THE RELEVANCE OF ECONOMIC, ORGANIZATIONAL, AND SOCIO-COGNITIVE PERSPECTIVES IN EXPLAINING THE DOWNSIZING OF MILITARY BUREAUCRACIES: THE CASE OF UKRAINE

Abstract:

The literature on military transformation agrees that large military bureaucracies are designed to produce routine, repetitive and orderly actions. Therefore, these structures often become a major source of resistance to organizational downsizing. Despite variation in scope and forms, militaries in Europe have undergone substantial restructuring in the 1990s and 2000s wherein alliance membership served as a motivation of such organizational transformation. This paper surveys the extent to which NATO membership affects the downsizing of military organizations in various applicant nations. By focusing on the process of organizational downsizing in Ukraine, the study traces the relevancy of economic, institutional, and socio-cognitive explanations for military reforms aimed at downsizing. This former Soviet Republic is the only nation in Eastern Europe that officially declared its intention to join NATO and then withdrew its bid for membership. Therefore, Ukraine’s transformation provides a valuable insight into the extent to which the political authority of conducting military reforms is moving from domestic bureaucracies and centralized government toward supranational organizations and regional powers. On the policy side, the paper provides valuable insight into the extent to which NATO should consider potential membership bids from governments that are being challenged by competing domestic and external pressures.

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When Viktor Yushchenko came to power in the aftermath of the Orange Revolution in 2004-05, the new government in Kiev expressed clearly its intention to join NATO. Five years later, Yushchenko and his pro-Western government suffered a stunning defeat by the pro-Russian candidate, Viktor Yanukovich, who confirmed that Kiev was no longer interested to pursue NATO membership, thus making Ukraine a unique case of a nation that initially expressed desire for membership but in the mean time reversed its position.¹

Kiev has enjoyed a special relationship with NATO since the end of the Cold War. It was a founding member of the North Atlantic Cooperation Council (NACC) and the Euro-Atlantic Partnership Council (EAPC), and an active participant in the Partnership for Peace (PfP). In 1997 Ukraine and NATO signed a Charter on a Distinctive Partnership and five years later a NATO-Ukraine Action Plan was introduced at the Prague Summit. Its purpose was to “to identify clearly Ukraine’s strategic objectives and priorities in pursuit of its aspirations towards full integration into the Euro-Atlantic security structures and to provide a strategic framework for existing and future NATO-Ukraine cooperation under the Charter.”² In January 2008 the President, the Prime Minister, and the Speaker of Ukrainian Parliament wrote a letter to NATO asking it to accept the country into the Membership Action Plan, as a first step en route to full membership. At that moment, however, NATO, U.S., and Ukrainian officials agreed that

the country needed a thorough public debate before its entry to the Alliance.\(^3\) The presidential election in February 2010 confirmed that Kiev was not ready to move forward with an application – as the pro-Russian and anti-NATO candidate Victor Yanukovich from the Party of the Regions received overwhelming public support, which effectively halted further accession talks.

How has Ukraine managed military transformation after its independence in 1991? To what extent the decision to join NATO has influenced the process of military transformation in this country? What steps have policymakers taken to conduct military reforms? Has Kiev’s partnership with NATO influenced the course of these reforms? Ukraine presents a *sui generis* case of military transformation that has several distinctive characteristics: First, similar to the Baltic States and some of the former Yugoslav Republics, Ukraine had to construct the apparatus of statehood from scratch. However, unlike most to them, Kiev inherited a formidable inventory of equipment and highly trained officer corps prepared to wage conventional and strategic war against NATO under someone else’s direction in Moscow.\(^4\) Second, similar to most of East European nations Kiev had to deal with a sizable military bureaucracy left over from the Cold War which was loosely coordinated especially because of the weak and fragile political institutions following the nation’s independence in the early 1990s, thus leading to limited civilian control and oversight. Such structures were naturally susceptible to organizational and bureaucratic resistance to transformation. Third, mid- and high-level military officers held custody over resources (manpower, facilities, equipment and

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funding) and sought to curb the influence of the civilians as the latter were often regarded as amateurs. At the same time, military officers had very little experience with drafting of doctrines, planning operations and even conduct of warfare, as most of this planning during the Cold War was conducted in Moscow. Fourth, Ukraine is among the very few instances in Europe where the public is heavily divided into pro-Western and pro-Russian camps. These divisions reflect geographical, political, social and ethnic boundaries and lead to a divided political elite on key issues such as the pursuit of national security policy, alliance orientation and the development of military doctrines. They also have direct bearing on the conduct of military policy and the making of decisions regarding transformation of armed forces. Nonetheless, before discussing implications of these processes, it is necessary to introduce the concept of military transformation and discuss several alternative explanations about its driving forces.

**The Process of Military Transformation**

The transformation of a country’s armed forces is a particularly important and yet cumbersome process as it deals with a distinct and somewhat unique culture that operates in the context of general governmental culture. Military structures consist of large bureaucracies with routine, repetitive, orderly action where the different units of have their own customs, ceremonies and even uniforms and in which navies, air forces, land forces, and marines create and sustain their own distinct organizational routines. These organizations are not likely to be open to innovation or external change by nature, which is why they can easily survive decades without encountering an “ultimate test” of their

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performance. As a result, they become particularly resistant to externally introduced re-
organization.

Nonetheless, change within military organizations occurs more frequently than one might expect. In fact, the literature on military transformation identifies several stages in the advancement of modern military. The first one can be associated with the French and the Prussian militaries. These organized warfare by “fielding a mass national army organized into corps and divisions and trained in a flexible tactical system.”\(^6\) Warfare of this era was determined by the need to maintain coordinated order on a battlefield of mass armies, and this need led to marching columns of men linking up and shooting one another with rifles and cannons in a regimented manner. The second stage in the advancement of modern warfare occurred around the time of World War I when the French military introduced the dictum that the artillery is the first to conquer and is followed by the Army, which occupies afterwards. The beginning of the third stage was associated with the German military campaigns during World War II known as blitzkrieg or “lightening war.” The Germans introduced new operations that combined maneuverability across the breadth and length of the battlefield with a speed that progressively replaced firepower. This new strategy included the use of tanks with innovative operations and ultimately played a decisive role in the May-June 1940 defeat of France and the Low Countries.\(^7\) Thus, the second stage focused on attrition, whereas the third reflected the destruction of the enemy’s strategic rear, i.e. their industrial capacity and supply network. However, these stages should not be interpreted linearly in


\(^7\) Herrera and Mahnken, “Military Diffusion,” 244.
the sense that each one of them followed progressively right after the previous one. Overlapping occurred frequently—these are situations when certain components of previous stages can be observed in during later periods of warfare or vice versa.

The U.S. military labeled the latest stage of transformation, in the late 20th and early 21st centuries, as a “Revolution in Military Affairs” (RMA). RMA reflects “an emerging consensus on what constitutes a modern military: small highly skilled, rapidly deployable forces using advanced information technologies that are more flexible and putatively much more lethal.”8 Five distinctive characteristics define this latest stage of transformation: (1) doctrinal flexibility; (2) strategic mobility; (3) tailorability and modularity; (4) joint and international connectivity; and (4) versatility to function in a war and operations other than war (OOTW).9 In other words, as Gen. George Casey summarized, the twenty-first century modern army needs to be a “versatile mix of tailorable organizations” organized “on a rotational cycle that provide[s] ready forces for operations across the spectrum of conflict” and that can hedge against various unexpected contingencies.10

Modern armies need to be prepared for fourth generation orthogonal warfare that involves a vast array of operations including guerilla or insurgency based warfare.11 This kind of warfare seeks to defeat the enemy politically, rather than militarily, and not only on one battle-field, but over years and even decades of what is generally referred to in the

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11 Barnett, Blueprint, 19.
literature as “low intensity conflict.” Thus, the latest stage in military transformation reflects the demand for specific capabilities to deal with asymmetrical warfare and the conduct of military operations other than war such as the conflicts in Rwanda, Somalia, former Yugoslavia and, most importantly, in the aftermath of September 11, 2001. Asymmetrical warfare reflects “a conflict between two foes of vastly different capabilities. It became pervasive after the end of the Cold War when the Red Army was dissolved in the early 1990s. The new smaller opponents knew that the U.S. military was basically unbeatable in a straight-up fight and that is why they sought to exploit its weaknesses and negate its strengths by being ‘clever’ and ‘dirty’ in combat.” Thus, the RMA has led to the emergence of flexible hybrid forces optimized to deal with a broad set of operations – stabilization, support and reconstruction operations, military operations other than war, humanitarian assistance and disaster relief, low-intensity conflict, and counterinsurgency operations.

The post-Cold War cases of military intervention demonstrate the surge of new types of warfare – intervention in ethnic conflicts all over the world to prevent the spread of human rights violations. In these new types of warfare, states continue to rely on allies and multinational coalitions. Furthermore, to deal with these contemporary international security issues, states’ militaries today need to work together under various formal and informal arrangements much more frequently than any other period in human history in order to improve their effectiveness. Military effectiveness is generally defined as “a

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12 The U.S. Joint Chiefs of Staff defines low intensity conflict as “political-military confrontation between contending states or groups below conventional war and above the routine, peaceful competition among states.” It usually involves a conflict that ranges from “subversion to the use of the armed forces” and is often localized but “contains regional and global security implications.” It is waged by a combination of means that involve political, economic, informational, and military instruments.

13 Barnett, Blueprint, xv.
process by which the armed forces convert resources into fighting power.” The resources in question include: “human and natural resources, money, technical prowess, industrial base, government structure, social characteristics, political capital, the intellectual qualities of military leaders, and morale.”\(^{14}\) While a thorough analysis of military effectiveness requires the analysis of various factors such as organizational attitudes, behaviors, and relationships, it also implies the notion of efficiency. Similarly, scholars of military history and international security agree that some relationship seems to exist between military effectiveness and victory. Nonetheless, such a relationship is not always positive – there are political, strategic, operational, and tactical aspects which determine precisely where and in what ways organizations have or have not been effective. The efficient use of military resources is only one such aspect that contributed a successful completion of a set of military activities defined as victory.

**Explaining Military Transformation: the Economic Rationale of Downsizing**

Organizational structural theory argues that any organizations possess collective-level rationality and are prone to making rational adaptive changes to their structures in order to promote greater effectiveness and enhanced capacity to perform their work tasks. It assumes that any social or business organization is run by rational individuals who adapt their “organizational structure to changes in the contingencies in order to attain fit and performance.”\(^{15}\) Organizational structures are confirmed to be rational and adaptive given their goals. The latter may vary but always reflect a collective level of rationality that is different from individual-level rationality whereby an individual organizational

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member attains personal goals at the expense of the wider organization. Similarly, the theory implies that the role of management is positive as the adaptation of the organization is carried out by the managers in pursuit of the interests of the organization as a whole. They do not intend to forward their narrow self-interests but instead they make a positive contribution to the organization by “steering it toward structures which are better fitting thereby raising organizational effectiveness.”

The organizational downsizing is an “intentional, proactive management strategy caused by a search for productivity and improved efficiency;” it is impelled by the need to provide ‘good’ and ‘effective’ rational management. The goal of this process is to reduce costs and enhance financial performance. Even though downsizing has traditionally been confined to organizations that experience decline, it has also become common for organizations to use downsizing as a performance improvement strategy that does not necessarily occur during organizational decline. Applied to military organization, downsizing signifies reduction of armed forces (equipment, personnel, bases, infrastructure, etc) in the new strategic environment aimed at a more effective use of the available resources and improvement of the capabilities of these organizations. This was the case with most countries from Central and Eastern Europe that were once members of the Warsaw Treaty Organization (WTO) – Bulgaria, the Czech Republic, Hungary, Poland, Romania, and Slovakia. These six nations, together with Albania and

18 Although Czech Republic and Slovakia are new states that emerged with the split of Czechoslovakia in 1993, they not only shared common statehood for about seventy-five years but also agreed to divide peacefully the resources of Czechoslovakia, including the military ones, in a ratio that corresponded to the contribution of each of the two nations (usually in a ratio of two to one). This information was also confirmed by representatives from the Czech and Slovak missions at NATO Headquarters during the interviews conducted in January 2006.
Yugoslavia possessed heavy military structures the Cold War and their transformation included primarily reduction and more effective re-allocation of the existent resources. At the same time, nations like the three Baltic nations (Estonia, Latvia, and Lithuania) and some of the republics of the former Yugoslavia which declared independence in 1991 (Croatia, FYR of Macedonia, Montenegro and Slovenia) had no prior experience with independent statehood. They occasionally inherited some military infrastructure (e.g. hangars, airports, military barracks, etc) but very little equipment and barely any structured military organization. As a result, unlike the former WTO countries that had to reduce their actual military equipment and personnel, for these nations military transformation consisted mostly of institution-building.

Thomas Barnett argues that, in addition to “hard power,” modern warfare also needs forces exercising “soft power” and are primarily concerned with operations other than war. Such operations require a broader mandate that would include a broad range of tasks dealing with various forms of post-conflict rehabilitation. The Norwegian military is an excellent example of a military that could perform “soft power” functions. While Americans fielded the world’s hard power after the Cold War due to their unmatched capabilities, they also need to integrate the contributions of smaller militaries like Norway into a larger peacekeeping effort as both soft and hard power capabilities are equally important in an advanced peacekeeping environment. The United States, for example, may choose to allocate additional resources for certain capabilities such as strategic airlift and counter-insurgency operations where other allies hold very limited potential. The U.S. may also request that the Norwegians and other smaller allies manage the ‘soft power’ aspects of peacekeeping. Therefore, the integration of the smaller

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military organizations of the U.S. allies and partners into a broader strategy of managing peacekeeping and post-conflict rehabilitation has been a key component of the American strategy after the end of the Cold War.

Similarly, organizational downsizing has been a major issue for the U.S. military as well. In September 1999 George W. Bush pledged to develop lighter, more mobile and more lethal forces. He appointed Donald Rumsfeld Secretary of Defense whose initial two concerns were the development of a viable missile defense system and the reduction of the size of the Army. The rational behind this organizational downsizing was to free funds devoted to personnel to invest these in new materiel programs. Rumsfeld recognized that the major obstacle to change innovation and transformation was the Pentagon bureaucracy and its resistance to adapt which is why he established the Office of Force Transformation to develop and implement the ideas for military reforms based on network-centered warfare that emphasizes the importance of technology, as well as strategy, tactics and doctrine. Such a rational approach to military transformation inadvertently faces organizational and bureaucratic resistance that circumscribes the administration’s capacity to adopt and implement wide-spread downsizing programs.

Explaining Military Transformation: the Organizational and Bureaucratic Perspectives

Organizational perspective explores the inner settings of various organizations, thus arguing that “the internal life of an organization tends to become but never achieves a

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closed system." Certain needs are generated by the organization itself, which command the attention and energies of its participants. The organization’s core problems arise from the need for continuity of policy and leadership. The latter create an intricate system of formal and informal relationships and activities that have primarily an internal relevance. Graham Allison expands this logic and highlights the importance of organizational routines that produce information, alternatives and action. These routines matter in the same way as do the bureaucratic politics and individual government leaders who make major governmental choices. Therefore, organizational action is determined primarily by the various routines established in these organizations prior to that instance known as “standard operating procedures and programs.” The model accepts that the “explanation of government action starts from the base line noting incremental deviations.” Organizations learn gradually over time, while change occurs only in response to major disasters, thus allowing these organizations to remain influenced by the existent organizational capabilities and procedures.

The bureaucratic politics model suggests another alternative to the rationalist models. It assumes that leaders who sit at the top of organizations do not constitute a monolithic group. Rather each one is “a player in a central competitive game.” This game reflects bargaining “along regularized circuits among players positioned hierarchically within the government.” The position of each player is determined by parochial priorities and perceptions, which affect a variety of goals and interests of the players, including national security, organizational interests, domestic politics, and personal

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interests. The bureaucratic model faces major challenges in determining the influence of bureaucratic players in cases in which presidential (or any other top government leader’s) preferences significantly constrain the leeway of bureaucrats. Thus, bureaucratic politics can explain decisions of lower importance, but fails to capture the top-level decision-making requiring central coordination. Socio-cognitive perspective offers a slightly different interpretation – it suggests that decision-makers have incentives to simplify their cognitive domains and converge quickly on a schema that defines the “truth” about problems or issues they are facing, thus justifying and implementing the downsizing of military organizations.

Socio-Cognitive Aspects of Military Transformation

The socio-cognitive perspective emphasizes the relevancy of micro-level foundations of downsizing. Specifically, this perspective attempts to provide an answer to the question of how social norms that define downsizing as legitimate have come into being. This perspective focuses attention on managers’ (and ipso facto decision-makers’) mental models of downsizing and how these models are collectivized and reified. A fundamental assumption is that, similar to business managers, decision-makers in military organizations impose certain schemas with external information that require interpretation. These schemas provide experience that “serves as an initial frame of reference for action and perception.”25 They serve as some sort of cognitive aides that allow the individuals to operate within a cognitive domain, thus reducing the number of available options and uncertainty. In the process of downsizing two distinct but conceptually overlapping phenomena occur – “schema packing” or consolidation of the

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alternative schemas that are presented to the decision-makers at the early stages of downsizing, and diffusion of the consolidated schemas that result from the downsizing process.26

The schema packing entails that decision-makers or managers use rationalist design to frame downsizing as a natural, inevitable strategy that is consistent with the inevitable shifting of human assets in order to increase effectiveness. It is a process that consolidates alternative available schemas about an event or phenomenon, thus reducing them to into a single template. This is a cognitive process that operates on an individual level of analysis, but within collective structures such as military organizations or industries. As a result, power and authority of organizational stakeholders plays an important part in the cognitive framing and justification of downsizing. Similarly, dependence on external players has a major impact on the process of downsizing.27 Schema diffusion is a term used to depict social interaction among decision-makers within and across certain organizational boundaries. Such an interaction becomes a generator of cognitive order that contributes to the diffusion of trust and facilitates the acceptance that downsizing is a “communally validated social product.”28

The socio-cognitive perspective suggests that any collective schema about downsizing undergoes pressure for transformation by externalization, i.e. a process that entails a socially negotiated construction of reality that leads to an intentional high level decision to downsize. An example in this respect the understanding in the business world that a company which has a fifteen years worth of backlog in downsizing, is much more

difficult to complete this process. Similarly, the creation of new national armed forces may very well justify why old structures from previous political and economic system need to be removed and substituted with new structures that serve new national interests. Thus, downsizing is justified as a cognitive process that removes a specific aspect of social structure from the presumed control in order to accomplish transformation that would otherwise be unthinkable. To sum up, the model suggests that decision-makers have an incentive to simplify their cognitive domains and converge quickly on a schema that defines the “truth” about problems or issues they are facing and the necessity to downsize their armed forces. The next section will discuss in detail the relevancy of these three explanatory frameworks for the downsizing of Ukrainian military following the collapse of the Soviet Union in 1991.

The Relevancy of Economic, Organizational and Socio-Cognitive Perspectives: the Case of Ukraine

The successor states of the Soviet Union dealt differently with their military inheritance. The Baltic nations, for example, insisted that all Soviet forces leave their territories, thus ending effectively half a century of Soviet occupation. Ukraine chose a different approach – Kiev decided to “nationalize” all former Soviet forces located on the territory of this former Soviet republic with the only exception of the Soviet strategic forces. Thus, more than 700 thousand men and women in uniform automatically became a part of the newly formed Ukrainian armed forces – force that was much larger than its actual needs. As a result, the government in Kiev had to deal with organizational downsizing throughout the last two decades of political and economic transition.

Dealing with this sizable Soviet military inheritance was not an easy process. First, Kiev grandfathered military traditions, institutions and organization from the Soviet Union and this legacy was instrumental in shaping the military culture of the new Ukrainian armed forces. Even though the legal basis of the new armed forces was setup fairly soon after the declaration of independence with the adoption of the Concept of Defense and the Formation of Armed Forces of Ukraine (1991) and the Act on Legal Military Obligation and Military Service (1992), it was not until 1993 that Ukraine was able to formulate and adopt a new military doctrine. The doctrine, adopted in October 1993, was defensive in its nature and was based on the principles of nonintervention, respect for the territorial integrity, national independence of other nations and the rejection of the use of force as a tool of conducting foreign policy. The document rested on the notion of avoiding war and building armed forces aimed at preventing a possible aggression. Thus, the Ukrainian military doctrine stood in stark contrast with the Russian doctrine adopted about the same time which justified a possible intervention and use of force in Moscow’s “near aboard” to protect the rights of Russian minorities there.31

The first actual account of the new Ukrainian armed forces came in January 1992, five months after the declaration of independence.32 At that time there was a general agreement among policymakers that Ukraine needed a smaller force for its defense and one that it could afford. Twenty months later the Ukrainian parliament approved a decision that the new armed forces will comprise of 450 thousand people. It also called for the reorganization of the armed forces, restructuring of the military commands and administration and, ultimately, a significant reduction of the personnel. In part, this

31 Olynyk, “Ukraine,” 73.
decision was also steered by the content of the Treaty for Conventional Armed Forces in Europe (CFE) that required overall reduction of armed forces in the territory of the former Soviet Union.

One of the first steps of military reform was the reconfiguration of the military districts. The government in Kiev abolished the Soviet structure (e.g. Karpathia, Odessa and Kiev districts) and instead introduced Southern, Central and Western operational commands. A Northern Operational and Territorial Command was added in 1996 centered in the city of Chernihiv. Between 1993 and 1997 Ukraine conducted significant restructuring of the Soviet-style armed forces – the motorized rifle divisions were converted into mechanized units. By the end of 1997 the ground forces were cut by a third of what they were in 1992 – from 245 to 160 thousand. The situation in the air force was equally alarming – Kiev inherited the third largest air force in the world that included long-range bombers, transport and airlift planes, strike aircraft, reconnaissance and electronic warfare planes, as well as a large contingent of tactical and air defense fighters. The air force and air defense personnel and equipment were swiftly reduced by roughly a third in the first five years following Kiev’s independence.\(^{33}\) This dynamic is depicted in Figures 1 and 2 below.

\(^{33}\) Olynyk, “Ukraine,” 75.
Figure 1. Dynamic of Ukraine’s Army Equipment: selected types of weapons (1994-2009)

![Ukraine's Army Equipment -- Selected Types of Weapons](image)

Figure 2. Dynamic of Ukraine’s Air Force Aircraft (1994-2009)

![Ukraine's Air Force - Combatant Aircraft](image)

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The status of the Ukrainian navy stirred lengthy and cumbersome negotiations between Kiev and Moscow over the status of the Black Sea Fleet (BSF). The major issue of disagreement was how to divide these naval assets that had strategic importance for both nations. Initially, there was a principled agreement between Presidents Yeltsin and Kuchma in 1993 to divide the fleet on a fifty-fifty basis without any detailed clarification how the different types of vessels would be divided. The issue was gradually resolved with the signature of the Sochi Interim Agreement in 1995 and the Treaty of Friendship, Cooperation and Partnership between Ukraine and the Russian Federation (1998). Ukraine agreed to lease the fleet to Russia in exchange for the reduction of its foreign debt to Moscow. The basing issue was resolved by having the Russian fleet based in three bays at Sevastopol on a twenty year lease, while the Ukrainian fleet occupied the remaining one bay of the Sevastopol naval base and several other smaller bases in Crimea. The protracted Russo-Ukrainian negotiations over the status of the BSF inadvertently slowed the process of reforming the navy. In the mean time, Ukraine was able to build a nucleus of coastal defense ships and patrol vessels and hired about 11 thousand personnel who became the backbone of the country’s new navy as shown in Figure 3 below. They participated in a number of regional exercises under NATO’s Partnership Fro Peace.35

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The strategic forces were the easiest to transform – Ukraine simply had to transfer the Soviet tactical and strategic nuclear arsenal to Russia as the sole nuclear successor state of the former Soviet Union. An agreement between the United States, Russia and Ukraine rubberstamped this decision – Washington and Moscow extended security guarantees to Kiev and the U.S. also committed to defray the costs of dismantling and compensate Ukraine for the value of the missile material. Thus, Kiev withdrew its reservations from the Nuclear Non-proliferation Treaty (NPT) and joined the international non-proliferation regime as a non-nuclear power.36

Finally, as a part of the institution-building, in its early years of independence Ukraine had to focus on creating viable state security institutions – National Guard, Secret Service and Border Police. These were set up in the early 1990s under the

leadership of the Defense Minister Valeriy Shmarov who understood the need to balance between the interests of the army and the interests of the state. As a result, he initiated the expansion of the National Guard to include up to 50 thousand troops, designed to provide some sort of paramilitary assistance to the police force (militia) when necessary to restore and enforce order similar to the Italian Carabinieri or the Spanish Guardia Civil. Initially, the border troops numbered about 30 thousand and most of them patrolled Ukraine’s west border and after January 1993 also the Russian-Ukrainian border. The State Protection Service, which was formerly a part of the Soviet KGB assumed the role of Secret Service and was charged with the task of protecting the President and the members of the Ukrainian government and Parliament. The Security Service of Ukraine remained in charge of the internal and external intelligence gathering, as well as counter-intelligence work.37

Valeriy Shmarov was appointed by President Kuchma the first civilian defense minister not only in Ukraine, but in the entire-post Soviet region. He came to office with a clear mandate to conduct military reforms. Such a mission was naturally frowned upon by the military establishment. The scope of downsizing was constrained by concerns that the proposed reductions were too drastic and that there were not sufficient funds to successfully implement programs that facilitate the transition of the military personnel to civilian life. At the same time, the fact that the Ukrainian state was practically broke and widespread cuts in defense spending were needed to ensure that the country and the government are going to shut down partially facilitated the implementation of some reforms. The sheer scope of the plans to downsize were impressive – Ukraine planned to

reduce its armed forces from more than 600 thousand to about 220 thousand in the first eight years following its independence. Even though that target was not met in its entirety, for the most part, Kiev managed to cut its armed forces by more than a third in less than five years as illustrated in the chart below.\textsuperscript{38} This was one of the most impressive achievements in downsizing any given military bureaucracy in modern times. At the same time, the unprecedented scale of downsizing in which more than 410 thousand personnel were discharged led to some mistakes that partially complicated the subsequent stages of military reform.\textsuperscript{39}

\textbf{Figure 4. The Downsizing of Ukraine’s Military Personnel: (1994-2009)}\textsuperscript{40}

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\caption{The Downsizing of Ukraine’s Military Personnel: (1994-2009)}
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\textsuperscript{40} Source: \textit{The Military Balance} (London: International Institute for Strategic Studies), 1994/95 through 2008/09. The author is grateful to Kandyce Carter-Flaherty and graduate students at the University of Cincinnati for the assistance with the data collection for this paper.
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Second, even though the new Ukrainian military doctrine was defensive in its character, it was designed primarily to react against state related threats – in the Cold War years these threats were associated with NATO and its allies, and in the early years following Kiev’s independence Russia was perceived to be the most likely foe. In both instances, the guiding assumption remained that the main threat for Ukraine’s national security emanates from an attack by an aggressive state that would require a total war effort. Attempts to modernize the military and re-define threats in the early years following Kiev’s independence were shut down as the defense planning remained focused on Russia’s aspirations. The core of Ukraine’s defensive strategy envisaged that the primary threat for national security is an all-out invasion and the armed forces of the nation remained focused on planning national defense against possible Russian invasion. As a result, attempts to phase out the conscript service and embark on a process of gradual professionalization were met with mistrust by the high-ranking military command and the low-level officers as the latter argued that a professional army will not be able to withstand a potential massive Russian attack.  

The breakup for the Soviet Union had also broader implications for the modernization of the armed forces and the export of military equipment to third countries. Most of the Soviet military industry was purposefully scattered in different parts of the country and, as a result, both the modernization of Ukrainian armed forces and the export of the Ukrainian military–industrial complex relied heavily on Russia for many components and sub-assemblies. As a result, the attempts of the Ukrainian enterprises to create their own full production cycles had limited success and curbed the nation’s capacity to replace its own outdated military and possibly export modern

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equipment to third countries. Attempts were made to create joint ventures with foreign partners that would focus on the promotion of exports of high technology products, such as shipbuilding, aviation and space. For the most part, however, these had very limited success.  

Overall, it seems that the evidence from the first decade of Ukraine’s independence supports the economic rationale of downsizing. Even though organizational resistance was present at times, it was mostly overcome by central decision of stakeholders. Nonetheless, this process cannot be studied separately from the overall political and economic transformation that Ukraine had to undergo in the 1990s and 2000s. Quite naturally, the double-digit economic decline and soaring unemployment affected negatively the process of building new armed forces. The lack of funding resulted in declining motivation, and military discipline and occasionally led to public protests and demonstration by the military personnel and their families, especially when the salaries and other benefits were not disbursed for months. This environment made it much easier to persuade Ukrainian society and its military for the need of across-the-board downsizing. Does this mean, however, that economic rationale dominated over organizational resistance and socio-cognitive rationale of the stakeholders?

There are two areas of Ukraine’s military transformation where the socio-cognitive perspective offers a valuable insight: (1) the role of military in the new nation-building process and; (2) the management of civil-military relations. Ukrainian security forces found themselves in a very difficult situation following the collapse of the Soviet Union –

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not only was there a shortage of financial resources, but also the men and women in uniforms had major issues with allegiance to the new country and government. Surveys in the early 1990s indicated that over 60% of the officers who had sworn allegiance to the Ukrainian Armed Forces had done so because of the promise for housing, a more stable social status or better access to foodstuffs. Some of the officers who had sworn allegiance to the new armed forces believed that these eventually will be united with Russia within the Commonwealth of Independent States (CIS). In response to these tendencies, the Union of Ukrainian Officers (Uuo), a national organization advocating a campaign of comprehensive Ukrainianization, argued that ethnic Russian officers should be replaced with ethnic Ukrainians who served in other parts of the former Soviet Union. For the most part this policy failed also because most of the ethnic Ukrainians serving in the Russian armed forces were reluctant to return to Ukraine as the former offered a relatively higher standard of living. When Valeriy Shmarov was appointed Minister of Defense, he distanced himself from the nationalistic policies of UUO. Shmarov took a much more pragmatic stance on military reforms—his efforts were directed toward enhancing Ukraine’s cooperation with NATO’s Partnership for Peace Program. At the same time, he effectively halted the “Ukrainianization” of the armed forces. As a result, UUO and other nationalistic organizations became increasing critical of Shmarov’s position and believed that his plans for reform of Ukrainian armed forces were viewed as “too dovish” by nationalists and many in the military. As a result, in July 1996 Shmarov was removed and replaced by the commander of the National Guard, Lieutenant-General Oleksandr Kuzmuk. Thus, it seemed that Ukrainian nationalism became a part of the schema for

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 downsizing military personnel in the armed forces of the new republic and when managers and decision-makers were not supportive of this justification, they were eventually removed.

The civil-military relations represent another aspect of how social norms affect organizational transformation. The presence of civilian control over the military is instrumental for the preservation of democratic institutions and for ensuring appropriate checks and balances in these emerging democracies. The main issues of disagreements between the military and civilian decision-makers have been about the scope of reforms, not about direct intervention of the military into politics. The appointment of a civilian minister of defense was a core criterion for the presence of civilian control over the military – the Soviet tradition held that this position naturally belongs to someone from the high ranking military circles. Several minor incidents occurred in the early 1990s when the military resisted reforms in the defense ministry geared toward civilian control. This was, however, organizational struggle for power an influence in the highest echelons of the Ukrainian defense ministry. Ultimately Ukraine not simply wanted to attain civilian control of the military, but also democratic control that would ensure effective and efficient functioning of its military institutions as such control increases the likelihood that a country remains at peace. Furthermore, democratic control of the defense establishment provides oversight that lead to greater transparency and a more effective and efficient military. Democratic control has been especially concerning in the 1990s when the Parliament (Verkhovna Rada) has very few mechanisms to exercise civilian control because of its and its committees’ limited supervisory functions. In this environment, the executive decision made by the president and the minister of defense to

44 D’Anieri, Kravchuk and Kuzio, Politics and Society, 252-6.
replace some of the military officers with civilians was rationalized as avenue for downsizing. These included personnel providing medical, logistics, administrative, mechanical, clerical, and other supportive functions.\footnote{Stacy Closson, “Civil-Military Relations in a Sovereign Ukraine: Contributing or Detracting from the Security of a New Nation?” in \textit{Ukrainian Foreign and Security Policy} eds. J. Moroney, T. Kuzio and M Molochanov (Praeger, Westport, CT, 2002), 121-5.} Despite Ukraine’s considerable progress towards developing effective, well-trained, and professional forces, attempts to introduce civilian control, military professionalism and democratic political control remained fairly unsuccessful. Even though Ukrainian forces could conduct traditional peacekeeping operations, they lacked capability and for “strategic” peacekeeping operations. The latter can also be explained with the low level of professionalization.\footnote{Deborah Sanders, “Ukraine after the Orange Revolution: Can It Complete Military Transformation and Join the U.S.-led War on Terrorism?” \textit{Strategic Studies Institute} (U.S. Army War College, October 2006), 3.}

While in the early years of Ukrainian independence the nation accomplished important milestones of its transformation, it seems that the process lost momentum after 1997. At the turn of the century, the dominant doctrine provided that Ukrainian forces had to be ready to defend the whole perimeter of state borders and, as a result, “artificially overblown” organizational and personnel structure effectively made the army “inapt for a reform for many years.”\footnote{Melnyk, “Defense Reform,” 43.} In order to expedite military reform, the Ukrainian government adopted in 2002 a State Program of Transition of the Armed Forces of Ukraine to Manning with Contracted Servicemen. It was based on the assumption that Kiev’s non-allied status required numerous armed forces and a strong mobilization reserve. According to the program the size of Ukraine’s armed forces was set at 230 thousand. Some scholars argue that an armed force of 230 thousand was economically
impractical as the size reduction should have been greater. Nonetheless, the sheer size of armed forces was not the only problem as the government lacked detailed financial backing and cost estimates of the reform commitments. Overall, the 2002 State Program had a positive impact in creating a legal and political foundation for the civilian democratic control over the security sector and contributed toward an improved cooperation with Ukraine’s NATO partners.

**Military Reforms after the Orange Revolution**

The Orange Revolution (2004) was expected to bring a new momentum to Ukraine’s military transformation. Viktor Yushchenko had already committed to thorough reforms, as well as a pro-western and Euro-Atlantic orientation of the country. Furthermore, he promised to lower the military service from eighteen to twelve months (nine months for college graduates) as a first step toward full professionalization of the army by 2010. Similarly, when the Strategic Defense and the new Military Doctrine were drafted in 2004, these prompted revision of the principles and tasks of employment and set new deadlines for organizational downsizing – at the end of 2009 Armed Forces had to be reduced to 100-105 and another round of reductions was supposed to take place by 2015, when the armed forces were supposed to reach 90-100 thousand. The targets were also set in line with the Ukraine’s aspirations for Euro-Atlantic integration. A State Program of Development of the Armed Forces of Ukraine that was approved in 2005; it provided guidelines for the future of military transformation during the period 2006-2011 and set a new deadline for the completion of transition to contractual Manning – the fall

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of 2010. Nonetheless, in order to meet the new goals, the government needed to provide proper and timely funding of the planned steps for reform and the successful completion of the professional soldiers’ recruitment.\(^5^1\)

These new targets of full professionalization were also in line with Ukraine’s enhanced cooperation with NATO. In 2005 Kiev was offered “Intensified Dialogue.” This form of cooperation was intended to coach the country in its military reforms and prepare the nation for NATO membership. To improve Kiev’s bid for membership, the Ukrainian President, the Prime Minister, and the Speaker of the Parliament wrote a letter to NATO in January 2008 asking the Alliance to accept the country into the Membership Action Plan, as a first step en route to full membership. Nonetheless, the U.S., NATO, and Ukrainian officials agreed that the country needed more thorough reforms and profound public debate before its entry to the Alliance.\(^5^2\) Some of the key goals of Ukraine’s defense reform after 2004 were to achieve interoperability with NATO forces and command structures in order to develop capacity to respond quickly to the needs of the UN and other international organizations. Such full interoperability with NATO forces, nonetheless, seems unrealistic for the Ukrainian military in the short term.\(^5^3\) Similarly, the 2010 target date for full professionalization was not realistic. Colonel-General Hryhoriy Pedchenko, Chief of General Staff and Commander of the Armed


Forces of Ukraine, confirmed in November 2010 that Ukrainian army would be fully professional no earlier than 2015.⁵⁴

The core sectors of military reform in the mid and later 2000s focused on the establishment of legal, material and technological basis for the transition to fully professional army, recruitment of professional military servants; enhancement of the attractiveness and competitiveness of contractual military service and improvement of the intensity and quality of combat training. Nonetheless, effective military transformation also requires genuine democratization of all security-related stakeholders in Ukrainian society that would strengthen military professionalism in Ukrainian society. These include a merit-based system of promotion, styles of leadership that reflect democratic norms and human rights, high levels of military education and training, military acceptance of its role in society, high public accountability, and operational doctrine reflective of society’s values.

The history of military transformation indicates that it would have very limited success if it is not properly funded. Even though defense spending between 2004 and 2008 did not increase as a percentage of the GDP, as the economy had a robust growth in the years preceding the global economic recession, the actual funds allocated on defense also increased as shown in Figure 4. The Yushchenko’s government managed to raise social benefits, pensions, and wages, but the slow economic growth and the subsequent recession after 2008 affected adversely the overall process of transformation. Most of all, the weak economy has impacted negatively infrastructural costs related to resettlement and housing of military personnel, as well as operational costs for purchasing of new

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equipment, training, and education of security providers. In the late 2000s the government managed to increase the budget structure which, coupled with reduction and restructuring of forces, allowed Ukraine to continue albeit slowly to develop professional, well-equipped, and trained military personnel.

**Figure 5. The Downsizing of Ukraine’s Military Personnel: (1994-2009)**

In the mean time, upon the advice of its Euro- Atlantic partners, Kiev focused on the development of niche capabilities such as the Joint Rapid Reaction Forces (JRRF), the Main Defense Force, and the Strategic Reserves. JRRF is intended to serve in peacekeeping operations with operational readiness capability for 30 days.\(^{56}\) The force will comprise two components: the Immediate Reaction Forces and Rapid Reaction


\(^{56}\) Sanders, “Ukraine,” 17.
Forces. The Ukrainian Green Book on defense makes it clear that in order to reach highest level of professionalism, these forces need to ensure “the provision of state of the art weapons and equipment.”\textsuperscript{57} Despite the fact that JRRFs’ the proper equipment with modern and upgraded weapons has been among the top government priorities, these forces received only slightly more than half of their planned funding for 2005 and 2006.

Throughout the first half of the 2000s Ukraine experienced significant shortage of financial resources that reflected a severe mismatch between minimal defense needs and actual budget allocations for defense purposes. The resource shortage led to underfunding of some of the critical areas of reforms, slow process of transformation, rapid physical and moral degradation of armament and equipment, and insufficient level of personnel training.\textsuperscript{58} Marybeth Peterson Ulrich observed that top-heavy rank structures consumed large part of the scarce defense budgets, thus detracting resources from other areas where there has been critical need for funding to develop much needed skill sets of the Ukrainian Armed Forces. For example, a huge imbalance exists between senior and junior officers – the colonels and lieutenant colonels still outnumber the captains and lieutenants, by a hefty margin.\textsuperscript{59} Even though progress was made in the areas of defense education, the curricula and the level of training of officers have not been brought up to the western standards. Quite naturally, the Ukrainian military bureaucracy resists to profound reforms and further downsizing which is why the success of military reforms depends to a considerable degree on the backing of key political leaders willing to

\textsuperscript{57} Green Book on Ukrainian Defense Policy (Зелена книга з питань оборонної політики України), Kiev 2010, 24.
appoint agents who would proceed with reforms in critical positions at the Ministry of Defense and the General Staff.

The socio-cognitive perspective was a useful framework to explain organizational downsizing in the 1990s where the need to maintain a smaller army due to limited resources coupled with sentiments of building modern national armed forces and motivated the processes of downsizing and Ukrainianization of the new armed forces. In the late 1990s and early 2000s the momentum for reforms was lost as the political elites tried to balance between western-style modernization and traditional territorial defense. The economic rationale for downsizing faced major resistance by the high-ranking officers; there was also insufficient conceptual clarity about the direction of military reform. The Yuschenko administration succeeded to bring a new direction of Ukrainian foreign and security policy, helped expedite military transformation, and make Ukrainian military at least partially compatible with NATO allies. Nonetheless, after 2006 the reform became a hostage of the same problems experienced in the earlier periods of Ukraine’s military transformation—financial constraints due to inadequate funding coupled with ineffective use of human and financial resources all of which slowed down intended reforms.60

Finally, a major problem for the future of Ukraine’s military transformation is the low public support for NATO membership and westernization of the armed forces. Interestingly, while the Ukrainian public was equally divided in 2002-03 on the issue of membership, in the years following the Orange Revolution the public support steadily declined and in 2009 the ratio between supporters and opponents of NATO membership was 1:2. This tendency stands in sharp contrast with the rest of Eastern Europe, where an

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60 Melnyk, “Defense Reform,” 44.
improved integration with the Euro-Atlantic structures led to an increased public support for NATO membership. Upon the accession of the new allies from Eastern Europe the ratio between NATO supporters and opponents in these nations was usually 2:1 and sometimes even 3:1. The consensus among political parties certainly contributed to the increased public support for membership and military reforms. At the same time, the political elite in Ukraine remained deeply divided on the issue of membership and the citizens remained confused about NATO’s future role in Ukraine’s national security. Quite naturally, when the public support for the reformist government declined, so did the support for NATO membership as shown in Figure 5. As a result, government was constrained to conduct reforms by NATO standards aimed at increasing the effectiveness of Ukrainian military. However, it was not the organizational resistance to such reforms, but rather the lack of vision due to a deeply divided elite and society that blocked the process of organizational transformation.
In conclusion, the goal of this paper was to evaluate the relevancy of three different perspectives – rational, organizational and bureaucratic, and socio-cognitive. The experience of most East European countries that joined NATO in the 1990s and 2000s indicates that organizational and bureaucratic resistance was overcome by rationalizing downsizing and transformation in lieu of these nations’ forthcoming membership. Ukraine, nonetheless, is a different case. Even though the scope of military downsizing was among one of the largest in modern world’s history – it was rationalized differently – in the early and mid-1990s the reforms were driven by sheer lack of resources to maintain large armed forces after the collapse of the Soviet Union coupled with the nationalistic

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61 Source: Razumkov Center Sociological Poll, “How would you vote if the referendum on Ukraine’s NATO accession was held the following Sunday?” (recurrent, 2002-2009), http://www.razumkov.org.ua/eng/poll.php?poll_id=46, March 11, 2011.
sentiments to “ukrainianize” the new institutions of national security. These observations are consistent with the socio-cognitive perspective of organizational downsizing. The late 1990s and early 2000s, however, marked a period of decline in military transformation partly due to the organizational resistance, but mostly as a result of the lack of clear strategy as to what kind of armed forces would serve best the country. Even though a series of documents after 2002 and, most notably, after 2006 set ambitious goals to overhaul Kiev’s armed forces and make them compatible with the rest of NATO, the success of these efforts has been relatively limited. Oleksiy Melnyk summarized it as an “endless, long lasting, protracted construction” yet permanently underfunded enterprise to build modern professional armed forces that has been carried out for over a decade without any strategy or detailed vision as to how these armed forces should look upon the completion of the transformation.  

Organizational and bureaucratic resistance to transformation was stronger in Ukraine due to division in society and lack of consensus among politicians on the economic rationale of reforms. At the same time NATO had very limited influence to rationalize military transformation and, as a result, the constant shift of collective schemas created further confusion among military officials and society. Scholars pinpoint to several critical factors needed to create consolidated schemas in support of downsizing – strong political will, effective management and governmental coordination and transparency that effectively engage civil society. Unfortunately, it is highly unlikely that the Yanukovich administration will be able to implement any of these requirements and make significant progress in the years to come.

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