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RIFTS EMERGE AMONG UKRAINE'S RULING ELITE

By Taras Kuzio

Despite the Ukrainian Constitutional Court's 30 December decision clearing the way for President Leonid Kuchma to run in the October presidential elections, Kuchma is unlikely to contest that ballot. The most convincing explanation for the Constitutional Court's decision -- on the grounds that he is in his first term under a new constitution -- arguably lies in the executive branch's fear that the pro-presidential elite might split into rival factions in the course of the election campaign.

Socialist opposition leader Oleksandr Moroz and Russian-speaking liberal Volodymyr Malynkovych expressed that argument in "Ukrayinska pravda" on 2 January. Both men said they believe the threat of a Kuchma candidacy will serve to deter any pro-presidential groups from "jumping ship." A second way of accomplishing that goal is to undo or prevent bridges being built between the more moderate opposition leader Viktor Yushchenko, who consistently leads in the polls, and eastern Ukrainian oligarchs. The standoff that emerged during Yushchenko's visit to Donetsk on 31 October was an attempt by the presidential administration, whose secret instructions to that effect were leaked to opposition media, to pit Yushchenko against the Donbas clan.

Presidential-administration head and Social Democratic Party-united (SDPU-o) leader Viktor Medvedchuk is as opposed to Yushchenko becoming president as he is to Prime Minister Viktor Yanukovich, who heads the Donbas party of power, Party of Regions, becoming president. The real power behind the Donbas clan is Renat Akhmetov, Ukraine's wealthiest oligarch, who is reported to have held secret meetings with Yushchenko.

The same holds true for Viktor Pinchuk, the wealthiest oligarch in the Dnipropetrovsk clan's party of power, Labor Ukraine. Medvedchuk must tread more carefully with Pinchuk, however, as he is Kuchma's son-in-law.

The Donetsk and Dnipropetrovsk group of oligarchs are striving to achieve respectability as capitalist entrepreneurs after reaching the conclusion that the "robber-baron" capitalism of the 1990s will end when the Kuchma era is over. Becoming "respectable" will provide insurance, they believe, against the likely redivision of assets among the elite after Kuchma leaves office. Some members of the Ukrainian elite therefore understand that times are changing; parliamentary speaker Volodymyr Lytvyn called in September for Medvedchuk and Akhmetov to return their overseas assets to Ukraine.

This realization of the need to move with the times, which also took place in Russia in the transition from the Boris Yeltsin era to that of Vladimir Putin, is not shared by those oligarchs aligned with the SDPU-o, who prefer to continue to play by the old rules. Medvedchuk plays a similar role to Russia's former "gray cardinal" under Yeltsin -- Boris Berezovskii. It is no coincidence that Medvedchuk and the SDPU-o have been at the forefront in constitutional changes as they see Kuchma continuing in power as the best guarantee of their continued influence and power.

