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"KUCHMAGATE" CONTINUES TO DOMINATE UKRAINIAN POLITICS By Taras Kuzio

"Kuchmagate" continues to gather momentum.(1) On January 10 Prosecutor General Mykhailo Potebenko admitted that DNA testing had finally confirmed the body found near Kyiv in early November was that of the murdered journalist Heorhiy Gongadze, who went missing on September 16. But, in order to deflect accusations that President Leonid Kuchma ordered the murder, Potebenko argued that the tapes at the center of "Kuchmagate" were a forgery. On November 28 Socialist Party leader Oleksandr Moroz revealed the tapes in parliament after receiving them from Mykola Melnychenko, a former Security Service of Ukraine (SBU) officer employed in the Presidential Guard.

Nevertheless, Kuchma has never denied that the voices on the tapes are his own, has failed to address the very serious allegations found in them and ignored the parliament's demands to dismiss the heads of the SBU, Ministry of Internal Affairs (MVS) and Customs Service. On December 21, 2000 a Department for Law Enforcement under the president was established as an "emergency landing site" just in case any of them are fired from their positions by the president under pressure from parliament. The department would enable them to continue to exercise their influence over the "power ministries" from within the presidential administration.

President Kuchma has claimed that the tapes are a foreign-inspired "provocation" and a "frontal assault on the foundations of statehood" which are pushing Ukraine to "the edge of chaos, anarchy and the disorganization of social life." He also said that he has "nothing to vindicate himself for."(2) On January 4, the day charges were brought against Melnychenko, Kuchma accused the SBU officer of being "mentally ill" and refused to discuss the allegations. The manner in which Kuchma has responded to these allegations is not consistent with a wrongly accused man.

What is unclear is who actually undertook the murder of Gongadze: That the murderers wanted the body to be found suggests that someone used Kuchma's loathing of Gongadze to discredit him. The body would never have been found if the murder had been carried out professionally.

FURTHER REVELATIONS

On the tape recordings of Kuchma, MVS minister Yury Kravchenko, and presidential administration head Volodymyr Lytvyn, Kravchenko said that he had a special purpose unit called "Orly," which used methods that "have no moral principles".(3) The Belarusian presidential administration has a similar special purpose unit, called "Almaz," that was reportedly involved in the murder of Russian Public Television (ORT) cameraman Dmitry Zavadsky and opposition politician Viktor Gonchar.

Melnychenko, the former SBU officer, revealed that the MVS special unit may have been behind the car accident which killed Rukh leader Viacheslav Chornovil in March 1999. Dmytro Ponomarchuk, Rukh press secretary and the only survivor of that crash, has always been convinced it was not an "accident." In October 1999 then presidential candidate Yevhen Marchuk obtained a video interview of a man claiming to be an officer in the MVS special purpose unit who had been involved in staging the Chornovil accident. Marchuk now claims he has "lost" the videotape and did not believe in its authenticity--even though the officer offered to testify. Understandably, Marchuk is in an awkward position, given that he has been secretary of the National Security and Defense Council since November 1999. The accident took place only a month after Chornovil had refused to endorse Kuchma in the presidential elections. Taras Chornovil has confirmed that the information provided by Melnychenko on conversations between Kuchma and his father did take place in the period running up to Chornovil's death.

Similarly, suspicions are now raised about the unsolved murder of Vadym Hetman in 1996. Hetman was Prime Minister Viktor Yushchenko's predecessor as National Bank chairman and, at the time of his death, head of the Inter-Currency Exchange. His death has remained a mystery, because he was not involved in corruption and was highly popular. Nevertheless, Hetman had the financial means to support Yushchenko in a bid for the presidency in 1999 and thus was a potential threat to Kuchma.

Another suspicious allegation has surfaced about the alleged assassination attempt on Natalia Vitrenko, head of the Progressive Socialists, on October 2, 1999, in the midst of the presidential campaign. Two Russian citizens, Volodymyr Ivanchenko and Andriy Samoylov, were arrested for the attempt and claimed to be working on behalf of her bitter rival, Socialist Party leader Oleksandr Moroz. In late December 2000 the two prisoners retracted their statements, saying they had been made under physical duress and torture. Melnychenko's claim that Kuchma organized the "assassination" attempt on Vitrenko in order to discredit his Moroz, main opponent, seems to have been borne out. Vitrenko has long had warm relations with the presidential administration.

WHO GAINS FROM "KUCHMAGATE"?

Certainly not Kuchma: the scandal has ruined his reputation as a "spiritual, moral example." (4) The manner in which he has handled the entire affair--using threats, showing disdain for the rule of law, the dragging out of DNA testing of the body to determine whether the body is Gongadze's, providing false information on Gongadze, refusing to accept any responsibility for Gongadze's disappearance and responding with denunciations--have tarnished his reputation both domestically and internationally. As Leonid Kravchuk, Kuchma's predecessor, pointed out: "Under me such things did not happen. In my presidency such things as are taking place now did not occur." (5)

Public support for Kuchma is at an all time low: he has had to resort to paying demonstrators 10 hryvnya (US\$2) to attend "Ukraine with Kuchma" meetings. Amorphous oligarchic pro-Kuchma parties are organized from the top down and lack any mass membership. In an attempt to galvanize public support, Kuchma late last year organized a "Council of Experts on Domestic Policy" and a "Political Council" of pro-Kuchma parties. It remains to be seen whether these moves will succeed in increasing his support.

The extent of public disillusionment with the growing power of the corporatist state is very high. Ninety-five percent of Ukrainians feel they have no power to influence anything around them. These views reflect the feeling that Ukraine has been turned into a personal fiefdom, in which the vlada (authorities) simply do as they please. Sixty-six percent of Kyivites who were polled in December said they were not surprised by "Kuchmagate" revelations since such things could be expected from the authorities. Only 2.5 percent thought the revelations would lead to Kuchma's removal and 56 percent thought the authorities would hush the affair up. (6)

A sense of déjà vu permeated Ukraine in the month following the revelations, with a tent city erected in central Kyiv, similar to the one organized a decade ago by hunger-striking students. A joint appeal by seventeen former Soviet Ukrainian prisoners of conscience and political activists, entitled "Do we need to start all over again?", summed up the prevailing mood that Ukraine has been "hijacked." (7)

For the first time ever, Ukraine's center-left and centre-right have allied against the oligarchic center, thereby destroying the parliamentary majority in place since the spring of 2000. The Communists remain ambivalent about joining the anti-Kuchma camp, hoping not to damage relations with Kuchma in case he decides to turn Ukraine eastwards towards Russia. In December, the parliament passed a new law "On Temporary Investigative and Special Commissions of the Supreme Soviet," which opens the way for Kuchma's impeachment. With the collapse of the parliamentary majority it will be impossible to implement the results of the highly suspect April 2000 referendum, which would turn Ukraine into a presidential republic and give Kuchma unlimited powers. Kuchma has therefore increasingly threatened to introduce the referendum results by decree. Ukraine is heading for a standoff between parliament and the executive which is not likely to be resolved peacefully.

"Kuchmagate" has strengthened the position of Prime Minister Yushchenko. A draft decree which would have dismissed Yushchenko was reportedly on Kuchma's desk for two weeks prior to Moroz's revelations. Melnychenko reported that Kuchma said he would only keep Yushchenko in office until the end of 2000. After that, Kuchma allegedly promised: "I will not sack him. I will destroy him once and for all."⁽⁸⁾ Yushchenko's replacement was rumored to be SBU chairman Leonid Derkach or the loathed head of the State Tax Administration, Mykola Azarov. Azarov and Derkach are linked to one of Ukraine's top pro-Russian oligarchic clans (Labour Ukraine) and Yushchenko's replacement by either of them would have all but ended transparent reform, threatened domestic stability and changed Ukraine's "multivector" foreign policy from a pro-Western one to pro-Russian neutrality.

The attacks on Yushchenko's government which filled the oligarch-controlled media for months prior to "Kuchmagate" then shifted to the recently sacked Deputy Prime Minister, Yulia Tymoshenko, who had responsibility for the crime-infested energy sector. The corrupt state of affairs in the energy sector is very much to Russia's liking, because it ties Ukraine's ruling oligarchs to it. Therefore, those forces domestically and abroad who were opposed to Tymoshenko's reforms in the coal, gas and energy sectors happy enough with her downfall. In August 2000 her husband was arrested on old corruption charges, in a move to pressure her to resign. It was therefore probably not coincidental that a four-year-old case against Tymoshenko was reopened by both Russia and Ukraine. On December 22, less than a month after "Kuchmagate" began, Russian prosecutors arrived in Kyiv in connection with the case against Tymoshenko that she allegedly re-sold Russian gas abroad, hid the profits from the Ukrainian tax authorities and bribed Russian officials.

Tymoshenko called the charges "a brutal falsification" "orchestrated by the criminal clans of oligarchs who de facto rule Ukraine."⁽⁹⁾ Since Kuchma controls the judiciary, he must have authorized these attacks upon Tymoshenko. Melnychenko has evidence that the case is a pure fabrication, designed "to make Yushchenko do what Kuchma wants." On January 19 the oligarchs were finally victorious in getting President Kuchma to sack Tymoshenko. The sacking serves two purposes. First, it ends her reform of the energy sector, which had won Western praise. Second, it deflects public attention away from "Kuchmagate" and portrays Kuchma as an "anticorruption" crusader who has linked Tymoshenko to former Prime Minister Pavlo Lazarenko.

Prime Minister Yushchenko had threatened to resign if Tymoshenko were forced out of his cabinet. The national democratic parties also see the attack on Tymoshenko as an indirect attack on Yushchenko. Yushchenko's replacement by Azarov or Derkach would lead to very cool relations with the West and Kuchma being put completely under the thumb of the oligarchs. Kuchma would prefer a Yushchenko government without Tymoshenko because it would end support from the pro-government caucus to her Fatherland parliamentary faction, thwart attempts at creating a center-right opposition to Kuchma and, by halting her transparent reform of the energy sector, allow the oligarchs to resume their illicit earnings.

Russian President Vladimir Putin also gains from "Kuchmagate" because a discredited Kuchma, diplomatically shunned by the West and in charge of a country no longer destined for European Union membership, may not have anywhere else to go except back to Eurasia. Since September Ukraine has increasingly been adjusting its orientation eastwards, a process likely to continue if the scandal continues to gather momentum. Melnychenko has other tapes that he is threatening to release.(10)

The third to gain will be Pavlo Lazarenko, Ukraine's prime minister between 1996-1997. In early 1999, he asked for political asylum in the United States, where he has been in detention since. It is highly unlikely that Lazarenko will now ever be deported to Ukraine, where his life would be in danger. Perhaps this is in Kuchma's interest, given that an open trial of Lazarenko would reveal that he could not have engaged in corrupt practices deals he made while serving as prime minister without Kuchma's knowledge and blessing. Indeed Melnychenko revealed that in a conversation with Kuchma, Prosecutor General Potebenko "was very afraid of the possibility that Lazarenko would finally be brought back to Ukraine."(11)

That the case against Lazarenko was a personal vendetta and had nothing to do with an anticorruption drive can be seen from the lack of any criminal case being brought against Oleksandr Volkov, the oligarch closest to the president, who has large financial and property assets abroad. On September 16, 2000--the eve of Gongadze's disappearance on--Gongadze's Ukrainska Pravda internet newspaper had revealed Volkov's extensive involvement in corruption and his close ties to Kuchma.

INTERNATIONAL REACTION

Not wishing to repeat the mistakes made by the West in pushing Belarus into the arms of Russia, international reaction has been critical but has not slammed the door on Kuchma. Ukraine's complete isolation from the West would be very much to the advantage of President Vladimir Putin. But Kuchma is unlikely to be invited on a diplomatic visit to the West until the matter is cleared up. In other words, the fate of the Kuchma regime could be de facto international isolation. Kuchma's only saving grace is the election in the United States of the more anti-Russian--and presumably pro-Ukrainian--administration of George Bush.

NOTES:

1. "Kuchmagate" has been reported by The New York Times, December 6; Wall Street Journal, December 8; Christian Science Monitor, December 12; Financial Times, December 13; The Independent, December 14; The Daily Telegraph, December 15; The Guardian, December 15; Washington Post, December 21 and 26; and Los Angeles Times, December 26 2000.
2. Prezydentskyi Visnyk, December 9-15, 2000.
3. www.kpnews.com and www.pravda.com.ua/?0121-3.
4. See Dmytro Vydryn's "Dead Souls", Dzerkalo Tyzhden, December 23, 2000.

Vydryn was a member of the 1994 Kuchma election team and then worked briefly in the presidential administration until becoming disillusioned with Kuchma. He was most recently an adviser to Tymoshenko.

5. Den', December 14, 2000.

6. Dzerkalo Tyzhnia, December 9 and 16, 2000.

7. The appeal by seventeen former prisoners of conscience was published by Shliakh Peremohy, December 27, 2000.

8. Interview with Melnychenko by Radio Liberty (www.pravda.com.ua/?01230-1)

9. RFE/RL Newslines, Vol.5, No.4 (January 8, 2001).

10. See T. Kuzio, 'Giving Substance to the Ukrainian-Russian 'Strategic Partnership'', RFE/RL Newslines, Vol. 14, No. 216, (November 7, 2000) and "Eastward Drift", Oxford Analytica, East Europe Daily Brief, December 20, 2000.

11. www.pravda.com.ua/?01230-1.

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UKRAINE AND THE DYNAMICS OF STAGNATION

By Volodymyr Zviglianich

In a phrase coined by politicians and journalists on both sides of the Atlantic who came to life in the Gorbachev era--an era symbolized by the concepts of glasnost (openness) and perestroika (restructuring)--the previous epoch in our history became known as the "stagnation" with all the negative connotations associated with the word. "The mark of stagnation", said the young and energetic General Secretary of the Communist Party of the Soviet Union, Mikhail Gorbachev, fifteen years ago, "was on everything--the economy, social life and politics."

The Brezhnev economy was denounced for following the "extensive" model of development, forever bringing new raw materials and natural resources into the production process but ignoring the development of labor-saving and energy-saving technologies or technologies to improve quality. It seemed that importing western technologies and know-how would help the break the vicious circle of development in the Soviet economy which was geared towards fulfilling the plan rather than the needs of consumers.

UNION WITHOUT IMPREGNATION

However, the mass influx of Western equipment into the Soviet economy in the second half of the 1980s had but one result: The equipment was not used, it just rusted away and was discarded. Why? A detailed examination of

the reasons for the collapse of the technological revolutionism of the 1980s and 1990s has yet to be made. But there is one theory which sheds light on the reasons for this failure to "restructure" the Soviet economy in what seemed to be the simplest possible way--bring in a new machine (or technology), plug it in, switch it on and get a quality product.

It transpired that western technology and the equipment built with it were fundamentally incompatible with the patterns and algorithms of the labor processes on which the Soviet economy was based. They were incompatible, for example, with such a key concept of the Soviet production process as the "deficit".

As a result of the chronic everyday deficit of anything needed "here and now"--on which western technology and the western way of life were based--attempts at a "technological renaissance" met with the sadly familiar fate, summed up in a piece of popular wisdom coined by a former prime minister in post-Gorbachev Russia, Viktor Chernomyrdin: "We wanted to do things for the best, but it all turned out as usual."

It transpired that technologies represent a concentration of the cultural traditions of working with the materials and resources brought into the production process. Having imported the hardware of western technologies, those fighting stagnation failed to realize that it is impossible to import at the same time the socio-cultural context, the traditions and work ethic of western culture which were amassed over many centuries and with which the material embodiment of the technologies--the machines, production lines and so on--are impregnated. In the post-Gorbachev era countless attempts were made to implement a "technological renaissance" in the spirit, it must be conceded, of a pragmatic but nonetheless revolutionary fight against stagnation and for the introduction of something new: "Gorbachevism".

So union between West and East took place, but there was no impregnation, and thus there was no longed-for homunculus of success. Among the most prominent examples was the failure of Moscow mayor Yury Luzhkov to set up production of the "best cars in Europe"--as once promised by Gorbachev--at Moscow's Lenin Komsomol automobile factory. Then there was the failure of the widely publicized project to create a "people's motor car" in Ukraine at the Zaporozhye automobile factory together with South Korean company Daewoo. The project collapsed as a result of endless reviews by the Ukrainian side of the basic terms and conditions of the contract, that is, using the vernacular, they introduced ad hoc variables conflicting with the technological program, which was programmed for invariance.

ENCHANTMENT WITH STAGNATION

As a result, both the Russian and the Ukrainian economies de facto long ago abandoned attempts to reproduce the romanticism of the early Gorbachev era of "technological renaissance" in any way. A surreptitious return to stagnation-style methods in the extractive industry in Russia (which is after all "extensive") was finally made a couple of years ago, when world oil and gas prices began to rise.

In Ukraine, where there are no hydrocarbons for export, just as there are no modern types of production with a high added value, stagnation-style methods were never really abandoned in the first place. If the "father of the stagnation era", Leonid Brezhnev, a native of Dnepropetrovsk, were to visit our world, he would be pleasantly surprised that his work lives on in Ukraine--albeit with slightly different rhetoric.

The tactical withdrawal from national revolutionism back to stagnation in the Ukrainian economy took place under slogans criticizing the "one-sided monetarism" of the International Monetary Fund and focusing on an autochthonous "Ukrainian model" for the economy, advocated by Prime Minister Yevgeny Marchuk. What this meant was a "socially oriented market economy", working for the good of the people. This was in fact a slight paraphrase of the definition of the tasks of the economic development of the Soviet Union, as defined by successive party congresses. (They just added the word "market".)

The essence of all these processes was that the "technological renaissance" of early Gorbachevism engendered a sort of "semantic capitalism" at the level of media texts and symbols. The ideologues of perestroika, such as the economist Gavryl Popov, who coined the phrase "administrative-bureaucratic socialism" to characterize the stagnation, which so delighted the economic and artistic bohemians of the mid-1980s, or the lawyer Anatoly Sobchak, who launched the political career of the current Russian president, are either dead or have become social non-entities. Their place has been taken by "young reformers", symbolized in Russia by Yegor Gaidar and Anatoly Chubais, who was hailed in the West as no less than the "architect of privatization."

In Ukraine, the part of the reformers--albeit weak ones in comparison with their Russian counterparts--is taken by the current Prime Minister Viktor Yushchenko and the former First Deputy Prime Minister Viktor Pinzennik. The "young reformers", especially in Russia, have a total mastery of political management and PR (negative or positive depending on the task in hand), a mastery which their Ukrainian colleagues can only envy. From their rich PR arsenal they select their methods for influencing the public psychology by suggesting, with the aim of achieving political success or instilling in the people an image of the desired future. This is how presidents Leonid Kuchma in Ukraine and Vladimir Putin in Russia were elected.

As a result of the intensive spin put on reality in these countries, a unique algorithm has been established for resolving social problems. According to this algorithm, problem solving is not seen as the removal of the causes of an awkward social situation, but a "foolproof" removal of the associations and symbols which the situation engenders. For example, a genuine solution to the problem of Chechnya would be to examine the terms and conditions for granting it more autonomy, with the participation of the indigenous population. Instead, the solution of this age-old cultural and ethnic problem is transferred to the mythologized realm of a struggle between the symbols of the "integrity" of Russia which must be preserved at all costs, and "Islamic fundamentalism" which is encroaching upon that

integrity. A "timely" removal of the symbols of Islamic fundamentalism is equated with actually disposing of that fundamentalism.

(continued in Part 2)

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