



Revived Orange Coalition  
Needs to Reinvigorate  
Ukraine's Reforms  
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The eighteen months since the Orange Revolution have been difficult for Ukraine.

Defeating an autocratic regime has proved easier to accomplish for Ukraine's opposition than launching much awaited reforms or consolidating a new democracy. There have been too many missed opportunities. The creation of an Orange coalition and return of Yulia Tymoshenko to the post of prime minister, gives Ukraine a chance to reinvigorate its reforms and restart its integration with Europe.

It would be wrong to paint all that has happened since the Orange Revolution in a negative light. There have been a number of notable advances, such as the holding of free and fair elections in March--the first truly free elections in Ukraine. There exists an open and free press. Civil society, invigorated by the Orange Revolution, remains robust in Ukraine. Oligarchs are no longer receiving preferential insider treatment as they did under Leonid Kuchma.

The re-formation of an Orange coalition now provides President Viktor Yushchenko with a second, and final, chance to overcome widespread disappointment in his performance and weak leadership. Most Ukrainians have concluded that he is a one-term president; an Orange coalition gives him a chance to change this prevailing sentiment.

So, What Took Them So Long?

Following the election of Yushchenko the commonly held assumption was that his political force, Our Ukraine, would naturally come first in the 2006 parliamentary elections. After all, Our Ukraine had come first with 24 percent in the proportional half of the 2002 elections under President Leonid Kuchma.

Following the September 2005 crisis this optimistic view was downgraded to the

prediction that Our Ukraine would come second. Polls by reliable Kyiv-based sociological firms predicted that this would indeed be the case. The elections proved, in the end, to be a major upset for Our Ukraine--as it not only came in third, but with ten percent fewer votes than four years ago.

Why? One reason is obviously beyond Our Ukraine's control. In elections voters often punish those in power and it is easier to obtain votes when in opposition (as in 2002). But three other factors have worked against Yushchenko and Our Ukraine.

First, the conflict between the Tymoshenko government and the National Security and Defense Council, led by Secretary Petro Poroshenko, damaged the Orange camp. The conflict should have been put to rest by the president, who, instead, let it brew to a boiling point and then dismissed both sides after the head of the state secretariat made accusations of corruption. Accusations of corruption against politicians in Ukraine, and the CIS, tend to take serious root in the public's mind--often without proof (which Oleksandr Zinchenko never provided) and regardless of the fact that, in a democratic society, people are considered innocent until proven guilty in a court of law.

Second, Yushchenko needed to ensure his candidate for prime minister, Yuriy Yekhanurov, obtained sufficient parliamentary votes. Instead of remaining in Ukraine and working the parliamentary corridors, Yushchenko spent four days in the United States and returned home a day before the vote--ultimately failing by 3 votes. In a panic, he then chose to lobby the Party of Regions to obtain their support by agreeing to a ten-point memorandum that included amnesty for election fraud and immunity for local deputies. This strategic mistake was compounded when the president summoned Ukraine's oligarchs to a meeting, where they were promptly re-named the national bourgeoisie.

Third, a hastily agreed-to gas contract on January 4 stipulated the use of Rosukrenergo as an intermediary. Not only were those who were sent to negotiate in Moscow incompetent in their prosecution of their duties, they were completely ignorant of the fact that the EU, the United States and entire Western media were on Ukraine's side at that point. In other words, it should have been Russia capitulating to Ukraine - not Ukraine to Russia. Sending the head of the Congress of Ukrainian Nationalists (i.e. head of Naftohaz Ukrainy) to Moscow, with an interpreter, to negotiate through the gas crisis was surreal.

The gas contract, in turn, led to a January parliamentary vote of no confidence in the Yekhanurov government. The former Kuchma camp voted against the contract regardless of the fact that they themselves had established Rosukrenergo in July 2004 when Viktor Yanukovich was prime minister. The Tymoshenko faction instead of abstaining in the interests of Orange unity also voted in favor of the no confidence vote.

Institutional and Personality Issues

Added to these difficulties have been the non-functioning of three institutions under Yushchenko: the Constitutional Court, the presidential secretariat and the National Security and Defense Council [NSDC]. Added to this has been poor leadership and non-existent public relations work--both here and abroad. There has been little understanding of the need to explain decisions to the public and to bridge the gulf between leaders and citizens--an implicit platform of the Orange Revolution.

Yushchenko has insisted that parliament swear-in Constitutional Court judges following the vote on the Orange coalition government. The Constitutional Court has not functioned since autumn of last year. Two other important institutions that need to be revived are the presidential secretariat and NSDC. The lack of an effective presidential secretariat has paralyzed the executive. Neither Zinchenko (until his resignation in September 2005), nor current presidential secretariat head Oleh Rybachuk, have been able to organize an effective administration for Yushchenko. Disillusionment among presidential secretariat staff is widespread, particularly following Rybachuk's disastrous interview on BBC's Hardtalk show.

Perhaps more important is the growing sense of concern about Yushchenko's ability to grow into the position of president. Not everybody is cut out to be a president, as we know even in the West, but heads of state can learn on the job, and be advised and coached as to how best to evolve into their positions. Yushchenko not only lacks an efficient secretariat, but honest and loyal advisers who will be up front with him while giving him their total loyalty. Yushchenko, like U.S. President George W. Bush, needs his Condoleezza Rice and Dick Cheney. Little wonder that Yushchenko sometimes looks like he is all alone--without any staff or party members upon whom he can rely.

The NSDC, under Anatoliy Kinakh, has not functioned as an institution designed to deal with domestic and external threats to the state. The council has failed to provide an adequate response to the Party of Regions' use of the Russian language or NATO at the local level in eastern Ukraine or the Crimea. This, in turn, prevented the holding of military exercises, which damaged Ukraine's international image and put in question whether Ukraine will be invited into NATO at the 2008 enlargement summit. Again, the Party of Regions showed its opportunism in supporting anti-NATO rallies in response to military exercises.

Of course, Yanukovich's opposition to the exercises is blatantly hypocritical. He voiced no opposition when he was grandly touring NATO headquarters in Brussels as prime minister, and he had voiced no opposition when the exercises were held regularly by the Kuchma administration from 1997-2004.

Which Coalition was Best?

The election results put President Yushchenko in a lose-lose situation, while Tymoshenko was an instant winner. Building a coalition with either Tymoshenko or Yanukovych would be difficult for Yushchenko. The former would require that Tymoshenko return as prime minister, while the latter would necessitate a deal with the defeated presidential candidate that could lead to Orange voters flocking to Tymoshenko. Tymoshenko meanwhile, could choose between being either prime minister or head of the opposition.

The best solution to this conundrum might have been a Grand Coalition of the three Orange forces and the Party of Regions, or a non-left Grand Coalition (i.e. without the Socialists). President Yushchenko never took this strategic step, as it was left for others to raise and negotiate as coalition talks dragged out. The merits of a Grand Coalition might have been numerous, but neither the president nor any of the other parties ever gave such a coalition serious consideration.

At the end of this long and laborious process, we now seem slated for an Orange coalition on a very shaky foundation. The Orange coalition gives Yushchenko a second, and final, chance to prove himself between now and the end of 2007--as the 2009 election campaign will unofficially begin in early 2008. Public disillusionment in Yushchenko's leadership skills and his ability to effect change (or better still, a break with the Kuchma era) has led to a growing consensus that he is likely to be a one-term president. A successful and durable Orange coalition until 2009 gives him a chance to right this ship.

But, Is the Orange Coalition Sustainable?

If the Orange coalition is sustainable until the 2009 presidential elections, and it has real successes, these will prove beneficial in improving Yushchenko's standing. If Tymoshenko is still prime minister in 2009, she will not be in a position to run against Yushchenko in the next presidential elections. If the Orange coalition collapses a second time, Yushchenko will face Tymoshenko as a strong candidate in the next presidential race.

The Orange coalition and government will be operating in an improved climate, compared to the original Tymoshenko ascendancy as prime minister. In 2005, Tymoshenko had no concrete program, operated with a hostile Kuchma-era parliament and lacked support from a parliamentary coalition. This go round, Tymoshenko has a detailed, negotiated program that was born of these recent, lengthy coalition talks. Tymoshenko now has a parliamentary coalition to buttress against immediate and wholesale failure.

Other areas remain the same as in 2005. The sustainability of an Orange coalition and government is dependent on overcoming the personal and ideological conflicts that plagued 2005 and led to the collapse of Tymoshenko's first premiership - and the Orange Revolution coalition, in September of last year. Tymoshenko needs to be a better team player, limit her time in the media spotlight, compliment her old Orange Revolution cohorts, president Yushchenko and drop any ideas she may have of

reprivatization. Out of government, Tymoshenko has sought to assure investors and Western governments that she is investor friendly and respects property rights. This return as prime minister gives Tymoshenko a chance to prove it in practice.

In an ideal world, a Viktor and Yulia show, as *The Economist* describes it, would be a match made in heaven. Think back to Czech President Vaclav Havel and Prime Minister Vaclav Klaus and close your eyes and try and see Yushchenko and Tymoshenko. Perhaps a soft spoken and democratic president together with a radical reformer could work wonders inside Ukraine--as it did in the Czech Republic. Of course, Ukraine is not the Czech Republic (but Ukraine is also, as Kuchma wrote in 2004, not Russia). One has yet to see if Yulia Tymoshenko can become the Margaret Thatcher, whom she compared herself to in a May interview in the *British Spectator* magazine.

If the Tymoshenko sequel follows the original script, it will not be Our Ukraine who will be blamed. Our Ukraine could then find public support in reforming a coalition and government with the Party of Regions. If the Party of Regions has any strategic vision it would start preparing for this political possibility. It would first and foremost need to revamp its image by jettisoning its discredited leader, Yanukovych, for somebody who is not associated with the 2004 election fraud.

Quo Vadis Ukraine?

The three members of the Orange coalition - Our Ukraine, Tymoshenko bloc and the Socialists - keep telling us that they are committed to Europeanizing Ukraine through deep and structural reforms. Now is their chance to prove it. A reinvigorated Orange coalition would appear at an opportune moment for central and eastern Europe. During the next two years, 'Europe' will move eastwards into the western CIS that will itself retreat eastwards.

Ukraine's accession to the WTO this year ahead of Russia will lead to the creation of a Deep Free Trade Area (DFTA) with the EU in 2007. The European Parliament seeks to define the DFTA as 'Associate Membership' as it will be achieved at the same time as the 1998 Partnership and Cooperation Agreement will be replaced by an 'Enhanced Agreement' between the EU and Ukraine.

With an Orange coalition in place, Ukraine is also set to be invited to join a NATO Membership Action Plan at NATO's Riga summit this coming November. An invitation to NATO full membership at NATO's enlargement summit in 2008 seems, at least for now, premature. When Ukraine holds its next presidential elections in 2009, the country will therefore be an Associate Member of the EU and NATO, which President Yushchenko (and the Orange Revolution) can take credit for.

These strategically important foreign policy goals will only be achievable if the

reinvigorated Orange coalition actively works to fulfill the promises of the Orange Revolution, by pursuing and implementing democratic and economic reforms. Participants in the Orange Revolution wished to see their country Europeanize and this wish should be implemented by Ukraine's leaders. The Viktor and Yulia show now have the opportunity to pursue the same successful Europeanizing reforms in Ukraine as Klaus-Havel undertook in the Czech Republic. Ukraine's Orange leaders should do all they can to ensure that Tymoshenko's return as prime minister is a lasting and more productive one.