

UKRAINE: New coalition could reshape the constitution

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SUBJECT: Prospects for constitutional reform.

SIGNIFICANCE: If formed, a 'grand coalition' between the Yulia Tymoshenko Bloc and the opposition Party of Regions would control 331 of 450 parliamentary deputies -- more than enough to amend the Ukrainian constitution. Constitutional amendments could move Ukraine towards a parliamentary system of governance, further marginalising President Viktor Yushchenko, and possibly the presidency itself. [Go to conclusion](#)

ANALYSIS: The pro-government Yulia Tymoshenko Bloc (BYuT) and opposition Party of Regions (known colloquially as 'Regions') are negotiating to form a 'grand coalition', despite three earlier failed attempts:

- The first took place in winter 2007-08, and signalled Tymoshenko's shift from supporting a presidential to a parliamentary system of governance.
- The second transpired in August-September 2008, following the presidential secretariat's accusations that Tymoshenko had committed 'treason'. On September 2, BYuT and Regions voted to support a number of measures that undercut the president's powers. This led to the withdrawal of the then-pro-presidential Our Ukraine-People's Self-Defence (NUNS) from the coalition, and a failed attempt by President Viktor Yushchenko to dissolve parliament ([see UKRAINE: Coalition collapse threatens stability - September 5, 2008](#)).
- In October-November 2008, BYuT and Regions tried again to form a coalition following the collapse of the BYuT-NUNS alliance. However, the inclusion of parliamentary Speaker Volodymyr Lytvyn's bloc allowed for the re-formation of a tenuous pro-government parliamentary majority.

If BYuT and Regions succeed in forming an alliance now, they will push for constitutional reforms ahead of the October 25 presidential election. According to Ukraine's constitution, parliament must vote twice in order to enact constitutional amendments -- the first vote requires only a simple majority, but the second requires a two-thirds supermajority. The first vote on BYuT and Regions' proposed amendments could take place prior to the July summer recess, and the second in September or October. Meanwhile, if such a coalition is formed, it will have enough votes to override any presidential veto.

Previous reform attempts. Ukraine's constitution was adopted in 1996, and amended for the first time during roundtable negotiations in November-December 2004. The talks took place against the backdrop of the 'Orange Revolution', and while they were credited with ending the mass popular protests and allowing Yushchenko to take office, they also altered the constitution in a non-transparent manner ([see UKRAINE: Constitutional changes will weaken Yushchenko - January 5, 2005](#)). The reforms, which were introduced after the March 2006 parliamentary elections, transferred jurisdiction over the government from the president to a parliamentary coalition; the largest party or bloc in the coalition currently has the power to nominate its leader as prime minister.

The reforms were expected to enhance responsibility for government policies by making a parliamentary coalition accountable to voters. A fully proportional system, introduced in the 2006 elections, was also expected to increase the effectiveness of political parties and thereby promote a parliamentary democracy.

However, the amendments failed to achieve these goals:

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- Political instability and numerous elections led to frequent changes in government. During Yushchenko's term in office, Ukraine has had three governments (two under Tymoshenko and one under Regions leader Viktor Yanukovich) and one acting government (under former Prime Minister and current Defence Minister Yuriy Yekhanurov).
- Political parties have not consolidated and matured. BYuT and Regions are coalitions of interests rather than Western-style parties. The centre-left Socialists have slumped in popularity, and failed to enter parliament in 2007. Meanwhile, the centre-right has disintegrated into an ever-greater number of 'virtual' parties, preventing the creation of a cohesive pro-presidential bloc.

BYuT-Regions proposals. Both BYuT and Regions agree that a new stage of constitutional reforms should move Ukraine closer to a parliamentary system. They reject Yushchenko's attempt to return Ukraine to the 1996 constitution, with a presidential system of governance.

Negotiations between Regions and BYuT centre on two issues:

- Regions supports moving Ukraine to a full parliamentary system, whereby the president is elected by parliament. However, BYuT favours continuing to elect the president by popular vote.
- The parties also disagree over how powerful the presidency should be. Yanukovich has insisted that a president elected by parliament should not be ceremonial, but should instead have a wide range of powers.

Regions supporters. Oligarch Rinat Akhmetov, Regions ideologist Boris Kolesnikov and businessman Andriy Klyuyev are the leading Regions supporters of the new coalition. All three criticised a Regions-sponsored attempt to pass a vote of no confidence in the Tymoshenko government in February; none supported popular protests against the government.

In turn, the government acquiesced in Akhmetov's control over regional energy distributor Dniproenergo at a March 24 shareholders' meeting, where the government's share was reduced from 76% to 50% plus one share; the authorities also lost control over two key boards. Prominvestbank, purchased by Klyuyev in November 2008, was brought in to act as company share registrar. These developments represented a significant shift for Tymoshenko, who had condemned Akhmetov's takeover of Dniproenergo in August 2007, and promised to return the company to state control.

BYuT backing. Within BYuT, the wing under former presidential administration head Viktor Medvedchuk's influence is on the rise. Medvedchuk, a lawyer by profession, and Vladislav Surkov, first deputy head of the Russian presidential administration, are reportedly acting as intermediaries between BYuT and Regions. Russia is almost certainly interested in securing a BYuT-Regions coalition for geopolitical reasons, and because of the Kremlin's poor relations with Yushchenko, who is perceived as anti-Russian.

The national democratic wing of BYuT is led by Viktor Pynzenyk, former finance minister and head of the Reforms and Order Party (one of three parties in BYuT). Pynzenyk opposes the creation of a coalition with Regions, and if such an alliance moves forward, BYuT might split. BYuT -- and Tymoshenko personally -- would lose public support in pro-Orange western and central Ukraine if they agree to Regions' proposal for the president to be elected directly by parliament.

NUNS opposition. Around two-thirds of the formerly pro-presidential NUNS has defected to BYuT, and many of the president's former allies -- such as NUNS faction leader Mykola Martynenko and former Defence Minister Anatoliy Grytsenko -- are now highly critical of him. Nevertheless, at least half of the remaining NUNS deputies would be uncomfortable with a BYuT-Regions coalition.

Eye on elections. Regions' proposal for parliament to elect the president would obviate the popular vote currently scheduled for October 25. This could assist both Yanukovich and Tymoshenko in dealing with the growing popularity of former parliamentary Speaker Arseniy Yatsenyuk's presidential candidacy (see [UKRAINE: Yatsenyuk capitalises on public discontent - March 6, 2009](#)). Tymoshenko is only slightly ahead of Yatsenyuk in the polls, and there is a chance that she could lose to him in the first round of the presidential election. If Yanukovich and Yatsenyuk stood against each other in a second round, polls show that Yanukovich could lose to Yatsenyuk.

A BYuT-Regions coalition would also check a strategy being considered by Yushchenko and presidential chief of staff Viktor Baloha: organising Regions' backing for Yushchenko in the presidential election. Such a proposal could include support for Yushchenko to be re-elected president, with Yanukovich becoming prime minister.

CONCLUSION: New constitutional reforms are contingent on the success of a fourth attempt to negotiate a Regions-BYuT coalition. The reforms could move Ukraine closer to a parliamentary republic, but the sticking point remains how to elect the president. If such a coalition is formed, public opprobrium over the recession would be shared between Tymoshenko and Yanukovich. However, it might offer Ukraine a semblance of political stability, at least until the 2012 parliamentary elections.

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