

Birth Pangs Of a Nation -- A special report.; Ukraine Facing the High Costs of Democracy

By SERGE SCHMEMANN
Published: November 06, 1992

Fourteen months into independence, Ukrainians are learning that the romance of nationhood is hard to sustain when the economy is in shambles.

The proud blue-and-yellow flags and national emblems are all in place now, and schoolchildren are nurtured on Ukrainian legend and lore from the first grade.

But Ukraine's economy, like those of most former Soviet republics, is in tatters. Prices are higher than in Russia, inflation is raging, production is down, fuel is precious, internal and external debts are staggering. Without oil, gas or much lumber of its own, Ukraine has had to scramble to meet its basic needs. And virtually no new economic policies have been put into effect.

The newly appointed Prime Minister, Leonid Kuchma, formerly the head of the Soviet Union's biggest rocket factory, glumly declares that all he can do is try to brake the precipitous decline on virtually every economic front.

Nobody, certainly not President Leonid Kravchuk, nor the majority in Parliament, nor most of the 40 million people who call themselves Ukrainians, question the wisdom of statehood. To them Ukraine -- with more area than Poland, Czechoslovakia and Hungary combined, a population the size of France's, rich earth and factories that used to produce a quarter of the Soviet gross national product -- has arrived.

But few here would dispute that the early romance of statehood has been badly bruised by the immutable economic realities.

The signs are everywhere: On Independence Square, where jubilant crowds so recently cheered the dismantling of the huge statue of Lenin, protesting students now squat in a ragged tent city demanding that the Parliament be disbanded. Along the Kreshchatik, Kiev's main boulevard, money changers offer three Ukrainian coupons for two Russian rubles; early this year three coupons could have been exchanged for six rubles, and sometimes up to 20 rubles. Air Ukraine jetliners are sometimes grounded for lack of fuel.

New plaques outside ministries are inscribed in Ukrainian and English, but no longer in Russian. But the Prime Minister appointed a year earlier, Vitold Fokin, has been forced out of office by accusations that he maintained the Communist apparatus, avoided modernization and lead Ukraine to the precipice of disaster.

Ukraine's customs posts on major roads to Russia were recently joined by far tougher inspections on the Russian side of the border after Russia discovered it had more to lose in illicit trade with Ukraine.

It is also Russia that is now pressing Ukraine to leave the ruble zone. But introduction of the hryvnia, the currency hurriedly ordered from Canada for millions of precious dollars, has been put off indefinitely for fear that hyperinflation would quickly devour it. There Is No Good News

"There isn't a single category where you can say there is anything positive," Prime Minister Kuchma said in an interview. "Production is falling at such a rate that it is difficult to say where it can lead."

Mr. Kuchma, who is 54 years old, once headed Yuzhmash, the huge concern in Dnepropetrovsk that built 60 percent of the Soviet Union's strategic missiles.

Though he has yet to present his program, his background as a hard-nosed manager and his initial statements indicate that he will place strong emphasis on discipline and improved relations with Russia, but will not seek rapid or radical economic changes. Statehood Must a 'Nation' Be Democratic?

Ukraine's plight is not unique. It may be worse off economically than its neighbors, but it has avoided internal or external conflicts and has maintained a measure of political stability.

Though every new state is apt to bemoan its own problems and to assume they are exclusive, even a cursory survey of the former Soviet landscape reveals universal economic mayhem as old links break and economic transformation proves far more ponderous than expected.

But there is a difference in Ukraine: With only the briefest experience of sovereignty, with a divided populace and without an established national identity, Ukraine has been compelled to try to build nationhood even as it combats the devastating legacies of Soviet rule.

"Even if the government changes in Russia today, Russia will never lose its independence," President Kravchuk recently told Parliament. "But if a political crisis occurs in our country, this will be a danger to our independence first of all. That is the difference between us and Russia." Chicken or Egg?

That much, nobody disputes. But the dominant issue is whether the overriding priority should be to build a state, whatever the temporary sacrifices in democracy or human rights, or whether the state should be the product of democracy and a market economy.

It was this dispute that split Rukh, the main nationalist movement.

One faction, arguing that Rukh had to give Mr. Kravchuk extraordinary powers and back him unconditionally to insure the survival of the state, broke away and formed the Congress of National Democratic Forces.

The rest of Rukh, led by Vyacheslav Chornovil, a fierce rival of Mr. Kravchuk, argued with equal vigor that statehood is impossible unless the economy is put on its feet and a democracy is installed. Rukh has been joined in the opposition by a centrist coalition called New Ukraine, whose guiding principle is pragmatism in economic matters and relations with Russia. Which Way to Face?

"We can't rise above national feelings in our debates, since we never had statehood," said Volodymyr Chernyak, one of Ukraine's most respected economists and a member of the Duma, Mr. Kravchuk's senior advisers.

"We missed the train of history, so we rush to have our own currency, our own customs," Mr. Chernyak said. "We have the perpetual illusion that 'our face is turned to Europe.' But, as I always reply, who needs such a face? Like it or not, we're stuck for a long time with Russia. Economic logic always asserts itself.

"But it's inevitable that we first feel the need to mark our territory, as a dog stakes out his territory. To unite we must first separate. We have to find our own space." Culture Trying Hard To Be Un-Russian

The search for its own "space" has been the story of Ukraine in its first year. In the early euphoria of independence, a Parliament eager to prove its dubious "national" credentials (350 of the 450 members used to be Communists) rushed to claim all Soviet forces on its soil as the Ukrainian Army, to order a currency, to adopt the blue-and-yellow flag and the traditional trident as a national symbol, to declare Ukrainian as the sole official language, to order a new curriculum for the schools.

Though there are still Russians who relegate Ukrainian to a Russian dialect with a smattering of Polish, the language was already sufficiently standardized by the 19th century for Taras Shevchenko, Ukraine's leading poet and painter, to promote a national literature. Today Ukrainian and Russian share many Slavic roots and words, but have distinct pronunciations and vocabularies. The Shadow of Moscow

The initial spirit drew expatriate Ukrainians, who flooded in to fan the flames of nationhood. Nationalists militantly opposed any participation in the Commonwealth of Independent States, which eventually linked 11 ex-Soviet republics, including Ukraine. Moscow's devious hand was seen everywhere -- in economic problems, in fuel shortages, in dissatisfaction among Russian speakers.

To the consternation of the West, many deputies still argue that Ukraine should hold on to the nuclear missiles on its soil at least until its security against Russia is assured.

The self-assertiveness seemed a justifiable reaction to the cultural and linguistic Russification and Sovietization imposed by Moscow and to the patronizing attitude of the "Moskali" -- the derogatory Ukrainian term for Russian great-power chauvinists who refused to accept Ukraine as a nation. Raising Consciousness

The time was long overdue, the standard-bearers of independence declared, for a country as big and potentially as rich as France to claim its rightful place in Europe and the world, to assert its own history and culture.

For example the director of Gymnasium 117, a Ukrainian-language school on a steep hillside at the center of Kiev, said that when she first came to the school, she used to walk door to door seeking students. Now, the director, Lyudmila Boiko, said proudly, she has 23 applicants for every vacancy.

The room formerly used by the Soviet youth organization is now a "Lesya Ukrainka" room, named after a romantic Ukrainian writer from the turn of the century, with displays of Ukrainian crafts and legends. Children from grades 1 through 5 have classes focusing on Ukrainian and Kievan history and folklore. Russian 1,500, Ukrainian 14

The Minister of Education, Petro M. Talanchuk, talked proudly in an interview of a 10-year program to make education sensitive to Ukrainian statehood, to prepare students for democracy, a market economy and a Westward orientation, to teach them at least two Western languages.

An engineer who spent many years at a plant outside Moscow working on the space program, Mr. Talanchuk noted that when he studied at the Kiev Polytechnical Institute, the instruction was in Russian, and only 14 of about 1,500 textbooks were available in Ukrainian.

In the new Ukraine, he said, Russian would be taught as just another foreign language, and Russian literature would be included in a course on world literature, on a par with French or English. We're 'Great,' Too

"In the liberal arts, it was always the 'great Russian people' with their 'great history' and their 'great heroes,' " he said, acknowledging that as a Communist Party member from age 18 he once accepted many of these teachings. Subsequently, he said, he realized that many of the "great heroes" were great chauvinists, and some of the villains were heroes.

In his zeal, however, Mr. Talanchuk sometimes seems to adopt the very methods he condemned in the Russifiers.

"There's no need to idolize Pushkin," Mr. Talanchuk said of the great Russian poet. "Unesco listed the world's greatest 100 poets, and Shevchenko was there, but not Pushkin," he said, invoking Taras Shevchenko, Ukraine's national poet. "Pushkin's a great poet, of course, but also a chauvinist. That 'genius' Leo Tolstoy was also a chauvinist. So was Turgenev. We need to know that." The Critics Food First, Then the Flags

Predictably, such nationalist thinking has been well received in western Ukraine, where Ukrainian was always the dominant language and

national feelings were strongest, and resisted in eastern and southern regions, where Russian predominates.

Preliminary findings in a poll by Ian Bremmer of Stanford University, for example, found very different attitudes toward Ukrainian statehood among Russians in Crimea (where Russians predominate), in Kiev and in Lviv in western Ukraine (where Ukrainians predominate): a strong majority of Russians in Lviv and Kiev said they want to be Ukrainian citizens, while more than half the Russians in Simferopol, in Crimea, do not.

The study found that both Ukrainians and Russians in roughly equal numbers believe their situation has worsened since Ukraine gained independence, though the poll did not ask whether they blamed Ukraine for this.

More significant, however, a growing number of critics, from young economists and journalists to militant students, say the preoccupation with building nationhood has deflected attention from far more pressing needs. *Looking Forward, Into the Fog*

"Those people who talk all the time of building statehood always talk of building an army, enforcing state borders and accumulating other attributes they learned in Communist textbooks," said Nikolai Knyazhitsky, a former television commentator who has been an outspoken critic of the Government.

"The Parliament, Rukh, they were all united in the fight against Moscow and the empire. But they never discussed what to do next. They were all raised in this system; they have a limited idea of democratic culture."

In another office across town, Oleksander V. Savchenko, director of the Center for Advanced Economic Studies with Western-oriented economic views, rejected the frequent charge in Parliament that Russia was to blame for Ukraine's economic mess.

"We are fully to blame," he declared. "You can't blame Moscow for our prices -- that's the market. The state is not a game of dancing and playing the bandura," a Ukrainian stringed instrument. "There is a fierce competition among states. We're not used to the game. But if we can't handle it, we should never have started." *The President Keeping a Seesaw In Balance, So Far*

So far, President Kravchuk has demonstrated a crafty knack for juggling the competing claims of the nationalists, reformers, Russians and Communists, and for mollifying ardent separatists while maintaining working relations with Russia and the Commonwealth of Independent States.

Through cunning use of carrots and sticks, he has skirted confrontations with Russians or Tatars in the Crimea, and he has reached critical compromises with President Boris N. Yeltsin of Russia in disputes over nuclear arms and the Black Sea Fleet.

Some critics assert that his overriding emphasis on stability has delayed badly needed economic or political changes. But in an ethnically divided country, and with little national consciousness to draw on, the peace he has maintained is no small achievement.

Militants have appeared on all sides. A former dissident, Valentin Moroz, has returned from exile in the United States to preach "Ukraine for Ukrainians." Frictions have grown in Crimea between Tatars and Russians and Ukrainians. *Getting Hot in the Kitchen*

Russian-speakers have begun to chafe. Russians in Donetsk, in eastern Ukraine, recently formed a Civic Congress of Ukraine, whose platform includes a federal system that would give more autonomy to predominantly Russian regions and two official languages, Russian and Ukraine. Both concepts are anathema to Ukrainian nationalists.

Mr. Kravchuk publicly inveighs against ethnic divisions and nationalist passions, asserting that "we must do everything on the principle of citizenship." His critics, however, have questioned his methods.

Last summer, angered by outspoken criticism from hard-line emigres at a World Forum of Ukrainians, Mr. Kravchuk caused a storm by threatening to have "subversive" visitors deported. *The Economy Nation Is Caught In a Familiar Web*

Increasingly, Ukrainians of all hues are coming to recognize that the key to all their aspirations is the economy.

It is only with the ouster of Prime Minister Fokin that the scope of the problem has become known. Inflation is more than 30 percent monthly, food production is down 17.5 percent, 62 percent of all transactions are barter.

When prices began to rise and rubles became scarce, the central bank took to printing ever more ruble-denominated "coupons." Almost 200 billion have been issued since they were introduced in January, and millions more have been counterfeited.

At the same time, the Ukrainian central bank has continued to prop up failing state industries with billions in unsupported ruble credits, feeding inflation not only in Ukraine but also in Russia. The new Minister of Economics, Viktor M. Pynzenyk, said new credits in May and June alone equalled 800 billion rubles, more than annual Government spending.

And in all this while, neither the Government nor Parliament has produced any significant legislature on the privatization of land or industry.

Whether Prime Minister Kuchma, an engineer reared in the secretive world of the military-industrial complex, is the man to begin badly needed changes is yet to be seen. Most politicians and economists seem ready to give him a chance.

At least the new Prime Minister was clear on one thing: "The time of illusions is over."

