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# Ukraine's New Crisis

**James Sherr**

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The surprise formation of an anti-Orange, 'anti-crisis' coalition, instigated by the defection of the Socialist Party leader, Oleksandr Moroz, has plunged Ukraine into its greatest political crisis since the presidential elections of 2004. The March 2006 parliamentary elections returned an Orange majority to the *Verkhovna Rada* (parliament). Yet on 7 July, in defiance of his electoral commitments, Moroz broke with his Orange partners, President Yushchenko and former Prime Minister Yulia Tymoshenko, and entered into coalition with Viktor Yanukovych's Party of Regions and the Communist Party. This new anti-Orange majority promptly nominated Yanukovych, the standard bearer of the Kuchma old guard, to the post of Prime Minister. Under new constitutional arrangements, it is the parliament which appoints the prime minister and it is he, not the president, who has authority over internal policy.

The decision that supposedly triggered Moroz's defection, the blocking of his bid to become Speaker, was understandable in the rude conditions of Ukraine's political system: a system, in Kyrylo Orovetsky's words, without 'fixed rules, moral umpires and political traditions'.<sup>1</sup> In a system in which parliamentary immunity is a licence to do *anything*, the umpire had best be immoral on the home team's behalf, and Petro Poroshenko, former Chairman of the Rada's budget committee, and a key financial backer of Yushchenko, fitted that bill. But in the algorithm of coalition politics and in terms of political appearances, Poroshenko's nomination was not a wise one. In the world of appearances, Moroz's claim to the post was also a fair one, consistent with the imperfect standards of fairness that prevail in proportional voting systems even in mature democracies. However, Ukraine is not a mature democracy. In the USA, the UK and even in France, party divisions are divisions within one political regime and not between two. It is the defection from one regime to another—a regime which Moroz claims to have built his career opposing—that makes his defiance of electoral commitments so breathtaking and makes the charges of treachery so easy to justify.

These developments reflect:

- The chronic indecisiveness of Yushchenko, enhanced by an entourage that quarrelled over the terms of an Orange coalition for the three months since the March elections. An astute politician would have consolidated the Orange victory in March 2006 by swiftly concluding a coalition agreement. Yet the President magisterially refused to be rushed. At a macro level, he has been a visionary rather than a strategist; at the micro level, he has been an arbitrator rather than an arbiter and a conciliator rather than a tactician. Since his inauguration in January 2005, he has frequently lost sight of the enemy and the country.

- The thwarted ambition of Moroz, who cannot forget that in a free vote, he might have become President of Ukraine in 1999—yet who, as junior coalition partner in 2006, was not only barred from returning to his former post, but asked to endure the added indignity of yielding to Petro Poroshenko, whose forced resignation as Secretary of the National Security and Defence Council in September 2005 had created the first gaping breach in Orange ranks. Nevertheless, Moroz accepted this indignity in the Orange coalition agreement, and the obvious question is what changed his mind between 22 June and 7 July.
- The comparative advantages of the Regions party: a vertical of authority modelled on Putin's,<sup>2</sup> a cunning and brutal approach to power,<sup>3</sup> the best distillation of Western and Russian PR and the remorseless employment of its financial resources to penetrate administrative structures and buy up those who can be bought;<sup>4</sup>

They also have extremely worrying implications for Western interests:

- They are resurrecting the risk of turmoil and civil conflict in Ukraine. At least two frontiers of legitimacy appear to have been breached: the Constitution and parliamentary Code of Procedure; and the alleged bribery of MPs.<sup>5</sup> Even Yushchenko, the inveterate conciliator, has termed Moroz's move 'not in line with the constitution'.<sup>6</sup> Tymoshenko and much of Yushchenko's *Nasha Ukraina* are calling for new elections, key figures in the Socialist Party have resigned, and activists from both camps are setting up tents outside parliament.
- They resurrect a threat to democracy. Unlike the left in Central Europe, the Party of Regions is unreconstructed and unrepentant. It continues to deny the legitimacy of Yushchenko's victory in 2004. It is a distinctly regional force, hated by the majority of the country, which despite disillusionment with Yushchenko, gave fewer votes to Yanukovych in March 2006 (32%) than he received in the first round of the 2004 presidential elections (36%). The threshold of irreversibility—if the pre-revolutionary parties come back to power, it no longer matters—has not been cleared in Ukraine.
- They resurrect a threat of Russian dominance and represent a setback to security in the Black Sea region. Yanukovych and Moroz firmly oppose Ukraine's membership of NATO. Whilst rhetorically positive about the EU, Yanukovych will promote the Russian sponsored Single Economic Space, which without Ukraine cannot become the 'counterweight' to the EU that Putin seeks. Although Yushchenko retains formal primacy in foreign and security policy, his own weakness and the budgetary powers of the *Rada* would, sooner or later, render these prerogatives moot.<sup>7</sup> In these circumstances, Georgia would lose its strongest regional ally. The newly revived GUAM (Georgia, Ukraine, Azerbaijan and Moldova) and the larger Community of Democratic Choice would lose their rationale and Ukraine's cooperation with the EU in Transnistria would end.
- They will multiply risks to energy security and diversity, which to a significant extent depend upon Ukraine retaining ownership of its pipeline network.<sup>8</sup> On 13 July, in contradiction to all previous assurances, the Chairman of *Naftohaz Ukrainiy* (the state owned but opaquely managed gas company) signalled that ownership would be ceded to a 'joint' Russo-Ukrainian entity in exchange for low energy

prices.<sup>9</sup> Although they might demand a price for their services, Yanukovych and Moroz can be expected to do everything to facilitate Ukraine's integration into Russia's energy 'space'.

### **Possible Russian Involvement**

The Russian leadership would have four reasons to support the scenario that has developed:

- They recognised after March 2006 that the Party of Regions had little chance of coming to power by democratic means;
- They are determined to block Ukraine's trajectory to NATO and have been alarmed by Ukraine's progress in defence reform over the past two years;
- They are afraid of Yulia Tymoshenko who, for all her deficiencies, is an astute and courageous politician with the ability and determination to oppose them;
- In particular, they fear that Tymoshenko will pick apart the gas accords of January 2006, expose the schemes behind them and purge the energy sector and security services of individuals aligned with or suborned by the Kremlin.

The Kremlin also has opportunity, given its back channels to the Party of Regions, as well as actors independent of them. Indications that one of Moroz's interlocutors was Viktor Medvedchuk, Kuchma's former Chief of Staff, might point to Kremlin involvement.<sup>10</sup> Ukraine's Minister of Foreign Affairs, Borys Tarasyuk, has strongly implied that the Kremlin is the author of a scenario, timed to coincide with the G8 summit.<sup>11</sup>

### **Recommendations**

The fluidity of the situation and the risks to Western interests call for prompt public messages by Western governments audible inside the G8 and across Ukraine's political spectrum. But in the context of a new Middle East war and the ongoing conflicts in Iraq and Afghanistan, the risk is not that messages will be insufficiently strong, but that there will be no messages at all. If that risk can be averted, the messages should stress:

- The importance we attach to the observance of democratic and constitutional norms in Ukraine and our determination to support those who defend them;
- The impermissibility of interference by others in Ukraine's internal affairs;
- That the doors to Euro-Atlantic integration remain open and that Ukraine's integration prospects depend solely upon its will and capacity to advance them.

Finally, Western governments (and the EU) should warn President Yushchenko of the threat that will be posed to Ukraine's independence if Russia acquires de facto control of its pipeline network.

## Endnotes

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<sup>1</sup> Kyrylo Orovetskiy, 'Political Animal Moroz', *Ukrainskaya Pravda* web site, 7 July 2006, cited in *BBC Summary of World Broadcasts* [hereafter *SWB*]

<sup>2</sup> According to Yulia Mostovaya, 'Only three people in the Party of Regions—Akhmetov, Yanukovych and Kliuyev—make decisions, and everyone else obeys.' 'Curtain Drops on the Maidan Stage', *Zerkalo Nedeli*, No 26 (605), 8-14 July 2006

<sup>3</sup> As a case in point, Regions nominated the Chairman of its Political Council, Mykola Azarov, for the Speaker's post, yet the entire faction immediately dropped Azarov and voted for Moroz once the leadership ordered it to do so. In Mostovaya's words, 'Just imagine a reversed situation: Our Ukraine nominates Poroshenko for the Speaker; right after that, the president calls to Parliament and gives new instructions, and the whole faction votes for Moroz—without questions, without objections. Even Petro Poroshenko would not vote for himself. You say it is impossible, and you are right.' *Ibid.*

<sup>4</sup> For detailed allegations about Regions' penetration of the SBU (Security Service of Ukraine), see Vira Chorna, 'The Security Service of Ukraine? SBU Chief Ihor Drizhchanyy has the SBU Serve the Clans and Moscow', *Ukraina Moloda*, 1 June 2006

<sup>5</sup> Yulia Tymoshenko claims that some members of her own faction were offered between \$5-10m to defect to the 'anti-crisis' coalition ('Ukrainian faction leader hopes to resolve crisis by "political means", *TV 5*, cited in *SWB* 13 July). In a *Ukrainskaya Pravda* interview with Ruslan Shelenko on 11 July, a leading member of Regions, Taras Chornovil, asked to confirm whether the Socialists were offered \$83m or \$250m in bribes, denied the charges ('New Ukrainian coalition MP advocates Speaker, denies bribery allegations', cited in *SWB*, 11 July).

<sup>6</sup> Presidential website, cited in *SWB* 13 July.

<sup>7</sup> As if anticipating the fact, Yanukovych warned that one of the first steps of the new parliamentary coalition would be to change Ukraine's foreign policy. Whereas Borys Tarasyuk firmly stated that this was not its prerogative (*1+1 TV*, Kyiv, 8 July 2006, cited in *SWB*), President Yushchenko, whilst reiterating his 'determination' to preserve the pro-Western course, seems more prepared to enter into a dialogue about this with the coalition. (e.g., 'President Yushchenko Urges New Coalition not to Alter Ukraine's Pro-Western Course', *Action Ukraine Report*, 11 July 2006).

<sup>8</sup> In summer 2005 *Gazprom's* leadership admitted that its principal interest was not the price Ukraine paid for gas, but low transit costs to its principal market, the EU. The Ukrainian network supplies the EU with 80 per cent of the gas that it imports from the former Soviet Union.

<sup>9</sup> Since the conclusion of the Ukraine-Russia gas accords in January 2006, President Yushchenko and Prime Minister Yekhanurov have on numerous occasions assured Western representatives and the Ukrainian public that the oil and gas pipeline network would remain under Ukrainian ownership. Yet on 13 July, the new Chairman of *Naftohaz Ukrainiy*, Oleksandr Bolkisev, officially endorsed an understanding that Moscow will maintain the previous gas price for Kiev, 95 dollars per 1,000 cu.m., until the year end, as a quid pro quo for negotiating the 'joint management' of the Ukrainian gas transport system (*TV5*, 13 July, cited in *SWB*).

<sup>10</sup> According to *Ukrainskaya Pravda Online*, 7 July, Medvedchuk (not a traditional ally of Moroz) promptly sent him a congratulatory telegram on conclusion of the coalition. The press service of Medvedchuk's Social Democratic Party of Ukraine (United) expressed the assurance that Moroz 'would support further democratisation of authority, protection of the social interests of Ukrainian citizens, stable economic growth and effective external policy on behalf of Ukraine'.

<sup>11</sup> Speaking on Ukraine's TV 1 on 13 July, Tarasyuk stated that '[s]pecial concern is aroused by the fact that the so-called anti-crisis members are acting in accordance with carefully planned scenarios, which are developed outside Ukraine. One gets the impression that the authors of those scenarios, apart from destabilization in Ukraine, need a cheap demonstration ahead of the G8 meeting. *We regard these steps as external attempts to interfere in internal political processes in Ukraine.*'

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Defence Academy of the UK  
Watchfield  
Swindon  
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England

Telephone: (44) 1793 788856  
Fax: (44) 1793 788841  
Email: [csrc@da.mod.uk](mailto:csrc@da.mod.uk)  
<http://www.da.mod.uk/csrc>

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