



Yushchenko's First Year: A Mixed Balance Sheet

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This train of events would not have taken place without two important events in Ukraine's recent history. These are important to take into account when conducting any balance sheet of Yushchenko's first year in office.

First, the Orange Revolution that lasted seventeen days from November 22. The sheer number of those who participated in the Orange Revolution in Kyiv or locally are staggering. In Kyiv half of its 2.5 million population took part whereas one in five of Ukrainians travelled to Kyiv or took part in local protests.

Second, the Kuchmagate crisis and protests after November 2000 were the 'aperitif' to the Orange Revolution. Without three years of crisis, street protests and a decline in ruling elite legitimacy it is doubtful that the Orange Revolution would have ever been backed by the huge numbers of Ukrainians who had previously shied away from politics.

Why Did They Join The Orange Revolution?

It is impossible to estimate how many of the Orange Revolution protestors did so because they sought Yushchenko's election. Yulia Tymoshenko was always more popular with the crowds and, unlike Yushchenko, could actually deliver a passionate speech. This should not be surprising, how many bankers do you know who are either revolutionaries or good orators?

A large proportion of the Orange Revolution protestors sought to block a Yanukovich victory. Others did so in disgust at the crude tactics employed by the Leonid Kuchma regime. Some younger Orange protestors wanted to see their Ukraine become a 'normal' European country rather than Belarus-Lite under the educationally challenged Yanukovich. Others still protested because of a mixture of these different factors.

These nuances are important to grasp as Western commentary (particularly in the USA) has tended to gloss over the varied reasons why protestors joined the Orange Revolution. The Orange Revolution did not just take place because Ukrainians hit the streets to defend 'democracy' or a free market. These concerns included five key areas that will now be highlighted and their progress, or otherwise, during Yushchenko's first year in office will be discussed.

First, democratic rights and the rule of law. The 2004 elections were the dirtiest in Ukraine's history. Not only was Yushchenko poisoned but there was the unmitigated use of organized crime enforcers and a widespread use of all manner of election fraud techniques. Election fraud reached a crescendo in round two on November 21, 2004. The March 2006 parliamentary elections look set to be held in a relatively free and fair manner, the first time Ukraine has held free elections since 1994 when Leonid Kravchuk left office. Under Kuchma, Ukraine never experienced free elections; under Yushchenko the country will.

As to democratic rights and freedoms there has been progress in many areas. The Orange Revolution rejuvenated civil society. The media is now mostly free. The New York-based human rights think tank Freedom House has upgraded Ukraine in 2006 to 'free' from its 'partly free' status. Russia was downgraded from 'partly free' to 'unfree', making it unfit to head the G-8 in 2006.

Second, market economic business practices. Small and medium sized businessmen backed the Orange Revolution while oligarchs tended to favor Yanukovich. Both the Yulia Tymoshenko and the Yuriy Yekhanurov governments have enacted policies that have assisted small and medium sized businessmen, such as removing regulations to reduce avenues for corruption. Businessmen have been encouraged to pay more taxes and work less in the shadow economy. Contraband smuggled in through customs has been greatly reduced.

Third, oligarchs and corruption. A major slogan of the Orange Revolution was "Bandits to Prison!". Yushchenko himself repeated this slogan many times. Then why has he so quickly forgotten the slogan after coming to power?

Only two enterprises have been re-privatized - Kryvorizhstal and the Nikopol Ferro Alloy Plant. This has caused financial harm to only one oligarch, Viktor Pinchuk, Kuchma's son-in-law. Although Pinchuk can be criticized for being greedy (in a recent interview in Fakty newspaper he himself admitted that taking part in the June 2004 privatization of Kryvorozhstal was a mistake) he was never the worst of pro-Kuchma oligarchs.

As soon as Yekhanurov replaced Tymoshenko he began to court the oligarchs and described them as Ukraine's 'national bourgeoisie'. No government statement was ever to explain to Ukrainians how evil oligarchs (in 2004 election terminology 'bandits') evolved over night into good 'national bourgeoisie'?

Similarly, no presidential statement was released to explain to Ukrainians why those who had been labelled 'Bandits' in the Orange Revolution were now noble enough that a memorandum between Yushchenko and Yanukovich could be signed. The reason? To ensure that in a second vote Yekhanurov would be voted in as Prime Minister. The first vote, which failed by only 3 votes, would have passed if President Yushchenko had not decided to stay four days in the USA prior to the vote.

The lack of political will in clearing up the Kuchma legacy has also been evident in the Georgy Gongadze murder. Three policemen went on trial in January for participating in his abduction. In reality, they are merely patsies. Widow of the murdered journalist, Myroslava, who has lived in Washington since 2001 and is a television journalist for Voice of America, accuses the authorities of not being interested in pursuing the 'organizers' of the murder of her husband. According to Myroslava the 'organizers' include former President Kuchma, then head of the presidential administration Volodymyr Lytvyn and the then head of the Security Service, Leonid Derkach.

The then head of the Interior Ministry, Yuriy Kravchenko, allegedly committed suicide in March 2005 with two bullets to his head. Current Interior Minister Yuriy Lutsenko doubts it was suicide. General Oleksiy Pukach, who actually may have been

responsible for the murder of Gongadze, was permitted to flee to Israel.

The broader struggle against corruption under Yushchenko has been an improvement over the virtual non-struggle conducted under Kuchma. At the same time, polls show that most Ukrainians believe that it has not been as radical as they believe it should be.

Fourth, the threat from the Donetsk clan. Many Ukrainians saw the coming to power of Yanukovich in the same way as Americans would fear an election bid by Tony Soprano from the acclaimed HBO series "Sopranos". In failing to prosecute senior officials, while agreeing to support constitutional reforms, Yushchenko has opened up the possibility of a revenge attack by the Yanukovich team.

The Regions of Ukraine party list for the 2006 elections is a veritable rogues gallery of Ukrainian politics. Many of them would have been charged if Yushchenko had not waited until October 2005 to replace Prosecutor Sviatoslav Piskun of the Kuchma regime with someone more committed to cleaning up Ukraine. Not surprisingly, ex-Prosecutor Piskun is a candidate on the Regions of Ukraine list.

Yushchenko's failings here also extended to his choice of Justice Minister who never apologized for being very economical with the truth when he claimed he had an MA and PhD from Columbia University. Not only does he not possess either, he has no legal training as well. Again therefore, a major blunder was to wait until the new Yekhanurov government to install Serhiy Holovatiy as Justice Minister who is legally qualified and a long time opponent of Kuchma.

Yushchenko's blunders towards dealing with Yanukovich rest on him having to take responsibility as Prime Minister, along with the 'guarantor of the constitution' Kuchma, for the dirty conduct of the 2004 elections. The failure to legally deal with Yanukovich and his partners in election fraud means Regions of Ukraine will have the largest faction in the 2006 parliament. Meanwhile, senior Kuchma officials elected on their slate will obtain immunity from prosecution.

Fifth, away from Russia to Europe. Ukraine's foreign policy under Yushchenko has replaced the vague and constantly shifting Kuchma era 'multi-vector' policy with one based on a genuine desire to integrate into the West. During the next parliament, and Yushchenko's first term, the questions of NATO and EU membership will be decided. Ukraine has obtained free market status from the EU and the USA. With all of the required legislation now adopted, Ukraine will join WTO in 2006 ahead of Russia, especially as Russia has damaged its WTO negotiations over its activities in the gas domain.

Providing Ukraine holds free elections in March, Ukraine is on course to be invited into NATO's MAP (Membership Action Plan) process in late 2006. The Bush administration's support for such a step will only increase after Russia's hard-line stance on gas.

Prior to the energy conflict, Washington insiders believed that Ukraine's membership in NATO was only likely after the next election cycle in 2009-2011. NATO officials are now stating that Ukraine is likely to be included in the next wave of NATO enlargement in 2008.

The year 2006 will see Ukraine negotiating a free trade agreement with the EU and some form of visa free travel. The key transition period will be 2007-2008 when the EU will have to come up with an agreement to replace the ten-year-old Partnership and Cooperation Agreement and the three-year-old Action Plan. Neither document

provides the language for EU membership that in any new agreement Ukraine would want included.

Ukraine's involvement in the CIS will decline to insignificance after the elections. Ukraine's support for only joining the first stage of a CIS Single Economic Space (the free trade zone), while rejecting Customs and Monetary Unions, is even more unacceptable to Moscow since the gas conflict has broken out.

Conclusion

There has been some important progress in Ukraine's democracy under Yushchenko. But, this could be undermined if Yanukovich takes power in the more powerful new parliament. If Yushchenko had early on installed Holovaty as Justice Minister and removed Piskun as prosecutor they, together with Interior Minister Lutsenko, could have followed through on many of the demands and hopes of the Orange Revolution protestors. Yushchenko may well rue the day that he failed to find the political will to follow through on his election pledge of 'Bandits to Prison!'
