



Where now?

In-fighting scuppers coalition but leaves Mr. Yushchenko and his allies short of options

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ALL FOR ONE, ONE FOR ALL? PRESIDENT YUSHCHENKO PICTURED ALONGSIDE HIS CHIEF OF STAFF VIKTOR BALOHA AND NATIONAL SECURITY COUNCIL HEAD RAISA BOHATOROVA, HIS PRINCIPLE ALLIES IN THE PRESIDENT'S STRUGGLE AGAINST PM YULIA TYMOSHENKO. MR. YUSHCHENKO SCORED A STRATEGIC VICTORY WHEN TWO MPs DEFECTED FROM THE RULING COALITION IN EARLY JUNE, BUT IS TEETERING ON HIS LOWEST APPROVAL RATING EVER AS PRESIDENT OF JUST 6.7%, ACCORDING TO A POLL RELEASED LAST WEEK BY THE RAZUMKOV CENTRE

IMAGE: UNIAN

The departure of two deputies, one each from the Yulia Tymoshenko bloc (BYUT) and Our Ukraine-Self Defence (NU-NS), has created an unworkable coalition with fewer than the required 225 deputies. By undermining the Orange coalition President Viktor Yushchenko appears to have accomplished his immediate objective, but the options now open to him and the country are unclear at best.

A collapse long anticipated

The demise of a second Orange coalition (the first having fallen in 2005 when Mr. Yushchenko removed Prime Minister Tymoshenko, a step he could undertake under the 1996 constitution) should come as no surprise. Ever since the new Orange government took power in November-December 2007 the President and his administrative body, the Presidential Secretariat, have been working to obstruct and block its work. In reality the coalition was stymied from the beginning by a combination of factors, most of them artificially created.

Many analysts claim that the coalition was already undermined long before the September elections even happened. Mr. Yushchenko is widely alleged to have entered into an unofficial agreement last May with the Party of Regions. This deal is credited with ending the crisis created by the President's April 2007 dissolution of parliament and permitted the holding of pre-term elections on September 30. In return, the President is alleged to have promised the Party of Regions a grand coalition after the elections linking his own party Our Ukraine with the Party of Regions. The only problem appears to be the fact that he forgot to tell the members of Our Ukraine.

Such a deal would help explain why it took so long to establish the Orange coalition following the September elections. In October the grand coalition was still Mr. Yushchenko's ideal as seen by the Viktor Yanukovich government's signing of a strategic but controversial contract with Vanco International to develop Ukraine's Black Sea shelf. Presumably the Yanukovich government was given assurances that it would remain in place after the grand coalition was created.

Stalling tactics and procrastination

Another factor was the persistent unwillingness of a few NU-NS deputies to sign the coalition with BYUT. With a bare minimum of 228 deputies the coalition was always on a knife edge, giving the Party of Regions cause for optimism that the coalition was inherently "unstable". It seems clear where the impulse for this unwillingness stemmed from. Ivan Pliushch led the renegade group while serving National Security and Defence Council (NSDC) secretary, as a body headed by the President, who could have ordered Pliushch to sign the coalition deal but refused to do so. As a result NU-NS's 2007 election campaign slogan, "everybody equal before the law" was made a mockery of almost as soon as the elections were over.

Yushchenko's shadow government

The creation of a shadow government within the administrative framework of the NSDC has also created numerous barriers to the functioning government. This process began four days after Mrs. Tymoshenko's parliamentary confirmation when Party of Regions faction leader Raisa Bohatiriova was appointed NSDC secretary. The NSDC has unconstitutionally acted as a parallel government for the previous six months (as it did in 2005 when it was headed by the staunchly anti-Tymoshenko figure Petro Poroshenko). After months



of sniping the May 30 NSDC meeting issued a “yellow card” to the Tymoshenko government. As this was the second such warning Mr. Yushchenko has brandished it is plainly obvious that the President never watches the beautiful game.

A brace of controversial yellow cards

The latest NSDC yellow card was full of inconsistencies and disinformation. The President claimed that May was traditionally a month of deflation in Ukraine, which is not true. Last month’s inflation rate of 2.1% is similar to the average May inflation for the last few years of 2%. In reality, anti-inflationary government policies in place since February have been blocked by the President and his allies in the Orange coalition. The critique claimed that GDP was declining which again is not true. In the first four months of 2008 GDP rose by 6.2% (industrial GDP by 8%) with a record growth in FDI of USD 3.4 billion.

The yellow card was also issued for the government’s alleged lack of a monetary policy, a strange criticism as the National Bank is headed by Mr. Yushchenko’s close ally Mr. Poroshenko and it is the National Bank (not the government) that is responsible for monetary policy. And finally, the caution was issued over the government’s refusal to abide by the Vanco contract. An inter-agency group headed by Raisa Bohatiriova concluded that the contract was in Ukraine’s interest and ordered the government to uphold it. The group’s recommendations were a foregone conclusion as Mrs. Bohatiriova is close to oligarch Rinat Akhmetov who has a 30% stake in the Vanco contract through his Donbass Fuel and Energy company (DTEK).

Presidential party kept in the dark

What is perhaps most galling about these allegations of backroom deals undertaken by the President is that they highlight the continued reliance on Byzantine and non-transparent methods since the Orange Revolution. The membership of the President’s NU-NS bloc was never consulted over any grand coalition deal in May of last year, nor following the pre-term elections. It seems that the President assumed (wrongly) that he could issue the appropriate orders and the members of the bloc would fall into line. NU-NS members were never consulted about Mrs. Bohatiriova’s appointment and have been flabbergasted by the

anti-Tymoshenko aggressiveness of the head of the Presidential Secretariat, Viktor Baloha.

Mr. Yushchenko’s proverbial lateness even at NU-NS meetings pales in comparison to his disrespect for his allies. Former adviser and long time friend Oleh Rybachuk and former Defence Minister Anatoliy Grytsenko are only a couple of the many people who have been unceremoniously dumped by the President. Like many of his former entourage, they harbour grudges. This perceived tendency to cut old allies off has been compared unfavourably to the political culture of the Party of Regions, which is famed for either defending its members to the last or finishing them off itself, but never betraying them.

A history of Orange splits

The latest coalition fiasco has many of the same causes as the collapse of Orange unity three years ago. The principle agent of instability in both cases has been the President’s indecisiveness. Since Mr. Yushchenko entered government in 2000 he has never been able to decide with whom to align, be it the radical opposition of BYUT or with centrists such as the Party of Regions.

It is this wavering between alliances that has destabilised Ukrainian politics for the last eight years while undermining steps towards meaningful reform. In the Kuchmagate crisis Mr. Yushchenko could not decide whether to support his arrested Deputy Prime Minister Mrs. Tymoshenko or continue to support the President. After his government was removed he continued to waver between joining the Arise Ukraine! protests or a coalition with pro-Kuchma centrists. The President’s inability to choose between grand and Orange coalitions dominated negotiations following both the 2006 and 2007 elections. As the respected weekly DzerkaloTyzhnia wrote after the defection of two deputies this month, “This is not a political crisis. This is degradation.” As a result of the defections it is now unclear whether the Tymoshenko government will continue to function as a minority within parliament. There are four likely scenarios that outline the options available to Mr. Yushchenko as he fights for his political life.

Scenario 1: Slow degradation

The Orange coalition and the Tymoshenko government continue to limp along until the autumn. Neither side – Mrs. Tymoshenko or the President – wants to be publicly blamed for bringing down the coalition. Inevitably this

scenario is dependent upon how long Mrs. Tymoshenko sees it as being in her political interest to remain Prime Minister when her government is hampered from introducing reforms and accused of all manner of sins. This scenario also depends on whether the economy stays strong. If it plummets it would make the government deeply unpopular.

Scenario 2: Government removed

The government is removed by a no confidence vote supported by the Party of Regions and Orange deputies loyal to the President. In this scenario the government would remain in place as an acting administration until a new coalition proposed a new (or the same) government. The key here would be the formation of the new coalition. For NU-NS to join a grand coalition would require a vote by a majority (i.e. minimum of 37 deputies) of the faction to withdraw from the coalition with BYUT.

The President and Mr. Baloha’s allies are thought to have a maximum of just 20 (out of 72) NU-NS deputies, facing a majority bitterly opposed to any grand coalition. Even if 37 deputies could be “persuaded” to vote to withdraw from the coalition, the NU-NS bloc would disintegrate within parliament – as it already has outside. NU-NS deputies are angry with the President’s disloyalty and disrespect, while many have personal grudges with the Party of Regions (such as deputy NU-NS faction leader Borys Tarasiuk who was illegally removed as Foreign Minister by the Yanukovich government) while the Self Defence wing of NU-NS (which has 20 out of 72 deputies) are furious at trumped up charges launched against its leaders Yuriy Lutsenko and Davyd Zhvannia.

The majority of NU-NS deputies would never join a coalition with the Communists. This means that with only 200 deputies in the Party of Regions and Volodymyr Lytvyn bloc, a sizeable number of NU-NS deputies would be needed to support a grand coalition. Ukraine’s constitution only permits factions, not individuals, to join coalitions and therefore any split of NU-NS resulting one wing siding with the Party of Regions and another moving into opposition with BYUT would be illegal. How different would such shenanigans be to those undertaken by the Anti-Crisis coalition in spring 2007 which led to the President’s dissolution of parliament?

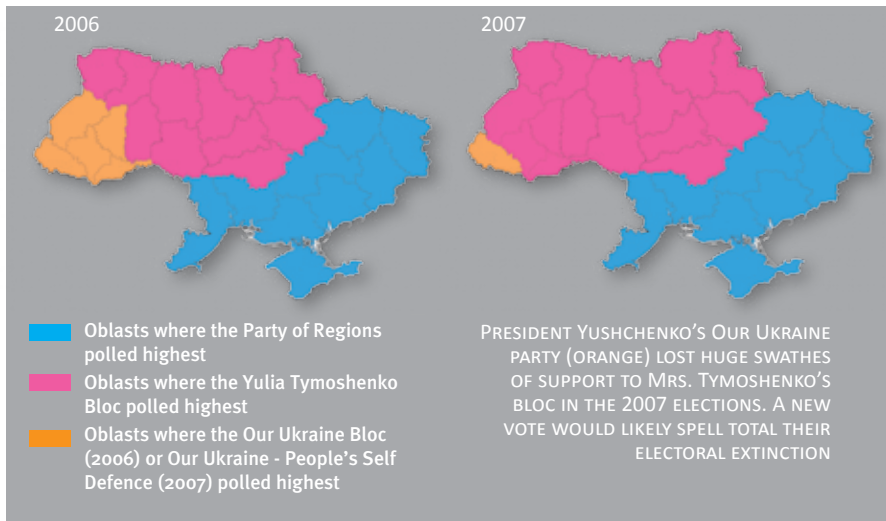
Scenario 3: Pre-term elections

With no constitutional or legal way to reformat parliament into a grand coalition the President will have to choose between maintaining Mrs. Tymoshenko as Acting Prime Minister or dissolving parliament, which he can constitutionally still do if the body does not function for 30 consecutive days. The President's dilemma is that only two political forces would gain from a second pre-term election - Party of Regions and BYUT - meaning Ukraine would move closer towards a two-party system. The Lytvyn bloc and NU-NS might not enter a new parliament with NU-NS possibly demolished – as it was in the Kyiv city pre-term elections. Neither the Lytvyn bloc nor NU-NS would therefore look forward to the prospect of a fresh round of pre-term elections.

With ratings of 5-7% nationally and only 2% in the May Kyiv elections, NU-NS would be unlikely to enter a new parliament with anything except a token force. Who, then, will the President rely upon as his political force to ally with the Party of Regions in a grand coalition? The President is not only hampered by a lack of a strong political base but also by the fact he would be dealing with two stronger political forces after pre-term elections: coalition partner Party of Regions and opposition BYUT. Why would an empowered Party of Regions agree to give up the Prime Minister's position to Mr. Baloha?

No party of power in Ukraine

The President's new allies are a motley crew of marginal and ineffectual politicians and parties. United Centre, Mr. Baloha's new presidential party which was created earlier this year, is the latest attempt at establishing a party of power through administrative means. As with other failed parties of power in Ukraine (People's Democratic Party [NDP] in 1998, For a United Ukraine in 2002, Peoples Union Our Ukraine in 2005) United Centre will be a flop. Ukraine is not Russia or any other Eurasian autocratic regime where the elites can be cajoled into joining a presidential party of power. Ukraine's diversity also mitigates against a monopoly of power by any single party. And finally, presidential parties of power only work where the President is popular as in Russia where Mr. Putin had 70% ratings to the end of his second term. Mr. Yushchenko has 7% ratings in his first term. Mr. Putin – unlike Mr. Yushchenko – can also draw on deep groundswells of nationalism as a unifying ideology, something which is impossible among Ukraine's regionally diverse



and historically ill at ease population.

United Centre's failure is also pre-ordained by its choice of allies. These include Kyiv Mayor Leonid Chernovetsky and the failed NDP. Incredibly, United Centre is pinning its hopes on merging with the NDP, the party that won only 5% in the 1998 elections despite being supported by administrative resources, and which after the Orange Revolution failed to enter the 2006 or 2007 parliaments. What unites the NDP and the Peoples Union Our Ukraine is deputy presidential secretariat head Roman Besmertnyi, who played a central role in both projects. As both of these political experiments failed, Mr. Besmertnyi's participation in United Centre should be a sign to any sober politician that the project is similarly doomed.

Scenario 4: Constitutional reform

The Party of Regions is currently wavering between two options, whether to work with BYUT on constitutional reform towards a parliamentary republic or with the President on a grand coalition. Because of greed, arrogance and the party's short-term horizons the Party of Regions will likely go for the grand coalition even though its sustainability is dubious. If the oligarchs who control the Party of Regions are really as afraid of Mrs. Tymoshenko as they seem to be, one would think that changing the constitution to a parliamentary system would be in their interest, as this would mean that any future President would be stripped of his/her powers. As Mrs. Tymoshenko is hot favourite for the presidency, the Party of Regions partiality to a grand coalition appears odd unless one assumes that they are still labouring under the misguided perception that their leader Mr. Yanukovich could win

the presidential elections. This is unlikely as central Ukraine traditionally decides who wins the presidency and Mrs. Tymoshenko dominates this entire region.

Mr. Yushchenko would likely demand as the price for any grand coalition its total support for his campaign for a second term of president. Mr. Yanukovich would have to rule out putting forward his candidacy and campaign for his Orange Revolution nemesis. Far more likely is that the Party of Regions would support the grand coalition until the presidential elections and then dump Mr. Yushchenko and put forward Mr. Yanukovich's candidacy. It seems beyond the bounds of probability that the Donbas and Crimea, the Party of Regions' two strongholds, would vote for the pro-NATO Viktor Yushchenko, a man many Sovietophiles regard as a nationalist arch-traitor. A grand coalition would destroy Mr. Yushchenko's Orange base in western and central Ukraine, except, perhaps, in Mr. Baloha's home base of Trans-Carpathia, the only oblast won by NU-NS in 2007.

According to former Defence Minister Anatoliy Grytsenko, part of the May 2007 deal was that a grand coalition would elect Yushchenko for a second term in parliament. Setting aside the problem of convincing NU-NS to join a grand coalition how did the President assume he could change the constitution to a full parliamentary system? Where would he find 300 votes to do this? Not only does this bring back bad memories of Kuchma's similar attempts to stay on as President but it also shows total cynicism and hypocrisy in the presidential secretariat's criticism of BYUT's support for constitutional reforms towards a parliamentary system as it appears that the President may have beaten BYUT to it! ●