviet empire was made more unique because it represented the collapse of the ideology upon which the empire had existed and expanded and also because of the scale and speed with which the Soviet collapse occurred. Because of this, comparing the Soviet experience with the post imperial experience of other states has some but only limited value. The most recent examples - the withdrawal of the

⁹ Fleron, F.J., and Hoffman, E.P., *Post Communist Studies and Political Science* Boulder, Colorado: Westview Press 1993; Subtelny, O., 'American Sovietology's Great Blunder' *Nationalities Papers* Vol 22 No 1 Spring 1994;

¹⁰ McMahon, M.A., *The Foreign Policy of Transition* M.Phil. Dissertation University of Glasgow 1992 (Unpublished)

¹¹ see appendix one for full list of research trips

¹² Skak defines the transition from communism as a special type of transition or 'Imperial Transition' Skak 1996 p18

British from India and the French from Algeria - can help us understand better the issues of imperial elites and ethnic minorities. However these were very different types of empires from the Soviet empire. The imperial lands of the USSR were those regions geographically contiguous to it. For the imperial powers of the twentieth century, their imperial colonies were far from the metropolis, separated by land and sea.

While there are a number of historical precedents for the collapse of empire, a comparison with the Austro-Hungarian empire helps us to understand some of the factors leading to the collapse of a multinational empire as well as the nature and structure of the political entities which supplant the empire. It also shows how post imperial states can organize their external relations to reduce though still sustain the interdependence which had been a feature of imperial relations. The collapse of the Austro Hungarian empire as a consequence of the First World War offers many comparisons. Like the FSU, the Austro Hungarian empire was multinational, made up of ethnically and economically diverse regions.¹³

When empires collapse, new states or 'pseudo' states emerge. These are often nation states of dominant ethnic groups whose statehood had been repressed or retarded within the empire. When new states emerge, their survival depends upon their viability. Congruent with this is a strong sense of national identity and legitimate right to statehood though of equal importance is economic viability so they are not wholly dependent on other states. However, while new and viable states can emerge, a consequence of the collapse of empire is the creation of weak states - politically and economically, formed around one or many ethnic groups. These could be called *ethno nations*. A useful analogy here are the new states which emerged in Central and Eastern Europe after World War One.

Since the relationship between centre and periphery in the Soviet era was often defined in colonial terms and is increasingly interpreted as such by a growing number of former Soviet republics, examining the process of change in the FSU in this context is useful for understanding the political and economic actions of these newly independent states and specifically how they redefine and restructure their relationships with the centre. This entails looking at how post imperial states consolidate statehood and examining how they guarantee their viability. In an increasingly interdependent world, it is almost impossible for any state to maintain an autarkic existence. Political, economic and military cooperation with other states is essential. So another consequence of the collapse of empire is the development of a new network of partners, allies and even unions, usually, though not always and not necessarily for the mutual benefit of participating states. With the collapse of empire a dual process of deconstruction and reconstruction is begun.

A continuity thesis has some value when applied in the political context, examining continuity

¹³ Taylor, A.J.P., *The Habsburg Monarchy 1809-1918* London:Penguin 1948 Ch 18

or discontinuity in policy formulation amongst a number of political actors and specifically the formulation of Russia's policies towards Ukraine in comparison to its policies towards Belarus. During the process of imperial collapse and national reconstruction some degree of continuity is inevitable in policy, practice and personnel. Examining this process, identifying changes and explaining why other areas remain unaltered are some of the tasks of the researcher. Reference to and comparison with similar processes can be helpful at this stage.

A comparative analysis of the processes of nation building and the institutionalisation of statehood also provides useful insights into the perceptions of nationhood amongst newly independent nations and of their position regionally and internationally. This approach also facilitates an examination of the restructuring of external relations, by which these new states can construct the means to co-exist and co-operate in a new political environment.

Economic reforms resulting in a shift from centrally planned to market type economies have been undertaken by most of the former Soviet Republics. By examining the nature of these reforms, their pace and intensity and their success or potential success, I was able to ascertain the structure of new economic relations among the ex-republics in the post-Soviet phase, identifying those factors which determined the economic relationship. Beyond this however there was an opportunity for a wider comparative analysis at a supra regional level. Specifically, the similarities and differences between Europe in 1945 and the area of the FSU in 1991 provided a mechanism for understanding how the countries of the FSU could attain economic viability individually and jointly.

Contextual Framework

The contextual framework for the research was established by framing a number of key research questions:

- What were the outcomes of imperial collapse for Russia, Ukraine and Belarus?
- What specific issues and problems arose from the emergence of these states as a result of the above process?
- How did they organize their external relations and what factors determined and shaped these?
- Was some form of reintegration or reunion inevitable amongst these states?

In chapter two the historical relationship between the three Slavic states of the FSU is examined, identifying the legacies which have impacted on their relations since independence. The process of imperial disintegration in the late 1980s and the interaction of these republics at this time is examined in chapter three. Russia and Ukraine took the lead in this process and it was largely as a result of their actions that the USSR was dissolved in 1991. Its successor, the Commonwealth of

Independent States (CIS) was viewed in differing ways by the ex-republics. A lack of consensus on its role and function, mainly from Russia and Ukraine, rendered the CIS largely ineffective and resulted in relations between the new states being organized at a bilateral level. The reasons for this and its consequences are considered in chapter four. One of the main reasons for the creation of the CIS was the maintenance of a common economic space. There were however other geopolitical factors which shaped Russia's support for a regional organization. These factors and Russia's means of protecting them are examined in chapter five. Russia's prioritising of its regional interests meant focusing on its relations with Ukraine and Belarus. The evolution of this relationship, the imperatives driving it, and the agreements reached with both states are examined in chapter six. Chapter seven evaluates the nature of the Russian-Ukrainian and Russian-Belarusian relationship six years after independence. It shows how the balance has shifted among the republics so that Ukraine has emerged as an influential regional actor and potential rival to Russia while Belarus has retreated backward to the statist policies of the Soviet era, criticised by and isolated from the international community.

***Chapter 2* Russia's Relations with Ukraine and Belarus in Historical Context**

Russia's relations with Ukraine and Belarus in the post-Soviet era have been defined by their relationship in the past. This is more than simply a bond derived from their common Slavic past, though this is of course an important component of their current relationship. Historic ties can provide a *raison d'être* for sustaining or reviving relations but alone are not sufficient to explain the nature of the relationships which exist today. These are determined by the needs of states which are now independent and which must find a way to exist in a manner which is advantageous for them.

In the years immediately following the collapse of the USSR Russia was often cast in the role of a regional hegemon pursuing an neo-imperialist policy which threatened the existence of the newly independent states of the region. This image was often promoted by nationalists in the more independent minded states such as the Baltic States and Ukraine, and was frequently reproduced in the Western media. Certainly, Russia's actions in the Caucasus (Azerbaijan, Chechnya) did little to dispel such an impression. But the degree to which Russia could have been viewed as a real threat to new states of the region can be tested by examining its actions in recent years. Inter republican conflict, widely predicted in the early post-Soviet years, has been largely avoided. Where conflict has occurred it is usually linked to internal ethnic and tribal disagreements. No where has Russia sought to suppress or take over a neighbouring state. Belarus offers a prime example of Russia declining such an opportunity. The emergence of a new type of 'Slavic Union' was also forecast. Certainly the links which existed between the Slavic states of Russia, Ukraine and Belarus made some sort of alliance possible, even in certain instances desirable, but it did not make it inevitable.

The contrasting nature of Russia's relations with Ukraine and Belarus reflects the past development of these states. While Russia's relations with Ukraine vary in form and content from its relations with Belarus, Russia has nevertheless achieved a high degree of interaction and cooperation with both of these states, in the pursuit of its own goals and interests.

Russia's actions in the years following the collapse of the USSR suggest that it is guided by a policy of *real politik* which has enabled the state to emerge as the

dominant regional power, safeguarding its regional interests and managing its relationships with its regional neighbours. Such a strategy is shaped by the legacies of the Tsarist and Soviet eras and specifically by economic links which bind these states closely together.

As the Soviet regime collapsed in the late 1980s a process of reclaiming, reconstructing or creating a national past or history began in almost all of the republics of the Soviet Union including Russia, Ukraine and Belarus. The fragility of independence made demonstrative statements of statehood urgent and most states quickly adopted the outward symbols of national independence: national anthems, currencies, and flags - all of which had a part in reinforcing in popular consciousness the newly attained independence and imprinting it on the national psyche.¹⁴ They also used their national history to legitimise statehood, reinforce national identity and underpin national independence.¹⁵ This had contrasting outcomes for Ukraine and Belarus. In Ukraine the recovery of the national history was used, initially by nationalists but very soon by the state administration to demonstrate a history of nationalist aspirations which was used to reinforce modern Ukrainian statehood, presenting independence as Ukraine's historical destiny, which had been subverted and suppressed by the Tsarist and then the Soviet Empires. In contrast the recovery of Belarusian history showed a close alignment with Russia, with a lesser degree of differentiation, and greater assimilation and economic dependence.

In the communist era this fostered a sense of conservatism among the leaders of Soviet Belorussia, particularly in the Gorbachev era when, in the non Slavic republics, the policies of *Glasnost* and *Perestroika* encouraged greater autonomy, sovereignty and ultimately independence. Since the historical and particularly the economic development of the Belarusian nation had been so closely linked to Russia, the leaders of independent Belarus continued to view the nation's future development as inevitably and inextricably linked to Russia.

¹⁴ Havrylyshyn, O., & Williamson, J., *From Soviet Disunion to Eastern Economic Community? Policy Analyses in International Economics*, Institute for International Economics October 1993 No 3

¹⁵ This was relatively short lived in the Belarusian case. By 1994 the electorate had voted to restore the old Soviet symbols

The Belarusian case is an example of how Soviet nationality policy fostered a 'national ethos' in the USSR. Belarus in its modern (ie. post-Soviet) form was very much a 'creation' of this nationality policy, as well as the regional economic and development plans of the Soviet centre. Indeed, all three Slavic republics in their present form and within their current territorial borders can be described as artificial constructs. For example, Russia, in its present form as the Russian Federation, has not previously existed. It is not and has never been a 'nation-state', existing either as an Empire (Tsarist, then Soviet) and since 1991 as a federation. Within Russia this has been the source of a crisis of identity, generating discussions on 'What is Russia?' and resurrecting old debates on whether Russia is a European, Eurasian, or Asian state.¹⁶

For Ukraine, independence reinforced rather than undermined a concept of Ukrainian statehood but brought additional problems of territorial boundaries and demarcations. Ukraine acquired its modern form only after World War Two, a process completed by the transfer of Crimea in 1954. Parts of Ukraine were historically the lands of other states including Poland, Hungary, Romania and especially Russia. Unlike the other two Slavic states, Belarus never actually existed as a 'nation' which helps explain its weak national identity and absence of a concept of national destiny.

In all three cases then the artificial constructs of Soviet federal and national policies which gave these states their modern form could also potentially undermine their legitimacy since either the territorial demarcations of the state can be challenged (Russia and Ukraine) or a concept of nation statehood to buttress independence is weak or lacking (Belarus).

This is an important legacy of Soviet Federal Policy. This policy envisaged though rarely tolerated independence within the confines of a federal body, reflecting elements of regime continuity between the Tsarist and Soviet administrations. The Bolshevik Revolution did not mark a great dichotomy in policies towards the regions of the Tsarist Empire. Under the Soviet regime they were granted nominal autonomy as Union Republics and policies towards them were codified in a nationalities policy. In reality, traditional attitudes to these regions remained, reflecting greater continuity

¹⁶ Arbatov, A.G., 'Russia's Foreign Policy Alternatives' *International Security* Vol 18 No2 Autumn 1993 p5-43; Alexandrova, O., 'Divergent Russian Foreign Policy Concepts' *Aussenpolitik* No IV 1993

between the Tsarist and Soviet regimes than the latter cared to admit.

Tsarist and Soviet attitudes towards Ukraine and Belarus were shaped by the Russian interpretation of the development of the Eastern Slavic states, sharing a common history during the period of Kievan Rus' from 9th to the 14th centuries and specifically the period between 911-1054 when almost all east Slavic tribes were united to form Rus' people.¹⁷

In Tsarist times this concept of Slavic kinship helped sustain Russian domination of these areas and suppress any expressions of Ukrainian or Belorussian nationalism which were beginning to appear in the 1880s and 1890s. While the Kievan Rus' state existed, Belarus was known as *Belaia Rus'* but the Tsars reduced to simply the North Western Territory. A decree of 1840 prohibited the use of the term 'Belorussia' altogether.¹⁸ The possible existence of a Ukrainian nation was not acknowledged and the Ukrainian lands of the Empire were subsumed under the label *Malorossi* (Little Russia) and the Ukrainian people were known as *rus'kii*, *rusins'kii* or *maloros'kii*.¹⁹

Tsarist policy aimed to prevent the growth of national movements and the danger of calls for independence. Control was consolidated overtly through the gubernial system and less directly through a rigorous policy of russification.²⁰ Both Ukraine and Belarus experienced russification through the influx of Russian administrators and workers. Ethnic Russians had resided in Ukraine since 1654 (the Pereiaslav Agreement), though these were usually soldiers in garrisons or nobles undertaking administrative duties. Ukraine's industrial boom of the late 19th century attracted

¹⁷ Lubomyr, R.W., *Mykhailo Hrushevsky :Ukrainian - Russian Confrontation in Historiography* Toronto:CIUS 1988 p5

¹⁸ Abetsedarskaia, E., et al *Istoriia Belarusi* Minsk:Ekoperspektiva 1997 p130-135; Shiriaev, E.E., *Belarus': Belaia Rus', Chernaia Rus' i Litva v Kartakh* Navuka i Tekhnika: Minsk 1991; Lubachko, I. S. *Belorussia under Soviet Rule 1917-57* Lexington:University of Kentucky Press 1972 p1-5; Zaprudnik, J., *Belarus at a Crossroads in History* Boulder, Colorado:Westview 1993 p46; For the purposes of this research the term Belorussia is used specifically for the Soviet era 1917-1991 and Belarus for the Tsarist and post-Soviet periods.

¹⁹ Lubomyr 1988 p16

²⁰ Abetsedarskaia 1997 p134

many Russians to the area. In the Donbas and Kryvyi Rih the demand for experienced workers, stagnation in Russian industry and higher wages in Ukraine's mines and factories (often 50% more than in Russia) brought an influx of Russian workers.²¹ Convinced that theirs was a superior culture, these Russians seldom learned Ukrainian and had little respect for or interest in Ukrainian customs or traditions.²² Where they predominated in large numbers, such as Southern Ukraine and the Donbas region in particular, these areas became heavily russified. The effective continuation of russification in the Soviet era through the out migration of Russian workers and party members was to be another important legacy which impacted upon Ukraine and Belarus after independence.

In the case of Ukraine, Russia traced its claim to legitimate rule back to the Pereiaslav Agreement of 1654.²³ For Russia, Pereiaslav marked the beginning of a natural process of reunification with Ukraine. In Ukraine, the agreement was interpreted differently: through the Pereiaslav Agreement, Ukraine became a protectorate of the Tsar, ²⁴ resulting in what Ivan L. Rudnytsky describes as the 'submersion' of Ukraine into the Russian state.²⁵ After 1654 the Russian domination of Ukraine began, with the defeat of Mazepa, the Cossack leader at Poltava in 1709 and the liquidation of Cossack institutions later in the 18th century.²⁶

Ukraine's subordination became more rigorous in 1783 with the imposition of the Russian administrative system and the introduction of serfdom in 1788. The Valuev Ukaz (July 1863) and the Ems Decree (May 1876) signified a determined Russian

²¹ *ibid*

²² Subtelny, O., *Ukraine - A History* Toronto: University of Toronto Press 1992 p 274

²³ Zaborovskii, L., 'Pereiaslavskaia Rada i Moskovskie Soglasheniia 1654 Goda: Problemi Issledovaniia' in *Rossia -Ukraina :Istoriia Vzaimootnoshenii* Moscow Iazyki Russkoi Kul'tury 1997 p39-49

²⁴ Rudnytsky, Ivan., *Essays in Modern Ukrainian History* Edmonton: CIUS 1987 p80

²⁵ Rudnytsky 1987 p78; Magocsi, P.R., *A History of Ukraine* Toronto: University of Toronto Press 1996 p24ff

²⁶ Morrison, John. 'Pereyaslav and After: the Russian - Ukrainian relationship' in *International Affairs* Vol 69 No 4 October 1993 p679

effort to weaken Ukrainian national identity, culture and language.²⁷ This repression was in part prompted by the emergence of a Ukrainian intelligentsia who fostered a developing sense of national consciousness and the recreation of a national history in the 19th century. The articulation of this national consciousness and calls for Ukrainian self determination in the works of the Ukrainian poet Taras Shevchenko provoked reaction from the Tsarist regime. Ukrainian patriots were persecuted and murdered; the Ukrainian Orthodox church was russified and the Ukrainian Catholic church liquidated, and the use of the Ukrainian language in public was prohibited.²⁸

While national consciousness was comparatively less developed in Belarus than in Ukraine, demands for national freedom and equality, which grew in the later decades of the nineteenth century were similarly suppressed and accompanied by intensive russification.²⁹ Russian became the language of administration, education and law while the Belarusian language continued to be used as the language of everyday, informal communication. A Russian educated class emerged though the common (Belarusian) people, who were mainly peasants or artisans, maintained local customs and beliefs and the oral tradition in literature.³⁰ To accompany rigorous censorship, Russian historical scholarship became involved in proving the Russian character of the North Western Province. This occasionally worked to the contrary. Ivan Hryharovic working under the patronage of the Russian estate owner Nikolai. P. Rumiantsev published the 'Belorusskii arkhiv drevnikh gramot' (A Belarusian Archive of Ancient Charters) in 1824.³¹ For a brief period this appeared to presage the rediscovery of a Belarusian History, until the suppression of the Polish Revolt in 1863 led to the repression of such studies. Literary activities, frequently the catalyst for nationalist

²⁷ In 1863 the Minister of the Interior, P.A. Valuev issued a decree forbidding the publication of books in Ukrainian, other than belleslettres and folklore and commented that 'there never has been a distinct Little Russian language, and there never will be one'. Hosking, G., *Russia: People and Empire 1552-1917* London: Harper Collins 1997 p378-379; Magocsci, 1996 p372-373

²⁸ Chirovsky, Fr, N. L. 'Methods of Muscovite - Russian Imperialism' *The Ukrainian Quarterly* Vol XLIII Nos 1-2 1987 p 31

²⁹ Abetsedarskaia 1997 p130-135; Lubachko 1972 p6

³⁰ Guthier, S.L. 'The Belorussians: National Identification and Assimilation, 1897-1970' *Soviet Studies* VolXXIX No1 Jan 1997 p37-61

³¹ Saunders, D., 'Nikolai Petrovich Rumiantsev and the Russian Discovery of Belarus' *Occasional Papers in Belarusian Studies* No1 1995 p58

movements largely died out in Belarus after this, though they were to reemerge in the 1880s. By the 1890s a revolutionary movement had developed and clubs were formed in Moscow, St Petersburg and other cities, for the study of Belarus. The Belarusian Revolutionary *Hramada*, founded in 1902 went further in its demands, seeking territorial autonomy for Belarus with a popular assembly in Vilius and the nationalization of the lands of the nobles.

The political concessions forced on the Tsar by the revolution in 1905 enabled a stronger national movement to emerge. The Belarusian press was legalized and Belarusian literature grew in volume. As N.P. Vakar observed, the years between 1906 and 1917 marked the formative years of Belarusian political nationalism, when the national goal was defined in terms of general cultural and political policies and a personnel capable of assuming the national leadership was being educated.³²

When compared to Ukrainian nationalism, the growth of a distinct Belarusian identity may have been retarded, but by the beginning of the 20th century there were clear signs that it was beginning to emerge. In both cases the dual effects of russification and suppression of nationalist movements fostered a degree of reactive ethnicity amongst literary and political elites who perpetuated the belief in and demands for autonomy and/or self government.

The lands which made up Ukraine and Belarus had important functions for the Tsarist and Soviet regimes. Ukraine was as an important economic region and Belarus was strategically important. In fulfilling these functions, nationalists, primarily in Ukraine but also in Belarus, argued that these areas were being exploited by the centre.³³

The regional development policies of both regimes show the extent to which these areas were controlled so as to serve the needs of the metropolis. Sector specific development was encouraged in Ukraine, designed to supplement Russia's industrial needs, while Belarus remained economically underdeveloped since its importance lay

³² Vakar, N., *Belorussia - The Making of a Nation* Cambridge, Mass:Harvard University Press 1956 p91

³³ Gornovoi, Osin 'Nash Otnoshenie k Russkomu Narodu' p11-25; Dziuba, I., Internatsionalizm ili Rusifikatsiia? p126-142 *Natsional'nyi Vopros v SSSR* 1975

more in its geostrategic position.

As intensive industrialization began in selected regions of the Tsarist empire in the second half of the 19th century, Ukraine's agricultural economy was developed to serve the needs of a growing number of industrial towns and cities and to provide crops for export. The Steppe region, with its open land and easy access to Black Sea ports was one of several regions associated with food production, which were to become centres of commercial wheat and bread production. The emancipation of Serfs (1861) provided an abundant work force with greater mobility as the railway network developed. Within Ukraine, the Steppe region expanded its food production more rapidly than the rest of the Empire and Ukraine's economic importance within the Empire grew. By the early 20th century as much as 90% of the Empire's main export, wheat, came from Ukraine. Ukraine supplied 43% of the world's barley crop, 20% of its wheat and 10% of its corn. Its primary crop, beets, grown on the right bank of the River Dniپر was the main source of sugar for the Empire. Tobacco grown on the left bank was another important cash crop, accounting for 50% of total imperial production.

Railway expansion in the late 19th century had two important consequences for Ukraine. First, it linked Ukraine with Moscow, the centre of imperial markets and the Ukrainian economy became more integrated into the imperial system. Food and raw materials from Ukraine moved northward in exchange for an unprecedented flow of Russian finished products to the South.

Secondly, the expanding railway network generated an urgent need for coal and iron, and Ukraine was able to supply these in large quantities from the Donets basin and Kryvyi Rih. In the 1880s and 1890s these became the fastest growing regions in the Empire. Between 1870 and 1900, coal production in the Donets basin increased by 1000%, with the region producing almost 70% of the Empire's coal.

Iron ore production in Kryvyi Rih led to the growth of the metallurgical industry in the region. Ukraine's economic development in the 19th century was selective, both regionally and sectorally. It supplied much of the Empire's raw materials for industrial use within the Empire and for export, but the production of finished goods in Ukraine

remained underdeveloped and it continued to rely on Russia for these. Thus in 1913 Ukraine produced 70% of the Empire's extractive industry but had only 15% of its capacity to produce finished goods. The economic relationship which existed was based on the exchange of Ukrainian raw materials for Russian finished goods.³⁴

This phase in Ukraine's history can be interpreted in two ways. Firstly, although evidence shows that this area was economically exploited by the centre, there were some positive benefits for the Ukrainian lands from the centre's selective regional economic policies. Belarus exemplifies the alternative - a region which remained economically underdeveloped until the middle of the 20th century. The second interpretation uses the evidence of exploitation to argue that self government was the only viable option for Ukraine, a view quickly adopted by many Ukrainian nationalists. The findings of a number of economists and historians on this issue are considered below.

Martin C. Spechler used a comparative approach in considering the benefits of the imperial association. He presented an alternative view of Empire in which they have often served useful economic functions during the early phases of economic development. He demonstrated the potential advantages of a territorial unit like Ukraine, existing within a hegemonic Empire during early, modern economic growth. Effective economic integration, he argued, required a dominant political power to enforce the rules of the game. The imperial hegemon would also defend legitimate commercial interests at home and abroad, compensate losers for the consequences of efficient reallocations, build intra regional infrastructure and serve as a lender of last resort for temporary financial crisis.

Spechler appreciated the negative way the relationship with the hegemon tended to be viewed in the post colonial state, observing that

³⁴ Subtelny 1992 p264 p265,267, p268

Normally, the national histories of countries constituent of the Habsburg, British, Spanish, Turkish, Chinese or Russian Empires have been sharply critical of imperial policies as self serving and exploitative. Such a stance is a national response to frequent imperial attempts to subvert, coopt or suppress national cultures.³⁵

He provided examples of other scholars who challenged the nationalistic interpretations of their own economic past such as Ivan Berend, the Hungarian economic historian, who pointed out the benefits to Hungary and Bohemia-Moravia of their inclusion in the protected Austro-Hungarian market. The Finnish historian, Riita Hjerpe suggested that Finland benefited greatly from free access to Russian markets during the late 19th century.

Spechler accepted that on some occasions an imperial power exploited a colonial area irrationally, meanly and short sightedly, but he argued, on many occasions a self confident imperial power with political and military priorities did promote the long term economic development of subordinate national areas for imperial warfare.³⁶

Applying this view to Ukraine, Spechler found that it did benefit from inclusion in the Empire in economic terms. The development of the railway network from the 1880s facilitated a deconcentration of industrial activity away from the Moscow and St Petersburg regions, some of which was developed in Ukraine. Ukraine's share in factory manufacturing output increased steadily from 9.4% of the European part of the Empire in 1854 to 13.8% in 1887, 21% in 1900 and levelling off in 1908 at 22%. By 1897 Ukraine's manufacturing share exceeded its share of the imperial population.

Its manufacturing productivity was high - a gross output per worker 2-4 times the imperial average. Nominal incomes were also high while prices of basic foodstuffs and primitive housing were relatively low. Railroad building contributed enormously to the development of Ukraine due to the natural limitations of water and land transport for grain, coal, and iron ore. Cheap transport established the superiority of Ukraine's

³⁵ Spechler, M.C. 'The Development of the Ukrainian Economy 1857-1917: The Imperial View' in Koropecy I.S *Ukrainian Economic History - Interpretative Essays* Harvard 1991 p265.

³⁶ Spechler 1991 p165&266

pig iron over the Urals, where water flows, labour supplies and fuel were unreliable. The Russian Empire also provided a unified legal environment, social overheads capital and free access to Ukrainian goods such as sugar, wool and grain. Spechler concluded that until the 20th century, Ukraine's intellectuals apparently appreciated the boost the Russian Empire gave to their economic development.³⁷

The positive benefits of Ukrainian economic development within the imperial system is supported by Orest Subeltny who argued that the growth of transportation and the quantum leap in the transfer of goods and materials between north and south integrated the Russian and Ukrainian economies and led to the creation of a larger, more productive and more efficient economic unit, a vast all Russian market from which both lands benefited. He concluded that

With the crucial contribution it made to the economy of the Empire, little wonder Ukraine was regarded as an indispensable and inseparable part of it.³⁸

As Ukraine's economy developed it began to contribute more to the empire's economy than it gained from it. One measurement of this is the differential between state budget receipts over state budget payments. The Ukrainian economist, Igor Koropecy conducted intensive research on the budgetary relationship between Ukraine and Tsarist Russia and found that Ukraine consistently paid substantially more to the state budget than it received from it. On average, Ukraine's share of Tsarist Russia's budget receipts was about 20% and of payments, about 13%.³⁹ Koropecy found that that regardless of the development rate of the Ukraine's economy, the Tsarist government taxed Ukraine more than it spent there through the state budget. He sought to ascertain whether this was an indication of discriminatory policies against Ukraine by examining who the primary beneficiaries were. Using a study made in 1897 by Iasnopol, Koropecy showed that the principal beneficiary

³⁷ Spechler 1991 p272-275; Russian sponsored industrial development in Ukraine led to considerable progress. In the decade between 1865 and 1875 the number of plants increased 2.4 times, the number of workers by 20,000 people and output by 120%; between 1875 and 1895 the number of plants increased 6 times, the number of workers by 90,000 and out put by 155% (Spechler)

³⁸ Subeltny 1992 p265,p268

³⁹ Koropecy, I.S. 'One Hundred Years of Moscow - Ukraine Economic Relations' in *Harvard Ukrainian Studies* Vol V part 4 1981 p 470

was the St Petersburg province, where the state capital was located. The bulk of budget expenditures there went for activities associated with the administration of the entire empire as well as for interest payments on the state's domestic and foreign loans, incurred in part for the construction of the railroad network throughout the country. Thus all the provinces were the indirect beneficiaries of the state expenditures in St Petersburg. Direct beneficiaries were the border provinces, primarily those situated in the northwest of the country, which were inhabited by Finns, Estonians, Latvians, Lithuanians and Poles. Non Russians also inhabited other border provinces; for example various Caucasian nationalities lived in the Transcaucasus and various Moslem nationalities lived in Central Asia. The direct losers, he found, were for the most part the interior provinces of the country, inhabited predominantly by ethnic Russians as well as by Ukrainians and numerous smaller nationalities.

An account by the Tsar's finance minister, Sergei Witte, showed that ethnic Russians were not favoured by the budgetary policy as the tax burden was most severe in the 15 Central Black Soil and Central Industrial provinces of the Empire's European part. For example, in 1896 budget receipts exceeded expenditures there by 3.50 roubles per capita. These provinces were also among the poorest. Only one of them was inhabited by Ukrainians and one by Belarusians, while the others represented the heart of ethnic Russia.⁴⁰

Koropecy also considered the view that Ukraine was discriminated against in favour of Russia proper. He noted that the economy of the Tsarist Empire was based on market forces. Economic decisions were made by private entrepreneurs in response to the profit motive, so if a region offered good opportunities for making profits, businessmen, domestic or foreign, would exploit the situation and the region would experience economic growth. The government could facilitate or obstruct these decisions to a degree, for example, by granting or refusing to grant corporation charters, subsidies, production orders. The most important aid for a region's development was construction of necessary infrastructure, primarily railroads. Only on rare occasions did the government invest directly in productive facilities. Koropecy was able to show that while Ukraine did experience a significant degree of

⁴⁰ Koropecy 1981 p480- 2

exploitation by the centre, it was not to the benefit of Russians, who experienced similar, if not greater exploitation. He also agreed with Spechler that Ukraine made some gains within the imperial system and in particular the movement towards industrial development over a wider geographical area. This trend resulted mainly from the relative decline of the Central Industrial Region around Moscow and of the St Petersburg-Baltic region in the country's total output. The principal beneficiaries of this development were Ukraine and to a lesser extent, the Transcaucasus and other border provinces of the Empire. Thus in spite of the budgetary losses, Ukraine experienced above average growth of its industry.⁴¹ Ukraine's share in the total investment of the Empire's industry was favourable - an estimated 36% in 1913 and 26% in 1917, leading to the remarkable growth of Ukraine's industry. Between 1854 and 1908, Ukraine's share in the total industrial output of the Empire increased from 7.1% to 18.4% and from 9.4% to 22.0% in the Empire's European part.

Koropecy found geopolitical factors more helpful in explaining the Tsarist regime's policies towards Ukraine. During the 19th century the government was engaged in the conquest of successively remoter territories in the east and the south east which were of economic or strategic importance for Russia (e.g. regions bordering on China or the natural resources of the Asiatic region). The integration of these territories into the imperial system resulted in a prioritizing of government economic policies, concentrating on those areas and regions of most importance for the regime, and leading to bias against the already developed economies of European Russia. Hence the further development of the Ukrainian economy was not emphasized but kept at a tolerable level and relegated to being a resource base for the development of the new economically or strategically important regions.⁴²

The initial preference for the industrial development of the northern regions of the empire and reliance on the southern regions for agricultural supplies and subsequently the concentration on the border regions to the east and south, is used by some to argue Ukraine existed primarily as a colony of Russia, heavily exploited financially

⁴¹ Koropecy 1981 p476

⁴² Koropecy 1981 p484-489

and economically to the utmost.⁴³ Ukraine existed, it is contended, as a supplier of raw materials which were refined and manufactured elsewhere in Russia. Hence while Ukraine contributed most of the Empire's sugar, its refining took place elsewhere.

The Soviet economist, Konstantin Kononenko, argued that as industrialization became more extensive in the second half of the 19th century, Ukraine's economic position within the empire changed but, he argued, it retained a different form of colonial status. He believed that with industrialization Ukraine ceased to be an industrially cultural and primitive land - an annex to the motherland from which she derived raw materials to supply her industrial output. He suggested that the Russian and foreign investments which facilitated Ukraine's industrial growth were frequently undertaken in a discriminatory way to force her economy in a specific direction. Hence a heavy outflow of industrial investment earnings from Ukraine in the form of dividends and interests was channelled to Russia and other foreign countries and their investors instead of being reinvested to further Ukraine's economic growth.⁴⁴

Kononenko presented several examples of what he considered to be discriminatory policies against Ukraine. He argued that in spite of industrial development, Ukraine remained a source of food and raw materials for the imperial market and was often forced against her real interest to accept three quarters of her imports from the empire. Ukrainian exports, consisting mainly of agricultural products were frequently directed through the Baltic ports while Ukrainian ports were often neglected and the Ukrainian commercial fleet kept small and confined to coastal trading.

Ukraine's imperial contribution was not matched by its own gains from the imperial system. While contributing 20% of the imperial Gross National Product (GNP), only 5% of this was returned to Ukraine for its own domestic purposes and needs.

Ukraine also made significant contributions to the imperial tax system, the revenue of which was largely used for the development of other imperial regions.⁴⁵ Kononenko

⁴³ Chirovsky, N. L. Fr., *An Introduction to Ukrainian History* Vol 3 New York 1986 p9

⁴⁴ Chirovsky 1986 p124; K. Kononenko *Ukraine and Russia - A History of the Economic Relations between Ukraine and Russia 1654-1917* Wisconsin 1958

⁴⁵ Chirovsky 1986 p125; Ukraine's effective subsidization of under developed regions continued under the Soviet regime.

concluded that such a situation severely contradicted the economic interests of the national community and could only exist under circumstances in which these interests are subject to some other interests, whenever, in other words, 'an economy is merely an adjunct of another dominant system'.⁴⁶

Nicholas Chirovsky was similarly convinced that Russia pursued discriminatory policies with regard to Ukraine, arguing that

There is no doubt that without discriminatory Russian economic policies such as tariffs, differential shipping charges and subsidies for Russian plants, Ukraine's industrial capacity could have developed much more effectively.⁴⁷

Chirovsky described a specific example of discrimination aimed at the Ukrainian sugar industry, where St Petersburg continuously increased its oppressive excise tax on sugar, eventually becoming some 40% of the selling price and substantially reducing domestic demand and consumption. He argued that Russia protected its own sugar production by favourable railroad rates for shipment and tariff policy manipulations. Russia also permitted foreign produced sugar to enter the Empire at favourable terms which were detrimental to Ukraine's sugar interest.⁴⁸

For Ivan Rudnytsky, defining Ukraine's position within the Empire as colonial, was not a well chosen term. He suggested that Tsarist Russia possessed genuine colonies such as Transcaucasia and Turkestan but Ukraine would not be counted among them. Rather, the administration looked on Ukraine as belonging to the core of the 'home provinces'. However Rudnytsky recognized that the economic policies of the imperial government were mostly adverse to Ukraine's interests. Ukraine carried an excessive load of taxation, since the revenues collected in Ukraine did not return to the area but were sent to other parts of the Empire. The construction of railway lines, which was dominated by strategic considerations as well as the existing system of freight rates and customs duties, failed to take into account Ukrainian needs.⁴⁹

⁴⁶ Chirovsky 1986 p145

⁴⁷ Chirovsky 1986 p14

⁴⁸ Chirovsky 1986 p163 & 164

⁴⁹ Rudnytsky 1987

Most economists and historians agree that Ukraine did experience some degree of exploitation by the centre, but differ in their assessment of the extent to which it benefited from imperial economic policies. It is reasonable to conclude however, that these policies accelerated Ukraine's modernization. Modernization is the usual result of economic development and industrialisation. Urbanization and the accompanying growth in dwellings, commercial institutions, centres for social interaction, schools and public amenities all contribute to the modernization of society. Intrinsically linked to this is the dissemination of ideas which becomes more extensive and rapid with education, wider literacy, the growth of the newspaper industry and greater mobility. Politicization and class consciousness are byproducts of this but national awareness / consciousness is also an outcome. This could be the result of better education and access to wider reading material or it could be reactive - a defence against the homogenization of peoples which often took place in industrial centres. In either case nationalist movements were growing stronger throughout Europe in the 19th century and their development is clearly linked to industrialization and modernization.

Industrial centres throughout the Russian empire and not just Ukraine, experienced such developments in the late 19th century and early years of the 20th century. In Ukraine, it did not create a nationalist movement. This already existed amongst an intellectual minority, but it helped diffuse ideas about Ukrainian nationhood, language and culture to a greater number of people, though at no time did it become a mass movement. Some nationalists later extended their thinking to include Ukrainian statehood and independence. To strengthen their case they looked back over centuries to uncover a history of suppression and exploitation which began with the Pereiaslav Agreement and which found its most recent manifestations in the policies of the Tsarist regime.

Unlike Ukraine, Belarus was slow to benefit from the wave of industrialization which swept through the Russian Empire in the second half of the 19th century. Its economic base remained predominantly agrarian, and it was one of the least developed areas of European Russia. In Ukraine, a perceived history of exploitation was used to strengthen nationalists' demands for autonomy and independence. Such a perception was lacking in Belarus, with Belarusians generally acknowledging that the republic had gained enormously from Soviet economic policies. In Tsarist times Belarus remained

economically underdeveloped and this continued in the early part of the Soviet period. Only after World War Two and the utter devastation of the territory did the modernization of Belarus begin in any real sense. Its retarded economic development and rapid modernization in the post war years had a number of consequences, the impact of which became apparent when the republic became independent in 1991.

A region of vast estates before the First World War, the state, church and landlords owned 54% of Belorussian lands.⁵⁰ Industrial development came late and grew slowly, largely because there was no regional capital and only a very small urban population.⁵¹ Prior to 1917, Belarus' contribution to the imperial economy was insignificant - in 1913 heavy industry in Belarus produced only 0.88% of the industrial production of Russia, while the population of the region made up 3.6% of Russia's total population. For much of the Tsarist period Belarus concentrated on the production of linen and linen products, grain, vodka, spirit, wool and so on, trading these with the neighbouring regions of Russia and Ukraine.⁵²

Belarus' importance to Tsarist Russia was geopolitical rather than economic. Lying at the heart of Russian Empire, the North Western Territory had in the past been the transit route for attacking armies approaching Moscow. The area acted as an important buffer zone for Russia and its economic development would have rendered it even more vulnerable. Nevertheless limited and small scale, industrial development began in Belarus from the 18th century, prior to its incorporation into Russia as a result of the three partitions of Poland (1772, 1793 and 1795). Such industrial activity usually took place on private estates and local industry frequently consisted of small distilleries. Belarus' economy was largely agricultural and exports consisted of timber (much of the area was covered in dense forest), flax and honey. It imported grain, salt, finished products, wine and fur. Russia's strategy of using the regions as suppliers of raw material which were then processed in Russia, was also applied in here. Timber from this area was floated down to the Baltic and Black Sea ports, while

⁵⁰ Lubachko, 1972 p6&p9

⁵¹ Abetsedarskaia 1997 p154-158; Lubachko 1972 p11; Guthier 1977 pp37-61

⁵² Gruzitzkii, Iu.L. *Ekonomicheskaiia Istoriia Belarusi i Zarubezhnykh Stran* Minsk 1996

only 13% of the annual cut went to the country's own mills.⁵³ Belarus benefited from the expansion of the imperial transport network in late 19th century and retained its importance as a transit route for Russian goods going West as well as for Russian imports. The network of railroads and waterways facilitated the importation of goods from other areas to the Belarusian market. Local industry also became more specialized in processing agricultural and forest products.⁵⁴

In the decade before the Russian revolution there is some evidence of the development of the Belarusian economy. This included the growth of an urban proletariat, although this development was small in comparison to the rest of the empire. In Belarus the urban proletariat comprised 0.5% of the population compared to 1.43% of the population of European Russia. By 1917 Belarus' urban proletariat represented 3.5% of the total number in the empire. Industries remained small scale - before the revolution there were 10,000 industrial enterprises employing together fewer than 70,000 workers. However the number of industries in this area had increased, particularly enterprises in the food, chemical, minerals, ceramics and animal products' industries, as well as the textiles, wood, paper and metallurgy industries.⁵⁵ Nevertheless Belarus' economic development was uneven and limited in comparison to Ukraine. Industrialization in a restricted form had only begun as the Tsarist era was coming to an end and it was to be the middle of the 20th century before modernization and its accompanying socio-economic developments were to have a real impact on Belarus.

Ukraine and Belarus retained their relative positions of importance under the Soviet regime. To legitimize its own position the regime sought to expose the colonial, exploitative nature of the previous Tsarist regime. In a speech in Switzerland in 1914, Lenin observed

It [Ukraine] has become for Russia what Ireland was for England:
exploited in the extreme and receiving nothing in return.⁵⁶

⁵³ Vakar 1956 p34&35

⁵⁴ Zaprudnik 1993 p25&60

⁵⁵ Vakar 1956 p35

⁵⁶ Subtelny 1992 p269

In 1928, the Ukrainian communist economist, Mykhailo Volobuev described how Ukraine was not an Asian type of colony - under developed industrially with its resources carried off by an exploitative empire, but more of a European type of colony - an industrially well developed area which was not so much deprived of its resources as of its capital and potential profits. Volobuev showed how the mechanism used to achieve this was the fixing of imperial prices so that costs of Russian finished goods would be exceedingly high, while the prices of Ukrainian raw materials remained low. Hence Russian manufacturers made greater profits than Ukrainian producers of coal and iron. The Ukrainian economy was deprived of potential benefits and made to serve the interests of the Russian core of the Empire.⁵⁷

Theoretically economic disparities amongst the regions of the former Tsarist Empire would be ended with the Soviet promise of equality among regions and the creation of a new favourable economic environment where all nations would contribute and benefit equally. A nationalities policy would extend this equality to all forms of social and political life in the new Union of Soviet Socialist Republics (USSR). The intention was to overcome one of the legacies of the industrialization drive of the later 19th century which had resulted in extreme regional disparities in economic development.⁵⁸

In reality, the USSR retained many of the peculiarly Russian features of the Tsarist regime. Most notable was the regional/republican implementation of the policies of the centre by Russians already resident or transferred to the area by the government. Under the Tsarist regime, Russians had already played a significant role in assisting regional industrialization. In the early stages, Ukrainians and Belarusians had rarely participated in this. In the Soviet era they were incorporated more into the republic's industries but Russians continued to predominate at the higher, managerial levels. For example, among the most experienced workers in the heavy industry of Southern Ukraine, indigenous workers made up only 25% of the coal miners and 30% of the metallurgical workers, with Russians constituting the majority in these occupations. Amongst Ukraine's intelligentsia, Ukrainians made up only 16% of lawyers, 25% of

⁵⁷ Subtelny 1992 p 269

⁵⁸ Dmitrieva, O., *Regional Development: The USSR and After* London:UCL Press 1996

teachers and less than 10% of writers and artists. In 1917, only 11% of students at Kiev University were of Ukrainian origin. In Ukraine's main cities and towns, Russians predominated - in the early 20th century, less than a third of all urban dwellers were Ukrainian, with Russians and Jews making up the remaining two thirds. In Kiev in 1874, those who considered Ukrainian to be their native language made up 60% of the capital's population. By 1897 this had fallen to 22% and fell again in 1917 to 16%.⁵⁹

It was a similar story for Belarus. The 1897 census recorded that 92% of the Belarusian population depended on agriculture, forestry, hunting and fishing for their livelihood.⁶⁰ The limited and small scale industries which existed tended to be owned and managed by Russians.

In the immediate post revolutionary period the Bolsheviks appeared willing to redress this imbalance with a seemingly liberal nationalities policy. In Ukraine this entailed co-opting Ukrainian supporters into prominent positions in the government, issuing instructions to party functionaries to use the Ukrainian language whenever possible, and to show respect for Ukrainian culture. At the 12th Communist Party Congress (1923) these policies were formalized in a new policy of *Korenizatsiia*, or indigenization, calling for a concerted effort to recruit more non Russians into the party and state apparatus, for Soviet officials to learn and use local languages and for state support for the cultural and social development of the various nationalities. Encouraged by such policies more Ukrainians joined the Communist Party but although they gained a majority as newcomers, they were largely concentrated in the lower levels of both government and party. In the 1920s Ukrainian representation in the Ukrainian Communist Party's Central Committee was no more than 25%.⁶¹

The policy of *Korenizatsiia* also achieved some success within the Belorussian Communist Party (BCP) in the 1920s. In 1922 the party consisted of 6,157 members and candidates, of whom 72% were Russian. By 1925 membership had increased to 7,691 members and 4,972 candidates, with Belarusians making up 45%. In 1928, there

⁵⁹ Subtelny 1992 p 272

⁶⁰ Gutheir 1977 p45

⁶¹ Subtelny 1992 p376,p387, p388

were 31,713 party members and candidates, with Belarusians forming the majority (54.3%), followed by Jews (23.7%), Russians (14%) and others (8%).⁶²

With Moscow's encouragement, Belorussian leaders began to build up cultural and educational institutions in the republic. For example, the aim of the Institute of Belorussian Culture set up in 1921, was the perfection of the Belorussian literary language which had been out of use since the end of the 17th century.⁶³ The Institute also began the study of Belorussian history and culture, laying a foundation for the development of Belorussian nationalism.⁶⁴ In July 1924, the second session of the Central Executive Committee of Belorussian Soviet Socialist Republic, (BSSR) drew up a plan of practical measures for implementing the national policy, stipulating that all administrative, cultural and educational establishments should use Belorussian in their offices as the official language of the republic.⁶⁵ The development of a Belorussian education system was also supported. Before the revolution, no institution of higher learning had existed in Belorussia. In 1921, the Belorussian State university was founded.⁶⁶ By 1928 Belorussia had four institutions of higher learning and by 1931 these had increased to 32.

Given the early successes of the korenizatsiia programme and efforts to indigenize the local (ie. republican) party, it could be argued that Ukrainians and Belarusians gained more in the first two decades of Bolshevik rule than had been possible under the long period of Russia and Tsarist domination. Under the Tsars, Ukrainian and Belorussian language, culture and national identity had been suppressed, while the early Soviet regime made efforts to foster or restore these and consolidate these regions within territorial boundaries on a federal basis, with each possessing their own administrative

⁶² Lubachko 1972 p70

⁶³ In 1696 the Polish Seim officially banned the Belarusian language for use in state and business activities. The joining of Polish lands to Russia in 1795 (the third partition of Poland) did not restore the official use of the language which was had been used widely in the 16th and 17th centuries in secular religion, literature and so on. see Hosking 1997 p29

⁶⁴ Abetsedarskaia 1997 p236-237; Lubachko 1972 p80

⁶⁵ Lubachko 1972 p84

⁶⁶ Abetsedarskaia 1997 p236

centre and apparatus.⁶⁷

The early policies of the Bolsheviks were however largely tactical - necessary concessions in order to retain power, and sharply and quickly revoked under Stalin, when growing nationalism in these republics threatened to veer out of Moscow's control. Indeed Stalin's purges which followed far exceeded the repressive excesses of the Tsarist regime.

This highlights once more the degree of continuity which existed between the Tsarist and Soviet regimes. John S. Reshetar, for example, argues that the revolution did not bring about a reordering in the relationship with Russia but in the Ukrainian case, restored the status quo ante. For this to occur, Reshetar suggests, a total restructuring of the relationship would have required Russian abandonment of imperial claims and a willingness to relinquish hegemony. It would have meant giving up political centralism and the implied invidious distinction between greater and lesser people.⁶⁸

Elements of continuity are also apparent in the economic relationship between the centre and Ukraine and Belorussia. With economic planning and the first Five Year Plan (FYP) in 1928, it seemed that the economic prioritizing which had characterized the Tsarist regime's regional economic policies would also be a feature of Soviet economic planning. In the first FYP Ukraine received over 20% of the total investment and of the 1,500 new industrial plants built in the USSR, 400 were located there. There after however in the second and third FYP, Ukraine received a disproportionately smaller amount of investment. Of the 4,500 plants to be built in the 2nd FYP (1932-37), 1000 were located there. Three thousand new plants were to be built in the third FYP, of which 600 were to be located in Ukraine. The basis for this, the government argued, was that in the event of war Ukraine's industrial centres would be too vulnerable to attack and it was preferable to concentrate on the development of industrial centres in the Urals. The traditional economic relationship between the centre and Ukraine thus prevailed, with Ukraine the supplier of raw materials and Russia the producer of finished goods. This drew Ukrainian economists to complain in

⁶⁷ Subtelny 1992 p386

⁶⁸ Reshetar, J.S., 'Ukrainian and Russian Perceptions of the Ukrainian Revolution' in Potichnyj, P. (Ed) *Ukraine and Russia in their Historical Encounter* Edmonton: University of Alberta Press, , 1992 p140

1932 that the colonial relationship between Russia and Ukraine that had existed in Tsarist days had not altered appreciably.⁶⁹

The continuation of seemingly exploitative economic policies and the growing centralization of the late 1920s suggested that the centre was reverting to previous policies of regional subordination. The severity of the forced collectivization and the rigorous purging of Ukrainian and Belorussian peoples in the 1930s appeared to confirm this. The drive towards collectivization and industrialization in Belorussia and Ukraine was accompanied by a vigorous policy of centralization and the ending of cultural autonomy. Between 1929 and 1934 widespread purges were carried out in Belorussia, affecting government and educational establishments so that the national and cultural leadership was completely destroyed. The efforts of the Institute of Belorussian Culture to restore the national language was obstructed by a decree from the Belorussian Council of People's Commissars in 1933 making grammatical changes to the national language and bringing it closer to the Russian language.⁷⁰ The purges within the Belorussian Communist Party and within the republican administration reduced significantly the representation by Belarusians, particularly at the All Union level, where from 1933, Belorussia was never adequately represented in the Central Committee or the Supreme Soviet. Of the 1,227 delegates to the All Union Party Congress in January 1934, 19 (1.6%) were from Belorussia, though these were mostly Russians. In a third purge from 1936-38, about 90% of Belorussian writers and poets were arrested, many of whom were shot or tortured to death in prison. Top officials in the Belorussian state apparatus and military were also affected by the purge.⁷¹

In Ukraine, collectivization was undertaken with particular severity. By March 1930 about 3.2 million peasant households had been forcibly driven to join the collective farms. Ten years later, almost all of Ukraine's peasants belonged to the republic's 28,000 collective farms.⁷² The forceful and violent policy of grain procurement; the elimination by death or deportation of the Kulak class of peasants; the loss of almost one third of the grain yield during the harvest in 1931; a drought affecting Southern

⁶⁹ Subtelny 1992 pp405-407

⁷⁰ Lubachko p80 & p113

⁷¹ Lubachko 1972 p116 & p123

⁷² Subtelny 1992 p 411

Ukraine in 1931; the contraction by one fifth of the total area sown in Ukraine by 1932, all contributed to a famine in 1932 and 1933 in which between 3 and 6 million of the Ukrainian population perished.

Debate on the causes of the Ukrainian famine became possible only in the later years of Gorbachev's rule and intensified as Ukraine sought national sovereignty in 1990. Western and emigre historians were in little doubt that the chief cause was the severe grain procurement policy. Robert Conquest and Bohdan Krawchenko point out that the 1932 harvest was only 12% below the 1926-32 average - meaning that there was food available, but this was confiscated by the state. Indeed, in 1932, Stalin increased Ukraine's grain procurement quotas by 44%.⁷³

In recent Western interpretations of the Ukrainian famine, it is suggested that the famine was Stalin's way of weakening Ukrainian nationalism as well as destroying the independent peasantry as a potential class enemy to the regime.⁷⁴ This was certainly an aim of the purges in Ukraine and elsewhere, with Stalin's declaration in 1933, that local nationalism was the main threat to Soviet Unity. In the late 1930s the limited local self government which the Ukrainians and other non Russian nationalities had enjoyed was ended. Members of the Ukrainian Communist Party and government elite were not exempt from arrest and execution. Stalin reasserted control over Ukraine through his personal emissaries including Pavel Postyshev and Nikita Khrushchev and the thousands of Russian party functionaries who had come to Ukraine in the 1930s to reinforce the collectivization drive. By the late 1930s much of the top party and government leadership in Ukraine was Russian.⁷⁵

The Nazi invasion of the USSR in June 1941 was to have grave consequences for Ukraine and Belorussia. With the front line running through their territory these republics suffered doubly from the destruction and devastation wrought by both the Red Army and the Nazis. The evacuation of these areas by the Soviet regime as the Nazi advanced encouraged the growth of nationalism, sponsored in the first instance

⁷³ Subtelny 1992 p413 & 415

⁷⁴ Shkandij, M., *Modernists, Marxists and the Nation* Edmonton: CIUS 1992

⁷⁵ Subtelny 1992 p421

by partisans.⁷⁶ During the Second World War, the inability of the centre to control the republics as the Germans advanced enabled local nationalism to flourish once more. Since the 19th century Ukrainian and Belorussian nationalism had surfaced when more liberal policies were applied or when regime weakness made local concessions necessary. In the aftermath of the war, the Soviet central authorities had to act quickly and decisively to quell these nationalist tendencies. This was made more difficult by the immediate pre and post war incorporation of Ukrainian and Belorussian lands which had existed outside the Soviet Union since 1918. Soviet efforts to absorb these territories was often met with local resistance. Opposition to Soviet policies and in particular to collectivization generated strong anti communist feeling.

In Belorussia the impact of the war had been great. During their three years of occupation the Nazis had destroyed and burned 209 towns and 9,200 villages.⁷⁷ Over 80% of the capital Minsk had been destroyed and more than 3 million people were left homeless, often with no means of subsistence. Industry was largely destroyed and in 1945 was only about 20% of the size it had been in 1941. Agriculture was particularly affected with damage caused to the land and the loss of livestock.⁷⁸ Belarus had lost more than half of its national wealth. Its material losses were so great were that national reconstruction was far beyond its own means.⁷⁹ Consequently Belarus' post war reconstruction was centrally directed and resourced with massive inputs of money, technical equipment, machinery and personnel. This reflected an important change in the centre's policy towards Belarus. Previously Moscow had been reluctant to locate and develop heavy industry in Belarus, largely, it was argued, because Belarus neighboured on capitalist Western Europe and any industry in Belarus could be destroyed in time of war. After the war the USSR had secured its buffer zone in Eastern Europe and with the communist states of Estonia, Latvia, Lithuania and Poland as its neighbours this threat receded. Belarus was able to develop heavy industry with railroad, locomotive, tractor and automobile plants in

⁷⁶ Abetsedarskaia 1997 p257-269; Poda, N.V., & Akimov, F. I., *Istoriia Ukraini XX Stolittia* Kiev: Globus 1997 p140 -159

⁷⁷ Marples, D., *Belarus - A Denationalized Nation* Amsterdam:Harwood 1999 p16

⁷⁸ Abetsedarskaia 1997 p268

⁷⁹ Lubachko 1972 p165 & 166

Minsk, Vitebsk, Gomel and other cities.⁸⁰ The long term implications of this externally directed reconstruction became apparent when Belarus acquired independence in 1991.

Ukraine also suffered wartime devastation. With Germany's advance imminent, the Red Army sought to reduce any possible gains by a scorched earth policy. All economic enterprises which might be of use to the Germans were marked for destruction. In the Donbas, most of the mines were flooded. The Dnieper hydro electric works and all the blast furnaces in Ukraine were destroyed. A huge evacuation of industry and people was undertaken, moving munitions plants skilled labour and important intellectuals - about 1500 plants and 10 million people were relocated to the east of the Ural mountains.⁸¹

In spite of this, Ukraine remained an important acquisition for the Nazis. Eighty five percent of the food supplies which the Nazis obtained from occupied Soviet territories came from Ukraine. They used Ukraine not only as a major food supplier but also as their main source of labour for the undermanned industries and farms of Germany. The scale of this became apparent at the end of the war - of the 2.8 million workers from Eastern Europe in Germany, 2.3 million were from Ukraine. When the Red Army forced the Germans back in 1943, the Germans wrought further destruction on Ukraine with their own scorched earth policy.

Ukraine's losses in the war were staggering, not least in human terms - about 5.3 million people, or 1 in 6 of the inhabitants of Ukraine perished. Over 700 cities and towns, and 28,000 villages were totally or partially destroyed, leaving close to 10 million people homeless. More than 16,000 industrial enterprises and 28,000 collective farms were wholly or partially destroyed.⁸²

The Soviet central authorities aimed to restore the Soviet Union to its pre war economic capacity and advance beyond this. To achieve this Ukraine's contribution would be especially important. A shortage of industrial workers, government

⁸⁰ Lubachko 1972 p166

⁸¹ Subtelny 1992 p461

⁸² Subtelny 1992 p469 & 480

bureaucrats and party functionaries in Ukraine and in particular, Western Ukraine, led to a dramatic increase in the number of Russians in the republic. In Western Ukraine there were practically no Russians before the war but by 1959 Russians made up 5% of the population (330,000). For the whole of Ukraine there were 4 million Russians in 1939 (12% of the population) and this increased to 7 million (16% of the population) in 1959. Against the opposition of the Catholic Church, the peasants and the region's youth, Moscow resorted to repression to assert its authority. Efforts were made to build up the membership of the CPU in the West of the republic. However the increase in membership which resulted (from 7,000 members and candidates in 1944 to 88,000 in 1950) was largely due to the new members from the east and not from the western regions.⁸³

Like Belarus, the plan for Ukraine's post war reconstruction was centrally directed and resourced. A key aim was to return industrial productivity to its pre war levels. The 5th FYP directed 85% of the republic's investment to heavy industry. Despite the fact that many of the industrial plants shifted beyond the Urals did not return, by 1950, industrial output in Ukraine was 15% higher than it had been in 1940 and had increased by 230%. However, although Ukrainian industry was in a stronger position than before the war, Ukraine's share in overall Soviet production had fallen, because the new industrial centres beyond the Urals and in Siberia grew at a faster rate.⁸⁴

The industrial development of the western regions was more successfully achieved. Under Polish and Austrian rule, Galicia had been a relatively prosperous agrarian region. The Soviets invested heavily in this newly incorporated area. Old industries such as oil production were expanded and a series of new industries including the production of cars, buses, radios and light machinery were established. New factories were built and often outfitted with machines expropriated from the Germans so that the enterprises in the region possessed some of the most modern equipment in the USSR. By 1951 the industrial production of the region had jumped to over 230% of the 1945 level and accounted for 10% of Ukraine's industrial production.⁸⁵

The post war industrialization of Western Ukraine was in part politically motivated

⁸³ Subtelny 1992 p484 & p492

⁸⁴ Chirovsky 1986 p4

⁸⁵ Subtelny 1992 p491

and the centre sought to integrate it into the Soviet system by means of changing its social and demographic structure. The migration of large numbers of Russian workers and Communist Party activists to Western Ukraine and Galicia in particular, was an inherent part of this strategy. Before the second world war the number of Russians in Western Ukraine was negligible but by 1959 they had increased to 5.2% of the population there.⁸⁶

The reassertion of political control by the centre manifested itself in renewed purges of the local parties and their leaders. Leaders of non Russian nationality in Ukraine and Belorussia were removed and replaced with Russians. In Belorussia, by the end of 1948, all the top Belorussian Communists had been purged and replaced by Russians. Republican communist officials in party and government organizations were also replaced by Russians so that in 1951 of the 33 members of the Belorussian government, 22 were Russian, 9 were Belorussian and the remaining two were Jewish and Georgian.⁸⁷

The political thaw which followed Stalin's death was accompanied by a less centralized approach to the economy and the introduction of the Sovnarkhoz reform (1957) by which civilian industrial and building enterprises were placed under regional economic councils. Each Sovnarkhoz was in general command of its enterprises and each was appointed by and responsible to the republican Council of Ministers.⁸⁸ In Ukraine over 10,000 industrial enterprises were put under the control of Sovnarkhoz and by the end of 1957 the Sovnarkhoz supervised 97% of Ukraine's factories.⁸⁹ This brief experiment with regional economic autonomy ended abruptly with Khrushchev's ouster and a similar experiment was not attempted again until Gorbachev's Law on the State Enterprise in 1987.

A more liberal nationalities policy under Khrushchev (First Secretary of the CPSU, 1953-64) encouraged greater local participation in the communist party. In Ukraine,

⁸⁶ Magocsi 1996 p651

⁸⁷ Lubachko 1972 p172

⁸⁸ Nove, A., *An Economic History of the Soviet Union* Harmondsworth:Penguin 1969 p344

⁸⁹ Magocsi 1996 p658; Subtelny 1992 p505

party membership increased from 777,000 members and candidates in 1952 to 1.3 million in 1959, of whom 60% were Ukrainians. Republican interests were better represented than before as the number of Ukrainians among the leadership of the CPU increased and more Ukrainians gained prominence at the All Union level.⁹⁰

Ukraine's altered position within the USSR was due partly to the more liberal policies of the period of deStalinization. It came also in recognition of its continued economic importance within the union and its new strategic importance with the addition of the Western territories which bordered on Poland, Hungary and Czechoslovakia.⁹¹ After 1953 Ukraine was placed in a new position in the union - 'second among equals' and Ukrainians, with the Belarusians became junior partners of Russia in running the USSR. This was a consequence of the continuous influx of Russians to these regions which perpetuated a form of russification with a growing number of people in Ukraine claiming Ukrainian origin but who were Russian in language and culture.⁹² By the mid 1960s the three Slavic republics had all attained similar levels of economic development and growth. Ukraine and Belarus had been heavily russified so that within these two republics there was a growing number of Russian speakers (either Russian party or industrial workers, or Ukrainians and Belarusians claiming Russia as their first language).⁹³ It appeared, then, that the Russia, Ukrainian and Belarusian peoples were closer to the *slitiane* (fusion) proposed for all the Soviet nationalities than the rest of the republics. This was emphasized in terms of the common past which the three republics shared. An upsurge of Ukrainian nationalism in the 1960s led a central regime, dominated by Russians, to stress once again their historic bond. The concept of a shared Ukrainian - Russian identity was revived and celebrated. In 1954, on the 300th anniversary of the Pereiaslav Treaty, the Central Committee of the CPSU published thirteen theses highlighting the irreversibility of the everlasting union of Ukraine with Russia.⁹⁴ Large scale celebrations marked the 375th anniversary of the reunification of Russia and Ukraine in 1979; the 1500th

⁹⁰ Subtelny 1992 p491

⁹¹ Subtelny 1992 p483

⁹² Subtelny 1992 p524

⁹³ see Tables 1&2 in appendix for percentage share of ethnic Russians in overall population of all Soviet Republics in 1989

⁹⁴ Subtelny 1992 p499

anniversary of the city of Kiev in 1982; the millennium of the Christianization of Kievan Rus' in 1988.⁹⁵

The legacy imparted on Ukraine and Belarus by the Tsarist and Soviet regimes was a high level of integration within the all union political and economic system.. The central authorities exerted a high degree of control over developments - political, economic and cultural, in these republics. This level of control, effected as it was often was by Russian party workers resulted in the presence of large numbers of Russians residing in these republics as shown in the table following. The consequences of this are examined in chapter 5.

Table 1

Share of Ethnic Russians in overall population of Ukraine and Belarus 1989⁹⁶

Republic	% Share of Russians in Republican Population
Ukraine	22.1
Belarus	13.4

The integration of these republics was especially acute in the economic sphere. Economically the three Slavic republics both benefited and suffered from the policies of the Tsarist and Soviet regimes. In the post war period the benefits were evident in modern and technologically advanced industries and a relatively high standard of living. Russia, Ukraine and Belarus played a key role in the development of the all union economy making significant contributions to all union production and contributing to the development of other regions. In 1988, Russia, Ukraine and Belarus accounted for four fifths of the total output of the Union, leaving the other republics a combined total of one fifth. Table 2 and the pie chart below shows the republics' share in the total gross output of the Union. ⁹⁷

⁹⁵ Magocsi 1996 p 647-648

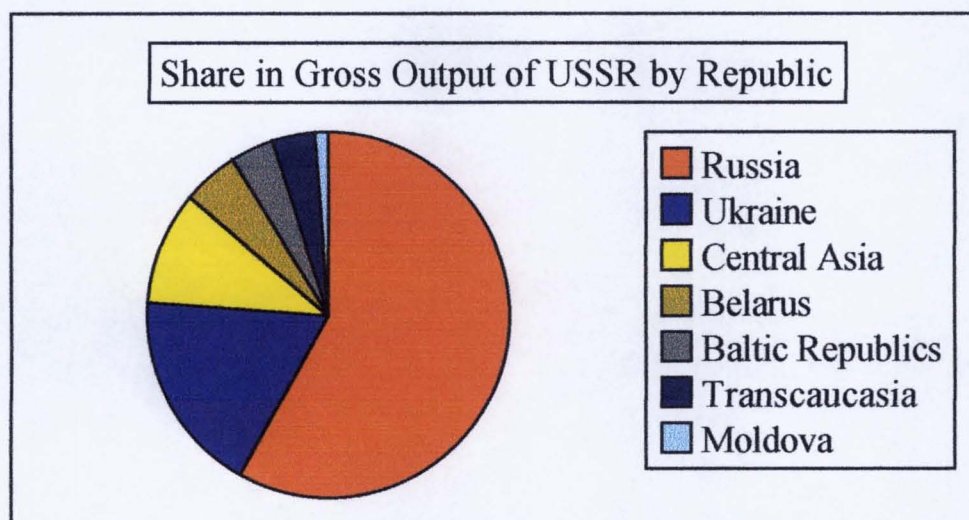
⁹⁶ Dronov, V.P., Maksakovskii, B.O., & Rom, B *Ekonomicheskaya i Sotsial'naya Geografiya* Moscow 1994

⁹⁷ Pokorny, D., *Efficiency and Justice in the Industrial World* Vol 1 'The Failure of the Soviet Experiment' Sharpe 1993 p142

Table 2

Republics' share in the total gross output of the Union (1989)

Republic	Share in Gross Output of USSR by Republic
Russia	58%
Ukraine	18%
Central Asia	10%
Belarus	5%
Baltic Republics	4%
Transcaucasia	4%
Moldova	1%



The disadvantages, for Ukraine and Belarus in particular, were the extent to which their economies were structured to serve the needs of the wider economic community made up of the republics of the USSR and the other states of the CMEA, rendering them trade and resource dependent. As the tables below indicate, even in the late 1980s the economies of Ukraine and Belarus continued to be structured around the production, though generally not the processing, of food supplies and raw materials and increasingly the production of light and consumer goods. In Ukraine's case this stemmed back to the development policies of the Tsarist regime. The imperial preference for Ukraine's agricultural development and the lateness of its industrial development made Ukraine dependent on imports of industrial goods, the bulk of

which came from Russia.

It was a similar story for Belarus. After WW2, its economy had to be virtually rebuilt from scratch. Before long the metal working and machine building industry, the basis of an agro-industry machinery and an integrated potassium mining and chemical fertilizer sector, enabled Belarus to become one of the top agricultural producers in the USSR and the capital, Minsk, to become one of the leading industrial cities of the union.⁹⁸ Belarus specialized in the production of tractors, trucks, machine tools, precision instruments, computers, synthetic fibres, plastics, petro chemical products, mineral fertilizers and various products of light industry and food industry. Its importance within the Union also grew with the development of military underground airfields and rocket bases in the forested areas of the republic.⁹⁹

Belarus benefited from a steady rise in the investment allocations of the Union, part of the strategy to build up its industrial economy. Taking into account the relative rates of population growth in the republic, there was a marked improvement in the relative position of Belarus.¹⁰⁰ Many industries were located in Belarus because of the need for large quantities of clear water for production, cooling and waste disposal.¹⁰¹ Belarus' rich and skilled labour resources also made it an attractive location for labour intensive industries such as electronics, instrument making, heavy machinery construction, textiles and clothing.¹⁰² Soon it was to become a highly industrialized republic and the most militarized of all the former Soviet republics. The economy was largely geared towards heavy industry: machine building, metal working and machine tool construction, which accounted for 60% of Belarus' total industrial output and military goods, to the disadvantage of consumer oriented goods.¹⁰³ The industries which were reconstructed or the new ones set up benefited from the latest and more

⁹⁸ Urban, M., & Zaprudnik, J 'Belarus :A Long Road to Nationhood' in Bremmer & Taras 1993 p99

⁹⁹ *ibid*

¹⁰⁰ Schroeder, G.E. in Denber, R (ed) *The Soviet Nationality Reader: The Disintegration in Context* Boulder, Colorado: Westview Press 1992 p269

¹⁰¹ Dreifelds, J., 'Belarus and the Baltics' in Koropecy 1981:1 p 341

¹⁰² Dreifelds *op cit* p 345

¹⁰³ *Business International* September 1992 No 142 III -11; Marples, D.R. Belarus: 'The Illusion of Stability' *post-Soviet Affairs* 1993 Vol 9 Part 3 pp253-277

advanced machinery and technology so that the republic was very quickly producing high quality goods for internal use and export to other republics and members of the CMEA trading bloc. Belarusians themselves benefited from higher than average standards of living with housing complexes springing up in the new industrial cites. This reached its high point in the 1960s and 1970s but even well into the 1980s Belarusians were continuing to experience higher than average standards of living while shortages and queues characterized life in many of the other Soviet cites. Table 3 following shows Belarus' contribution to all union production in 1989.

Table 3

Belarus - % share of all union production 1989¹⁰⁴

Product	%Share in All Union Production
Synthetic Fibres	28.9
Flax	26.7
Equipment for livestock raising & fodder	23
Mineral Fertilizer	18.3
Potatoes	14.8
Electric motors	13.5
TV Sets	11.1
Radios	10.3
Defence Industry	5

Similar to Ukraine, the post war industries located in Belarus were also resource, and particularly energy intensive, making the republic almost wholly reliant on Russian oil and gas supplies. The collapse of the regional trading market which accompanied the fall of the USSR dealt Belarus a double blow. Production in light industry contracted as Belarus' trading partners fell into economic difficulties and Belarus itself was unable to afford the payments for oil and gas that Russia was now demanding. Belarus' crash may have come later than most of the other republics but its effects

¹⁰⁴ International Monetary Fund (IMF) Report *Belarus* Washington DC, April 1992; Kaufmann & Hardt 1993 p 785

from 1992 onwards were widely felt amongst the populace.¹⁰⁵ A significant proportion of the Belarusian population were those who had participated in the post war reconstruction as young people and who were now in their sixties and seventies, or the children of this generation who could recall a childhood and adolescence of order and plenty. Nostalgia for this golden age helps explain the actions of the Belarusian electorate with its support for the populist president Alexandr Lukashenka and his old style policies.¹⁰⁶

The backbone of Ukraine's economy: heavy industry, heavy machine building and the military sector, was formed on the strength of its rich resources of coal, iron ore, various non ferrous ores, natural gas and other mineral deposits. This republic specialized in the output of various extractive and heavy industrial branches such as coal, iron ore mining, ferrous metallurgy, production of raw materials for the chemical industry, some construction material, metal intensive machine building, wood processing, paper, and light industries.¹⁰⁷ So great was Ukraine's all union contribution in these areas, it was been described as

The foundry, the smith works, the coal and metal base of industrialization within the USSR in general and in other republics in particular.¹⁰⁸

¹⁰⁵ Its rapid economic development made Belarus one of highest ranking republics in terms of GNP by the 1980s. In 1990, it accounted for 5% of the GNP of the USSR. *Business International* September 1992 No142 XIII-6-2

¹⁰⁶ Z. Gitelman shows how modernization can strengthen ethnicity amongst some peoples and weaken it amongst others. For Belarus a key element of its modernization was its industrialization. Gitelman argues that industrialization can lead to the introduction of occupations which are ethnically neutral and non distinctive. But, he argues, industrialization and the associated urbanization can also heighten the sense of identity and can result in both the erosion as well as the preservation and promotion of ethnic allegiances. Gitelman, Z., 'Development and Ethnicity in the Soviet Union' in Motyl, A.J., *The Post-Soviet Nations - Perspectives on the Demise of the USSR* New York: Columbia University Press 1992

¹⁰⁷ *ibid* p292

¹⁰⁸ Gordijew & Koropecy in Koropecy 1981:1 p 295

While heavy industry was extensively developed, the consumer goods sector and the service sector expanded more gradually and slowly. Ukraine was also resource dependent on Russia and the other republics: 100% of its cotton, most of its ferrous metals, 93% of its timber, 70% of the wool processed and used and 80% of other natural fibres, were all imported.¹⁰⁹ Table 4 following shows the share of Ukrainian products in the all union economy.

Product	% Share in all Union Production
Sugar beet	54.2
Iron ore	45.5
Sunflower seeds	44.2
Electric Engines	35.8
Steel	34.2
Agricultural machinery	27.9
Vegetables	26.2
Forge/press machinery	25.3
Coal	24.3
Grain	24.3
Milk	22.7
Meat	22.4
Electric energy	17.2
Defence Industry	15
Natural gas	3.9

No where was Ukraine's resource dependence greater than in its reliance on Russia for energy supplies. The structural bias in the Ukrainian economy towards heavy industry generated a dependence on energy resources which could not be satisfied by limited domestic supplies. Shortfalls were met by imports of large amounts of crude oil from Russia. Self sufficiency in coal enabled it to export coal to Russia, Belarus and the Baltic states, and coal and electricity to member countries of the CMEA.

¹⁰⁹ *Business International* September 1992 No 142 XIII-6

¹¹⁰ International Monetary Fund (IMF) Report *Ukraine* Washington DC, April 1992 p1-69; Kaufmann & Hardt 1993 p 785

Ukraine's high levels of agricultural productivity made it an important supplier of food for the USSR. In 1989 Ukraine produced one fifth of the USSR's meat and dairy output; one quarter of total grain, potatoes and vegetable production and one half of the overall sugar production.¹¹¹

The economic legacy for Ukraine and Belarus in 1991 was three fold: a structural bias towards heavy industry; a reliance on external (and cheap) supplies of energy; a key position in the internal trading network of the FSU. Despite relatively favourable circumstances in 1991, these structural legacies caused Ukraine and Belarus many difficulties in the process of economic reform.

For both Ukraine and Belarus their economies were heavily integrated into the all union economy making them strongly dependent on the exchange of goods and materials which occurred within the Soviet trading network. This is demonstrated in Table 5 below.

Table 5

Volume of Trade (%) by Republic in internal market and with non USSR / CMEA partners. *For all republics see Appendix 2.*¹¹²

Republic	% Trade with USSR/CMEA	% Trade with Non USSR /CMEA
Russia	60.6	39.4
Ukraine	82.1	17.9
Belarus	86.8	13.2

Russia, the largest of the republics and the most well endowed in terms of natural resources, had significant economic power in the all union economy.¹¹³ Abundant in natural and mineral resources (gold, diamond holdings, enormous deposits of all major energy resources including oil, natural gas, coal, phosphorites, potassium salts, iron ores, rare metals, copper, lead, tin, bauxite, manganese, silver, graphite, nickel and

¹¹¹ IMF *Ukraine* April 1992 p1-69

¹¹² Evstigneev, V.P., & Shishkov, Iu. V. *Reintegratsiia Postsovetskovo Ekonomicheskovo Prostranstva i Opyt Zapadnyi Evropy* Moscow 1994: Institut Mirovoi Ekonomiki i Mezhdunarodnykh Otnoshenii RAN p39

¹¹³ Russia comprises 51% of the FSU, covering 76% of the land area

uranium)¹¹⁴, Russia was able to export some of these resources to foreign markets at world prices. However most of its exports went to the Comecon countries and union

republics at heavily subsidized prices. Though adjustment of these prices to world market levels brought a short term contraction in trade with Eastern Europe and neighbouring republics, Russia's supplies of natural and mineral resources promised to be a continued source of wealth in the long term.

Russia was one of the most industrialized of the republics of the FSU and a key contributor to the all union economy, accounting for 60% of the total GNP of the Union, 60% of its total capital stock, 70% of the defence industry and 55% of the total labour force of the USSR. Russia's key industries and their share in the overall industrial output of the union are given below.

Table 6

Product	% Share in All Union Production
Defence Industry	70
Machine Building/Metal Working	30
Food Industry	14.5
Light Industry	13
Fuels	9
Chemicals and Petrochemical	8
Ferrous Metallurgy	6
Wood, Paper, Wood Making	5
Non Ferrous Metallurgy	5

Russia was the region's largest energy producer, accounting for 89.5% of all Soviet crude oil in 1991, 79.3% of Soviet natural gas and 56.1% of Soviet coal.¹¹⁶ While it was the least trade dependent of the republics, the regional market was important for

¹¹⁴ *Business International* No 141 September 1992

¹¹⁵ Kaufman, R.F & Hardt, J.P *The Former Soviet Union in Transition* Joint Economic Committee Washington 1993 p916

¹¹⁶ Kaufman & Hardt 1993 p785 & p916

Russian trade (see Table 5 above). In 1988 Russia imported 135.9 billion roubles worth of commodities from the ex-republics and 66.9 billion roubles of goods from abroad. Thus more than half of all Russia's imports came from the area of the FSU. In 1988 Russia exported goods worth 102.5 billion roubles, 69.2% of which went to the other republics and 33.3 billion roubles were exported abroad. Most of Russia's exports went to the area of the FSU.¹¹⁷

Within the regional market Russia played a pivotal role, both as supplier of commodities vital for republican economies and as the destination for products of these economies. The trade dependence on Russia was demonstrated by estimates which suggested that if Russia severed all economic relations with the former republics, then the economic output of the republics would be curtailed. It was estimated that Ukraine could only produce 15% of its gross output, Belarus only 4%, Kazakhstan 27%, and Moldova, Lithuania, Turkmenistan and Estonia would be able to produce practically nothing on their own.¹¹⁸ It was also estimated that if Russia was to sever all economic relations with the former Soviet republics and the rest of the world, it would be able to produce only 65% of its gross output.¹¹⁹

Consequently while Russia was the least trade dependent of the republics, trade with the other republics still played a large part in its economic productivity. The breakdown in inter republican trade demonstrated the significance of this. Russia's ferrous metals industry was affected by shortages in supplies of metal ores supplied largely by Kazakhstan. Shortages of manganese occurred due to the break down in supplies from Ukraine and Georgia. In the first three months of 1991 Kazakhstan and Uzbekistan supplied Russia with only 0.5% and 5% respectively of the total amount of power transformers which they were supposed to deliver. Ukraine and Kazakhstan supplied only 16% of the metal cutting tools ordered and Belarus supplied only 10% of the truck tyres which had been ordered. Ukraine and Kazakhstan also failed to meet their contract obligations for supplies of ferrous metals rolled stock.¹²⁰ The structure

¹¹⁷ Smith, A. *Russia and the World Economy: Problems of Integration* London: Routledge 1993

¹¹⁸ Bradshaw, M *The Economic Effects of Soviet Dissolution* post-Soviet Business Forum RIIA 1991 p20 & p24

¹¹⁹ *ibid*

¹²⁰ *Business International* September 1992 No142 III-3-37

of inter republican trade thus rendered Russia also susceptible to the breakdown in trade relations. Russia remained however the largest trading partner for all the republics.¹²¹ Ukraine and Belarus were most important trade partners for Russia. Tables 7&8 following show how in the period 1987-90 more than half of Russia's overall trade with the republics of the Soviet Union, was conducted with Ukraine and Belarus.¹²²

Table 7

Russia's Exports to Ukraine and Belarus as percentage of its overall trade with Soviet Republics (* Does not include Baltic States)

Year	1987	1988	1989	1990
Soviet Republics*	43.9	43.9	43.45	41.03
Ukraine	42.03	42	42.28	43.32
Belarus	14.07	14.1	14.27	15.65
Total	56.1	56.1	56.55	58.97

Table 8

Russia's imports from Ukraine and Belarus as percentage of its overall trade with Soviet Republics (* Does not include Baltic States)

Year	1987	1988	1989	1990
Soviet Republics*	41.03	41	41.37	41.84
Ukraine	41.98	42	41.63	41.8
Belarus	16.99	17	17	16.36
Total	58.97	59	58.63	58.16

¹²¹ Kaufman & Hardt 1993 p137

¹²² adapted from Mezhsosudarstvennyi Statisticheskii Komitet Sodruzhestva Nezavisimykh Gosudarstv *Sodruzhestva Nezavisimykh Gosudarstv v 1996 Gody* Moscow 1997

The nature and structure of the internal market, developed in the Tsarist era and extended in the Soviet era left many burdensome legacies for all of the former republics, forcing them to confront difficulties in supply of crucial goods and commodities at a time of political and economic instability. For Ukraine and Belarus these difficulties in supply, and the lack of alternatives underlined the need for a close relationship with Russia. As the tables above show, Russia too, could not completely detach itself from its regional neighbours.

Another important legacy of the Tsarist and Soviet past was the perception, real or imagined, of exploitation by the political centre. This was stronger in Ukraine than in Belarus. In Ukraine, the belief prevailed amongst the nationalist opposition that the republic had been ruthlessly exploited.¹²³ There, support for greater regional economic autonomy grew in the 1960s, particularly under Petro Shelest (First Secretary of the CPU 1963 -1972). Shelest sought to defend Ukraine's interests within the union more rigorously, demanding more Ukrainian input into Soviet economic planning and showing little enthusiasm for the economic development of Siberia and Central Asia which would mean a reduction of investment in Ukraine. He called for more investment into Ukraine's already dilapidated capital base and infrastructure, especially in Ukraine's traditional bedrock industries of mining and metallurgy.¹²⁴

Calls for greater economic autonomy came at a time of growing political dissent within Ukraine, which Bodhan Krawchenko suggests was closely and primarily related to socio - economic tensions. This, he argues, was due to the influx of Russians to Ukraine leading to competition for good jobs between the privileged Russian newcomers and upwardly mobile Ukrainians, many of whom joined or supported the dissidents' calls for greater Ukrainian self determination.¹²⁵

Shelest's support for what the centre described as 'economic localism' led to his removal in 1972. His replacement as First Secretary of the CPU was V. V. Shcherbytsky. Shcherbytsky sought to end the support for greater autonomy for

¹²³ Gornovoi 1949 p11-25; Dziuba p126-142 *Natsional'nyi Vopros v SSSR* 1975

¹²⁴ Kuzio, T and Wilson, *Ukraine Perestroika to Independence* London:MacMillan 1992 p45

¹²⁵ Subtelny 1992 p510-516

Ukraine and the period of his leadership was characterized by repression, economic and spiritual stagnation and a determined campaign for the russification of Ukrainian language and culture. Shcherbytsky's support for Ukraine's subordinated position within the Union was made possible by the co-opting of many Russified Ukrainians into the republican party and state leadership. It is observed that,

Thanks to Shcherbytsky and his associates, Moscow succeeded in cultivating a following of loyal 'Little Russians' who were willing to subordinate the republic's interests to those of the centre'¹²⁶

Shcherbytsky remained leader of Ukraine until 1989 when Gorbachev, no longer able to tolerate his obstructionist approach to reform, finally removed him.

While Ukraine's perceived colonial status within the Soviet system was a topic of great debate, Belarus' position was not subjected to similar rigorous examination and discussion. However it is argued the economic policies of the centre directed at Belarus were not optimal for its economic development and growth. For example, many Belarusian economists accept that building gigantic tractor and automobile plants in Minsk was devoid of any common sense since all raw materials components had to be imported and Belarus only really provided the engineering and labour force. Belarus' agriculture technology remained underdeveloped and while the republic prided itself on the production of huge trucks and tractors it was forced to send its cattle to meat plants in the neighbouring Baltic countries. Belarus continued to lose hundreds of tons of fruit and vegetables each year because it lacked the necessary food processing facilities.¹²⁷

Ukraine's colonial status in both the Tsarist and Soviet empires continues to be debated. Its relevance for this research project is how it has affected the post-Soviet relationship between Russia and Ukraine. Whether or not its colonial status can be proved or disproved, the crucial factor was the perception held initially by dissidents and nationalists and, in the twilight years of the Soviet regime, by many Ukrainians, that the republic had been exploited. This belief fuelled the opposition movement which sprang up, rather belatedly in 1989, in Ukraine. This perception of exploitation

¹²⁶ Kuzio & Wilson p42

¹²⁷ Zaprudnik P115

was an important legacy of the Tsarist and Soviet era which was to have a great influence on Russian-Ukrainian relations after 1991.

Unlike the Ukrainian experience it is much more difficult to make a case for the colonial type exploitation of Belarus. However it is clear that the Belarusian economy was structured to serve the needs of the centre and the all union market. The Soviet centre claimed a key role in the economic development of Belarus, which was outlined in various publications.¹²⁸ It was claimed that under the Tsarist regime Belarus had existed merely as a source of cheap of labour, a raw material appendage of the Russian empire, a supplier of timber, hemp, bristle and hides. By contrast under the Soviet system, Belarus became a 'major economic region' of the USSR. With the help of all the other republics, Belarus became a land of advanced industry and mechanized agriculture.¹²⁹ While Ukraine was able to retain only 68% of the turnover tax collected on its territory in 1989, Belarus retained 71%.¹³⁰ And though investment allocations to Ukraine continued to fall from the 1960s, in Belarus they continued to grow. After the destruction of the Second World War, the whole post-Soviet nation, it was claimed, came to Belarus' assistance and the bulk of the country's resources were directed there.¹³¹

Claims about economic exploitation and colonial status which were made about Ukraine's position within the USSR are more difficult to substantiate with regard to Belarus since the latter's economic development was so closely linked to and dependent upon Soviet economic policies. Given the primitive state of the Belarusian economy in 1917, the Soviet strategy of assisting the modernization of underdeveloped regions did much to aid the economic advancement of Belarus and elevated its status within the Soviet economic hierarchy by the end of the period.

The indisputable link between Soviet economic policies and the economic development and growth of the Belarusian economy contributed to the

¹²⁸ A good example is Stuk, A., & Sapozhkov, Y., *Byelorussia* Novosti Press Agency Publishing House 1982

¹²⁹ *ibid*

¹³⁰ Pokorny 1993 p253

¹³¹ Stuk & Sapozhkov 1982 p14-21

growing conservatism amongst its leadership at a time, when, especially from the mid 1980s, other republican leaderships were becoming radicalized. In Ukraine, for example, this radicalism was fuelled by the long held belief that the centre was exploiting it and Ukraine's only hope of a prosperous economic future was economic sovereignty. Because Belarus' economic development and advancement had taken place at a later stage and was dependent upon the support of central policies, resulting in a more integrated position within the USSR, a sense of exploitation did not prevail to the same extent as in Ukraine.

This was clearly related to the key role which the Soviet regime had played in the creation of the modern Belarusian economy and Belarus' disproportionate dependence on Russia and the other republics which was a by product of this. While Western research in the 1970s and 1980s suggested that the Ukrainian economy may have developed more effectively and functioned more efficiently had it not been administered by the centre, similar arguments could not have been made regarding Belarus. Ukraine's rich soil, minerals, fuel and other raw materials, as well a skilled labour force in numbers and of a quality that made it the 'granary and smith works' of the Tsarist empire and the Soviet Union, provided it with the potential for alternative patterns of production and specialization than that developed under the Soviets.¹³² Belarus, on the other hand, was poorly endowed with natural resources and its industries would continue to rely on imports of raw materials and components from other republics and countries, making the prospect of a viable independent existence less likely.

Conclusion

In their relations with Ukraine and Belarus, the central authorities (Tsarist and Soviet), were guided by the belief that they had a preordained role to govern these areas. In sending ethnic Russians to administer these areas, pursuing wide reaching russifying policies and structuring the economies of Ukraine and Belarus so that they served the Russian economy and were inextricably linked to it, Russia, whether in its Tsarist or Soviet guise, was able to perpetuate this role.

¹³² Hamilton in Koropecy 1981:1 p 297

Within the Tsarist and Soviet empires, Ukraine and Belarus shared a subordinated position the major consequence of which has been their economic dependence on the regional market and on Russian energy supplies. Both states share a common history of repression of their national identity, language, culture and history, begun under the Tsarist regime and continued by the Soviets. Accompanied by economic policies designed to serve the requirements of the imperial (Russian) market, this dual policy of economic and cultural subordination guaranteed central control of these areas, a status which was retained under the Soviet regime in spite of the lip service that the latter paid to regional autonomy.

The experience of subordination created a form of reactive ethnicity in Ukraine, where the perception of its exploitation by the centre heightened ethnic consciousness and encouraged local nationalism and cultural expression amongst certain groups in society. This was not the case in Belarus where a similar sense of exploitation did not exist because Belarus did not experience any significant economic development prior to the Soviet regime and so its economic position, which was to improve throughout the Soviet period, remained dependent upon the centre.

The legacy for Ukraine and Belarus of their Tsarist and Soviet past is a dependency on trade with the other former republics of the USSR, and primarily Russia, which is the direct result of the regional specialization policies of the Soviet regime. Their specialization in certain areas of production and their deficiency in others, forced them to rely on the import of raw materials, machinery, components, and finished products from the other republics. The industries which were developed in these republics were also energy intensive. Unable to meet their domestic requirements themselves, Ukraine and Belarus relied on energy supplies from Russia.

This dependency is one of the critical legacies of the Tsarist and Soviet eras. While Ukraine and Belarus continued to depend on imports from the other former republics, the breakdown in trade relations among the republics following the collapse of the USSR reduced these to a minimum, contributing significantly to the economic dislocation of these states.

This chapter has also identified and analysed other historical factors which have affected Russia's relations with Ukraine and Belarus in the post-Soviet era. These include:

- a perception amongst some groups in society (the intelligentsia/ nationalists) that Ukraine and Belarus had been widely exploited by the Tsarist and Soviet regimes and that self government/ independence was the best option for them. This perception was stronger in Ukraine than in Belarus.
- the presence of large numbers of Russians in Ukraine and Belarus, beginning in the 17th century and continuing until the 1970s, representing the physical embodiment of the Soviet regime as party workers or industrial managers consciously or unconsciously implementing the regime's russifying policies.
- regional economies, structured to serve the needs of the imperial economy so that these areas were heavily dependent on central monetary allocations, external energy resource supplies and inter republican trade.
- the prevailing geopolitical importance of these regions to the centre, particularly after the collapse of the USSR in 1991 and the westward shift of the Baltic States which underlined the need to retain a western buffer zone.

All of these factors shaped the relationship which Russia developed with Ukraine and Belarus after 1991 and are examined in detail in subsequent chapters. The period between the beginning of Gorbachev's reforms and the collapse of the USSR marked a new and unique phase in inter republican relations and was an important staging post in the emergence of the Soviet republics as independent actors. The impact of this period on Russia's relations with Ukraine and Belarus is examined in the next chapter.

Chapter 3 Emerging Partners: Relations among the Slavic Republics 1985-91

In the final years of the Soviet regime the union republics achieved an unprecedented level of inter republican cooperation in pursuit of a common goal - the displacement of Soviet authority. The special relationship which developed among these republics in the late 1980s merits investigation for two main reasons. Firstly, it was an important phase in their development/emergence as nation states as they began to identify and pursue 'national interests' and prioritise friends, allies and potential threats. Secondly, the form and extent of inter republican cooperation, which had not occurred before, acted as an important precedent for their relationships once the USSR had collapsed in 1991. These two factors are examined in this chapter which analyses them in the context of relations among the Slavic republics of Russia, Ukraine and Belarus. Other factors affecting relations between republics after 1991 are also considered. Chief amongst these is the continued trade dependence of all of the ex-republics which provided a strong argument for institutionalising mechanisms for economic co-operation in the short term and possible reintegration in the long term.

Gorbachev's policies of *Glasnost* and *Perestroika* encouraged and facilitated greater republican autonomy. A critical feature of this period was the emergence of the Russian republic as an actor independent of the central authorities. This marked a unique phase in Russia's historical development. It was unique for two reasons. Firstly, because the existence of Russia as an entity, separate from the central authorities (i.e. the power base in Moscow) was to be a relatively short lived phenomena, and secondly because it saw, for possibly the first time in its history, an attempt to carve a distinctly Russian presence which distinguished it from the Tsarist and Soviet regimes. Led by Boris Yeltsin, the Russian republic emerged in the late 1980s to position itself in opposition to the languishing Soviet regime. This new Russia was to be a liberal democratic state based on market capitalism, in stark contrast to the Marxist Leninist USSR. By the time the USSR was formally dissolved Russia had evolved into its successor state and elements of continuity between it and previous regimes were already apparent.

By 1991 Ukraine and Belarus had attained the status of nation state. This came without what is usually a normal and lengthy gestation period. Independence came not from the force of nationalist movements but was chiefly the result of the economic and political collapse of the USSR. Consequently, as well as a the lack of preparedness for independence, statehood came to these nations in the midst of economic and political turmoil. The legacies of their past meant that Ukraine

and Belarus differed in the maturity of their national consciousness and perceptions of nationhood. In the Belarusian case this was shaped by the reality that its status as a political entity was closely linked to its position within the USSR, which grew in importance throughout the Soviet period. As was shown in chapter 2, its economic development and growth, particularly after the Second World War, was possible only with the centre's support and crucially its investment strategy. As a consequence, Belarus was deeply integrated into the all Union economy, a factor which inhibited the emergence of an active and radical independence movement in the late 1980s.

In Ukraine in the 1960s the radical nationalism of the Organization of Ukrainian Nationalists (OUN) gave way to a more tempered, but nonetheless direct and critical movement of dissent, often referred to as the 'shistdesiatnyky' (generation of the sixties).¹³³ A growing number of writers articulated criticisms of the Soviet regime through underground publications - Samizdat (samvydav in Ukrainian). Writing in 1965, Ivan Dziuba criticised the 'denationalisation' which had occurred through russification and called for a return to the 'Leninist Nationalities policies', implicitly meaning the removal of the Stalinist distortions and a return to the Ukrainization policies of the 1920s.¹³⁴ Around writers such as Dziuba, Ivan Drach, Leonid Pliushch and Viacheslav Chornovil, a dissident movement emerged in which a range of views on the future of Ukraine was represented including federation and independence and a range of political beliefs held, including national communism, integral nationalism and pluralist democracy.¹³⁵ They sustained their criticisms of the regime throughout the 1970s and early 1980s, largely in the face of opposition from the Communist Party of Ukraine and the central authorities. With *Glasnost* many of these dissidents emerged at the fore front of informal associations and the Popular Front Movement.¹³⁶ Many dissidents believed that Ukraine's relationship was viewed by the centre as one of inequality and even exploitation - a belief which sustained many in the Ukrainian nationalist and dissident movements throughout the Soviet period, and an impression which they used to help radicalise the Ukrainian populace in the late 1980s.¹³⁷

¹³³ Wilson, A., *Ukrainian Nationalism in the 1990s* Cambridge:Cambridge UP 1997 p54

¹³⁴ Dziuba 1966 p126; Wilson 1997 p55

¹³⁵ Magocsi 1996 p661

¹³⁶ Pavlychko, Solomea *Letters from Kiev* NY: St Martin's Press 1992

¹³⁷ Dziuba, I., *Internatsionalizm ili Rusifikatsiia?* p126-142 *Natsional'nyi Vopros v SSSR* 1975; Poda & Akimov 1997 p195-198

Gorbachev's strategy of *Glasnost*, *Perestroika* and *Democratization* made real the possibility of sovereignty, self determination and even independence for the republics of the USSR. His strategy, designed to halt and reverse the decline of the USSR, was instrumental in assisting the Soviet republics to attain sovereignty and proceed rapidly to national independence. Central to this was the reexamination and redefinition of the republics' relationship with the centre. As the economic crisis escalated, the republics usurped more economic and political powers for themselves when the centre was no longer capable of providing a governing role. By 1990 it was clear that the central authorities could no longer effectively administer the union, let alone reform it. In anticipation of the disintegration of the Union, the republics, led by Russia began to construct a series of bilateral treaties amongst themselves, which could form the basis of a new structure when the centre finally collapsed. This experience of co-operation, and the recognition of the necessity of continued co-operation was to be of great importance in creating a successor organisation to the union.

Cooperation and interaction amongst the republics of the USSR was an important stage in the transition of these entities from republics to nation states. A notable feature of this process was the manner in which the interaction between political and nationalist activists took place in a new context, where the traditional animosities and suspicions were set aside in the pursuit of a common goal - the displacement of the USSR. Amongst the Slavic republics their evolving relationship gave a interesting preview of future relations. Russia, the dominant and largest republic guided a process which essentially carried Belarus along but which in contrast saw the gradual maturation of Ukraine to statehood. However, once the common aim had been achieved traditional inequalities and suspicions returned. The prospect and soon the reality of independence required a new level of interaction and the myriad of problems which accompanied the collapse of the USSR (economic dependence, energy reliance, currency supplies, stationing of troops and weapons) meant that relations between the Slavic states in the early years of statehood were fraught with difficulties.

In 1985, as Gorbachev took over as General Secretary of the CPSU and leader of the USSR, the traditional relationship between the centre and Ukraine and Belarus prevailed and continued in this form until 1989. Like the other 13 Union republics, Ukraine and Belarus still lacked economic and political autonomy within the union, responding to and having to enforce legislation originating at the 'centre'. However, from 1986, and due in large part to Gorbachev's policy of *Glasnost*, the established relationship between the centre and the republics was increasingly undermined, with the balance shifting towards the more nationally minded republics, especially the Baltic republics of Lithuania, Latvia and Estonia.

In the new atmosphere of openness, and in an attempt to prevent the assertion of national identity from developing into anything closer to secession or independence, the centre reopened the 'nationalities question' to debate and passed a new resolution 'On Relations between Nationalities' at the 19th All Union CPSU Conference in 1988.¹³⁸ The resolution acknowledged the existence of problems between the nations which made up the Soviet Union and recognized that inequalities existed between these nations. Traditional Soviet style language was used to define these problems which were described as the product of 'national egoism', 'conceit', 'a dependent mind set' and 'parochialism'. The resolution aimed at the accommodation of 'the interests of all nations and nationalities with the country's common interests and requirements'.

This was to be achieved through the strengthening of the federation on the basis of democratic principles, expanding the rights of Union republics and autonomous formations through the demarcation of the jurisdiction of the USSR and the Soviet republics, decentralisation, the transfer of a number of managerial functions to the local level, the strengthening of independence and responsibility in the spheres of the economy, social and cultural development and environmental protection. A central task would be the creation of conditions for the greater independence of the regions and the implementation of forms of co-operation in which each republic would have a stake in improving the final results of its economic activity, on the basis of its own well being, and of augmenting the common wealth and might of the Soviet state. The role of the republics in resolving the question of the socio economic development of the regions would be enhanced and the possibility of direct ties amongst the republics was raised.¹³⁹

The resolution also stated that the economic and social changes should be accompanied by a 'spiritual' programme, based on the cultural distinctiveness of nations and nationalism, and thus the resolution supported the unrestricted development and equal use by all Soviet citizens of their native language, while having mastered the Russian language.¹⁴⁰

The 'new thinking' which had permeated economic and foreign policy was now extended to inter-republican relations. In 1988 the 'centre' was prepared to cede a degree of autonomy to the republics and envisaged a significantly reduced role for itself as the coordinating mechanism amongst the republics. The restructuring of the political and economic relationship between the centre and the republics was now on the agenda and open to discussion in a freer press.

¹³⁸ *Pravda* 5 July 1988 p3

¹³⁹ *ibid* p11&12

¹⁴⁰ *ibid*

In the CPSU's mouth piece *Kommunist*, which under Gorbachev functioned as a forum for discussion on reform, the issue of republican sovereignty was debated. In October 1988, an article by Koropteyeva, Perepelkin and Sikaratov entitled 'From Bureaucratic Centralism to the Economic Integration of Sovereign Republics', criticized the 'excessive centralization' of the Soviet regional economic policy, which supported regional development with no regard for local potential, work practices or existing methods for the organization and division of labour.¹⁴¹ Over centralization had meant the absence of any close connection between the results of work done by a republics' residents and the benefits they received.¹⁴² The authors demonstrated how increases in the real income of workers failed to keep pace with increases in labour productivity. During the eleventh Five Year Plan (FYP) the real income of workers in Belarus rose by 13% and in Ukraine by 14%. However labour productivity in industry increased by 21% in Belarus and 15% in Ukraine; in agriculture it increased by 42% in Belarus and 21% in Ukraine; in construction the increase was 22% in Belarus and 15% in Ukraine.¹⁴³ The traditional practice of allocating higher investment and subsidies to the less developed regions was also criticized in the article with the acknowledgement that 'gratuitous subsidies do not permanently improve the economies of the republics that receive aid'.¹⁴⁴

The authors argued that while the rendering of assistance by advanced republics to backward republics was inevitable, the allocations of these resources should be clearly stipulated as well as the deadlines for their repayment. Gratuitous aid, they argued, should only be given in exceptional cases such as major natural disasters.¹⁴⁵

This critique of Soviet regional economic policy represented the development of new and more radical thinking about the economic relationship of the centre with the republics. The authors went beyond the idea of republican economic accountability and even economic autonomy and raised the prospect of sovereignty, which according to them would allow the republics:

¹⁴¹ *Kommunist* 15 October 1988 p 2ff

¹⁴² *ibid* p2

¹⁴³ *ibid* p3

¹⁴⁴ *ibid* p4

¹⁴⁸ *ibid*

- to develop or curtail specific types of industry in the interests of the local population and the local environment;
- to maintain direct economic ties with other republics and develop joint economic programmes;
- to obtain loans from the national budget or other republics budgets with obligatory deadlines for repayments;
- to collect taxes from Union and republican enterprises located on their territory in amounts determined by the republics themselves, which would make it possible to optimize the siting of industry according to criteria that are not established by the ministry;
- to implement their own social, demographic and cultural policies;
- to enter the world economy independently while observing the interests of the Soviet Union as a whole.¹⁴⁶

At the official level the criticisms made by Koropteyeva, Perepelkin and Sikaratov, and their proposals for the restructuring of the relationship between the centre and the republics were repeated by Gorbachev in a television address in July 1989 and in the CPSU's party platform the same year.

In this speech Gorbachev spoke of the excesses of the Soviet past, which included indifference to national interests; the unresolved state of many social and economic problems in the republics and autonomous entities; deformations in the development of the languages and cultures of the Soviet people and the exacerbation of the demographic situation. While the task was to resolve all these differences, this could take place only in the context of a renewed federation, since, as Gorbachev asserted that 'the fact remains that all the republics and regions are linked to one another in an extremely close way'.¹⁴⁷

Calls for economic autarky and spiritual isolation were, he said, alien to the fundamental interests of every people and of society as a whole. He envisaged the 'resolute renewal of federation, with the aim of giving it a second wind through the implementation of the principles upon which Lenin based the Union of Soviet Republics'.¹⁴⁸

¹⁴⁶ *ibid* p4

¹⁴⁷ *Pravda* 2 July 1989 p1

¹⁴⁸ *ibid* p1

The CPSU's party platform of 1989 recognized that the cause of many of the USSR's acute problems were contradictions in industry and economic development and disregard for their social and economic consequences. It acknowledged that the predominance of the branch principle of management and related departmentalism had caused extensive damage to the general conditions of national groups and the outcome of this was the disregard for the national conditions and traditions, ecological requirements and development of areas.¹⁴⁹ The nationalities policy and the harmonization of relations between nationalities was presented as one of the party's highest goals and the new policy would include expanding the rights and possibilities of all forms and types of national autonomy.

More clearly defined powers between the centre and the republics were proposed. The union would be assigned the powers necessary to establish the foundations of the political system and develop it, to provide for the country's defences and security, to conduct foreign policy and to coordinate and accomplish general tasks in the field of the economy, science and culture, the status of the individual, the effective utilisation of integration processes and the organization of mutual assistance. The Union would also be assigned the powers necessary to ensure the dynamic and steady development of the country's national economic complex.¹⁵⁰ For the republics it was proposed that 'all rights corresponding to the status of the republics as sovereign socialist states are to be transferred to them'. The economic corollary of this would be economic accountability and self financing for the republics.¹⁵¹

The formulation of a new nationalities policy under Gorbachev was essentially reactive. Devised in response to the ground swell of nationalist feeling unleashed by *Glasnost* in republics such as the Estonia, Latvia and Lithuania, by the time the policy was drafted, the initial calls of nationalists for sovereignty had advanced greatly and demands were now being made by some of the republics for complete autonomy.

The quest for independence was not a union wide phenomenon. In Ukraine, and particularly in Belarus, the prospect of sovereignty and independence did not feature on the agendas of the opposition movements until as late as 1990. Prior to this, opposition to the centre, national conscience raising and hopes for greater autonomy were articulated by the intelligentsia of these republics whose primary concerns in these years were linguistic, literary and cultural and, after the

¹⁴⁹ *ibid* p4

¹⁵⁰ *ibid*

¹⁵¹ *ibid* p4

Chernobyl accident, environmental, rather than political and socio economic concerns.

However while opposition was vocalised primarily by the intelligentsia, this does not infer the absence of political activity amongst ordinary people. The pace of political activity at this level in Ukraine and Belarus during the years 1985-1990 did not match the degree of popular activism in the more independent minded republics, such as the Baltic republics. But the growth in the number of political organizations in these years indicates a slow but gradual radicalization at the local level in two of the republics which were most deeply integrated into the Soviet political and economic system. These are examined below.

Centre-Periphery Relations 1985-91: The Case of Ukraine and Belarus

Ukraine

Between 1985 and 1990 there was an escalation in the activities of opposition groups in Ukraine and the radicalization of their demands. Chief among these opposition groups were the Ukrainian Helsinki Union (UHU), the Ukrainian Popular Movement for Restructuring (RUKH), the Taras Shevchenko Ukrainian Language Society, the Ukrainian Association of Independent Creative Intelligentsia, the Ukrainian Culturological Club and the youth organizations of Hromada (Community) and Tovarystvo Leva (the Lion Society).¹⁵² The latter concentrated on preserving national traditions and cultural monuments and ecological issues.¹⁵³

Many of these groups were led by former dissidents from the *shistdesiatnyky*. Ivan Drach became head of RUKH; Pavlo Movchan was one of RUKH's founders and was elected head of the Ukraine Language Association in November 1991. Ivan Dziuba was elected first president of the Republican Association of Ukrainian Studies in 1990.¹⁵⁴ The Ukrainian Culturological Club, founded by three former political prisoners and other like minded dissenters, initially acted as a discussion group for nationally minded citizens but soon became a channel for Ukrainian national dissent.¹⁵⁵ In 1989 the UHU, Rukh, the Taras Shevchenko Language Society, the Union of Independent Ukrainian Young People, and various strike committees and associations, joined forces to form the Ukrainian

¹⁵² Haran' C.V. 'Z Istorii Formuvannia Politichoro Spektra Ukraini' (Summer 1988-Summer 1991) p117 -145 in Khmil' I.C. et al *Ukraina XXst. Problemi Natsional'no Vidrodzhennia* Kyiv:Haukova Dumka 1993; Kuzio,T &Wilson, A. *Ukraine: Perestroika to Independence* London:MacMillan Press (1992) p 65-79

¹⁵³ Nahaylo, B., *The Ukrainian Resurgence* London: Hurst & Co 1999 p93

¹⁵⁴ Marples, D., A Talk with Ivan Dzyuba [sic] *Report on the USSR* March 24 1989 p15 -19

¹⁵⁸ Nahaylo 1999 p93

Democratic Bloc (UDB) with the declared aim 'to fight for the Ukraine's secession from the USSR, private property and unrestricted economic activity'.¹⁵⁶

Two key developments in 1989 encouraged the growth of the Ukrainian nationalist movement: the 'resignation' of Ukrainian Communist party boss, V. Shcherbitsky and the beginning of talks between the opposition movement and Ukrainian communist party officials. Shcherbitsky's 'resignation'¹⁵⁷ as First Secretary of the Communist Party of Ukraine (CPU) in September 1989, removed the chief obstacle to *Perestroika* in Ukraine and was welcomed by reformers at the centre and by Ukrainian opposition groups. Pressure for Shcherbitsky's resignation had intensified as it became clear that reform in Ukraine was not keeping pace with political change in the other Soviet republics. As the range of formal and informal, official and unofficial groups grew and their activities increased, Shcherbitsky had orchestrated a virulent propaganda campaign against them, describing them as having a 'clearly destructive anti socialist and nationalistic orientation' and accusing the UHU of extreme political adventurism and open anti Sovietism.¹⁵⁸ Opposition groups responded with open calls for Shcherbitsky's resignation. The combined pressure of this, as well as opposition to him within the Central Committee of the CPU, and the centre's impatience with Shcherbitsky's resistance to reform, forced his resignation in September 1989. His successor, V. Ivashko, outlined the party's new strategy for 'Renewal' in Ukraine, which would entail working out and implementing the principles for the economic independence of Ukraine, ensuring the all round flowering of Ukrainian culture and the satisfaction of the national cultural requirements of all nationalities living in Ukraine.¹⁵⁹ The evident split in the CPU over Shcherbitsky's leadership marked the beginning of the party's shift towards 'national communism' which made it more tolerant of the potential for autonomy and even independence.

Shcherbitsky's resignation marked a significant advancement in political change in Ukraine. He had been Ukrainian party boss for 17 years (1972-1989) and was a loyal supporter of the Union. Four years after the launch of *Perestroika* he still retained his party post while many of the other appointees of the Brezhnev era had been retired. Gorbachev's willingness to tolerate Shcherbitsky's often contra *Perestroika* actions, while at the same time encouraging the development of movements in support of *Perestroika*, such as RUKH, reflects the conflict in the centre regarding Ukraine - on

¹⁵⁶ *Pravda* 21 December 1989 p2

¹⁵⁷ When he continued to obstruct the application of Gorbachev's policies in Ukraine, Shcherbitsky's position became increasingly untenable. Pressure from the centre was to force his resignation.

¹⁵⁸ *Pravda* 21 May 1989 p1

¹⁵⁹ *Pravda* 30 September 1989 p 2

the one hand the need to generate and sustain support for *Perestroika* there, and on the other the need to control developments in the republics. In this context it is argued Gorbachev's concern at developments in Ukraine made him maintain Shcherbitsky in power.¹⁶⁰

The beginning of a dialogue between officials of the CPU and representatives of the opposition movement in 1989 marked the beginning of a trend which was to grow in 1990, of increased co-operation between the party and opposition groups. A meeting in Lvov between the first secretary of the city party committee, Volkov and representatives of the UHU including former dissidents Bohdan Horyn and Mikhailo Horyn, reached consensus on regional economic accountability and formation of the budget - not from the top down but from the bottom up, charges for natural resources and the channelling of the profits of the enterprises of the Union into the area's development.¹⁶¹

Belarus

Between 1985 and 1990, popular activism in Belarus moved beyond cultural and literary issues (such as the publication in 1988, in Belarusian, of a reference work on Yanka Kupala, considered to be the founder of Belarusian literature)¹⁶² to more political and socioeconomic concerns. In October 1988 a samizdat publication *Ratusha* (Town Hall) from the Talaka (Mutual Aid) organization contained sections which discussed Belarus' sovereignty, the economy, democratization, language, ecology, and culture.¹⁶³ In the same month the *Sovremennik* (Contemporary) Political Club announced the establishment of an 'Organizing Committee for a People's Front'¹⁶⁴ which was formally set up in June 1989.¹⁶⁵

The activities of opposition groups in Belarus were restricted by a centrally orchestrated press campaign which presented their activities as contrary to restructuring and in pursuit of nationalist objectives. The proposal for the creation of a Belarusian popular front was described as 'separatist in intent'.¹⁶⁶ Obstructionist measures by the authorities continued in 1989. When the Belarusian People's Front for Restructuring (Adradzhenne-Rebirth) held its founding congress in July 1989, the Congress was held not in Minsk, where the authorities had refused to make any public building

¹⁶⁰ Kuzio & Wilson 1992 p 81

¹⁶¹ *Rabochaya Gazeta* 5 August 1989 p2

¹⁶² *Sovetskaya Belorussia* 17 February 1987 p4

¹⁶³ *Sovetskaya Belorussia* 22 October 1988 p4

¹⁶⁴ *Sovetskaya Belorussia* 27 October 1988 p9

¹⁶⁵ Abetsedarskaia 1997 p286-287

¹⁶⁶ *Ogonyok* No 47 November 1988 p 31

available, but in the Lithuanian capital, Vilnius.¹⁶⁷ When the organizers of the Second Congress of Belarusian Informal Youth Groups sought a location for their congress, the Minsk authorities would allow them to rent a hall in the city for only one day, in the middle of a working week and at a very stiff price. The congress was instead held in Vilnius where the Lithuanian Popular Front (Sajudis) made facilities available to them free of charge.¹⁶⁸

At the founding congress of Belarus Popular Front (BPF), the delegates discussed a platform of political, economic and cultural autonomy for Belarus, commended mutual co-operation between democratic movements in other republics and agreed to send a message of greetings to Sajudis and to the popular fronts of Latvia, Estonia, Moldavia, Georgia, to the Democratic movement in Ukraine and to the popular fronts in cities in Russia.¹⁶⁹ The BPF held its first authorized rally in Minsk in February 1989, attended by more than 30,000 people.

At the congress in Vilnius, the chairman of the BPF, Zyanon Paz'nyak, stressed that the Belarusian movement was different from the popular movements in other republics and the national consolidation of the Belarusian people would come when they had begun to insist on their democratic rights, whereas in the Baltic republics the high level of national self awareness preceded their push for political reform. Paz'nyak's statement indicates that even within the opposition movement there was recognition of the weakness of Belarus' national identity when compared to other national groups in the Union and which helps explain the delay in the development of a national movement in Belarus and the cautious approach to nation statehood.

In summary then, between 1985 and 1990 the activities of opposition groups in Ukraine and Belarus increased, their demands became more radical and by 1990 opposition groups in both republics were calling for political and economic sovereignty at the republican level. In Ukraine, sovereignty was increasingly supported by the Communist Party leaders who were adapting to changing political situation within the union by promoting their own brand of national communism.

¹⁶⁷ *Pravda* 28 June 1989 p6

¹⁶⁸ *Komsomolskaya Pravda* 20 Jan 1989 p2

¹⁶⁹ *Pravda* 24/25 June 1990 p2

Inter republican Cooperation 1985-91

The popular fronts which emerged in many republics in the late 1980s recognized the advantages and strength of mutual interaction. RUKH in Ukraine and the BPF in Belarus cooperated with movements in neighbouring states, particularly the Baltic states. Initially however this interaction did not include Russia. Cooperation varied in form, from letters of support, the exchange of delegates and provision of facilities. For example, when Belarusian authorities made it difficult for the BPF to meet, the Lithuanian Popular Front made facilities available to them in Vilnius.¹⁷⁰ In December 1988 representatives from Estonia travelled to Lvov to take part in an unofficial human rights gathering, but they were turned back by the authorities who were anxious to prevent any co-operation between Ukrainian and Baltic activists.¹⁷¹ Concerned to prevent any spill over from the Baltic region, restrictions were placed on news reporting from the region and Baltic activists were prevented from meeting their Ukrainian counterparts.¹⁷² Increasingly inter republican cooperation amongst popular fronts became proactive in challenging the authority of the centre. In June 1988 leading national rights campaigners from Ukraine, Armenia, Georgia and the Baltic republics met in Lvov and established a 'Coordinating Committee of the Patriotic Movement of the Peoples of the USSR'. The goal of the committee was the complete political and economic decentralisation of the USSR and the transformation of the Soviet Union into a confederation of separate states.¹⁷³ Seven months later, in January 1989, delegates from Ukraine, Armenia, Georgia, the Baltic republics, Belarus and Crimean Tatars gathered in Vilnius for a meeting of the representatives of non Russian National Democratic Movements. delegates. They approved two new documents: The 'Freedom Charter of the Enslaved Nations of the USSR' and An 'Appeal to the Russian Intelligentsia'. The charter announced the setting up of a joint committee to unite their efforts to establish free and independent national states.¹⁷⁴

Inter-republican co-operation at this stage took place to the exclusion of Russia and members of Russian opposition groups were not usually invited to these meetings of representatives of national movements. In the *Perestroika* period, opposition and national movements in the non Russian republics continued to view Russia as the 'imperial centre' or 'core nation'. It was only in 1990, when the Russian republic, led by Boris Yeltsin, positioned itself in direct confrontation with the

¹⁷⁰ *Pravda* 28 June 1989 p6

¹⁷¹ RFE/RL *Report on the USSR* Vol 1 No 1 1989 P16

¹⁷² Nahaylo, B., 'Baltic echoes in Ukraine' RFE/RL *Report on the USSR* Vol 1 No 2 1989 p18

¹⁷³ *ibid*

¹⁷⁴ Nahaylo, B., 'Non Russian national-democratic movements adopt charter and issue appeal to Russian Intelligentsia' RFE/RL *Report on the USSR* Vol 1 No 8 1989 p15

centre and sought to create for itself an identity distinct from its Soviet one, that co-operation began with the other republics on a more equitable basis and sharing common aims.

The weakening control of the centre over the republics compelled Gorbachev to shift beyond his initial willingness to cede greater autonomy to central support for regional economic control and the restructuring of relations between the centre and the republics on the basis of a renewed federation. This went beyond the aims of the Ukrainian and Belarusian opposition movements, whose demands were largely centred on cultural, literary and environmental concerns. However throughout 1989 the opposition movements in these republics had become increasingly politicized and in 1990 were sufficiently strong and had gained enough support to push the reform agenda further.

Decentralization and Disintegration: The Restructuring of Relations (1990-1991)

From 1990 until the failed coup attempt of August 1991 a centrally directed programme of decentralization was followed, culminating in the drafting of a new Union Treaty in 1991 which was to preempt the complete disintegration of the Union. This period was characterized by the shrinking authority of the centre and the usurpation of its powers by the republics as the central authorities could no longer effectively administer the region. The economic crisis of the preceding years had advanced to the point of economic collapse and with neither the plan nor the market fully operational, the republics resorted to autarkic economic measures to protect their economies. The vertical relationship between the centre and the republics was replaced by a network of horizontal links and connections between the republics, which was to prove critical as the framework for co-operation once the Union had finally collapsed. The centrally directed programme of decentralization in 1990 and 1991 consisted of three components:

- the Law on Economic Relations between Moscow and the Republics;
- the Shatalin Plan for the transition to a market economy;
- the new Union Treaty.

Despite the centre's support for these initiatives, their implementation was impeded by the reassertion of conservative forces at the centre and in the republics which sought to prevent any diminution of the traditional powers of the centre. All three measures envisaged a significant reduction in the powers of the centre with greater political and economic powers being granted to the republics on the basis of a renewed federal relationship.

The Law on Economic Relations between Moscow and the Republics

This law, introduced in 1990 stated that the centre was to retain control of the legislative bases of economic activity and the all union market, the organization of the tax system, overall pricing policy and the organization of a unitary finance and credit system and a single currency. Two late changes to the law limited the powers of the republics. Firstly, the independence of enterprises was to be guaranteed by their relations with republican and local organs of power and on a contractual basis and secondly, republics were banned from restricting imports and exports and the introduction of transit charges without the agreement of their neighbouring republics.¹⁷⁵

The Shatalin Plan

The Shatalin Plan for the transition to the market extended the restructured relationship between the centre and the republics with the vision of an economic Union of Sovereign States.¹⁷⁶ Within this new union a single economic space (*prostranstvo*) would maintain the common market but the new sovereign states would carry primary responsibility for the economic development of their territories.¹⁷⁷ Economic relations among the republics would be conducted on a more equitable and mutually advantageous basis. The new economic union would prevent the breakdown of inter republican economic relations and strengthen the mechanism of economic integration.¹⁷⁸ It would be composed of sovereign states which had voluntarily entered the Union. The role of the state would be confined to the introduction of macro economic policies, the formation of market infrastructures and the provision of social security for all citizens.¹⁷⁹ The republics would be granted significantly more economic powers, with exclusive rights for the legislation of property and the use and control of all national wealth found on their territory.¹⁸⁰ The sovereign states would carry basic responsibility for the economic development of the territory.¹⁸¹ They would work on the basis of general economic policies and jointly undertake legislation which would regulate the system of inter republican relations.¹⁸²

¹⁷⁵ RFE/RL *Report on the USSR* Vol 2 No 15 p 35

¹⁷⁶ *Perekhod k Rynku:Konceptsia Programmy* (The Shatalin Plan) Moscow 1990

¹⁷⁷ Tedstrom, J & Hanson, P. 'The economics and politics behind Shatalin's plan for an economic union' RFE/RL *Report on the USSR* Vol 2 No 42 1990

¹⁷⁸ *Perekhod k Rynku* 1990 p29

¹⁷⁹ *ibid*

¹⁸⁰ *ibid*

¹⁸¹ *Perekhod k Rynku* 1990 p32

¹⁸² *ibid*

The new economic union envisaged by the Shatalin plan combined both the need for the retention of some form of mechanism for co-operation amongst the republics with the will of many of the republics for genuine sovereignty. However the growing assertion of conservative forces at the centre, matched by the more active pursuit of independence by a number of republics ensured that the proposals contained in the Shatalin plan were not implemented.

The Union Treaty

As more of the republics edged closer to independence in 1990, Gorbachev sought to prevent the wholesale collapse of the union which their secession would bring. The new Union Treaty which was drafted in 1991 aimed at accommodating the will of most of the republics for sovereignty with the need to retain some form of union. Incorporating many elements of the Shatalin plan, the union treaty envisaged a looser federation in which the republics would have the right to independent action on all issues of their development while the centre retained responsibility for defence, foreign policy, border security and the coordination of law enforcement. Republics were also granted the right of secession.¹⁸³ Popular support for the reconstituted union was tested in an all union referendum in March 1991.

Table 9¹⁸⁴

Results of All Union Referendum on Preservation of the Union (Percentage).

All Union Turnout: 80%; Turnout in Ukraine: 82.2%; Turnout in Belarus: 83%

Referendum Questions	All Union	Russia	Ukraine	Belarus
Preservation of Union	76.4	71.3	70.5	82.7
State Sovereignty (UK)			80.2	
Independence (Galicia)			88.43	

¹⁸³ Walker, R., *Perestroika: The Impossible Project - Six Years that Shook the World* Manchester: Manchester UP 1993 p184

¹⁸⁴ Poda & Akimov 1997 p206; Abetsedarskaia p294; Lapidus & Zaslavsky 1992 p14; White, S., et al *How Russia Votes* Chatham NY: Chatham House Publishers 1997 p73-77

Voters were asked 'Do you consider it necessary to preserve the USSR as a renewed federation of equal sovereign republics in which human rights and the freedoms of all nationalities will be fully guaranteed?' In Ukraine a second question asked 'Do you agree that Ukraine should be part of a Union of Soviet Sovereign States on the basis of the Declaration of State Sovereignty of Ukraine?' In western Ukraine, the Councils of the three Galician oblasts (Ivano-Frankovsk, Lvov and Ternopol) added a third question 'Do you want Ukraine to become an independent state which independently decides its own domestic and foreign policies, and which guarantees equal rights to its citizens, regardless of their nationality or religious allegiance?' Wilson, 1992, p.61.

Negotiations on the new structure advanced further after the referendum when the participating republics (excluding the Baltic republics, Georgia, Moldavia and Armenia, which had refused to participate) agreed to the treaty on a new union which would grant them autonomy and independence within a new confederal structure.

Reluctance to accept the independence of the republics and with it the inevitable disintegration of the Union of Soviet Socialist Republics as it was originally constituted, drove conservative opponents of the treaty to preempt its ratification with the attempted coup against Gorbachev in August 1991. This failed coup attempt hastened rather than prevented the disintegration of the USSR.

As with the centrally directed nationalities policy, the strategies for restructuring relations between the centre and the republics (the Law on Economic Relations between Moscow and the Republics; the Shatalin Plan for the transition to a market economy and the new Union Treaty) were reactive rather than proactive - responding to events at the republican level which were increasingly beyond the control of the central authorities. In this context these centrally directed restructuring strategies can be seen as part of a wider process operating at several levels within the Soviet Union, reaching their climax with the coup in 1991. The other components of this process include

- the growing strength and electoral success of local (ie. republican level) opposition movements;
- the development of a network of relations amongst the republics, bypassing the centre and taking the form of quasi state to state relations;
- the adoption of national communism by republican party elites as a strategy to ensure their own political survival;
- the development of a political discourse on the desirability, inevitability and survivability of independent statehood.

These processes interacted throughout 1990 and 1991 and the failure of the coup in August tested and exposed the weakness of the political centre. It became clear that political power now lay with the republics where there was a will to embrace the independence which the events of August had led to.

Local Activism and Opposition Movements

In the last year of the Soviet administration, activism at a local level escalated. This included strikes and demonstrations and the official elections to the republican Soviets held in early 1990. These semi free and semi democratic elections were the first chance for an increasingly politicized electorate to demonstrate their opposition and challenge the Communist Party authorities. The results of these elections showed growing popular support for state sovereignty and greater autonomy.

In Ukraine, a Democratic Bloc (DB), which included RUKH, UHU, the Ukrainian Language Society, independent youth groups and other radically minded associations campaigned on a platform which called for

- the political and economic sovereignty of Ukraine;
- the introduction of a multi party system, private ownership and full religious freedom;
- Ukrainian national rebirth;
- preparation of a new constitution of the Ukrainian republic.

The election did not result in a sweeping victory for the DB, apart from some anticipated successes, particularly in Lvov where RUKH leaders V. Chornovil and Mikhaïlo and Bohdan Horyn: three former dissidents and political prisoners won seats and were elected to the republican Supreme Soviet. Of the 442 deputies elected to the Supreme Soviet, 373 were members of the CPU. The disappointing result for the DB was clearly related to the obstructionist tactics employed by Ukraine's central authorities but also indicated that although the Ukrainian electorate was becoming more politicized it had not become radicalized. At the local level, where simultaneous elections were also held, the DB had greater success, winning majorities in the 3 Galician oblast councils and in many urban areas and effectively breaking the CPU's monopoly of local power. Significantly both elections marked the end of the CPU's monopoly over political life in Ukraine.¹⁸⁵ In the run off elections on 18 March 1990, DB candidates were also successful and won 15 out of 21 contested seats in Kiev. Overall, candidates from the Democratic Bloc won 17 of Kiev's 22 seats Ukraine's Supreme Soviet.

In Belarus the BPF campaigned on a platform of political and economic pluralism, cultural revival, democracy, freedom and sovereignty for Belarus. Using the Chernobyl accident to demonstrate

¹⁸⁵ *Moskovskie Novosti* 11 March 1990 p4&5

Belarus' position within the Union, the BPF argued that Belarus existed essentially as a semi colony.¹⁸⁶ Elections to Belarus' Supreme Soviet followed a similar pattern to Ukraine, with the progressive candidates successful in urban areas and party officials winning in rural areas. A total of 20 BPF backed deputies were elected to represent Minsk in the Supreme Soviet.¹⁸⁷ As in Ukraine, greater electoral success for the BPF was restricted by centrally directed obstructionist measures.

Despite the limited success of the opposition movements in Ukraine and Belarus, the election of some of their candidates to the republican level legislature had 2 key effects in:

- motivating and activating further popular support for the reform platforms on which the opposition candidates had stood;
- demonstrating to the republican authorities that their support was assured only in rural areas, forcing them to reexamine their own political power and consider co-operation with the opposition groups.

Party elites were forced to reevaluate the basis of their power and their growing preference for a form of national communism was stimulated further by a wave of strikes and demonstrations in Ukraine and Belarus throughout 1990 and 1991.¹⁸⁸ By 1990 groups in both republics were calling for political and economic sovereignty at the republican level. In Ukraine, sovereignty was increasingly supported by the Communist Party leaders themselves who were readjusting to changing political situation within the Union by promoting their own brand of national communism. Increased activity amongst popular organizations and workers, and the electoral success of the

¹⁸⁶ Stankevich, W., 'BPF announces its electoral programme' *RFE/RL Report on the USSR* Vol 2 No 2

¹⁸⁷ *Moskovskie Novosti* 11 March 1990 p4&5

¹⁸⁸ Examples of popular mobilization in Ukraine included: a human chain stretching from Lviv to Kiev in January 1990 to mark the 71st anniversary of the act that had proclaimed the unification of the two states which had existed on much of Ukrainian territory in 1919; a rally organized by Rukh in September 1990, in opposition to the proposed Union Treaty; a strike was held in Kiev to coincide with the opening session of the republican Supreme Soviet on 1 October 1990. In Belarus a general strike held on April 10 1991 was prompted by economic concerns, specifically the recent introduction of price increases of 200%. The strikers also made political demands including the resignation of the Soviet president and the Union government; the dissolution of the Congress of People's Deputies and new elections to it on a multiparty basis. Blaming the Communist Party for the collapse of the economy, the strike leaders demanded more autonomy at the republican level, declaring on television that 'we will put our house in order by ourselves'.

opposition movements exerted further pressure on republican leadership. Such pressures prompted the republican leaders to adopt a more favourable stance on reform in their own republics, not so much because of genuine support for the demands of the workers and political activists, but rather in opposition to the liberalizing and democratizing initiatives of the centre, which encouraged the opposition and threatened to undermine the privileged positions of the traditional republican party elites. In Ukraine these elites responded with support for a form of national communism and sovereignty as a means to guarantee their own political survival. While the party elites in Belarus were less supportive of reform, by 1991 they had become more tolerant of the republic's reform movement

The switch of Ukraine's leadership to a strategy of national communism for political survival was reflected in the CPU's support for Ukraine's declaration of sovereignty in July 1990, approved by majority of deputies in the Supreme Soviet (355 deputies for, 4 against and 1 abstention). As support for RUKH and its calls for an independent Ukraine grew, the party leadership had begun to speak about Ukraine's sovereignty itself, calling at the Central Committee plenum in February 1990, for 'a sovereign Ukraine within the framework of a renewed Soviet federation'. In March 1990 the CPU incorporated its position on sovereignty in the party's 'Programmatic Principles of the Work of the Communist Party of Ukraine' and in June 1990, adopted a wide ranging resolution 'On the State Sovereignty of the Ukrainian Soviet Socialist Republic'.¹⁸⁹ In Belarus the party leadership made no response to the republican Supreme Soviet's declaration of sovereignty, also in July 1990, and in failing to condemn it, appeared at least willing to tolerate it.

Thus while the opposition movements by themselves in Ukraine and more so in Belarus, could not force through the overhaul of the political leadership in their republics, they were capable of exerting sufficient pressure on the republican party leaders so that in Ukraine the latter responded with efforts to seek accommodation with the opposition movements, and in Belarus, to at least tolerate their demands. The declarations of sovereignty by the Supreme Soviets of both Ukraine and Belarus demonstrated that the power of the republican party leadership was being challenged by the republics' parliaments, within which deputies from the opposition movements were gaining influence.

¹⁸⁹ *Pravda Ukrainy* 29 June 1990 p3; Poda & Akimov 1997 p207-208

By the end of 1990, Ukraine and Belarus existed, with the other republics, as sovereign republics, no longer subordinated to the political and economic will of the centre. In reconstituting themselves as sovereign entities, the reconceptualization of 'nation' and 'nationhood' was an integral part. For Belarus, always more heavily integrated into the union economy than Ukraine and less conscious of its historical development, the concept of the Belarusian nation was slow to flourish in the late 1980s. In contrast, the Ukrainian national movement successfully articulated the concept of Ukrainian nationhood in the late 1980s, and with the consensus between the republican Communist Party leaders and the opposition movement that independence was the most desirable option for Ukraine, won growing support amongst the Ukrainian population. In September 1990 the Communist Party leader in Ukraine, Leonid Kravchuk, revealed the thinking of the reform communists within Ukraine's leadership. To be able to talk about full statehood, he said, it was necessary to have the political and economic attributes of such a state. He concluded 'we do not have them but we are on the way to them'.¹⁹⁰

In reconceptualizing the perception of nationhood in a sovereign context, Ukraine and Belarus also had to assess their relationship with Russia. For most of the period 1990-1991 this moved away from the traditional perception of an unequal relationship with Russia as the dominant partner and Ukraine and Belarus the junior partners, and shifted to a more equitable partnership based on mutual recognition of sovereignty and equality of rights. In the period following the failed coup of August 1991, the three Slavic republics, as well as the other republics moved quickly from sovereign statehood to independence. The political and economic realities of independence forced them to reexamine and redefine their concept of 'self' and of 'nation', as well as their relationships with each other and other regional neighbours.

From Union to Commonwealth - Independence and the Collapse of the Union (August 1990-December 1991)

Throughout 1990 and 1991, Ukraine and Belarus had begun to put in place the structures and institutions which would support sovereign statehood. In Ukraine the institutionalization of sovereign statehood advanced at such a rate that it was clear that this republic was on a path of restructuring, the end result of which would be independence. This included formalizing economic sovereignty with plans to create a separate banking system, including a foreign trade bank, a pricing, financial and customs union, the drafting of a state budget and the introduction of a separate

¹⁹⁰ *Pravda Ukrainy* 11 Sept 1990 p1

currency unit.¹⁹¹ The introduction of consumer cards and coupons in November 1990, to prevent the export of consumer goods from Ukraine, was a stage in the process of disentangling the Ukrainian economy from the all Union economy.¹⁹² Pricing policy, which was always felt to be discriminatory under the SCPE, was to be reformed with the introduction in December 1990 of new laws on prices, taxation and the budget. The new pricing policy was to preserve fixed rate retail and wholesale state prices for most agricultural products but was to be independent of Union pricing policy.¹⁹³ A property law, introduced in February 1991, envisaged individual, collective and intellectual forms of property. Ukraine was to be the sole owner of its land, natural resources, means of production, financial resources and part of the Soviet gold reserve.¹⁹⁴ Private ownership of land was introduced in March 1991, to be effective from April.¹⁹⁵

Political sovereignty was reinforced with further debate on the nature of the Ukrainian state. A draft constitution included proposals for direct presidential elections, a parliamentary veto over the legislative initiatives of the President and a unicameral legislature. A referendum was prepared for September 1990 to decide on a name for the state, its symbols and whether the notion of socialist choice was to be enshrined in the constitution.¹⁹⁶ The construction of external relations, not only with neighbouring republics but other regional neighbours such as Poland and Hungary, and efforts to attain membership of international organizations such as the CSCE, formed part of this restructuring and reinforcing process.

The process of institutionalizing sovereignty in Belarus did not advance at a similar rate and lacked a comparable degree of support from the republic's Communist Party leadership. Nonetheless in 1990 Belarusian was elevated to the status of state language;¹⁹⁷ the Supreme Soviet voted to create the post of president of the republic; an economic plan was developed which included decentralization, privatization and support for entrepreneurship,¹⁹⁸ and following the declaration of

¹⁹¹ *Pravda* July 17 1990 p2;

¹⁹² Marples, D., 'Protecting the common market in Ukraine' RFE/RL *Report on the USSR* Vol 2 No 49 p9

¹⁹³ RFE/RL *Report on the USSR* Vol 2 No 50

¹⁹⁴ RFE/RL *Report on the USSR* Vol 3 No 7

¹⁹⁵ RFE/RL *Report on the USSR* Vol 3 No 14

¹⁹⁶ Solchanyk, R. 'Ukraine considers new republican constitution' RFE/RL *Report on the USSR* Vol 3 No 23

¹⁹⁷ *Izvestia* 28 January 1990 p4 *Sovetskaya Belorussia* 28 Jan 1990 p2; 13 February 1990 p2

¹⁹⁸ *Sovetskaya Belorussia* 11 October 1990 p2; *Abetsedarskaia* 1997 p293

sovereignty in July 1990, a decision was taken to create the republic's own army.¹⁹⁹ Belarus also pursued bilateral relations with a number of neighbouring republics.

Establishing Relations with Other Republics

Ukraine and Belarus's declarations of sovereignty were followed by efforts to consolidate this. Establishing relations with other republics and regional neighbours was a crucial part of this process. Throughout 1990 and 1991 Ukraine and Belarus signed a number of agreements with other Soviet republics taking the form of quasi state to state relations. Generally these agreements were concerned with economic, scientific-technical and cultural issues. Belarus concluded agreements with Moldavia (July 1990); Azerbaijan (August 1990); Armenia (September 1990); Latvia (September 1990); Ukraine (October 1990); Russia (December 1990) and Lithuania (June 1991).

Ukraine signed similar agreements with Kyrgystan (April 1990); Kazakhstan (February 1990); Russia (November 1990); Turkmenistan (November 1990); Lithuania (December 1990) and with regional neighbours: Hungary (September 1990) and Poland (October 1990). In December 1990 Ukraine and Belarus signed a ten year accord recognizing each other's republic as sovereign and pledging equal treatment for Belarusians and Ukrainians on each other's territory.²⁰⁰

While the creation of a network of horizontal ties was symbolically important for reinforcing the sovereignty of Ukraine and Belarus, bilateral relations at the republican level served more pressing economic needs. As the all union economy virtually collapsed in 1990 and 1991, most republics resorted to autarkic economic measures to protect their economies. Bilateral agreements enabled the republics to negotiate reciprocal deliveries of output, raw and other materials as well as consumer goods. The reality of inter-republican dependency as a consequence of the integrative nature of the CPE, prompted the republics' leaders to seek other forms of regional co-operation to supplement bilateral relationships.²⁰¹

¹⁹⁹ *Izvestia* 29 July 1990 p2

²⁰⁰ *Sovetskaya Belorussia* 19 October 1990 p1

²⁰¹ Anwara Begum analysed Russia's interactions with the other republics in the period 1990-91 and found a high number and range of interactions which included agreements, appeals, communications, communiques, declarations, meetings, statements, and speeches. Begum, A., *Inter republican Cooperation of the Russia Republic* Vermont: Ashgate Publishers 1997 p29

In April 1990, deputies from the Supreme Soviets of Belarus, Ukraine and Lithuania formed an informal group to promote trade links between these three republics.²⁰² A meeting in Kiev, in May 1990 of leaders of popular front organizations in Estonia, Latvia, Ukraine, Belarus, Azerbaijan, Armenia, Georgia and Uzbekistan agreed to form a coalition called the 'Union of Democratic Forces'. The aim of this Union would be the establishment of an information and advice centre, with the goal of guaranteeing the peaceful secession of the republics from the USSR by negotiation with the Soviet government and the creation of structures to facilitate mutual cooperation between the republics after the fall of the empire.²⁰³

Leaders of the RSFSR, Ukraine, Belarus, Kazakhstan and Uzbekistan met in Moscow in February 1991 and established a standing group of senior representatives from each republic to over see and coordinate the work of enterprises fulfilling inter republican trade contracts. The system would supervise trade flows, in particular food and consumer goods.²⁰⁴

For Ukraine and Belarus, the most important relationship at bilateral level was with Russia. Agreements were signed between Russia and Ukraine (November 1990)²⁰⁵ and Russia and Belarus (December 1990).²⁰⁶ As noted in the previous chapter this importance derived partly from the traditional relationship which had prevailed between the political centre and these two Slavic republics but was also determined by trade dependence on the Russian republic and in particular energy reliance; by the large numbers of ethnic Russians in these republics and by the geographic size of Russia. These factors meant that in a restructured configuration, even of a confederal type, Russia would continue to be the dominant member. However, while political and economic inequality formed the basis of the traditional relationship between Russia, and Ukraine and Belarus a new type of relationship between Russia and Ukraine and Belarus prevailed during the period between late 1990 (when Russia signed bilateral treaties with these two republics) and the failed coup attempt in August 1991. This was a relationship formed on a more equitable basis - in which Ukraine and Belarus were viewed as equal partners who would co-operate jointly with Russia to displace the Soviet centre. This new style relationship was possible only after the emergence of Russia as a sovereign state and the election of Yeltsin as its president (June 1990 and June 1991

²⁰² *RFE/RL Report on the USSR* Vol 2 No 20 p34

²⁰³ *RFE/RL Report on the USSR* Vol 2 No 21 p19

²⁰⁴ *RFE/RL Report on the USSR* Vol 3 No 9 p32

²⁰⁵ *Pravda Ukrainy* 21 Nov 1990 p1

²⁰⁶ *Sovetskaya Belorussia* 21 Dec 1990 p1

respectively). In the struggle to usurp more powers from the centre, these bilateral agreements were mutually advantageous.

In the 'Treaty on the Principles of Relations between the Russian SFSR and the Ukrainian SSR' (November 1990) both parties agreed to build their future relations on the basis of the June 12th 1990 declaration on the state sovereignty of the Russian SFSR and the July 1990 declaration of the state sovereignty of Ukraine.²⁰⁷ Ukraine and Russia recognized each other as sovereign states and pledged to refrain from actions that might damage the state sovereignty of the other side, recognizing and respecting 'the territorial integrity of the RSFSR and the Ukrainian SSR within the borders that currently exist within the framework of the USSR'. Regarding defence and diplomatic relations, both parties recognized the need for 'a system of collective security including co-operation by both states in the area of defence and security'.

Article eight of the treaty dealt with more specific areas of co-operation: interaction in foreign policy; co-operation in the formulation and development of a common economic space and of European and Eurasian markets, as well as in the area of customs policy; co-operation in management of transportation and communications including satellite communications and telecommunications; co-operation in the sphere of environmental protection on their territories, including measures to minimize the after-effects of the Chernobyl catastrophe, and participation in creating a comprehensive international system of environmental safety; questions of migration policy and the struggle against organized and international crime.²⁰⁸

Economic issues were dealt with in Article 11 which stipulated that 'the parties are to conclude intergovernmental agreements on reciprocal deliveries and services, payments, prices and the movement of securities, as well as a timetable for shifting to the use of world prices in settling mutual accounts'.²⁰⁹

The treaty between Russia and Ukraine envisaged a qualitatively new type of relationship between these two sovereign republics - a relationship based on equality, friendship and co-operation, and far removed from the unequal and unbalanced relationship that had characterized Ukraine's previous relations with the 'centre'. The nature of the new relationship was described by Yeltsin as a

²⁰⁷ *Izvestia* 19 November 1990 p1

²⁰⁸ *ibid*

²⁰⁹ *ibid*

relationship between two sovereign states, where good neighbour relations would develop in accordance with the principle of equality and on the principles of non interference in each other's internal affairs.²¹⁰

The agreement on bilateral relations between Russia and Belarus was signed in Moscow by the Chairmen of the republican Supreme Soviets, Boris Yeltsin and Nikolai Dementev. Both sides agreed to develop friendly relations and neighbourliness, mutual cooperation, and guaranteeing the national interests of each state. In the agreement, Russia and Belarus agreed not to take economic measures that could harm each other. Yeltsin envisaged this agreement as a model for inter-republic cooperation, praising the 'horizontal treaty' between republics as a basis for the new all union treaty.²¹¹

In securing co-operation agreements with two of the most important of the republics which made up the USSR, Yeltsin had created a coalition of support with which to force the centre to reduce its powers further and to replace it with a new political configuration which corresponded to the demands of Russia and the other republics. Having signed agreements with Ukraine and Belarus in autumn 1990, Yeltsin told journalists in January 1991 that the leaders of the four largest republics: Russia, Ukraine, Belarus and Kazakhstan had decided to conclude a comprehensive quadripartite treaty among themselves without waiting for the Union Treaty. According to Yeltsin they had agreed to meet in Minsk in the near future. The other republics could accede to the treaty later.²¹² Thus as early as January 1991 and almost ten months before the founding of the CIS, Yeltsin was envisaging the creation of new political structures, with Russia, Ukraine, Belarus and Kazakhstan forming the core.

²¹⁰ *Sovetskaya Rossia* 21 November 1990 p1; *Pravda Ukrainy* 21 November 1990 p2

²¹¹ *Sovetskaya Belorussia* 21 Dec 1990 p1; RFE/RL *Report on the USSR* Vol 2 No 52

²¹² *Izvestia* 15 January 1991 p2; *Sovetskaya Belorussia* 21 Dec 1990 p1; A pronounced Westward leaning in Russian policy towards the other republics was evident as early as autumn 1990 when Yeltsin suggested that the three Slavic republics and Kazakhstan should form the nucleus of cooperation in a new configuration which the other republics would be invited to join. See Lena Jonson 'The foreign policy debate in Russia: in search of a national interest' *Nationalities Papers* Vol 22 No 1 1994 p177

Evolution of Political Discourse on Independence

In 1990 and 1991 as part of the process of the consolidation of sovereignty, a discourse began in republican level political and academic circles regarding the desirability, inevitability and viability of sovereign independent statehood. Envisaging independent statehood within a confederal system, the discourse included discussions regarding relations with regional neighbours.

In 1991 much of the political discussion amongst the republics focused on the proposed Union Treaty. A conference called on the initiative of the Ukrainian Supreme Soviet was held in Kiev in April and attended by representatives of the RSFSR, Ukraine, Belarus, Kazakhstan and Uzbekistan. The meeting sought to formulate a joint position on the revised draft of the Union Treaty.²¹³

In Russia the restoration of a specifically Russian national identity centring on the concept of Slavic unity was promoted. This unity was seen as having contributed to Russia's past greatness. Writing in 1990 on 'A New Russia in a Changing world', E. Volodin lamented the loss of 'our Slav unity' and asked 'why we have no concept of the culture and history of the southern and Western Slavs, and why we have forgotten extremely complex spiritual processes that gave rise to our greatest cultural treasures?'. While supporting the secession of other republics from the Union, Volodin argued that Ukraine and Belarus should be excluded from secession because 'separation from them would truly be a common national tragedy'.²¹⁴

The concept of Slavic unity was promoted further by Aleksandr Solzhenitsyn in September 1990 when he called for the dismemberment of the Soviet Union and the creation of a 'Union of Eastern Slavs', which he said, could possibly be called the 'Pan Russian Union' (*Rossiiskii Soyuz*). With regard to Ukraine and Belarus, Solzhenitsyn stressed their commonality: shared historical roots and suffering, and argued that it would be wrong for them to secede to independent statehood. Specifically, regarding Ukraine, he dismissed what he described as a recently invented notion that a Ukrainian people, with its own language has existed since as early as the ninth century.²¹⁵ Solzhenitsyn's essay met with a decidedly negative reaction in Ukraine. A joint declaration was signed by representatives of Ukraine's parliamentary opposition (the People's Council) and its Russian counterpart, the Democratic Russia group, which advocated the future development of Russian-Ukrainian relations on the basis of the concept of Ukraine and Russia as democratic and

²¹³ Solchanyk, R. 'The draft union treaty and the big 5' RFE/RL Vol 3 No 18 May 1991 p16

²¹⁴ Volodin, E *Literaturnya Rossia* 26 January 1990 p 3-4 .

²¹⁵ *Literaturnya Gazeta* 18 September 1990 p3-6; *Komsomolskaya Pravda* 18 Sept 1990 p2;

independent states and entities in international law.²¹⁶

Solzhenitsyn's vision of a 'Pan-Russian Union' represented traditional thinking on the status of Ukraine and Belarus. Indeed it was seen by some as the direct continuation of pre-revolutionary Russian thought on the Ukrainian question, the definitive characteristic of which was the conviction that the 'Ukrainian idea' posed a threat to the integrity of the Russian nation and culture.²¹⁷

The imminent prospect of some form of independence for the Soviet republics both required and facilitated a reexamination of their concept of nation, national identity and national consciousness. In Russia the position of Ukraine and Belarus proved problematic in this process of reconstruction of national identity. The traditional perception of Ukraine and Belarus as inextricably linked to Russia, which resurfaced at this time, conflicted with the reality of Ukraine and Belarus as sovereign states. How to resolve this conflict became pressing in the months following the coup of August 1991.

In Ukraine, and in particular after the all union referendum on the Union Treaty (March 1991) had shown strong popular support for the preservation the USSR as a renewed federation (70.5%) but which Ukraine would join only on the basis of its Declaration of State Sovereignty of Ukraine (80.2%), the republican party leaders sought closer accommodation with the leaders of the Democratic movement and became advocates of independence for Ukraine.

In Belarus in comparison, the party leaders continued to position themselves in opposition to the Democratic movement, presenting themselves as defenders of the union, as part of the historic triumvirate of Slavic nations. Party leaders promoted the idea that Belarus, Ukraine and Russia were inviolably and historically ordained to be a community whose nations formed the vital Slavic core of the Soviet state.

The Belarusian Communist party, co-operating with the leadership of the Communist Parties of the RSFSR and Ukraine devised a programme called 'Unity', which included the organization of pro Union rallies, exchanges between the editors of newspapers and assemblies of Communist authorities from these Slavic republics. A delegate to a meeting of 'Unity' held in Minsk in March 1991, Y. Pakhomov, Secretary of the Ukrainian Academy of Sciences, argued that 'the three Slavic

²¹⁶ RFE/RL *Report on the USSR* Vol 2 No 40

²¹⁷ Solchanyk, R. 'Solzhenitsyn and the Russian Ukrainian complex' RFE/RL *Report on the USSR* Vol 2 No 40 p21

republics, which are at the source of our socialist statehood have a special mission. They carry the main responsibilities for the preservation and renovation of the Union'.²¹⁸

In the weeks before the March referendum, there was an increase in the activities of pan Slavic and Russian nationalists in Belarus and Ukraine, often with the participation of members of the CPSU. In Minsk, the 'Sodruzhestvo' Slavic Society issued a new publication, *Slavyanskie Vedomosti*, which in its first issue contained anti-Western and anti-Israeli material and referred to the three Slavic nations with their historic labels of 'Great Russians, White Russians and Little Russians'. The publication was printed at facilities owned by the Central Committee of the Belarusian Communist Party. Another organization 'Belaia Rossiia' (White Russia) distributed 5,000 leaflets in Minsk bearing the Tsarist double headed eagle and the message 'Preservation of the Union is the first step towards the rebirth of the Fatherland'.²¹⁹

By March 1991 political developments in Ukraine and Belarus were advancing at different rates. In Ukraine both the opposition movement and the party leadership viewed independence as the next stage in the restructuring of relations with the centre. While the Democratic opposition in Belarus shared this view, the Belarusian Party leaders continued to view Belarus as a vital part of the Union and worked to preserve this. Ukraine's speedy advancement towards independence and Belarus' more hesitant moves to reform at this time were related to two factors: the results of the March 1991 referendum on the Union treaty and the prospects for economic viability in the post-Soviet environment.

In Belarus the electorate had endorsed the Union Agreement (the 83% of electorate who had turned out to vote, voted overwhelmingly in favour of it (82.7%). This was well above the Union average of 76.4% and can partly be explained as the result of the efforts orchestrated by the republican authorities which included denial of air time to the opposition, promoting the concept of Slav unity and supporting groups such as Unity, Sodruzhestvo and Belaia Rossiia.

In contrast in Ukraine, support for the preservation of the union was below the all union average though still significantly high. More noteworthy was the 80.2% (ie. all those who had turned out to vote) vote in favour of the declaration of sovereignty defining the status of the republic in any future association. In western Ukraine in the three oblasts of Ivano Frankovsk, Lvov and Ternopol only 15% voted in favour of all of the proposals of the all Union referendum: 19.3% voted for

²¹⁸ *Sovetskaya Belorussia* 16 March 1991 p1

²¹⁹ RFE/RL *Report on the USSR* Vol 3 No 13 29 March 29 1991

Ukraine's continued membership of the Union as a sovereign state and an overwhelming 89.9% voted for independence.

The referendum in Ukraine showed that a majority of its electorate supported its status as a sovereign state, but demonstrated that in Western Ukraine the majority of the voters there supported complete independence rather than state sovereignty.²²⁰ In Ukraine therefore the referendum had revealed the wide degree of support within the republic for state sovereignty and in certain parts, independence.

In contrast, in Belarus, the referendum had confirmed the preference of the leadership and electorate for continued membership of the union. The caution expressed by its leaders and people was linked to the economic position of Belarus within the union. Because of Soviet industrial and investment policies Belarus remained until the late 1980s, a relatively prosperous republic. However Belarus's economic development and success was linked to the all union economy into which it was deeply integrated. As the all union economy collapsed in 1990 and 1991, the Belarusian leadership responded in two ways to protect the republican economy: practical measures such as restrictions on exports²²¹ and support for a renewed political and economic union to replace the Soviet Union.

The collapse of the all union economy underlined Belarus' highly integrated position within it. Price increases caused by the introduction of world prices by Russian producers of raw materials, were forcing Belarus to become a net importer rather than an exporter.²²² For example, Belarus had to import all the metal it required for the dozens of industrial giants built to produce equipment which was extremely metal intensive. These included a tractor factory, two automobile plants, a motor bike factory, an engine plant, an automation line plant, the Gomel farm machinery plant and dozens of machine tool plants. This dependence on imported metal meant that

²²⁰ RFE/RL *Report on the USSR* Vol 3 No12 1991; Vol 3 No13 1991 p5ff

²²¹ These included: strict measures on the shipping of goods and other objects of material value outside the republic's borders; thirty five special check points were set up to control the export of food stuffs and goods at crossing points along the borders of the Ukrainian SSR and its neighbours; Proposals for an economic package for Belarus which would include decentralization, privatization and support for entrepreneurship; approval from the Belarusian the Supreme Soviet's plan for the transition to a market economy *Sovetskaya Belorussia* 11 Oct 1990 p1; 12 October 1990 p1&3; 14 Oct 1990 p1

²²² Kebich's Address to the 45th Session of the UN Assembly 26 September 1990; *Sovetskaya Belorussia* 29 Sept 1990 p3

Every month millions of tons of pig iron and steel were first hauled into Belarus and then hauled back out in the form of tractors, motor vehicles and machine tools - in the process using millions of tons of coal, petroleum and gas, also brought in from outside the republic.²²³

As inter republican trade collapsed, enterprise managers resorted to barter, trading television sets and refrigerators for metal. However sufficient supplies could not be guaranteed, with the result that several thousand machines piled up in yards of tractor plants, unable to be shipped out to customers because of missing parts.²²⁴

Signing bilateral agreements with other republics and participation in regional groupings was the second way in which the Belarusian leadership sought to protect the republican economy. For example in August 1990, a delegation from Belarus went to the Estonian capital Tallin to discuss proposals for the creation of 'common market'. Belarus was keen to develop closer economic relations with the Baltic countries for two reasons:

- the Baltic area was viewed as a gateway, offering the opportunity to gain easier access to the European markets;
- 30% of the industrial manufactures which Belarus received from other republics came from the Baltic area.

Belarus's dependence on Baltic trade was demonstrated by the consequences of the economic blockade of Lithuania following the latter's declaration of independence, which left many of Belarus's factories idle.²²⁵

²²³ *Izvestia* 15 April 1991 p2

²²⁴ *ibid*

²²⁵ In September 1990 Belarus established direct relations with Lithuania, *Sovetskaya Belorussia* 16 September 1990 p1 Mihalisko, K. 'Belarus as a sovereign state' *RFE/RL Report on the USSR* Vol 2 No 38 p11

Ukraine also responded to the collapse of the Union economy with protective, semi-autarkic measures.²²⁶ Ukraine experienced similar economic difficulties to Belarus including a high budget deficit, shortage of basic food stuffs and consumer goods, the prospects of power cuts and an uncertain mood amongst the labour force. The Ukrainian work force continued to experience discrimination in pricing (e.g. the price paid for a ton of sugar beets in Belarus was double that paid in Ukraine) and in wages (e.g. in 1987 the average wage in Ukraine, with the largest concentration of heavy industry in the USSR was considerably lower than in Belarus, RSFSR and the Baltic States).²²⁷

Nationalists in the republics of the FSU frequently used the arguments of economic nationalism to support demands for political and economic sovereignty and independence. They argued that the CPE had retarded the economic development of their republics and independence would end the exploitation by the centre, which was seen as a key feature of the CPE. Such a perception fuelled national movements in the late 1980s and was a powerful mobilizing force as the republics sought to renegotiate their relationship with the centre. Thus 'the perception that certain republics assumed a disproportionate burden in realizing central resource allocative priorities arguably played a role in the union's demise'.²²⁸

The perception of an exploitative, 'colonial type' relationship between the republic and the centre had been particularly strong among Ukrainian nationalists. In Belarus in contrast, the economic development of the republican economy had occurred only with the support of the centre's investment strategies, of which Belarus was a key beneficiary. Here the centre tended to be viewed not as the exploiter but the progenitor of Belarus' comparative economic success in the post war years.

²²⁶ These included a ban on the export of grain and sunflower seeds from the republic (an attempt to halt the selling of grain at speculative prices); a ban on the sale of products of the agro-industrial complex outside the republic, in excess of the amounts already slated for export. In introducing the latter ban, Ukraine's government was responding to Russia's unilateral actions which included sharply raising its purchase prices for meat and other strategic agricultural products. *Izvestia* 7 Sept 1990 p2; 21 Sept 1990 p2

²²⁷ Marples, D. 'The Economic outlook for Ukraine in 1990' RFE/RL *Report on the USSR* Vol 2 No 7 p 24 & 25 ;

²²⁸ Brown, S.S., & Belkindas, M.V., 'Who's Feeding Whom? An Analysis of Soviet Interrepublic Trade' p163 ff in Kaufman & Hardt 1993 op cit

The perception of centrally direct exploitation was not confined only to the non Russian republics. The belief that Russia was subsidizing economic development in the other republics was held by a growing number of Russians in the 1980s. Many Russians viewed their neighbours as economic burdens for which Russia had sacrificed its own economic health for decades.²²⁹ This was articulated by Yeltsin in 1990, when addressing the RSFSR Congress of People's Deputies, he condemned the 'imperial policy of the centre' and described it as 'the cruel exploiter, the miserly benefactor'.²³⁰ With the revival of Russian national consciousness in the mid 1980s, complaints were made that the greatest hardships in the course of Soviet economic development had been borne by the Russian republic and that the well being of Russia had been sacrificed to the progress of the backward regions of the country.²³¹

Thus while arguments regarding exploitation had been used to support the independence drives of other republics, similar arguments could be made for the Russian Federation. It could also be argued that the Western republics of the FSU and primarily Russia, acted as donor republics for the economic development of less developed areas and specifically Central Asia. This can be demonstrated by examining two forms of income transfer between the republics a) prices b) investment.

a) Prices

Within the CPE the pricing mechanism was distorted and prices played little role in the allocation of resources. The pricing policy of the CPE facilitated the indirect or implicit subsidization of less developed economies. Goods exported by less developed republics were overpriced and goods imported into these republics from the more developed republics (Russia, Ukraine and to a lesser extent Belarus) were underpriced. The less developed republics therefore received an indirect subsidy.²³² In the Soviet CPE, manufactured goods and fuels tended to be overpriced, while raw materials and energy were underpriced. Since Russia and Ukraine were key producers and suppliers of raw materials and energy, supplying commodities to less developed republics, at usually lower than cost prices, Russia and Ukraine were in effect subsidizing these economies. In 1988, Russia'

²²⁹ Dawisha & Parrott 1994 p161

²³⁰ Dallin, A., & Lapidus, G., *The Soviet System: From Crisis to Collapse* Boulder, Colorado: West view Press 1995 p410

²³¹ *ibid* p369

²³² Bradshaw, M *The Economic Effects of Soviet Dissolution* post-Soviet Business Forum RIIA 1991 p20

subsidy to other republics was estimated to be 64 billion roubles.²³³ Since Belarus produced primarily manufactured goods and foods, it benefited from the preferential prices paid for these goods.

One consequence of this artificial and distorted price system was to generate the perception of exploitation. Ericson argues that 'the absence of real money and real prices led to unbalanced exchange; implicit unmeasured subsidization and confiscation necessarily takes place, generating the perception of intentional national exploitation'.²³⁴

A revision of prices, which is a key component of the transition to the market would thus benefit those republics which had previously been forced to supply energy and raw materials at lower prices. Russia as the main supplier of fuel, timber, metal and food supplies would be the main beneficiary. Ukraine as a supplier of coal, minerals and food products would also benefit. For Belarus, however, a switch to market prices would be disadvantageous, since it is almost wholly dependent on imports of fuel (90%) and raw materials. While the artificial structure of administered prices functioned as a means of inter republican income redistribution, some republics benefited from direct subsidies in the retention of turnover tax collected in these republics. There is again differentiation between the developed and less developed regions of the USSR. In 1989 all the Central Asian republics retained all the turnover tax collected there, where as Russia retained only 85% of the tax, Belarus retained 71% and Ukraine 68%.²³⁵

b) Investment

An examination of investment allocation also reveals a bias in favour of less developed republics, in keeping with the Soviet regime's regional economic policies. Investment allocations also demonstrate a specific bias against Ukraine in the Soviet period. The imbalance in investment allocation was redressed in the late 1980s when the centre ceased its commitment to attaining equality between regions. With the policies of *Perestroika*, the investment allocations to less developed republics began to decline. Gorbachev's investment strategy was to modernize existing facilities through renovation rather than building new ones. Consequently, investment allocations to the more industrialized European part of the USSR increased from 1986-1990 while those to the

²³³ Slay, B. 'On the economics of inter republican trade' RFE/RL *Report on the USSR* 29 Nov 1991 p1-8 1991

²³⁴ Ericson in Motyl, A. J., *The post-Soviet Nations Perspectives on the Demise of the USSR* New York: Columbia University Press 1992 p254

²³⁵ Pokorny 1993 p146

underdeveloped republics of Central Asia fell.²³⁶

Since the 1980s investment was directed towards the more resource rich republics (excluding Ukraine) with disproportionate flows to Russia and above average flows to the Baltic republics. Throughout Ukraine received a below average share of investment per capita.²³⁷ While Russia received a disproportionate allocation of investment (consistently above average in investment per capita) and Belarus received high levels of investment between 1980-1988, Ukraine continued to receive lower than average allocations of investment. Thus for Ukraine, though not for Russia and Belarus a case can be made for a bias against the republic in the form of discriminatory investment policies.

Investment allocations which were relatively small in comparison to Ukraine's share in the total population and economic potential of the USSR retarded Ukraine's economic growth in comparison to other republics, which benefited from higher investment allocations. The Ukrainian economy was less able to utilize its labour and natural resources more efficiently, to introduce advanced technology and had less opportunity to adjust its economic structure to new technological requirements.²³⁸ One reason for this below average investment allocation is that in the post war years Ukraine no longer served the USSR's geopolitical goals. Previously Ukraine was an important region bordering on those East-Central European states which had recently come under the Soviet sphere of influence. In the 1970s and 1980s the spread of Islamic fundamentalism led to a shift of the USSR's geopolitical interests, south to Central Asia and east to Siberia. With Ukraine's importance to the centre reduced, it is argued, the latter aimed only at keeping the Ukrainian economy at a tolerable level.²³⁹

For Ukrainians then, Soviet economic planning had resulted in the retardation of the economy and generated the perception that only economic self management could ensure economic recovery and well being. For Russia and Belarus, both had benefited from the investment strategy of the 1980s (upgrading existing plants) so that in comparison with other republics, their economies were better able to meet the industrial changes necessitated by the transition to the market.

²³⁶ Kaufman & Hardt 1993 p 178

²³⁷ *ibid*

²³⁸ Koropecy I.S. *Development in the Shadows: Studies in Ukrainian Economics* Canadian Institute of Ukrainian Studies, Edmonton:University of Alberta Press 1990 p58

²³⁹ *ibid* p64

Nationalist movements in many of the republics were driven in part by the perception of exploitation (real or imagined). However the question of economic viability following sovereignty and independence was seldom extensively debated and often taken as *a priori*. While the economic viability of the Russian Federation could not be disputed, for most of the other ex-republics, their economic viability depended on the maintenance of inter republican links, upon which their economies had been structured. In this context, Gertrude Schroeder argues that economic viability should not be taken to mean potential economic self sufficiency (autarky), based on near self sufficiency in energy supplies and of other natural resources, large populations and territories. Instead she interprets economic viability to mean the capability to exist and develop as a separate state in a world of highly economically interdependent states. According to this criteria, the most promising of the new states of the FSU in terms of economic viability, i.e. the states with the best economic prospects were seen as the three largest Slavic republics, Russia, Ukraine and Belarus.²⁴⁰

The economic difficulties and hardship which accompanied the collapse of the union economy in 1990 and 1991, resurrected the debate regarding Ukraine's exploited status within the union. The Council for the Study of Productive Forces in Ukraine (affiliated to the Ukrainian Academy of Sciences) restated its complaints about the injustices done to Ukraine in view of its contribution to the Soviet economy. It argued that the dictatorship of the all union ministries led to a situation in which heavy industry had been concentrated in large cities with negative social and economic consequences, while smaller and medium sized towns had experienced a lower rate of development. Centralization, it was argued, reduced the economic rights of Ukraine and lowered the standard of living of its people.²⁴¹

With Ukraine due to switch to complete economic sovereignty in January 1991, the debate intensified, producing a consensus among both the republican party leadership and the opposition that Ukraine's economic and ecological problems were largely the result of the 'violation of the sovereign rights of the republic'. It was argued that the central authorities exploited Ukraine's resources in an irrational and careless manner, with little real benefit for Ukrainians. It was claimed that 'Ukraine contributed far more than it received from the Union, and only 5% of the resources of Ukraine were under the direct control of the republic'. A meeting of the Ukrainian Supreme Soviet Committee on Ecology noted how the central ministries established and operated factories and

²⁴⁰ Schroeder, G. 'On the Economic Viability of the Soviet Successor States' *post-Soviet Affairs* 1992 p549

²⁴¹ *ibid*

enterprises in Ukraine without taking into account the impact on the environment of the by-products released.²⁴²

The immediate benefits of economic sovereignty for Ukraine would be limited, given the continued trade dependence on other republics. It was argued that Ukraine would lose most through the revision of prices for heavy industrial products and would sustain a substantial loss through the redistribution of the turnover tax, because part of the turnover tax it received in the past would be allocated to republics which supply the primary and intermediate products which Ukraine's factories finished off.²⁴³

As the second largest economy in the region next to Russia's, Ukraine made significant contributions to the all Union economy. A key contributor to the overall industrial output (17% in 1990),²⁴⁴ Ukraine, like Russia had been heavily industrialized. Most of Ukraine's industry was concentrated in the branches of heavy industry, including machine building, metallurgy, wood, chemicals, fuel and energy, though light industry and food processing played a significant part in the republic's economy. In the ferrous metal sector, it produced half of the steel, rolled ferrous metals and steel pipes made in the USSR. It produced half of the USSR's granulated sugar, one third of its vegetables, one quarter of its butter. It manufactured 30% of the USSR's chemical industrial equipment, one quarter of its agricultural machinery and almost one quarter of other important types of construction equipment. It produced smaller, relative amounts of most consumer goods and was second only to the RSFSR in the production of consumer goods. Consequently in heavy industry and in the food and agricultural industries, Ukraine had a positive balance of trade with other republics.²⁴⁵ Because Ukraine consistently received lower investment allocations per capita than other republics, much of Ukraine's industry was aging and in need of modernization. In other areas of production Ukraine also made significant contributions to the all union economy.²⁴⁶ Ukraine was also endowed with natural resources including coal, iron ore, manganese, sulphur and natural gas.²⁴⁷

²⁴² Marples, D. 'The prospects for an independent Ukraine' *RFE/RL Report on the USSR* Vol 2 No 15 p 17

²⁴³ Tedstrom, J. 'The economic costs of independence for Ukraine' *RFE/RL Report on the USSR* Vol 2 No 49 p 11

²⁴⁴ Kaufman & Hardt 1993 p961

²⁴⁵ *ibid* p13

²⁴⁶ see table 4 chapter 2; Pokorny 1993 p148

²⁴⁷ Kaufman & Hardt p962

Much more dependent on trade than Russia, in 1989 16% of Ukraine's domestic output was exported and 18% of the republic's internal consumption came from imports.²⁴⁸ Most of Ukraine's trade was conducted with the other republics of the Union, accounting for 84% of its exports and 73% of its imports. This trade was concentrated on the neighbouring European regions of the Russia and to a lesser extent with Belarus and the Baltic republics. Trade with the Asiatic part of the Russia, Central Asia and Transcaucasia was infrequent.²⁴⁹

While Ukraine was an important supplier for the all union market, it also depended on it for imports of fuel and energy. Ukraine produced only 58% of its own primary fuel and energy needs, importing the remainder from energy rich republics such as Russia and Turkmenistan. Thus 11% of Ukraine's imports from other republics were oil and gas. To sustain the republic's timber and wood processing industry, and light industry, Ukraine imported 100% of its rubber; 60-80% of its non ferrous metals, motor vehicles, chemical fibres, perfumes and cosmetics, 40% of its timber products, medical products and textiles. It also imported electrical equipment, motors and radio technology.²⁵⁰ Ukraine imported 100% of the cotton it required, most non ferrous metals, 93% of its timber, 70% of its wool and 80% of other natural fibres.²⁵¹

The restructuring of Ukraine's industry to make it more efficient and less energy and trade dependent could only take place in the long term. In the interim, resource and energy intensive enterprises would continue to produce low quality goods which would be uncompetitive on the world market. Its dependence on inter-republican trade would also continue.

The structure of Ukraine's industry and the nature of its foreign trade provided additional evidence for nationalists arguing that the centre's policies had been detrimental for the Ukrainian economy. They argued that central policies assigned Ukraine the role of producer of mainly extractive and intermediate goods, creating a lop sided economic structure and unnecessary dependence on other republics for finished goods.²⁵² Furthermore the structure of both industry and trade was seen as having limited Ukraine's long term economic prospects. The reliance on imports of oil and mineral

²⁴⁸ *ibid* p928

²⁴⁹ Koropecy (1990) p9

²⁵⁰ *ibid* p14

²⁵¹ *Business International* September 1992 No 142 XIII-6-2

²⁵² Schroeder, G. 'Regional Economic Disparities, Gorbachev's Policies and the Disintegration of the Soviet Union' in Kaufman & Hardt 1993 p121

deposits put pressure on the sources of non renewable raw materials and water supplies.²⁵³ Consequently in spite of the many difficulties associated with economic sovereignty, the view prevailed that the economic future of sovereign Ukraine could only improve under self-government and would certainly be no worse than the subordinate economic function which Ukraine had performed within the USSR.

Belarus' opposition movement did not aspire to full independence, given the continued strength of its Communist Party leaders and its economic position, even within the disintegrating CPE. Consequently the republic's leaders were ardent supporters of the Union Treaty and the proposed Union of Sovereign States. Following the coup attempt against the Soviet President and the subsequent collapse of the centre, Belarus' leaders only reluctantly declared independence. From the Ukrainian perspective however, the coup attempt hastened the arrival of independence, which Ukraine had previously aspired to by progressive and gradualist means.

Independence came to Ukraine and Belarus in the context of a rapidly changing political, socioeconomic and geostrategic environment and forced these two republics to address a number of pressing issues. These included

- how to institutionalize, reinforce and defend their newly attained independence;
- how to proceed with the introduction of market reform;
- how to advance with democratization;
- how to exist and co-exist regionally as independent states;
- how to gain access to international political and economic organizations and international markets.

Central to all these issues was the question of Russia's role in the post-Soviet environment, its relationship with all of the newly independent states and in particular its Slavic neighbours of Ukraine and Belarus. Following the collapse of the union, Russia's relationship with these republics shifted to a new level and the months between the coup attempt in August 1991 and the creation of the CIS in December saw the disintegration of the short lived partnership between Russia and the new sovereign republics of Ukraine and Belarus which had existed since 1990. At the heart of this was Russia's role in defeating the forces of reaction and thereafter acting as the force for change within the union.

²⁵³ Koropecy (1990) p34

Russia played a key role in the negotiations for the restructured union and when it became clear that Ukraine would not participate, particularly after the referendum on independence in December 1991, convened the meeting in Belovezhskaya Pushcha which created the CIS. In September 1991, leaders of 10 republics (Russia, Ukraine, Belarus, Uzbekistan, Kazakhstan, Azerbaijan, Kyrgyzstan, Tajikistan, Armenia and Turkmenistan) pledged support for a new treaty for a 'Union of Sovereign States', within which each republic was to determine for itself the forms of its participation within the union; the conclusion of an economic union for the purpose of interacting within the framework of a single economic space and for the normal functioning of the national economy, the provision of vital services to the population and the accelerated implementation of radical economic reform.²⁵⁴

In October 1991, eight of the former republics (excluding Ukraine, Moldova, Georgia and Azerbaijan) signed the 'Treaty on an Economic Community of Sovereign states'.²⁵⁵ Agreement was reached on the 'Union of Sovereign States' at Novo-Ogarevo in November. Seven ex-republics called for the creation of a new political union and discussed the possible forms that it could take:

- a union of sovereign states, without a state formation of its own;
- a union with a centralized state power, on a federal or confederal basis;
- a union which would perform certain state functions but which did not have the status of a state or a name.

Agreement was finally reached on a confederal state, which would perform functions delegated to it by the states which were parties to the treaty. The confederation, or USS, would not have its own constitution but would have a bicameral parliament and a government, with a Prime Minister, deputy Prime Minister and Ministers of the Union. The posts of President and Vice President of the Union were to be elective.²⁵⁶

While Russia, Belarus and several of the other former republics supported the proposed political and economic union, Ukraine continued to object to its form and refused to sign the agreement. Its refusal to participate was problematic but since it constituted an important component of the former union, its absence in a new union was difficult to conceive. This difficulty was the basis of a joint appeal issued by Gorbachev, Yeltsin and the Chairman of the Belarusian Supreme Soviet,

²⁵⁴ *Izvestia* 2 September 1991 p1

²⁵⁵ *Izvestia* 19 October 1991 p1

²⁵⁶ *Izvestia* 15 November 1991 p5

Shuskevich, as well as the heads of seven of republics, calling on Ukraine to take an active part in the collective work of the Treaty of the Economic Community. Recognising Ukraine as one of the largest republics of the USSR, their appeal acknowledged that 'its role in the development of the country, in everything of which our peoples can rightfully be proud, is irreplaceable'. The appeal declared that 'we cannot imagine the Union without Ukraine'.²⁵⁷

Yeltsin acknowledged the difficulty of convening a new union without Ukraine, when on the eve of the Ukrainian referendum on independence (3 Dec 1991) he said that he could not imagine a union without Ukraine and if Ukraine failed to sign the Union treaty, then Russia would not sign it.²⁵⁸

Ukraine's referendum confirmed wide popular support for independence (84.2% of the electorate turned out to vote, with 90.32% voting for Ukraine's independence).²⁵⁹ Such overwhelming support for Ukrainian independence gave the newly elected President of the republic, Leonid Kravchuk (elected by 60% of the electorate as President on the same day as the referendum) a strong mandate to resist pressure to join the proposed political and economic union of the Novo-Ogarevo process and seek instead a new configuration better suited to Ukraine's aims. Immediately following the referendum, Kravchuk announced that Ukraine would not sign the proposed Union Treaty.²⁶⁰

Seven days after Ukraine's declaration of independence, Ukrainian President Kravchuk, Russian President Yeltsin and Chairman of Belarus's Supreme Soviet, Shuskevich, met in Belovezhskaya Pushcha and signed a new agreement on the Creation of a 'Commonwealth of Independent States' (CIS). The three Slavic states of Russia, Ukraine and Belarus, which had formed the core of the Union of Soviet Socialist Republics in 1922, had joined together again in 1991 to replace it with a new organization. While nine other republics (excluding the Baltic republics) eventually joined the CIS, the Slavic core remained its most important element.

The agreement on the creation of the CIS stressed their Slavic heritage, referring to 'the historic community of our peoples and the ties that have developed among them' including bilateral treaties, as the basis for the new relationship. The founding agreement was accompanied by an agreement to coordinate market reforms, recognizing that the preservation and development of the close economic

²⁵⁷ *Izvestia* 22 October 1991 p2

²⁵⁸ RFE/RL *Report on the USSR* Vol 3 No 50 December 1991

²⁵⁹ Poda & Akimov 1997 p210-211

²⁶⁰ *Nezavisimaya Gazeta* 3 December 1991 p 1-3

ties amongst the republics was vital to stabilize the situation in the national economy and to create the preconditions necessary for economic revival.²⁶¹

Strategies for maintaining economic co-operation and links amongst the republics had begun almost immediately after the failure of the coup in August. On August 29 Kravchuk (then Chairman of Ukraine's Supreme Soviet) and Russia's Vice President Alexandr Rutskoi signed an eight point communique pledging co-operation to prevent the 'uncontrolled disintegration of the Union State'. The agreement envisaged the setting up of interim structures and invited 'interested states' which were subjects of the Soviet Union to join them in the transitional period, regardless of their status. Ukraine and Russia agreed to recognize existing borders and exchange ambassadors. The agreement also dealt with the issue of military strategic problems, the necessity of the reform of the military and the creation of a system of collective security. Both sides also agreed not to adopt unilateral decisions on military strategic issues.²⁶²

In October, Ukrainian and Russian officials, led by Ukrainian Foreign minister Anatoli Zlenko and his Russian counterpart, Andrei Kozyrev met in Kiev for talks aimed at working out common approaches to domestic and foreign policy and agreed to work towards the speedy implementation of the Conventional forces in Europe (CFE) Treaty and Strategic Arms Reduction Treaty (START). Mutual co-operation was pledged in gaining entry to international, economic and financial organizations.²⁶³

While at the supranational level the months between August and December 1991 had been characterized by the attempts to construct a new type of union, at the bilateral level efforts were underway to redefine and restructure relations within the new context of post-Soviet independence. Co-operation at this between Ukraine and Russia reflected the new circumstances in which relations between these two republics were now being made. It also reflected the change in the nature of the relationship between the two as they moved from friendly and co-operative relations between two sovereign republics to the status of independent states.

In November 1991 an agreement was reached between Ukraine and Russia on the principles of trade and co-operation between them. The agreement anticipated the stabilization of economic co-operation, specifying not only the principles of co-operation but also the mechanisms for their

²⁶¹ *Izvestia* 9 December 1991 p1

²⁶² RFE/RL *Report on the USSR* Vol 3 No 36

²⁶³ RFE/RL Vol 3 No 45

implementation. Both sides pledged to maintain reciprocal deliveries of goods through co-operative inter-industry ties. To stabilize the coal and metallurgical industries the agreement called for the conclusion of separate agreements to preserve existing ties between enterprises in these sectors. There was to be a coordinated policy in the sphere of price setting and price regulation. Starting in 1992 payment for deliveries of goods (or labour and services) between enterprises and organizations was to be made on contract prices and for certain types of products at world prices converted into roubles at an agreed upon rate.²⁶⁴

The change in Russia's attitude to and relations with its Slavic neighbours became apparent almost immediately after the coup. Yeltsin's declaration regarding the reopening of territorial issues brought protests from Ukraine and marked the beginning of a new phase in the relationship, which was described as 'cold war'.²⁶⁵ Yeltsin's statement led to public protests outside the Ukrainian parliament, with demonstrators bearing placards declaring 'Ukraine without Moscow'. Russian Vice President Alexandr Rutskoi and Mayor of St Petersburg, Anatoli Sobchak were dispatched to Kiev to prevent the escalation of a possible dispute.²⁶⁶

Yeltsin's comments were seen as an indication of the resurgence of Russia's traditional 'Ukrainian complex'.²⁶⁷ Having co-operated to displace the union, Russia and Ukraine began the process of renegotiating these relations as independent nations. Russia was concerned that Ukraine's determination to consolidate independence should not interfere with its interests: economic and strategic, as well as the fate of the many ethnic Russians living there. Anxious that the enhanced role of the Russian Federation in the political and economic life of the area of the FSU should not obstruct Ukrainian independence, the Ukrainian leadership was fearful that Russia would not singularly usurp the status of successor to the USSR both regionally and internationally.²⁶⁸ This explains Ukraine's speedy efforts to reinforce independence in concrete ways, following the 24 August declaration of independence, including its refusal to adhere to the new treaty on economic co-operation; the failure to send a delegation to the opening session of the USSR Supreme Soviet and

²⁶⁴ *Izvestia* 7 November 1991 p2

²⁶⁵ *Rossiiskaya Gazeta* 27 August 1991 p2

²⁶⁶ *Nezavismaya Gazeta* 31 August 1991 p1

²⁶⁷ Solchanyk, R 'Ukraine and Russia : Before and After the Coup' *RFE/RLR Report on the USSR* Vol 3 No 39 p13

²⁶⁸ *ibid*

the unusually quick passage of legislation to establish its own military forces.²⁶⁹ To further consolidate its independence Ukraine continued to present itself as a 'European nation' and to seek recognition and support for this amongst the European nations. Following Kravchuk's election to the Presidency, his successor as Chairman of the Ukrainian Supreme Soviet, Ivan Plyushch declared that 'a European state has appeared on the map, and its name is Ukraine'.²⁷⁰

Ukraine's leadership did however recognize that relations with Russia formed a core component of the external relations of the independent state. On being sworn in as Ukraine's president in December 1991, Leonid Kravchuk acknowledged that 'we have a special interest in good relations with all the republics of the former union and above all with Russia'.²⁷¹

In contrast to Ukraine, the Belarusian response to independence was reactive. With most of the other republics declaring independence following the August coup, Belarus followed suit and in the months following began to consolidate that independence while actively supporting the movement towards a restructured union. As in Ukraine, Belarus's first steps in the consolidation of independence were concerned with security. On 29 August 1991, a decision was taken to defend the interests of Belarusians on their ethnic territory. Unlike Ukraine however, the Belarusian leadership did not envisage the creation of a republican army.²⁷² At the extraordinary session of the Belarusian Supreme Soviet, Belarus' communist Party leader and President of republic's Supreme Soviet, Mikala Dementei, was forced to resign for his behaviour during the coup and was replaced by Stanislav Shushkevich.²⁷³ The parliament voted to change the name of the new independent state to Belarus, the Belarusian language version of the republic's name, dropping the Soviet Socialist terms from the name, and to restore the traditional 'Red on White' flag.²⁷⁴ The parliament also voted to place border and customs patrols under the jurisdiction of the republic's government. All Belarusian conscripts were to serve only in Belarus.²⁷⁵ Belarus also introduced special coupons to partially replace roubles as the first step in the introduction of its own currency. The special

²⁶⁹ Solchanyk, R 'Ukraine, the Kremlin, and the Russia White House' RFE/RL *Report on the USSR* Vol 3 No 44 p13

²⁷⁰ Nahaylo, Bohdan. 'The birth of an independent Ukraine' RFE/RL *Report on the USSR* 'Vol 3 No 50 1991 p1

²⁷¹ *Izvestia* 6 December 1991 p1

²⁷² RFE/RL *Report on the USSR* Vol 3 No 36 p98

²⁷³ *Zapрудnik* 1993 p162

²⁷⁴ *Abetsedarskaia*, 1997 p295

²⁷⁵ RFE/RL *Report on the USSR* Vol 3 No 40 p32

coupons were to be paid as a proportion of salaries, beginning in 1992.²⁷⁶

Alongside these consolidatory measures, the Belarusian leadership also made clear its willingness to cooperate with regional neighbours. This stemmed from the recognition of Belarus' continued economic dependence on these neighbours and primarily Russia and hence the support for a new type of union. Shushkevich acknowledged this, saying that Belarus would sign the Union Treaty at the end of 1991 or early 1992. He also said that Belarus could not deal with the aftermath of Chernobyl or with the current economic crisis on its own.²⁷⁷ Following the agreement to create a new CIS, Shushkevich further underlined Belarus' economic motives in supporting the new union. He pointed out that

It is not based on national or ethnic hallmarks ... We preceded from primarily economic considerations. Belarus, Ukraine and Russia border on one another and any economic action in one republic is immediately reflected in another.²⁷⁸

While Belarus' continued reliance on Russian raw materials and energy was indisputable, Shushkevich was anxious that this reliance should not be taken as a sign of 'dependence' which could limit Belarus' independence. In September 1991 he warned that Belarus constituted a 'nation state' and that it was a big mistake on the part of historians to depict Belarus as dependent upon Russia, 'the elder brother'.²⁷⁹

In December 1991, Belarusian Prime Minister, Leonid Kebich articulated another viewpoint on Belarusian independence amongst the leadership when he said that 'if Russia and Belarus are to be sovereign states, Russia must assume part of Belarus' defence expenditures, since our most likely adversary continues to be NATO'.²⁸⁰

Kebich's statement was seen as an indication that Belarus' post Communist government saw Russia as the de facto successor to the former Soviet Union and so Belarus was seeking to obtain

²⁷⁶ RFE/RL Report on the USSR Vol 3 No 47 p40

²⁷⁷ RFE/RL Report on the USSR Vol 3 No 49

²⁷⁸ *Izvestia* 10 December 1991 p1

²⁷⁹ Mihalisko, K. 'Stanislav Shushkevich and the Republic of Belarus' RFE/RL Report on the USSR Vol 3 No 41p27

²⁸⁰ *Nezavisimaya Gazeta* December 7 1991 p13

‘Most Favoured Nation’ status in exchange for loyal relations.²⁸¹ It could however also be taken as a sign that the Belarusian leadership was prepared to accept some curbs on its sovereignty in return for economic and security guarantees. This became clear when the Belarusian government began to actively seek economic and monetary union with Russia in 1992 and 1993.

Between August and December 1991, Russia emerged as the leading force within the area of the FSU. Given its size and economic power, as well as its position as the traditional ‘centre’, its evolving role as successor state was inevitable. Russia remained committed to the preservation of some form of union and actively worked to achieve it. Ukraine and Belarus were viewed as vital parts of this. Their new geopolitical positions as buffer states between East and West increased further their importance to Russia.

Unlike Ukraine, Belarus’ leadership viewed close relations with Russia as inevitable and even desirable. This was taken for granted by Russia’s leaders. Following the creation of the CIS, Russian Prime minister, Yegor Gaidar was asked whether Belarus joined the Commonwealth without hesitation, he replied, ‘Belarus cannot remain aloof from Russia since it is part of our single economic space.’²⁸²

Belarus was one of the most trade dependent of the Soviet republics. Specializing in the intermediate and final stages of metal and energy consuming processes, chemicals, machine building and machine tool construction were its key industrial sectors. Poorly endowed with natural resources, the structure of Belarus’s industry meant that the republic relied on raw materials from outside the republic. Belarus’ energy dependence was even greater than Ukraine’s. It produced only 8% of the energy it consumed primarily oil, peat and small quantities of natural gas. It was dependent on external supplies of energy, importing much of its oil and gas from Russia. Iron and steel was supplied from Ukraine; supplies of ferrous metals came from Kazakhstan and various parts and components came from all over the USSR. Belarus’ key imports were machinery and equipment (44%), chemicals (12%) Textiles and apparel (91%). Its chief exports were machine products and transport equipment (36%), other machinery and equipment (17%), chemicals (13%) as well as fertilizers, refrigerators, television sets, watches and furniture.²⁸³

²⁸¹ *ibid*

²⁸² *Izvestia* December 10 1991 p2

²⁸³ Kaufman & Hardt 1993 p930; *Business International* September 1992 No 142 III-3

Russia was Belarus's key trading partner, supplying it with 64% of all its imports, primarily underpriced energy and raw materials. This close trading relationship with Russia was underlined by Russia's reliance on Belarus as a transit route for gas pipelines, bringing gas from Western Siberia and the Komi ASSR to Eastern Europe and Lithuania. The Druzhba oil pipeline also traversed Belarus.

This dependency on external supplies of energy and raw materials meant that Belarus relied on the smooth functioning of the whole Soviet economic system. The degree of integration in the all union economy and the level of Belarus's dependence on imports from other republics was demonstrated in the late 1980s as inter-republican broke down. In 1990 the decline in industrial production in Belarus was directly linked to shortages of raw materials and components as supplies from other republics became increasingly sporadic.

In 1991, industrial production in Belarus declined by 15% from the previous year. This slump is attributed to the breakdown in supplies due to general shortages, the abrogation of existing agreements; republic level trade restrictions and monopolistic free prices.²⁸⁴ In particular Belarusian industry suffered from shortages of raw materials and semi-finished products from its key suppliers, Russia and Ukraine.²⁸⁵

Ukraine and Belarus shared a common energy dependency on Russia, the key supplier of their energy requirements. Within the all union economy, Russia was the key producer of oil (90%) and natural gas (77%). Ukraine met about one third of its energy requirements with its own supplies of coal from the Donets basin in Eastern Ukraine and nuclear energy, but depended on Russia for almost 40% of its energy requirements. This dependency derived from the structure of its heavy industry, geared towards the production of iron and steel, machine building, metal working and chemical production - all energy intensive industries.²⁸⁶

The level of energy dependency and the consequences of this for industrial production within the republics was shown by the declining supplies of energy and fuel in the 1980s in the USSR generally and Russia specifically, as the key oil producer. The decline was due to a number of factors including: a natural decline in the older oil fields, reduced investments so that outdated

²⁸⁴ Kaufman & Hardt 1993 p930-932

²⁸⁵ *Business International* September 1992 No 142 VI-14

²⁸⁶ Kaufman & Hardt 1993 p482ff

technology and equipment was not replaced; poor production methods; ethnic conflicts in oil producing areas and areas producing oil field equipment (Azerbaijan). Gas supplies have declined due to a disintegrating infrastructure and political and ethnic unrest.²⁸⁷ Coal output in Ukraine and Russia continued to fall and overall production of coal fell by 11% in 1991. Thus reduced supplies of energy contributed to the overall decline in industrial production in the region.²⁸⁸

The structure of the all union economy and the nature of trade relations between its constituent parts imparted a critical legacy for the independent states of the FSU and for the Slavic republics of Russia, Ukraine and Belarus. The Soviet orientation towards 'energy intensive' and 'raw material dependent' heavy industry meant that the most industrialized of the ex-republics (primarily the Western republics), and those with better prospects for industrial restructuring towards a market economy, would continue to rely on 'external' supplies of energy and raw materials in the short term. While the preference of some republics (the Baltic states and Ukraine) would be to reorient their economies and trade away from the area of the FSU and towards Western Europe, the short term problems associated with the structural legacies of the SCPE and the transition to the market economy, would continue to tie most of the republics to the regional market and to Russia as the dominant economy in the region.

For Ukraine, relations with Russia could only take place on a bilateral basis between two independent states and not within a reconstituted union where Russia would be the dominant player. Against Ukraine's opposition to a renewed union Russia's leadership recognized that such a union could not exist without Ukraine and that a new type of structure needed to be created to ensure Ukraine's involvement. Ukraine finally agreed to the very loose, non governmental framework proposed in the CIS.

By the end of 1991 and the collapse of the Soviet Union, political developments since the coup indicated that in the post-Soviet environment, Russia would be pursuing qualitatively different types of relationship with its two neighbouring Slavic states. Belarus was a willing ally in co-operation, and Ukraine, the reluctant partner, suspicious of Russia's assertion of influence in the area of the FSU. Ultimately though both states could not disassociate themselves from their links with Russia but would have to find ways of managing their relations.

²⁸⁷ Kaufman & Hardt 1993 p455

²⁸⁸ Kaufman & Hardt 1993 p467&p 485

Conclusion

In some of the former republics of the USSR, and in Ukraine in particular, the belief that the republican economy had suffered under the centre's economic policies and the perception that independence would bring greater economic prosperity mobilized support for national independence in 1990 and 1991. However while economic self management was seen as a vital component of national independence, the legacy of the Soviet CPE meant that the economic independence of the former republics was curtailed by their high degree of integration within the all union economy and their dependence on inter republican trade. The link between economic and political independence for the republics of the FSU is explicit :

A declaration of sovereignty or independence is ultimately meaningless without economic power; no drive for self determination can lead very far when the government in question is unable to ensure supply lines or raise its own revenues.²⁸⁹

For the ex-republics, continued economic dependence would restrict their political independence. As the global economy became more interdependent so that most states are no longer wholly independent economically, the ex-republics were renegotiating their economic relations, both to reduce the dependency and ensure future relations would be conducted on a mutually equitable basis. For most republics, this entailed redefining and restructuring their economic relationships with their key trading partners, primarily, but not exclusively Russia.

Russia's emerging status as successor state to the USSR clearly affected this relationship. The structure of the all union economy, the nature of external trade and the structure of the regional market indicated that a continued degree of economic co-operation and even reintegration was essential for the economies of the FSU. The prospect of some form of economic reintegration received mixed responses amongst the ex-republics.

Russia, as the dominant economy in the region favoured reintegration amongst the more advanced industrialized nations. However this process was to be selective with fears that the incorporation of the less developed Central Asian economies would act as a drain on vital resources and would return Russia to the position of subsidizer of their economies.

²⁸⁹ Bahry, D. 'The Union Republics and Contradictions in Gorbachev's Economic Reforms' *Soviet Economy* 1991 Vol 7 No 3 1991 p217

Given the high degree of its trade dependency and in particular its reliance on trade with Russia, Belarus became an active supporter of economic reunion, even to the extent of accepting limitations on its political sovereignty in pursuit of this. Ukraine however, though less trade dependent than Belarus recognized the necessity for continued co-operation in trade with the other republics, but opposed any type of economic union which could act as a precursor to political union. Since much of their trade was conducted with each other, the three Slavic republics would continue to be important trading partners for each other.

Working out the bases for this new relationship formed part of an evolving and rapidly changing process. Between 1985 and 1991 this relationship evolved from interaction and cooperation to displace the Soviet centre, to their coexistence (not always peaceful) as independent states. The nature of relations shifted from harmonious accord to the predominance of self interest. In the post-Soviet environment, the difficult task for the ex-republics would be how to reconcile political independence with the necessary economic co-operation to ensure survival. Since Russia was at the centre of most trade relations, this also meant renegotiating the relationship with Russia. This restructuring of relations with Russia after the collapse of the USSR in December 1991 and the growing momentum towards renewed co-operation and possible reintegration are examined in the following chapter.

Chapter 4 Independence and Reintegration: The CIS and its impact on the relationship between the Slavic nations after 1991

The long established links between the republics of the USSR which developed in Tsarist and Soviet times, and the newly evolving relationships of the proto nation-states which emerged in the region in the late 1980s, provided strong incentives for continued cooperation in the post-Soviet era, albeit in an altered form. The need for some type of union was recognized by most, though not all of the ex-republics and in December 1991 the Commonwealth of Independent States (CIS) was formed for this purpose. By the end of 1997 however the CIS still failed to function effectively as a regional economic and political organization despite the wealth of legislation which had been passed to reinforce its role and commentators were once again predicting its demise.²⁹⁰

During the period analysed by this thesis (1991-1997) three trends became discernible which help explain why the CIS failed to evolve as a functioning successor and alternative to the USSR and why it has been superseded by new types of relations and unions between former republics and groups of states. Firstly, the reintegration of the former republics of the USSR was driven largely by Russia, the largest and most dominant state in the region, for reasons which were not only or exclusively economic. Secondly, reaction to and resentment of a Russian dominated union of any type, coupled by the strong desire to preserve the recently attained sovereignty led some republics, and notably Ukraine, to obstruct its functioning at crucial stages. Thirdly, the emergence of a naturally evolving network of alliances and agreements between neighbouring states and sub-regional groupings, often bypassed Russia and further impeded the functioning of the CIS.

Central to the success or failure of the CIS was the relationship between Russia and Ukraine, the second largest state in the region. Clearly Ukraine's opposition to any institutionalised form of union conflicted with Russia's desire to achieve greater control in the region through

²⁹⁰ Goble, P "How the CIS may end' Open Media Research Institute (OMRI) *Daily Digest* End Note 18 October 1997; By March 1998 it was estimated that while 886 accords had been signed by the CIS states, only 259 of these had been implemented. RFE/RL *Daily Report* 19 March 1998. A more recent analysis by Sakwa and Webber concludes that while the CIS has not completely failed, it has stagnated. Sakwa, R., & Webber, M., 'The Commonwealth of Independent States, 1991-1998: Stagnation and Survival' *Europe Asia Studies* Vol 51 No3 1999

the channels of a regional organization. Belarus, in contrast, as a republic whose economy had flourished because of its highly integrated position within the USSR, now relied on the restoration of some type of union. When this failed it actively pursued economic union with Russia at a bilateral level to ensure its survival. Thus the weakness of the CIS played an important role in the shaping of the relationship among the Slavic republics. Had conflicting Russian and Ukrainian perceptions of its purpose and role not resulted in its malfunctioning, then Belarus may not have been forced into a union with Russia, which however desirable from the Belarusian perspective, nevertheless impinges greatly on its sovereignty. Clearly Ukraine has emerged as the victor, seeing down Russian efforts to institutionalise a new type of union among the former republics and ultimately emerging as a serious rival to Russia in regional affairs.

The three trends outlined above are examined in depth in this chapter. The rationale for a regional economic organization and the emergence of the CIS are analysed and the alternative forms of inter republican cooperation which emerged due to the shortcomings of the CIS are also considered. Factors leading to the reinvigoration of the CIS in 1994-95 are discussed. Despite a change in attitudes to the CIS, largely by Ukraine, the CIS remained an organization controlled and driven by Russia. The extent to which it was designed and operated to serve Russia's wider needs and its neglect of the economic development of the organization between 1995-1997 as pressing geopolitical concerns came on board are also considered.

Rationale for economic cooperation among the former republics of the USSR

In the modern world few states can achieve autarky, and most of the former republics of the USSR were dependent on each other for vital supplies of food, energy, raw materials and finished products.²⁹¹ On independence in 1991, none of the states of the USSR had any prospect of immediate admission to world markets and so needed to preserve their existing trading relations. Additionally, they needed to renew the economic relations which had broken down as the USSR collapsed and guarantee the restoration of important supplies. The key issue was how to achieve this.

Relations between states, whether bilaterally or at the supranational level in some form of union can vary in the degree of cooperation. At the most basic level this entails cooperation on the interstate infrastructures and transit arrangements but generally is concerned with

²⁹¹ see tables I & II in Appendix 4

issues of trade, and particularly customs and security issues such as border controls. A more advanced level of cooperation can result in a common market, an economic community or even the merging of two or more economies and the pooling of military resources to provide collective security. The degree of cooperation, especially where there is a relationship of inequality between partners, can be marked by the dependence of one or more of the co-partners on the relationship. One consequence of this would be the undermining of national sovereignty as the actions of partner state(s) becomes decisive. Many of the ex-republics experienced the same dilemma which slowed the Maastricht process in Western Europe - how to reconcile national sovereignty with the need for cooperative relations with other states. This dilemma became more acute as the ex-republics adjusted to the realities of independence following the initial rush to state sovereignty in 1990 and 1991.

The CIS was formed in December 1991 partly to sustain the cooperative relationships among the republics, built up over many decades and which had begun to disintegrate as Gorbachev's economic reforms started to fail. Since its formation the CIS remained a loose organization whose members often proclaimed their desire for deeper cooperation but whose resolutions were rarely implemented. The two major integrative agreements of the CIS: the Treaty on Collective Security and the Treaty on Economic Union have not really advanced much beyond the planning and ratification stage. On the other hand integration among the post-Soviet nations is taking place on a different axis, frequently at the bilateral level as well as a form of horizontal integration with large enterprises in differing states engaging in new types of cooperative relations to ensure deliveries and maintain output and border regions seeking revive cooperation.

In part the weakness of the CIS derives from the absence of a clear definition of what it is, leaving it open to differing perceptions of its role and functions. The CIS is neither an economic union nor a military-security union or an amalgam of both. That it may evolve in the direction of either of these, or both, will entail a process of reintegration amongst the ex-republics of the USSR which will take many years. The CIS is simply a 'commonwealth' - a loose organization of independent nations.

From inception the CIS was a mechanism to prevent the total collapse of the area that had been the former Soviet Union. It was to act as a medium by which critical issues from the fall out of the collapse of the USSR could be dealt with. These included the question of nuclear

and strategic weapons (located not only in Russia but in Ukraine, Belarus and Kazakhstan); the international debt of the USSR, and conversely its assets, and trade relations among the republics which were already in a state of breakdown. Thus the CIS would be the channel by which the dismantling of the Soviet Union could take place, leading to its replacement by a 'commonwealth' of independent states.

What is often overlooked is the fact that the CIS was also a mechanism for keeping Ukraine *in*. In the 'deconstruction' period of the Soviet Union (from the coup in August 1991 to the creation of the CIS in December) Ukraine had refused to join the proposed economic union and waited until popular opinion could be tested in a referendum in December. The referendum confirmed overwhelming support amongst the Ukrainian population for independence (90.2%). From a geopolitical perspective the prospect of an independent Ukraine with a population of 52 million, 11 million of whom were ethnic Russians, nuclear weapons and great (at least in 1991) economic potential, existing outwith a union of all the other republics, resulted in the hastily put together CIS of December 8 1991. A loose commonwealth of 'independent' states was the most that independent Ukraine would accept.

In its early years (late 1991 and 1992), the CIS was perceived as nothing more than a means to organize a civilized divorce. In some circles (usually neo communist / restorationist circles) it was viewed as a temporary structure 'no more than a transitional form between the former union and the new state systems of its constituent republics'.²⁹²

It was also viewed in maximalist terms as

a deliberative consultative body designed to co-ordinate the activity of its member states in the most important spheres and to facilitate the determination of common rules of the game in economics, politics and military, with the aim of making national development as effective as possible.²⁹³

It was seen as a 'community of equals' seeking to co-ordinate their policies, which are conducted above all in their national interests'.²⁹⁴ For much of 1992 the minimalist view of the CIS prevailed and its function was seen as 'maintaining a state of incomplete

²⁹² see for example Ruskoi, A., 'V Zashchitu Rossii' *Pravda* 30 Jan 1992 p1

²⁹³ *Rossiiskaya Gazeta* 4 January 1992 p1

²⁹⁴ *ibid*

disintegration in the post-Soviet space in the transitional period'.²⁹⁵

In its first year the CIS came in for much criticism. Its critics claimed that it never actually materialized, that it was a hoax. At the end of 1992, A. Lipsky questioned this, asking what exactly did not materialize, 'a great leap from a unitary union into a Eurasian community - an Eastern analogue of the EC and NATO did not come about'. Lipsky stressed however the great accomplishment of the CIS in either averting many dangerous conflicts over the division of the union's legacy or lessening their intensity.²⁹⁶ Thus the CIS was given credit for acting as a 'conduit' which made it easier to maintain economic ties and facilitating the establishing of a network of bilateral relations among its members, without which there could be no hypothetical integration in the future'.²⁹⁷

In 1992 the CIS made some progress towards integration in the post-Soviet area. At the CIS Heads of State summit in Tashkent in May an agreement on Collective Security was signed constituting the basis for the formation of a defensive alliance of the states interested in one. It was signed by Armenia, Kazakhstan, Russia, Tajikistan, Turkmenistan and Uzbekistan. Ukraine and Belarus did not sign, the latter on the basis of its neutrality.²⁹⁸

By the end of 1993 the CIS states had advanced in developing institutional structures of the CIS and the creation an economic union amongst them. The key stages in this process are outlined in summary form:

- **January 1993** CIS Heads of State meeting (Minsk); 10 of the participating member countries agreed a draft CIS Charter, committing them to recommending the charter to their parliaments for ratification. Agreement was also reached on the creation of an interstate bank which was seen as essential for reviving interstate trade and ensuring the preservation of the rouble zone.²⁹⁹
- **April 1993** CIS Heads of State meeting (Minsk); a statute was initialled, setting up a Consultative Coordination Committee (CCC) which would coordinate and prepare

²⁹⁵ *Nezavisimaya Gazeta* 22 December 1992 p3

²⁹⁶ *ibid*

²⁹⁷ *ibid*

²⁹⁸ *Izvestia* 16 May 1992 p1

²⁹⁹ *Izvestia* 20 Jan 1993 p1

documents and decisions in the economic, foreign policy and military realms.³⁰⁰

- **September 1993** CIS Heads of Government meeting; 'Treaty on an Economic Union' was initialled. The treaty called for the creation of a single economic space, free movement of goods and unified customs regimes.³⁰¹ Ukraine agreed to the economic union on the basis of associate membership.
- **December 1993** CIS Heads of State meeting (Ashgabat); agreement was reached on the temporary application of Treaty on the Creation of an Economic Union.

Most of the CIS states shared common motives in agreeing to the creation of an economic union. All hoped to benefit from the restoration of trade links among the republics. Their agreement to create an economic union was also seen as strategic self interest, as their best means to secure much needed Russian raw materials and energy resources at preferential prices. General support for the economic union was seen as a reaction to Russia's attempts to bring order to its settlements with its commonwealth partners. It was argued that the danger that Russia might drastically cut subsidies to its neighbours' economies and reduce the amount of facilitative credits granted, made these CIS states move toward the speedy creation of an economic union.³⁰²

The decision to create an economic union can also be seen as a reaction to threat of the breakdown of the area of the CIS into sub-regional groupings. This became apparent early in 1993 with the prospect of a new commonwealth being created among the Central Asian states. At a meeting in Tashkent, the leaders of the Central Asian states and Kazakhstan emphasized the possibility of closer economic interaction amongst the countries of the region. An accord was reached on working out a concrete mechanism for regularly monitoring implementation of interstate and intergovernmental treaties and agreements.³⁰³ In July 1993 the prospect of a Slavic Union grew with the meeting of the Heads of Government of the three Slavic republics of the CIS to discuss integration and resulted in the signing of a joint

³⁰⁰ *Nezavisimaya Gazeta* 30 April 1993 p3

³⁰¹ *Izvestia* 25 October 1993 p1-2

³⁰² see for example 'Rossiia mozhet sokhranit' svoiu rol' glavnovo donora SNG esli ne budet zhestko otstaivat' svoi interesy' *Izvestia* 18 May 1993 p1

³⁰³ *Nezavisimaya Gazeta* 5 January 1993 p1

statement on urgent measures aimed at close integration. Trilateral integration of their economies was envisaged, and though the initial economic union would be created by the three Slav republics, membership would be open to all.

Clearly, the promotion of a Slavic Union was a reaction to the growing realignment of the Central Asian states away from the CIS and towards stronger regional ties. Thus the idea of a Slavic Union was designed to force the Central Asian states and Kazakhstan to choose what path they were going to take.³⁰⁴ Commentators in the Russian press at this time suggested that the idea of a Slavic Union was 'preemptive', designed to speed up the process of economic integration and the creation of an economic union in the area of the CIS.³⁰⁵ That this may have been the case was confirmed by Ukrainian President L. Kravchuk, who objected to the joint statement from the three Prime Ministers of Russia, Ukraine and Belarus.³⁰⁶

The ideas of a Central Asian Commonwealth and a Slavic Union did not really advance beyond the discussion stage, but were nevertheless significant in that they represented the main arguments which characterized the debate in late 1992 and 1993 about how the CIS should develop.³⁰⁷

Amongst the leaders and legislatures of the CIS states there was a common consensus that in its actual form the CIS could not function as a means of maintaining economic and military unity among the ex-republics and that the Commonwealth would have to evolve into a more formal supranational organization. Various models and routes of development were discussed throughout 1992 to 1994. These are outlined below.

³⁰⁴ 'Glavy pravitelei'stv trekh Slavianskikh respublik v ocherednoi raz dogovorilis' ob integratsii' *Izvestia* 13 July 1993 p1-2

³⁰⁵ *Segodnya* 13 July 1993 p2

³⁰⁶ *Summary of World Broadcasts* (SWB) SU/1782 C2/1 1 September 1993

³⁰⁷ Discussions on how the CIS should evolve continued even in 1997. The unresolved issue was whether it should be modelled on the EU or the British Commonwealth. See *Ekonomika i Zhizn'* No 25 June 1997 p1

a) the Eurasian Model (the Nazarbayev model)

This was most persistently promoted by the Kazakh president, Nursultan Nazarbayev. A Eurasian union, he argued, would fill the vacuum that the CIS clearly had been unable to do and would also counteract what Nazarbayev described as the growing Eurocentrism of the three Slavic republics.³⁰⁸ In June 1993 Nazarbayev invited key Russian economists (S. Shatalin, N. Petrakov, L. Abalkin and G. Yavlinsky - all keen supporters of maintaining a single economic space in the FSU) to Alma Aty to discuss a concept for a new stage in state to state relations in the post-Soviet space and the working out of a broad scale initiative for integration. The model for Nazarbayev's Eurasian Union was the European Community.³⁰⁹

b) Confederation

The concept of a confederal structure had many supporters in the CIS and one of its chief proponents in Russia was Sergei Shakhrai (Minister of Nationality Affairs and Regional Policy and leader of Russia's Party of Russian Unity and Accord). A confederation would facilitate the integration of sovereign states but without the loss of their independence. Its basis would be a confederative economic community as a single economic space without customs borders. The main hallmarks of a confederative union would be a common market, common currency, common banking system with the retention of national monetary unit, coordinated export-import tariff policy, standardization of the civil and economic laws of the parties of the agreement.³¹⁰

c) Slavic Union

The idea of a union of the Slavic nations of which economic union would be a component was proposed by various groupings in Russia, Ukraine and Belarus. As outlined above the Prime Ministers of the three Slavic republics advanced the concept of a Slavic Union in 1993 as a mechanism to hasten integrative processes within the FSU. But the concept of a Slavic Union has been supported mainly by neo communists, Russian nationalists and pan Slavists. One of the chief advocates of a type of Slavic Union was Alexandr Solzhenitsyn who called for a union of the three Slavic republics and Kazakhstan.³¹¹ Slavic unity was also supported by

³⁰⁸ *Literaturnaya Gazeta* 19 August 1995 p11

³⁰⁹ *Izvestia* 5 June 1993 p5

³¹⁰ *Nezavisimaya Gazeta* 5 April 1994 p3

³¹¹ SWB SU 2057 B/4 26 July 1994 (Vzglyad, Ostankino Ch 1)

Russia's centre-right group Civic Accord³¹² and communists in Russia demanded a 'Union of Slavs'. Party leader G. Zyuganov called for the restoration of the USSR, the first stage of which should be the restoration of unity between at least four republics including Russia, Ukraine, Belarus and Kazakhstan. Former Russian Vice president, Alexandr Rutskoi was been a keen supporter of Slav unity, claiming in April 1995 that if he were elected Russian president he would reunite Russia, Ukraine and Belarus.³¹³ Iu. Petrov, one of the leaders of I. Rybkin's bloc also proposed that Russia, Ukraine, Belarus and Kazakhstan form a new confederation of independent states that could later be joined by countries in the Transcaucasus region and Central Asia.³¹⁴

d) Central Asian Commonwealth

The leaders of the Central Asian supported the idea of a Central Asian Commonwealth as well as the Kazakh president, Nazarbayev. External influences such as Turkey, Iran and Pakistan were also keen for this regional model to develop.

Despite a general lack of support for Nazarbayev's model of a Eurasian Union, many of the main features of his model were promoted by both Russian and Western economists as the best way to restore financial and monetary relations in the region - paramount for economic stabilization to take place and for trade relations to be restored. Nazarbayev advocated a common customs and economic space based on the principles of free trade. This would require a unified currency policy and creation of a banking union. The model for this, Nazarbayev believed was the European Payments Union (EPU) of the 1950s, which he described as not only a technical agreement but a powerful regulator of the economy, since it not only helped to increase production but also to increase its efficiency.³¹⁵ In the FSU the critical function of a payments union (PU) would be to facilitate payments among the republics and thus permitting the restoration of trade.

In the late 1980s the collapse of all Union structures exacerbated the deterioration of inter republican trade as supply constraints intensified throughout the FSU. Once the union had finally collapsed in 1991 the decline in inter republican trade continued and was made worse

³¹² SWB SU/ 2173 B/3 8 December 1994

³¹³ Kommersant Daily 4 April 1995 p3

³¹⁴ OMRI *Daily Digest* No189 28 September 1995

³¹⁵ *Pravda* 17 September 1992 p1-2

by the conservation of national resources (via export restrictions in the form of quotas and licences as well as both explicit and implicit export taxes); a loss of confidence in the rouble; a deterioration in the rouble payments mechanism with inter republican trade facing increasing uncertainty over the receipt of trade payments.³¹⁶

The instability of the rouble and the absence of an effective payments mechanism resulted in an increase in barter trade among the ex-republics. While at the very least this enabled trade to be continued, as a long term mechanism for trade relations it was not viable. Furthermore as Russia and the other republics began to implement market type reforms it was clear that barter trade would be incompatible with the market system.³¹⁷

Liberalization of trade and convertibility of currency are two key components of the transition to a market economy. In the FSU most of the ex-republics liberalized their foreign trade regimes and though most have introduced their own national currency, these were inconvertible. While either full convertibility of regional currencies or their replacement by a single currency was considered essential in the long term, the establishment of a Payments Union (PU) was seen as the next best option. It offered the best means for reversing the decline in inter republican trade in the short term and advancing towards open trading arrangements: free trade, common market, monetary union and convertibility in the longer term.³¹⁸

The collapse of the rouble zone in 1993 made the establishment of a PU even more urgent. The rouble zone, as it existed from 1991-1993 represented a form of currency union where

³¹⁶ 'Common Issues and Inter republic Relationships in the Former Soviet Union' *Economic Review* IMF April 1992 Washington p1-55

³¹⁷ *ibid*

³¹⁸ see for example Chekurov, V., 'Raspad SSSR i Puti Formirovaniia Novoi Sistemy Ekonomicheskikh Otnoshenii Rossii v PostSoiuznom Prostranstve' *Voprosy Ekonomiki* 1995 No 2 p104-113; Yevstigneev, V., *Valiutnofinansovye Otnoshenia v Post Sovetskoi Ekonomicheskoi Prostranstve O Sobennosti i Pyti Formirovannia* IMEMO, Moscow 1994; Zevin, L., 'Ekonomicheskoe Prostranstvo SNG: Vozmozhnye Puti Organizatsii' *Voprosy Ekonomiki* 1994 No3; R. Dorndusch 'Payments Arrangements Among the Republics' in O. Blanchard et al *Post Communist Reform: Pain and Progress* MIT Press 1993 p82-106

the common currency unit was the old Soviet rouble. Since the Russian Central Bank (RCB), as the successor to the Soviet Central Bank continued to control monetary emissions, Russia gained a high degree of influence over money supplies in those republics which still used the rouble. It also meant that Russia suffered doubly from the import of inflation from republics which had not yet begun or were only at an early stage of price liberalization and from the uncontrolled credit emissions from the central banks at the republican level.³¹⁹

From mid 1992, in line with its own tough monetary policies and strategy for financial stabilization, Russia began to pursue a more rigid monetary and credit policy towards the ex-republics. A presidential decree in July 1992, provided that all settlements with countries of the rouble area and those outside it would be made via bilateral clearing. The RCB also increased the rediscount rate from 50% to 80%, leading to protests from Kazakhstan, Ukraine and Belarus.³²⁰ In the winter of 1993 and 1994, the belief that the restoration of Russia's dominant position in the post-Soviet economic space was a less valuable objective than financial stabilization in the Russian economy gained influence in government circles.³²¹ The resulting hard line policy forced out the remaining members of the rouble zone amidst protests that Russia's excessive demands had made continued membership impossible. These included demands that the republics should be subservient to the rules of the RCB, should deposit gold and hard currency reserves with it and end the subsidies which the republics had been receiving.³²² By the end of 1993 most of the former republics had introduced or stated their intention to introduce a national currency, so that only war torn Tajikistan shared a common currency with Russia. As a result, payments between the republics were now made through bilateral clearing since none of their currencies were convertible. The lengthy and arduous processes associated with bilateral clearing made the switch to multilateral clearing essential and a PU was seen as the best means to effect this.

³¹⁹ Sidenko, V.R. *The Emergence of New Finance and Banking Systems in the Soviet Successor States and the Problems of Financial Cooperation Between Them* CBR Working Papers, Hungarian Academy of Sciences. February 1993 p5-14

³²⁰ Yevstigneev p6 & 8

³²¹ *ibid* p33-34

³²² Lloyd, J., & Levine, S., 'West sees danger in the end of the rouble zone' *Financial Times* 12 November 1993 p2; Komissarov, A., & Shirobokova, V., 'Kursu na Ekonomicheskii Soiuz Gosudarstv SNG Nuzhny Mekhanizmy Realizatsii' *Vneshnaia Torgovlia* Nos 2-3 Moscow 1994 p7&8

In promoting a PU as the best means to overcome the payments crisis in the FSU, the experience of the European Payments Union (EPU, 1951-1958) was drawn heavily upon. The FSU shared a number of common features with the state of the post war economies of Western Europe including, dilapidated capital stock, the need for modernization of industries and the restructuring of industrial sectors from defence to civilian production. Trade among the West European nations had been severely affected by the collapse of world trade, the abandonment of convertibility and the introduction of foreign exchange restrictions. Mutual trade was hampered by highly discriminatory trade restrictions and the inability to pay for imports, especially from the USA.³²³ Thus the EPU was created with the aim of facilitating payment settlements of union members by providing the additional resources to pay for imports and by creating a multilateral system of clearing outstanding imbalances. This facilitated the multilateralization of trade and the move away from bilateral trading and payments arrangements.³²⁴

Like the EPU, a PU in the FSU would operate for a specific period of time (eg. for the EPU this was for 7 years). This would be because in the long term

- maintaining a PU would run the risk of delaying the introduction of convertibility and the necessary shift to greater integration with market economies;
- a PU might encourage the republics to continue to trade passively in the PU area rather than moving aggressively to establishing convertibility and finding new markets;
- the PU might perpetuate a centralized bureaucratic approach to trade payments.³²⁵

The establishment of a PU was not seen as an end in itself but as a stage in process of integration among the economies of the FSU. Its three specific functions would be (i) a clearing house, making inconvertible currencies convertible vis a vis member countries; (ii) a

³²³ G.Shagalov 'Sistema Mnogostoronnix Raschetov Rossii i gosudarstv SNG' *Vneshniaia Torgovlia* 2-3 1995 p45-48

³²⁴ Shishkov, Iu. V., & Yevstigneev, V., *Reintegratsiia Postsovetskogo Ekonomicheskogo Prostranstva i Opyt Zapadnoi Evropy* Moscow:IMEMO 1994; Havrylyshyn, O., 'Trade and Payments Options for Central and Eastern Europe in Flemming, J., & Rollo, J., *Trade, Payments and Adjustments in Central and Eastern Europe* Royal Institute of International Affairs and European Bank of Reconstruction and Development 1992 p34ff

³²⁵ *ibid*

mutual credit mechanism; (iii) a forum for policy co-ordination.³²⁶

The CIS states reached this stage of integration in 1994 when agreement was reached on the creation of both a PU and a Customs Union (CU) at the October meeting of CIS Heads of State. Agreement was also reached at this meeting on the IEC and the adoption of a memorandum on the main trends in the development and integration of the Commonwealth of Independent States.³²⁷

Reaching this higher stage of integration reflected a renewed commitment among the ex-republics in favour of greater integration. In 1994 and 1995 integrative processes within the CIS intensified. This was in large part associated with the Russian desire to advance integration within the CIS, which it was in a better position to do once its President had assumed the chairmanship of the CIS Heads of State Council in 1994 and 1995. In January 1994, one Russian official, G. Karasin, outlined Russia's plans for the CIS in its capacity as chair of the Commonwealth. These included:

- the future development of the commonwealth;
- the establishment of mechanisms for an economic alliance;
- ensuring the human rights and rights of minorities throughout the CIS and creating mechanisms to guarantee these rights;
- restoring cultural, scientific and educational ties between the commonwealth countries and creating a unified humanitarian space;
- shaping an effective system of collective security with emphasis on peace keeping functions and developing practical mechanisms of the CIS to prevent armed conflict;
- ensuring greater effectiveness of joint actions of Commonwealth members in the foreign policy sphere in the development of cooperation between the CIS, UN, CSCE

³²⁶ P. Bofinger & D. Gros 'A post-Soviet Payments' Union. Why and How? in Flemming & Rollo p11-37

³²⁷ *Nezavisimaya Gazeta* October 22 1994 p1; Zagorsky, A., SNG: *Ot Dezintegratsii k Reintegratsii* Moscow 1994 p5-36; Kirichenko, V., 'O Tendentsii k Ekonomicheskoi Reintegratsii v SNG' *Svobodnaia Mysl'* 1994 p3-14

and other international organizations.³²⁸

This renewed commitment to greater integration followed from the agreement on the temporary application of the 'Treaty on the Creation of an Economic Union' which was signed by the CIS Heads of State at the Ashgabat summit in December 1993. The economic union would provide for the formation of a single economic space, the free movement of goods and the unification of customs procedures.³²⁹ At the summit, the agreement 'On the creation of an Interstate Eurasian Coal and Metal Association' was ratified and its implementation was begun in January 1994. Commenting on this, S Afonin, Chairman of the Russian Federation Committee on Metallurgy, noted that implementation of the plan for the Eurasian Coal and Steel Association would make it possible to restore the traditional flow of goods so as to ensure the solvency of metallurgical and ore mining enterprises.³³⁰

Throughout 1994 and 1995 a series of further integrative measures occurred. These included:

Creation of an Inter Republican Economic Committee (IEC) (September 1994).

All the CIS countries except Turkmenistan and Azerbaijan agreed to the creation of the IEC. It would be based in Moscow and would deal with:

- the management of installations and sectors which were transnational in nature (energy systems, transportation, communications and gas and oil pipelines;
- analysis of the state of the economy;
- progress of economic reforms;
- development of joint economic programmes.³³¹

Programme to form a free trade zone and customs union, approved by Heads of CIS Foreign Economic Departments (November 1994). This would be a two stage process with the zone of free trade and the creation of a unified system of foreign economic relations being established first, followed by the second stage - the formation of common customs territory,

³²⁸ SWB SU/1894 A/1 13 January 1994

³²⁹ Zevin 1994 No 3 p79ff

³³⁰ *Segodnya* 13 January 1994 p2

³³¹ *Segodnya* 10 September 1994 p2; *Nezavisimaya Gazeta* 10 September 1994 p1

with national customs border controls remaining in place.³³²

Proposals to create an Interstate Currency Committee (March 1995).

The aim of the ICC would be to promote multilateral cooperation in the sphere of currency and monetary relations and bringing closer together and upgrading the rules of currency circulation within the CIS framework. The ICC would act as a standing body for a PU.³³³

The renewed drive towards regional economic integration in 1994 and 1995 reflected a changed attitude towards the CIS on the part of the ex-republics and Russia and Ukraine in particular. For most of the ex-republics support for greater integration within the CIS was related to the worsening economic crisis of the CIS economies in 1993 and 1994 and the potential for collaboration in the CIS to assist economic recovery. Although Russia's attitude to the CIS essentially remained unchanged since its inception, in 1994 and 1995 Russia renewed its commitment to the CIS and integration within it.

Ukraine also adopted a more amenable approach to the CIS. This had much to do with the election of a more pro-Russian president in July 1994 but was equally determined by the absolute collapse of the Ukrainian economy in 1993-1994. Belarus retained its commitment to the CIS while actively pursuing economic integration with Russia at the bilateral level, presenting this as a model for the integration within the CIS.

By the end of 1993 the CIS had expanded to include all of the ex-republics except the Baltic states. The 'return to the fold' of even the most reluctant of the ex-republics (Georgia, Azerbaijan and to an extent, Ukraine) and generally greater support for integration within the region from most of the republics reflected the crises of independence which had characterized the region since 1991. In the case of Georgia and Azerbaijan, civil war had destroyed both the state structures and the economy. Inclusion in the CIS was an attempt to gain economic support to rebuild their devastated economies and restore stability. Their inclusion also came under Russian pressure in a type of quid pro quo arrangement for Russian military support.

³³² SWB SU/2169 A/2 3 December 1994

³³³ *Kommersant Daily* 11 March 1995 p3

For most of the member countries support for deepening CIS integration reflected the economic slump that had affected all the economies in the region since 1991.³³⁴ In 1994, GDP in the CIS dropped by 16%, the volume of industrial output fell by 23% and gross agricultural output by 10%.³³⁵

Support among the ex-republics for integration within the CIS was interpreted by some in Russia as a means by which the ex-republics could gain access to Russia's markets, goods and credits at more advantageous rates than would be possible if excluded from a regional economic organization.³³⁶ This perception fostered the belief that Russia's own economic interests should be put first.³³⁷ An article in *Segodnya* in December 1994 interpreted the decision to form an economic union as a reflection of the choice which faced the independent states. It argued that the independent states could have chosen two methods of salvation, undertaking difficult and painful reforms or creeping gently into the market through the use of Russian resources. Most of the republics and Belarus in particular, it claimed opted for the second route.³³⁸ The ex-republics viewed CIS expansion as a means to restore economic stability in the region and progress towards market type economies. However it was Russia, and Russian support for greater integration which pushed the CIS further in the direction of becoming a regional economic organization.

Several factors affected Russia's attitude to the CIS and its renewed commitment to integration. These included

334 Statkomiteta SNG., *Informatsionnyi Biulleten* No 2 1993; Krasnov, L.V., *Torgovo-Ekonomicheskie Sviazi Rossii s Novymi Nezavisimymi Gosudarstvami v 1992 Gody* Moscow 1993 p23-61

335 *Segodnya* 15 December 1994 p2

336 see O. Rybakov 'Prospects for the Development of Russian Economic Relations with the States of the Commonwealth' *Problems of Economic Transition* January 1995

337 Komissarov & Shirobokova 1994 p7&8

338 *Segodnya* 15 December 1994 p2

- the parliamentary elections of December 1993 which revealed greater support amongst the Russian electorate for nationalist-conservative forces;
- the share held by the CIS states in Russia's overall volume of trade (22.8% in 1996).³³⁹
- the trend among the Central Asian states to greater cooperation amongst themselves and the prospect of the future establishment of a Central Asian Commonwealth;
- the proposed expansion of NATO to include the countries of Eastern Europe and possibly even some of the ex-republics;
- the position of the 25 million Russians living in the other 14 republics of the FSU;

Since the expansion of NATO and the position of ethnic Russians in the other republics are directly linked to Russia's national security interests these are discussed separately in Chapter five.

The election results of Russia's first post-Soviet parliamentary elections (Dec 1993) reflected the growing assertiveness of communist, neo communist and nationalist forces on the political agenda. This had become evident by mid 1992 with the switch from radical shock therapy to a more gradualist programme of economic reform and Viktor Chernomyrdin's elevation to the premiership - a sign also of the growing influence of the industrial lobby. In the foreign policy arena in 1992 and 1993, debate had increasingly focused on issues of national security and Russia's great power status. Reassertion of influence over the regions of the FSU and the defence of the rights of ethnic Russians in the other republics had featured significantly in the election programmes of the main political parties. The growing influence of the *Red-Brown* coalition throughout 1992-1993 and the success of its representatives in the elections was evident in Russia's policy towards the republics of the FSU, a policy which was becoming both more assertive and more nationalistic and manifest in a fresh commitment to the integration of the CIS countries.

Russia's promotion of further integration within the CIS was made easier by its control of the chair of the CIS Heads of State Council in 1994 and 1995, effectively enabling it to control the agenda of the meetings. The growing importance of the CIS for Russia was also demonstrated in the creation of a new 'Ministry of Cooperation with the Member States of the CIS' Its acting chairman, V. Mashchits, outlined Russia's policy to the CIS, saying that

³³⁹ *Ekonomika i Zhizn'* No 16 April 1997 p27

Russia's CIS policy would have new guidelines - geopolitics would take precedence over economic calculations and integration under the Russian aegis, based on resuscitating the rouble zone would come to the fore.³⁴⁰

Yeltsin stressed the economic importance of integration within the CIS when addressing the Russian Federal Assembly saying,

Russia is for the strengthening of the Commonwealth of Independent States, above all through the establishment of an economic union, a common CIS market and the establishment of a system of collective security and the strengthening of guarantees of human rights.³⁴¹

In its renewed policy towards the CIS, Russia saw its role as both supporter and promoter of reform throughout the region, which would bring regional economic stability. Foreign Minister, Kozyrev told a meeting of Russia's Foreign Policy Council that

'Russia must continue to be the locomotive of reform. The stronger the Russian state is economically and politically the better things will be for the other CIS countries, for the development of integration processes'.³⁴²

In 1995 promotion of integration as a policy became more explicit. Yeltsin told Korotchenya, the CIS Executive Secretary, that the RF intended to strengthen the CIS since there was 'no alternative to this alliance at this stage'.³⁴³ Addressing Russian ambassadors to the CIS countries, Kozyrev stressed that the basis of integration would be the promotion of economic cooperation and the major aim in that direction would be 'the achievement of the creation of a common market'. Kozyrev also pointed out the other elements of Russia's CIS policy which included, turning the commonwealth into an influential regional organization, ensuring security along the perimeter of the boundaries of CIS countries with the countries which were not members of the commonwealth, and the fight against terrorism and contraband. While economic union underpinned the CIS, the CIS was also viewed by Russia as an 'important

³⁴⁰ *Kommersant* 29 January 1994 p2

³⁴¹ *Rossiiskaya Gazeta* 25 February 1994 p1-2;

³⁴² SWB SU/2025 B/4 18 June 1994

³⁴³ SWB SU/2236 D/4 24 February 1995

instrument of maintaining stability in the post-Soviet expanses' and which would contribute to the consolidation of regional and global security'.³⁴⁴

Russia's renewed CIS policy became even more assertive with a decree from Yeltsin on 14 September 1995 stating that Russia's goal was the creation of an 'integrated political and economic community of states'. The decree stated that the CIS was a priority area for Russia because of important 'vital interests' in the areas of security, economics and the defence of Russians living abroad'. The decree called for closer economic ties and underlined the importance of forming a military alliance to create an effective 'collective defence system'.³⁴⁵

The evolution of Russia's new strategy to the CIS showed that Russia's perception of the organization had changed. The CIS was no longer a means to manage a civilised divorce among the ex-republics but a way of reintegrating these independent states. For Russia, the CIS would fulfil a number of functions. It was to act as a mechanism to sustain trade with the CIS states, which continued to be important trading partners for Russia. It would also provide Russia with a structure through which it could control important pipelines and resources in the region.³⁴⁶ Finally it would provide Russia with a more legitimate means of ensuring its control over the region. Economic integration would be pivotal but Russia's vision also included military and security cooperation which was reflected in growing geopolitical concerns. Thus while an economic union was to be the basis of the renewed CIS, actual union among the republics would be much more than this in the longer term.

Russia's commitment to advancing integration within the CIS was also an attempt to prevent the establishment of alternative regional organizations. As shown earlier the Kazakh President, N.Nazarbayev, has been a persistent advocate of a Eurasian Union. When Nazarbayev sought to advance this concept at CIS Heads of State meetings, it met with little support. The failure of the other CIS members and primarily Russia, to lend support to the concept of a Eurasian Union led Nazarbayev to promote union amongst the Central Asian states on the basis of his model. This resulted in a commitment to advance cooperation among the Central Asian states (July 1994).

³⁴⁴ SWB SU/2349 B/7 7 July 1995

³⁴⁵ OMRI *Daily Digest* No 181 18 September 95

³⁴⁶ SNG: *Sodruzhestvo nefi i gaza' Kommersant* No 48 24 December 1996 p12

In February 1995 Nazarbayev, and the Presidents of Uzbekistan and Kyrgystan, Karimov and Akayev, met to set up what *Nezavisimaya Gazeta* described as 'a new regional geopolitical bloc'. The three Central Asian presidents agreed to create an Interstate Council, consisting of the three Presidents, a Council of Prime Ministers, a Council of Foreign Ministers and a Central Asian Bank for Cooperation, with a capital fund of up to \$10 million. They agreed to meet again to review a plan for three way integration to the year 2000. *Nezavisimaya Gazeta* suggested that the union of Kazakhstan, Uzbekistan and Kyrgystan could become a major factor in and of its self, enabling each of its members to play new games of political chess with other countries, first of all Russia.³⁴⁷

Russia's goal in promoting further integration amongst all of the CIS republics in 1994 -95 can be seen in part as a reaction to the organization of three key Central Asian states into a regional grouping. While in its initial form, a Central Asian Union would pose no threat to Russia in security terms and certainly not in economic terms, its potential long term development concerned Russia. Primarily this was the risk that a Central Asian Union might fall under the influence of other Asian nations anxious to get a foothold in the region, such as Iran and Pakistan and the risk of splitting the regional space of the FSU and threatening Russia's security. Additionally Russia did not want to risk losing control over important oil and gas resources to other states. A Central Asian Commonwealth could also pose as an alternative form of organization to the CIS, encouraging the other republics to join or set up similar organizations, challenging and undermining Russia's regional influence and reducing the role of the CIS.³⁴⁸

Clearly the revival of the CIS in 1994 and 1995 was determined by the commitment to its survival by its key member, Russia. But the future development of the CIS was also affected by the attitude of the second most important of the ex-republics, Ukraine, which also began to approach the CIS with a new outlook in 1994 and 1995.

Since 1991 Ukraine had only been a partial supporter of the CIS, viewing its role in very narrow terms and opposing any attempts to expand or institutionalize it. However in 1994-95 Ukraine demonstrated a different, more amenable policy to the CIS, reflecting its altered circumstances caused by the devastating crisis of the economy and the election of the more

³⁴⁷ *Nezavisimaya Gazeta* 14 February 1995 p1

³⁴⁸ *Kommersant* No 48 24 December 1996 p12

pro-Russian oriented President, Leonid Kuchma.

Ukraine's desperate economic situation in 1994 tempered somewhat its opposition to integration within the CIS, so that it did not wholly oppose the creation of an economic union and agreed to associate membership of it. Ukraine's attitude to the CIS was shaped by the economic crisis of the country which accentuated the need to restore past economic links particularly since 80-90% of Ukraine's total requirements for oil and gas, 80% of raw materials for light industry, 70% of components for the machine building industries of Ukraine, came from CIS countries. Ukraine was also one of the main suppliers of agricultural products, cast iron and steel to CIS markets.³⁴⁹

In the Ukrainian presidential elections of July 1994, attitudes to Russia and the CIS played a crucial role. Presidential candidate, Kuchma actively called for closer ties with the former republics of the CIS, especially Russia, and advocated the creation of a unified economic space with all of the countries of the CIS.³⁵⁰ In a TV address, Kuchma clarified his vision for the CIS, speaking of the need to create a single economic space with the CIS countries on the model of the EC or the Free Trade area in America. He also said he would strive for Ukraine's fully fledged entry into the economic union (as opposed to the associate membership which Kravchuk had agreed to) and said that he would support all states signing a currency and customs agreement on equal terms.³⁵¹

Kuchma's election promises regarding policies to the CIS were replayed in his inauguration speech as President. Stressing the importance of the CIS, Kuchma also revealed how he perceived Ukraine's role in the revived integration of the CIS - not as an equal like the other former republics but as co-leader of the process with Russia,

Ukraine can assume the role of one of the leaders of the process of Eurasian economic integration and establish civilised, mutually favourable relations between interested parties.³⁵²

³⁴⁹ SWB SU/1911 D/1 2 February 1994

³⁵⁰ SWB SU/2025 D/8 18 June 1994

³⁵¹ SWB SU/2029 D/1 23 June 1994

³⁵² SWB SU/2053 D/1 21 July 94

The renewed policy towards the CIS reflected part of Ukraine's wider strategy of ending its self isolation, for which Kuchma's predecessor, L. Kravchuk was frequently criticized. Kravchuk had favoured a restrained approach to the CIS, opting to concentrate instead on consolidating Ukraine's national independence and positing it as a new state in Europe. Criticizing Kravchuk's policies in this area, Kuchma said 'Ukraine's self isolation and its voluntary refusal to campaign vigorously for its own interests in the Eurasian space was a serious political mistake, which caused great damage above all to the national economy'.³⁵³ Ukraine's Foreign minister, Hennadi Udovenko also spoke of the new approach to Ukraine's relations with the CIS, making the policy 'less passive and negative as it once was and emphasizing economic cooperation'.³⁵⁴

The importance of restoring economic ties within the context of the CIS was emphasized by Kuchma in his address to the Ukrainian people on independence day. The president spoke of the risk of Ukraine becoming a colonial type economy and identified a key problem to be the structural reorganization of the national economy. Kuchma outlined the extent of the economic slump: in 1994 the share of machine building and metal processing within the overall volume of production decreased in comparison with 1990, from 30.5% to 17%. Industrial production declined overall by 40.4% and production in a number of sectors in the machine building industry decreased by 70-80%. In the light industry sector, especially the textiles, footwear and knitwear industries, their share in the overall structure of production fell from 10.9% to 4.4%. According to Kuchma an intensive process of 'forcing the domestic industry out of the domestic market' was taking place'. Citing estimates by economists, Kuchma outlined how in 1990 domestic producers accounted for 80% of the retail trade turnover. In 1994, this figure had fallen to less than 50%. The result he said was the deep degradation of the industrial, scientific and technical potential and high technologies and consequently, he argued, the production structure was acquiring the features of a colonial type economy, incapable of an independent expanded reproduction.³⁵⁵

The depth of Ukraine's economic crisis in 1994-95 necessitated a more favourable attitude to the CIS. It was hoped that this would lead not only to the restoration of trade with the

³⁵³ *ibid*

³⁵⁴ SWB SU/2205 D/6 19 January 1995

³⁵⁵ Derzhavnii Komitet Statistiki Ukraini *Ukraina u Tsifrakh 1997 Kiev 1998*; SWB SU/2392 D/2-3 26 August 1995

other republics and crucially Russia, but would also bring loans and credits from the IMF, which was keen for the formation of an economic union in the FSU.

Belarus experienced similar levels of industrial decline to Ukraine but unlike the latter did not see the restoration of economic links within the CIS as the way to initiate economic recovery. In contrast, Belarus viewed closer links with Russia, on a state to state (bilateral) level, resulting in closer economic integration between the two countries, as the best means to overcome its economic crisis. Thus the distinction between Belarus' policies toward the CIS and Russia were frequently blurred as Belarus increasingly came to view integration with Russia at the bilateral level as a component part of its membership of the CIS. Indeed, integration at this level was viewed by Belarus as a precedent from which the other republics could take example.³⁵⁶

In 1994-95 renewed commitment towards greater integration by most of the CIS states was actively demonstrated in their agreements to pursue deeper integration. Ratification and implementation of the agreements continues to be a lengthy process and the CIS remains an organization lacking definition and orientation. Its failure to evolve into the type of supranational union envisaged by Russia resulted in the development of a range of cooperative and integrative measures on a number of different levels. The main forms included sub-regional co-operation (ie. between border regions); cross-republic integration; creation of joint financial/ industrial groups and bilateral cooperation.

Regional cooperation amongst border areas sought to overcome the breakdown in exchange (economic, scientific, technical, cultural) between neighbouring regions of the newly independent countries and was an attempt to move beyond the restrictions imposed by state to state relations. In Belgorod in January 1994, leaders from the border oblasts of Russia and Ukraine adopted a package of documents setting out the principles of economic, scientific and technical cooperation between the ten border oblasts of Russia and Ukraine. These included support for the creation of a zone of economic cooperation, for granting their territories special status and for instituting direct financial accounting between enterprises in the border oblasts of Russia and Ukraine.³⁵⁷ A meeting in Novgorod in February 1995 of regional

³⁵⁶ Miasnikovich, M., 'Ekonomicheskaiia Integratsiia: Real'nost' i Perspektivy' *Belaruskaiia Dumka* No 4 1996 p3-19

³⁵⁷ SWB SU/1909 B/1 31 January 1994

leaders of the three Slavic states addressed issues concerning the restoration and organization of economic and cultural relations of the member states of the CIS at the regional level.³⁵⁸ A similar meeting in Minsk in June 1995 discussed the problems of speeding up the integration processes between these three Slavic republics.

New forms and ways of deepening cooperation were examined at the meeting. N. Medvedev, head of the Russian delegation and Deputy Minister for Cooperation with Member Countries of the CIS spoke of the importance of the development of direct ties between enterprises, the need to realize common departmental and interdepartmental programmes and the creation of financial and financial-industrial groups and joint projects. A decision was taken to create a Council of Regional Officials of Russia, Belarus and Ukraine which would act within the framework structures of the CIS secretariat.³⁵⁹

With growing support from regional and national leaders, the creation of cross republic financial-industrial groups increased. In September 1994, the first Russia-Ukraine Oil company was set up. The company was to comprise several extraction and processing enterprises and plants producing oil industry equipment in Russian and Ukraine.³⁶⁰ A year later Ukraine's First Deputy Minister of Foreign Economic Relations and Trade, V. Hladush, claimed that preparations for the setting up of 100 Russian-Ukrainian financial-industrial groups were completed. He said that Russia and Ukraine had reached general agreements on setting up four financial and industrial groups in the chemical industry and 11 within the framework of the Ministry of Industry of Ukraine. A project was also underway which would involve 15 Ukrainian enterprises and organizations and more than fifty Russian enterprises.³⁶¹

In February 1994, the Russian government approved the creation of a Russian-Ukrainian Financial - Industrial Group 'Mezhdunarodnye Aviadvigateli' for their aircraft engine manufacturing enterprises. The group would produce engines for A.N.-70 cargo planes and would include financial, credit, insurance and trading companies to encompass some 50 Ukrainian enterprises.³⁶²

³⁵⁸ *Diplomaticheskii Vestnik* No 2 February 1995 p63

³⁵⁹ SWB SU/2340 D/4 27 June 1995

³⁶⁰ SWB SUW/0348 WD/1 2 September 1994

³⁶¹ SWB SU/2422 D/3 30 September 1995

³⁶² OMRI *Daily Digest* No 44 2 March 1995

By the late 1990s cooperation at the bilateral level had progressed so that Ukraine was a significant investor in Russia's economy, while Russia's investments in the Ukrainian economy were growing. This is illustrated in tables 10 & 11 below:³⁶³

Table 10

Direct Russian Investment in Ukraine as percentage of overall foreign investment in Ukraine

Investor	1995	1996	1997	1998
RF	3.95	5.57	7.38	7.32

Table 11

Direct Ukrainian Investment in Russian Federation as percentage of overall Ukrainian investment

Investor	1995	1996	1997	1998
Ukraine	20.69	61.93	48.8	33.51

Regional (border) cooperation and joint financial and industrial groups represented an attempt to advance integration amongst regions and enterprises of the CIS countries. However because they were at an early stage of development their real impact and benefit was not to be felt for several years. More immediate cooperation came at the bilateral level and provided a channel for addressing critical economic and security issues in the post-Soviet space. In 1994-95 bilateral relations amongst the Slavic republics of the CIS advanced with the Russian-Belarusian agreement on Monetary and Customs union and a Treaty on Cooperation between Russia and Ukraine. The formalizing of the relationship between Russia and its Slavic neighbours reflected a strategic choice on its part. The ineffectiveness of the CIS accompanied a growing perception in foreign policy that while all of the former Soviet republics were

³⁶³ Derzhavnii Komitet Statistiki Ukraini *Ukraina u Tsifrakh 1997 Kiev 1998 p94*

important for Russia, some were more important than others.³⁶⁴ Ukraine and Belarus were prioritized as they continued to be Russia's key partners in trade. This is illustrated in the tables following which show the share of Russia's trade (exports and imports) with Ukraine and Belarus as percentage of overall exports to CIS States over a ten year period 1987-97.³⁶⁵ Though Russia's trade with these two republics declined between 1990 and 1992, after 1993 trade began to grow again. In particular trade with Belarus reached higher than ever levels. The growing importance of Ukraine and Belarus as destinations for Russian exports is shown in the growth of exports. In 1997 together Ukraine and Belarus formed 71.8% of all Russia's exports to CIS states

³⁶⁴ Noreen, J. H., & Watson, R 'Interrepublican Economic Relations after the Collapse of the USSR' *Soviet Economy* 1992 Vol 8 No2 p114ff

³⁶⁵ Mezhdgosudarstvennyi Statisticheskii Komitet Sodruzhestva Nezavisimykh Gosudarstv *Sodruzhestva Nezavisimykh Gosudarstv v 1996 gody (Moscow 1997)*

Table 12

Russia's share of Trade (EXPORTS) with Ukraine and Belarus as percentage of overall exports to CIS States 1987-97

CIS State	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Ukraine	42.03	42	42.28	43.32	41.99	40.02	53.1	49.67	48.9	47.47	43.69
Belarus	14.07	14.1	14.27	15.65	14	14.44	15.89	21.62	20.61	32.09	28.11
Total	56.1	56.1	56.55	58.97	55.99	54.46	68.99	71.29	69.51	79.56	71.8

Table 13

Russia's share of Trade (IMPORTS) with Ukraine and Belarus as percentage of overall imports from CIS States 1987-97

CIS State	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Ukraine	41.98	42	41.63	41.8	35.81	47.99	42.3	42.68	48.68	43.1	28.07
Belarus	16.99	17	17	16.36	12.9	12.39	22.8	20.2	15.36	20.87	33.1
Total	58.97	59	58.63	58.16	48.71	60.38	65.1	62.88	64.04	63.97	61.17

Russian - Belarusian Relations

Throughout 1993, Belarus viewed bilateral cooperation, particularly of an economic nature, as a means of halting the country's economic slump and eventually restoring productivity.³⁶⁶ The basis for this, it was claimed were the traditionally close ties between the Russian and Belarusian economies (Belarus imported over 90% of its energy products from Russia) and so it would be logical to realign these republics' economies once more. It was also becoming clear that in Belarus, closer alignment with the Russian economy was seen as an alternative to introducing potentially destabilizing market type reforms. Agreement on monetary union came early in January 1994, when Russia and Belarus agreed to merge their monetary systems as of mid January and to make the Russian rouble the only legal tender in both republics. The agreement stipulated that there would be coordination of monetary, credit, budget, convertible currency, taxation and social policies, as well as the creation of a common customs zone with a common system of prices. In Russia however the proposed monetary merger brought criticism that the union would not be to Russia's advantage and would increase inflation by at least 10%.³⁶⁷

The Treaty on the Unification of Monetary Systems of Russia and Belarus was signed in April 1994. This envisaged a two stage process of unification. Stage one would begin on May 1 1994 with the cancelling of trade customs dues and payments for Russian cargo transit via Belarus. Russia's free leasing of Belarusian facilities for strategic forces would also begin then. The second stage would entail the direct exchange of Belarusian cash to Russian roubles at the one to one exchange rate and would be preceded by a political expression of the Belarusian people's will on unification of the Belarusian monetary system with that of Russia.³⁶⁸

Despite these initial agreements, actual monetary union between Russia and Belarus was slow to evolve, due largely to Russia's reticence. In September 1994 Russian Prime Minister, Chernomyrdin announced that Russia would not in the future choose to amalgamate its

³⁶⁶ Speaking about economic integration with Russia on Belarusian radio, President Lukashenka anticipated that once economic integration with Russia was achieved, living standards in Belarus would greatly improve. OMRI *Daily Digest* No 122 23 June 1995

³⁶⁷ see for example the comments by A. Illarionov, Head of the Russian Government's Study and Planning Group in *Finansovye Izvestia* January 13-19 1994 p1-2; *Nezavisimaya Gazeta* 13 January 1994 p4

³⁶⁸ *Izvestia* April 14 1994 p1; *Kommersant Daily* April 15 p1 1994

monetary system with that of Belarus and for monetary union to take place Belarus would have to bring its economy up to the Russian level.³⁶⁹

Agreement was however reached on a Customs Union, initially between Russia and Belarus but which has since been joined by Kazakhstan and Tajikistan. According to Russian Foreign Economic Relations Minister, O. Davydov, one of the benefits of customs union with Belarus was that it would allow Russia to 'open our borders and control the borders with Ukraine, Poland and Lithuania on the basis of Russian legislation'.³⁷⁰ Agreement would also promote integration and allow Russia and Belarus to trade at domestic rather than world prices.³⁷¹

In January 1995 agreement was reached by Russia and Belarus on deepening Russian-Belarusian cooperation.³⁷² Formalization of bilateral relations between Russia and Belarus came in February 1995, when Yeltsin and the Belarusian President, Alexandr Lukashenka signed three major treaties:

- Treaty of Friendship and Cooperation;
- Treaty on Joint Efforts to Protect the Border of Belarus;
- Agreement on a Single Administration for the CU between Russian and Belarus.³⁷³

By May 1995, Belarus and Russia had finalized the first stage of the CU accord: tariff and qualitative restrictions were abolished in mutual trade; there were unified normative acts on tariff and non tariff regulations in free trade and unified excise duties on goods.³⁷⁴ On 26 May the two presidents signed an agreement to remove all customs posts on their common border and Yeltsin declared 'there are no borders between Russian and Belarus'.³⁷⁵

³⁶⁹ *Segodnya* 16 September 1994 p5; SWB SU/2098 A/2 12-10-94

³⁷⁰ SWB SU/2145 B/3 3 November 1994

³⁷¹ *ibid*

³⁷² *Diplomaticheskii Vestnik* No 2 1995 p45

³⁷³ *Nezavisimaya Gazeta* 23 February 1995 p1

³⁷⁴ SWB SU/2303 D/4 15 May 1995

³⁷⁵ SWB SU/2314 A/3 27 May 1995

Russia's restraint in its relations with Belarus and its caution in approaching monetary union, opting instead for customs union, indicated that a new realism was guiding Russia's policy toward this most willing of partners and to the countries of the 'near abroad' generally. This realism was underpinned by a belief that it was no longer advantageous for Russia to act as 'donor' to the ex-republics and relations between them would have to be reconstructed on a mutually advantageous basis.³⁷⁶

Russia and Ukraine

An element of realism was also evident in Russia's relations with Ukraine. Unlike Belarus, negotiating bilateral relations with Ukraine was a lengthy and complicated process dealing with critical issues of economic relations and security matters. Bilateral relations between Russia and Ukraine have been shaped by attempts to resolve the outstanding problems of the Black Sea Fleet, the external debt of the USSR, Ukraine's energy needs and energy debt to Russia, Crimea, dual citizenship and border issues. Still, while cool winds may have blown through the Russian-Ukrainian negotiating process from time to time, the negotiations never reached the point of breakdown or open conflict as had been predicted in 1992 and 1993.

Changed circumstances in 1994-1995 (economic collapse in Ukraine; the election of a more pro Russian oriented President; the growing assertiveness of Russians in the heavily Russified Eastern and Southern parts of Ukraine and Russia's invasion of Chechnya) altered the context of negotiations significantly, to the point that a bilateral treaty could be signed in June 1995.³⁷⁷

From the Ukrainian perspective, the changed circumstances of 1994-95 gave rise to a less hostile and suspicious attitude toward Russia and it was emphasized that the cornerstone of Ukraine's foreign policy was interaction with Russia, stressing that Russia was Ukraine's *special strategic partner*.³⁷⁸ On his appointment as new Foreign Minister for Ukraine, Hennadi Udovenko signalled that changes would be made to Ukraine's foreign policy course

³⁷⁶ 'Nuzhno li Rossii Ob"ediniat'sia s Belorussiei' *Kommersant* No 7 5 March 1996

³⁷⁷ *Diplomaticheskii Vestnik* No 3 1995 P12; *Moskovskie Novosti* No 39 4-11 June 1995 p5

³⁷⁸ SWB SU/1894 D/6 13 January 1994 ; SU/2053 D/1 21 July 1994 ; SU/2109 B/8 22 September 1994 ; SU/1892 D/1 11 January 1995;

and the normalization of relations with Russia would remain a high priority.³⁷⁹

The bilateral accord of June 1995 brought agreement on one of the most contentious problems in Russian-Ukrainian relations. According to the agreement, the Black Sea Fleet was to serve as the basis for the creation of Russia's own Black Sea Fleet and Ukraine's navy. Both fleets would have separate bases with Sevastopol the main base of the Russian fleet. Russia was to have 81.7% of the ships and vessels and Ukraine would get 18.3%.³⁸⁰

The eventual agreement on the Black Sea Fleet removed the chief obstacle to Yeltsin's repeatedly postponed visit to Kiev at which a comprehensive Treaty of Friendship and Cooperation would be signed. Agreement was also reached in 1995 on the rescheduling of Ukraine's debts to Russia.

In promoting integration, whether at a supra national level via the CIS or bilaterally through financial-industrial groups or regional cooperation, the actual economic gains for Russia in the short term would be few. Yet Russia was prepared to reschedule debts and loan repayments, make available facilitative credits and supply energy resources at prices significantly lower than the world price to the CIS states. While Russia sought to reduce the level of this exchange, financial transfers to the other republics remained high.

Nevertheless Russia's hardened stance on the rouble zone in 1993 reflected the aim of reducing financial transfers to the CIS states. In 1993 Russia also attempted to charge more realistic prices for its exports to the CIS. From 1 January 1993 payments for the products of Russia's oil and gas refining enterprises from the ex-republics were to be made at world prices in dollars or roubles.³⁸¹ Russia also sought to end the granting of facilitative credits. Generally these credits had been made without any preliminary conditions and were allocated to buyers of Russian products in the near abroad, meaning that in effect Russian resources were being transferred to citizens and enterprises of neighbouring states virtually free of charge. In 1992 such facilitative credits were estimated to be approximately 8% of Russia's GDP (compared to the USA, where aid in the form of credits to other countries did not

³⁷⁹SWB SU/2089 D/3 1 September 1994;

³⁸⁰ *Diplomaticheskii Vestnik* No 3 1995 P12; SWB 2326 S/1 10 June 95

³⁸¹ *Izvestia* 14 January 1993 p1

exceed 1% of GDP).³⁸² By comparison in 1992, free aid granted to the the world's poorest countries by the world's most developed countries did not exceed 0.17% of GDP for the US, 0.3% for Japan, 0.4% for Germany, Great Britain and Italy and 0.6% for France. The excessive credits to the ex-republics resulted a 25% growth in inflation in Russia. Credits from Russia made up 45-70% of the national GDP of Turkmenistan, Kazakhstan and Uzbekistan.³⁸³ The IMF estimated that in real terms the actual figure for facilitative credits was \$17 billion or more than 21% of Russia's GDP.³⁸⁴ Table 14 below demonstrate the extent of financial transfers from Russia to the ex-republics in the form of facilitative credits. In table 15 the extent of Russia's financial support for the three republics in which the majority of Russians living outside of Russia reside is shown.

Table 14

RF's Financial Aid to Rouble Zone States in % of Republic's GDP		
	1992	1993 (Jan.- July)
Uzbekistan	69.2	52.8
Kazakhstan	25	48.8
Turkmenistan	67.1	45.7
Tajikistan	42.3	40.9
Kyrgystan	22.6	23.9
Armenia	53.2	19.7
Belarus	11.9	8.8
Ukraine	23.7	1.9
Azerbaijan	20.8	n/a

RF Aid to Ukraine, Belarus & Kazakhstan in % of Republics' GDP		
	1992	1993 (Jan.- July)
Belarus	11.9	8.8
Ukraine	23.7	1.9
Kazakhstan	25.1	48.8

³⁸² *Izvestia* 18 May 1993 p1

³⁸³ *Izvestia* 16 September 1995

³⁸⁴ *Financial and Business News From Moscow* No 34 August 20-26 1991 p2

³⁸⁵ *Izvestia* September 16 1993 p4

By mid 1993 Russia was attempting to reduce the degree of financial transfer to other republics. Facilitative credits were halted, energy prices were raised and a national currency was introduced. Despite the significant contribution to the economies of the ex-republics, in 1995, Russia denied charges that it was underwriting almost half of the CIS states economies. Russian Finance minister, V Panskov claimed that Russian economic and financial aid to other CIS countries was very 'insubstantial'. Russia, he claimed had agreements to provide credits only to Belarus, Tajikistan and Armenia. These took the form of credits in uranium fuel for Armenia's atomic power stations and raw materials for the light food industries in Belarus and Tajikistan.³⁸⁶ In June 1994, Russia had also allocated Belarus credit of 150 billion roubles for the first six months of 1994.³⁸⁷

Russia's hardening stance prevailed in 1994. Addressing the CIS Heads of Government Council in Moscow, Chernomyrdin warned that in 1995 Russia would be forced to introduce the principle of advance payment in trade and economic agreements and contracts for the supply of commodities. To resolve the debt problem, there would be financial penalties for failure to pay on time (accumulated debts to Russia for energy and fuel stood at 7,500 billion roubles).³⁸⁸

In spite of these measures, Russia continued to supply selected states with Russian exports at preferential prices. For example, in April 1994 an agreement between Russia and Belarus meant that Belarus would pay US\$50 for 1,000 cu.m of gas and US\$74 for one tonne of oil - about 30% less than other CIS republics.³⁸⁹ In the Belarusian case, Russia's generosity was linked to its free use of military bases.

During 1994 and 1995 it became apparent that Russia's policy towards the CIS was not driven wholly by economic imperatives. Russia's benevolence towards the ex-republics was linked to the safe guarding of its perceived national interests in the region. Clearly one such interest was that Russia should not be bordered by economically weak nations, politically unstable, vulnerable to extremists forces (originating internally or externally) and threatening to undermine security in the region. Assisting economic recovery in the ex-republics through

³⁸⁶ OMRI *Daily Digest* No 83 27 April 1995

³⁸⁷ SWB SU/2012 B/6 2 June 1994

³⁸⁸ SWB SU/2178 A/1 14 December 1994

³⁸⁹ SWB SU/2286 D/4 25 April 1995

loans, credits and preferential prices was one way of preventing instability. Linking this form of aid to the maintenance military bases in the CIS enabled Russia to further protect its national interests. Clearly then Russia's policy toward the CIS was governed by more than simply its economic interests and was shaped by issues of national security and geopolitical concerns. These aspects of Russia's policy are considered in chapter six.

Conclusion

Since 1991 the CIS has been evolving towards an economic community of *most* of the nations of the former Soviet Union. The process of evolution is slow and frequently difficult, as evidenced by the numerous agreements reached by the CIS states, many of which failed to reach the implementation stage. The difficulties associated with it are not unique to the CIS and there are several similarities with the problems affecting European integration.

Integration amongst the CIS states gained a fresh impetus in 1994 and 1995 when two key members of the CIS, Russia and Ukraine, supported the strengthening of the commonwealth. Russia's renewed commitment to the CIS arose from growing concerns about regional stability and security, stemming not least from the weakness of the region's economies, few of which, apart from Russia, had advanced much beyond the initial stages of market type reforms. Strengthening the CIS and reinforcing Russia's role within it would provide a mechanism to facilitate economic recovery in the region and guarantee regional security. From Ukraine's perspective, its new policy of supporting the CIS came from the reality of economic collapse and the imperative of cooperation within the CIS to aid economic recovery. The degree of Belarus' trade dependency made it a supporter of economic integration, whether that was within a wider organization such as the CIS or with Russia alone. Clearly however without Russia's and Ukraine's renewed commitment to the CIS in 1994 and 1995, the CIS is unlikely to have evolved to the stage of economic union and may well have broken down into sub-regional groupings.

Supranational processes of integration within the CIS were supplemented by further integration at the inter republican / inter enterprise level and this was more successful in restoring past links and creating new ones. Through the strengthening of the CIS, the territorial integrity of the area of the FSU (excluding the Baltic States) has largely been preserved. Thus one of the crucial functions of the CIS at its inception was fulfilled. This occurred in large part due to Russia's support. Russia saw the CIS as the best forum for

protecting its national interests and controlling the region of the FSU. It became clear that its long term interests lay not only in an economic union but full political, economic and military union.

Chapter 5 Geopolitics and Russia's Relations with Ukraine and Belarus

The preservation of Russia's economic interests in the area of the FSU led to its renewed drive for regional economic integration at both the multilateral and bilateral level. The need to preserve or restore economic ties among the ex-republics was the initial *raison d'être* for the CIS and Russian efforts to strengthen it. But Russia had a number of other interests and concerns in the FSU which influenced its attitudes and policies towards the CIS and its long term aim of transforming it into a full political, military and economic union.

Geopolitical interests have shaped Russia's attitude towards the states of the FSU and determined policy to the countries of the Near Abroad. In an article on 'National Interests and Geopolitics', Igor Tishin defined geopolitics in two ways. The Russian view he suggested, sees geopolitics as

... the political concept, that uses natural-geographical data (configuration and the size of territory and aquatory, climate, material and natural resources, racial and ethnical composition of population) to explain the national interests of states and the coalition interests of military alliances.³⁹⁰

He presented the American definition of geopolitics as

the application of military geography at the strategic and global level. Geopolitics integrates political, diplomatic, sociological, economic and military considerations into an overall strategic approach. Geopolitics is concerned with relative power among nations and coalitions. It includes consideration of the foundations of national power: population, industry, commerce, financial status, internal stability, resources and national will, as well as military forces. The essence of geopolitics is consideration of the size, shape, location and characteristics of nations with respect to one another.³⁹¹

³⁹⁰ Tishin, I., 'National Interests and Geopolitics: A Primer on 'The Basic Provisions of the Military Doctrine of the Russian Federation' in *European Security* Vol 4 No 1 Spring 1995 pp107-131; Tishin cites A. Sinayskiy 'Geopolitika i natsional'naia bezopasnost' Rossii' *Voennaya Mysl'* No10 1992 p2

³⁹¹ Tishin p109, citing *International Military and Defence Encyclopedia* (McLean, VA:Brassey's 1993 p1057.

The primacy of geopolitics in Russia's regional policy represented a shift away from the ideologically driven policies of the past and towards a new *realpolitik*. It represented 'the return of geography' and the renewed impact of location and resources on political decisions.³⁹² It was therefore intrinsically linked to issues of national security and national interests.

Analysing the national interests of the RF and the military aspects of national security, Tishin identified Russia's main national security objectives as:

- to preserve the integrity of Russia as a joint and sovereign democratic state within its existing borders;
- to create peaceful living conditions for its citizens;
- to integrate Russia politically and economically into the world community as a democratic power in the future.

The most important interests in the military realm of national security, Tishin identified as:

- to defend state sovereignty and territorial integrity;
- to promote and preserve the social and political stability of society and the vitality of the political constitutional regime;
- to provide free access to vitally important economic zones and lines of communication;
- to support strategic stability and security in neighbouring countries and in the world.³⁹³

Strategic stability and security in neighbouring countries, i.e. the countries of the 'Near Abroad' was thus identified as a key national and military interest of Russia.

The range of Russia's geopolitical interests in the area of the FSU can be broken down into economic interests: political interests and security interests. Its economic interests are identified as ports, access to raw material, transportation, communication and plants where production is not yet duplicated in the RF. Its political interests encompass cooperation with

³⁹² Goble, P. 'Russia as a Eurasian Power: Moscow and the post-Soviet Successor States' in Lukin & Kissinger 1996 see also Goble, P 'Russia and its Neighbours' *Foreign Policy* 1996 p82

³⁹³ Tishin 1995 p113

the new states to prevent an explosion of ethnic violence; protecting its citizens and even co-ethnics abroad and in coordinating policies on a variety of regional issues such as the environment. Russia's wide range of security interests includes preventing instability that might bring massive refugee flows into Russia or a spill over of violence into Russia proper; denying outside powers access to regions that might be used to threaten Russia itself and interests in certain military sites such as the Skrunda radar site in Latvia.³⁹⁴

Russia's geopolitical interests in FSU have a number of implications for certain key republics. In 1992 Noreen and Watson noted that

Republics that Russia considers important for economic or military security reasons: Ukraine, Belarus and the Baltic republics, or those republics with large ethnic Russian minorities or those which control key ports or pipelines may be granted somewhat more generous terms or conditions.³⁹⁵

Using Noreen and Watson's hypothesis and focussing on the three categories identified by them (republics with large ethnic minorities; republics important for economic or military security reasons; republics which control key ports or pipelines) this chapter examines Russia's geopolitical interests in the region and consider how these interests are manifest in policy and on the ground. The area of the FSU is examined generally but specific attention is given to how geopolitical interests have impacted upon Russia's relations with Ukraine and Belarus.

Three key areas are examined:

1. How the presence of the large Russian Diaspora affected Russia's policies towards the states of the region;
2. How issues of strategic importance (e.g. the proposed enlargement of NATO, or the threat of either instability or the spread of extremism on Russia's southern borders) shaped Russian attitudes and policies, and the consequences of this for the states of the region;
3. How Russia's economic interests (from a geopolitical perspective) continued to affect its relations with a number of key states.

³⁹⁴ Goble p84

³⁹⁵ Noreen and Watson 1992 p114ff

The Russian Diaspora in the 'Near Abroad'.

The collapse of the USSR presented Russia with many dilemmas. Crucially it raised issues of Russian national identity, national interests, security and Russia's role in the modern geopolitical order. Intrinsic to this was the question of the 25 million strong Russian Diaspora in the ex-republics.

The Russian diaspora, the scale of which was historically unprecedented, existed as a consequence of the expansionist policies of the Tsarist and Soviet regimes. Under the Tsars, Russians expanded into the new lands of the empire as soldiers in the garrisons of the imperial army, as the civil servants of the Tsarist state bureaucracy and later as the regional agents of industrialization. The outward migration of Russians continued under the Soviet regime, bringing modern industry to the union republics and centralizing power by controlling regional and republican governments.

Historical models offered post-Soviet Russia little in help in addressing the problem of its diaspora. Similar 'unmixing' of ethnic peoples occurred with the collapse of the Ottoman and Habsburg empires at the turn of the century ³⁹⁶ and the post war decolonization of the lands occupied by the Europe's imperial powers, brought similar problems associated with the withdrawal of the bureaucratic and military agents of imperialism. However the problem of the Russian Diaspora in the late 20th century was unprecedented in terms of its scale and the fact that many of these ethnic Russians had acted as regional purveyors of the policies and economics of Soviet socialism. By 1991, the Soviet empire had collapsed, the communist ideology was discredited and the whole ethos on which many of these ethnic Russians had based their lives in the republics was removed.

The diaspora in the 'Near Abroad' brought both advantages and disadvantages for Russia. For a resurgent neo-imperialist Russia, the 25 million strong diaspora could provide it with a legitimate mandate for intervention on behalf of its citizens should their rights be violated and thus covertly assist the reestablishment of Russian influence in the region. The model for this could have been America's readiness to intervene militarily in defence of its citizens - in

³⁹⁶ Brubaker, Rogers 'Aftermaths of Empire and the Unmixing of Peoples: Historical and Comparative Perspectives' in Barkey, K., & Von Hagen, M., eds., *After Empire: Multi Ethnic Societies and Nation Building* Boulder: Colorado: Westview Press 1997; *Ethnic and Racial Studies* 18 (2) April 1995

recent years exemplified in its invasion of Haiti. Conversely, for a Russia emerging as a 'normal' player on the world stage and endeavouring to follow a neo-liberal / realist line in its policy toward the 'Near Abroad', the Russian community in the 'Near Abroad' could prove a liability on two counts. Firstly, the fate of the Russians there was taken up by the nationalists and right wing parties and leaders seeking to challenge and reduce the influence of the liberals in the government in the latter part of 1991 and 1992 and thus forced the Russian leadership to become more outspoken in its defence of these ethnic Russians. Secondly, the threat of the return migration of large numbers of ethnic Russians was potentially destabilizing for Russia. This was of particular concern in the early years of post-Soviet national consolidation and economic transition, when it was estimated that as many as 10 million immigrants would return to the Russian homeland. In a Russia where economic reform was only partially underway but which was nevertheless having grave social consequences for large sections of the population, and where returning soldiers from Eastern Europe and the Baltic states could barely be accommodated and with no guarantees of employment, the prospect of the large scale return of ethnic Russians threatened to undermine the already weak cohesion of Russian society.

It was in this context that Russia began to formulate its policy toward the 'Near Abroad' in general and specifically toward the Russian population there. Policy formulation took place amidst the debate about Russia, its identity and its national interests, which characterized the first 18 months of post-Soviet independence. Central to this was the urgent need to respond to the question of the Russian minority in the ex-republics.

With independence, the ex-republics set about national consolidation. Devising policies regarding the position and treatment of ethnic minorities (which in some republics formed a substantial number) was an integral part of this. In the Baltic republics, where the Russians were generally viewed as an occupying force, ethnic Russians began to experience discrimination in many forms including in housing and employment, linguistic discrimination and quite often were denied citizenship.

Russia's policy towards the 'Near Abroad' became more assertive and nationalistic as a result of the pressure from the growing militancy of the Russian diaspora there and growing nationalism and Russian patriotism at home. This reflected the assertion of the forces of the so called 'Red-Brown' coalition on the domestic policy agenda, evident from mid 1992. In

June 1992, Russian Foreign Minister, A. Kozyrev, pledged that Russia would protect its minority by 'all means available'. Embassies and consulates were charged with protecting the interests of persecuted compatriots. Where the human rights of the Russian minority were violated, all measures of civil influence would be used in the first instance, though if this failed, the use of military force was not ruled out.³⁹⁷ Such sentiments prevailed into 1995. Addressing the Russian Foreign Policy Council in April 1995, Kozyrev reiterated that force, not only economic and political force but also direct/military force would be used to protect the Russian speaking population in the 'Near Abroad'.³⁹⁸ Growing support for a Russian version of the US' 'Monroe Doctrine' would be a further mechanism enabling Russia to protect its minority.

The potential for the issue of the Russian diaspora to become a destabilizing factor in regional security was not always fully appreciated in the West. One possible problem was that the Russian minority could be viewed as a potential fifth column by the politicians and populace of the newly independent states of the FSU and the potential for the Russian minority to behave as such. Another potential problem would be for 'national-conservative' forces in the Russian Federation itself to stir up and incite the Russian minority to the point where they could secede and seek unification with the Russian homeland. This was thought to be potentially the case in areas where Russians outnumbered the local population significantly, e.g. the Crimea in Ukraine, where Russians make up 67% of the population, the oblasts of Northern Kazakhstan, where Russians make up 62% of the residents and Kazakhs only 19%, and the Estonian town of Narva, which is overwhelmingly populated by Russians (90%).³⁹⁹

Open support for the Russian minority in Transdniestria from nationalists and conservatives in Russia was evident over Moldova and since 1993 Ukraine's leaders complained repeatedly about the actions of Russia's politicians in encouraging opposition to Ukraine's government amongst the Russian populations of the oblasts of Eastern Ukraine (Donetsk, Dnipropetrovsk, Zaporizhzhya, Kharkov) and Crimea.

The influence of nationalist-conservative forces in Russia became a potentially destabilizing

³⁹⁷ *Izvestia* 26 June 1992 p1

³⁹⁸ *Nezavisimaya Gazeta* 19 April 1995 p1

³⁹⁹ Jackson, W.D., 'Russia After the Crisis - Imperial Temptations: Ethnic Abroad' *Orbis* Vol 38 No 1 Winter 1994 p1&2

force in the region, more so when they organized themselves into new political bodies in the summer of 1995 in anticipation of the December elections to the Federal Assembly. The 'Council of Compatriots' was established as a means to promote the interests of the Russian Diaspora. Its aims were to take part in the drafting and reviewing of laws in the Russian State Duma, to protect the interests of the organizations of the ethnic Russians and to help Russian communities organize outside Russia.⁴⁰⁰

A weakness of Western literature on the Russian diaspora is the tendency to view the Diaspora as homogeneous, and culturally, ethnically and politically aligned to Russia. It is not fully appreciated that affiliation to Russia among the diaspora Russians varies between those Russians whose ancestors settled in the outposts of the empire in the late 19th and early 20th centuries and whose Russianness is based more on culture and ethnicity, and those more recent Russian emigrants to the republics, who viewed the Russian Federation as their political and territorial homeland. Another important point was the fact that the Russian population was not equally dispersed throughout the former union but generally concentrated in large communities in some key republics. Over half (12.5 million) of the Russia population is concentrated in Ukraine and Belarus with another 6 million concentrated mainly in the Northern territories of Kazakhstan. The greatest number of ethnic Russians is concentrated in these three key republics (18.8 million) and significantly, these Russians reside mainly in the large and middle sized industrial towns. The distribution of ethnic Russians by republics is illustrated in tables 16 & 17 below.⁴⁰¹

⁴⁰⁰ SWB SU/2350 B/3 July 1995

⁴⁰¹ Dronov, V.P, Maksakovskii, B.O & Rom, B *Ekonomicheskaya i Sotsialnaya Geografiya* Moscow 1994 p54

Table 16
Percentage Share of Ethnic Russians in
overall population of Republic 1989

Republic	% Ethnic Russians
Azerbaijan	5.5
Belarus	13.4
Estonia	30.4
Georgia	6.3
Kazakhstan	37.8
Kyrgyzstan	21
Latvia	34
Lithuania	9.3
Moldova	12.9
Tajikistan	7.6
Turkmenistan	9.5
Ukraine	22.1
Uzbekistan	8.3

Table 17
Republics' Share of Ethnic Russians
RANKED

Republic	% Ethnic Russians
Kazakhstan	37.8
Latvia	34
Estonia	30.4
Ukraine	22.1
Kyrgyzstan	21
Belarus	13.4
Moldova	12.9
Turkmenistan	9.5
Lithuania	9.3
Uzbekistan	8.3
Tajikistan	7.6
Georgia	6.3
Azerbaijan	5.5

Russia's dual concerns regarding its Diaspora communities: on the one hand to be seen to be acting to defend the interests of Russians in the former republics against growing pressure from nationalist conservative forces in Russia, and on the other to prevent a potentially destabilizing flood of ethnic Russians back to Russia, partially helps to explain Russia's willingness to provide the ex-republics with facilitative credits, subsidized energy supplies and loans as discussed in chapter five. This supports Noreen and Watson's view that certain republics would be granted more generous terms and conditions.⁴⁰² A similar point is made more explicit by O.Rybakov, who points out that

A considerable percentage of the Russians moved to the former republics in connection with the creation of all-union production facilities in them and are concentrated in large industrial centres that play an appreciable role in economic interrelations with Russia. The severance of ties with former republics therefore primarily affects those enterprises and those regions where Russians form the majority of the work force.⁴⁰³

One means for Russia to protect the interests (ie. material well being) of its minority was to continue to supply energy resources at preferential rates, to reschedule debt repayments and to provide loans/credits on favourable terms. Table 18 following shows the level of this type of assistance in 1992 and 1993 from Russia to those ex-republics, where large numbers of ethnic Russians resided.

⁴⁰² Noreen & Watson 1992 p114ff

⁴⁰³ Rybakov, O 'Prospects for the Development of Russia's Economic relations with the States of the Commonwealth' *Ekonomist* 1993 No 12 pp12-18

Table 18

Russian Aid to Republics most populated by Russians as Percentage of Republic's GDP		
Republic	1992	1993
Kazakhstan	25.1	48.8
Ukraine	23.7	1.9
Belarus	11.9	8.8

The table shows a significant increase in Russia's aid to Kazakhstan, where almost 40% of the population is made up of ethnic Russians. Over half of the diaspora reside in Ukraine and Belarus, making up 22.1% and 13.4% of their populations respectively. In Belarus, Russian aid in 1993 decreased by 3.1%, though in comparison to other republics, this was quite a small reduction. However Russia's aid to Ukraine decreased drastically - from 23.7% to 1.9%, a decrease of 21.8%. This decline was clearly related to Ukraine's decision to leave the rouble zone and introduce its own national currency. The only republic to share a similar dramatic decrease was Turkmenistan (from 67.1% to 45.7%), which like Ukraine, resisted Russian attempts to impose a uniform monetary policy in the region. In Ukraine and Belarus, Russian aid decreased in real terms but these republics continued to benefit from Russia's benevolence in granting cheaper energy resources, and willingness to reschedule loans.

While Russia was prepared to provide the economic means to support its ethnic minority, it was also prepared to withhold economic aid in protest at ill treatment. In the proposed Federal Programme for the Protection of the Russian Minority (1994), one plan was to impose rigorous restrictions on the export of Russian raw materials and energy resources to countries where the rights of ethnic Russians were being violated.⁴⁰⁴ Russia pursued this form of economic leverage most frequently with the Baltic states, which remained dependent

⁴⁰⁴ *Izvestia* 17 February 1994 p1

on it for energy supplies. The Federal Programme also proposed that in allocating credits to the ex-republics, a stipulation should be made that part of the credits be used for the development of Russian educational, linguistic and other needs of the Russian Diaspora.⁴⁰⁵

A further complicating factor regarding Russians in the Slavic republics of Ukraine and Belarus was the fact that a large part of the Soviet Union's defence capacity was located here. Overall 60,000 enterprises in the FSU worked for the defence sector. Of these, the majority were located in Russia (70%), but 17% were located in Ukraine and 4% in Belarus. The remaining 9% of defence enterprises were dispersed throughout the rest of the union republics.⁴⁰⁶ The end of the Cold War and the down grading of the military threat resulted in the reduced production capacity of these defence enterprises. Unless, and in many cases in spite of, successful conversion to civilian production, large scale unemployment from these enterprises was likely. In Ukraine and Belarus, ethnic Russians comprised the majority of the work force in these enterprises and their potential wide scale unemployment was another destabilizing factor in these countries.

In Ukraine and Belarus, the Russian minority to date has not experienced widespread discrimination, when compared to the experiences of the Russian minority in the Baltic states. This has much to do with the cultural and linguistic affinity of these Slavic nations and a higher degree of assimilation with the native populations. In Ukraine it also reflected the strategy of the post-Soviet leadership to consolidate statehood on the basis of territorial rather than ethnic integrity. In heterogeneous Ukraine, pursuing the ethnic principle could have decoupled the state. In Belarus, where the native population is even more assimilated to Russia, the threat of discrimination for the Russian minority was minimal. Thus in these states the threat to the Russian minority came not from state sponsored policies of exclusiveness and discrimination but from the wider economic consequences of the breakdown of inter republican ties and the economic hardships associated with the collapse of the Soviet economy and the transition to market type economies. These however were the very circumstances which could give rise to exclusiveness, discrimination and radical nationalism.

⁴⁰⁵ *ibid*

⁴⁰⁶ *Izvestia* 13 March 1995 p1

Russia's policies towards its diaspora formed a key component of its policies towards the 'Near Abroad'. The twenty five million strong Russian minority in the ex-republics of the FSU is an explicitly defined 'national interest' of the Russian Federation.⁴⁰⁷ However that Russian policy toward the 'Near Abroad' was not governed solely by the issue of the Russian Diaspora, nor used explicitly as a pretext for intervention is shown by the fact that where Russia intervened militarily in the FSU, Russians formed only a small percentage of the republics' population. For example in the Transcaucasian republic of Georgia, Russians comprised only 6.3% of the republic's population; in Tajikistan only 7.6% and in Moldova 12.9% .⁴⁰⁸ Clearly Russian intervention in these states was motivated by concerns for regional security and inherent within this, Russian security.

'Regional Security' is another clearly defined Russian national interest and an issue of importance not only for Russia but also of continental and global importance. The circumstances in which the newly independent states (NIS) of the FSU emerged threatened to undermine regional security from the outset. For most of the ex-republics (excluding the Baltic States) independence came suddenly and for some unexpectedly (Belarus), in the wake of the failed coup attempt of August 1991. Many of the NIS were wholly unprepared for independent statehood. From the practical perspective there was a shortage of trained and experienced personnel, bureaucrats and politicians. Many of the leaders of the NIS held the view that independence would deliver economic well being after decades of exploitation from

⁴⁰⁷ see for example *Gosudarstvennaia Programma Natsional'nogo Vozrozhdeniia i Mezhnatsional'nogo Sotrudnichestva Narodov Rossii (Osnovnie Napravleniia)* Moscow (1994); publications by RAN including '*Rossiiskaia Federatsiia Bezopasnost' i Voennoe Sotrudnichestvo*'; *Natsional'naia Doktrina Rossii- Problemy i Prioritety* Moscow No5-8 1994 (1994);

⁴⁰⁸ Dronov, V.P 1994 p54. A similar point is made by Kolstoe, P., & Edemsky, A., in *Russians in the Former Soviet Republics* London 1994. They argue that Russia's policy toward the 'Near Abroad' contains a number of facets, instruments and objectives. The concerns of the diaspora populations are only one of these and far from always being the most important. Russia's economic and security interests are often pursued independent of the diaspora issue. For example, some of Russia's most important military engagements have been in areas where the Russian demographic presence is minimal such as South Ossetia and Abkhazia. See chapter 10 p259 ff

the centre (Ukraine). In reality most of the republics were economically weak, either in or on the brink of economic collapse and with an inordinately high dependence on the other republics and Russia. Few of the republics had the means to provide for their own security, though some had the potential to destabilize regional security by having tactical nuclear weapons stationed on their territory (Ukraine, Belarus and Kazakhstan, in addition to Russia). All of the republics anticipated and feared Russian domination of the region.

The collapse of the USSR left in its wake a 'zone of instability', which unless controlled, risked degenerating into ethnic and territorial conflict and warfare, drawing in not only the other republics of the FSU but other powers keen to gain a foothold in the region. Clearly it was not in Russia's interest for this to happen and Russia's evolving strategy since 1992 was double sided seeking to *control* instability and *contain* external influences.

One of the earliest challenges to this dual policy of control and containment came from the proposed east ward expansion of NATO, which forced Russia to reevaluate more closely its security concerns in the area of the FSU. The implications of NATO's enlargement for Russia, its consequences for Ukraine and Belarus and its ramifications for the wider issue of regional security are discussed at length below.

New Strategic Issues: NATO Enlargement

Since 1991, Russia was formulating its foreign policy in circumstances which are historically unique and unprecedented both for that nation and the world. As the successor state to the USSR, Russia immediately acquired two distinct roles - that of a 'great power' in international relations (though significantly reduced from the USSR's superpower status) and a role as a regional power in the areas of influence of the FSU - in the Eastern and Central parts of Europe and the Asian continent. In the early years of post-Soviet national consolidation much of the debate about Russia's status in the world, its national interests and national security centred around reconciling these two roles.⁴⁰⁹ The approach followed by Foreign Minister Kozyrev tended to favour the first role - pursued in the belief that while its role as a regional power was important for Russia, its power should not be reduced solely to this. Thus the strategy followed from August 1991 until late 1992 was designed to sustain and maintain Russia's power internationally and attain Western aid and finance. It was

⁴⁰⁹ Kozyrev, A., 'Russian Interests in the CIS' *International Affairs* Moscow 1994 p11-30; Itskhokin, A., 'National Interest and National Dignity' *International Affairs* Moscow No 7 1994 p65-73

further bolstered by Russia's nuclear status, providing it with additional bargaining powers.

From 1993, Russia's difficulties in sustaining this role led to confusion over its place in the world. A key source of the difficulties was the proposed eastward expansion of NATO which gained momentum from this time and was the first major crisis in the foreign policy of post-Soviet Russia. It resulted in disagreements between Russia and the West; contributed to the growing assertion of conservative and nationalist forces on the Russian domestic agenda and caused a reexamination and reevaluation of Russia's interests in the 'Near Abroad' and Eastern Europe, forcing these interests to become more clearly defined and defended.

The prospect of NATO enlargement had always been problematic for Russia and especially for the Russian military. With the end of the Cold War, it was largely assumed (primarily in Russian circles) that the two military blocs (NATO and the Warsaw Treaty Organization WTO), which had sustained the post war confrontation would disappear. The disappearance of the WTO occurred almost immediately following the unification of Germany in October 1990. NATO on the other hand, not only failed to disappear, but actually recast itself in a new post cold war mould and was significantly strengthened. With the 'enemy' removed, NATO and the West were free to dominate. Even before the collapse of the USSR in 1991, it was clear that the USA was the world's only superpower, that power in the post cold war world would be dominated by it and to a lesser extent, the nations of the EU and that this power would be channelled through organizations like the UN and NATO, which they controlled.

Initially Russia had sought to match America's role internationally by positing itself in the position of the international peace keeper (eg. in the Arab Israeli conflict and in the Balkan conflict) with little significant impact in both cases.⁴¹⁰ In an attempt to temper the influence of the revived NATO, Russia argued for the strengthening and expansion of the CSCE as the key structure in the new architecture of European security, of which NATO would only be a component part. This was more acceptable for Russia since the USSR had played a key role in the strengthening of the CSCE and its institutionalization as an international organization in 1990. Whereas NATO would always be associated with confrontation of the Cold War Europe, the CSCE (soon to become, the OSCE) represented cooperation in the new era of international relations. Since the OSCE would be the new mechanism for European

⁴¹⁰ see Mc Mahon 'From Union to Commonwealth: The Foreign Policy of Transition' 1992

security, the American influence within it could be contained.

The proposed expansion of NATO was therefore inimical to Russia. Cold War hostilities revived at the prospect of NATO troops positioned close to Russia's borders. A military bloc which had existed as Russia's enemy and whose *raison d'être* for almost fifty years had been the destruction of Russia and the USSR, was not to disappear but to expand rapidly. Consequently, if NATO was expanding then Russia needed to quickly build a bulwark against this.

Paradoxically, the origins of NATO's proposed expansion are to be found in Russia itself. This can be traced back to the withdrawal of Soviet influence from the area of Eastern Europe in the late 1980s. Free from Soviet influence, the states of the region sought to reinforce their independence - politically and economically, through admission to key European structures and organizations such as the Council of Europe, the EU and WEU. Traditionally an area of instability, the new states of the region sought to bolster national and regional security through 'Western' security organizations, notably, NATO and the CSCE. Growing pressure from the East European states for membership of 'Western' security organizations was met only partially with the creation of the NACC (North Atlantic Consultative Council) in December 1991 and the Partnership for Peace Programme launched in 1994.

While many of the East European states viewed their incorporation into Western security organizations as a logical and natural development following the collapse of communism in the region,⁴¹¹ the growing assertiveness of the 'right' (conservatives, communists and nationalists) on the domestic policy agenda in Russia from mid 1992, generated uneasiness among the Eastern European governments. The subsequent success of these forces in Russia's first post-Soviet parliamentary elections (December 1993) caused further alarm and raised concerns that they would eventually seek to restore Russian hegemony over them. Russian military doctrine also indicated a fresh assertion of its interests in Eastern Europe, with the region being viewed as a priority for Russia's interests after the CIS and the 'Near Abroad'.

⁴¹¹ For example, at the CSCE summit in Budapest in December 1994, the Polish president justified NATO membership as a 'natural and sovereign choice'. See Piotr Switalski 'An Ally for the Central and East European States' in *Transition* 30 June 1995 p26

The general swing to the 'right' in Russian politics, both at the parliamentary and presidential level, evident from mid 1992 acted as a major incentive for the strengthening of NATO and the expansion of the security umbrella to include the East European nations. As political developments in Russia became more unstable and unpredictable and as the West grew increasingly concerned at the growing trend away from liberal democracy and market reform, a defensive mechanism against a Russian threat was perceived as essential. The success of the Communist Party of the Russian Federation (CP-RF) in the parliamentary elections (December 1995) and the exit of the notable reformers from Yeltsin's government (A. Kozyrev, the Foreign Minister) underlined this.

The realignment of several of the states of the FSU towards Russia also served as an impetus for NATO membership. Some of the East European states had anticipated that Ukraine and Belarus, two new regional actors in East Central Europe, would act as a kind of a belt which kept Russia at a distance. In the period of optimism following the collapse of the USSR in 1991, a strong Ukraine and a strong Belarus were seen particularly in Warsaw, but also in Budapest, Bratislava and to a lesser extent in Prague as a crucial element of their external security.⁴¹² By 1992 it was clear that domestic problems within these states meant that they could not be relied on as strong allies against a potentially threatening Russia and indeed, in the Ukrainian case could actually destabilise European security. Their hopes went unfulfilled with both Ukraine and Belarus returning pro Russian candidates in their first presidential elections in 1994, and Belarus' active pursuit of closer union with Russia. Consequently, G. Wetting argued that,

The fact that Belarus seems again to be dominated by Russia and that Ukraine may conceivably share the same fate, reinforces the Central European countries' drive for NATO membership.⁴¹³

The proposed eastward expansion of NATO had a number of security implications for Russia. Crucially, expansion to include the states of Hungary, Slovakia and Poland would bring NATO uncomfortably close to Russia's borders. In September 1995, a thirty page alliance study suggested that any extension of NATO membership to the former WTO countries must include the right to station tactical nuclear weapons and troops on their

⁴¹² Wetting, G., 'post-Soviet Central Europe in International Security' *European Security* Vol 3 No 3 Autumn 1994 p463-481

⁴¹³ Wetting 1994 p478

territory in times of conflict.⁴¹⁴

This meant that although accepting NATO troops and weapons was not a condition of membership the possibility of this in the future was not precluded. Consequently, this made Russia's relations with the former Soviet republics bordering on these states critical, affecting primarily Ukraine and Belarus. Eastward expansion also raised the prospect of the admission of the Baltic states, with immediate implications of the Russian enclave in the Baltic - Kaliningrad. Finally it also generated a whole panoply of psychological complexes about the 'the advance of a former enemy'. In February 1996, Russian first Deputy Defence Minister, A.Kokoshin, demonstrated the prevalence of such attitudes amongst the military elite. Addressing a meeting of defence experts in Munich he charged that NATO's expansion would be in violation of the obvious obligations of the West not to expand NATO after the dissolution of the Warsaw Pact and the USSR's consent to German unification. Describing it as 'an historical injustice', Kokoshin said 'We have retreated to the east and NATO is advancing in the same direction, pushing us further and further east.'⁴¹⁵

The eastward advance of NATO was viewed in by some Russia as the West's attempt to drive Russia from the European continent. An article in the more mainstream newspaper, *Moscow News* in October 1994 belied such views. In the article, O.Pushkov claimed that if NATO expansion occurred, then it would have to be admitted that Russia's age old endeavour to establish itself as a European state had not succeeded. Pushkov viewed the decade between 1985 and 1995 as a period when Russia attempted to become part of Europe by renouncing military instruments of conducting policy and sharply curtailing its geostrategic presence on the continent by granting independence to the Baltic countries and the Western republics of Belarus, Ukraine and Moldova. He concluded that Russia's attempts to become part of Europe through geopolitical self disarmament had failed.⁴¹⁶

Even without the expansion of NATO, Russia's geopolitical position had been significantly weakened. Since 1991 it has lost much of the territory for which it had fought for centuries. It has lost its warm water ports in the West and relies on St Petersburg, which is not a natural harbour, Kaliningrad, and the ice bound ports of Murmansk and Arkhangel. Its retreat from

⁴¹⁴ *The Guardian* 28 September 1995

⁴¹⁵ OMRI *Daily Digest* 5 February 1996

⁴¹⁶ *Moskovskiye Novosti* No 85 Dec 10-17 1995 p10

the Baltic and Black Sea has effectively pushed Russia away from Europe and back into the Eurasian heartland.⁴¹⁷

Russian opposition to the expansion of NATO was largely unanimous.⁴¹⁸ Opposition was centred around the belief that expansion would result in a new division of Europe. Kozyrev warned in November 1994 that it carried 'a serious danger of destabilization in Europe'.⁴¹⁹ In worst case scenarios, Western analysts warned that

... the principle of NATO expansion, once established will ultimately lead to alliance membership for the Baltic states and Ukraine, the isolation of Russia, the cutting off of millions of ethnic Russians on the far side of the geopolitical frontier and the collapse of Russian influence throughout the former Soviet Union'.⁴²⁰

Reiterating the military's position, General Lebed warned that an enlarged NATO would clearly be more powerful than Russia. Russian military thinking would have to reflect that and expansion would clearly necessitate greater investment in the military.⁴²¹

Commander in Chief of Russia's Armed Forces, Col. General V. Semenov, also predicted that the East European countries and the Baltic states would eventually join NATO. This would bring the military structures of the North Atlantic Alliance to Russian borders, for which Russia needed to be prepared. He added that the Russian military leadership was particularly wary that CIS countries would receive membership in NATO.⁴²²

Russia reacted in three main ways to the proposed expansion of NATO. Firstly, it actively sought to promote the CSCE (OSCE) as the pan-European security organization, within which Russia would have equitable influence with the other main powers. This tactic was

⁴¹⁷ Sakwa 1993 p293

⁴¹⁸ Baev, P., 'Drifting Away from Europe' *Transition* 30 June 1995 p30

⁴¹⁹ Mihalka, M. 'Creeping toward the East' *Transition* 30 January 1995 Vol 1 No 1 p80ff

⁴²⁰ *The Times* London 10 May 1995 p1

⁴²¹ *The Times* London April 1995

⁴²² OMRI *Daily Digest* 3 January 1996. Along with the threat of NATO expansion, Semenov identified the greatest threat to Russia as coming from the possible spread of Islamic fundamentalism from the South and the South East. He also called for the strengthening of ties with Russia's 'great southern neighbour - China'.

largely unsuccessful. Secondly, it sought to delay the admission of the East European states by obstructing debate on the issue. This was only partially successful, since in spite of Russia's objections, a key document addressing the objectives of NATO enlargement was presented in September 1995. Thirdly, it sought to underline and strengthen relations within the CIS and with strategic allies, notably Belarus and Ukraine.⁴²³ This latter aspect of Russia's policy is considered below.

Implications of NATO Expansion for Ukraine and Belarus

The eastward expansion of NATO reinforced the strategic importance of Ukraine and Belarus for Russia. The prospect of an enlarged NATO including Slovakia, Hungary and Poland, all of which share borders with Ukraine and/or Belarus, and the possible inclusion of the Baltic states, strengthened the perception in Moscow of the necessity for 'buffer states' between Russia and the enlarged NATO. A. Arbatov, a deputy in the Russian Duma, outlined the basis of Russia's NATO strategy and stressed that given the current security vacuum in East-Central Europe, the Western republics of the former USSR must be a fulcrum of Moscow's new security strategy. This region was important for Russia since for 'many centuries these countries served as a bridgehead for Western aggression against Russia or Russian aggression against the West, and their borders have been endlessly drawn and redrawn. He concluded that,

The greatest task of the post-Cold War Europe is to reconcile the desire of the states of Central Europe to join NATO with the legitimate security interests of Russia and other post-Soviet states, to avoid the mightiest military alliance in the world coming to their borders without any prospects of joining it in the near future. ⁴²⁴

The proposed expansion of NATO to the Western borders of the CIS was an incentive for Moscow to pursue close relations with Ukraine and Belarus. In the latter's case, the state's leadership proved to be relatively compliant to Russia's vision and demands. Evidently this was due to the general pro-Russian orientation of the leadership but was also related to Belarus's concept of its own security which was seen as inherently and historically linked to

⁴²³ In 1995, Pavel Fel'dengauer writing in *Segodnya* concluded 'NATO's expansion eastward is making Russia look around hurriedly for at least some kind of strategic allies'.

Segodnya 26 May 1995 p5

⁴²⁴ Arbatov 1995 pp135-146

Russia's and which prevented it from conceiving of and presenting itself as a 'European state'.⁴²⁵

In contrast, since independence, Ukraine's leaders worked actively to be seen and gain acceptance as a 'European state'. In being closely aligned to Europe, Ukraine could then distance itself more (though clearly not completely) from Russia. The election of the more pro-Russian, L. Kuchma as President in July 1994 did not lead to a reversal of the previous strategy but resulted in a reevaluation of relations with Russia and Ukraine's place in Europe.

If Kravchuk had envisaged that NATO membership might one day be an option for Ukraine, by 1994 it was clear that Europe's leaders did not consider this likely. A supporter of NATO's eastward expansion, the German Defence Minister, Volker Ruehe, outlined possible future members - '... the Visegrad states to be the first and primary candidates for membership in the EU and NATO' and urged 'extensive co-operation with those partners who do not have a prospect of joining NATO - primarily Russia and Ukraine'.⁴²⁶ This view was reinforced by the German Foreign Minister, Kinkel not a supporter of wide expansion, who warned that 'a network of political and economic relationships of graduated intensity must be constructed to reach out to states such as Russia and Ukraine that would never be considered members of the EU'.⁴²⁷

Reluctant to place itself or be placed directly in the Russian 'sphere of influence' but effectively excluded from the West's protective umbrella, in 1994 and 1995 Ukraine became acutely aware of its strategic position between East and West and Russia's growing perception of it as a crucial buffer state. In late 1994, Kuchma expressed concern that Ukraine might become a cordon sanitaire if NATO were to expand too soon.⁴²⁸ V. Mukhin, Head of Ukraine's Parliamentary Defence and State Security Committee, warned that if 'Ukraine abandons its neutral status, it will inevitably lose its sovereignty'.⁴²⁹ Stemming from this, Ukraine's opposition to NATO's eastward expansion to an extent followed the

⁴²⁵ Umbach, F., *Back to the Future? Belarus and its Security Policy in the Shadow of Russia* Berichte des Bundesinstituts für ostwissenschaftliche und internationale Studien 1992;

⁴²⁶ Mihalka, M., 'Eastern and Central Europe's Great divide over Membership in NATO' *Transition* Vol 1 No14 11 August 1995 p48 ff

⁴²⁷ *ibid.* Note, membership of NATO and the EU was expected to occur simultaneously.

⁴²⁸ *ibid*

⁴²⁹ SWB SU/2425 D/2 4 October 1995

Russian line - emphasizing the divisive nature of enlargement and expressing preference for 'a new concept of European security'. This was made clear by Ukraine's First Deputy Foreign Minister, Boris Tarasyuk, who warned that 'if NATO expands to include the countries on our Western borders, Ukraine would become a buffer state between NATO and the countries in the 1992 Tashkent agreement'.⁴³⁰

A similar point was emphasised by Ukraine's Foreign Minister, H. Udovenko, to Russia's new Foreign Minister, Y. Primakov, when he visited Kiev at the end of January 1996.⁴³¹ Ukraine's leaders also sought to remind the leaders of East European states of the implications of NATO expansion for Ukraine. For example, in October 1995, O. Moroz, Chairman of Ukraine's Supreme Council, warned Poland over its bid to join NATO, urging it to take into account Ukraine's interests and called on Poland to consider Ukraine's objections to playing the role of a buffer zone between NATO and other blocs.⁴³² The leaders of the Visegrad states (Poland, Hungary, Czech Republic and Slovakia) reacted cautiously to Ukraine's entreaties since Ukraine, and to a lesser extent Belarus provide them with the very *cordon sanitaire* in the East that they have traditionally found themselves in and a role that they no longer want to play for the countries further westward.⁴³³

Ukraine's position on NATO expansion began to alter somewhat by summer 1995 and President Kuchma indicated that evolutionary expansion of NATO could be possible. Speaking in Riga in May 1995 he said that 'the process of NATO enlargement is underway and it is impossible to stop it'. He also added that 'NATO's doors should not be closed to anybody' - an indication that Ukraine would consider again the prospect of one day being admitted to NATO.⁴³⁴ This would have obvious strategic and security implications for Russia.

Ukraine's strategic position and consequently its importance for Russia is underlined by historical developments. In Tsarist and Soviet times, Ukraine, as the largest (demographically

⁴³⁰ Jung, M 'A New Concept of European Security - Interview with B. Tarasyuk, first Deputy Foreign Minister, Ukraine' *Transition* Vol 1 No 13 28 July 1995 p18 ff

⁴³¹ *Kommersant Daily* 2 February 1996 p5

⁴³² SWB SU/ 2429 D4 9 October 1995

⁴³³ Wetting 1994 p463- 481

⁴³⁴ Mihalka 1995 p48 ff

and territorially) Western province of the empire and republic of the union, was Russia's bridgehead to Europe. Suzerainty over Ukraine allowed Russia to claim its status as a 'European State'. Stephen Blank considers that

Historically it was acquiring Ukraine that integrated Russia into Europe both politically and culturally. But it was that acquisition that confirmed and necessitated an autocratic and imperial Russia under both Tsars and Soviets..... Today again Ukraine is Russia's true window on Europe and can either separate Europe and Russia or act as a medium of East West exchange'.⁴³⁵

From an historical perspective then, control over Ukraine defined Russia as an imperial power and from a contemporary perspective, it was in its relations with Ukraine that evidence could be found of how far Russia had moved away from the imperialist path / mentality. Russia's security dilemmas, associated with the proposed eastward expansion of NATO, forced a reevaluation of relations with Ukraine. Many Russian political and military elites failed to adjust psychologically to the loss of Ukraine and viewed its independence as only temporary. Hence it was predicted that if NATO were to expand, Russia would certainly become less tolerant of Ukraine's independent stance within the CIS and would put pressure on it to at least reaffirm its neutrality or to integrate militarily and politically with the rest of the CIS in order to more effectively balance NATO.⁴³⁶ 'Pressurizing' Ukraine in its vulnerable areas: oil and gas supplies, the Black Sea Fleet and the Crimean question were key ways in which Russia sought to 'influence' Ukraine and were seen as indicative of latent neo-imperialist tendencies in its relations with Ukraine.⁴³⁷

Belarus's attitude towards NATO enlargement also essentially followed the Russian line. Commenting on the pursuit of NATO membership by the nations of East Central Europe, Belarusian President, A. Lukashenka, warned that it was 'creating an imbalance of forces in Europe likely to lead to military confrontation'. Lukashenka outlined what he viewed as Belarus' security choices.

⁴³⁵ Blank, S 'Russia, Ukraine and European Security 1991-1993' *European Security* Vol 3 No 1 Spring 1994 pp182-207

⁴³⁶ *ibid*

⁴³⁷ Pyrozhkov, S., & Chumak, V 'Ukraine and NATO' *The Ukrainian Review* 1995 Vol 42 No 3 p11

Militarily and politically, Belarus has two options: either we protect our national assets with Russia or we make the republic a corridor for the passage of giant military formations.⁴³⁸

Deputy Foreign minister of Belarus, A. Samikov also stressed that Belarus did not believe that NATO expansion was necessary and would create a huge imbalance of force between NATO and the CIS.⁴³⁹

The degree to which Belarus had now placed itself within the Russian sphere of influence was shown by the acceptance of Russian border guards to patrol Belarus' borders. Significantly, three days after Poland's President had declared that no foreign state could influence Poland's wish to join NATO, Yeltsin signed an agreement with Belarus, permitting Russian troops to patrol Belarus' three external borders with Poland, Lithuania and Latvia. Following the agreement, the Head of Russia's border guards proudly declared that with this agreement Russia had pushed its military border 384 miles to the West of its 'administrative border'.⁴⁴⁰ Another agreement, reached in February 1994 gave Russia use of two radars that were part of the Soviet ballistic missile early warning systems, airfields and bases for 30,000 Russian troops.⁴⁴¹ Moscow also acquired military bases in Belarus with an agreement to lease the Baranovichy and Vikeyka bases for twenty five years.⁴⁴² The isolation of Kaliningrad from Russia proper also emphasized Belarus' strategic importance to Russia. To overcome Kaliningrad's separation from Russia and the unsatisfactory transit arrangements through Lithuania, Russia proposed building a 'Kaliningrad highway' - a vitally important road link between Belarus and Kaliningrad.⁴⁴³

Unlike Ukraine, Belarus did not pose a critical security dilemma for Russia. Belarus' compliance with Russian needs was assumed as given, as statements on the deployment of nuclear weapons in the event of NATO expansion show. In a updated, draft version of Russia's Defence Doctrine published in September 1995, defence analysts concluded that since Russia no longer had the money to maintain its army at its current levels, it would be necessary to eliminate the adversary's superiority wherever they could: in the Western

⁴³⁸ Mihalka 1995 p48 ff

⁴³⁹ SWB SU/2442 D/5

⁴⁴⁰ *The Guardian* 28 February 1995

⁴⁴¹ *The Observer* April 1995 p16

⁴⁴² *Kommersant Daily* 12 January 1996 p1 *Nezavisimaya Gazeta* 23 January 1995 p1

⁴⁴³ *Kommersant Daily* 23 February 1996 p3; *Izvestia* March 5 1996 p3

theatre of military operations (the Polish border and the Baltic Sea; in the North (the Norwegian border and the Barents sea); the South (the Black Sea and Russian military bases in Crimea, Abkhazia, Georgia and Armenia). The report emphasized that tactical nuclear weapons would be deployed everywhere. The deployment of tactical nuclear weapons in Belarus was seen as a key element of military cooperation with that state. Weapons would be deployed in Kaliningrad and on Baltic Fleet ships as well. The draft defence doctrine also stated that if NATO decided to admit the Baltic states as members, then Russia's armed forces would be immediately sent into the three Baltic states.⁴⁴⁴ A. Surikov of the Russian Institute of Defence Research, warned that Russia might deploy tactical nuclear weapons on its border with Poland and in the southern regions to counter balance NATO's expansion to Poland, the Czech republic and Hungary.⁴⁴⁵ Belarus' president, A. Lukashenko, indicated the state's acceptance of this by announcing in early 1996 that Belarus could be forced to redeploy nuclear weapons on its territory if NATO expanded.⁴⁴⁶

Taking military cooperation between Belarus and Russia further, Russian media reported that in the event of NATO expansion, the General Staff had proposed a military and political union with Belarus and the deployment of Russian troops along its borders with Lithuania and Poland.⁴⁴⁷ Similar sentiments had been expressed in 1993 by Y. Primakov, then head of foreign intelligence, when he suggested that

This expansion would bring the biggest military grouping in the world, with its colossal offensive potential, directly to the borders of Russia. If this happens, the need would arise for a fundamental reappraisal of all defence concepts on our side, a redeployment of armed forces and changes in operational plans.⁴⁴⁸

⁴⁴⁴ *Komsomolskaya Pravda* September 29 1995 p2

⁴⁴⁵ *Nezavisimaya Gazeta* 7 October 1995 p1-2

⁴⁴⁶ *OMRI Daily Digest* 22 January 1996

⁴⁴⁷ *Nezavisimaya Gazeta* October 7 1995 p1-2

⁴⁴⁸ Shearman, P., ed. *Russian Foreign Policy since 1990* Boulder, Colorado: Westview Publishers 1995 p80

The prospect of a new political-military union between Russia and Belarus would have serious implications for Belarusian statehood, resulting in the possible loss of sovereignty.⁴⁴⁹ In Ukraine, where a strong sense of national identity sustained national independence since 1991, the loss of partial sovereignty could not be ruled out, especially if NATO's expansion continued. In the Ukrainian case, the leadership was less likely to submit (willingly) to Russian pressure for political and military union but could ultimately have been forced into it by its difficult geostrategic position and political and economic instability.

NATO's proposed east ward expansion forced a reevaluation of national and regional security in Russia, the result of which was increased efforts by Russia to strengthen the CIS, not only as an economic union but as a political-military union and to actively promote the concept of collective security in the region. The formation of a military-political union between Russia and compliant states such as Belarus was seen as one way of organizing collective security to prevent and/or resist the east ward expansion of NATO. In the early years of its existence (1991-1993) the CIS members states were largely concerned with finding and establishing suitable mechanisms for economic cooperation. As outlined in chapter five, in spite of a willingness on the part of most member states for economic cooperation, many of the agreements arrived at failed to reach the implementation stage. Endeavours to reach agreement on security matters came to fruition in the Agreement on Collective Security signed in Tashkent in 1992. Like many economic agreements the level of cooperation envisaged in this agreement was slow to materialize. However the threat of NATO's east ward expansion resulted in renewed action on the part of Russia to reinvigorate this organ of Collective Security.

⁴⁴⁹ Parrish, S 'Russia Contemplates the Risk of Expansion' *Transition* 15 December 1995 p11 argued that if NATO expanded Russia would be all the more likely to take seriously Belarus' demands for integration. If Poland joined NATO then Russia would certainly want to position additional forces in Belarus. Military integration with Belarus would also relieve the isolation of Kaliningrad oblast. Ultimately, NATO's expansion could have grave implication for Belarus' sovereignty since it could mean Belarus would effectively surrender its political sovereignty to Russia, an outcome the West would prefer to avoid.

Regional Security Policy

Russia's active promotion of the 1992 Agreement on Collective Security formed a crucial component of its overall regional security policy which emerged since late 1992 and which was given added impetus with NATO's proposed enlargement.

Essentially this security policy consisted of three main aims:

- I. to prevent the further destabilization of the region and the spread of possible conflicts to Russia's borders and beyond. In this context Russia carved out a role for itself as regional peace keeper or 'regional gendarme'.
- II. to prevent other regional powers or neighbours from gaining a strong foothold in the region. Russia sought to control economic developments and security in the region.
- III. to attain international recognition of the area of the 'Near Abroad' as a Russian 'sphere of influence' and to administer the region as such, preferably through a multilateral organization like the CIS.

Russia's policy toward the 'Near Abroad' was governed by the belief that this area was vital to Russia's security and possible future developments there could threaten Russia's security. Therefore policy toward the 'Near Abroad' was therefore structured around two poles: *control* and *containment*.. Russia sought to *control* political, economic and military developments in the region and to *contain* the influence of external forces and the expansionist policies of regional neighbours and international organizations such as NATO.

Controlling and Containing Regional Instability

In the transitional period, and beyond into the phase of economic recovery and regeneration, it was not advantageous for Russia to be surrounded by weak and unstable neighbours.

Regional instability could have a number of implications for Russia including:

- unprecedented migration to Russia of refugees from regional trouble spots;
- diversion of Russian resources, vital for economic recovery away from domestic requirements and towards extensive peacekeeping measures in the FSU;
- the risk of the spread of ethnic conflict to Russia's own borders threatening Russia's own security;

- political and economic destabilization of Russia itself;
- the possibility of the emergence of regimes hostile to Russia in the neighbouring republics, supported by other external influences;
- arms and nuclear weapons proliferation;
- regional anarchy as weak states are no longer able to sustain independence.

With the collapse of the Soviet Union and the emergence of 15 independent states, a security vacuum emerged in the area of the FSU. Initially it was perceived that this vacuum would be filled by international organizations such as the CSCE and the UN. However by early 1992, it was clear that Western organizations had neither the will nor the resources for engagement in the FSU. The West's concern however about the security vacuum in the region permitted it to tolerate, as if by proxy, Russia's emergence as the guarantor of security in the region. Russia quickly assumed the role of 'regional gendarme', engaging in so called peacekeeping missions in the Caucasus (Georgia, and Russia's own breakaway republic of Chechnya), Moldova and Tajikistan. The very nature of these peacekeeping missions, in addition to Russia's Military Doctrine which was developed in 1993, suggested that Russia was engaged in a new military imperialism under the peacekeeping guise. The Russian response to these objections was to cite the example of former Yugoslavia to show the importance of peacekeeping, particularly along the Tajik-Afghan border.⁴⁵⁰

The actions of the Russian military in Georgia, Moldova and Tajikistan gave rise to accusations of resurgent military imperialism. In Georgia, the Russian military acted (by covert support for the Abkhaz rebels) to destabilize the Georgian polity to the point where it would be forced to seek Russian assistance. In August 1993, growing military weakness and near economic collapse caused by the civil war forced a reluctant Eduard Shevardnadze, the republic's President, to hand over control of Abkhazia to Russian peace keepers. By December 1993, Russian troops were guarding the railways in defence of the Georgian government and in exchange received permission to run five military bases including three Black sea ports.⁴⁵¹ Thus Russia secured bases in the Black Sea from which it could control the Caucasus and secure a buffer zone against NATO in Turkey. Russia's neo imperialist ambitions were recognized by Shevardnadze, who warned after the fall of the port of

⁴⁵⁰ Jonson, L., & Archer, C., *Peacekeeping and the Role of Russia in Eurasia* Boulder, Colorado; Westview 1996; *Financial Times* 2 December 1993

⁴⁵¹ *ibid*

Sukhumi in September 1993 that 'nobody should doubt that the mentality and reflexes of Russian imperialism are not dead'.⁴⁵²

Russia's strategy of securing military bases in Georgia and in particular the Black Sea ports coincided with its turbulent negotiations with Ukraine (still under the leadership of L. Kravchuk) over the Black Sea Fleet. Its search for alternative Black sea ports reflected fears at that time that it could lose its Black Sea bases in Ukraine.

In late 1992 Yeltsin first introduced the idea of setting up military bases on the territory of the FSU. The new Russian Military Doctrine, which had been approved by the Security Council gave the creation of military bases a legal status and raised it to the level of state policy.⁴⁵³ In April 1994 Yeltsin signed a new directive ordering Russian foreign and defence ministries to continue to work on the establishment, through bilateral agreements, of military bases or military facilities on the territory of other CIS states. Unknown sources claimed that the directive was part of a plan aimed at allowing Russia to form a zone of stability on its borders and to protect more effectively Russia's interests in the 'Near Abroad'.⁴⁵⁴ Members of the policy making elite presented the policy of acquiring military bases in different ways. Russia's Foreign Minister, A. Kozyrev, viewed it as a requirement of the security vacuum, which could be filled by other powers. Defence Minister, P. Grachev, rationalized it in functional terms saying

The need for military installations outside Russia's territory is determined by their function (eg. early warning radar stations) and, in other cases, by their technical uniqueness and the impossibility of creating an equivalent replacement on Russian territory in the near future.

V. Yelagin, Deputy Head at the Russian Foreign Affairs Ministry, provided more explicit aims, including, the need to protect the Russian population in the CIS; the need to defend the external borders of the CIS and the need to defend Russian economic interests in those

⁴⁵² *The Economist* October 2-8 1993

⁴⁵³ Gribincea, M., 'Challenging Moscow's Doctrine on Military Bases' *Transition* Vol 1 No 19 20 October 1995 p4ff

⁴⁵⁴ *Rossiyskiye Vesti* 7 April 1994 p1

countries.⁴⁵⁵ Clearly then, Russian troops stationed in military bases in the CIS would serve the strategic interests of the Russian state and could be mobilized quickly to expel threats to Russia and Russian interests arising from within or outwith these states.

Acquiring or retaining military bases in the area of the FSU was a key way in which Russia sought to increase its military influence in the region. These were either been ceded willingly as in Belarus, or as the result of the virtual forced submission of the state, as in Georgia. In May 1995 Russia and Armenia signed the first ever agreement establishing Russian bases on the territory of another state, with a twenty five year agreement on Russian military bases with facilities in Gyumri and Yerevan, where Soviet military installations had previously been located. This was followed in September 1995 with the agreement between Russia and Georgia to permit Russia to operate five military bases for twenty five years. This meant that six years after the dissolution of the USSR, Russia had maintained or reestablished a significant military presence in almost every part of the FSU except the Baltic states.⁴⁵⁶

Strategic concerns also shaped Russia's policy towards Moldova and the break away pro Russian Dniester Republic (DNR) which first declared its secession from Moldova in September 1990. Russia's policy here was shaped by the plight of the 1/2 million ethnic Russians in the Transdniester region who pledged their loyalty to Moscow. But more than this, Moldova remained important to Moscow as a means to control regional security. The former Commander in Chief of Russia's 14th Army, stationed in Moldova, underlined the importance of the Dniester region as 'the key to the Balkans' and the consequences of Russian withdrawal from the region would mean that Russia would 'lose that key together with its influence in the region'.⁴⁵⁷ The instability of the Balkans area, the risk of a sudden reignition of conflict and the region's historical tendency towards instability and conflict gave Russia a powerful incentive to retain its interests in Moldova and contain the possible spread of conflict to Russia itself. In addition the Russian presence in Moldova acted as another possible bulwark against the eastward expansion of NATO.

⁴⁵⁵ Gribincea 1995 p4ff

⁴⁵⁶ Clarke, D.L. 'Russia's military bases in the 'Near Abroad' *Transition* 20 October 1995 p8-9

⁴⁵⁷ Gribincea 1995 p4ff

In Tajikistan Russian soldiers acted as peace keepers in the tribal warfare which raged there since 1991. In effect Russia helped to prop up the Tajik state and government, in the knowledge that civil breakdown in Tajikistan could lead to its penetration by extremists, with the risk of spreading to Russia.⁴⁵⁸

Russia's growing concerns with regional security were accompanied by a more active policy of seeking Western approval and sanction for peacekeeping missions by Russian troops in the CIS. Active pursuit of this came first began in February 1993, when in an address to members of the Civic Union coalition, Yeltsin announced that 'the time has come for authoritative international organizations, including the United Nations to grant Russia special powers as guarantor of peace and stability in this region'.⁴⁵⁹

Similar sentiments were expressed in a document presented to the UN and to CIS leaders in March 1993. Throughout 1993, both Western and CIS leaders were reluctant to accede to Russia's request. It was only in December 1994, at the CSCE summit that the decision was taken to enhance Moscow's mediation of a settlement in Nagorno Karabakh, marking the first stage of Russia's legitimization as regional peace keeper and signalling the West's desire to see stability in the region.

Russia was also able to effect its control in the region by seeking to bringing all of the ex-republics (with the exception of the Baltic states) under its influence once again. While this aim was not made explicit as a official policy objective, Russia's actions in the region indicated that this was indeed the case. In certain circumstances this appeared to be a strategy of *destabilization*, effectively forcing reluctant states into compliance. One form this took was the application by official agencies of economic pressure, such as withholding vital oil and gas supplies as in Ukraine. Another variant was inciting the local Russian population as

⁴⁵⁸ The Russian foreign Minister insisted that Russian troops were needed in Tajikistan to protect the 200,000 Russians in Tajikistan and prevent the rebels based in Afghanistan from spreading Islamic extremism into its southern flank. *Financial Times* 2 December 1993

⁴⁵⁹ Crow, S., 'Russia seeks Leadership in Regional Peacekeeping' *RFE/RL Research Report* Vol 2 No 15 April 9 1993

evidenced in Ukraine and Moldova.⁴⁶⁰ It also took the form of covert support for opposition forces as in Georgia and attempts to topple regimes displeasing to Russia, as in Azerbaijan. The strategy of containment was effected through demands for a Russian role in the economic alliances of other states such as the 'Deal of the Century' reached over oil resources in the Caspian sea and the use of Russian forces as in Tajikistan to enforce peace and to contain the spread of conflict and Islamic extremism.

Russia's actions in the Caucasus region have led many to believe that an active policy of 'destabilization' has been pursued there. For example, T. Gotz concluded that

...Russian policy appears to be based on the tacit threat of dismemberment of those states that wish to leave Moscow's orbit. That is effected by promoting the concept of self determination of local minorities at the expense of the territorial integrity of existing states.⁴⁶¹

In the case of Georgia, P. Kolstoe argues that Russia directly encouraged secessionist sentiments in both Abkhazia and South Ossetia with the clear cut aim of taking control over these areas and incorporating them into the Russia republic.⁴⁶²

Generally Russia's destabilizing policies were most evident in those states which hesitated over acceding to the CIS (Azerbaijan and Georgia had not ratified the CIS treaty) or sought to minimize the role of the CIS and Russia's influence within it (Ukraine). Gotz observes that either the Russian military command had lost control of its own forces or had been encouraging these same forces to destabilize countries like Azerbaijan, Georgia and Ukraine - states which had refused to participate in its publicly announced, reestablished zone of influence. Gotz also cites evidence for Russian support for the Abkhaz separatists in Georgia as part of a Russia's geostrategic plan. He relates a conversation with a Russian military commander who said that the Abkhazian coastline would make a fine replacement for

⁴⁶⁰ As Ukraine sank further into economic crisis in 1993, Russia was increasingly accused of pursuing 'destabilizing policies'. For example, M. Kykhalchenko, Kravchuk's chief political advisor said 'It is absolutely clear what Russia's tactics are. It wants to force Ukraine to make political concessions to Russia in order to form a new union, a neo- USSR. Russia wants to bring Ukraine to its knees.' *The Economist* 19 June 1993 p37 & 38

⁴⁶¹ Gotz, T., 'Letter from Eurasia - The Hidden Russian Hand' *Foreign Policy* 1996 p92

⁴⁶² Kolstoe 1995 P12

territory lost to Moscow when Ukraine became an independent state in 1991. Gotz surmised that the Russian military very clearly regarded the entire littoral as being part of their legitimate strategic interests.⁴⁶³

Since 1991 then Russia has sought to protect its interests in the region via its dual strategy of *control* and *containment*. Ultimately the creation of a military and political union in the area of the FSU was envisaged. While the Tashkent agreement (1992) provided the basis for this, its effectuation was given added impetus by the proposed enlargement of NATO. Russian political and military elites responded to NATO's proposed expansion with warnings about the creation of a military -political alliance, which would herald the return of security 'blocs' in Europe.⁴⁶⁴ An indication of the fresh priority given to security issues was seen in meetings of the CIS leaders. For example, at the meeting of CIS Foreign Ministers, held in Moscow on January 12 1996, security issues rather than economic issues dominated the discussion.⁴⁶⁵ At the Heads of State meeting a week later, Yeltsin called for tighter coordination of defence and foreign policies within the CIS, arguing that it was only collectively that they could solve their security problems.⁴⁶⁶

The security dilemmas associated with NATO proposed expansion, as well as growing instability on Russia's borders resulted in a refocussing of Russia's attention on the area and its designation as a 'zone of vital interests' for Russia. In September 1995, the Russian President issued a decree identifying the CIS as a 'priority area'. The decree stated that Russia's goal was the 'creation of an integrated political and economic community of states which can aspire to a respected position in the world'. The decree identified the CIS as a 'priority area' for Russia because of 'important vital interests' in the area of security, economics, and the defence of Russians living abroad'. It called for closer economic ties and underlined the importance of forming a military alliance in order to create an effective

⁴⁶³ Gotz 1996 p108

⁴⁶⁴ For example, Defence Minister Grachev warned on 9 February 1996 that if NATO accepted new members Russia would start to look for partners in Eastern and Central Europe and in the CIS with a view to setting up a military-political alliance. *Kommersant Daily* 3 November 1995 p2

⁴⁶⁵ OMRI *Daily Digest* 15 January 1996

⁴⁶⁶ *Nezavisimaya Gazeta* 20 January 1996 p1

‘collective defence’ system.⁴⁶⁷ Significantly, the decree stipulated that Russian economic, political and military support for other CIS states would be conditional on their willingness to accept the Russian vision of CIS integration, suggesting that there would be preferential treatment for those republics willing to follow Moscow’s lead and a harsher stance to those that objected.⁴⁶⁸ (In the context of Russia’s destabilizing policies in the region, this was a strategy which had been followed from 1993 anyway.) The decree also urged that former Soviet military infrastructure should be maintained in the non Russian states of the CIS through bilateral agreements. It called for more vigorous steps to unify the CIS states’ border control regimes and emphasized that all states should honour their pledge to refrain from joining any military alliances or blocs aimed at any other member of the Commonwealth.⁴⁶⁹

The decree marked a renewal of Russia’s commitment to regional cooperation in the FSU, especially in the sphere of security. One of the first stages in the construction of a collective security system was reached soon after, in November 1995, when CIS Defence ministers concluded an agreement on a Joint Air Defence System. Through this agreement, Russia would finance the upgrading of air defence facilities in Georgia, Kyrgystan, Tajikistan, Armenia, Kazakhstan and Uzbekistan. Ukraine, Moldova, Azerbaijan and Turkmenistan refused to participate in the air defence system.⁴⁷⁰

Economic Imperatives of Control and Containment (Goeconomics)

In applying Noreen and Watson’s paradigm for Russia’s relations with the former Soviet republics, we can see that Ukraine and Belarus were important to Russia for economic as well as for military and security reasons, as well as the significant numbers of ethnic Russians on their territory (22.1% and 13.4% respectively). Belarus’ modern industries (mostly developed in the post war years) including transport and agriculture machinery, precision tools, television and radio assembly plants and oil and gas equipment, remained important for the Russian economy. In the short term the unreformed Belarusian economy was less attractive to Russia and helps explain the hesitancy among Russia’s leaders for the economic union actively pursued by Belarus. However in the long term, both the Ukrainian and Belarusian economies are important for Russia both because of their proximity as regional

⁴⁶⁷ OMRI *Daily Digest* 18 September 1995

⁴⁶⁸ Parrish 1995 p11

⁴⁶⁹ *ibid*

⁴⁷⁰ *Kommersant Daily* 3 November 1995 p3

neighbours and the large number of Russian speakers there. Reformed economies in these two states would be assets in Russia's regional market, both as a destination for Russian products and a supplier of goods for Russia. Important oil and gas pipelines transversing these states also gave Russia legitimate economic interests there while providing Ukraine and Belarus' leaders with powerful bargaining tools.⁴⁷¹

More economically important for Russia are the energy rich states of the FSU and it was here that Russia's economic concerns were at their most active. The strategy of *control* and *containment*, evident in Russia's regional security policies, also underpinned its regional economic policy. This was a strategy of controlling economic developments in region so that they did not exclude and were indeed advantageous to Russia and containing the influence of other external forces (e.g. other states or multinational corporations) which could benefit from economic relations to the exclusion of Russia.

This strategy was most clearly applied in Russia's relations with the oil rich state of Azerbaijan. In September 1994, Azerbaijan signed the so called 'Deal of the Century' with a consortium of eight Western oil companies to develop three oil fields with an estimated reserve of four million barrels.⁴⁷² The deal brought immediate objections from Russia, with a Foreign Ministry spokesman saying that Russia did not recognize the legitimacy of the deal, arguing that it contravened valid Soviet-Iranian agreements from 1920 and 1941 which barred any foreign firms from exploiting Caspian mineral resources.

Russia's objections came from a desire to control Azerbaijan's exports and to prevent any other forces from doing so. Russia's potential reaction to the latter was indicated in an unimplemented, secret Presidential directive 'On protecting the interests of the Russian Federation in the Caspian Sea' which spoke of imposing economic sanctions against Baku if implementation of the oil project should begin. Foreign Minister, Kozyrev, also reportedly sent a letter to the Prime Minister, stressing the importance of Russia retaining control of Azerbaijan's oil and proposing measures 'of a commercial, economic and financial nature that

⁴⁷¹ *Kommersant* No 48 24 December 1996 p12

⁴⁷² Fuller, S., 'The 'Near Abroad': influence and oil in Russia's diplomacy' *Transition* Vol 1 No 6 28 April 1995 p p34

could impel that country to respect Russia's interests and provisions of international law.⁴⁷³ The Foreign Ministry's position was further underlined statements by Foreign Intelligence chief, Primakov, to the effect that the oil contract posed a threat to Russia's national security interests.⁴⁷⁴

One of Russia's main objections was the prospect of a new pipeline being built which would bypass Russia and go from the Caspian Sea at Baku across Georgia to the Black sea port of Supsa - in effect breaking Moscow's stranglehold on the pipelines. Russia on the other hand wanted the oil to be piped through the Soviet Druzhba pipeline which ran through Chechnya and the Northern Caucasus to the Russian port of Novorossiisk.⁴⁷⁵ Almost a year after the initial agreement, the consortium announced the initial export routes for Azerbaijan's oil. Two pipelines were to be used: from late 1996, 4-5 million tons per year of oil extracted from the Caspian Chirag field (the first of the oil fields to be exploited) would be exported simultaneously through two Black Sea ports - Novorossiisk in Russia and another in Georgia.⁴⁷⁶ The announcement of the proposed routes brought immediate objections from Moscow.

The Russian aim of controlling the pipelines carrying the new oil resources led to accusations of a 'hidden Russian hand' at work in the region. For example, it was thought that Russian fears of a new pipeline transversing the politically unstable Georgia, resulted in Russian sponsored attempts on Shevardnadze's life in the autumn of 1995. Russia has been implicated in several coup attempts on the Azeri leadership, supporting the coup in 1993, which saw the replacement of the more nationalist, A. Echibey with former Soviet Politburo member, G. Alieyev.⁴⁷⁷ Some even attribute the wars in the Caucasus to Russia's desire to control the region's vast oil resources. A common perception among Azeris is that Azeri-Armenian war over the enclave of Nagorno Karabakh was orchestrated by Russia to make

⁴⁷³ *The Independent* 3 November 1993 cited in Fuller 1995; *Nezavisimaya Gazeta* October 27 1994 p4; Walker puts the known reserves at 4.5 billion and the estimated reserves at several times larger see Walker, M 'Battle of the Black Stuff' in *The Guardian* 3 October 1995 p6 & 7

⁴⁷⁴ *Nezavisimaya Gazeta* October 27 1994 p4

⁴⁷⁵ Fuller 1995 p34ff & Walker 1995 p6&7

⁴⁷⁶ Bezanis, L. & Fuller, E. 'Routing Decision Suggests Wrangling to Come' *Transition* Vol 1 No 21 17 November 1995 p45

⁴⁷⁷ Walker 1995 p6&7

sure it had access to Azeri oil.⁴⁷⁸ Bremmer and Richter point out that Russian support for the Armenian war effort, long implicit, was strengthened considerably almost immediately after Azerbaijan signed its first major international oil deal, with the Russian and Armenian governments negotiating an agreement to open Russian military bases on Armenian territory. They also show how Russia also applied ethnic levers, fanning autonomist and secessionist tendencies among the Lezgins in northern Azerbaijan and the Talysh in the south.⁴⁷⁹

The most recent war in the Caucasus - Russia's attempt to suppress Chechen independence, was also viewed by some as driven by the need to control the important oil pipeline running via the Northern Caucasus to Novorossiisk.⁴⁸⁰ Bremmer and Richter observe that it is not coincidental that Russia's first incursion into Chechnya directly followed the crisis in Azerbaijan (the agreement on the exploitation of oil resources had been reached in September 1994). For them, the 'politics of oil' explain Russia's intransigence and brutality in the Caucasus, since a compliant Chechnya was essential for Russian control of Azerbaijani oil.⁴⁸¹

At issue over Azerbaijan was not only the question of who controlled the oil resources but also wider issues of geopolitical importance. Azerbaijan is important to Russia due to its strategic position on Eurasia's oil map where it is described as being in the centre of 'a vast oil bearing belt stretching from Tyumen to the Persian gulf and simultaneously providing the only possible geographical alternative of an outlet to the West (bypassing Russia) both for Chechnya, with its oil refining capacities and for Central Asia with its energy resources'.⁴⁸² Russians interests in the Caspian region and its oil continued into the late 1990s. A manifesto issued by Russian foreign policy specialists warned that Russia must not stand by as the energy resources of the Caspian are carved up in the interests of the US and Europe.⁴⁸³

Such geopolitical imperatives made it essential for Russia to maintain and strengthen its influence in the region. This also helped to explain the application of similar policies in

⁴⁷⁸ Clarke, V., '\$7bn deal with West fuels Azeri oil fever' in *The Observer* 21 August 1994 p11

⁴⁷⁹ Bremmer, I., & Richter, A., 'The perils of 'sustainable Empire' *Transition* Vol 1 No 3 15 March 1995 p 15

⁴⁸⁰ Fuller 1995 p34ff

⁴⁸¹ Bremmer and Richter 1995 p 15

⁴⁸² *Moskovskiye Novosti* 19 September 1993 No p4

⁴⁸³ 'Caspian Black Gold' *Time* 29 June 1998 p28-35

Kazakhstan where the American company Chevron, intended to develop the vast Tengiz oil field. Kazakhstan, like Azerbaijan succumbed to Russian pressure for the oil to be routed through Astrakhan to Novorossiisk.⁴⁸⁴ Unlike Azerbaijan, Kazakhstan had less room to manoeuvre under Russia demands. The large ethnic Russian minority and a Kazakh army staffed almost entirely by Russian officers, gave Russia a powerful means for applying pressure to enforce compliance.⁴⁸⁵

Conclusion

Since 1993 Russia has pursued more assertive policies in the 'Near Abroad'. This reflected the growing shift to the right in the domestic policy agenda, the development of a clearer concept of what Russia's interests in the region were and the emergence of new strategic issues which necessitated a more closely defined and actively pursued policy of national and regional security.

These policies were shaped by Russia's geopolitical concerns and the nature of these concerns (political, economic, security) meant that Russia pursued a range of differing policies towards the states of the region. In effect this meant that there was a hierarchy of relations with some states considered more important to and vital for Russia's national interests. These included states with large numbers of ethnic Russians, states which were important economically and those states which were crucial for Russia's regional security. The range of Russia's interests meant that most of the ex-republics of the FSU remain important in some way.

Within this hierarchy of relations, Russia's relations with Ukraine and Belarus were a priority. This is only partially explained by the traditional historical and economic relations which existed between these three Slavic nations in Tsarist and Soviet times. In the post-Soviet period, Ukraine and Belarus' continued importance to Russia stemmed from the altered geopolitical framework which resulted from the collapse of the USSR in 1991 and specifically from the implications for Russian security of NATO's eastward expansion. The presence of large numbers of ethnic Russians in Ukraine and its potential economic recovery,

⁴⁸⁴ LeVine, S., 'Oil dealer's row with Chevron threatens Caspian project' *Financial Times* 13 May 1994 p4

⁴⁸⁵ *The Economist* March 25 1995 p59&62 'Caspian Oil - of pipe dreams and hubble-bubbles'.

the desire of the Belarusian leadership to achieve closer union with Russia and the importance of using Belarus for access to Kaliningrad explained Russia's interests in these states. This interest intensified after 1993 and NATO's proposed enlargement underlined the strategic importance of these states for Russia as a crucial buffer zone.

Russia's strategy of *Control* and *Containment* formed the basis of its policy toward the 'Near Abroad' and was applied to Belarus and Ukraine. However the degree to which Russia applied these policies differed given their contrasting attitudes towards relations with Russia. The evolution of these relations in the context of changing economic and geopolitical circumstances is examined in the following chapter.

***Chapter 6* Maturation of Relations between Russia, and Ukraine and Belarus (1996 & 1997)**

By 1996, five years after the collapse of the USSR, the first phase of post-Soviet consolidation was completed. One measurement of this was the peaceful hand over of power which took place in the three states under investigation but which was generally characteristic of most of the CIS states (Georgia and Tajikistan are obvious exceptions).

In Ukraine and Belarus, elections for the post of president were held in summer 1994 and led to the replacement of those leaders who had brought their states to independence in 1991 (Stanislav Shushkevich by Alexandr Lukashenka in Belarus and Leonid Kravchuk by Leonid Kuchma in Ukraine). Parliamentary elections were held in Ukraine in spring and summer 1994 and in Belarus in May 1995. In both cases low voter turnout necessitated further rounds of voting and by elections were held long after the original polling day. In December 1995 the Russian electorate voted elected on a new legislature for the second time and in June and July 1996 elections for the presidency saw Yeltsin reconfirmed as the nation's leader. While many flaws could be found in the conduct of the various election campaigns in these states, a form of democracy, however crude, existed there.

In earlier chapters I demonstrated how new forms of cooperation among these three states was preferable for them. This derived largely from their economic and particularly trade relations though it was also clearly advantageous from the perspective of regional cooperation. By 1996 a new phase was reached in relations between the states of the Slavic triangle culminating in the agreement on the creation of a Commonwealth of Sovereign States (SSR) between Russia and Belarus (March-April 1996). Rapprochement with Ukraine which also began at this time was to result in the signing of the much disputed Treaty of Friendship and Cooperation in May 1997. Spring 1996 can thus be seen as marking a critical juncture in the evolution of relations between Russia, and Ukraine and Belarus.

In March 1996 the union between Russia and Belarus, which the latter's leaders had actively pursued since 1992, was formalized with the creation of the SSR. A new agreement on the creation of what Russia's leaders preferred to describe as the Russo-Belarusian Community was signed on 2 April. A few days later, on 3-4 April, Yeltsin was scheduled to travel to Kiev on his first official visit there, during which the frequently postponed Treaty of

Friendship and Cooperation between Russia and Ukraine would finally be signed. This would herald a new era in relations between these states, marking the resolution of the difficult problems which had been the legacy of the collapse of the USSR and symbolizing the beginning of normal, state to state relations. In the event, the visit was cancelled due to the last minute failure to resolve outstanding differences regarding the Black Sea Fleet.

When placed alongside the new Russian Belarusian Community, the cancellation of the Kiev visit was in itself significant. Belarus' leaders were happy to enter into closer union with Russia even if that entailed ceding a degree of state sovereignty. In contrast, Ukraine's leaders cautiously guarded the state's sovereignty and did not allow a grave economic situation to pressure them into closer relations with Russia. While on one level Ukraine's position can be viewed as intransigent, Belarus can be seen as compliant. Ultimately the issue rested on state sovereignty which for Ukraine was non negotiable, while amongst Belarus' leaders, sovereignty was viewed as a commodity which could be used to secure vitally important economic concessions from Russia as well as propping up their internal political position. The reasons for these two very different perceptions are rooted deep in the history of these states.

This chapter investigates the processes which resulted in the Russo-Belarusian agreement on union and the Russo-Ukrainian Treaty of Friendship and Cooperation. It outlines the state of relations between the Slavic nations of the CIS at this critical juncture, analysing the reasons for the forms in which these relations developed and charts the possible direction of relations between these states in the future.

SSR - The Russian-Belarusian Commonwealth

The agreement on a new type of union between Russia and Belarus was reached on 2 April 1996. That the agreement was reached less than three months before the first round of the Russian presidential elections was not coincidental. Hitherto, Russia's leaders had favoured a cautious response to the initiatives of Belarus' political leaders for closer union between the two states. By the spring of 1996, it had become politically expedient for Russia's leaders to take the question of union more seriously. While the communist and nationalist political parties and leaders could only tempt voters with promises that if brought to power they would restore the former union in some form, Yeltsin was able to seize the initiative by reaching agreement with Belarus and signalling to Russia's electorate that the creation of a

new union was underway.⁴⁸⁶

Two points are important regarding the founding of the Russian Belarusian Community. Firstly, it marked the culmination of a process actively pursued by Belarus' leaders since 1992. Closer union with Russia was not solely the initiative of Belarus' russophilic President, Alexandr Lukashenka, elected in July 1994, but had been sought also by his predecessor, Chairman of Belarus' unreformed Supreme Soviet, Stanislav Shushkevich. Secondly, Russia's leaders only responded to Belarus' initiatives when union with this state would be beneficial for Russia. As long as Belarus' economy remained largely unreformed, close economic links between Belarus and Russia would prove to be too great an economic liability for the latter. By spring 1996, with the Communists taking the lead in the opinion polls, the political gains which union with Belarus would bring began to outweigh the economic losses of union even in the short term.

These circumstances in which the Russian Belarusian Community was founded led some observers to predict that the community would be stillborn.⁴⁸⁷ However shortly after its founding an executive set up under the terms of the agreement began to meet on a monthly basis, with a new interstate parliamentary assembly also functioning. The Western press, also content to accept the view that Russia's union with Belarus marked a new phase of Russian neo imperialism, missed the point that union had been sought by Belarus' leaders for several years previously. Both sides gained from the agreement. Crucially for Belarus it tied Russia into a formal commitment, essentially ensuring Russian support for the floundering Belarusian economy. Only Belarus' small nationalist opposition came to view it as the reduction of Belarus to a Russian vassal state. For the vast majority of the population, union

⁴⁸⁶ Reaching agreement on further integration prior to elections in Russia was a pattern which was repeated recently. A new 'union treaty' was designed between Russia and Belarus on 8 December 1999, in advance of Russia's parliamentary elections. OMRI Daily Digest 9 December 1999

⁴⁸⁷ Markus, U., 'Toothless Treaty with Russia Sparks Controversy' *Transition* 3 May 1996

or as some would argue *reunion* with Russia was a logical, desirable and inevitable step.⁴⁸⁸

It is also worth noting that as a nation, the Belarusian people had not actively sought independence as other peoples of the former USSR had, such as those of the Baltic states. Even Belarus' nationalist opposition did not consider that national independence was on the agenda in 1990 when state sovereignty was declared. Popular consciousness in Belarus had not yet reached the stage where a significant portion of the population supported independence, as occurred even in Ukraine. In the referendum on preserving the union held in March 1991, 76.4% of the Belarusian electorate voted in favouring of preserving the union. This corresponded to the all union average (76.4%).⁴⁸⁹ Four years later, 83% of the electorate voted for union with Russia. The results of the referendum of May 1995 demonstrated that even after four years of independence concepts of statehood and national consciousness had yet to become ingrained among the people in similar manner to that achieved in Ukraine. One reason for this is the fact that in the period following independence, Ukraine's leaders focussed on consolidating Ukrainian statehood and fostering a deep sense of national consciousness.⁴⁹⁰ This was perhaps easier to achieve in Ukraine, which had a longer

⁴⁸⁸ Popular support for Lukashenka's policies was confirmed in two referenda. In the first of these (May 1995) 82.4% of the electorate voted for economic integration with Russia while 75% favoured the restoration of Soviet era symbols. In the second and most recent referendum on the introduction of the new presidential constitution in November 1996, 70.5% of those voting chose Lukashenka's version, which vastly increased his powers at the expense of the parliament. Success for Lukashenka on both these occasions was assured, in part at least, by his almost complete monopoly of the media as well as questionable electoral procedures. In the referendum of November 1996 many polling stations were opened well in advance of polling day (7 November) and large numbers of uncounted and unaccounted for ballot papers were in circulation. Nevertheless, while growing numbers of Belarusians took to the streets to protest at Lukashenka's actions, a significantly greater proportion of the population favoured his policies as shown by the election results and the outcome of the referenda. see McMahon 'Alexandr Lukashenka - a Profile' in *Journal of Communist Studies and Transition Politics* Vol 13 Dec 1997 No 4 p129ff

⁴⁸⁹ *Izvestia* 26 March 1991 p2

⁴⁹⁰ Maiboroda, O.M., 'Pro Pidkhodi Do Rozv'iazannia Natsional'nogo Pitannia V Ukrainia Za Umov Bagatopartinnosti' p146-163 *Ukraina XXst. Problemi Natsional'nogo Bidrodzhennia* Kiev 1993

history of striving for independence than Belarus. In contrast however Belarus' leaders appeared to have only a vague understanding of national consolidation and how to attain it. Independence had come as a shock to Belarus' political leaders and people. This unpreparedness, both physically and psychologically was problematic for them. One way to overcome this was to align the independent state to its larger, resource rich Russian neighbour. Hence the creation of the Russo-Belarusian Community in 1996 was the culmination of an integrative process which had begun in 1992. The phases of this process are outlined below.

◇ Phase One

The integrative process began very soon after the USSR had collapsed. In January 1992 Russia and Belarus signed an agreement removing restrictions on economic activity. Trade and economic relations between the Russian Federation (RF) and the Republic of Belarus (RB) were to be conducted within the framework of a single economic space on the basis of mutual benefit and the use of a common monetary unit (the rouble) as a means of financial settlement. Under the terms of the agreement the governments of each state would ensure the unimpeded transfer of all types of monetary assets and the Central Banks of each state would keep each other informed about the amounts of credit they would issue and about the state of monetary circulation. In the area of mutual trade a coordinated export - import policy was to be followed with respect to goods and services of vital importance for trade.⁴⁹¹

In July 1992 a further 21 agreements were signed between government delegations from the RF and RB. These included 15 agreements concerned solely with economic issues, 5 regarding military questions and two dealing with the division of property.⁴⁹² *Izvestia* reported that at the meeting, the governments of Russia and Belarus pledged to work on perfecting integrative processes within the framework of the two states' common economic space. Russia's then acting prime minister, Yegor Gaidar, for whom opposition to closer economic ties was to become an issue in his resignation in January 1994, said at the time that the agreements were undoubtedly effective, serving to restore the single economic space that used to exist between the two republics.⁴⁹³

⁴⁹¹ *Pravda* 29 January 1992 p2

⁴⁹² *Dobri Vechar* (Minsk) 23 December 1992 p2

⁴⁹³ *Izvestia* July 1992 p 2; Gaidar, E., *Dni Porazhenii i Pobed* Moscow: Vagrius 1997 Ch 12&13

In the press at that time, Andranik Migranyan, a member of the Presidential Council, articulated Russian impressions of the Belarusian state and how relations with it should advance. For example in an article in *Megapolis Express* in October 1992, Migranyan described the prevailing tendency of the Belarusian people to preserve bonds with Russia with whom the Belarusians were linked by ethnic, linguistic and religious closeness. Belarus' economy was geared to Russia and used Russia's raw materials. According to Migranyan, since Belarus could not rely on support from the West, with which it had no traditional ties or borders, confederal relations with Russia could not be ruled out.⁴⁹⁴

◇ Phase Two

The next phase in the integrative process was reached in spring 1994 with a new draft agreement on monetary union between the two states. In the autumn of 1993, Belarus' parliament had ratified the treaty 'On the creation of an economic union' and agreements 'On practical measures to create a new type of ruble zone and on uniting the monetary systems of the Republic of Belarus and the Russian Federation'. These agreements would establish common credit amounts, interest rates, taxation principles, methods for regulating prices and the incomes of the population and a common set of rules for regulating economic activity and trade procedures with third countries.⁴⁹⁵ If implemented these agreements would have largely deprived Belarus of the possibility of conducting its own monetary and credit policy and so were viewed by Belarus' nationalist opposition as a betrayal of national interests.⁴⁹⁶ The new agreement on monetary union with Russia was reached in the wake of a worsening crisis of the Belarusian economy which had escalated throughout 1993. By the summer of that year Belarus was experiencing a virtual 'fuel famine' in all branches of the national economy. On 24 August 1993 *Izvestia* described the result for Belarus of the reduction by almost two thirds of deliveries of Russia's natural resources, which effectively paralyzed industry in the republic.⁴⁹⁷

That monetary union with Russia was driven by economic rather than political imperatives was made explicit by Belarus' prime minister Vladimir Kebich. Speaking about the rupture of economic ties with the republics which occurred with the collapse of the USSR and the fact

⁴⁹⁴ *Rossiiskaya Gazeta* 4 August 1992 p 7

⁴⁹⁵ *Diplomaticheskii Vestnik* (Moscow) 9-10 May 1994 p53

⁴⁹⁶ *Nezavisimaya Gazeta* 20 November 1993 p1

⁴⁹⁷ *Izvestia* 24 August & 27 August 1993 p2; *Diplomaticheskii Vestnik* 9-10 May 1994 p 53

that Belarus imported 85% of its raw materials from these republics, he conceded that the only chance of survival was through rapprochement with Russia, through close economic ties and integration. Consequently he said, the unification of the monetary system was the first step on the path leading towards an effective union.⁴⁹⁸

Even the more restrained Chairman of the Belarusian Supreme Soviet, Stanislav Shushkevich considered that 'the agreements will make it possible to remove the technical barriers which restrict cooperation between what is essentially a single people'.⁴⁹⁹

One factor which explains the more active quest for union by Belarus' leaders was Russia's adoption of a stricter financial regime in 1993. That summer Russia stopped providing facilitative credits, raised energy prices and nationalized the rouble as its own currency, a measure effectively marking the end of the ruble zone.⁵⁰⁰ For Russian economist Andrei Illarionov, Belarus' quest for monetary union was an alternative to radical economic reform. As he saw it, 'by entering the ruble zone, it hopes to continue to shift its own economic difficulties onto the shoulders of its 'new-old' partners'.⁵⁰¹

The liberal press in Russia recognized the implications of the new phase reached in Russo - Belarusian relations.⁵⁰² *Nezavisimaya Gazeta* considered it indicative of the economic programme of Kebich's government, which until that time had kept going by selling off assets which had remained from the time of the Soviet Union. With reserves now running low, Kebich, it was argued, was putting state sovereignty on the bargaining table. The paper predicted that Kebich would become the President of the 90th member of the RF since if the agreement were to be implemented, there would be no point talking about Belarus' existence as an independent state.⁵⁰³ *Nezavisimaya Gazeta* also considered the implications of the agreement for Russia. Its key benefit would be to act as a precedent for the return of a former union republic to its older brother's embrace. It could also bring real economic benefits for the RF including free transit via Belarus and freedom of action for Russian capital on its territory.

Monetary union however was potentially disadvantageous for Russia. As *Nezavisimaya*

498 *Nezavisimaya Gazeta* 13 January 1994 p3

499 *Summary of World Broadcasts* (SWB) SU 1895 B/7 14 Jan 1994

500 It was estimated that from July 1992 to March 1993 Russia had granted facilitative credits of 1.5 trillion roubles to the CIS states. see *Ekonomika i Zhizn'* No 16 April 1993 p6

501 *Finansovye Izvestia* No 1 Jan 13 -19 1994 p1-2

502 *Nezavisimaya Gazeta* 13 January 1994 No 3 p3

503 *ibid*

Gazeta pointed out, it could result in a surge of inflation in Russia, since it was estimated that Russia would have to make a one time allocation of 1.5 trillion rubles to Belarus to unify the monetary system as well as facilitate the penetration of the Russian market by Belarusian goods. The paper concluded that the Kebich cabinet saw unification of monetary systems as a life saver.⁵⁰⁴ The line taken by *Nezavisimaya Gazeta* reflected the thinking among the liberal reformers in Russia's government, that Belarus would be an economic liability for Russia and that close relations with it would bring Russia few real benefits.

In April 1994 a revised version of the treaty on the unification of the customs and monetary systems which had first appeared in January was signed by Prime Ministers Chernomyrdin and Kebich. Unification would take place in two stages. The first stage would begin on 1 May 1994, when trade customs dues and payment for Russian cargo transit through Belarus would be cancelled and Russia would begin to lease facilities for strategic troops free of charge. At the second stage, there would be the direct exchange of Belarusian cash at the one to one exchange rate. This would be preceded by a political expression of the Belarusian's people's will on the unification of the Belarusian monetary system with that of Russia.⁵⁰⁵

Although the proposed agreement would have serious implications for Belarusian statehood, its leaders were not unduly concerned by this and were even happy to consider altering the constitution to enable the merger to take place. The joining of the two monetary systems contravened articles 8 and 145 of the Belarusian constitution (introduced on 15 March 1994) which stated that international treaties at variance with the constitution could not be concluded (Art.8) and the exclusive right of the Belarusian National Bank to issue money (Art.145).⁵⁰⁶ The Chairman of the National Bank of Belarus (NBB), Stanislav Bogdankevich opposed the surrender of the bank's rights to the Russian Central Bank (RCB). Bogdankevich made his position clear saying that the NBB had never been against preserving and improving of economic integration with Russia. It supported a union which would not destroy their state system. The NBB not want economic policy to be determined by a foreign country and was against giving the National Bank with its assets and liabilities to the ownership of Russia. It also objected to the determination of Belarus state budget and its deficit by the Russian parliament.

⁵⁰⁴ *Nezavisimaya Gazeta* 13 January 1994 p3

⁵⁰⁵ *Pravda* 29 April 1994 p1-2

⁵⁰⁶ *Konstitutsiya Respubliki Belarus* (Belarusian version) Minsk 1994 p4& 26

He went on to explain that

The unification of the monetary systems of Russia and Belarus on terms which would violate our constitution is in contradiction with our economic and political interests. It must not come into being. Instead of monetary unification the bilateral payment agreement can be concluded in the near future.⁵⁰⁷

Bogdankevich's continued and outspoken opposition to monetary union was to lead to his dismissal as chairman of the NBB.

◇ Phase Three

A Presidential visit to Minsk by Yeltsin in February 1995 and the signing of a Treaty of Friendship and Cooperation marked the third phase of the integrative process. Key elements of this treaty included coordination of foreign policy activities (Art. 2); the opening of borders between RF and RB (Art. 4) and the creation of conditions for the formation of a single economic space (Art. 9) as well as joint forces for defending the external borders of Belarus and a single administered customs service.⁵⁰⁸ From 15 July customs controls and customs registration were to be removed between Russia and Belarus but by late May it was already reported that Russian customs officers were present at Belarus' border crossings with Latvia, Lithuania, Poland and Ukraine.⁵⁰⁹

This phase in the relationship was significant as the rationale for closer relations began to be couched in terms of pressing security concerns. This reflected Russia's growing concerns about the proposed east ward expansion of NATO and the ability of Belarus' leaders to use these fears to their advantage.⁵¹⁰ Following Yeltsin's visit, Lukashenka told a crowd on Minsk's Victory Square that economic and military union with Russia was a security issue. Belarus, he said, was facing the real prospect of becoming a state bordering on NATO, given

⁵⁰⁷ Bogdankevich, S., 'Economic Reform in the Republic of Belarus: The State, Objectives and Instruments' - Abstract of Presentation IISEPS Seminar *Economic Reforms in Post Communist Society and the Experience of Eastern Europe* Grodno 1995 p23

⁵⁰⁸ *Rossiiskaya Gazeta* 5 April 1995 p10; *Diplomaticheskii Vestnik* No 3 March 1995 p37

⁵⁰⁹ *Segodnya* 15 July 1995 p1; 24 May 1995 p1; *Sovetskaya Belarussia* 4 April 1997 p1

⁵¹⁰ 'Belarus' Gotova Otdat' Samogo Dorogogo' *Kommersant* No 45 3 December 1996 p34

Poland's and Lithuania's aspirations to join NATO.⁵¹¹ Lukashenka exploited Russian fears about NATO, reminding them that Belarus protected Russia from NATO.⁵¹² Using the security threat to justify greater financial support from Russia, in April, Lukashenka declared 'It will be difficult for Belarus to maintain its western border without Russian aid'.⁵¹³ Even Yeltsin articulated a vision of future union between the two states when he spoke of developing relations with Belarus in a direction which could lead to unity (obedineniye).⁵¹⁴

◇ Phase Four

Yeltsin's vision of union came to fruition in April 1996 with an agreement on the 'Creation of the Russian Belarusian Community'. The signing of the agreement was preceded by two significant events. Firstly, on 27 February Lukashenka had meetings with Russia's leaders at which a 'zero sum' agreement was reached. All mutual debts including Belarus' enormous unpaid energy bills and its claim to compensation for nuclear weapons transferred to Russia would be cancelled. Belarus' debts to Russia included \$800 million for energy and \$470 million in loans.⁵¹⁵ Two days later Yeltsin spoke about 'deeper Russian Belarusian integration aimed at eventually reaching the goal of unity between the states'. Lukashenka predicted that a major agreement would be signed in March which would accelerate the integration of the two states, creating a supra national organization with a jointly funded budget to over see military cooperation and to overcome the consequences of the Chernobyl disaster.⁵¹⁶

The second event of significance was the resolution of the Russian Duma in March, denouncing the Belovezhsk accords of 1991 which had effectively ended the USSR with the withdrawal of Russia, Ukraine and Belarus from it and which had led to the creation of the CIS. A second resolution affirmed the 'legal force' of the all union referendum of 17 March 1991 on the preservation of the USSR in which 76.4 % of those voting in the USSR had supported retaining the union. The Duma resolutions asserted that the USSR legally continued to exist and rejected the December 1991 Belovezhsk accords that formed the

⁵¹¹ SWB SU2245 D/2 7 March 1996

⁵¹² 'Chechenskii Sled v Minske' *Kommersant* No 31 2 September 1997 p24&24

⁵¹³ *Rossiiskaya Gazeta* September 13 1995 p7

⁵¹⁴ *Sovetskaya Belorussia* 23 February 1995 p1

⁵¹⁵ *Kommersant Daily* 28 February 1996 p3

⁵¹⁶ OMRI Daily Digest 29 February 1996

Yeltsin and Lukashenka met again on 22 March and agreed to move forward with closer integration culminating in the 2 April signing ceremony for the creation of the Russian Belarusian Community.⁵¹⁸ The agreement envisaged the formation of a closely binding union, with supranational political institutions and a joint Supreme Council to direct the activities of the union.⁵¹⁹

Clearly the sequence of events are not unconnected. Under pressure from the gains for the communists' and nationalists' in Duma elections of December 1995 Russia's leaders acted quickly to steal their thunder in advance of the Presidential elections in June. The need for a decisive, demonstrative act was given added impetus by the Duma resolutions of mid March. In pulling the union with Belarus out of the hat at the crucial moment Russia's leaders almost guaranteed the support of those voters who, while not supporting the ideology of the reformed Communist Party, might never the less have voted for its candidate because of the promise of the creation of a new union. Yeltsin's 'new but better' union appealed strongly to this constituency. *Kommersant* speculated that on this occasion Yeltsin might be drawing on the example of Germany's Chancellor Kohl, who before the reunification of Germany in 1990 had suffered badly in the polls but after reunification, his triumph at the polls was guaranteed.⁵²⁰

The 'zero sum' deal which was a component part of the union agreement was not without its critics in Russia. S Aleksashenko, First Deputy Chairman of the RCB denounced the writing off of mutual debts, pointing out that although Russia waived \$910 million owed for gas supplies, Gazprom was not compensated for its lost revenues which could limit its ability to pay taxes and which could have been contributed to the country's budget.⁵²¹ The newspaper

517 *Pravda* 16 March 1996 p1; *Pravda* 19 March 1996 p1

518 *Biulleten' Mezhdunarodnykh Dogovor* No 7 July 1996; 'Dagavor ab Stvarenni Supol'nitstva Belarsusi i Rasii' (in Belarusian) *Belarускаia Dumka* No 6 1996 p3-6 see appendix 5 for fuller translation of text of the treaty.

519 *Diplomaticheskii Vestnik* No 5 May 1996 p39

520 *Kommersant Daily* 26 March 1996 p1;

521 *OMRI Daily Digest* 29 February 1996

Segodnya questioned the wisdom of integration with Belarus.⁵²² *Izvestia* made a more explicit point, warning that only the blind could fail to see that the cause of integration was being used as a bargaining chip in the Presidential campaign.⁵²³

Russia, however, was not the only party to gain from the April agreement on union. Belarus gained, not only in finally attaining the much sought union but also in the zero sum agreement. This was of vital importance for Belarus since a poorly implemented programme of economic reform had only exacerbated the crisis of the economy and the country urgently needed to renegotiate its external debts. While Lukashenka may have actively pursued closer union with a more cautious Russia, it is not improbable that the zero sum agreement was the price Lukashenka was able to extract from Russia's leaders to agree to something which was of great importance to them at that particular time. The writing off of debts was one way in which Belarus benefited from the plans for merger. *Kommersant* pointed out that six months before the Russian Presidential elections Russia wrote off Belarus' debts to the sum of \$1.3 billion. Lukashenka, it said, always had always insisted that Moscow should pay for political and military integration, and the writing off of debts was one way of doing this.⁵²⁴ Russia it seemed was prepared to pay Minsk in order to maintain its political and economic influence in the region.⁵²⁵

The mechanisms for making the new union operative were put in place soon after the signing ceremony. The Russian-Belarusian Executive Committee had its first meeting on 11 April 1996 at which Chernomyrdin spoke of the need to synchronize economic policies.⁵²⁶ At the second session on 15 May, decisions were taken regarding the granting of citizens of each state equal rights to health care, employment and other social services in Russia and Belarus. A protocol was signed outlining cooperation in hard currency and export control. The executive met for the third time on 18 June 1996, though for the first time Belarus' president did not attend.⁵²⁷ On 25 June the Russian-Belarusian Parliamentary Assembly met for the first time. Under the union agreement, the assembly was to provide a basis for the merger of

⁵²² *Segodnya* 29 February 1996 p1

⁵²³ *Izvestia* 3 April 1996 p2

⁵²⁴ 'Belarus' Gotova Otdat' Samogo Dorogogo' *Kommersant* No 45 3 December 1996 p34-35 'Chechenskii Sled v Minske' *Kommersant* No 31 2 September 1997 p24&25

⁵²⁵ 'Chechenskii Sled v Minske' *Kommersant* No 31 2 September 1997 p24&25

⁵²⁶ OMRI *Daily Digest* 12 April 1996

⁵²⁷ OMRI *Daily Digest* 16 May 1996

the two countries' economies and some other governmental functions. Six commissions were established, three chaired by Russian delegates (legal affairs, economics and social issues) and three by Belarusian delegates (foreign policy; crime and ecology).⁵²⁸ A visit to Moscow by Lukashenka in October was followed by an agreement on the regulation of relations of a financial character.⁵²⁹

By spring 1996 then, Russian Belarusian relations had been formalized in a new configuration marking the culmination of a process of reintegration which had begun early in 1992 but which received added impetus with the approach of Russia's presidential elections.

Russian Ukrainian Relations

By the spring of 1996, Russian Ukrainian relations appeared to have reached an impasse, yet within the year the symbolically important Treaty of Friendship and Cooperation had been signed. The main source of dispute between the two countries - the question of the Black Sea Fleet, and specifically the question of basing, had blocked the signing of a treaty, which had been in preparation for several years. Yeltsin and his advisors had made the signing of the agreement conditional on resolution of the Black Sea Fleet dispute. The apparent deadlock did not however preclude agreement and cooperation occurred in other areas of interstate relations. Though Russian Ukrainian relations may have occasionally been characterized by intransigence and even outright hostility, differences between the two did not on any occasion degenerate into open conflict or the threat of it. Even actions which could have been interpreted as aggressive such as cutting off vital energy supplies to Ukraine because of non payment of debts, or the active intervention, openly and covertly, of Russian politicians and Russian political groups to incite Crimean separatism,⁵³⁰ or Ukraine's unilateral decision to increase transit rates for Russian oil, did not develop into serious conflict. Problems and disputes between the two nations were addressed with a modicum of moderation and compromise.

⁵²⁸ Miashnikov, M., & Grigor'ev, V., 'Po Vole Bratskikh Narodov' *Belaruskaia Dumka* No 12 1996 p3-8

⁵²⁹ *Diplomaticheskii Vestnik* No 11 November 4 1996 p42; *Biulleten' Mezhdunarodnykh Dogovor* No 10 October 1996 p48-49

⁵³⁰ Moscow mayor, Iu. Luzhkov was one high profile supporter of Crimean autonomy and was critical of the eventual agreement reached on Crimea in the 1997 treaty. *Kommersant Vlast'* No 7 23 February 1999 p11

Unlike Russian Belarusian relations, in the Russian Ukrainian relationship symbolism was all important. Ukraine's independence in 1991 was indisputable, ratified as it was by overwhelming support in a national referendum but it was problematic for Russia, since the former Ukrainian lands had always been viewed as a part of Russia, whether in the Tsarist or Soviet empires. Ukrainian independence forced Russia to come to terms with a new political and geopolitical reality. Between 1992 and 1994, before nationalist / conservative forces became fully dominant in the Russian political hierarchy, Russia's relations with Ukraine were caught between the liberal course heralded by foreign minister, Andrei Kozyrev, and pressure for assertiveness from nationalist / conservative groups. For a brief period Kozyrev's liberal course meant treating Ukraine as an equal and working to achieve 'normal' relations with it. This was soon replaced by a strategy of trying to subdue or suppress Ukrainian statehood. At the core of the conflicting strategies was the issue of how to accept and deal with Ukraine as an independent state.⁵³¹ By 1996, the latter strategy had clearly failed to achieve its objectives. Rather than being progressively weakened by separatism, political weakness and economic decay, Ukrainian statehood appeared to have been strengthened. A new constitution had been agreed, the potentially destabilising dispute with Crimea had been averted by granting Crimea a degree of autonomy (in marked contrast to Russia's handling of the Chechen dispute), economic reform and privatization were underway, with the introduction of the new currency, the Hryvna, further symbolizing the new confidence of the state.

International uncertainty and concern at political developments in Russia, in the wake of the December 1995 parliamentary elections and prior to the June 1996 presidential elections meant greater attention was focussed on Ukraine as a bulwark against potential Russian expansionism, as a stable ally for the Western states and as an alternative regional power. This ensured for Ukraine assurances of moral and financial support from the US President and several of Europe's political leaders and provided it with additional confidence to withstand Russian economic and political pressure.

⁵³¹ Russia's emergence in 1991 as a new state forced a rethinking on the concept of statehood. Integral to this was a reconsideration of its imperial past, and intrinsically its relationship with Ukraine. Concepts of statehood among the three Slavic states are discussed in chapter 7.

That Russia would have to accept Ukrainian independence became clear very early, though of course this did not mean that Russia would willingly surrender its interests in Ukraine. These would have to be renegotiated, with the Russian side making this as protracted and difficult for Ukraine as possible. Ultimately though Russia would have to give way. It would have to acknowledge and accept the fact of Ukrainian statehood and independence which was exactly what the proposed Treaty of Friendship and Cooperation represented. It would symbolise for Russians and Ukrainians the existence of Ukraine as a state independent and separate from Russia - a state with which Russia would have 'normal type' relations as opposed to a variant of a 'special relationship' Russia preferred with the former Soviet republics in the context of the CIS. It would confirm that Ukraine was once more lost.

The penultimate act in this protracted process of acceptance and acknowledgement would be to give up Russia's basing rights in Sevastopol. From the Russian perspective this was viewed as a territorial issue. Conceding to Ukraine's demands would signify the surrender of once vital Russian interests in Ukraine and being forced to find new bases for the Russian Black Sea Fleet would be seen as the further withdrawal of Russia from the former lands of the Tsarist and Soviet empires. To agree to this on the eve of the Presidential elections, with Yeltsin's victory still not assured, would be too risky. Hence the dispute was allowed to fester and the agreement remained unsigned.

With Russia seemingly involved in a staged but inevitable withdrawal from Ukraine, union with Belarus took on even greater significance. Russia may have become more alienated from one of the historic Slavic states, but the formation of the Russian Belarusian Community represented an important new stage in the emergence of the post-Soviet Russian state. The SSR could be seen as the beginning of a new process where the former republics of the USSR would begin to return to the Russian fold, with the implication that Ukraine would also eventually come this way as well.

Ukraine's leaders preferred its relationship with Russia to be based on 'normal type' relations ⁵³² while for Russia's leaders treating Ukraine as 'normal' was an implicit way of punishing it for leaving the rouble zone since Ukraine could no longer avail of the preferential rates which Russia granted to more compliant states like Belarus. However the Russian

⁵³² 'Normal' in this context is taken to mean the type of relations Ukraine shared with other non CIS states based on mutual interests and international law.

Ukrainian relationship was not and indeed could not be 'normal'. This was determined by a number of factors the most important of which were i) a mutually interdependent trading relationship ii) mutual importance for energy supplies and energy transit; iii) a large Russian minority concentrated in Southern and Eastern Ukraine. In the Russian Belarusian relationship these factors were either absent or were based on a unilateral (Belarus on Russia) rather than mutual dependence. Why these factors constitute the basis of a special relationship between Russia and Ukraine is explained below.

- *Mutually Interdependent Trading Relationship*

Historically, Russia and Ukraine have shared strong trading relations. With the disruption of trade relations which accompanied the collapse of the USSR the volume of trade was reduced but Ukraine and Russia still remained important partners. By 1995, Ukraine was still Russia's chief trading partner absorbing 8.7% of Russia's exports. How this compares to other states is shown in the tables and pie charts below.⁵³³

⁵³³ *Ekonomika i Zhizn'* (Moscow) March 1996 No 9 p4

Table 19

**Top Ten Destinations for Russian Exports (1995)
(CIS & Non CIS)**

Country	%Share of Exports
Ukraine	8.5
Germany	7.6
USA	5.4
Switzerland	4.4
China	4.2
Italy	4.1
Netherlands	4
United Kingdom	3.9
Japan	3.9
Belarus	3.7

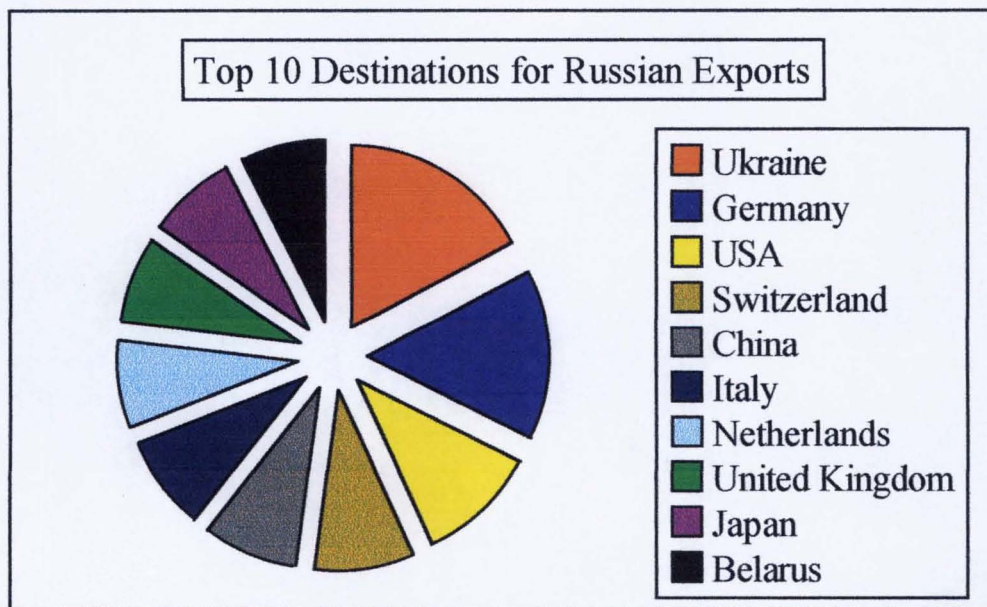
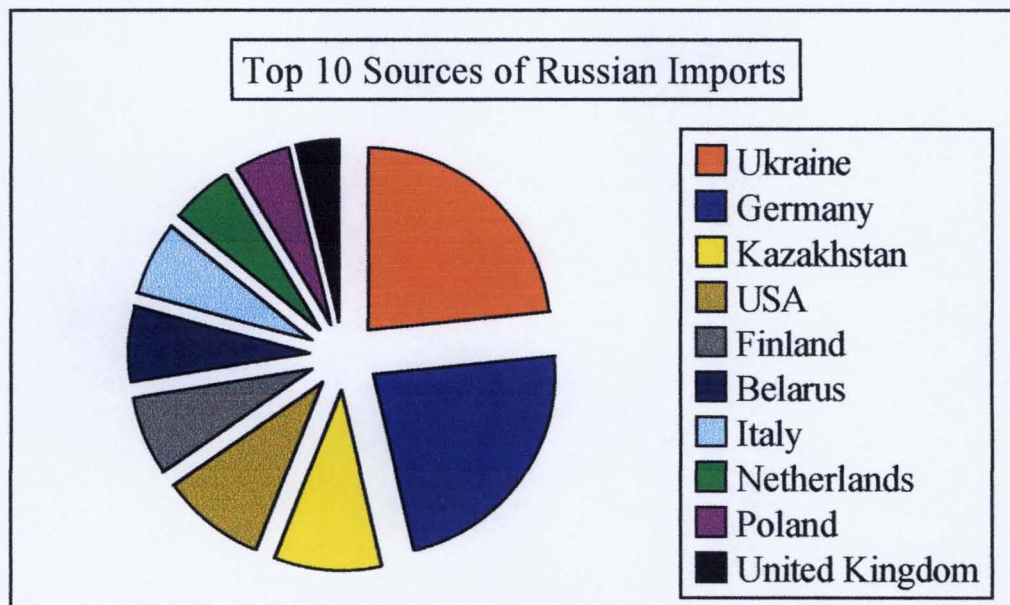


Table 20
Top Ten Sources of Russian Imports (1995)
(CIS and non CIS)

Country	%Share of Imports
Ukraine	14.2
Germany	14
Kazakhstan	5.9
USA	5.7
Finland	4.4
Belarus	4
Italy	4
Netherlands	3.5
Poland	2.8
United Kingdom	2.4

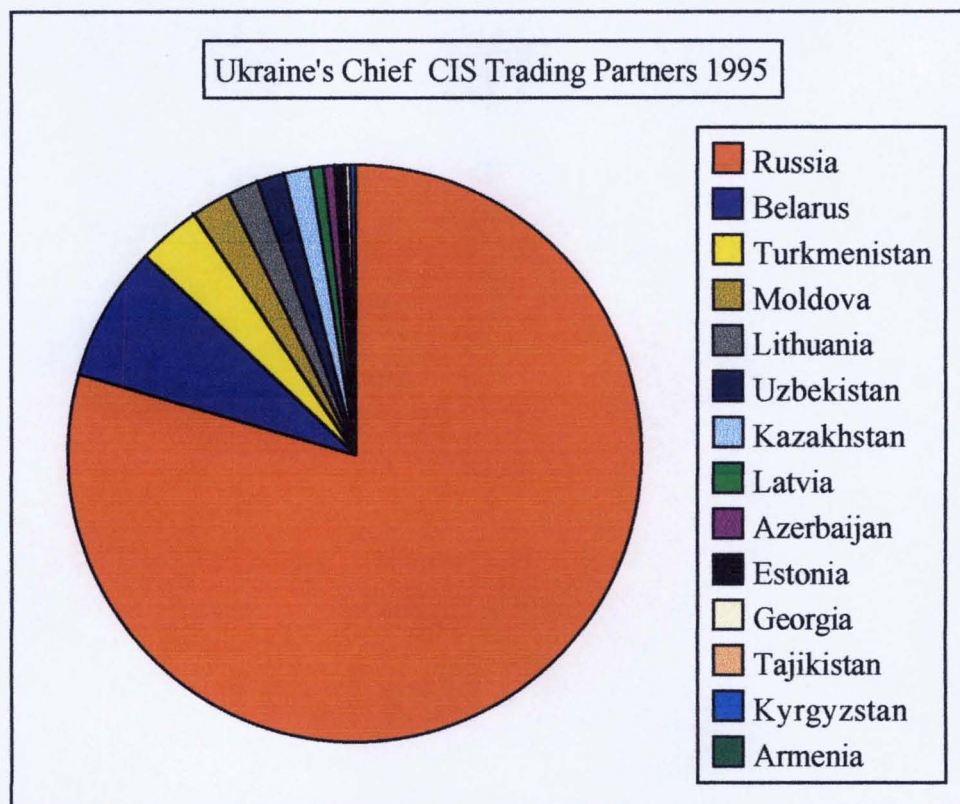


The figures above show that in 1995 Ukraine was an important destination market for Russian products and an important source of imports for Russia. In comparison, Belarus' trading importance to Russia is significantly less, supplying only 4% of Russia's imports and absorbing only 3.7% of its imports. For Ukraine, Russia was also an important trading partner, with Russia accounting for 38% of its exports and nearly half of its imports in 1995.⁵³⁴

Table 21
Ukraine's Foreign Trade with CIS states in 1995

CIS States	100
Russia	79.2
Belarus	7.58
Turkmenistan	3.75
Moldova	2.11
Lithuania	1.77
Uzbekistan	1.58
Kazakhstan	1.31
Latvia	0.88
Azerbaijan	0.57
Estonia	0.5
Georgia	0.25
Tajikistan	0.15
Kyrgyzstan	0.11
Armenia	0.08

⁵³⁴ Derzhavnii Komitet Statistiki Ukraini *Ukraina u Tsifrakh* 1997 Kiev 1998 p89



Most of Ukraine's imports from Russia consisted of energy supplies with Russia supplying 90% of its oil and almost 60% of its natural gas.⁵³⁵ While Ukraine continued to be supplied with these resources for much of the period under review, its inability to pay resulted in periodic bottlenecks in supply. This of course had a knock on effect on Ukrainian industry. How Ukraine responded to this dependence on Russian energy resources and its inability to pay for supplies is significant. Unlike Belarus, Ukraine leaders did not try to negotiate away their energy debt (for example, Belarus' infamous 'zero sum' deal) but rather sought to reach compromise solutions which would enable Ukraine to reschedule payments and prevent greater Russian leverage over the Ukrainian economy.

The response to Ukraine's growing debt problems generated much debate in Russia. Two responses were preponderant. Many nationalists and conservatives held the view that Russia should use Ukraine's economic problems to tighten the screw further. For example

⁵³⁵ Markus, U., 'Energy Crisis Spurs Ukraine and Belarus to seek help abroad' *Transition* 3 May 1996 p14

Moskovskie Novosti reported in May 1992 on the predictions of analysts who foresaw that a crisis could begin in summer and autumn of 1992 in branches like coal, metallurgical and chemical industries, which would give rise to social tension and the exacerbation of nationality related and political problems. The report noted that some in the upper echelons of Russia's leadership were convinced that this was precisely the time when Russia should demonstrate its strength to Kiev.⁵³⁶ It was believed that although there was little Russia could do about Ukraine's *de jure* independent status, it could make it more difficult for Ukraine to survive as an independent state. This entailed targeting Ukraine's obvious weak points: its unconsolidated and fragile independence; the question of the status of Crimea and the issue of the Black Sea Fleet and Sevastopol; its energy reliance on Russia and its large Russian speaking population.

Another perspective, marked by a degree of rationalism, came to predominate, at least in the short term. This view foresaw that it would not be advantageous for Russia to have to a large, heavily militarized but weak and disintegrating state on its borders. If this state was to descend into civil conflict and even anarchy, then while there may be gains for Russia this would only come at a huge financial cost. Furthermore by making it impossible for Ukraine to purchase Russian oil, gas and other products, the Russian economy would be deprived of important duties and markets, while the world market still remained relatively distant. According to *Izvestia* this 'healthy rationalism' was evident in Russia's negotiations with Ukraine over the payments crisis which developed in spring 1993. The crisis arose from Russia's decision to charge world prices for Russian products to those states which had left the rouble zone. Since those states remaining in the rouble zone continued to receive Russian products at preferential rates, Russia was clearly seeking to punish those states which had opted to leave. In Ukraine's case this was made clear by Yeltsin after the surrogate Ukrainian currency, the Karbovanets, went into circulation in the autumn of 1992. Yeltsin responded to this by saying 'if Ukraine has switched to a national currency let it immediately start paying for oil and gas in hard currency'.⁵³⁷

This policy had an immediate and dramatic effect in Ukraine. In March *Izvestia* reported that a one month ban on gasoline and diesel fuel had been enforced, with the sale of gas to private automobile owners halted. Ukraine's Prime Minister, Leonid Kuchma underlined the significance of reaching agreement on energy supplies saying 'if I don't succeed in reaching an

⁵³⁶ *Moskovskie Novosti* 31 May 1992 p6-7

⁵³⁷ *Izvestia* 16 November 1993 p2

agreement with Russia on oil and gas prices that will essentially mean acknowledgement of an economic blockade of Ukraine by Russia'.⁵³⁸

Originally Russia had offered to sell Ukraine gas at world prices - 45,000 roubles for 1,000 cu.m. Ukraine however wanted to pay the same price charged to customers within the RF and remaining members of the rouble zone (15,000 roubles per 1,000 cu.m). By mid March both sides had managed to reach agreement. Ukraine was to receive Russian gas at the lowest prices (the same price paid by Belarus); Ukraine agreed to sign an agreement on changing over to a free trade regime, making it possible to drop the question of export and import duties and Russia was granted concessions in the transit rates for exported Russian gas travelling through Ukraine. The motivation for this, *Izvestia* argued was a 'healthy rationalism' since to maintain excessively high prices for gas would have led to an increase in export revenues but to a reduction in purchases, which combined with the equally excessive transit rate for Russia that Ukraine would have imposed in response, would have resulted in very great losses for the Russian economy.⁵³⁹

This rationalism was evident in successive years when the energy and debt problems recurred. Agreement between the two countries was facilitated by a degree of compromise on both sides. For example in spring 1994 Ukraine's outstanding gas debts to Russia stood at 1.5 trillion roubles. Instead of seeking to avoid repaying any part of the debt (the route Belarus was opting for) Ukraine agreed to pay back half of the total debt in monetary form. As a credit toward the rest of it, the Russian gas conglomerate, Gazprom would receive a percentage share of the authorized capital of enterprises in the gas transportation infrastructure (51%) and a number of other plants of interest to it (50%). These included specific facilities such as gas pipelines for exports to Europe, underground storage facilities on Ukrainian territory and the Odessa port plant.⁵⁴⁰ Thus Ukraine was able to reach a deal on its debts to Russia and Russia attained greater control of important installations located in Ukraine for its gas industry.

By 1995 Ukraine's debts had grown once more but Russia was again to prove rather tractable. Ukraine's total indebtedness to Russia stood at \$2.5 billion. The restructuring of

⁵³⁸ *Izvestia* 2 March 1993 p2

⁵³⁹ *Izvestia* 18 March 1993 p2

⁵⁴⁰ *Segodnya* 11 March 1994 p1

the debt meant that Ukraine would repay the debt over a period extending to 2008. From 1995 to 1998 Ukraine would only pay interest on the unpaid debt at a rate of 8% or 8.5%. The only repayment Ukraine was required to make before 20 March 1997 was the \$68 million remaining for Russian facilitative credits received in 1993. Regarding its specific debt to Gazprom, of the \$1.5 billion owed by Ukraine, \$1.4 billion was converted into state debt and would be repaid over a period of thirteen years with easy payments for the first two years.⁵⁴¹ The reason for this tractability on the Russian side, *Izvestia* suggested, was not simply good will but the result of growing pressure on Russia from international financial organizations such as the Paris Club which wished to prevent Russia from crushing the Ukrainian economy.⁵⁴²

Another incident highlighting the mutual interdependence of Russia and Ukraine was the dispute over transit rates which broke out early in 1996. The dispute arose when Ukraine unilaterally increased the rate paid by Russia for transit of oil across Ukrainian territory. Originally this rate had been set at \$4.53 per ton which Ukraine now proposed to increase to \$5.20. The sudden increase resulted in the suspension of oil shipments to Eastern Europe via the Druzhba pipeline, which traversed Ukrainian territory. While Russian officials blamed Ukraine for the break down in supplies, a Ukrainian spokesperson attributed the suspension to Russia's insistence that oil be shipped at the old tariff until new transit rates would be negotiated.⁵⁴³ Although supplies to Eastern Europe resumed, resolution of the dispute did not come until late March 1996, when Russia reportedly agreed to the rate originally set by Ukraine in January of \$5.2 per ton. In the intervening period Russia attempted to apply pressure tactics to Ukraine. For example, it stopped supplying Ukraine's Drohobych oil refinery with oil and issued a Presidential decree, effective from 18 February levying excise taxes on goods manufactured in Ukraine.⁵⁴⁴ While this was a response to the Ukrainian government's decision to lift excise taxes from all goods exported to Russia, making them cheaper than Russian commodities, the decree had added impetus against the background of the transit tariff dispute. Russia's Minister for Fuel and Energy, P. Nidzelsky, warned Ukraine that if it refused to yield to Russia then Russia would be forced to look into alternative means of transporting its oil to the West, including building a new pipeline

⁵⁴¹ *Nezavisimaya Gazeta* 23 March 1995 p1

⁵⁴² *ibid*

⁵⁴³ OMRI Daily Digest 4 January 1996

⁵⁴⁴ OMRI Daily Digest 8 February 1996

bypassing Ukraine.⁵⁴⁵ In the event the latter option would prove too costly and Russia was ultimately forced to give way to Ukraine. This was an important concession since it demonstrated that Russia was also capable of compromise, though in this case refusal to concede would have been even more detrimental to the Russian economy.

The transit dispute was notable since it demonstrated that Ukraine was capable of resisting Russian pressure. This reflected a new found confidence that derived partly from growing financial and moral support from the international community. The transit dispute also showed that Russia had only limited power over political and economic developments in Ukraine. This was especially evident regarding the Crimean question, which Ukraine had successfully and peacefully resolved by 1995.

Unlike any other source of conflict between Russian and Ukraine, the Crimean question had the potential to escalate into serious, militarised conflict.⁵⁴⁶ The question of Crimea, and linked to this, the dispute regarding the division and basing of the Black Sea Fleet generated fundamental questions concerning the nature of the modern Russian state and its relations with the new state of Ukraine. In acknowledging Ukraine's independence and the status of Crimea within it, Russia was conceding, however reluctantly, that the new Russian state was very different from the Russia of old. There was much resistance to this among Russia's political elite. Crimea was viewed as an inalienable part of Russia, illegally transferred to Ukraine in 1954, and which should now be returned to Russia.⁵⁴⁷ It was also seen as a pressure point with which to undermine the young Ukrainian state. For example, in 1992, Russian presidential advisor, Andranik Migranyan, proposed that

⁵⁴⁵ OMRI Daily Digest 10 March 1996

⁵⁴⁶ For a discussion of this see Kuzio, T., *Ukrainian Security Policy*, Washington: Praeger 1995 p70&71

⁵⁴⁷ On 20 January 1992, Russia's working parliament, the Supreme Soviet voted 166 for, 13 against, with 8 abstentions, for a resolution stating that the transferal of the Crimean province from the Russian SFSR to the Ukrainian SSR in 1954 had not been confirmed in advance by the RSFSR. Consequently the acts of 1954 had no legal force and Crimea was part of the RF. *Kommersant Daily* 20 January 1992 p20

In view of its internal fragility and its unconsolidated condition, both regionally and demographically, at this stage the necessary levers of influence on it should be ensured in order to safeguard Russia's national state interests. On this account, Russia should under no circumstances leave the Crimea. The foreign policy objective with regard to Ukraine is to ensure at least special status for Crimea within Ukraine and to establish direct treaty relations with it, bypassing Kiev.⁵⁴⁸

The Crimean crisis escalated in the spring of 1992 when the parliament of Crimea, the Supreme Soviet, (with the status of autonomous republic within Ukraine, Crimea had been entitled to its own parliament in Soviet times) proclaimed 'the state independence of the republic of Crimea as an independent, sovereign state on whose territory only its laws have force, to be enacted following its approval in a referendum'.⁵⁴⁹

While the Crimean question offered Russia great opportunities to apply further pressure on Ukraine when the latter finally acted against the self proclaimed republic, Russia's response was tempered. In March 1994 when Ukraine moved against Crimea with its decision to abrogate the Crimean constitution and eliminate the post of President of Crimea, Russian officials openly criticised Ukraine's actions but accepted that the conflict was an internal affair. Russia's leaders signalled their unwillingness to get involved in the Crimean dispute. Yeltsin noted that 'Crimea is a sovereign republic within Ukraine and has the right to make its own decisions. The most important thing is that neither Russia nor Ukraine should interfere in its affairs.'⁵⁵⁰ Russia's deputy Minister of Foreign Affairs, S. Krylov declared that 'the peninsula is an integral part of Ukraine. We are prepared to develop economic relations with the republic of Crimea without putting them on a political level.'⁵⁵¹

⁵⁴⁸ Rossiiskaya Gazeta 4 August 1992 p7

⁵⁴⁹ Izvestia 6 May 1992 p1

⁵⁵⁰ *Nezavisimaya Gazeta* 21 May 1994 p1&3 ; OMRI Daily Digest 20 March 1996

⁵⁵¹ *Izvestia* 21 May 1994 p3

Several factors help explain the reaction of Russia's political leaders:

- **the Chechen conflict** -Russia's leaders were embroiled in and distracted by the war with the Chechen republic which had begun in December 1994. It may not be coincidental that Ukraine's leaders chose to move against Crimea at a time when Russia was in less of a position to react;
- **Realism** - as we have seen previously, Russia was capable of applying a degree of rationalism to its relations with Ukraine. This was extended to the issue of Crimea. Viewed realistically it was apparent that if Russia encouraged separatism in Crimea with the end result being its reabsorption into the RF, the economic costs of this for Russia would far out weigh any symbolic gains at that critical time. Crimea was fully integrated into the Ukrainian economy. It received from Ukraine its drinking water, most of its food, all of its coal and sugar, 90% of its electric power and 55% of its petroleum products.⁵⁵² If Russia continued to encourage Crimean separatism and independence, Ukraine would inevitably respond with a form of economic blockade of the peninsula and Russia would be forced to divert vital resources to support the Crimean economy. *Kommersant* also noted that in addition to an economically inviable island Russia would also receive the vigorous Crimean Tatar national movement, whose leaders preferred to deal with Ukraine.⁵⁵³
- **International Pressure** - Western leaders had been greatly alarmed and concerned at Russia's bloody and violent moves against the Chechen Republic. For Russia to react in a similar manner to Ukraine's decisions regarding Crimea would surely alienate the international community further.

Given this range of influences, the Russian response was one of moderate caution, emphasising that Crimea was an internal affair and one in which Russia was prohibited by international law from getting involved in.

In examining these areas of contention between Russia and Ukraine, we see that Russia's leaders were capable of exercising restraint, moderation, cooperation and compromise in its relations with Ukraine. Yet the dispute over the Black Sea Fleet remained the one major

⁵⁵² *Kommersant Daily* 20 January 1992 p20

⁵⁵³ *ibid*

stumbling block in Russo-Ukrainian relations. This ensued since 1992 and despite the endeavours of both sides remained unresolved until 1996. Like other aspects of the relationship, symbolism greatly inhibited agreement on this issue and as the dispute continued it acquired even greater importance. As noted earlier, for Russia to concede Sevastopol to Ukraine as the base for the Ukrainian navy and to withdraw the Russian Black Sea Fleet to bases within the RF, would effectively signal Russia's final withdrawal from Ukraine. Removal of the Russian Black Sea Fleet and the surrender of Sevastopol could be viewed as an act of humiliation within the RF, particularly among those of the Red-Brown coalition who were still bitter from the loss of empire in Eastern Europe. Whether or not Russia's interests in the Crimean peninsula were driven by long term neo imperialist ambitions, maintaining its fleet in Sevastopol provided Russia with the means to mobilize Russian forces quickly should developments in the region require it. This enabled Russia to retain a degree of influence in the region. The historic significance of the Russian Black Sea Fleet and its Sevastopol base should not be underestimated either. The fleet had been based in this Crimean port since its formation under Catherine the Great. Withdrawal from Sevastopol would have signalled that the era of 'Great Russia' was finally over and that the new Russia was a significantly smaller, less powerful nation than its imperial predecessor.

The original dispute over Black Sea Fleet broke out in early 1992 when Ukraine declared that as of 3 January 1992 Ukraine would take under its jurisdiction all the troops stationed on its territory, except for strategic forces and the Black Sea Fleet. The three military districts of Kiev, Transcarpathia and Odessa were to come under the direct authority of Ukraine's leader. The implications of this were open to interpretation. Russia considered that the Black Sea Fleet was part of the strategic force and thus should come solely under its jurisdiction while Ukraine claimed jurisdiction since the ships of the fleet were not carrying strategic weapons.⁵⁵⁴

Both sides sought to reach agreement in a series of conferences and summits held through the period under review. These included :

⁵⁵⁴ *Izvestia* 3 January 1992 p2

- **Dagomys** - June 1992. Yeltsin and Kravchuk agreed that Black Sea Fleet would be used as the basis for the creation of separate Russian and Ukrainian navies. How and when the division would take place was left unclear. In the interim the Black Sea Fleet would be placed under joint command and financed jointly.⁵⁵⁵
- **Yalta** - August 1992. Both sides agreed to establish a transitional period until the end of 1995. In the interim a Ukrainian navy and a Russian Federation Navy was to be formed in the Black Sea (Art 2). During the transitional period the Black Sea Fleet would be withdrawn from the CIS Joint Command (Art 3) and for the duration of the transitional period the fleet would be manned with draftees from Ukraine and Russia on a 50-50 basis (Art 5).⁵⁵⁶
- **Moscow** - June 1993. Rather than wait until 1995 to divide the fleet, as agreed at Yalta, both sides agreed to proceed with the accelerated formation of the Russian and Ukrainian navy bases. It was agreed that the Russian navy would be based in Sevastopol and other locations in Ukraine. The sides also agreed that the two navies would perform coordinated tasks to protect the common interests of security and stability.⁵⁵⁷
- **Massandra** - September 1993. It was agreed at this summit that the Black Sea Fleet would be transferred entirely to Russia and Russia would pay Ukraine half of the fleet's value. On the issue of basing it was agreed that Russia would pay for the disposition of the fleet on the basis of treaties with the appropriate cities and settlements. Russia's attempt to link a resolution on outstanding differences to Ukraine's growing energy debt and Kravchuk's seeming compliance to this aroused great opposition in Ukraine and the agreements reached were not implemented.
- **April 1994** At this meeting Yeltsin and Kravchuk agreed that in deciding the fate of the Black Sea Fleet, both sides would take as a basis all previous agreements including the Massandra agreements of September 1993. Accordingly, Ukraine was to retain 15-20% of the Black sea Ships and the Ukrainian Navy and the Russian Black Sea Fleet would be based in separate places.

⁵⁵⁵ *Moskovskie Novosti* No 22 7 June 1992 p6-7; Markus 1995

⁵⁵⁶ *Golos Ukrainy* 5 August 1992 p2

⁵⁵⁷ *Rossiiskaya Gazeta* 19 June 1993 p7

- **Sochi** -June 1995. Following talks with Yeltsin, Ukraine's president Kuchma declared that the problem had been 'generally solved'. The Sochi agreement reiterated that the fleet would be divided equally but Russia would buy out the majority of Ukraine's share, leaving Kiev with less than 20% of the fleet's vessels. They also agreed that Russia would be able to base its share of the fleet in Sevastopol.⁵⁵⁸

The deal reached at Sochi was heralded as the definitive agreement on the Black Sea Fleet. Yet this agreement, as those which had preceded it were open to different interpretations by both sides. By 1994 it had become apparent that the key area of disagreement regarding the Black Sea Fleet lay not in its numerical division, which had been reached fairly amicably, but in the question of basing. Russia wanted to continue to base its share of the fleet in Ukraine's naval ports. In April 1994 Russia had proposed that its Black Sea ships should be based in a number of locations: 70% in Sevastopol, 10% in Danuzlau and the remainder split between Balaklava, Feodosia and Kerch. This was unacceptable to Ukraine (indeed as it would be to most sovereign states) since it would give Russia an unprecedented degree of military and naval influence throughout the Crimean peninsula. Initially Ukraine insisted that Russia accept the smaller Crimean port of Donuzlau as its single base in Ukraine. By August 1994 it had modified its position somewhat, proposing to allow Russia to keep its share of the fleet in other Crimean bases alongside the Ukrainian navy. When Russia's leaders insisted on having sole basing rights in Sevastopol Ukraine's leaders continued to object and insisted that there should be a stipulation that Russia's military presence in the region would be temporary. Sevastopol, Ukraine's leaders insisted, would serve as a naval base for both the Ukrainian and Russian navies.⁵⁵⁹ Such sharing of facilities was unacceptable to Russia since it was considered impossible to share the base head quarters of Russian Black Sea Fleet.

⁵⁵⁸ *Segodnya* 10 June 1995 p1; *Moskovskie Novosti* 4-11 June 1995 p5. The agreement was determined as follows: Article 1: the navies of the RF and Ukraine would be formed on the basis of the Black Sea Fleet, with separate bases; Article 2: Sevastopol was to be the base for Russia's navy and its head quarters; Article 3: Separate agreement would be reached on the division of the property of the Black Sea Fleet; Article 4: RF would receive 81.7% of ships and vessels, Ukraine would receive 18.3%. Article 5: the division of weapons and military hardware would be based on the decisions of August 1992.

⁵⁵⁹ *Segodnya* 23 April 1994 p1

Clearly Ukraine's leaders realized that it would be impossible to oust Russia from Sevastopol and Crimea immediately. Their strategy was to tightly control and limit those areas where the Russian fleet would eventually be based. Hence Ukraine's insistence that the fleet should be based solely in Sevastopol, where it would share facilities with the Ukrainian navy.

This strategy evolved alongside the formulation of Ukraine's national security concept which was adopted by Ukraine's parliament on its first reading in May 1995. The National security concept specified Ukraine's priorities as ensuring state sovereignty, preserving its territorial integrity and upholding the inviolability of borders. It identified threats to Ukraine as including interference in the country's internal affairs, territorial claims, instability and conflict in neighbouring states, separatism and violations of the constitutional system.⁵⁶⁰

In December 1995, Vice Admiral B. Kozhyn, a deputy in Ukraine's parliament and a former commander of Ukraine's navy, said that it was now time for Ukraine to decide on the status of the foreign troops on its territory and encode this in law. This law, he suggested, should confirm how long foreign troops could serve on Ukrainian soil and proposed a restriction of 4 years. Furthermore, he added foreign troops should abide by Ukrainian law and the country deploying them should pay Ukraine a fee of around 300 ECU per year for each soldier. Rent for land being used by the troops should be paid for at world prices and any ecological or other damage caused by the troops should be fully covered by their own country.⁵⁶¹ While Kozhyn's comments were directed at any military forces on Ukrainian territory, they were aimed in the first instance towards Russia. The first move in this direction came in June 1996, when Ukrainian parliamentarians voted to ban foreign bases on Ukrainian territory. The deputies took into account Russia's basing rights in the Black Sea and so allowed for a transitional period of an unspecified length during which the Russian fleet would be allowed to remain in Ukraine.⁵⁶²

Throughout 1995 and 1996 it became clear that while Ukraine pursued a strategy of limiting, controlling and eventually removing formal (i.e. the Black Sea Fleet) Russian influence from Crimea and Sevastopol, Russia was endeavouring to retain its foothold there. Clearly the

⁵⁶⁰ OMRI *Daily Digest* No 101 25 May 1995

⁵⁶¹ OMRI *Daily Digest* 14 December 1995

⁵⁶² OMRI *Daily Digest* 26 June 1996

issue of basing masked a deeper question of territoriality and elucidated the difficulties associated with the Treaty on Friendship and Cooperation.

As already noted, in signing the proposed treaty, Russia would have to acknowledge and accept the fact of Ukrainian statehood and independence. It would symbolise for Russians and Ukrainians the existence of Ukraine as a state independent and separate from Russia. However in spite of what the treaty represented there was an apparent will on both sides to sign it so that Russo-Ukrainian relations could be shifted forward to a new level.

The proposed treaty would cover all aspects of bilateral relations and update the earlier agreement signed in November 1990, when the USSR still existed and Russia and Ukraine had only recently made declarations of state sovereignty. The new treaty was to be signed in a grand ceremony in Kiev in October 1994.⁵⁶³ This original date was postponed, as were successive signing dates from 1994 through to 1996 and instead of Kiev, the great signing ceremony, marking the formation of the Russian Belarusian Community took place in Minsk.

In spite of the great claims by both sides, it was hard to avoid seeing union with Belarus as anything more than a consolation prize for Russia. Few could dispute that the grand signing ceremony in the Kremlin, with the Russia Patriarch in attendance and on the eve of Russia's presidential elections had great symbolic value. But the tangible merits of entering into a union with Belarus were questionable. For sure Russian national security gained by having greater control over the western border, particularly with the prospect of the east ward expansion of NATO, and Russia was able to maintain its military garrisons in Belarus rent free. But Belarus was increasingly coming to look like a liability, and not just economically. Lukashenka's actions in the weeks following the agreement caused concern not just among Western nations but in Russia as well. His orders to disperse the crowds at the Chernobyl anniversary rally, the arrest of many of its participants and opposition figures, the banning of other rallies and growing political censorship conflicted greatly with the Russia's efforts to present it self (if not act as) as a liberal type democracy.⁵⁶⁴

⁵⁶³ Wilson, A., *Ukraine under Kuchma* Russia and Successor States Briefing 1995 p11

⁵⁶⁴ *Imya* (Minsk) 12 April 1996 no 13 p1; 'Belarus' Gotova Otdat' Samogo Dorogogo' *Kommersant* No 45 3 December 1996 p34; see also *Guardian* 15 July 1996 p6 'Belarus returns to the bad old days'; *Independent* 3 August 1996 p3 'Belarus' activists claim rights are under threat'; *Guardian* 10 September 1996 p10 'Belarus adrift with bully at the helm';

Economic disparity between Russia and Belarus also impeded the real benefits of union. A range of indicators showed Belarus lagging far behind Russia in GDP, budget deficit, inflation and wages.⁵⁶⁵ Such differences between two members of an economic union was certain to impede any genuine attempt at union. How, it was argued, could union be achieved when two very different economic systems were in place. Analogies were made with the experience of German unification after 1990, when the incorporation of the less advanced economy of the east seriously affected the more successful economy of West Germany.⁵⁶⁶

Russia, having embarked on radical economic reform, had largely dismantled the command economy of Soviet times by 1995. In contrast, Belarus had demonstrated an aversion to reform with almost 90% of property remaining in state hands. A state managed economy continued to exist in form though elements of a free market were tolerated.⁵⁶⁷ Attempts at small scale privatization, similar to Russia's voucher scheme had largely failed. Under the terms of the April agreement, both states guaranteed to introduce measures for forming a common transport system and a common tariff for the transport of passengers and cargo as well as the unification of energy (power grids), common scientific / technological and informational space. By the end of 1997 a unified monetary credit and budget system was to be introduced and the conditions were to be created for the introduction of a common currency. Both sides would synchronise the stages, rate and conduct of economic reform, creating a single standardized legal basis by the end of that year.⁵⁶⁸ Given the practicalities associated with trying to unite two different economies it appeared to some that the agreement signalled no more than an intent to merge economies rather than practical measures to achieve this.

Though generally welcomed in Belarus, the agreement on union was not without its critics there. Responding to Lukashenka's claims that the SSR was taking as its model the EU, an article in *Belorusskii Rynok* made an implicit comparison between the gradual progression toward unity followed by the member countries of the EU, and the hasty approach taken by Russia and Belarus. The process which had begun in Europe in 1951 only neared completion in 1992. What it took the EU over three decades to achieve Russia and Belarus were

⁵⁶⁵ *Kommersant Daily* 30 March 1996 p2

⁵⁶⁶ 'Bat'ka v Sobstvennom Soku' *Kommersant* No 39 28 October 1997 p11

⁵⁶⁷ *Gramadzyanin* (Minsk) 18 April 1994 p2

⁵⁶⁸ *Narodnaya Gazeta* 3 April 1996 p1

attempting to do in less than five.⁵⁶⁹

Ultimately though, however great the symbolic merits of union with Belarus, in Russia's long term interests, rapprochement with Ukraine was preferable. This preference derived from a number of factors, some of which have been already addressed such as a mutually interdependent trading relationship and mutual importance for energy supplies and energy transit. Additional factors included Ukraine's geopolitical position in the centre of Europe and the large Russian minority concentrated in Southern and Eastern Ukraine.

It is not advantageous for Russia to have 'cold war type' relations with Ukraine. Such a relationship could inhibit deeper forms of mutually advantageous cooperation while carrying the risk that cold war hostilities would escalate into hot war with economic, monetary and human costs. Furthermore, as long as such cold war relations endured, Ukraine could become even more alienated from Russia, building new and often more profitable relations with other states.

Clearly the Russo-Ukrainian relationship can be meaningful for both sides. Leaving aside their traditional elements of commonality (common history, language, etc), Ukraine represents a more equitable partner for Russia than Belarus. A key factor in this lies in Ukraine's long term economic potential. An over concentration on national consolidation under L. Kravchuk meant that very little economic reform occurred in Ukraine until his replacement by L. Kuchma. Reforms introduced by Kuchma (then Prime Minister) during Kravchuk's presidency had limited impact. By 1994 the Ukrainian economy was in a state of collapse. Production had declined by 28% (compared with 8% in 1993) and agricultural production fell 17%. The budget deficit stood at 49% of the GDP; inflation for the year was 461%.

In October 1994 Kuchma (having been elected President in July) launched 'a new course of economic and social policy on price liberalization, quicker privatization, promotion of private entrepreneurship and banking reform'. Small scale privatization was to be completed by 1995; privatization of medium sized enterprises would occur over three years. Other new reforms included land reform, cancellation of subsidies for state companies and the introduction of a new currency (Hryvna) during August and September 1996. Western aid

⁵⁶⁹ *Belorusskii Rynok* (Minsk) No 15 16 April 1996 'EC v SSP: Pochybstvuete pazhitzu?'

was also actively sought.

Greater commitment to economic reform from most of Ukraine's political leaders meant that many of the new reforms were implemented. Even by the end of 1994 inflation had been reduced significantly: from 72% in November to 28% in December and the budget deficit was cut from 22.4% of GDP in August to 9.7% in December.

In 1994 and 1995 Ukraine experienced many of the worst excesses of economic reform that Russia had experienced in 1992 and 1993. In 1995 the country suffered a severe slump of industrial production. GDP fell 22% in 1995 - one of the worst rates in the CIS. A report from the International Labour organization (ILO, Geneva) in December 1995 concluded that the economy was sinking further into recession, industrial production had halved since 1991 with hidden employment affecting one out of three factory workers. But by the summer of 1996 Ukraine appeared to be emerging from the worst of the crisis. The programme of small scale privatization was announced completed in September 1996 (with the exception of Crimea), with 80% of small enterprises taken over through employee buy out schemes. The process of large scale privatization was on going with over 40 million members of the population having picked up their privatization vouchers.⁵⁷⁰ In the proposed draft budget for 1997, the government foresaw economic growth of about 1.7% - a small figure perhaps, but representing the first real growth in the economy since independence.⁵⁷¹ The introduction of the national currency - the Hryvna, was another indicator of the importance of economic security and a sign that the economy was slowly beginning to recover. The optimism and confidence of external financial institutions regarding the success of Ukraine's reform programme was confirmed by credits from the IMF, World Bank and EU.⁵⁷²

In Ukraine, the switch to a programme of radical economic reform was linked to the need to guarantee national security and independence - economic reform would ensure economic security. Radical economic reform occurred as a consequence of Ukraine's post independence leaders, (notably Kravchuk) effectively having avoided any significant or meaningful

⁵⁷⁰ OMRI *Daily Digest* 12 September 1996

⁵⁷¹ OMRI *Daily Digest* 13 September 1996

⁵⁷² For example in Sept 1996 the EU announced that through its Tacis programme Ukraine would receive \$700million between 1996 and 1999 for various economic projects. OMRI *Daily Digest* 13 September 1996.

economic reform from 1991. This avoidance had taken economy to the brink of collapse. Kravchuk's main support lay in the Western regions of Ukraine. He tried to gain support in the more russified eastern regions by playing into the hands of the post-Soviet conservatives through a slow programme reform. Kuchma realised that political and economic change depended upon a careful balancing of the pro Russian sentiments of the eastern territories and strong nationalist pressure from the west. This balance was crucial in conditions of economic crisis to maintain internal stability. He also appreciated, in a way that Kravchuk had not, that continued economic weakness rendered the young state even more vulnerable to the influences of its larger neighbour. While Kuchma was more 'russophile' than Kravchuk, he recognized the need to minimize Russia's opportunities for intervention in Ukraine. Bolstering national security through economic security was the rationale behind the launch of the programme of radical economic reform in Autumn 1994. This was imperative for the survival of the state since, as it was observed, 'if Ukraine fails, its only alternative could be a return to domination by Moscow its main creditor'.⁵⁷³

Conclusion

In this chapter I have examined the processes underway since 1992 to formalize in treaty form relations between Russia and the other two Slavic states. The signing of a Treaty of Friendship and Cooperation is an important benchmark in interstate relations among the ex-republics of the USSR, symbolizing their emergence and existence as independent states and recognition of them as such. I have demonstrated that in the case of Russia and Belarus, not only was the relationship formalized in treaty form but went significantly beyond this to the point where a process of uniting the two countries was begun. In contrast, though troubled and beset with difficulties from time to time, the Russo-Ukrainian relationship did not break down and finally managed to reach agreement on a treaty in 1997.

I have shown how the Russian Ukrainian and Russian Belarusian relationships evolved in different directions. While the Russian Ukrainian relationship was more problematic and prone to dispute and conflict, the main sources of disagreement between the two states were largely resolved and not at the expense of the ceding of any aspect of Ukrainian sovereignty. By firmly bolstering its statehood (politically and economically) Ukraine emerged as a strong but moderate equal to Russia whose existence as an independent state is ultimately accepted

⁵⁷³ Liesman, S., 'Can Ukraine Slip Russia's Grip?' *Central European Economic Review* April 1995 p10

and respected by its larger neighbour. In contrast Russian Belarusian relations developed in a more pragmatic manner. Unreformed and excessively resource dependent, Belarus had little to offer Russia economically. Its importance to Russia in 1995 and 1996 lay in its strategic position (with the threat of NATO's eastward expansion) and the symbolic importance of its voluntary return to the Russian realm on the eve of the Russian presidential elections. For the political leaders and elites of both states Belarusian statehood and sovereignty was malleable - a commodity which could be used to the mutual benefit of both. Unlike Ukraine, for Belarus' leaders statehood was not something to be strengthened and protected but rather a bargaining tool to extract short term economic gains and political assurances.

Ukraine's reaction to the circumstances it found itself in contrasts considerably with the response of Belarus' leaders. Ukraine responded to the crisis of statehood it found itself in in 1991 and 1992 by building up a network of new allies and partners, creating a new image as a moderate, stable state in Central Europe, launching a programme of radical economic reform and buttressing all of this through constitutional democracy. The consequence of this was to strengthen the state, both economically and politically so that Russian influence, interference or intervention could be contained. In Belarus, its leaders sought deliverance from the crisis affecting the nation, not from the array of resources available to the state (material, intellectual and so on) but from the Russian saviour. From the Russian perspective, the formation of the Russian Belarusian Community could also be seen as a reaction to Ukraine's continued drift to the West, including joining the Partnership for Peace in 1994 and concluding an agreement with NATO in 1997.⁵⁷⁴

To understand why the leaders of Ukraine and Belarus' responded to Russia in different ways, the perception of statehood held by their political elites and populace requires examination. It has long been acknowledged that in contrast to the Ukrainians, national consciousness among Belarusians is weakly developed. This may help explain the willingness of the people to cede part of their sovereignty in the hope of salvation from Russia and why union with Russia is chosen in preference to market reform and democratic principles.

⁵⁷⁴ 'NATO i Sfinks' *Kommersant* No 11 2 April 1996 p20-21; 'Vzryv Nezavisimosti' *Kommersant* No 29-29 p35ff

Chapter 7 Statehood and Status: Perceptions of Statehood and Relations between Russia, and Ukraine and Belarus.

Russia's relations with Ukraine and Belarus had reached a significant stage by summer 1997 with the agreement to form a union with Belarus (2 April 1997) and the long awaited Russian Ukrainian Treaty of Friendship and Cooperation signed during Yeltsin's first official visit to Ukraine (30 May 1997). For Belarus the momentum for closer union with Russia had been building for several years, but in both cases the shift to a clearer resolution and definition of their relationship with Russia at this time was given added impetus by NATO's eastward expansion and the admission of the former WTO states of the Czech Republic, Hungary and Poland in July 1997.

For these three Slavic states, NATO's expansion forced both a reevaluation and a reorientation of their foreign policies, strategic interests and their place in the new geopolitical order that had emerged in the post-Soviet years. Since independence in 1991, intellectual and political elites in Russia and Ukraine, and to lesser extent Belarus had been seeking to identify and define national interests and a concept of statehood which would reinforce national sovereignty. NATO's advance east gave this added urgency, necessitating a clearer definition and articulation of these ideas.

In the last years of the USSR a growing sense of national identity developed within its constituent republics. This was stronger in some than in others and was often used by the communist or new political elites to channel opposition to the central authorities. Russia (then the RSFSR) is good an example of how nationalism was used to challenge the power of the centre though it was also much in evidence in the Baltic republics, Ukraine and Georgia.

This strong sense of national identity and nationalism was an important element in the fostering of a concept of statehood within the new national states. By this is meant a vision or concept of what the state will be like and how it should function and exist in its contemporary form.

Usually, though not necessarily this can be laid out in a formal statement - a type of a mission statement, and this concept of statehood would have an important input in the

formulating of the legal basis of the state in a constitution, as well as informing foreign and security policies.

Of the three Slavic states it can be argued that Ukraine experienced the least difficulty in working out its concept of statehood. post-Soviet Ukraine was driven by a strong and unchallengeable belief in the historical legitimacy of its statehood. Debates about its right to exist as a nation state were few and external challenges to the legitimacy of its statehood (usually emanating from Russia) were firmly put down. In the Belarusian case, the comparative absence of a strong sense of nationhood and subsequently statehood, meant that initially the state floundered directionless. For Russia, the difficulty in working out its concept of statehood lay in reconciling its imperial past (both Tsarist and Soviet) with its modern form. For each of these Slavic states their perceptions of statehood and the difficulties encountered in the working out of these affected, and were affected by internal and external developments as well as impacting upon relations with each other.

Russia

Among Russia's political and intellectual elite, as well as for many ordinary people, the prospect of NATO's advance east was an anathema. Russia had always objected to the continued existence and strengthening of this 'Cold War' organization, especially since its Soviet controlled counterpart, the WTO organization, had been dissolved. It had actively sought to promote the OSCE as the post Cold war security mechanism, within which Russia would have a greater role. In 1991 Russian nationalists and communists had been angered by the Western triumphalism at having 'won' the Cold War. To them, NATO's expansion seemed very much like acquisition of the spoils of that war, reviving the sense of a defeated nation, dictated to by the West, that Russia had managed to overcome in the years following World War Two. This perception was perpetuated by the Western news media. In May 1997 *The Economist* described Russia's acceptance of NATO's expansion 'Russia's second surrender'.⁵⁷⁶

Russia was also angered by its lack of control over NATO's expansion. Once on the international agenda, there was in reality very little Russia could do to halt it, despite its best attempts at threats and obstructionism. In this context, Russia's position was very similar to that of the USSR in 1990, when after the collapse of the Berlin Wall, German

⁵⁷⁶ *The Economist* 17 May 1997 p43

unification soon followed. In both cases, despite Soviet and Russian objections and opposition, German unification and latterly NATO expansion were ultimately fait accompli which they had very little control over and could do very little about. The symbolic importance of these events lay in their exposure of the extent to which Soviet and subsequently Russian influence in international and European relations had declined. David Hearst, writing in the *Guardian* observed that Russia was facing for the first time since the 1814 Vienna Congress which decided the political shape of post Napoleonic Europe, its relegation as a European power.⁵⁷⁷

NATO's expansion also led to the prolongation of the debate about whether Russia's orientation lay in Europe, or in Asia. Discussions on Russia's role as a 'Eurasian' state had been ongoing since 1991 with the factions falling into Westernisers and Slavophiles, or Atlanticists and Eurasianists.⁵⁷⁸ This debate about Russia's post-Soviet status was neither conclusive nor resolved and contributed to the drift in Russia's external relations from 1991-1993. This in turn had a serious impact on Russia's relations with its new neighbouring states.

During this period Russian Foreign Policy continued to follow the Gorbachev-Shevardnadze line based on 'New Political Thinking', noted for its heavily Atlanticist approach.⁵⁷⁹ By the middle of 1992 this approach came under criticism from nationalist and communist forces for being excessively conciliatory and concessionary to the West, at the expense of Russia's national and strategic interests. Alexei Arbatov argued that the apparent absence of tangible political and security gains achieved at negotiations produced a common perception of foreign policy as merely an adjunct of tactics for getting credits and economic aid from the West.⁵⁸⁰

A sceptical Arbatov added that 'it was not inconceivable that former acting Prime Minister, Gaidar, and his team looked at it precisely in this way.'⁵⁸¹ This point was implied again in ⁵⁷⁷ *Guardian* 15 Feb 1997 p15

⁵⁷⁸ RFE/RL *Research Report* 29 May 1992 p17-22; also Olga Alexandrova 'Divergent Russian Foreign Policy Concepts' *Aussenpolitik* IV/93

⁵⁷⁹ McMahon 1992

⁵⁸⁰ Arbatov, A., 'Russkaia Natsional'naja Bezopasnost' v 90-e Gody' *Mirovaia Ekonomika I Mezhdunarodnye Otnoshenia* No 7 1994 p5 15; Arbatov, A.G., 'Russia's Foreign Policy Alternatives' *International Security* Vol 18 No2 Autumn 1993 p5-43;

⁵⁸¹ *ibid*

an article in *Kommersant* which noted that soon after Russia signed the Founding Act with NATO (27 May 1997) it was admitted to the G8.⁵⁸² Arbatov also criticised Russia's foreign policy makers at this time for the complete lack of interest in comprehensive, consistent analysis of major political issues, involving experts from the academy of sciences and the newly independent think tanks and foundations.⁵⁸³

The impact of the latter should not be underestimated. Russia's foreign policy institutions were wholly unprepared for the practicalities of implementing the foreign policy of the new state.⁵⁸⁴ Continuity in approach and personnel from the Soviet era was unavoidable and because independence had come so unexpectedly, a clear framework, for Russia's external relations, based on a concept of statehood was lacking.⁵⁸⁵ In the immediate post independence period, Russian foreign policy was largely reactive. Certainly, from 1991-1993, and indeed well into 1994 and 1995, Russia's foreign policy lacked clarity and definition in its rationale and objectives and was confused and inconsistent in its application. Olga Alexandrova described the spread of a 'lack of orientation and a growing sense of inferiority' and observed that Russia was in 'a stage of a neurotic search for self identity'.⁵⁸⁶

The formulation of a foreign policy concept was not wholly neglected at this time. On the contrary, on going attempts were made to work out a new orientation. In March 1992 the Russian Ministry of Foreign Affairs (RMFA) issued a statement 'On the Concept of Russian Foreign Policy' identifying as priorities the maintenance of ties with Russian communities, the CIS states, the retention of links with the Baltic states and participation in CIS structures. This was followed by a 'Strategy for Russia' from the Council on Foreign and Defence Policy (August 1992); a statement 'Concerning the Basic Points of the Concept of Foreign Policy of the RF' from the RMFA (1993) and an inter departmental institutional

⁵⁸² 'NATO bez Granits' *Kommersant* 23 December 1997 p9

⁵⁸³ *ibid*

⁵⁸⁴ see also Webber, M., *The International Politics of Russia and the Successor States* Manchester: Manchester University Press 1996 p99-101

⁵⁸⁵ Webber also notes that of all the other ex-republics, Ukraine entered the post-Soviet period with the best developed institutions amongst the former republics but still at a level inadequate for an independent state. Belarus had a foreign ministry made up of only thirty diplomatic personnel. see Webber p109-110

⁵⁸⁶ Alexandrova 1993

initiative 'Basic Principles of a Foreign Policy Concept of the RF'. A discussion paper from the Russian Academy of Sciences in 1994 on a National Security Doctrine advised that Russia should seek to normalize and stabilize relations with the CIS states.⁵⁸⁷

The involvement of a range of institutional bodies led to difficulties in reaching a consensus on what Russia's external aims should be. This was compounded by the escalating struggle between Russia's legislature (Congress of People's Deputies) and executive (Presidency) during which both sides used foreign policy to further their aims and widen their support. The resolution of the crisis by the dissolution of the Congress in autumn 1993 was accompanied by a rightward shift in foreign policy, evident from early 1994 and formalized with appointment of Evgenii Primakov as Foreign Minister. While the pro Western orientation was maintained, the vocal and assertive coalition of Red-Brown forces had ensured that Russia's relations with its neighbouring states would be given greater and more serious consideration. Within the government the move to the right was signalled by Yeltsin's jettisoning of his chief reformer, Egor Gaidar, while the other noted liberal, Foreign Minister, Andrei Kozyrev found his position becoming increasingly untenable throughout 1994 and 1995 as criticism of his conduct of foreign policy mounted. The more youthful Kozyrev was replaced by Primakov (68), who had a reputation of being a conservative and statist.⁵⁸⁸

A key criticism of Kozyrev's foreign policy was the neglect of relations with the countries of the near abroad in the months and years following independence. By 1993 the Russian government was seeking to rectify this problem but even by then much damage had been done. Russia's preoccupation with the West in the early years of independence allowed the new states to move further out of its sphere of influence while allowing other states to acquire greater influence in the region. When Russia began to act to halt the process, it was interpreted by the states of the region and their new found allies as evidence of the restoration of Russia's imperialist tendencies.

⁵⁸⁷ *Natsional'naya Bezopasnost' Doktrina Rossii: Problemi i Prioritety* Moscow: RAN 1994; see also *Gosudarstvennaia Programma Natsional'nogo Vozrozhdeniia i Mezhnatsional'nogo Sotrudnichestva Narodov Rossii* Moscow 1994; Abalkin, L., 'O National'no-Gosudarstvennykh Interesakh Rossii' *Voprosy Ekonomiki* No 2 1994 p4-16

⁵⁸⁸ 'Veterany: Chetvero Dolgikh' *Kommersant* No 46 23 Dec 1997 p26&27

Working out its relations with the other former Soviet republics proved to be one of the most complicated vectors of Russia's foreign policy since this would act as an indicator of just how far the new Russian state had evolved. Russia has never existed before in its contemporary form and adjusting to this reality entailed considering the nature and form of the modern Russian state. The evolution of its policy towards the ex-republics revealed much about the nature and form of the new Russia.

Two key factors helped shape Russia's policy towards the ex-republics. Firstly, the inescapable fact that it was the dominant power in the region - economically, militarily, and geopolitically. Secondly, while this gave Russia an important power base, it also entailed responsibilities, especially for maintaining regional security. The mechanisms for implementing these responsibilities were more problematic and varied from neo-imperialist destabilization and economic and ethnic leverage to a more rationale and reasoned cooperative strategy, depending on the internal political pressures of the government.

Realism in policy toward the ex-republics prevailed during those times when liberal reformers were most influential in the Russian government. Economists and politicians like Egor Gaidar, Boris Nemstov and Antoly Chubais were keen to minimise the costs to Russia of sustaining her sphere of influence. This stemmed from the belief that, Russia, as it existed in its modern form was no longer capable of subsidising its neighbouring states and needed to cap the huge drain on resources required for its own transition. When resigning as acting prime minister in January 1994, Egor Gaidar cited as one of his reasons the proposed customs union with Belarus, which he believed Russia could ill afford. The restoration of liberal reformers to the government in the wake of Yeltsin's second election as President (1996) saw the revival of this realism. Under the influence of Nemstov and Chubais the draft agreement on union with Belarus in Spring 1997 was significantly watered down so as to minimise or at least reduce financial losses to Russia. Nemtsov's attitude to union with Belarus was further underlined in September 1997 in a newspaper interview when he compared Belarus to North Korea and Cuba saying 'just as you cannot unite the economic systems of north and south Korea, just as you cannot unite the economy of Florida with near by Cuba, you cannot, quite clearly

integrate the economies of Belarus and Russia, whose economic fundamentals differ'.⁵⁸⁹

At other times however the influence of the liberal reformers was curtailed by the need to accommodate the vocal and assertive nationalist and communist lobbies. The impact of this on policy implementation ranged from neo imperialist rhetoric to overt and covert intervention, often of a military type, and economic pressuring. Politicians from these lobbies have also undertaken their own initiatives, using contentious issues to gain further support.⁵⁹⁰ Liberal Democratic Party leader, Vladimir Zhirinovskiy; former Vice President, Alexander Rutskoi; Alexander Lebed, Yeltsin's running mate in the second round of the 1996 Presidential elections; Communist Party leader, Gennadi Zuev and more recently, Yuri Luzhkov, Mayor of Moscow and Presidential hopeful, have all used this tactic.⁵⁹¹

Consequently not only has the formulation of foreign policy been impeded by the lack of resolution on basis of Russian statehood and the Westernizer - Slavophile debate, it has also been constrained by the lack of clarity and decisiveness in its relations with the CIS states. This has shifted from benign neglect (1991-1992)⁵⁹², to costly economic and military intervention (1992-1996), to strategic realism (1996-1997). Underpinning this strategic realism is the awareness that even without imperialist ambitions, Russia must be concerned about regional security in the area of the FSU. The difficulty in adapting to this role was described by Sergei Karaganov (Foreign Policy advisor to Yeltsin), as a period when Russia knew it could no longer be donor and boss but it did not know whether to increase separation or try a new form of integration. Karaganov predicted that Russia would play the role of first among equals in interstate relations in the CIS, rather like the US in NATO, or Germany in the EU, but not big brother protecting and feeding his younger kin (though elements of these

⁵⁸⁹ cited from interview in *Belorusskaya Delovaya Gazeta* in *Russia Today* (Electronic News Journal Internet Edition) 29 Sept 97; Ekaterina Filippova noted that almost all of the contemporary politicians began as cadres with the CPSU. See 'Bliznetsy no ne Bratia' *Kommersant* No 40-41 11 Nov 1997 p45&46

⁵⁹⁰ These include the status of Russian minorities in other republics, the question of the Black Sea fleet and the status of Sevastopol

⁵⁹¹ *Kommersant Vlast'* No 7 23 February 1999 p11

⁵⁹² James Sherr prefers to see it as 'malign neglect' see Sherr *Ukraine, Russia, Europe* Conflict Studies Research Centre October 1996 p4

roles would remain).⁵⁹³

As strategic realism evolved it became clear that in the hierarchy of interests, some republics were more important to Russia than others. For example, the Central Asian republics, with the exception of Kazakhstan and Turkmenistan had little economic value, though strategically they acted as a buffer zone on Russia's southern border. There was general recognition among all political groups in Russia that the Baltic states of Latvia, Estonia and Lithuania had effectively moved out of Russia's sphere of influence though the Russian minority and economic links meant that some form of relationship had to be maintained. Instability in the Transcaucasus (Georgia, Azerbaijan, Armenia) made Russian involvement unavoidable, both to protect Russia's strategic interests and to contain the impact of the instability on Russia. Of the former republics contiguous to Russia's borders, Ukraine and Belarus were crucial to Russia for economic, military and geopolitical reasons, as well as the sizable Russian minorities in each state.

In formulating a concept of statehood and foreign policy orientation for the new Russian state the historical ties between the Slavic tribes of 'Kievan Rus' represented a contemporary bond between Russia, and Ukraine and Belarus. To what extent these historic ties should be revived into a new type of Slavic union formed part of the debate about Russia's position in the new geopolitical order and its relationship with the former Soviet republics.⁵⁹⁴ The willingness of Belarus' leaders to tie the state to Russia in a such a union vindicated the supporters of this view. However Belarus' merger with Russia placed further emphasis on the dissonance in Russian Ukrainian relations.

The existence of Ukraine as an independent state was especially problematic for Russia and presented many difficulties. For the previous three centuries Russia had never existed in anything other than its imperial form and Ukraine had never existed outside of this. For Stephen Blank, it was Ukraine which had brought Russia to Europe, but which had also made it an empire,

⁵⁹³ *Financial Times* 21 March 1994 p13

⁵⁹⁴ *Nezalezhnaia Rus' Kommersant* No 28-29 6 August 1996 p36&37

Historically it was acquiring Ukraine that integrated Russia into Europe both politically and culturally. But it was that acquisition that confirmed and necessitated an autocratic and imperial Russia under both Tsars and Soviets.⁵⁹⁵

Ukraine had played an important part in Russia's imperial configuration and with the independence of both states, continued to play a role in the construction of Russia's national identity. How Russia related to independent Ukraine would serve as a measure of the extent to which Russia had shed its imperial past.⁵⁹⁶ Belarus proved less of a dilemma for Russia since a concept of national identity and statehood was so weak and as Russian commentators and academics pointed out, even the Belarusian intelligentsia found the idea of a national state absurd.⁵⁹⁷

For several years following independence, many in Russia found the prospect of Ukraine's independent existence intolerable, and viewed it as only a temporary phenomenon. Stephen Blank noted that for many, even liberals, Ukraine's independence was worse than treachery, striking at the very concept, let alone existence of a Russian state'.

He also noted the 'visceral and deep seated belief that without Ukraine Russia's very identity was imperilled and that Ukraine was nothing more than 'Little Russia' or Malorossia.'⁵⁹⁸ This belief is held not only by Russia's political elites but by a wide section of the population. Roman Laba observed that a peculiarity of the Russian Ukrainian relationship was that some Ukrainians and apparently most Russians saw no reason for the separate

⁵⁹⁵ Blank, S., 'Russia, Ukraine and European Security' *European Security* Vol 3 No 1 Spring 1994 p189

⁵⁹⁶ Solchanyk reinforces this point arguing that 'Ukraine has, and continues to play a pivotal role in Russia's confrontation with itself', see Kuzio, T., 'Ukrainian Nationalism' *Journal of Area Studies* No 4 1994; see also Furman, D., 'Ukraina i My: Natsional'noe Samosoznanie i Politicheskoe Razvitie' *Cvobodnoi Mysli* Moscow 1996

⁵⁹⁷ Furman, D., & Bukhovets, O., 'Belorusskoe Samosoznanie i Belorusskaia Politika' *Cvobodnoi Mysli* 1996 p57 ff

⁵⁹⁸ Blank p189

states, state borders or a separate ethno nationality identity.⁵⁹⁹

In 1994 a nationwide survey found that most Russians would like Russia to form a large state which would incorporate the other territories of the FSU. More than 75% of respondents felt that Belarus, Ukraine and Kazakhstan should be reunited with Russia. When asked whether Ukraine should be reunited with Russia, 49% of the sample agreed. When asked to prioritize the former Soviet republics with which Russia should have relations, 70.2% identified Ukraine, 42.8% Belarus and 42.3% Kazakhstan.⁶⁰⁰ Another survey, three years later in 1997 reconfirmed this. The poll of Russians conducted by the Public Opinion Foundation found that 75% of the respondents viewed the Russian - Belarusian union as the first step towards the restoration of the old union. When asked to name which other republics they would like to accede to the union, 64% of the respondents named Ukraine and 40% chose Kazakhstan.⁶⁰¹

Ukraine played an important psychological role in the construction of Russia's national identity but while difficulties in reconciling itself to Ukraine's new status complicated relations, their development was not prevented. From 1994 it was evident that Russia was becoming accustomed to and adapting to the reality of Ukraine's independence, seeking less to undermine it and instead use it to its advantage. This was given added impetus by the NATO's eastward advance, though strategic realism and the influence of the liberal reformers were also important factors. Belarus' independence presented much less of a dilemma for Russia. Indeed, the problem for Russia's leaders was how to keep the state at a sufficient distance so that Russia would not end up propping up Belarus' economy.

In 1996 and 1997 NATO's imminent expansion forced Russia to structure its response and reformulate its relationship with NATO and in particular the new member states while cushioning the impact of this within the country itself. Russia's decision to enter initially, a 'community' with Belarus and subsequently a 'union', and its signing of the Treaty of Friendship and Cooperation with Ukraine must be viewed as part of Russia's strategy for responding to and dealing with NATO's expansion. It also reveals the degree to 'realpolitik'

⁵⁹⁹ Laba, R 'The Russian-Ukrainian Conflict: State Nation Identity' *European Security* Vol 4 No3 Autumn 1995 p457-487

⁶⁰⁰ *ibid* p477

⁶⁰¹ RFE/RL *Newsline* 27 June 1997

has become a major influence on Russian Foreign Policy.

Union with Belarus offered Russia a number of tangible benefits in the face of NATO's advance. Poland's inclusion brought NATO's area of influence and its troops closer to Russia's western border than had previously been anticipated. The political, military and economic union agreed to in April 1997 provided Russia military bases in Belarus as well as coordination of foreign policy and military construction. By November 1997 this was formalized in a bilateral Treaty on Military cooperation.⁶⁰² From the strategic perspective, Belarus was secured as a buffer between Russia and NATO. Economically, union with Belarus offered Russia few benefits but such was the strategic importance of its western neighbour that Russia was effectively willing to subsidize the Belarusian economy in return for this. Union with Belarus was also a response to critics of the government within Russia who accused the leadership of acquiescence. The union signalled to these critics, as well as NATO's leaders that while Russia may have accepted the inevitable it was actively responding to it by creating its own military political union.⁶⁰³

Ukraine

Agreement with Ukraine was also part of Russia's response to NATO expansion. This was finally reached in May 1997, after having eluded both states for so long. While both sides claimed that agreement was impossible as long as differences over the Black Sea Fleet remained unresolved, in reality they had found ways to work around this obstacle. But the actual symbolic value of the Treaty inhibited Russia from signing it. Crucially, signing the Treaty would acknowledge Russia's acceptance of Ukraine's existence as an independent state and territorial entity, separate from Russia. Hitherto the strong and vocal nationalist opposition within Russia had refused to accept the loss of Sevastopol and for some even the loss of Ukraine itself. But by May 1997 such was the unease generated by NATO's expansion, even these groups were prepared to be more conciliatory. The agreement with Ukraine was viewed a means to get Ukraine on side. In doing so it recognized Ukraine's

⁶⁰² RFE/RL *Newsline* 19 Dec 1997

⁶⁰³ The Moscow correspondent of the *Washington Post* observed that the agreement supplied Yeltsin with a symbolic response to the planned east ward expansion of NATO which Russian's political elites saw as humiliation. *Western Press Review* RFE/RL 3 April 97

importance as a large and influential Central European state which Russia would prefer to have as its ally rather than see its incorporation into the Western Alliance. The agreement was also tacit recognition that Ukraine's new found international status had been acquired without any Russian input, evolving instead from its determination to distance itself from its dominant Russian neighbour. Once more realpolitik prevailed in Russian policy, stemming from the realization that Ukraine was now a vitally important political and economic neighbour.

Ukraine's success in achieving this formal recognition from Russia is linked to its clear and coherent concept of statehood driven by a strong belief in the historical legitimacy of its existence. Confident that Ukraine's true geopolitical orientation lay in the direction of East Central Europe and beyond to Western Europe, the post independence leadership sought to consolidate sovereignty by building on the network of relations formed in months before the USSR's collapse, as well as forming new alliances. In Ukraine's new military doctrine (enacted into law on 19 Oct 1993) Russia was clearly seen as a threat, though this was not explicitly stated. In the light of this, it was vital to bolster Ukraine's security with other regional and European security organizations.⁶⁰⁴ Recognition and support from external allies - both moral and financial, gave Ukraine further confidence to minimise, reduce or prevent any opportunities for Russian interference.

Ukraine's leadership sought to optimise its position as the second largest actor in the region, exploiting Western fears of Russian instability particularly in the crisis months from July to December 1993. Where Russia could only achieve a handover of political power through the forcible closing of the Congress of Deputies, Ukraine accomplished a smooth changeover to new legislative and executive bodies with parliamentary and presidential elections in the summer of 1994 furnishing Ukraine with a new image as a moderate, stable state of East-Central Europe, ready to launch a programme of radical economic reform and buttressing all of this through constitutional democracy. The overall objective was to strengthen the state, both economically and politically so that future Russian influence, interference or

⁶⁰⁴ Dick, C.H. 'The Military Doctrine of Ukraine' *Journal of Slavic Military Studies* Vol 7 No 3 Sept 1994 p507-520; see also *Ukrains'ka Dumka* 10 November 1994 p 1; 'Ukraina - Derzhava v Evropeis'kii Rodini 9 June 1994 p6 ; 'Ukrains'ko -Rosiis'ki Vidnosini' 28 July 1994 p1

intervention could be contained.⁶⁰⁵ The outcome was to provide Ukraine with the confidence to negotiate with Russia on an equitable basis without any diminution of national sovereignty. This was in stark contrast to the remaining member of the Slavic triangle, Belarus.

Belarus

Although sharing a similar starting point ⁶⁰⁶ Ukraine and Belarus have followed radically divergent policies in their relationships with Russia. While Ukraine's leaders have sought to shape Ukraine into a modern stable state with a network of Western allies, Belarus' leaders have taken their state in the opposite direction, towards Russia in its external relations and towards authoritarianism in its internal politics. In both cases, their post independence development can be linked to their historical experience. In Ukraine's case, it was able to draw upon a long legacy of nationalism, both overt and suppressed. In contrast, Belarus lacked the strong historical basis to statehood that Ukraine's leaders could so easily exploit. The impact of this deficit in Belarus has been evident in the actions of its political leaders and populace which indicate that statehood and its attributes are neither cherished nor valued, nor perceived as something to be protected and defended at all costs. What is evident in Belarus is the failure to reconcile nation with statehood.

In Belarus, by 1991, neither of these crucial facets (nation and state) had reached the point where the geographical lands and its relatively homogeneous indigenous people could come together in a nation state. Belarus had not yet matured to the point of its historical development where the next stage would be its emergence as an independent state. A nominal degree of autonomy in Soviet times meant that when independence was thrust upon the state in 1991, the main republican organs - the parliament (Supreme Soviet) and its leader, the Chairman, took on the day to day running of the state. Some basic features of a state were in place, others such as a constitution and a presidency were later added. What was notably

⁶⁰⁵ 'Vzryv Nezavisimosti' *Kommersant* No 28-29 6 August 1996 p34 ff

⁶⁰⁶ The collapse of the USSR had a similar impact in both of these states. Both were politically unprepared for independence. Their economies, intensively developed in the post war period were heavily integrated into the all union economy and were extremely energy intensive.

lacking however was a national ethos - a concept of statehood. Many citizens of Belarus describe feelings of shock and betrayal upon hearing of the dissolution of the USSR and Belarus' new status as an independent state. One woman described her utter disbelief, particularly after the positive results of the March referendum when a majority of Belarusians had voted to remain in a union. The blatant disregard of this compounded her disbelief.⁶⁰⁷

In the autumn and winter of 1991 Belarus was adrift in the precarious position of having an independent status it had not sought. It had been forced into a position neither its leaders and people had actively pursued and rather than consolidating statehood and fostering national consciousness, the strategy seemed more like national destruction rather than construction particularly since 1994 and the election of Belarus' first President, Alexandr Lukashenka. Though Lukashenka did not initiate the process of reuniting Belarus with Russia, he made it his accomplishment his personal mission since his election.⁶⁰⁸ To many observers the rationale for this was more than simply a logical path of development for two fraternal Slavic states. Certainly Russia and Belarus share a common history of close and often mutually interconnected relations but impetus for close relations with Russia was seen as part of a presidential policy of 'reform avoidance' by which Belarus would reap vital economic benefits, notably the guaranteeing of energy supplies while at the same time avoiding the painful economic reforms and their potentially destabilising consequences.

Lukashenka claimed as his *raison d'être* for this mission the fact that he was the only deputy in the Belorussian Supreme Soviet to vote against the dissolution of the USSR in 1991. Since election however, Lukashenka achieved few real successes. The economic slump continued to deepen; popular opposition to him grew steadily and Belarus became more isolated diplomatically. By casting himself as the unifier of the two fraternal Slavic states, Lukashenka could at least attain some degree of success for himself, even if the actual union of the two states was more symbolic than real. His 'political stunts' were even seen by some as an attempt to distract the attention of the population from the real problems of the economy.⁶⁰⁹

⁶⁰⁷ Interviews conducted in Minsk, Belarus 1996 & 1997

⁶⁰⁸ Lukashenko, A., 'Integratsionnaia Politika Belarusi i Rossii Zakhvatila Umy Millionov i Uzhe Ne Imeet Obratnogo Khoda' *Belaruskaya Dumka* No 5 1996 p3ff

⁶⁰⁹ 'Novy Kurs Aleksandr Lukashenko' *Belorusskaya Gazeta* 8 April 1996 p9

Even if such an unlikely policy were possible, it could only have limited application. Ultimately, the 'goods' needed to be delivered and while Belarus was still guaranteed Russian energy supplies, these were not free. The 1996 Agreement on formation of a Russian - Belarusian Community was accompanied by a so called 'Zero Sum' agreement on Belarus' energy debts, eliminating Belarus energy debts to Russia, particularly its gas industry though Belarus' energy debts have continued to accumulate again since then.

Russia was also more hesitant about implementing the terms of the agreements on formation of a community and responded to Lukashenka's overtures only when it was advantageous for them to do so. This has now occurred on three notable occasions: firstly in April 1996 with an agreement on the formation of the Russian - Belarusian Community, signed in an elaborate ceremony in the Kremlin; secondly in April 1997 with an agreement to further this community;⁶¹⁰ thirdly, a so called new 'union treaty' signed in December 1999. The first agreement preceded the Russian presidential elections of 1996 when Yeltsin needed to appeal to the nationalist and communist vote. The second agreement was signed in spring 1997 as NATO's eastward expansion advanced despite Russian opposition and obstructionism. In this context formalising a union with Belarus served several ends: signalling to the USA and NATO powers that Russia would seek to construct a future political-military union of client states if NATO advanced to Russia's borders, and securing Belarus as a buffer state between Russia and NATO as the latter's advance in Poland became imminent. The new 'union treaty' was signed just before Russia's parliamentary elections in December 1999 and appeared to be an attempt to play to the nationalist / conservative constituency.⁶¹¹

Conclusion

In reaching deals with both Belarus and Ukraine (Spring 1996 & 1997 and early summer of 1997), Russia was able to plug the security vacuum on its western flank, made critical by NATO's east ward expansion. The agreements also served as measure of the state of relations between Russia and the two other Slavic states.

Clearly Ukraine had gained much. Having surmounted many of its initial weaknesses (the economy continues to prove problematic) Ukraine strengthened and consolidated its

⁶¹⁰ *Sovetskaya Belorussia* 3 April 1997 p1; 4 April 1997 p1; 22 April 1997 p2

⁶¹¹ RFE/RL *Newsline* 9 December 1999

statehood, giving it a stronger bargaining position vis a vis Russia and enabling it to negotiate on a more equitable basis. This was achieved in spite of adverse difficulties, not least the presence of a large and influential Russian minority. In contrast Belarus avoided confronting its weaknesses. It continued to look to Russia as its saviour, tying itself into a union with Russia where it is very much the weaker partner.

In relations among the states of the Slavic triangle, the crucial developments in the recent years have been the Russian-Belarusian Union and the Russo-Ukrainian rapprochement. While the former has been the most publicised, it is the latter that which can be viewed as the more significant. In 1996 and 1997 Ukraine began to emerge as a serious partner and ally for Russia in regional and European politics.⁶¹² The converse of this is Ukraine's future potential as a serious rival to Russian influence.⁶¹³

As allies Russian and Ukraine have the opportunity to exert strong influence in regional and European affairs but as rivals carry the risk of generating serious instability and conflict. Within the configuration Belarus' position is greatly diminished. Weakened by economic crises, led by an authoritarian type leader and isolated internationally, Belarus is susceptible to the influence and possible intervention of either state. More likely could be a combined effort to pressure for change in Belarus should the country's continued right ward shift begin to threaten regional security.

Clearly, the balance of power within the Slavic triangle has shifted. Russia no longer has the monopoly of power and influence within this sub-region and the area as a whole. Russia and Ukraine now share the position of dominant regional actor with Belarus existing largely as an appendage to Russia and influential only to the extent of its possible negative influence on regional politics.

⁶¹² In 1996 Sherman W. Garnett was optimistic about Ukraine's new position, suggesting that it could become for Russia a serious partner and an anchor of stability on its Western border. Garnett, S.W., *Ukraine: Europe's New Frontier* Conflict Studies Research Centre July 1996

⁶¹³ Ukraine's enthusiasm and involvement in non Russian regional groupings can be taken as one indicator of this. Recently this includes its involvement in the GUAM group, made up of Georgia, Ukraine, Azerbaijan and Moldova. RFE/RL *Newsline* 1 Dec 1997 & 29 Dec 1997.

Chapter 8 Conclusion

In chapter 1 (Introduction) I framed a number of key research issues which this thesis aimed to address. These were:

- What were the outcomes of imperial collapse for Russia, Ukraine and Belarus?
- What specific issues and problems arose from the emergence of these states as a result of the above process?
- How did Russia organize its relations with Ukraine and Belarus and what factors determined and shaped these?
- Was some form of reintegration or reunion inevitable amongst these states?

I will now demonstrate how my thesis has addressed these questions beginning with the consequences of imperial collapse.

Russia, Ukraine and Belarus were important parts of the Tsarist and Soviet empires. The relationship between Russia and the other Slav regions was mutually interdependent, relying on each other for the exchange of goods and personnel as well providing security guarantees. The bonds between them were strengthened in the Soviet era with the development of the CPE and the regional market. A new phase in the relationship occurred in the late 1980s as the republics cooperated to renegotiate their relationship with the centre. The collapse of the Soviet empire revealed the inordinately high degree of integration between the states of the FSU. As the republics emerged to become self governing states these bonds were tested, sometimes breaking down though rarely severing all together. The challenge following independence was to find mechanisms to restore, renew or replace these bonds.

Imperial collapse left the former republics of the USSR, and Ukraine and Belarus in particular, with a number of specific problems. These included a trade dependency on Russia - a direct result of the regional specialisation policies of the Soviet regime. The presence of large numbers of Russians in Belarus, and particularly in Ukraine, was a serious and urgent issue which needed to be addressed. The treatment of Ukraine's substantial Russian minority would act as an indicator of the political maturity of this new state. The

potential existed there for a form of reactive nationalism, finding expression in acts of discrimination and aggression against the Russian minority. The absence of this reflects the degree of assimilation that had taken place and the positive impact of the nation building policies of the post-Soviet leadership in Ukraine. The perception prevailed however, amongst many in Ukraine, and nationalists in Belarus, that they had been widely exploited by the Tsarist and Soviet regimes and that self government/ independence was the best option for them. The links between these states, built up over many decades, could not be completely discarded, particularly as membership of European and international organizations remained inaccessible, at least in the early years following independence. Consequently the CIS offered one way to manage post independence relations with the other states.

The disintegration of the Soviet empire had extensive geopolitical consequences. The collapse of the USSR left a security vacuum in the region. Russia became the dominant regional power and acted quickly to secure its interests. The instability and potential problems caused by the collapse of Soviet power and the emergence of many new, weak and unstable states represented a serious cause for concern in the West. A dual strategy of assisting the arrival of these states to the world stage (initially through financial support), while recognising that the region was a sphere of Russian influence, allowed the West to influence developments without direct involvement. This gave Russia an opportunity to control developments in the region. A number of tools were used to achieve this. Using its dominance within the CIS was one mechanism; exploiting trade dependency and exerting economic pressure; fanning potential regional conflicts; covert support for military operations in other CIS states, were others. Russia was however unable to prevent a realignment that was taking place among some of the former states. The drift of the Central Asian states towards their regional neighbours to the south was a natural vector in their geopolitical alignment. Ukraine's westward leaning was part of a strategy to distance itself from Russia by presenting itself as European state. Following the countries of Eastern Europe by gaining admission to European organization was a determined goal.

With NATO's proposed eastwards expansion, Russia was confronted with its first real geopolitical dilemma. NATO's expansion to include the East European states of Czechoslovakia and Poland was bearable. Russia could even tolerate the inclusion of the Baltic states. But the prospect of Ukraine's inclusion suggested that NATO's eastward

advance to Russia's western borders was beyond Russia's control. Russia acted swiftly to reclaim the initiative.

NATO expansion underlined the need to retain a western buffer zone and Russia sought to secure this quickly. The creation of the SSR with Belarus in 1996 and the Russian Ukrainian Treaty of Friendship and Cooperation in 1997 were the results of the drive to ensure that the states to west of Russia's borders were firmly within its sphere of influence. The signing of state to state treaties in 1996 and 1997, which formalized relations with Ukraine and Belarus, was an important stage in the process of reconstituting relations between these states.

Between 1991 and the signing of the treaties, these regional neighbours were seeking ways to coexist and manage their relationship. In signing the agreements all three states recognized that they could not live without each other.

The process of renegotiating the relationship was influenced by a number of factors but significantly their common historic bonds played a minimal role. Reference could and was made to their historical development and shared past, when it was politically expedient to do so, but this alone was not sufficient to justify renewed cooperation. Rather more pressing issues such as national security and economic recovery shaped the post independent relations of these countries.

The need for cooperation was imperative. The structural legacies of the CPE left the western republics of the FSU trade dependent and reliant on Russia for energy supplies. A priority for all was to find a way to manage this dependency in the short term while reducing it in the long term and at the same time securing the necessary supplies. In the immediate post-Soviet years, Russia was prepared to exploit this dependence for its own ends and it became a measure of a nation's statehood if it was able to withstand this (Ukraine managed it, but Belarus failed). Ukraine's ability to withstand pressure signalled to Russia that it would have to be dealt with on a more equitable basis so that the relationship which evolved after 1994 was more conciliatory. It is a relationship which is evolving and the signing of the Treaty of Friendship and Cooperation marks an important stage in the 'normalising of relations'.

Relations among the post-Soviet Slavic states are shaped now by new issues rather than old ones. The most pressing issue confronted by all was the issue of NATO expansion. The implications of the proposed expansion caused a reevaluation by all states of their position in the regional geopolitical order and forced upon them the realisation their security would be better guaranteed by more cooperative relations with regional neighbours rather than potentially hostile relations.

Even once the NATO threat receded (or more accurately, compliance was forced upon them) the states of the region continued to see the benefits of greater cooperation. How this was to be achieved reflected the degree of maturity at which these new states had arrived.

A common starting point was their effective exclusion from European and global economic organisations at a time when these states were increasingly dependent upon trade and exchange. Renewing old relationships on new terms was one way of overcoming these difficulties though clearly these new relations would have to be on a mutually advantageous basis. The nature of the relationship was clearly linked to the perception of statehood, the roots of which can be found in the historical development of these states in Tsarist and Soviet times. But crucially in the post-Soviet era, realism and pragmatism rather than a romantic attachment to a common Slav heritage proved the more successful model for forging a new relationship with Russia.

Ukraine accepted the reality (though this was not the case in the Kravchuk years 1991- 94) that Russia is its largest neighbour in the region and for that reason a constructive rather than a destructive relationship should be pursued. This should not mean however that Ukraine would have to sacrifice any degree of statehood or sovereignty in the pursuit and maintenance of this relationship. In contrast, Belarus' retarded post-Soviet development resulted in a unequal relationship with its Russian neighbour where effectively Russia could dictate the terms of the relationship to a ever dependent Belarus.

The Slavic Union in which these historically linked states would act together as an influential regional bloc, and which was envisaged by many in the early years of the post-Soviet era, has not emerged. The political and economic reintegration amongst all the states of the region and not just the Slavic states, which was predicted to be inevitable has similarly not happened. Most states, and Ukraine and Belarus in particular have found their own ways of maintaining their relationship with Russia, with whatever implications this has for

their state. Within the Slavic subregion it is Ukraine which has made the most significant advances in its relationship with Russia, negotiating, bargaining and compromising to achieve a workable, equitable relationship. In the period 1991-1997, Russian-Belarusian relations made many symbolic advances (such as the formation of the SSR) but the relationship has yet to reach the stage where both partners view each other as equals. In contrast, Russian-Ukrainian relations have normalized with both states acting as partners in a developing and mutually advantageous relationship. In the next phase of the post-Soviet transition the evolution of the Russian Ukrainian relationship will be of crucial importance given Ukraine's potential to become a partner and ally for Russia but also the possibility of becoming a serious rival in regional and world politics.

This thesis has presented an interpretation and analysis of the changing relationship between Russia and its Slavic neighbours. Relations between these states can not be understood without reference to their relations in the past as this has affected their perception of each other in the modern era. I have tracked the development of that relationship from Tsarist to Soviet times but focussed more on the evolution of relations during the period of reform in the late 1980s, the collapse of the Soviet empire in 1991 and the subsequent emergence of the former republics as new states the 1990s.

Relations with Ukraine and Belarus is only one element of Russia's external relations. However most analyses of Russia's foreign policy continue to focus on its relations with the West while providing only a general interpretation of its relations with the 'Near Abroad'. This looks set to continue as the changing leadership in Moscow redefines security policy with the West. Consequently Russia's relations with its regional neighbours remains a neglected area. I have sought to provide an analysis of one aspect of this. My thesis demonstrates how the relationship has evolved within the Slavic sub-region. My research has shown that Russia's relations with these states has been determined not only by regional concerns but also by international issues, namely NATO expansion. The collapse of the USSR and the redefining of relations between its successor states is vast topic for enquiry and research. It was necessary for me to focus and specifically define my area of study so that my investigation would be manageable and genuinely comparative. Other aspects of relations with the post-Soviet states are important. For example how has the presence of large numbers of ethnic Russians (37.8%) in Northern Kazakhstan affected Russia's relations with the state? How have relations between Russia and Moldova, another former republic

on its western border developed? Have there been any significant advances in the relationship between Ukraine and Belarus? To have included these issues in my research would have significantly widened the area of study. I hope to pursue these issues in my post doctoral research.

Finally, Russia's relationship with Ukraine and Belarus continues to evolve. I have investigated the first phase of this. The new leadership in Russia and the new emphasis in economic and security policy will have an effect on Russia's relations with regional neighbours. Russia's relationship with its Slavic neighbours is an exciting and dynamic area of study and will continue to be an important subject of investigation and analysis in the future.

Appendix 1

Research Trips

1992 Preliminary Research trip to Moscow, Saint Petersburg and Kiev prior to submitting proposal for doctoral thesis. During this trip I was able to identify key research issues and questions and establish contacts. I discussed the main themes with researchers at IMEMO.

1995 Six week study trip to Moscow. The main focus was identifying and selecting primary research materials and library based research in the Russian State Library and the library at IMEMO. I liaised with researchers at IMEMO and they provided me with advice and information.

I interviewed Dr Vladimir Gelman of the Institute for Humanities and Social Research (Moscow) and was given unlimited access to their archive of contemporary Russian newspaper articles.

I interviewed Dr Alexei Kuzmin, Special Advisor to Gregori Yavlinsky (Yabloko)

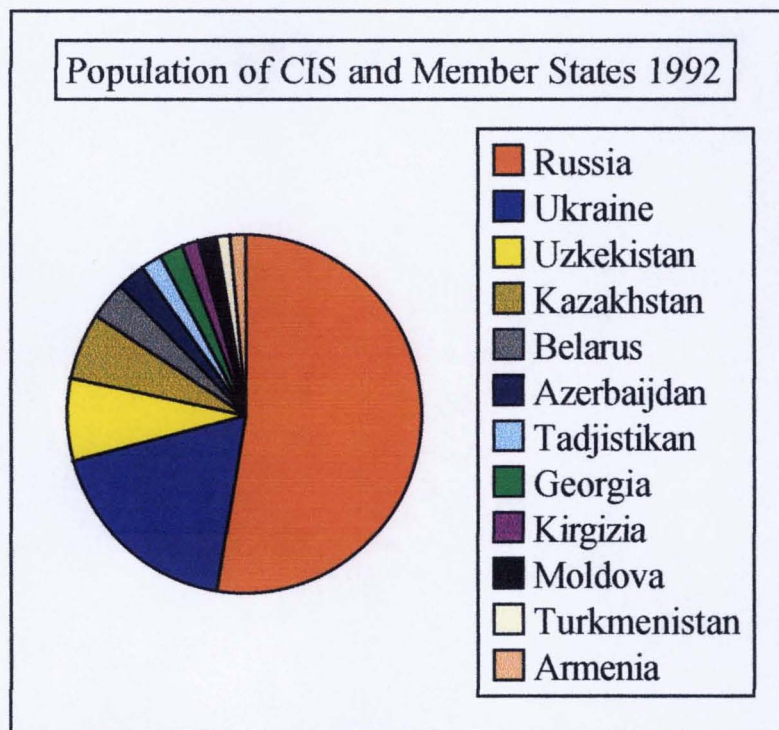
1996 Six week study trip to Minsk (Belarus). The main focus was gathering primary research materials and library based research in the Belarusian State Library. I liaised with researchers at Institute for Socio-Economic and Political Research. Professor Oleg Manaev provided me with advice and information and gave me unlimited access to the Institute's archive of contemporary Belarusian newspapers.

- 1997** Four week study trip to Minsk (Belarus). The main focus was gathering primary research materials and library based research in the Belarusian State Library.
I interviewed members of Minsk Municipal Council.
- 1998** One week study trip to Minsk (Belarus) to supplement research materials.

Appendix 2

Population of CIS and Member States 1992 (in thousands, in descending order)

Population	Size
CIS	283844
Russia	148704
Ukraine	52057
Uzbekistan	21207
Kazakhstan	16964
Belarus	10281
Azerbaijdan	7297
Tadjistikan	5570
Georgia	5463
Kirgizia	4484
Moldova	4359
Turkmenistan	3809
Armenia	3649



Source: Didenko, N.I., *Osnovy Vnesheekonomicheskoi Deiatel'nosti v Rossiikoi Federatsii* Saint Petersburg: Politekhnik 1997 p428

Appendix 3*

Table 1: Barter Trade (EXPORTS) by Russia to individual Republics of the USSR (as percentage of overall volume) 1987-90

CIS State	1987	1988	1989	1990
Overall	100	100	100	100
Azerbaijan	3.56	3.6	3.48	3.74
Armenia	2.59	2.59	2.56	2.94
Belarus	14.07	14.1	14.27	15.65
Georgia	4.25	4.29	4.22	4.47
Kazakhstan	14.13	14.1	13.99	15.15
Kyrgyzia	2.13	2.09	2.1	2.55
Moldova	3.8	3.79	3.79	4.09
Tajikistan	2.2	2.2	2.16	2.5
Turkmenia	1.86	1.9	1.82	2.12
Ukraine	42.03	42	42.28	43.32
Uzbekistan	9.32	9.29	9.28	9.85

Table 2: Barter Trade (IMPORTS) by Russia from individual Republics of the USSR (as percentage of overall volume) 1987-90

CIS State	1987	1988	1989	1990
Overall	100	100	100	100
Azerbaijan	6.2	6.19	5.96	6.11
Armenia	3.73	3.7	3.75	3.05
Belarus	16.99	17	17	16.36
Georgia	5.17	5.2	4.99	5.96
Kazakhstan	8.02	7.99	8.61	7.22
Kyrgyzia	1.4	1.4	1.42	1.49
Moldova	5.29	5.3	5.11	5.84
Tajikistan	1.53	1.49	1.63	1.94
Turkmenia	1.93	1.89	1.94	2.12
Uzbekistan	7.7	7.69	7.89	8.04
Ukraine	41.98	42	41.63	41.8

Table 3: Russia's Trade (EXPORTS) to individual Republics of the USSR (as percentage of overall volume) 1991-93

CIS State	1991	1992	1993
Overall	100	100	100
Azerbaijan	3.97	2.38	0.5
Armenia	3.39	1.4	0.5
Belarus	14	14.44	15.89
Georgia	4.08	1.4	0.29
Kazakhstan	13.87	24.94	17.19
Kyrgyzia	2.06	1.87	1.5
Moldova	3.47	2.91	2.89
Tajikistan	2.13	1.24	0.7
Turkmenia	1.77	2.18	1.4
Ukraine	41.99	40.02	53.1
Uzbekistan	9.21	7.69	5.2

**Table 4: Russia's Trade (IMPORTS) from individual Republics of the USSR
(as percentage of overall volume) 1991-93**

CIS State	1991	1992	1993
Overall	100	100	100
Azerbaijan	6.63	3.6	2.09
Armenia	2.56	0.91	0.19
Belarus	12.9	12.39	22.8
Georgia	3.64	0.57	0.3
Kazakhstan	11.84	22.63	16.39
Kyrgyzia	2.52	1.71	1.3
Moldova	5.23	2.93	1.3
Tajikistan	1.94	0.8	0.4
Turkmenia	3.94	2.41	0.99
Ukraine	35.81	47.99	42.3
Uzbekistan	12.94	4.01	11.9

Table 5: Russia's Trade (EXPORTS) to CIS States, excluding Baltic States, (as percentage of overall volume) 1994-97

CIS State	1994	1995	1996	1997
Overall	100	100	100	100
Azerbaijan	1.26	0.6	1.09	1.34
Armenia	1.11	0.89	0.67	0.59
Belarus	21.62	20.61	32.09	28.11
Georgia	0.5	3.42	0.63	0.87
Kazakhstan	14.16	17.2	16.03	14.89
Kyrgyzia	0.75	0.73	1.01	1.01
Moldova	3.82	2.89	2.4	2.29
Tajikistan	1.03	1.33	0.95	0.53
Turkmenia	0.8	0.65	0.72	1.6
Uzbekistan	5.4	5.75	6.84	5.27
Ukraine	49.67	48.9	47.47	43.69

Table 6: Russia's Trade (IMPORTS) from CIS States, excluding Baltic States, (as percentage of overall volume) 1994-97

CIS State	1994	1995	1996	1997
Overall	100	100	100	100
Azerbaijan	1.36	0.78	1.05	1.82
Armenia	0.51	0.55	0.58	0.42
Belarus	20.2	15.36	20.87	33.1
Georgia	0.5	0.42	0.46	1.04
Kazakhstan	19.34	19.68	20.87	19.58
Kyrgyzia	0.94	0.74	1	1.04
Moldova	4.61	4.67	5.68	5.9
Tajikistan	0.87	1.22	0.6	0.68
Turkmenia	0.58	1.31	1.15	1.11
Uzbekistan	0.79	6.54	4.49	7.15
Ukraine	42.68	48.68	43.1	28.07

Table 7: Russia's Exports to Ukraine and Belarus 1987-93,
as percentage of overall imports from Soviet Republics
(excluding Baltic Republics)

Exports 1987-1990

Year	1987	1988	1989	1990	Year	1987	1988	1989	1990
CIS States	43.9	43.9	43.45	41.03	CIS States	41.03	41	41.37	41.84
Ukraine	42.03	42	42.28	43.32	Ukraine	41.98	42	41.63	41.8
Belarus	14.07	14.1	14.27	15.65	Belarus	16.99	17	17	16.36
Total	56.1	56.1	56.55	58.97	Total	58.97	59	58.63	58.16

Table 8: Russia's imports from Ukraine and Belarus 1987-93,
as percentage of overall imports from Soviet Republics
(excluding Baltic Republics)

Imports 1987-90

Exports 1991-1993

Year	1991	1992	1993	Year	1991	1992	1993
CIS States	100	100	100	CIS States	100	100	100
Ukraine	41.99	40.02	53.1	Ukraine	35.81	47.99	42.3
Belarus	14	14.44	15.89	Belarus	12.9	12.39	22.8
Total	55.99	54.46	68.99	Total	48.71	60.38	65.1

Imports 1991-1993

Table 9: Russia's Exports to Ukraine and Belarus 1994-97
percentage of overall trade with CIS States (excluding Baltic Republics)

Exports 1994-97

Year	1994	1995	1996	1997
CIS States	100	100	100	100
Ukraine	49.67	48.9	47.47	43.69
Belarus	21.62	20.61	32.09	28.11
Total	71.29	69.51	79.56	71.8

Table 10: Russia's imports from Ukraine and Belarus 1994-97 as
percentage of overall trade with CIS States (excluding Baltic Republics)

Imports 1994-97

Year	1994	1995	1996	1997
CIS States				
Ukraine	42.68	48.68	43.1	28.07
Belarus	20.2	15.36	20.87	33.1
Total	62.88	64.04	63.97	61.17

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Table 11: Russian Foreign Trade with republics
of USSR/CIS IMPORTS 1987-97

Table 12 : Russian Foreign Trade with republics
of USSR/CIS EXPORTS 1987-97

CIS State	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Azerbaijan	6.2	6.19	5.96	6.11	6.63	3.6	2.09	1.36	0.78	1.05	1.82
Armenia	3.73	3.7	3.75	3.05	2.56	0.91	0.19	0.51	0.55	0.58	0.42
Belarus	16.99	17	17	16.36	12.9	12.39	22.8	20.2	15.36	20.87	33.1
Georgia	5.17	5.2	4.99	5.96	3.64	0.57	0.3	0.5	0.42	0.46	1.04
Kazakhstan	8.02	7.99	8.61	7.22	11.84	22.63	16.39	19.34	19.68	20.87	19.58
Kirgizia	1.4	1.4	1.42	1.49	2.52	1.71	1.3	0.94	0.74	1	1.04
Moldova	5.29	5.3	5.11	5.84	5.23	2.93	1.3	4.61	4.67	5.68	5.9
Tajikistan	1.53	1.49	1.63	1.94	1.94	0.8	0.4	0.87	1.22	0.6	0.68
Turkmenia	1.93	1.89	1.94	2.12	3.94	2.41	0.99	0.58	1.31	1.15	1.11
Ukraine	41.98	42	41.63	41.8	35.81	47.99	42.3	42.68	48.68	43.1	28.07
Uzbekistan	7.7	7.69	7.89	8.04	12.94	4.01	11.9	0.79	6.54	4.49	7.15

CIS State	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Azerbaijan	3.56	3.6	3.48	3.74	3.97	2.38	0.5	1.26	0.6	1.09	1.34
Armenia	2.59	2.59	2.56	2.94	3.39	2.38	0.5	1.11	0.89	0.67	0.59
Belarus	14.07	14.1	14.27	15.65	14	14.44	15.89	21.62	20.61	32.09	28.11
Georgia	4.25	4.29	4.22	4.47	4.08	1.4	0.29	0.5	3.42	0.63	0.87
Kazakhstan	14.13	14.1	13.99	15.15	13.87	24.94	17.19	14.16	17.2	16.03	14.89
Kirgizia	2.13	2.09	2.1	2.55	2.06	1.87	1.5	0.75	0.73	1.01	1.01
Moldova	3.8	3.79	3.79	4.09	3.47	2.91	2.89	3.82	2.89	2.4	2.29
Tajikistan	2.2	2.2	2.16	2.5	2.13	1.24	0.7	1.03	1.33	0.95	0.53
Turkmenia	1.86	1.9	1.82	2.12	1.77	2.18	1.4	0.8	0.65	0.72	1.6
Ukraine	42.03	42	42.28	43.32	41.99	40.02	53.1	49.67	48.9	47.47	43.69
Uzbekistan	9.32	9.29	9.28	9.85	9.21	7.69	5.2	5.4	5.75	6.84	5.27

Table 13: Share of Trade (EXPORTS) with Ukraine and Belarus as percentage of overall exports to CIS States 1987-97

CIS State	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Ukraine	42.03	42	42.28	43.32	41.99	40.02	53.1	49.67	48.9	47.47	43.69
Belarus	14.07	14.1	14.27	15.65	14	14.44	15.89	21.62	20.61	32.09	28.11
Total	56.1	56.1	56.55	58.97	55.99	54.46	68.99	71.29	69.51	79.56	71.8

Table 14: Share of Trade (IMPORTS) with Ukraine and Belarus as percentage of overall imports from CIS States 1987-97

CIS State	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Ukraine	41.98	42	41.63	41.8	35.81	47.99	42.3	42.68	48.68	43.1	28.07
Belarus	16.99	17	17	16.36	12.9	12.39	22.8	20.2	15.36	20.87	33.1
Total	58.97	59	58.63	58.16	48.71	60.38	65.1	62.88	64.04	63.97	61.17

Table 15: Direct Ukrainian Investment in Russian Federation as percentage of overall Ukrainian investment

Investor	1995	1996	1997	1998
Ukraine	20.69	61.93	48.8	33.51

Table 16: Direct Russian Investment in Ukraine as percentage of overall foreign investment in Ukraine

Investor	1995	1996	1997	1998
RF	3.95	5.57	7.38	7.32

Source: Derzhavnii Komitet Statistiki Ukraini *Ukraina u Tsifrakh* 1997 Kyiv 1998

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(2) Gosudarstvennyi Komitet Rossiiskoi Federatsii Po Statistike *Rossiiskii Statisticheskii Ezhegodnik* 1996, 1997, 1998

Appendix 4

Table 1: Trade Dependence of Soviet Republics (%) alphabetically

Republic	% of Internal Trade	% of Non USSR / CMEA Trade
Armenia	90.1	9.9
Azerbaijan	87.7	12.3
Belarus	86.8	13.2
Estonia	91.6	8.4
Georgia	85.9	14.1
Kazakhstan	88.7	11.3
Kyrgyzia	85.7	14.3
Latvia	88.6	11.4
Lithuania	89.7	10.3
Moldova	87.7	12.3
Russia	60.6	39.4
Tajikistan	86.5	13.5
Turkmenia	92.5	7.5
Ukraine	82.1	17.9
Uzbekistan	89.4	10.6

Table 11: Trade Dependence of Soviet Republics (%) in order of dependence

Republic	% of Internal Trade	% of Non USSR / CMEA Trade
Turkmenia	92.5	7.5
Estonia	91.6	8.4
Armenia	90.1	9.9
Lithuania	89.7	10.3
Uzbekistan	89.4	10.6
Kazakhstan	88.7	11.3
Latvia	88.6	11.4
Azerbaijan	87.7	12.3
Moldova	87.7	12.3
Belarus	86.8	13.2
Tajikistan	86.5	13.5
Georgia	85.9	14.1
Kyrgyzia	85.7	14.3
Ukraine	82.1	17.9
Russia	60.6	39.4

Source: Evstigneev, V.P., & Shishkov, Iu. V. *Reintegratsiya Postsovetskovo Ekonomicheskovo Prostranstva i Opyt Zapadnoi Evropy* Moscow 1994: Institut Mirovoi Ekonomiki i Mezhdunarodnykh Otnoshenii RAN p39

Appendix 5
Agreement on Russian Belarusian Community
2 April 1996

On 2 April in a solemn setting, the Presidents of Russia and Belarus endorsed a Treaty on the Formation of a Community [Soobschestvo] between Russia and Belarus.

Text of the Agreement (in summary form)

The Russian Federation and the Republic of Belarus, based on the historic closeness, similarities and destiny of their peoples, confirmed by their desire to closeness, as shown in the results of May referendum (1995) in Belarus and in the October decision of the upper house, the Federal Council of the Russian Federation (1995), based on the Treaty of Friendship, good neighbourliness and cooperation between the Russian Federation and the Republic of Belarus from 21 February 1995, confirmed by their membership in the CIS, the agreement between the Republics of Belarus, Kazakhstan, Kirgizia and the Russian Federation about the deepening of integration in the economic and humanitarian spheres from 29 March 1996,

agreed the following:

Art 1: To achieve deeper integration, both sides agreed to form a political and economic community of Russia and Belarus with the aim of joining material and intellectual potential of both states for the benefit of the economy, to create equal standards of living and individual spiritual development.

Art 2: It is based on the principles of sovereignty and equality of the participants, democracy and respect for human rights and the principles and norms of international law.

Art 3: There will be coordination of foreign policy, a common position on basic international questions, mutual cooperation in guaranteeing security, border defence

and the fight against crime.

With the aim of guaranteeing security, the sides will formulate common principles for military construction, using aspects of the military infrastructure in accordance with national legislation;

Art 4: For the creation of a single economic space, the effective functioning of a common market, and the free movement of goods, services, capital and labour, the sides agreed that at the end of 1997 to synchronise the stages, timing and depth of their economic reforms creating a single normal-legal basis for removal of any interstate barriers, and restrictions and creating equal possibilities for free economic activities.

In this period the sides will form a single, unifying system of anti monopoly legislation, taxes, state support for production, investment regime, norms and laws for labour protection, and also the formation of a single customs space and a joint serve administration.

Art 5: At the end of 1996 both sides agreed to take measures to introduce a common transport system, with a single tariff for the transport of goods and passengers, and also a joint energy system, a common scientific-technological and information space.

Article 6: Both sides agreed that at the beginning of 1997, the structural policies for the further development of their economies, having in mind the future creation of an industrial-agrarian complex, based on the mutual interaction of their economies, maximum usage of the rational division of labour, specialised and cooperative production.

Art 7: At the end of 1997, the introduction of a unified monetary-credit and budgetary system, creating the conditions for the introduction of a common currency.

Art 8: Equal rights of citizens of both states to education, employment, payment of wages, and other social guarantees and a common standard of social security;

Art 9-11: Outline the key administrative organs of the community and their functions, including a Supreme Council (the highest body), a Parliamentary Council and an Executive Committee;

Art: 12: The functions of the bodies of the Community will be to introduce common economic and social policies and the working out and realization of a joint programme; formation of a single legal basis and measures aimed at a unified monetary-credit, tax and budget system. Details other areas for joint cooperation including customs, security and meteorological service.

Art 13: Decisions are not to be taken to the detriment of the individual constitutions;

Art 14: Specific budgetary and financial arrangements;

Art 15: In participating in the Community, each side maintains their sovereignty, independence, and territorial integrity, its own constitution, state flag, coat of arms, hymns, and other attributes of state power.

Members of the Community consider themselves to be subjects of international law and conduct relations with other states through diplomatic relations and consuls, as concluded in an international treaty. The sides continue to be members of the UN and other international organization.

Art 17: The further development of the Community and its structure will be determined by referendum, which will take place on the territory of the participant in accordance with their national legislation.

Art 18: Membership of the Community is open to other states;

Art 19: The agreement is operative from the day of signing.

Source: *Diplomatskii Vestnik* No 5 May 1996 p39-42

Appendix 6
Treaty of Friendship and Cooperation between Russia and Ukraine
31 May 1997

Summary of Key Points

- The 10-year treaty will automatically be extended for 10-year periods if neither side cancels it.
- Russia accepts Ukraine's territorial integrity and its sovereignty over the Crimean peninsula.
- It also confirms that Russia will assume all foreign debts accrued by Soviet-era Ukraine in exchange for all foreign assets accumulated by Kyiv under communism.

Security Aspects of the Russian-Ukrainian Treaty

Russia and Ukraine pledged not to enter into agreements with third countries aimed against each other and not to allow their territories to be used to the detriment of each other's security.

Black Sea Fleet

A declaration was also signed on the division of the Black Sea fleet, formalizing a deal reached earlier by the two Prime Ministers. The key element of the agreement were:

- Russia is to rent the bases, ports and infrastructure of the Black Sea Fleet of the former USSR for a period of 20 years.
- The main bases of the Russian Black Sea Fleet will be Sevastopol.
- Russia is entitled to use aerodromes in Gvareiskom and military sanatorium in Yalta.
- Russia is only entitled to have no more than 132 armoured cars in Ukraine as well as 24 artillery systems, 22 aeroplanes, and no more than 25,000 military personnel.
- Ships must be withdrawn from Ukraine on the basis of 50-50 but Russia must transfer to Russia \$536.5 million over the course of 2 years.
- Russia is obliged not to keep any nuclear weapons on its portion of the Black Sea Fleet located in Ukraine.

Source: *Kommersant Daily* 29 May 1997 p1&2

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