COUNTRY STUDY

Konrad-Adenauer-Stiftung e.V.



UKRAINE
OFFICE
NICO LANGE

18 March 2008

www.kas.de/ukraine

Kiev does not settle down: Manifest frictions in Ukraine's domestic and foreign policy

After a short period of normalcy at the turn of the year 2007/2008 the activities of Ukraine's parliament and government were again blockaded durthe past weeks. Yushchenko seems to be anxious to continue affronting Tymoshenko's government in all political fields and furthermore tries to induce constitutional changes in his favor. A new national crisis is already on the offing. Even if the decision of the World Trade Organization to admit Ukraine's memand the beginning negotiations with the European Union about a free trade area should be counted as important successes, the insufficiently prepared and surprising initiative towards NATO and the chaos in Russian-Ukrainian gas business caused problems in foreign policy. Political stability and the constructive treatment of factual political issues can not be expected soon.

BLOCKADES OF PARLIAMENT AND GOVERNMENT

At the turn of the year 2007/2008 Ukrainian policy returned to a certain normalcy for the first time after many months. After the dissolution of parliament and the snap elections of the Verkhovna Rada on September 30th, 2007, parliamentary president Arseniy Yatsenyuk and Prime Minister Yulia Tymoshenko were elected into their post in a widely unproblematic manner. The numerous filling of posts that are usually connected with a governmental change proceeded calmly; the chairs of parliamentary

committees were divided without conflict between the parties. Optimistically the new Prime Minister travelled to Brussels at the end of January and was received in a notably friendly manner despite of the neverending Ukrainian crisis of the proceeding months. The punch line under the 2007 crises had seemed to be drawn in order to finally expatiate the tackling of numerous, urgent reform projects.

Only a few weeks after Ukraine is back at the debilitating power games of the past years. The Verkhovna Rada has been blockaded most of the time since its constituting session. Initially the Party of Regions and the communists utilized the letter of Yushchenko, Tymoshenko and Yatsenyuk to NATO on January 19th, 2008, as pretence to block the rostrum and almost completely to cancel all parliamentary activities. This blockade could finally be overcome on March 6th with a political consensus about the obligation of a referendum before the possible admission to NATO. Currently the corporate absence of the faction Block Yulia Tymoshenko, who tries to invoke snap elections of the mayor of Kiev, hinders parliamentary activities. In the very few days of regular parliamentary activity only two significant legislative projects have been passed: The law for payment of old saving balances from the time of the Soviet Union and the law about the national budget 2008, but the latter lacks numerous amendments.

The government of Prime Minister Yulia Tymoshenko does not have much real elbowroom available. The frequent blockades of the Verkhovna Rada, of course, do



UKRAINE
OFFICE
NICO LANGE

18 March 2008

www.kas.de/ukraine

not foster effective governing at all. A further reason for the sagging implementation of the governmental program is the repeated struggle regarding the appointment of posts. Recently conflicts have occurred about the general state attorney and about the chair of the national fund of assets. But above all it is President Yushchenko who maximally utilizes his competences and who impedes governing by incessant guidelines, orders and even public reprehending.

PRESIDENT YUSHCHENKO STAYS IN OFFENCE

Yushchenko's behavior has changed significantly since the 2007 crisis. Being perceived as weak and indecisive before he is now anxious to dominate all political fields and literally propels the parliament in his favor generously interpreting his constitutional competences.

The way Viktor Baloha, head of his growing and power-gaining presidential administration, rhetorically treats the Prime Minister is almost overbearing. Baloha instructs government and parliament to pass presidential legislative initiatives without ifs and buts, gives "orders" to the minister cabinet and frequently reprehends Prime Minister and parliament in public statements.

Yushchenko himself did not allow Tymoshenko foreign visits and eye-to-eye conversations with EU-commissioners in the past weeks; he impairs almost all decisions of the minister cabinet and impedes Tymoshenko with a flood of orders, instructions, threats and appointments.

Yushchenko has also taken initiative in the discussion about the constitutional reform. In December 2007 he issued a decree to call a national constitutional board, but this newly established organ is not more than a blatant attempt to strengthen the president's authority and to skip over the parliament. Consequentially Yushchenko recently had to take rough criticism even from his own ranks. Numerous representatives of civil society, who clearly supported him before, are now eager to distance

themselves from the president. In their eyes the president's treatment of the constitutional discussion shows objectionable parallels to the end of the Kuchma-era. The oppositional Party of Regions had resigned from the national constitutional board after a short time anyway.

A NEW NATIONAL CRISIS IS ALREADY ON THE HORIZON

The described activities of the president give rise to serious doubts, if only the opposition is interested in the blockades of parliament. Yushchenko`s power-political rationality conveys the intention to discredit the parliament and the government under Tymoshenko and to finally let it fail, playing himself to the gallery as the one and only rescuer of Ukraine with the authority of a new, clearly presidential constitution.

Meanwhile the conservative wing of the Party of Regions around the former Prime Minister Yanukovych has re-enacted the aggressive and reactionary rhetoric of eras long forgotten. The "Congress of Deputies of all Levels" on March 1st in Sieverodonetsk did not enhance trust in regular oppositional activities. The event culminated in the topics NATO, Russian language and alleged "forgeries of history" by the current parliamentary majority rather resembling an overture for an election campaign than a party congress.

Even Prime Minister Tymoshenko will not be able to endure pretensions of the presidential administration in the long run. It is a widespread opinion in Kiev that she only waits for the right moment to declare her resignation and to face an open contest running against Yushchenko in presidential elections.

With this background on mind it can be assumed that the political forces in Ukraine will induce a new escalation of the national crisis within the next months. At the beginning of March deputies of all factions already began talking openly about new snap elections. Parliamentary and presiden-

UKRAINE
OFFICE
NICO LANGE

18 March 2008

www.kas.de/ukraine

tial snap elections in connection with constitutional amendments can be expected as early as in autumn 2008.

FOREIGN POLICY SUCCESSES REGARDING WTO AND EUROPEAN UNION

While the domestic intrigues cause further standstill some successes can be reported in foreign affairs from the first weeks of the new government's work. The decision of the World Trade Organization to finally admit Ukraine provided major satisfaction for economy and for all politicians regardless of their political shade. However, the parliament being deprived of its capacity to act has not yet conducted the necessary ratification; the expiration of the time limit is July 4th.

Based on the decision of the World Trade Organization negotiations about an "Enhanced Agreement" between the European Union and Ukraine, which will substitute the expiring Partnership and Co-operation Agreement, have been intensified. Of late the Ukrainian side is anxious to separate the political and the economical part of the agreement (the latter containing directives about the free trade area) in order to possibly sign a political treaty in terms of an "associated partnership" before the end of the year. President Yushchenko supposedly received signals during his visit in France in February that this plan will be affirmed by the French Presidency of the European Council in the second term of 2008.

THE SURPRISING INITIATIVE TOWARDS NATO DOES NOT STAND ON SOLID GROUNDS

Recently a lot of turbulences in domestic and foreign policy were caused by the Ukrainian efforts for an approach towards NATO. In the meanwhile notorious "Letter of Three" president Yushchenko, Prime Minister Tymoshenko and parliamentary president Yatsenyuk turned to the NATO Secretary General on January 19th with the petition to admit Ukraine to the Membership

Action Plan. Only a few weeks before - during the election campaign 2007 - the presidential party Nasha Ukraina as well as the party of Yulia Tymoshenko had minutiously avoided this topic. Like many others in the "orange" parties Yushchenko is deeply convinced that only a quick NATO membership and thus the final anchoring of Ukraine in western alliances can provide a stable basis for the continuation of the Ukrainian development of democracy. Furthermore it is evident for all protagonists involved that the demands of a NATO membership can be fulfilled significantly easier and quicker than the complex and drastic criteria of European integration. Yushchenko`s efforts to still reach tangible successes in his first election term that was so much determined by ongoing crises and blockades may also play a role here.

It proved to be utterly problematic that the protagonists hardly prepared the "Letter of Three" with internal and external consultations. Regarding domestic affairs it provided pretence for the Party of Regions and the Communists to paralyze all political activities. Additionally a preparation of the Ukrainian citizens with information about form and contents of the Membership Action Plan and the consequences of an admission was not conducted. Regarding foreign policy it creates evident difficulties to reach consensus considering the short time-frame between the publication of the letter in the middle of January and the NATO summit at the beginning of April in Bucharest.

Yushchenko apparently trusts in the prevailing power of the United States against the concerns of several other NATO members, especially Germany and France. The skeptical words of Federal Chancellor Merkel during a commander conference of the German Army on March 10th were perceived with major displeasure in Ukraine. Here it becomes evident, which dangers the badly prepared and spontaneous Ukrainian initiative towards NATO could cause: If NATO will decide not to admit Ukraine to the Membership Action Plan, people in Ukraine will

UKRAINE
OFFICE
NICO LANGE

18 March 2008

www.kas.de/ukraine

hardly listen to factual arguments but will react with major frustration and emotional rhetoric especially against Berlin and Paris. The opponents of a NATO approach in Ukraine will not have a hard time to claim that the West "does not even want" Ukraine.

STRAINED RELATIONS TO THE RUSSIAN FEDERATION AND UNSETTLED BUSINESS

Comments of this kind will probably also sound from Moscow, mixed with schaden-freude. Especially the new NATO initiative but also the fact that the admission of Ukraine to the World Trade Organization took place before the admission of the Russian Federation recently gave rise for tensions in the relations between Ukraine and its big neighbor. The ongoing blockades in the Verkhovna Rada and Kiev's often chaotic presentation due to the debilitating power games is frequently used in Moscow to publically disqualify Ukrainian democracy anyway.

As early as in autumn 2007 a new gas conflict appeared on the horizon with a struggle about Ukrainian debts for gas transfers and an emergency solution involving the re-sale of gas reserves. Benefitting from the intransparent structures of intermediary RosUkrEnergo Gasprom took the possibility to mix expensive Russian gas with the cheap gas from Central Asia to purposefully create debts. Nevertheless for the Ukrainian side it is neither physically nor on paper possible to clearly follow the procedures as structures and contract documents are completely unknown. Thus the possibility arose for Gasprom to demand 1.5 Billion Dollars of Ukraine again in February 2008, while government and public had no chance to estimate how exactly the debts had emerged. The central problem of gas transfer is that agreements and conflicts on the Ukrainian side are hardly analyzable anymore. One should assume that events are determined by numerous interrelations and deep entanglements of a lot of Ukrainian protagonists in current and former schemes of corruption and enrichment. A direct and

comprehensible pattern in gas business is, however, crucial to develop a permanently sustainable energy policy in Ukraine.

The responsibility for the diversion of the conflict situation with the Russian company Gasprom can clearly be located on the Ukrainian side during the past few weeks. Again the fight between president Yushchenko and Prime Minister Tymoshenko is evident; their conflicts even partly resembled a grotesque: Yushchenko prohibited Tymoshenko's exclusive visit in Moscow and fended against the termination of the intermediaries to the bones. Conducting his own negotiations with Gasprom Yushchenko simply substituted the long contentious letterbox company with new intermediaries. Tymoshenko categorically objected to this solution and finally accomplished direct delivery of Gasprom to the Ukrainian purchaser Naftogas, which the president "in principle" accepts following current declarations. At the moment it is still hard to estimate, if those declarations finally weigh heavier than preliminary statements.

The Ukrainian government has lost a lot of credibility with the Russian providers, with countries abroad that depend on the gas transfers and with their own citizens in the gas conflict's chaos: Internally they could not agree on a consistent approach and repeatedly presented solutions to the public that emerged as bubbles later on. Ultimately this provided the chance for the Russian side to successfully pit the Ukrainian president against the Ukrainian Prime Minister.

STABILITY AND MATTER-OF-FACT REFORM POLICY CAN NOT BE EXPECTED SOON

On the whole Ukraine has not benefited from the chances that the snap elections and the new constellation of power had provided. The tensions between president and government, that had determined politics

UKRAINE
OFFICE
NICO LANGE

18 March 2008

www.kas.de/ukraine

for so long, threaten to be reproduced, because the distribution of competences and constitutional authority had not been agreed upon before the elections. Yushchenko`s current strategy to give his head of administration Baloha as many freedoms as possible and to consequently subordinate all matter-of-fact and party political positions to his re-election does not only promote the emerging of a new national crisis but above all generally disqualifies parliament and government. Ukrainian voters and foreign observers both ask themselves, why Yushchenko and Tymoshenko, who formerly have been the democratic and reform oriented hopes, cannot succeed to constructively work together as was already the case in 2005.

An outlook on the next months does not give rise for optimism. The scenario of a new national crisis with a polarizing debate about the constitution, snap elections and continuing power games is already on the horizon. Presumably Kiev will not come to its rest in 2008 to tackle the numerous and urgent matter-of-fact reform projects.

When the parliamentary president Yatsenyuk with this background in mind declared in Brussels at the end of February, that the procedures in Ukraine were "completely normal parliamentarianism" and that there was "no reason to be concerned" he revealed in a very sarcastic way how little the political elites are still aware of the interrelation between domestic actions and foreign ambitions. To Hans-Gert Pöttering`s (president of the European parliament) reply during this visit, "I would advise the politicians in Ukraine, to think more about the country, than about the fact, who will run for president or for the position of a parliamentary deputy in 2 or 3 years.", hardly anything can be added from the Ukrainian interior view.