

EURASIA DAILY MONITOR

Volume 2 , Issue 147 (July 29, 2005)

FEW REAL SIGNS OF CRISIS FOR YUSHCHENKO AND ORANGE REVOLUTION

By [Taras Kuzio](#)

Western media reports are increasingly claiming that the Orange Revolution is floundering in Ukraine. The Independent (July 25) asserted, "There is a growing consensus in Ukraine that Mr. Yushchenko and Ms. Tymoshenko have frittered away much of their political capital." The International Herald and Tribune (July 26) focused on the policy divides in President Viktor Yushchenko's coalition and their alleged fear of undertaking tougher reforms.

While these claims hold some truth, overall they misread the Yushchenko administration. Some economic policies in Yushchenko's first 100 days were undoubtedly misplaced, bordering more on socialist than free market economics. Nevertheless, Russian opposition politician Boris Nemtsov's description of Prime Minister Yulia Tymoshenko as "very left-wing, hugely populist, paternalistic, and also very charismatic" is a gross exaggeration (International Herald and Tribune, July 26).

Tymoshenko's penchant for state intervention in some areas is tempered by her support for free market economics in others. Tymoshenko is not an ideologically driven socialist, unlike the Socialist Party (SPU), which is allied to Yushchenko. Yet during the parliamentary debates over adopting WTO legislation, Tymoshenko backed the government while the SPU voted against them.

The government has not been given sufficient credit in three areas.

First, despite talk about re-privatization, Ukraine has not followed Russia in trumping up false charges against oligarchs to put them behind bars. No oligarch in Ukraine is set to go to prison just because he is an oligarch who supports the opposition.

Second, the Yushchenko government is sincerely committed to combating corruption, which must be curbed in order to attract foreign investment and to facilitate Ukrainian business.

Third, the government is more favorably disposed towards small- and medium-sized businesses, as many of those owners backed the Orange Revolution.

Critics of the Yushchenko government often make assumptions that are not relevant for Ukraine.

First, the average Ukrainian citizen does not take notice of reductions in GDP and vote accordingly. If this were the case, former prime minister Viktor Yanukovich would have

won a landslide in the 2004 presidential election when Ukraine's economy was growing at record levels. But Ukrainian voters did not see high economic growth creating a higher standard of living. They instead feared unemployment (73%), rising prices (71%), unpaid wages (65%), and even famine (51%) (Suchasnist, April 2004).

Second, the average Ukrainian citizen does not understand or take an interest in many issues that are strategically important for the country, such as WTO membership. Parliamentary Speaker Volodymyr Lytvyn complained that few parliamentary deputies fully understand the ramifications of the legislation required for WTO membership.

Instead, the real threat to the Orange Revolution rests in an area ignored in Western commentaries. The Orange Revolution and Yushchenko's election took place when a sizeable proportion of Ukrainian voters began to believe that Yushchenko was different from other politicians. As in many post-communist states, after a decade of "transition" Ukrainian voters believed that all politicians were corrupt and only wanted public office for personal gain.

The fate of the Orange Revolution and Yushchenko himself hinges upon whether or not Ukrainians continue to believe the new president is different, rather than lumping him with former presidents Leonid Kravchuk and Kuchma. So far, despite a number of crucial mistakes made by the Yushchenko administration, ratings for Yushchenko and Tymoshenko remain high.

The only exception is among eastern Ukrainians, who primarily voted for Yanukovich in 2004. The commonly heard view among them is: "At best...the Orange Revolution replaced one criminal clan, Mr. Yanukovich's, with a new one -- Mr. Yushchenko's" (Wall Street Journal, July 15).

Eastern Ukrainians, particularly in Yanukovich's home base of Donetsk, continue to remain cynical towards all politicians. Following this logic, better than the "lesser of two evils" and the election of "our own boys" into power rather than western Ukrainians.

A more complicated factor to deal with fairly is the question of double standards within the government. As the Wall Street Journal (July 15) wrote, "Worst is the presence in the new government of Ms. Tymoshenko -- a former head of United Energy Systems of Ukraine who was prosecuted by the Kuchma government..." This is seen in eastern Ukraine as "evidence of a double standard in fighting corruption."

The questions of whether to review corrupt privatizations dominated much of the government's time and Prime Minister Tymoshenko's rhetoric during the first 100 days. Reviewing all privatizations would be impossible and undesirable. After all, the Yushchenko team includes many businessmen. Ukraine scholar Anders Aslund described the Orange Revolution as a "revolt by millionaires against billionaires."

Populist anti-oligarch feeling remains high, helping to change Tymoshenko's ratings from -50% under Kuchma to +50% under Yushchenko. Most Ukrainian citizens see

privatization conducted in the 1990s in negative terms. Some 67% of Ukrainians believe that privatization was undertaken in an unjust manner, with only 9% believing the opposite (Ukrayinska pravda, July 5). Consequently, some 71.3% of Ukrainians would support the re-privatization of large enterprises (Ukrayinska pravda, May 14).

The highest support for re-privatization of large enterprises exists in western and central Ukraine (79.5 and 81.2% respectively), two regions where Yushchenko obtained his greatest support in the 2004 election (Ukrayinska pravda, May 14). This high level could be explained by anti-oligarch feeling and by the fact that most large enterprises are based in eastern Ukraine. In eastern Ukraine support for re-privatization is lower at 53%.

The glow of the Orange Revolution is unlikely to fade before the 2006 parliamentary election. More radical policies this autumn will, if anything, increase its brightness.