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EXECUTIVE BRIEF

The Ukrainian Independence Referendum and Presidential Election: Near Term Implications

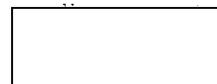
- On 1 December, voters will approve Ukraine's declaration of independence by an overwhelming margin; Ukrainian parliamentary leader Kravchuk is likely to be elected president, but possibly only after a runoff election against Rukh candidate Chornovil.
- No matter which presidential candidate wins, Ukraine will not join either a new union or participate in interrepublic structures if they limit its sovereignty. Interethnic and interrepublic tensions will inevitably rise, but there is an even chance that Kravchuk can manage those tensions.
- Kravchuk is unlikely to inhibit the growth of democratic institutions, but he will resist a Yel'tsin-style approach to economic reform. The spillover effect of Russian "shock therapy," however, will force Kravchuk either to erect interrepublic trade barriers or to follow Yel'tsin's example.
- Ukraine probably will establish its own armed forces within the limits of the CFE agreement. It will not agree to transfer the nuclear weapons on its territory to sole control of Russia but probably would agree to joint responsibility for command and control with a view toward eliminating the weapons altogether.

This Executive Brief is based on the findings of Intelligence Community representatives at a meeting held 14 November 1991. It was produced by the National Intelligence officer for the USSR and coordinated with representatives of CIA, DIA, NSA, and State/INR.

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On 1 December, voters will decide whether to approve the Ukrainian parliament's declaration of the republic's independence. They will also cast their ballots in the first direct popular election of a Ukrainian head of state. Those two votes will mark a watershed in Ukraine's modern history. Formal independence is a foregone conclusion, but the political and economic viability of the new state will depend largely on the quality of its leadership and the degree of political consensus that emerge after the elections.

Probable Outcomes

The independence referendum will pass overwhelmingly and probably will receive majority support even in the russified areas of eastern and southern Ukraine.

[redacted] more than 70 percent of voters in Ukraine support the independence declaration, and over 60 percent of the residents in almost all of the most russified regions will vote for it. Even in Crimea, which is 67 percent Russian and was part of the Russian republic until 1954, [redacted] a majority is likely to vote yes.

The frontrunner in the multicandidate presidential election, parliamentary leader Leonid Kravchuk, may be forced into a runoff election within two weeks against Rukh-endorsed candidate Vyacheslav Chornovil. Kravchuk is likely to prevail in a one-on-one contest. [redacted]

[redacted] Kravchuk will win at least pluralities in all but the strongly nationalist western regions of Ukraine, Chornovil's political base.

How Independent?

No matter which candidate wins the presidency, the Ukrainian government is likely to move vigorously to carry out the popular mandate for independence.

- It will put on a full court press for international recognition, which it is likely to receive quickly from several East European countries, the Baltic states, Israel, and Canada. It will also demand full participation in international organizations and such multilateral forums as CSCE.
- It is unlikely to participate in any loose political union. This stance will diminish the prospects that a viable confederation will last because Russia will have little interest in a confederation without Ukraine.
- It will insist on the full trappings of economic sovereignty--including its own currency, banking system, and customs--even in the unlikely event the Ukrainian parliament ratifies its membership in the interrepublic economic community.

Ukrainian politicians realize that full independence cannot occur overnight. Kravchuk would pursue a more gradual and pragmatic course than would Chornovil, who has called for complete independence within 18 months. Kravchuk is unlikely to backtrack from the pro-independence stance he took during the election campaign, but he would be more likely than Chornovil to continue a dialogue with other republics on economic and security cooperation. Kravchuk also would be more inclined to

maintain strong ties with Russia and to try to protect the interests of ethnic Russians living in Ukraine.

- Kravchuk thus far has deftly kept the Crimean separatist movement at bay, and he has worked closely with Yel'tsin to defuse potentially divisive issues in Ukrainian-Russian relations.
- Chornovil would be more likely than Kravchuk to take a confrontational stance in disputes with the Russian government.

Even under Kravchuk, however, tensions between Ukrainians and Russians will increase. The most serious potential for conflict is in Crimea. Despite indications that the region will vote for Ukrainian independence, the efforts of Crimean Russian separatists to establish an independent republic or to rejoin the Russian federation will persist. Furthermore, as Kravchuk acts to mollify the Russians, tensions will increase with the Crimean Tatars, whose demands for an autonomous republic directly challenge Russian control over the reins of power.

Political and Economic Reform Prospects

The transformation of Ukraine into a more pluralistic parliamentary system will broaden and deepen after 1 December. Kravchuk intends to establish a strong executive presidency, but he is also committed to transforming the Ukrainian Supreme Soviet into a smaller, more effective professional parliament.

Chornovil would move even more quickly to set up a Western-style parliamentary democracy. Political parties are currently weak, but they probably will grow in importance as regional elections scheduled for next March draw nearer and as the possibility of elections next year for a new republic parliament becomes more likely.

Nevertheless, authoritarianism is far from dead in Ukraine. The former communist party has been weakened but not destroyed, and it is positioning itself to become the defender of those who will suffer the most in a transition to a market economy. Right-wing antidemocratic alternatives, currently not much of a factor in Ukrainian politics, will also become more politically attractive if economic conditions seriously deteriorate.

Whether Ukraine takes quick and serious steps toward a market economy will depend in part on who wins the presidential election.

- Chornovil, a staunch anticommunist, wants to destroy the vestiges of a planned economy as soon as possible. He would undertake a program of rapid privatization based on the slogan "enrich yourselves."
- Kravchuk has endorsed economic reform in principle, but he is probably the least market-oriented of the seven candidates running for president. He has emphasized the need for economic stabilization over quick marketization and wants liberalized prices and private property to be phased in gradually.

Ukraine's economic future will also depend in large measure on its relations with other republics, especially Russia. Kravchuk's economic agreement with Yel'tsin and his willingness to continue an interrepublic dialogue will help prevent debilitating trade disruptions. Nevertheless, Ukraine's economic relations with other republics will be strained as it sets up its own monetary, financial, and trade systems. In addition, Kravchuk will be tempted to respond to Yel'tsin's price liberalization by applying more severe restrictions on cross-border trade to prevent an outflow of cheaper Ukrainian goods. Such go-it-alone policies would fail, however, and likely force the Ukrainian government to free prices itself.

Defense Issues

Both major candidates are serious about transforming Ukraine into a nuclear free state, in part because of Western concerns over control of Soviet nuclear weapons. Chornovil has moderated his earlier position advocating Ukraine's retention of nuclear weapons. Either candidate probably would negotiate with Russia and whatever central government emerges to remove nuclear weapons from Ukrainian territory and/or destroy them. Neither candidate would be likely to agree to transfer the weapons to the sole control of Russia.

Should tensions between Ukraine and Russia escalate sharply, Ukraine may try to hold on to some weapons as a bargaining chip. Such a move, however, would seriously complicate Kiev's relationship with the West.

The creation of general purpose units subordinated exclusively to the Ukrainian government is only a matter of time.

- An agreement between Moscow and Kiev on the home-basing of conscripts would result in units manned largely by Ukrainians within a few years, particularly if overall force levels in Ukraine are reduced from current levels.
- Kravchuk appears inclined to move gradually toward a substantially smaller military than the 420,000-man force authorized by the Ukrainian Supreme Soviet. Chornovil advocates moving more quickly to the establishment of separate Ukrainian armed forces.

The future Ukrainian government intends to accede to the CFE and START agreements, but Ukraine's status under the treaties and the procedures for ratification and implementation are unclear. Ukraine is unlikely to participate in the impending USSR Supreme Soviet votes on the treaties, but it probably will be willing to enter into politically binding agreements to honor treaty provisions.

Ukraine: Prospects for the Winter

Ukraine, a net exporter of agricultural produce, probably will enjoy adequate food supplies this winter, but availability is likely to be scarce in state stores and in some industrial areas, particularly the east and south.

- Kravchuk recently reassured the public that although Kiev needs to import feed grains, republic grain stocks are sufficient to meet human needs.*
- Shipment of foodstuffs out of Ukraine this winter probably will be drastically reduced to minimize shortfalls.*
- Public sentiment in Ukraine is optimistic about food availability; Ukrainians generally believe food will be sufficient to support normal diets this winter.*

Energy shortages, however, will be a major problem, owing to a sharp decline in coal production and reduced Russian oil and natural gas exports that have also strained supplies and depressed industrial production. Ukraine's best short-term prospects for avoiding shortages this winter will be the recently signed economic protocol with Russia, which guarantees continued deliveries of energy and other contracted products.

Looming Dangers

Kravchuk can probably manage the near-term problems of Ukraine's transition to independence, but the creation of a stable, democratic, and secure state is by no means assured. Although Ukraine's economic problems are less severe than those of most other republics, conditions would deteriorate rapidly if the bilateral agreement with Russia breaks down and trade warfare increases between the republics. Under these circumstances, food and fuel shortages in Ukraine during the winter would be much worse than we now expect. Such developments probably would fan ethnic tensions within Ukraine, erode popular support for Kravchuk's government, and eventually threaten the stability of Ukraine's fledgling democracy.