

UKRAINE: Opposition party is split ahead of key vote

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EVENT: The Party of Regions held protests across Ukraine on March 27 to demand that Prime Minister Yulia Tymoshenko and President Viktor Yushchenko resign.

SIGNIFICANCE: Although the party claimed it brought 200,000 Ukrainians onto the streets, attendance, particularly in Kiev, fell far short of expectations. This is symptomatic of a number of challenges facing Ukraine's main opposition bloc as it positions itself for the January 2010 presidential election. [Go to conclusion](#)

ANALYSIS: In 2001, the Party of Regions emerged as a coalition of interests with the strongest electoral base of any of the then pro-regime centrist parties. The bloc (known colloquially as 'Regions') still has two staunch bases of support -- Donetsk and Crimea -- and an ability to wean voters away from such left-wing parties as the Communists.

Former presidential candidate and Prime Minister Viktor Yanukovich serves as Regions' leader. He was governor of Donetsk during 1997-2002, when he reportedly used 'administrative resources' to support former President Leonid Kuchma's re-election in 1999 and the formation of the pro-presidential For a United Ukraine bloc in 2002. According to a recent poll by the respected Razumkov Centre, 17.1% of Ukrainians would vote for Yanukovich in a hypothetical presidential race. This is somewhat more than any other presidential hopeful, including Prime Minister Yulia Tymoshenko (15.7%) and former parliamentary Speaker Arseniy Yatsenyuk (11.8% -- [see UKRAINE: Yatsenyuk capitalises on public discontent - March 6, 2009](#)). Although Regions, as Ukraine's main opposition bloc, might be expected to benefit from the economic crisis, its support is only slightly higher than that of the Tymoshenko bloc (BYuT).

Competing constituencies. Yanukovich's presumptive presidential run will be challenged by divisions within his own bloc. Regions lacks a unifying ideology, and consists of six competing constituencies, namely:

- Donetsk and Crimean local patriots;
- Ukraine's wealthiest oligarchs, such as Systems Capital Management CEO Rinat Akhmetov ([see UKRAINE: Tycoon may yet become political leader - October 30, 2006](#));
- the gas lobby, which is linked to controversial former energy intermediary RosUkrEnergo (RUE);
- medium-sized businesses and coalmine owners;
- trade unionists; and
- former Communist, extreme left and pan-Slavic voters.

Regions has never established a 'shadow cabinet' to compete with the incumbent government, and has had difficulties becoming a successful opposition bloc, in part due to its leaders' discomfort with being out of power. Nonetheless, Regions has had some success blocking and criticising the initiatives of the 'Orange' government.

Gas lobby. Until 2005, oligarchs such as Akhmetov served as Regions' major financiers. However, from 2006, Akhmetov's support was eclipsed by that of the gas lobby, which has also been a conduit for negotiations with President Viktor Yushchenko's secretariat. However, unlike Donetsk-based oligarchs such as Akhmetov, the gas lobby has no popular base of support. It derives its strength from the influence and political capital of three high-ranking Regions members:

UKRAINE: Opposition party is split ahead of key vote - p. 2 of 3

- Serhiy Levochkin is a former senior adviser to Kuchma and deputy leader of Regions.
- Yuriy Boiko, the former head of troubled state gas conglomerate Naftohaz, is leader of the Kiev regional branch of Regions. Boiko was a signatory to the July 2004 agreement establishing RUE. This probably gives him a vested interest in retaining the intermediary, and may explain the party's opposition to Tymoshenko's removal of RUE from the Russian-Ukrainian gas relationship.
- Inna Bohoslovskaya is the head of the parliamentary commission that was established to investigate the January 2009 gas deal, signed by Tymoshenko and Russian Prime Minister Vladimir Putin. She has emerged as a fierce critic of the agreement and of Tymoshenko herself.

It is likely that the gas lobby pushed for two failed votes of no confidence in the Tymoshenko government (in July 2008 and February 2009) because of her opposition to the use of gas intermediaries, such as RUE.

Internal opposition. Although the gas lobby has several powerful proponents within Regions, it has also attracted a number of opponents. Deputy party leader Boris Kolesnikov, who has strong ties to Akhmetov and National Security and Defence Council Secretary Raisa Bohatyriova, has been the most vocal critic of the lobby. He publicly questioned the wisdom of initiating last month's vote of no confidence against Tymoshenko's government. Kolesnikov argued that Regions should have waited until later this spring, when the vote would be more likely to succeed owing to rapidly deteriorating economic conditions ([see UKRAINE: Dismal labour market could trigger unrest - March 18, 2009](#)).

This faction of Regions is also sceptical about the prospects for holding pre-term parliamentary elections:

- Although Regions could force early elections (by directing 150 parliamentary deputies to resign their mandates, as set down in Ukraine's constitution), some of the party's financiers are reluctant to commit their resources to an early poll. Akhmetov has reportedly lost nearly 20 billion dollars of his estimated 2008 assets of 32 billion dollars.
- Kolesnikov has warned that even if 150 deputies withdraw from parliament, Tymoshenko could use the courts to thwart early parliamentary elections, or could refuse to finance the elections, as she did in autumn 2008.
- Furthermore, Kolesnikov believes that Yanukovich has a greater chance of winning the presidency by positioning himself as an opposition leader, much as Kuchma and Yushchenko did in 1994 and 2004, respectively. Regions voters probably do not see much benefit in replacing the government, as the incumbent's popularity would be damaged by the economic crisis.

Power-sharing? Coalition negotiations with BYuT failed on three occasions last year, and Regions remains divided over whether to keep pressing for an anti-Yushchenko coalition with the premier. Yanukovich ruled out such an arrangement earlier in March, but some in Regions regard a coalition with BYuT as an opportunity to reform the constitution and reduce the presidential powers. Andriy Klyuyev and Viktor Medvedchuk (a long-standing opponent of Yushchenko and architect of the 2006 constitutional reforms that took power away from the presidency) served as the main negotiator and facilitator, respectively, of a coalition with BYuT last year.

However, the gas lobby is hostile to any coalition with BYuT, and would prefer to form an alliance with the notionally pro-presidential Our Ukraine, with the backing of presidential secretariat head Viktor Baloha ([see UKRAINE: Next presidential election hinges on Baloha - August 19, 2008](#)). Levochkin has alleged that certain party members, such as Klyuyev, were seeking to transfer control of Regions to BYuT. He has also noted the many ideological disagreements between the two parties, suggesting that a coalition between BYuT and Regions would be difficult to cobble together. Finally, Levochkin has accused Klyuyev of seeking to 'buy up' BYuT deputies, citing his alleged history of bribing pro-reform parliamentarians in 2004 and 2006-07.

UKRAINE: Opposition party is split ahead of key vote - p. 3 of 3

Recently, Levochkin has issued a public apology for his behaviour after he was threatened with expulsion from Regions for 'promoting his corporate interests'. His rhetoric has since moderated, and he now asserts that a coalition between Regions and BYuT should be established based on a common 'anti-crisis programme', and should not serve as a vehicle for Tymoshenko's presidential campaign.

CONCLUSION: Regions will enter the presidential election campaign deeply divided over questions of whether and how to share power with the incumbent authorities. Although the gas lobby remains influential, it has lost credibility. It has also lost a key source of finance -- RUE -- ahead of a resource-intensive political struggle. While Yanukovich is still a strong contender for the presidency, these internal divisions and financial challenges will hinder his campaign and raise questions about his ability to govern.

[Return to top of article](#)

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