

## UKRAINE: Yanukovich return settles political crisis

August 4, 2006

**EVENT:** Parliament votes today on the nomination of Party of Regions head Viktor Yanukovich as prime minister.

**SIGNIFICANCE:** Yanukovich was the defeated candidate in the 2004 presidential election and prime minister in 2002-04, the last years of the Leonid Kuchma era. His return to power comes after the indecisive March 26 parliamentary elections and four months of political crisis. The deadlock was broken by President Viktor Yushchenko's decision to abandon his 'Orange Revolution' allies and share power with Yanukovich.

**ANALYSIS:** A coalition of national unity (NUC) has replaced the anti-crisis coalition, established on July 6, following the defection of the Socialists from the 'Orange' coalition (see [UKRAINE: ACC would abandon pro-Western orientation - July 18, 2006](#)). The NUC is being established after the signing yesterday of a Declaration of National Unity setting out the principles of political cooperation. President Viktor Yushchenko's Our Ukraine bloc, the Socialists and the Party of Regions (which is strongest in Russian-speaking areas) have signed the Declaration; the Communists signed with reservations. Only the Yulia Tymoshenko Bloc has refused to sign.

Yushchenko introduced the Declaration during round-table negotiations between the executive and parliament to end the political crisis ensuing from four months of protracted coalition negotiations. It was signed as the deadline passed for him either to submit the anti-crisis coalition candidate for prime minister to a parliamentary vote, or to dissolve parliament and call fresh elections.

**President's dilemma.** If Yushchenko submitted Viktor Yanukovich's candidacy, his supporters would have accused him of betraying the Orange revolution. Yet early elections would have been a tactical mistake, as Regions has increased its support between March and July, from 32% to 38%. The Our Ukraine vote looked set to drop from 14% in March to less than 9%.

Yushchenko's compromise was to submit Yanukovich's candidacy only after he signed the Declaration, which outlines the continuation of Ukraine's domestic and foreign policies, and commits president and prime minister to the same broad course of action -- in particular, that Ukraine remains committed to Western integration.

**New combination.** Regions, Our Ukraine and the Socialists have signed a further memorandum, forming the NUC. The Communists are unlikely to join, as they have refused to sign key aspects of the Declaration. The NUC may have a bare constitutional majority of 300 deputies in the 450-seat Verkhovna Rada. Ideologically, the Socialists have little in common with Regions or Our Ukraine, but they were in the two Orange governments of 2005-06.

During April-June, Yushchenko and Our Ukraine negotiated simultaneously for a renewed Orange coalition and a grand coalition with Regions and possibly the Socialists, but opted for the Orange coalition by the late-June deadline. During the dual-track negotiations, Our Ukraine aimed to retain a commanding position while stopping Tymoshenko's return as prime minister (see [UKRAINE: New government will favour business - October 4, 2005](#)). Our Ukraine was to have the premiership and Regions the Rada speakership.

In the NUC, Regions takes the premiership and the Socialists the speakership. Our Ukraine therefore enters government not in the commanding position. It is expected to take only the first deputy premiership, and the economy and energy portfolios. However, Yushchenko appoints the internal, foreign and defence ministers as president.

Tymoshenko (and probably the Communists) will be in opposition. Tymoshenko will be supported by the Pora youth movement and that part of Our Ukraine which believes that Yushchenko has betrayed the Orange Revolution.

**Positive aspects.** The very fact that round-table negotiations were held is a step forward for Ukrainian democracy. Former President Leonid Kuchma always ruled them out, and they are unthinkable in Russia. The EU has reacted favourably to the round table, which was televised live. The Declaration recalls the agreement adopted prior to the 1996! constitution -- in other words, it could become a fundamental stepping stone in Ukraine's state and nation-building, especially if it becomes a law laying down domestic and foreign policy guidelines.

Regions has compromised on such divisive issues as federalism, the Russian language and NATO membership. Without Regions' support, it would be difficult for Ukraine to join NATO, as it dominates the east and south where NATO membership is unpopular. The Socialists and Communists oppose NATO membership; Our Ukraine and the Yulia Tymoshenko Bloc are in favour. Regions is the only parliamentary force that can change its position.

**Negative aspects.** Yushchenko has avoided going the way of Leonid Kravchuk (who was forced to call early elections in 1994 and lost them to Kuchma) -- the inevitable consequence if Yushchenko had proposed Yanukovych for premier without a prior Declaration. However, Yushchenko will still be only a one-term president, as Tymoshenko and a Regions candidate will oppose him in 2009; July opinion polls show Yushchenko trailing with 8-14% compared with more than 30% for Yanukovych and 20% for Tymoshenko. Our Ukraine may split, with the business wing, headed by Petro Poroshenko, supporting the NUC, and the national-democratic wing, headed by Mykola Katerynychuk, aligning with Tymoshenko.

Yanukovych's return as prime minister will be perceived negatively by Orange voters and by some Western governments and international organisations. His record as Donetsk governor (1997-2002) and as prime minister and presidential candidate (2002-04) on democratisation, corruption and the rule of law is very poor. Regions is seeking to increase its domestic and international legitimacy, but its commitment to democracy and reforms is, as yet, untested. However, Yanukovych is only seen in a negative light by that half of Ukraine that voted Orange in 2004-06; 42% voted for Yanukovych in the 2004 and 32% for Regions in 2006, primarily in the industrialised, Russian-speaking east and south.

Foreign policy. The long-drawn-out coalition negotiations since March may lead Ukraine to miss WTO membership again this year, after failing to adopt the necessary legislation in 2005. Ukraine is concerned lest Russia join first and block its membership. The US administration wants Ukraine and Russia to join together or for Ukraine to join first.

According to the Declaration, the NUC is not opposed to an invitation to a NATO Membership Action Plan (MAP), which Washington may favour in order to recognise the compromise that Regions has accepted on the issue. The US administration backed the Orange coalition following this year's elections, tying this to an MAP invitation at the November Riga summit. An MAP ought not to be difficult, as Ukraine has had annual action plans with NATO since 2003. However, a membership timetable for 2008-10 is no longer feasible after the crisis in Kiev. NATO is also considering postponing the 2008 enlargement round as such MAP countries as Albania and Macedonia are not ready ([see EASTERN EUROPE: Enlargement falls off NATO agenda - July 21, 2006](#)).

However, the United States is sending the message to Ukraine that if the door is not closed on NATO membership, it is barely open. A letter from the NUC requesting an MAP would not be sufficient. The NUC needs to move on military exercises, strategic airlift, WTO legislation, Lebanon and the appointment of ministers who can perform well.

**CONCLUSION:** The NUC is an improvement on the previous coalition combination which would have been perceived as a return to the Kuchma era. Round-table negotiations to overcome Ukraine's regional divisions and the signing of the Declaration by four of

parliament's five parties are positive steps, but Yanukovich's return to office will cast a shadow over Ukraine's commitment to democratisation, the rule of law and battling corruption.

### Articles referenced

[see UKRAINE: ACC would abandon pro-Western orientation - July 18, 2006](#)

[see UKRAINE: New government will favour business - October 4, 2005](#)

[see EASTERN EUROPE: Enlargement falls off NATO agenda - July 21, 2006](#)

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