

YUSHCHENKO'S GOVERNMENT LOSES VOTE OF NO CONFIDENCE

By Taras Kuzio

Yesterday, January 10, the Ukrainian parliament voted no confidence in the government of Prime Minister Yuriy Yekhanurov, which has only been in place since late September 2005, when he replaced Yulia Tymoshenko (rada.gov.ua).

President Viktor Yushchenko seems oblivious to the building furor over the new gas contract with Russia, suggesting that he is out of touch with reality and that the authorities are unable to muster a convincing case either at home or abroad.

The no confidence motion comes only six days after Ukraine and Russia signed a new gas contract to replace the 10-year contract signed in 2003 but unilaterally discarded by Gazprom. Although ostensibly a rebuff of the new contract, the vote also allowed parties to score points ahead of Ukraine's March 26 parliamentary elections.

Yushchenko People's Union-Our Ukraine (NSNU) faction voted against the no confidence motion, as did five satellite factions (Rukh, the People's Party, Reforms and Order, Party of Industrialists and Entrepreneurs, and Revival), and the Socialist Party (SPU). The Communist, Regions of Ukraine, and the Social Democratic Party threw their combined 135 votes behind the no confidence motion, which passed thanks to an additional 133 votes from the Tymoshenko bloc and its satellite United Ukraine faction, as well as parliamentary speaker Volodymyr Lytvyn's People's Party and its satellite People's Lytvyn Bloc.

The adoption of the no confidence motion marks the third time that the Tymoshenko bloc has voted against the government in the past four months. The faction voted against Yekhanurov's appointment as prime minister in late September and against the 2006 budget on December 20. Lytvyn's two factions have become a swing vote, siding with the government in favor of the budget and against the government in the no confidence motion.

These key parliamentary votes point to two likely problems after the elections. First, the rift between Yushchenko and Tymoshenko is growing. Without a re-united Orange coalition, the NSNU may turn to Regions of

Ukraine to establish a coalition. Second, as Lytvyn's "third force" is dropping in the polls, its political profile is becoming fuzzier. When asked if his People's Party is in opposition or with the authorities, Lytvyn responded, "We are a lot further from the authorities than the SPU and a lot closer to the opposition than the Yulia Tymoshenko bloc" (Ukrayinska pravda, December 10).

Tymoshenko called for the government's resignation early in the gas row, a move the NSNU described as a "knife in the back" of the government while it was the midst of difficult negotiations with Russia. The dismissal of the government, Zerkalo Tyzhnia/Nedeli declared, "means throwing the country into total chaos" (December 17). Observers also found it suspicious that the Russian criminal case against Tymoshenko closed on December 26, in the middle of the gas war. The case related to a bribe that Tymoshenko allegedly paid to an officer in the Russian Defense Ministry while head of United Energy Systems in the mid-1990s.

After the new gas contract was signed on January 4, the Tymoshenko bloc and Regions of Ukraine called for parliament to return from its holiday break early, but parliament did not reconvene until its scheduled session on January 10.

The hard-line opposition's criticism of the deal is difficult to take seriously. During the Kuchma era the energy sector was highly corrupt, and the two intermediary companies (EuralTransGaz in 2003-2004 and RosUkrEnergo from summer 2004) were created when Region of Ukraine leader Viktor Yanukovich was prime minister.

One accusation rests on the dubious claim that Yushchenko's foreign policy is xenophobically anti-Russian; therefore he has forfeited the right to conduct negotiations with Russia. Yanukovich went one step further, claiming that Ukraine's tough negotiating position was due to instructions from the "CIA" as part of a plan to undermine constitutional reforms and cancel the elections (Ukrayinska pravda, December 27, January 2).

Tymoshenko's three accusations are more credible. First, she argues that Ukraine should have followed through on its threat to take the dispute to the Stockholm Arbitration Court, because Russia broke the 2003 contract that set the price at \$50 per 1,000 cubic meters of gas. Second, the new agreement only guaranteed \$95 per 1,000 cubic meters of gas in the first half of 2006, while locking Ukraine into a fixed transit fee for five years. Third, the corrupt, non-transparent RosUkrEnergo now controls gas supplies to Ukraine.

The Industrial Union of the Donbas (ISD) and directors of Ukraine's largest plants also criticized the new contract. They, like Tymoshenko, could not understand why Ukraine abandoned the 2003 contract. ISD head Serhiy Taruta called the new deal the "worst document signed during independence" (Ukrayinska pravda, January 9).

The counter argument, made by Naftohaz Ukrainy chairman Oleksiy Ivchenko on Channel 5 TV (January 9), maintains that the highly corrupt barter scheme has been replaced by cash payments and that no future price changes can be unilaterally made by either side.

NSNU also argued that the no-confidence vote was irrelevant, as the Yekhanurov government will stay on as a caretaker government until the March parliamentary elections.

Three conclusions can be drawn from the latest developments in Ukraine. First, the possibilities for re-uniting the Orange coalition after the elections are now more remote than ever. Second, Yushchenko has been weakened by both constitutional reforms and the no confidence vote. Naftohaz Ukrainy's Ivchenko is also head of the Congress of Ukrainian Nationalists, which, although a member of NSNU, is perhaps not the most appropriate political force to negotiate with Russia. Third, even the Russophile Yanukovych had to admit that Moscow's tactics have damaged Russia's image in Ukraine.