Kuchmagate's Collateral Damage

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Over the last four months, Ukrainian President Leonid Kuchma has been the subject of endless criticism over his alleged involvement in the murder of journalist Georgy Gongadze. The European Union (EU), the Council of Europe, Reporters Without Borders, and Human Rights Watch are just a few of the organizations that have strongly condemned President Kuchma since recordings were released purporting to contain a conversation in which Kuchma indirectly suggested that Gongadze be eliminated. The EU has called the presidential administration's heavy-handed response to protests over the Gongadze issue "a test of the democratic development of Ukraine,"(1) while governments throughout the world have tied continued aid to a satisfactory resolution of the case.(2)

Meanwhile, those same governments have remained remarkably silent about two other issues facing Ukraine -- the eradication of Prime Minister Viktor Yushchenko's government and the withering of GUUAM. The silence comes even though the fallout from these issues could be much broader and more long-range than the fallout from Kuchma's alleged involvement in the death of Gongadze. Still, Western organizations and governments cling to their credo of 2001: "Ukraine must deal with the Gongadze issue before the West will assist it in dealing with anything else."

In Ukraine's case, "anything else" is quite a lot. Ukraine has been one of the primary beneficiaries of Western support over the last decade. Still, despite progress, the country remains one of the poorest in Europe, and one of the most threatened by Russia's continuing infatuation with the idea of a reconstituted union of former Soviet
states. For this reason, the West's position is extremely short-sighted (even given the seriousness of the accusations against Kuchma and his associates), and runs the very clear risk of increasing Ukraine's vulnerability to Russian pressure.

Ukraine, for all its flaws, continues to possess remarkable potential both as a link to Asia and as a regional leader. In the last couple of years, it seemed that some of this potential finally was beginning to be realized. For the first time, the country achieved GNP growth in FY2000. The Yushchenko government attempted to reduce the shadow economy, institute land reform, pay internal wage arrears and international debts, and improve the investment climate. In addition, Ukraine had been taking a definitive, if cautious, lead position within GUUAM, the informal organization linking Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldova. Joint solutions to a number of difficult regional problems seemed a possibility. But as Western organizations wait for the resolution of the Gongadze affair, the government responsible for achieving Ukraine's first-ever economic growth was allowed to fall, and GUUAM has ceased to function at its highest levels.

Because of their preoccupation with Gongadze, Western organizations have lost Ukraine's most reform-oriented government and may soon also lose a regional organization that could provide a major service to both Western Europe and Eurasia. It was the Yushchenko government, after all, that attempted to reduce the shadow economy, institute land reform, pay internal wage arrears and international debts, and improve the investment climate. It has been GUUAM that has attempted to provide Western Europe with an alternative oil source and to deal with the numerous destabilizing separatist movements throughout the area.

But now, GUUAM is balancing on the brink, and the Yushchenko government is gone. Active support for GUUAM might still save it from succumbing to the same fate as Yushchenko's government. Active support for Yushchenko (who should have been viewed as distinct from Kuchma's administration) would have gone a long way toward helping Yushchenko continue his work and would have preserved the small but
significant progress Ukraine has made recently on the road to a Western-style economy. But instead, at the Stockholm EU summit, leaders seemingly chose to ignore a plea for support from Yushchenko as he fought to keep his position.

**Yushchenko Loses the Battle**

When the Ukrainian parliament, the Rada, voted to dismiss Viktor Yushchenko's government (which appeared quite likely as this issue went to press), it came as no surprise to anyone. The prime minister had received some breathing space thanks to an agreement with parliament that his government would not be dismissed during the past year. That agreement, part of Yushchenko's comprehensive "Reforms for Well-Being" economic program, expired in early April. Despite the fact that most experts view the program as a success, the Rada found it to be unsatisfactory. With that, Ukraine's reformist government was removed in favor of one likely to be more interested in preserving the power of the president and individual businessmen (the "oligarchs") than in instituting necessary reform measures.

The crisis that toppled Yushchenko obviously involved much more than the success or failure of an economic program. It involved the realization of parliamentarians that the balance was shifting in their favor, and their mad dash to grab as much power as possible before the next parliamentary elections. More importantly, several "oligarchs" apparently believe that now is the time to rid themselves of the man who has worked to limit their influence. A coalition between the oligarch parties and the communists -- the largest party in parliament -- could create the most left-leaning government since the country's independence.

Yushchenko had suggested that his cabinet was willing to sign an agreement with the parliamentary majority in order to "formally establish relations," but that majority has disintegrated under the weight of the Gongadze scandal. Yushchenko no longer could look to right and centrist political parties to support him automatically against his opponents; the parties were apparently too concerned with using the scandal to further
their own purposes. Yushchenko's only hope seemed to be his supporters in the West. "One reason for keeping him on," an *Economist* article suggested, "is to provide a figleaf of credibility to foreigners."(3) This fact may have prompted Yushchenko's indirect but obvious plea for support from Western leaders ahead of the EU summit.

Just days before the summit began, Yushchenko announced unexpectedly that the Ukrainian section of the Odessa-Brody oil pipeline and the Yuzhny oil terminal near Odessa were 90 percent complete. By the end of 2001, he said, Ukraine will be able to function as a transit country for Caspian oil to Western Europe. This year alone, he suggested, the pipeline and terminal could handle "twelve million tons of oil."(4)

If only the Europeans were interested. Unfortunately, there are no commercial backers for this Ukrainian-Polish pipeline project, which would constitute the final leg of an Asian-Caucasus-European oil transit corridor running between Azerbaijan and Poland. Ukraine's economic woes, combined with sharp Russian opposition to any pipeline that bypasses its territory, have limited the project's support among Western European governments and corporations.

Yushchenko's announcement, however, was an obvious opportunity for European representatives to support one of the prime minister's most ambitious projects. Doing so, even in the most cautious and indirect fashion, would have provided Yushchenko with a badly needed victory in advance of the vote of no confidence in his government. Expressing support for Yushchenko's program of Western orientation (as a separate matter from the Kuchma-Gongadze affair) would have done even more. Yet world leaders at the EU summit chose to do neither, individually or as a group. This decision left Yushchenko on the edge.(5)

The decision seemingly also condemned GUUAM, an institution that the EU should, by all rights, be supporting. It is an organization that could provide EU members with a stable new source of oil and gas, and might serve also as a springboard for independent economic growth in the Eurasian region.
GUUAM Battles to Survive

Yushchenko's prized Azerbaijan-Poland oil transit corridor is just one project under the umbrella of the TRACECA transportation project funded partially by the European Union. The project, which envisions ferry, rail, motor and energy pipeline links between the countries of the Caspian and Black Sea areas and Western Europe, originally found great support among Western organizations and leaders. It also served as one of the incentives for Georgia, Ukraine, Azerbaijan and Moldova to form GUAM in October of 1997: These countries quickly realized that their interests were similar not only on this issue, but on many others as well. Georgian President Eduard Shevardnadze explained the organization's purpose very simply. "GUUAM is an association of states with equal rights," he said, "determined to solve problems facing them by pooled efforts and consulting each other." 

Shevardnadze's statement, however, does little justice to the true goals and potential of GUUAM. The problems they aim to solve are massive, but before Ukraine became embroiled in the Gongadze scandal, the group had indeed managed to make progress.

Ukrainian analyst Taras Kuzio formulated 10 major objectives that "link the five countries of GUUAM in a strategic alliance," including (a) the "wish to oppose the dominant role of Russia," (b) creation of an alternative to the CIS for resolution of ethnic conflicts within the region, and (c) prevention of "the use of economic levers by Russia to obtain strategic objectives." Each of these goals, if accomplished, would add a pluralistic, stable, democratic aspect to a region of the world that has long operated under other standards. Elin Suleymanov, First Secretary of Political Affairs for the Embassy of Azerbaijan, explained: "The fact that it's voluntary is critical," he said. "No one told us. We decided it."

Even before Uzbekistan joined the alliance, it announced one of TRACECA's first achievements. On 25 November 1998, the country opened a terminal to export cotton by rail and tanker to Western Europe through Georgia. The goal of the route was "to
[move] the trend away from traditional export routes via Russia," thereby saving on various fees and taxes and creating a more independent economic base.(11) By early 1999, the number of accomplishments mounted. A Georgian army platoon was created using Ukrainian equipment in order to "guard pipelines." This action coincided with the opening of the Baku-Supsa section of the TRACECA pipeline, and the inauguration of a rail link connecting Poti in Georgia to Ilyichevsk in Ukraine. At the time, President Kuchma remained an ardent supporter of GUUAM and the TRACECA project, and noted that the rail link and the pipeline were "more significant geopolitically" than they seemed. "Oil is life," he suggested, "as well as a powerful foundation for a nation's development and well-being. It is the backbone of national security."(12)

GUUAM's activities were not limited to TRACECA. There was a major effort, in particular by Georgia, to use the alliance to end the numerous separatist rebellions in the region. For this purpose, there was talk of creating a joint peacekeeping battalion. As such, Ukraine offered to send peacekeepers to Abkhazia in Georgia, but only under the auspices of the United Nations (UN) or the Organization for Security and Cooperation in Europe (OSCE). Currently, Russian troops are continuing what they call a peacekeeping mission in Abkhazia under the guise of the CIS. Since Russia has steadfastly refused any suggestion that CIS troops be replaced by UN or OSCE troops -- thereby removing Moscow's influence in the area -- the proposal has gone nowhere. GUUAM members have held joint military exercises, concluded a number of military cooperation agreements, and planned to institute a free trade zone, however.

A number of countries, most particularly Romania and Bulgaria, were so impressed that they indicated a willingness to consider joining the grouping. And on 1 July 2000, then-Foreign Minister Boris Tarasyuk unveiled Ukraine's plan to institutionalize the group, making it a formal alliance.

How quickly things can change. Soon after Tarasyuk's plan was unveiled, Russia ratcheted up the pressure on its neighbor. Vladimir Putin was obviously disturbed by the attempt to create a regional unit independent of its old master. Meanwhile, both
Yushchenko and Tarasyuk's increasing popularity served as an irritant to Kuchma, who was looking to consolidate his hold on power even further. It was a perfect bargain. Kuchma fired his West-oriented foreign minister, ridding himself of a rival and receiving favorable agreements from Putin regarding Ukraine's gas debts. Tarasyuk was then replaced with the more pro-Russian Anatoly Zlenko. It was the beginning of the end for Kuchma's support of GUUAM.

The Gongadze scandal soon isolated Kuchma, causing him to depend even more deeply on Putin. In an interview with Ukrayina Moloda, Tarasyuk put it bluntly: "It is precisely because of pressure from Russia that there has been a change in Ukraine's strategic course. We no longer use the term 'Euro-Atlantic integration.'"(13) And it is undoubtedly because of Kuchma's bargain with Putin that the Ukrainian president seemingly has backed away from his promise to host a GUUAM presidential summit.

In February, the countries of GUUAM announced that their upcoming summit -- scheduled for 6-7 March -- would be postponed indefinitely. Of course, Ukraine does not constitute the only reason for the postponement. The recent communist victory in Moldova has called into question that country's membership in the group,(14) and Uzbekistan has begun to avoid GUUAM meetings in return for Russia's "protection" from "Islamic extremists." Clearly, what Oleksandr Pavliuk has called Russia's "carrot and stick" approach to the countries of GUUAM has been successful to some extent. By pressuring each country in a different way, Russia has been able to damage GUUAM's cohesion. But, not until the last several months has the tactic worked with Ukraine, and not until the last several months has the GUUAM alliance seemed in danger of dissolving.

Most GUUAM observers have suggested that the loss of Moldova and Uzbekistan does not necessarily constitute a death blow for the group. But piece by piece, the countries of GUUAM seem to be returning to Russia's hold. And the recent eastward shift of Ukraine is an ominous sign for the stability of the region.
Orest Deychakiwsky, a staff advisor for the US Congressional Commission for Security and Cooperation in Europe (CSCE), suggested, "The problem in GUUAM now is that Ukraine has become much more vulnerable to [Russian] pressure lately, and this causes a problem for the association." (15) A high-ranking Georgian diplomat went further. "Because of the internal situation in Ukraine," he said, "[the country] is becoming weaker," which could "affect even the existence of GUUAM." (16)

With only limited Ukrainian support, GUUAM's survival is possible, but unlikely. And without GUUAM, the one counterweight to Russian economic and political dominance over the CIS area would be removed. Even more importantly, Russia would remain the dominant military power, acting as "peacekeeper" within the CIS, patrolling areas of conflict (reportedly incited by its own troops) and continuing to allow instability to rule. Without the possibility of a regional, stabilizing peacekeeping force, the separatist areas within Georgia, Azerbaijan, and Moldova will continue to seethe. Europe will continue to experience a series of small civil wars, and the one organization with the possibility to stop them will have dissolved.

Viktor Yushchenko stood as the one man in Ukraine committed and in a position to maintain Ukraine's pro-western and pro-reformist course, including the country's leadership in GUUAM. But Europe's leaders chose not to support the prime minister against his anti-Western opponents. An important opportunity has been lost. However, the opportunity does still exist for Western leaders to express their support for the continuation of the projects supported by GUUAM. To do so may help sustain the first voluntary grouping of independent states on the area of the former Soviet Union and continue the process of solving some of the region's most difficult political problems.

Notes:

(1) Anna Lindh, Swedish Minister for Foreign Affairs and member of the EU Troika, "EU Statement on the media situation in Ukraine," 15 February 2001. [Publication? Website?]
(2) The United States is a notable exception, despite comments to the contrary. Although US Department of State Spokesman Richard Boucher suggested that "our ability to help [the Ukrainians] in the future depends on their willingness to abide by the constitution, abide by their commitments to the rule of law," in fact the US has announced quietly what amounts to an increase in aid for the coming year.


(5) Once again, the US is an exception. US Ambassador to Ukraine Carlos Pascual recently met with Yushchenko about the pipeline, offering cautious encouragement and the possibility that the US will assist Ukraine in opening negotiations with oil companies about the project.

(6) TRACECA stands for Transport Corridor Europe-Caucasus-Asia.

(7) Another major incentive was the (unsuccessful) attempt to oppose Western concessions to Russia over Conventional Forces Treaty flank limits. "GUAM" became "GUUAM" in 1999, when Uzbekistan joined the group.


(10) Interview with author, 15 March 2001.

Instead, the country may be interested in membership in the Russia-Belarus (and unofficially Armenia) Union. Membership in the union was one of newly elected Moldovan President Vladimir Voronin's main campaign promises. Although Voronin seems to be backing away slightly from his promise, a Russia-Belarus-Armenia-Moldova Union still remains a significant possibility.


Interview with author, 21 March 2001.