

Ukraine's Elections: Post-Orange Blue(s)

FRIDE Democracy Backgrounders

Democracy Backgrounders provide factual information relevant to topical international challenges related to democratisation, and analyse policy implications for the international community.

About FRIDE

FRIDE is an independent think-tank based in Madrid, focused on issues related to democracy and human rights; peace and security; and humanitarian action and development. FRIDE attempts to influence policy-making and inform public opinion, through its research in these areas.

As Ukraine heads for the polls on 30 September there is little reason to expect any significant political change after the votes are cast. Observers talk of a deep 'malaise' in reference to the indifference of both Ukrainian society and the international community towards these elections. Indeed, these are serious elections that no-one appears to be taking seriously.

Ukraine's political crisis erupted in April when President Viktor Yuschenko dissolved parliament. Since then political infighting – between Yuschenko and his rival, Prime Minister Viktor Yanukovych - has made a mockery of the constitution and eroded the relevance and reputation of the judiciary. It has also demonstrated that the pursuit of power is the number one priority for all sectors of the political elite. There are no 'good guys' left for the people to back, but partisanship can still save the turnout.

The elections will mark the end of the post-Orange Revolution era. But have elites been able to draw any lessons from the post-Orange period? Is the new administration likely to be any different to that of former President Leonid Kuchma?

The campaign suggests some progress, as rule of law and corruption issues are high on the agenda. But it is highly unlikely

that any party will do away with the immunity of members of parliament. Oligarchs remain deeply involved in politics. Their 'old style' of engagement and money limits the development of 'European-style' political parties or the creation of checks and balances between the President and the Prime Minister.

The international community still simplifies Ukrainian politics as being divided between pro-Russian Blues and pro-Western Oranges. But the context has changed. As the events of spring unfolded the two Viktoros competed to see who would visit Brussels first. Robust economic growth - of 7 per cent in 2007 - suggested that policy stagnation is still better for Ukraine than was Kuchma-era authoritarianism.

Both Russia and the EU favour the formation of a broad coalition after the elections, hoping that this will bring political stability. At the EU-Ukraine summit on September 14 European leaders stressed the priority they attached to 'stable government' as a precondition to enhanced cooperation. However, due to the lack of agreement on any vision at the national level (even the preparation for the EURO 2012 football tournament is marred by regional differences) and the lack of serious football tournament carrots from the West, political fighting is likely to continue. Deeper democratic reform is unlikely, even if the growing consensus within the elite may lead to a constitutional reform.

The Election Context

The political crisis came to a head on 2 April 2007 when President Viktor Yuschenko ordered the dissolution of the Parliament and set a date for early parliamentary elections on 27 May 2007. The parliament opposed the decision on the grounds that it was unconstitutional and the government refused to take steps (the allocation of necessary funds for an

election) to carry out the presidential decree. A group of MPs appealed against it at the Constitutional Court. Both sides claimed the other was usurping power. The reason for the decree was the sudden switch of Anatolij Kinakh and his Party of Industrialists and Entrepreneurs (SPaP) from the Orange to the Blue camp. Together with his eight MPs and four others from the Julia Timoshenko Bloc (BYuT), the so-called 'Anti-Crisis Coalition' has been recreated as the 'Coalition of National Unity', comprising 260 MPs with a declared goal of reaching a constitutional majority (300 MPs out of 450 seats).

The immorality of Yanukovich's Party of the Regions (PoR), which has been the subject of widespread bribery rumours, was clear. But Yuschenko's first decrees were widely considered (although never actually ruled) unconstitutional. The two sides have battled to control the most important political institutions, such as Central Election Commission and the Constitutional Court as well as the key ministries, cutting across the supposedly independent judiciary.

As both sides felt that the slightest concession to the opponent meant a public admission of guilt, the political crisis has turned into a 'circus' on the street with paid-for public demonstrations, commissioned mainly by the PoR. Considering the possibility of winning an early election with greater support, the PoR was likely to accept the early election anyway, but the Prime Minister and the President bickered for weeks over the legality of their actions. Widespread fears of a violent escalation of events then emerged when the various internal troops engaged in the conflict. However, the 'fake street rallies' has weakened the (legally) strong position of the ruling coalition and showed strong ignorance by civil society toward such methods. As it turned out, the May 27 agreement scheduling early elections for September 30 can be seen as a victory for President Yuschenko. But Ukrainians have been watching the events with great indifference and an increasing disrespect for the elite.

There remains no constitutional or legal 'insurance' covering the political system. Continuing on from precedents set in December 2004, when a political decision was given priority over constitutional considerations after the third round of the presidential election, this crisis was likewise settled through a political deal rather than a constitutional process. This 'tradition' made it crystal clear that the Constitutional Court is simply unable to provide the necessary checks and balances vis-a-vis the political elite.

The negotiated deal over early elections has returned President Yuschenko (whose weak position was illustrated by the fact he needed to issue four decrees to reach early elections) to the game. But it has only deepened the country's structural problems. The ongoing political crisis actually provides some sort of stability as politicians have no time to interfere with the booming economy. In addition, as Russian policy is now seemingly less of a direct threat to Ukraine and the EU appears to have completed its enlargement in the East the country no longer feels it has to choose quite so starkly between 'West' and 'East'. However, if it is to resolve its political crisis more permanently, Ukraine still needs to deepen its halting process of democratic reform.

Contenders and Issues

None of Ukraine's major parties can easily be classified in terms of typical European norms. Each competes for connections to big businesses and none has an entirely clear or coherent ideology. Funding from the murky world of the Donetsk region is involved in nearly all cases. The main parties offer few new faces and few new policy ideas.

Pre-election surveys show the same political deadlock is likely to result, with the Party of the Regions (PR) leading in the polls, followed by the Julia Timoshenko Bloc (BYuT) and the coalition of Our Ukraine/People Self Defense (NUNS). Small percentages will determine whether President

Yuschenko will be able to influence the future government coalition or whether that will (most likely) be decided by Donetsk.

The mobilisation of voters will therefore be key. This in turn is making parties secretive. The candidate list was hard to find for ordinary Ukrainians until the Central Elections Commission published it on its website.¹ The BYuT in particular has been making a virtual secret out of their list of candidates.²

The elections are likely to end the post-Orange period, as a regrouping and the issue of party funding may serve to crush the Blue/Orange divide and lead to a final confirmation of the Yuschenko-Timoshenko-Yanukovych power triangle with Donetsk financial influence over middle term political development.

Party of the Regions - Spend, Spend, Spend: Since its establishment in 2002 the PoR has dominated Ukrainian politics. A grandiose, Western-style party convention confirmed Viktor Yanukovych as leader of the PoR, ending speculation about a leadership crisis involving alleged ambitions on the part of Rinat Akhmetov, the party's main financier.³ The PoR's election program focuses on economic and social issues in an effort to build up the image of the party as pragmatic, the opposite to the 'emotional' Orange camp. Nevertheless, PoR had to 'borrow' some leaders from other, smaller parties to bring new faces onto their list of candidates. One of the most visible characteristics of the campaign is high spending. According to the estimates of Western diplomats, the spring street rallies in support of the ruling coalition and against the presidential decrees cost around \$100,000 daily. The PoR's jolly joker is Paul

¹ <http://www.cvk.gov.ua/pls/vnd2007/w6p001>

² See BYuT Adopted Its Election List Which Nobody Saw, Ukrainian Pravda, August 5, 2007

³ There are speculations in Kyiv about the ties between President Yuschenko and the Doneck financier Rinat Akhmetov. According to a recent scenario Yanukovych position might be seriously threatened especially if Yuschenko will be in the position to request PoR to supply another candidate for the PM post. Thus, Yanukovych could support and work toward a PoR-Communist Party coalition if elections results will allow this.

Manafort,⁴ a former campaigner for Ronald Reagan, whose involvement before the 2006 parliamentary elections helped to renew the image of Viktor Yanukovich and pave the way for his 2006 victory and general acceptance from both Ukrainians and the international community.

BYuT – ‘I love Yu’: The equally grandiose BYuT convention was not a reflection of its election campaign. The Julia Timoshenko Bloc has declared its goal and indeed its very existence to be based on a deep commitment to the fight against injustice. That mission sprung from the ideals of the Orange Revolution and was reinforced by Yuschenko’s exclusion of Timoshenko from government in 2006. The ‘emotional Julia’ has for some time been under attack from the PoR, which has been trying to prove her ‘revolutionary’ character has nothing to do with good governance standards. The emotional statements and campaign – the Cyrillic “Yu” has become a new graphic symbol of the bloc, including the phrase “I love Yu” – seemingly lends credence to this PoR position. Timoshenko’s numbers have been increasing in the polls, however. The election manifesto, entitled “Ukrainian Breakthrough,” has not been revealed to the public except for some references in Timoshenko’s convention speech to corrupt officials being punished with imprisonment for life and judges being elected by popular vote. But the bloc’s general platform is radically populist and left leaning with a degree of nationalism.

If Ukrainians vote ‘pragmatically’ and the rumours about an agreement between the two Viktors for a grand coalition turn out to be true, Julia Timoshenko will face an increased challenge to keep her alliance together, despite the fact their finances seem stable and out of the reach of Donetsk.⁵ The bloc’s list of candidates includes Julia Timoshenko as number one, followed by Oleksandr Turchynov, Mykola Tomenko, Yosyp Vinsky and Andriy Shevchenko, the former

Channel Five journalists. The ‘big five’ are followed by Viktor Pynzenko, Hryhoriy Omelchenko, Viktaliy Kurylo, Mykola Petruk and Yevhen Korniychuk.⁶ Other positions on the list are overwhelmingly filled by young people, offering at least some sense of generational change.⁷

Our Ukraine/People Self Defense – Regrouped: The coalition of Our Ukraine/People Self Defense (NUNS) connected to President Yuschenko has gone through the biggest changes. It has also experienced the most substantial ‘negative history’, thanks to Yuschenko’s post-2004 performance. Analysts attribute two major mistakes to Yuschenko in the post-Orange Revolution period: first, he gave the task of forming Our Ukraine as a united party of Orange forces to the oligarch Petro Poroshenko and Ukraine’s biggest political survivor Roman Bezmertnij, who together managed to reduce support for the party from 40 to 13 per cent; and second, he mishandled the conflict between Poroshenko, at the time the head of the National Security and Defense Council, and Prime Minister Timoshenko – a conflict which led to the elections in 2006.

NUNS needed to regroup after Our Ukraine’s poor performance in the 2006 elections. It needed to recover the anti-oligarch and anti-corruption sentiment that had mobilised many western-central Ukrainians to participate in the Orange Revolution.⁸ The selection of Viktor Baloga ensured much tighter coordination, while the appointment of Vitaly Haiduk, the contender of Akhmetov in Doneck, as the Secretary of the National Security and Defense Council ensured access to new finances. The new party leader Vyacheslav Kirilenko is under thirty, while the party’s list does not now include Petro Poroshenko or the former head of Naftogaz Ukraine Oleksiy

⁶ BYuT Adopted Its Election List Which Nobody Saw, Ukrainian Pravda, August 5, 2007

⁷ On the other side the BYuT list is the most comprehensive as it contains not only the names of the candidates, but also their dates of birth, professions and current occupations, as well

⁸ Kuzio, Taras, ‘Ukraine’s 2007 Elections will also decide Ukraine’s Next President’, August 16, 2007, Jamestown Foundation, http://www.jamestown.org/edm/article.php?article_id=2372382

⁴ <http://www2.pravda.com.ua/en/news/2007/5/23/7839.htm> and http://www.ukraine-intelligence.fr/a2272-Paul_Manafort_The_Party_of_Regions_Discreet_Strategist.html

⁵ For more about this see: <http://www.wsws.org/articles/2006/apr2006/ukra-a06.shtml>

Ivchenko. Perceptions of a political double standard could arise, however, thanks to the presence of the other Orange oligarch, Davyd Zvannia, one of the founders of People Self Defense, and as many as eight representatives from the Privat oligarchic group headed by Ihor Kolomoysky. The first ten candidates of the bloc include only one new name, that of television journalist Volodymyr Aryev. The remaining top candidates are either former lawmakers or people already known in politics, but the group's liberal character may help convince many former supporters to give the coalition a second chance.

The Our Ukraine election team has been working with US consultants James Carville and Mary Matalin. NUNS is campaigning with the slogan 'One law for Ukraine' and an election program entitled 'For People, Not For Politicians,' which calls for the abolition of parliamentary immunity and and privileges.⁹ This may sound attractive, but the group struggles to mobilise its previous supporters and compete with BYuT. As the President appears to have won the battle for early elections, the campaign and Yuschenko's general engagement may help to bring more votes to NUNS than the pre-election surveys would suggest.

The International Context

In comparison with 2004, and especially since the 2006 parliamentary elections, both the West and Russia have refrained from intervening so directly in Ukraine's domestic affairs. Nevertheless, Russia in particular remains acutely concerned about Ukraine, which it still considers a buffer state of high importance. Since 2004, Russia's policy towards Ukraine has changed, though. Instead of direct

interference and backing one politician or party, Russia has been using the leverage of its energy policy and trying to boost its economic presence and interests. There are very widespread rumours of large funds being made available to Viktor Chernomyrdin, the Russian Ambassador to Ukraine, for the purchase of property in the country. The Crimea is clearly developing with Russian capital and its shaky ethnic situation provides all the conditions for a new frozen conflict. However, Russia's new policy is more likely to operate through economic shares and ownership than frozen conflicts. In addition, the Crimeans (mainly Russians) are playing a careful game. As they value the peninsula's autonomy they are flirting with Moscow and Kiev at the same time, but they are aware that under Moscow they would not enjoy the same autonomy they do now.¹⁰

Ukraine has changed in terms of foreign policy orientation. The still-popular labels from 2004 - of a pro-Western Orange camp pitted against the pro-Russian Blues - are misleading. Both Viktor's have been careful not to call upon any international mediation - although there was clear competition over who would explain the crisis in Brussels first. Although Yanukovich is evidently trying to keep his backing from Moscow¹¹, in PoR advertisements he appears smiling with José Manuel Barroso. With the help of US campaigners he increasingly seeks to portray himself as a pragmatic friend of both Russia and the West. Nevertheless, one of the most important factors behind the PoR's change of course is domestic - the interests of its Donetsk financiers. Ukrainian oligarchs are becoming increasingly supportive of Ukrainian statehood - they are territorially loyal to Ukraine as this is the territory of their business. As the target for their business is the West, they see a threat in Russia and its oligarchs controlled by the Kremlin.¹²

¹⁰ Interview with Mykola Rjabчук, op. cit.

¹¹ Foreign Policy enters the election campaign, Ukraine Intelligence, http://www.ukraine-intelligence.fr/a2286-Foreign_Policy_enters_the_election_campaign.html

¹² Rjabчук, op.cit.

⁹ Ibid

The election results also hold implications for Ukraine's dealings with Gazprom, Russia's state-controlled natural gas monopoly. Russia is still playing the gas card in the elections, one official warning: 'If politicians make a decision to establish closer economic ties between our countries, this will guarantee lower gas prices. However, if the politicians decide to separate these ties, then the price of gas for Ukraine will be the same as for Germany. Does Ukraine really want this? I want to stress that Russia does not need this.'¹³

Russia knows that Ukraine lacks the budget capability to pay significantly higher prices right now. Therefore it will continue pushing its agenda, not only through energy transit and delivery contracts, but also by trying to buy shares of the almost bankrupt Naftogaz Ukraine. This might be a unifying factor for the Orange forces, but also a motivator for the new government to take steps towards reform in this field.

There is little that the United States and EU can do to prevent Russia's re-emergence in Ukraine. Democratic development is certainly encouraged rhetorically and supported with assistance from the West. The EU has been starting its twinning program with the clear goal of changing the mindset of the local bureaucracy and promoting European values within society. It has yet to be seen whether such assistance will prove more attractive to Ukrainian hearts and minds than Russia's money. Also, as the West has already moved away from supporting the Orange camp exclusively, there seems to be a consensus between the EU and Russia with both (unofficially) favouring a grand coalition after the elections. The EU in particular expects a more stable political environment to come from such a government. However, only a few Ukrainians care about the current geopolitical context of their country. Without a promise of EU membership, there are no real, strategic issues at stake and as long as the 'velvet' buffer zone

stimulates economic growth, the Yuschenko-Yanukovych-Timoshenko political wrangling seems likely to continue.

Possible Scenarios

The large number of deals behind closed doors, and the possible alliances among the players, make Ukrainian politics unpredictable and the subject of many conspiracy theories. In general there are four parties that are expected to enter the parliament (PoR, BYuT, NUNS and the Communist Party), but the centrist group led by former Parliament Speaker Volodymyr Lytvyn¹⁴, the Socialist Party of Oleksandr Moroz, and the ultra-leftist Progressive Socialist Party of Natalia Vitrenko could also, theoretically, make it. A tiny and new Kuchma block raises the issue of Romania undermining Ukrainian statehood by offering citizenship to ethnic Romanians; questions abound in Kiev over who is behind this political formulation.¹⁵

The 2007 parliamentary elections will likely mark the end of the post-Orange period as new division lines have developed between the three major players, Viktor Yuschenko, Viktor Yanukovych and Julia Timoshenko. It would certainly be a positive development if only four parties entered the parliament. BYuT is expected to take the biggest chunk of opposition votes, but NUNS has strengthened its support base by joining forces with the People's Self-Defense bloc, set up by former Interior Minister Yuriy Lutsenko, and could also benefit from the renewed popularity of President Yuschenko.

Based on the current polling numbers the most likely outcome is a coalition of PoR with the Communist Party, which would be a continuation of the current government without the Socialist Party. This would be convenient for the PoR (and especially for Yanukovych), but an ongoing battle with the opposition

¹³ Kupchinsky, Roman, Russia: Gazprom's Hones Its Strategy On Ukraine, <http://www.rferl.org/featuresarticle/2007/05/a6452202-a170-421b-8c96-ee204475810b.html>. Also see this article for general information about the gas agreement between Russia, Ukraine and Turkmenistan.

¹⁴ There are different opinions as to whether the Lytvyn block would support PoR or the Orange forces if it makes into the parliament.

¹⁵ Support from Russia is widely rumoured.

could also give the Orange forces a chance to consolidate. Most importantly, anything other than a grand coalition will simply ignore the roots of the current crisis, namely that the almost equally strong president and prime minister, who are from different political parties, are jockeying for power. Therefore a grand coalition is not ruled out by PoR, which is striving to be seen as a mainstream pro-European force and this option is believed to be favoured by the presidential administration. While BYuT is categorically dismissing a joint cabinet with PoR, NUNS is more cautious about this. Nevertheless, analytical and diplomatic circles in Kiev are openly talking about an informal agreement between the two Viktors or even between Yuschenko and Akhmetov.¹⁶ Other observers believe there will have to be either an agreement or a new revolution.¹⁷

A reforming of the Orange Coalition is also one of the viable possibilities, although current polling numbers and the general hostility within the former Orange camp do not support such an outcome. Yuschenko has been unable to work with two of his three prime ministers, Julia Timoshenko and Yanukovich, because he sees both as potential competitors for the presidency and would like to support a technocrat if his

post-election position will allow this.¹⁸ Although it is highly unlikely, it is also worth mentioning a scenario without Yuschenko. This could result from increased confrontation and a major conflict (allowing both sides to explain to their supporters such a move) and the setting up of a 'government of national unity' that would basically divide the country into east and west.¹⁹

Beyond the elections, there is one clear trend that is likely to determine the post-election political situation in Ukraine. The Donetsk region's influence is likely to be maintained, given its position within the political and economic elite. Much will depend on the wishes and soberness of the big 'owners' and the dynamism of a new political generation, which can clearly be found in the ranks of NUNS and BYuT, and even in PoR to a certain extent. The still-vibrant Ukrainian civil society must be more politically minded in order to push the elite on issues of national importance, such as the reform of the judiciary and decentralisation. There is a hope that, as in the 1990s when there was political will to reform the banks, the next common agenda might be the courts. Building on the two biggest achievements of the Orange Revolution - a free media and the institution of free and fair elections - that would be a big step forward for Ukraine.

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¹⁶ Yuschenko has reportedly reached such an agreement through Yekhanurov, who has always been close to the Party of Regions, and presidential secretariat head Viktor Baloga', Kuzio, op. cit.

¹⁷ See Duleba, op.cit.

¹⁸ Kuzio, op. cit. Duleba, op.cit.

¹⁹ Duleba, op.cit.

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