

REVISITING THE ORANGE REVOLUTION, PART ONE: CONSIDERABLE GAINS MADE

By Taras Kuzio

Ukraine held the second round of its contentious presidential election on November 21, 2004. When the incumbent regime of President Leonid Kuchma tried to steal the election from popular favorite Viktor Yushchenko, thousands of Ukrainians took the streets in what came to be known as the "Orange Revolution," in honor of the Yushchenko campaign color. One year later, the new administration has not fulfilled many of the expectations that arose from the Orange Revolution. Nevertheless, it would be wrong to paint the first year of Yushchenko's administration as either all positive or all negative, although the latter is currently more often heard.

In its first year, the Orange team has registered 10 achievements, but has come up short in seven other areas. The first part of this two-part article looks at the areas of progress.

Human Rights and Democratization. As the EU has noted, Ukraine's Orange Revolution and Yushchenko's election put the country back on the democratic track that had stalled in Kuchma's second term. Since the late 1990s most members of the Commonwealth of Independent States have evolved towards authoritarian regimes and "managed democracies." But a recent EU report noted that there are no systematic human rights violations in Ukraine.

Civic Empowerment. The number of Ukrainians who took part in Orange protests is huge. Throughout the country, one in five Ukrainians took part in protests locally or in Kyiv. In Kyiv itself, 48% of its 2.5 million population took part in the Orange Revolution. Participation in the Orange Revolution changed Ukrainians from subjects into citizens. Ukrainians, who were traditionally viewed as passive by Soviet and post-Soviet rulers, are unlikely to continue to be submissive. A September 2005 poll by the Kyiv International Institute of Sociology asked Ukrainians if they were ready to defend their civil rights; 51% said "Yes." In western and central Ukraine this answer was as high as 65%.

Democratic Political System. In early 2006, Ukraine will change to a parliamentary-presidential system resembling those commonly found in central Europe and the Baltic states. These parliamentary systems have

helped these countries to register democratic progress and move toward Euro-Atlantic integration.

Media Freedom. Ukraine's media environment has been transformed. The Social Democratic Party-United (SDPUo) has lost influence at the three television channels it once controlled (State Channel 1, 1+1, and Inter). Other channels controlled by Viktor Pinchuk (ICTV, STB, Novyi Kanal) have become more balanced in their coverage.

The Internet received a major boost from the 2004 elections. The Orange Revolution has been described as the world's first "Internet Revolution." Today, nearly 20% of Ukrainians use the Internet regularly.

International media watchdogs, such as Reporters Without Frontiers, have also noted the considerable improvement in Ukraine's press freedom. Ukraine's ranking (112) in the 2005 Annual Worldwide Press Freedom Index is far higher than that of Russia (138) or Belarus (152) (rsf.org).

Ukrainian journalists now work in a freer environment, no longer fearing arrest or violence. Gone are the censorship instructions (*temnyky*) issued by Kuchma's administration to television stations.

Political Parties. The Socialists, allied to President Yushchenko since the Orange Revolution, are now the leading left-wing party, rather than the Communists whose allegiance to the Ukrainian state was always suspect. The Communist Party will likely win only about 30 seats in the 2006 parliament, down from 120 in the 1998.

Formerly pro-Kuchma centrists are in disarray (see EDM, November 2). Only one of the three large centrist parties from the Kuchma era (Regions of Ukraine) is poised to enter the 2006 parliament. The SDPUo and Labor Ukraine parties each have ratings of 1%.

Corruption. The first year of the Yushchenko administration has seen Ukraine moving from a pretend struggle against corruption under Kuchma to a modest attempt at battling this problem. Some 4,500 of the myriad regulations to register businesses have been annulled, eliminating a major source of corruption. There is now a single channel to register businesses and a single channel to clear customs. Previously a new business venture had to seek permits from 34 separate groups, giving many opportunities for bribes.

Some 52% of Ukrainians believe some progress has taken place, but more needs to be done. Transparency International, a think tank researching corruption around the world, has recorded gains in Ukraine this year (transparency.org). Its 2005 Corruption Perceptions Index provides evidence that policies introduced this year to battle corruption are producing results.

Ukraine's improved ranking has "resulted in an increased sense of optimism regarding governance and corruption in Ukraine."

Oligarchs. The era when oligarchs could earn high rents from a close relationship with a corrupt executive is over. The Yushchenko administration has outlined a "deal" whereby in exchange for no further re-privatizations, oligarchs now have to evolve into law-abiding businessmen. This means an end to corrupt business practices; businessmen must move their activities out of the shadow economy and increase their tax payments. Revenues to Ukraine's annual \$20 billion budget soared by 30% this year, despite an economic slowdown. VAT payments have grown from 16 billion hryvni (\$3.2 billion) last year to 28 billion (\$5.6 billion) this year. Taxes on profits have also grown by nearly 50%.

The Kyiv Post (November 10) concluded that these healthier figures exist because "More Ukrainian companies are willing to come out of the shadows in order to boost their appeal to investors and drum up foreign money."

Social Welfare. The minimum pension was increased to the same level as the minimum wage. Wages for those employed by the state increased 57%. Social welfare spending, including child support to encourage Ukraine to move out of its demographic crisis, has grown by 73%.

Religious Freedom. The Ukrainian (Uniate) Catholic Church has moved its headquarters to Kyiv, a move that would have been hampered under Kuchma. Prospects for the unification of the pro-Russian and pro-Ukrainian Orthodox Churches in Ukraine are now far greater.

Divergence from Russia. While Ukraine experienced a democratic breakthrough in Ukraine, Russia simultaneously fell further into an autocratic abyss. In the aftermath of Russia's fraudulent parliamentary and presidential elections, the New York-based human rights think tank Freedom House downgraded Russia from "partly free" to "unfree," the first time Russia has been given this rank since the collapse of the USSR.

The 2004 breakthrough "reinvigorated and jumpstarted the democratic political development" of Ukraine, Freedom House concluded (freedomhouse.org/research/nattransit.htm). Ukraine recorded significant progress in four areas: electoral process, civil society, independent media, and judicial framework. Russia registered the greatest decline of any country in the in the same four areas in 2004.

Ukraine's "Democracy Score" (4.5) is better than Russia's at 5.61, out of a range of 1-7 with 7 being the worst score. But Ukraine's 4.5 score is also moving closer to Croatia's at 3.75, and Croatia is a possible candidate for EU membership in 2007 alongside Romania (3.39) and Bulgaria (3.18). Of the four "color revolutions," Ukraine's Democracy Score is the same as Serbia's (3.75) and improved on Georgia's (4.96) and Kyrgyzstan's (5.64).

Despite noticeable progress in these 10 areas, problems remain for the Orange team. These will be discussed in Part Two of this series.

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The November 21 issue of Eurasia Daily Monitor detailed the 10 notable achievements of the Orange Revolution. This concluding article looks at seven areas that still need to be addressed.

Market Economic Reform. Quarrels among senior Orange leaders, coupled with expensive social policies and unclear plans for re-privatization, led to policy incoherence and government malaise. Economic reform and privatization failed to become a government priority. Economic growth slumped from 12% last year to only 3% this year, with August seeing the first negative growth since 1999.

Rule of Law. The National Security and Defense Council under former secretary Petro Poroshenko applied pressure to the legal system and courts. Poor personnel policy led to the continuation of questionably qualified individuals such as Sviatoslav Piskun as prosecutor-general and Roman Zvarych as minister of justice.

Divisions and "Betrayal." The Ukrainian public finds it difficult to accept an internal split in the Orange camp. As a Financial Times (October 17) editorial wrote of President Yushchenko and former prime minister Yulia Tymoshenko, "A Yushchenko-Yulia Tymoshenko coalition remains the best chance for a reformist, Western-oriented government."

By signing a Memorandum this fall with former presidential rival and Regions of Ukraine leader Viktor Yanukovich, Yushchenko unleashed a sense of "betrayal" of the Orange Revolution ideals. In Kyiv, a Razumkov Center poll found that 25% of respondents believe that Yushchenko "betrayed" the Orange Revolution, while only 6% thought Tymoshenko had abandoned the cause.

Poor Leadership. Yushchenko extensively traveled abroad in his first year, and his absences created problems at home, a factor he himself recognized only last month. His hands-off style of leadership is very different from that of his micro-managing predecessor, Leonid Kuchma. As a result, Yushchenko has only sporadically intervened when crises emerged. He was unwilling to make tough decisions until the September political crisis.

Yushchenko's perpetual lateness for meetings, often up to two hours or more, has become legendary. He also has been inconsistent with his policies and statements.

Dual Power. Poroshenko, as secretary of the National Security and Defense Council, reigned over a de facto second government, obstructing and interfering in areas beyond his remit while ignoring key national security issues.

No Break with the Former Regime. One year after the Orange Revolution, no senior official from the Kuchma regime has been charged with abuse of office, corruption, election fraud, or the murder of journalist Heorhiy Gongadze. The investigation into Yushchenko's September 2004 poisoning has also made no progress.

Rather than being arrested, key Kuchma-era players are escaping Ukrainian jurisdiction. Former interior minister Yuriy Kravchenko committed suicide, while General Oleksiy Pukach fled abroad. Other senior Kuchma officials were permitted to flee to Russia or the United States. U.S. law-enforcement arrested one of these officials, Volodymyr Shcherban, while Russia continues to provide protection for them.

Business Allies. The shady businessmen surrounding Yushchenko were only removed after State Secretary Oleksandr Zinchenko accused them of corruption in September 2005. These businessmen had provided vital resources for Yushchenko's presidential campaign. For example, Poroshenko and Andrei Derkach provided resources to support the only two television outlets available for the opposition (Channel 5 and Era TV, respectively).

Their continued presence in Yushchenko's entourage became a problem as it recalled the oligarchs that had surrounded Kuchma. When asked if the new authorities were different from Kuchma, 52% of voters responded "Yes" in

March 2005, but that number dropped to 37% by September (uceps.com.ua).

A balance sheet covering the first year of the Orange Revolution would reveal a mixture of positives and negatives. Yushchenko is committed to democratization, economic reform, and Euro-Atlantic integration. But he may not possess the necessary political will to deal with high-ranking officials from the Kuchma era. Signing a Memorandum with Yanukovych, Kuchma's last prime minister, was a major strategic miscalculation.

Tymoshenko has greater political skills. She is also more credible in possessing the political will to prosecute former Kuchma loyalists. The organizers of the Gongadze murder are more likely to be brought to trial by Tymoshenko than Yushchenko.

Western reports often wrongly blame the Tymoshenko government for the policy incoherence that dominated the first nine months of the Orange Revolution. Other factors are Poroshenko's parallel government, Yushchenko's lack of leadership, and his inability to take decisive decisions, except in crises. His extensive travels abroad also negatively affected domestic policies.

Both Yushchenko and Tymoshenko have positive and negative traits. If the Orange coalition could reunite during, or after the 2006 parliamentary elections, these traits could potentially balance one another to promote a reform agenda and Euro-Atlantic integration (Ukrayinska pravda, November 19). The only alternative to an Orange coalition in the 2006 parliament would be parliamentary coalitions composed of either "Kuchma-lite" or "Kuchma-hard" political forces.