



UKRAINE: Yushchenko needs Tymoshenko as ally again

Friday, October 5 2007

EVENT: Post-election coalition talks have begun between the parties, it was reported today.

SIGNIFICANCE: Two 'Orange' political groups have returned to parliament in such strength as to deny Viktor Yanukovych a return to the premiership.

ANALYSIS: The September 30 elections returned four political forces to parliament: President Viktor Yushchenko's Our Ukraine-Narodna Samooborona (NU-NS), the Yulia Tymoshenko Bloc (BYuT), Prime Minister Viktor Yanukovych's Party of Regions and the Communists (KPU). The Socialists failed to cross the 3% threshold after voters deserted them in protest over their defection from the 'Orange' coalition to Regions in July 2006 (see [UKRAINE: ACC would abandon pro-Western orientation - July 18, 2006](#)). Their place was taken by the centrist bloc led by Volodymyr Lytvyn.

Voters have politically matured into voting for the main political forces in their region: 'Orange' in western-central Ukraine, and Regions and the KPU in Russian-speaking eastern-southern Ukraine. Of the 20 parties standing, only seven received over 1%. Voters have also stopped voting for fake parties trying to divert votes from real political forces: a parallel Communist Party, aimed at attracting KPU votes, obtained only 0.29%.

The two main forces with about the same number of seats are Regions and BYuT. Of the four groups re-elected, only they increased their vote share -- Regions by 2 percentage points (albeit with fewer votes), and BYuT by 7 points.

Ukraine: Parliamentary elections		
	% of votes	
	2006	2007*
Party of Regions	32.1	34.4
Yulia Tymoshenko Bloc	22.3	30.7
Our Ukraine-Narodna Samooborona**	14.0	14.2
Communist Party	3.7	5.4
Lytvyn Bloc	2.4	4.0

* As at October 5, 99.98% of vote counted

** In 2006, standing as Our Ukraine

Source: Central Election Commission

Clean elections. The campaign was marred by allegations of fraud on all sides. However, media coverage was largely free. At the count, fraud was suspected in Donetsk and Odessa oblasts where the Socialists doubled their vote compared with 2006.

The 2007 elections were Ukraine's second to be declared as held in a 'free and fair' manner by international observers. Ukraine is one of only three CIS states, along with Moldova and Georgia, to hold free elections.

BYuT's winning formula. BYuT was the only political force whose vote rose appreciably, by 1.5 million. Its share has risen by nearly 400% since it first stood, in 2002. This time, it broke into eastern-southern Ukraine and took protest votes from the left and Regions. Socialist supporters defected to BYuT and Lytvyn. Only BYuT can claim to be an all-Ukrainian force. In eastern-southern Ukraine, BYuT obtained 15-25% of the vote, outside the two Regions strongholds of the Donbass and Crimea.

BYuT's success derives from:

- Tymoshenko's charisma;
- a mastery of campaigning;
- an appeal to territorial nationalism, whereas the NU-NS and Yushchenko image is of ethno-cultural nationalism, which is unpopular in eastern-southern Ukraine; and

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- dissociation from NATO.

In her campaign speeches, Tymoshenko supported EU membership, but was cautious about NATO. The NU-NS and Yushchenko are openly associated with it -- pro-NATO Defence Minister Anatoliy Hrytsenko was on the NU-NS list.

Tymoshenko herself is from Dnipropetrovsk and of mixed background. BYuT is a new political force that arrived in 2000-01; Yushchenko and Our Ukraine are tied to the 'national democratic' tradition and the 1990s Rukh movement.

Disastrous presidential performance. In the 2006 elections, Yushchenko remained neutral and did not draw on state 'administrative resources' to support Our Ukraine. This year, the Constitutional Court ruled that Yushchenko was illegally campaigning. Some regional governors, who are still appointed by the president, converted local state administrations into NU-NS election headquarters.

NU-NS received about the same number and share of votes as last year. However, it only won in one oblast -- Transcarpathia -- compared with four in western Ukraine last year. Transcarpathia is the home of the presidential secretariat head, Viktor Baloha. The bloc's poor performance may derive from the strategy of removing senior businessmen, such as Petro Poroshenko, who was accused of corruption in the September 2005 government crisis. Making former Interior Minister Yuriy Lutsenko NU-NS head failed to attract significant additional votes.

A large proportion of the national democratic vote has moved to BYuT, a reflection of the disillusionment of many Orange voters with Yushchenko's presidency. Yushchenko won in December 2004 with 52% of the vote, higher than the 45% won by BYuT and NU-NS together this time. The difference is due to those voters who supported the Socialists and Lytvyn. NU-NS's poor performance will make it difficult to organise a united presidential party by merging its nine component parties to mobilise voters for 2009.

Coalition options. If the Socialists had made it into parliament, this would have brought Orange down from a projected 230 seats, a slim five-seat majority, to below 225. It needs a 'kingmaker' to gain extra seats. Last year, the Socialists played this role; this year, it may be the Lytvyn Bloc.

The two main options are:

- **Orange.** BYuT and NU-NS would have 230 seats, 250 with Lytvyn.
- **Yanukovych.** If Lytvyn joined Regions and KPU, they would have about 220-225 seats.

Before leaving for Germany on October 3, Yushchenko called for negotiations between BYuT, NU-NS and Regions. This was understood to mean a grand coalition. On his return, he explained that he was still for an Orange coalition but that Regions should be given some positions in government and parliament. Whatever he meant, it is a non-starter: only two hours afterwards, BYuT said it would never join any coalition with Regions.

A coalition of Regions and NU-NS is possible, but NU-NS would split, many of its voters would defect to BYuT and it would become the main opposition.

Policy outlook. If Yanukovych returns to office, it will be more of the same (see [UKRAINE: Policy will change on tax, SEZs and WTO bid - August 14, 2006](#)). An Orange coalition would try to avoid repeating the mistakes of 2005:

- Tymoshenko has promised to reopen only the Dniproenergo privatisation (see [UKRAINE: New privatisation rules will cause controversy - May 31, 2006](#)).
- On energy, Tymoshenko would be a lot tougher with Russia and, with Western support, end the deal involving RosUkrEnergo (see [UKRAINE/RUSSIA: Kiev avoids swingeing gas price rise - October 27, 2006](#)), charge Russia higher transit prices, increase transparency and combat corruption.

The election results give Tymoshenko a strong claim to return to the premiership. Yushchenko has been unable to work with two strong prime ministers -- her and Yanukovych. He would prefer a technical prime minister, such as Yuriy Yekhanurov. The president may no longer remove the prime minister. The 1996 constitution permitted Yushchenko to fire Tymoshenko in September 2005. Under the reformed constitution, a Tymoshenko government may only be removed if the president ordered NU-NS to withdraw its support.

Presidential election. Polling at around 10-15%, Yushchenko could not win in 2009 single-handed. To secure an alliance with BYuT for his re-election to a second term, he would need to accept Tymoshenko as prime minister until the election. Were she not reappointed, or sacked ahead of 2009, Tymoshenko would stand as a presidential candidate. She alone among the four main opposition leaders did not stand in 2004. She would only hold back in 2009, as prime minister. Tymoshenko is very popular in central Ukraine, the crucial swing region that decided the presidential elections of 1994 and 2004.

CONCLUSION: The elections are likely to bring a revived Orange coalition and the return of Tymoshenko to the premiership. Maintaining the coalition and government intact over the next two years will be the key to Yushchenko's survival and re-election in 2009.

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