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"The radical invents the views. When he has worn them out, the conservative adopts them."

-Mark Twain.



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Ukraine Facing Two Stark Choices

By Taras Kuzio



The very fact that Ukraine now has a law on the Cabinet of Ministers is a positive development.

During the Leonid Kuchma era, the president routinely vetoed the passage of such a law, one of a number of key laws that are important to Ukraine's state and institution building process. But, the

difference between the Kuchma era and today is that parliament under Kuchma never mustered the constitutional majority or the confidence to over-ride Kuchma's veto. Last month, a constitutional majority overrode the president's veto with the support of the Yulia Tymoshenko bloc (BYuT). Such a temporary convergence of the interests of both the authorities and the opposition was unlikely in the Kuchma era.

Following the 1998 elections, pro-Kuchma centrists and national democrats cooperated against the left's domination of parliament. This coalition only disintegrated following the parliamentary vote of no confidence in the Viktor Yushchenko government in April 2001.

This split set the stage for a political realignment following the 2002 elections. From the ouster of Yushchenko as prime minister the main contest ran between national democrats and pro-Kuchma centrists, as reflected in the struggle between two Viktor's (Yushchenko and Yanukovych) in the 2004 presidential elections.

The wild card proved to be the left. The Communist and Progressive Socialist parties always had close ties to the Kuchma regime authorities. It is not therefore surprising that they aligned with the regime's candidate in the 2004 elections (Yanukovych) and following the 2006 elections with the Party of Regions. The Socialist Party (SPU) backed the anti-Kuchma camp throughout the

Kuchma era and even played a leading role in the "Ukraine without Kuchma" movement during the Kuchmagate crisis and then following this in the Arise Ukraine! protests. The SPU also played a strategically important role during the Orange Revolution, but only in the second round when they defected to Yushchenko. Moroz has come third or fourth during Ukraine's three presidential elections since 1994.

Following 14 years of opposition the SPU made the surprising defection in July 2006 to the former Kuchma camp. The defection of the SPU made it possible for the Party of Regions and its compliant ally, the CPU, to create the so-called Anti-Crisis coalition (ACC). On August 4, 2006, Yanukovych returned as prime minister of the ACC government.

Yushchenko's Stark Choices

In August, Yushchenko was faced with two stark choices, both of which were not palatable: dissolve parliament and call fresh elections or agree to the return of Yanukovych as prime minister. Yushchenko agreed to the latter after the holding of a round-table of parliamentary forces, four of whom signed the Universal Agreement on National Unity. Only BYuT refused to sign.

Throughout the summer crisis, sources inside the presidential secretariat told me that under no conditions would President Yushchenko ever agree to the return of Yanukovych to government. Why then did he eventually agree? There can be only three explanations.

Firstly, Yushchenko believed that the four political forces that signed the Universal would go on to create a parliamentary coalition that would use the agreement as the basis of its government program. The National Unity coalition would, in effect, be the same as the grand coalition that Prime Minister Yuriy Yekhanurov and the Party of Regions negotiated, on Yushchenko's instructions, following the March 2006 elections.

But, again Yushchenko misunderstood that the grand and national unity coalitions had two crucial differences that made the former a potential lost opportunity and the latter a work of fiction. In the grand coalition, the Party of Regions gave up the position of prime minister to Our Ukraine while in the national unity coalition the Party of Regions demanded the position for itself.

In the grand coalition there were also no Communists. The presence of Communists in the national unity coalition and Yanukovych as prime minister made it very likely that Our Ukraine would never join. After another two months of indecision, following six earlier indecisive months, Our Ukraine finally decided to go into 'opposition' as a badly damaged and split political force.

It remains unclear if President Yushchenko and Our Ukraine naively believed in the ability of the round-table negotiations to create a stable national unity coalition.

Secondly, President Yushchenko prepared a draft decree and television address

to dissolve parliament. But, at the final moment he backed away from this step because of a mixture of indecisiveness and lack of political will.

This certainly sounds like the Yushchenko we know. If true, then he has only himself to blame for subsequent developments.

Thirdly, President Yushchenko was pressured into backing away from dissolving parliament. This explanation is widely known in the presidential secretariat, according to a second member of the secretariat who confided to this author in late November. On the evening of August 3, Yushchenko received two visitors from the Party of Regions, including First Deputy Prime Minister Andriy Kluyev who has responsibility for the energy sector.

According to my informant, the two visitors threatened to publicly expose Petro Yushchenko's murky dealings in the energy sector and the laundering of corrupt proceeds abroad. After this threat, Yushchenko backed down from dissolving parliament and agreed to Yanukovych's candidacy.

If the third explanation is correct, Ukraine's politics continues to remain little different from the Kuchma era. The explanation is particularly galling because Andriy Kluyev was head of the unofficial Yanukovych election campaign during the 2004 elections. These headquarters undertook the dirty tricks and other numerous violations (including possibly Yushchenko's poisoning and the attempt to blow up Yushchenko's election headquarters) that would have led to him being put on trial in any country with the rule of law. In Peru, senior officials are either in jail or in exile over its tape scandal. But, in Ukraine, similar officials are back in power, giving them the possibility to make threats against the president.

Traitors and Orange Ideals

The vote on the cabinet of ministers law has led to accusations of betrayal of the Orange Revolution, this time against BYuT. In reality, the first to betray the orange camp was President Yushchenko himself in September 2005 when he dismissed the Tymoshenko government after describing it as the best government in Europe only two weeks earlier on Ukraine's independence day. This was followed by Yushchenko's first memorandum with the Party of Regions that included many surprising points, such as an 'amnesty' for election fraud.

The second betrayal came after the March 2006 elections when President Yushchenko instructed Yekhanurov to hold negotiations with the Party of Regions for a grand coalition. Simultaneously, Our Ukraine under Roman Besmertnyi held negotiations with BYuT and the SPU for an Orange coalition. Yushchenko did not want to see Tymoshenko back in government but instead got Yanukovych with whom he has even greater difficulties.

The SPU should be credited with backing negotiations for an Orange coalition until the beginning of July. Nevertheless, this should not entitle SPU leader Oleksandr Moroz to be named man of the year, as Korrespondent magazine

named him this year. Moroz only defected after Our Ukraine put forward Petro Poroshenko for the position of parliamentary speaker and following three months of double dealing negotiations that resembled the well known Talking Heads song 'The Road to Nowhere'.

BYuT's vote with the Party of Regions on the law on the cabinet of ministers is the second such vote, and a strategic mistake that has led to widespread criticism from within the ranks of its own supporters. The first vote could be more readily explained as it took place in January 2006 when BYuT voted no confidence in the Yekhanurov government over the gas contract it had negotiated with Russia. BYuT could have abstained (rather than voted with the then opposition Party of Regions) to show their opposition to the hastily agreed gas contract and the inclusion of the non-transparent Rosukrenergo intermediary.

BYuT is not the only political force that is critical of what was a lack of any energy strategy. Oleksandr Chalyi, deputy head of the presidential secretariat, described the gas agreement as one of Ukraine's worst foreign policy decisions last year.

What do recent developments tell us about Ukrainian parties?

Developments since the Orange Revolution tell us that Ukraine does not possess real political parties that represent concrete ideologies. The US-based National Democratic Institute and International Republican Institutes take note. During the Kuchma era, it was traditionally understood that left and right-wing parties in Ukraine were ideologically driven while those in the center were ideologically amorphous.

The line of conflict from Yushchenko's dismissal as prime minister in April 2001 until his election in January 2005 therefore seemed to rest on a battle between an ideologically driven opposition and materially driven ('pragmatic') pro-regime forces. Following two years of Yushchenko's presidency, this framework for understanding Ukrainian politics is badly in need of an upgrade.

The CPU was always a party that was willing to work with the authorities, including with Kuchma and the oligarchs in the ACC. The CPU's popularity declined from 20 percent in 2002 to 3.5 in 2006. The evidence suggests that the 2011 parliament may be Ukraine's first without a Communist presence.

The SPU and its leader Moroz have damaged a positive reputation earned in particular during the Kuchmagate crisis. What was most surprising about the SPU was less its defection than the fact that only two of its 31 factions rebelled against the decision to align with the Party of Regions. The SPU will be severely challenged in its central Ukrainian heartland in the next elections by both BYuT and former speaker and now deputy president of the National Academy of Sciences, Volodymyr Lytvyn.

The Party of Regions never had any ideology and grew out of the 2002 For a United Ukraine bloc, a five party pro-Kuchma alliance. Of the five parties, the Party of Regions is one of two that has survived to the present day and it won the

largest number of votes in the 2006 elections. The other survivor is the Party of Industrialists and Entrepreneurs which has backed Yushchenko since the second round of the 2004 elections and in the 2006 elections was a member of the Our Ukraine bloc.

Since the Orange Revolution, and especially after returning to power in the ACC, the Party of Regions has had the opportunity to transform itself into a post-oligarch and post-Kuchma party that adheres to democratic norms.

Ukraine's wealthiest oligarch, Rinat Akhmetov, publicly acknowledges the need to increase Systems Capital Management legitimacy and thereby to improve the public and international standing of himself and the Party he funds.

Events since the Orange Revolution show that the Party of Regions has little interest in transforming along the lines it claims. There remains a wide gulf between its Potemkin-like clean image abroad, fostered by a Washington public relations firm, and the policies pursued by the Party of Regions back home.

Our Ukraine is perhaps the biggest disappointment as it obtained ten percent fewer votes under Yushchenko than it did under Kuchma in 2002, following strategic mistakes and a poorly conducted election campaign. Our Ukraine in 2002 was a broad alliance of national democratic parties united by Yushchenko that made it possible for them to receive 24 percent support when traditionally Rukh only obtained 10.

By the 2006 elections many of these political parties had deserted Our Ukraine to create separate blocs, leading to the rump Our Ukraine becoming dominated by business groups, rather than by national democrats as in 2002. These business groups, such as Kinakh's Party of Industrialists and Entrepreneurs and Poroshenko's Solidarity, had more in common with the Party of Regions than with BYuT. By the end of 2006, Our Ukraine had become a divided and ineffectual political force, thereby leaving a vacuum in the center-right political spectrum that has always played an important role in post-communist states in promoting reform and Euro-Atlantic integration.

BYuT emerged out of the Front for National Salvation (FNS), an umbrella group created during anti-Kuchma protests in 2000-2001. During the 2002 elections, BYuT was a leading member of the FNS, the radical wing of the anti-Kuchma protests, a feature that was also true of Tymoshenko during the Orange Revolution. In the 2006 elections, BYuT included the small Ukrainian Social Democratic Party (USDP), but the key political force in BYuT is Tymoshenko's Fatherland Party that also has a center-left ideological niche.

The USDP and the SPU are Ukraine's only two parties that have been admitted to the Socialist International (the Social Democratic united Party headed by Viktor Medvedchuk was refused membership as a party that has nothing to do with social democracy).

The Fatherland Party is debating whether to make an application to join the Socialist International which, if successful, would take away the SPU's voters. The move would also enhance BYuT's emergence as a center-left bloc that would eclipse the SPU.

Therefore, if the Ukrainian parliament continues to remain in place until 2011, it will do so with three of its five political forces in crisis: CPU, SPU and Our Ukraine. The two largest factions - Party of Regions and BYuT - who together control 70 percent of deputies will continue to determine the outcome of parliament's deliberations.

National democratic forces need to rebuild a new center-right political force, rather than attempt to revive Our Ukraine, that could regain some of its voters in the 2011 elections.

Yushchenko's Continued Dilemma

Ukraine's president desisted from dissolving parliament in August 2006 for one of three reasons outlined earlier. In BYuT's view, the decision has been merely postponed and it continues to call for early elections. Whether early elections will come remain to be seen and are dependent less on BYuT than on the president.

Following the vote on the law on cabinet of ministers, it is now plainly obvious that Yushchenko is faced with a two fold dilemma. He can either permit Yanukovych to remain in office until the next elections in 2011 or he can make steps to dissolve parliament and call early elections. As Yulia Mostova wrote last month in *Zerkalo Tyzhnia*, the ACC and Yanukovych might be well here to stay until 2011.

If Yushchenko permits Yanukovych and the ACC to remain in place until 2011 he will have two unpalatable outcomes. Firstly, his power will be non-existent as Ukraine could very well have become a parliamentary republic. Secondly, important democratic, economic and international gains from the Orange Revolution will have been reversed.

If the readers of this article believe that this prognosis is too pessimistic then they should take a look at what the Party of Regions has undertaken in only five months in office when they have another 50 months until March 2011.

Dr. Taras Kuzio, PhD, is an Adjunct Professor at the Institute for European, Russian and Eurasian Studies, George Washington University and president of the Kuzio Associates consultancy.