

[OP-ED](#), 8 October 2009

Yalta European Strategy turns into ‘old boys’ club of ex-‘elite’

Taras Kuzio writes that the importance of YES annual summit is by far overestimated.

I have never been invited to Victor Pinchuk’s annual “old boys” get-together in Yalta and if I was invited I would not go. No, I am not envious of those who get a free holiday in Yalta and are able to use rooms where the big statesmen sat in 1945 to decide the future of Europe.

Pinchuk is, by far, the most intelligent of Ukraine’s oligarchs (can one still call them thus?) and began his self-rehabilitation near the end of the administration of his father-in-law, Ukrainian President Leonid Kuchma. He invited U.S. VIP’s to Ukraine, such as Henry Kissinger and ex-President George H.W. Bush. He also began to put funding into Ukrainian projects in Washington D.C., one of which (at the Petersen Institute of International Economics) led to Anders Aslund’s book on how Ukraine became a market economy and democracy.

I purchased a copy of the second printed edition. The first had been destroyed after Ukrainian billionaire Dmytro Firtash used Britain’s strident libel laws to demand a retraction of claims in the book on his links to RosUkrEnergo, the shadowy gas intermediary that imported Russian and Central Asian natural gas until recently. It was, indeed, ironic that Firtash had a legal quarrel with the best Western friend of Ukraine’s oligarchs. But maybe times change, as now Aslund is a supporter of Prime Minister Yulia Tymoshenko (see his interview in *Ukrainska Pravda*, Oct. 2).

During the late Kuchma era, Pinchuk’s reputation was damaged in a couple of ways. He was tarnished by his financing, through the Labor Ukraine Party, of the notorious documentary “PR” for the 2002 elections. It sought to show that the Mykola Melnychenko tapes – which allegedly captured extensive Kuchma-era corruption on tape – and the whole ensuing scandal were an American conspiracy. Secondly, Pinchuk’s unsavory side was exposed by his involvement in the controversial purchase of steel mill Kryvorizhstal in July 2004. To his credit, Pinchuk admitted his involvement was a mistake and the alleged sham was rectified by a televised auction in 2005 in which the high bidder paid \$4.8 billion – eight times the price paid by Pinchuk and another Ukrainian billionaire, Rinat Akhmetov.

Yalta European Strategy (YES) summits have an air of an old oligarch boys club as it reminisces about the “good old times” under Kuchma. The ex-president and his ilk can go and, in effect, be rehabilitated as his son-in-law is organizing the event.

Do these summits promote Ukraine’s membership into the European Union? Perhaps. If so, then Pinchuk deserves credit. Other Ukrainian oligarchs, such as Ihor Kolomoisky and Kostyantyn Zhevago, do not fund such non-governmental organizations and summits.

But the concept of the Yalta European Strategy is elitist, not grassroots. While lobbying among the elites of Europe is important, so too are promoting pro-European views among the general public.

In addition to focusing on elites, Pinchuk’s strategy has two drawbacks.

Firstly, it is disingenuous by seeking to make Ukraine different than other post-communist countries that joined NATO ahead of joining the EU. Pinchuk is opposed to NATO membership and presumably sees Ukraine as striving to only join the EU. In other words, Ukraine would follow the path of Sweden, Finland, Ireland or Austria. There are though other examples. Norway and Turkey are members of only NATO, not the EU. Switzerland, Iceland, Norway, Switzerland, and Liechtenstein are members of the European Free Trade Association, not the EU.

Secondly, one major reason why the Yalta European Strategy focuses on the EU is because it is believed that Russia is only hostile to NATO enlargement into Ukraine. Hence, Moscow has bluntly stated its objections to NATO encroachment into its “privileged zone of interests,” including membership for Ukraine and Georgia.

Viktor Chernomyrdin, Russia’s former ambassador to Ukraine, attends the Yalta European Strategy because Pinchuk does not support NATO membership. Would the ambassador continue to attend the summits if the EU changed its stance towards Ukraine and offered it membership?

Pinchuk’s fails over the question of Russia’s likely responses in the event that Ukraine is offered EU membership. Russia is currently not opposed to Ukraine joining the EU because such a prospect is now only theoretical.

But Russia would be negatively disposed to Ukraine’s EU membership if it became a realistic option. How would Pinchuk’s strategy adapt to Russia’s opposition and the prospects of the Russian-Ukrainian border becoming a new Schengen line for visas?

Politicians and businessmen from the so-called “centrist” camp who supported Kuchma prior to 2004 have a mental block when it comes to dealing with Russia. They are convinced that they know best how to deal with Russia compared to national democrats. This was part of Kuchma’s 1994 campaign slogan over his opponent, Leonid Kravchuk, and Victor Yanukovych’s 2010 election campaign slogan over his Orange Revolution opponents.

Their romantic illusion about Russia’s good intentions translates into 80 percent of Ukrainians holding positive views of Russia. Meanwhile, an anti-Ukrainian media and ideological campaign is under way in Russia that has convinced two-thirds of the nation to view Ukraine negatively. As a Ukrainian think tank expert wrote in leading Ukrainian Internet news portal Ukrainska Pravda after analyzing these divergent polls: “We like them. They don’t like us”.

Pinchuk deserves credit for being the first oligarch to attempt to undertake a private initiative in the sphere of Ukraine’s European integration through the Yalta European Strategy. But over the course of the last five years, the summit has stagnated and lost its purpose. It is now an “old boys club” of “former” member of the elites. It also sidesteps Ukraine’s longstanding relationship with NATO and Russia’s likely objections to Ukraine’s EU membership.

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