



UKRAINE: Odds are against new pro-Yushchenko party

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SUBJECT: The new pro-presidential United Centre party.

SIGNIFICANCE: President Viktor Yushchenko seeks to increase his chances of re-election in January 2010, with a new centrist party attracting support from big business and the 'pragmatic' wing of the opposition. United Centre will also seek to give the president and his secretariat greater leverage over Yulia Tymoshenko's government.

ANALYSIS: The United Centre party was created in March on the basis of the Hart non-governmental organisation that emerged from the 2007 Our Ukraine (NU)-People's Self Defence (NS) election HQ, by changing the name of an already registered party. NU defector Ihor Kril, who is a close family and business acquaintance of presidential secretariat head Viktor Baloha from Transcarpathia, heads the party. United Centre is a top-down political project organised by Baloha to give President Viktor Yushchenko more room for manoeuvre with big business, the opposition Party of Regions, the 'Orange' coalition and Yulia Tymoshenko's government.

'Party of power'. However, as a viable political project, United Centre has little sustainability beyond the presidential election, because 'parties of power' have been unsuccessful in Ukraine. There are four reasons for this:

- Ukraine's regional diversity prevents any one political force from monopolising power. Under President Leonid Kuchma (1994-2004), regional clans competed in business and politics through centrist parties; they cooperated for elections but not for long afterwards.
- Ideologically vacuous centrist parties, not built from the grassroots up and lacking popular support, frequently disappear, change names or become overshadowed by new centrist parties.
- Parties of power are more suited to the Russian political system than Ukraine.
- Whereas United Russia is successful because of President Vladimir Putin's high popularity, Ukrainian equivalents have suffered from low levels of public support for Kuchma and Yushchenko.

Yushchenko-Tymoshenko distrust. The creation of United Centre testifies to Yushchenko's lack of confidence that Tymoshenko will support his re-election. Baloha has deepened this mistrust and convinced the president that only his chief of staff can ensure his re-election.

Relentless criticism and demands of the Tymoshenko government have only damaged Yushchenko's popularity and increased that of Tymoshenko and her eponymous bloc (BYuT). Yushchenko is widely seen as blocking good Tymoshenko policies. During its first 100 days, the Tymoshenko government received 621 demands from the president and 260 from the secretariat, a total of 881, compared with only 231 sent to Viktor Yanukovich's 2006-07 government. Most exceeded the presidential powers as laid down in the 2006 constitution.

Popular Tymoshenko. In not responding to these attacks and demands, Tymoshenko is reaping a growing popularity, as various polls conducted in February show:

- BYuT's popularity averages 36%, a five-percentage point increase on its September election result, compared with Regions' slump from 34% to 21%.
- Support for Tymoshenko and BYuT is growing throughout Ukraine, and they are taking on Regions in its traditional east Ukrainian strongholds, where its support has slumped from 55% to 36%. On March 6, Regions lost six mayoral elections in eastern Ukraine to local independents and BYuT.
- Central Ukraine traditionally decides Ukraine's presidential election, and Tymoshenko dominates the region overwhelmingly with 33% support.
- Yanukovich's ratings have declined from 30% to 20%, with those Ukrainians holding a negative view of his activities rising to 50% and those holding hold a positive view declining to 18%. Regions' boycott of parliament was unpopular, and its opposition to NATO membership is not a voter priority (see [UKRAINE: Indiscipline spoils political effectiveness - February 22, 2008](#)).

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- The NU-NS bloc received 14% in both the 2006 and 2007 elections, and since then its popularity has declined to 8%. This is due to public airing of internal divisions and a retreat from the election promise to merge the nine parties in NU-NS.

Baloha's enemies. A majority of NU-NS deputies have reoriented from Yushchenko to Tymoshenko:

- Both the pro-Tymoshenko wing of NU-NS around Interior Minister Yuriy Lutsenko and the anti-Tymoshenko wing around Defence Minister (and former Prime Minister) Yuriy Yekhanurov have called for Baloha's removal. Kril has described Lutsenko's NS as a pro-Tymoshenko 'fifth column'.
- The Yekhanurov group should be a natural ally of United Centre, but harbours a grudge over Baloha's removal of businessmen from the 2007 NU party list in a failed attempt at improving its electability. They also resent Baloha's hold on Yushchenko, which is blocking their access to the president.
- Baloha has continued to remove long-time Yushchenko allies and replace them with loyalists from the presidential secretariat and the National Security and Defence Council.

On March 27, Yushchenko removed the chairman and other former allies, including Oleh Rybachuk, from the Savings Bank (Oshadbank), after it began paying compensation for lost Soviet-era savings, which has made Tymoshenko popular in eastern Ukraine (see [UKRAINE: Running economy will get tougher - April 3, 2008](#)). The presidential secretariat has also sought to block the government's privatisation plans in order to cut the funding for a second tranche of compensation.

Presidential party defections. NU-NS is likely to become the basis for three new parties:

- **Centrists.** Those NU members who left the NU-NS parliamentary group on February 15-19 have joined United Centre.
- **Populists.** Lutsenko's NS, Forward Ukraine and the Christian-Democratic Union aim to create a 'third force' capable of competing with BYuT.
- **Nationalists.** Borys Tarasiuk's Rukh and Yuriy Kostenko's People's Party will re-establish the Ukrainian Rightists bloc with nationalists currently not in NU-NS.

Kiev city elections. In pre-term elections on May 26 in Kiev, where BYuT enjoys enormous popularity, it will win most seats. It has campaigned against unpopular Mayor Leonid Chernovetsky, whom a government commission has accused of misappropriating about 250 million dollars. NU-NS and the presidential secretariat (and thereby Yushchenko) have discredited themselves on the city council by supporting the mayor. Chernovetsky's removal has upset United Centre's plans, as a major portion of its financing was set to come from the mayor.

Tymoshenko will head the BYuT list for the city council elections. A combined Orange list is unlikely, as Lutsenko has refused to campaign with NU-NS. BYuT's as yet unannounced candidate would stand a good chance of winning the mayoral election. It may support boxer and popular Kiev city council politician Vitaliy Klitschko, who has announced his candidacy.

Ukrainian legislation does not bar government officials from being city councillors (whereas they may not sit in parliament). Controlling Kiev would lend Tymoshenko a strategic launch pad for the 2010 presidency, providing a rehearsal for the election. The 2004 Orange Revolution showed the importance of Kiev's institutional, financial, media and intellectual resources.

Business links. BYuT and Yushchenko are seeking to attract big business to their own camps ahead of the presidential election (see [UKRAINE: Pryvat-Yushchenko tie spoils anti-graft aim - August 28, 2007](#)):

- Dnipropetrovsk banker Serhiy Tyhipko has been appointed joint head of the government's Council of Investors and a government adviser.
- Media mogul Valery Khoroshkovsky and Industrial Union of the Donbas co-head Vitaliy Haiduk have been brought into the Tymoshenko government.
- Andriy Honcharuk, deputy president of foreign relations in Viktor Pinchuk's Interpipe corporation, is deputy head of the presidential secretariat.
- Yushchenko has also reached out to Ihor Kolomoisky of Pryvat.

CONCLUSION: Baloha's United Centre is likely to become another unsuccessful pro-presidential party of power, failing to ensure Yushchenko's re-election. His leadership of the presidential secretariat is likely to continue damaging the president's ratings, pushing most of NU-NS towards BYuT and Tymoshenko to run in the presidential election, after a good result in Kiev city.

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