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The School of Defeat

James Sherr

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The period between 22 January 2005 and 7 July 2006 has been an object lesson in the perils of victory. In a democracy, even an unrefined one, victory is never supremacy, and it is always temporary. The victor's challenge is to alter the terms of the contest, so that when the opponent comes back to power, he has to accept new rules, a new discourse and a new reality. In other words, the opponent must come back transformed. That is what Margaret Thatcher achieved when she defeated the Labour Party three times, and that is what Tony Blair accepted when he transformed Labour into New Labour, embracing key elements of her consensus, which he then artfully made his own.

That is what the Orange leaders failed to achieve. Their success would have been far more significant than Margaret Thatcher's. Their failure is likely to prove far more damaging than hers would have been. In mature democracies, governments can fail, they can even be spectacularly incompetent, but the costs to the defeated are often trivial and are almost always bearable. The liberal democratic state is a limited state. Residual powers are vested in civil society rather than 'shadow structures of power'. The law is a restraint on power, rather than its weapon. There is no revolution to reverse; there is no counter-revolution poised to reverse it. The old regime is a history lesson, not a political force.

In Ukraine, none of this is the case. In the [stet] Orange revolution, as in the European revolutions of 1848, the old order was defeated, whilst its sources and structures of power remained intact. The 'revolutionary' leaders made their careers inside these structures. They never fully grasped their self-serving, parasitical, rent-seeking and (at worst) malevolent nature. They changed policies, but did little to change the institutions that implemented them. They had a democratic, European spirit, but no spirit of urgency and very little premonition of danger. In fairness, those who lacked these deficiencies—the post-Communist leaders of Central Europe—never had to contend with Ukraine's divisions, let alone its harsh Bolshevik legacies and its unfavourable geopolitical realities. Moreover, by the time these leaders came to power, their opponents had already lost the comparative advantages that Ukraine's Party of Regions has nurtured and maintained: a strong vertical of authority, a cunning and brutal approach to power and the remorseless employment of financial resources to penetrate key institutions and buy up those who can be bought. In 1992 a young Polish politician said, 'irreversibility means that the pre-revolutionary forces can come back to power, and it doesn't matter'. In Ukraine it matters. There is no Ukrainian Kwasniewski. There is only the same Yanukovich. And whilst there has been very little revolution under Yushchenko, the risk of counter-revolution is now strong.

The issue preoccupying (and, as ever, dividing) Orange forces today is how to minimise this risk: by new elections or, failing that, radical opposition? by normal, 'constructive' opposition in the present parliament? by merger and amalgamation? Not all of these options recognise what must be recognised: the reality of defeat.

Be Careful What You Wish For

Connoisseurs of President Yushchenko's shortcomings might naturally conclude that his reluctance to call new elections is mistaken. Is it? Certainly in terms of his party's interests, it is not mistaken, because unless there is an epidemic of collective amnesia in the country, *Nasha Ukraina* is destined to be slaughtered. But is Yushchenko mistaken in terms of the interests of the country? Very possibly, he is not.

- Oleksandr Moroz's defection might have been treacherous, but was it illegal? Sergey Rakhmanin has argued that it was not (*Zerkalo Nedeli* no 27 (606), 15-21 July). Moroz and Yanukovych certainly will be able to argue that it was not, and they seem to believe this as well. Would the elections therefore be conducted with an aura of legitimacy or illegitimacy?
- Would Regions play by the rules in these elections, as they did (more or less) in March 2006, and if not, who would expose them? The international community? With a fresh war in the Middle East and a host of post-G8 anxieties to wrestle with, is it realistic to suppose that the major Western players in the OSCE would mobilise the resources for election monitoring that they were prepared to deploy in March? It's far from certain. What is certain is that Regions would go into elections feeling not only strong, but after the aborted coalition agreement of 22 June, aggrieved and cheated. Is that an omen for good behaviour?
- Is the electorate angry or disgusted? And with whom might they be more angry or disgusted: the people who let them down on the *Maidan* or the people who defeated them? The latest depressing polls show that, despite its strength, Regions is still disliked by the majority of the country. Yet they also show that Tymoshenko remains less popular than Yanukovych. When has a political process succeeded in mobilising people against something in the absence of something they can be mobilised for? The Weimar Republic in Germany and the Third Republic in France offer discouraging precedents. Is Ukraine's political order healthier than those?
- And if Regions returns to the *Rada* with a stronger plurality than it has now, what then? The question answers itself.

There should be an elementary axiom in politics, as in war: never attack when you are disorientated. Otherwise you are likely to experience the fruits of the ancient Greek wisdom: 'he whom the gods would destroy they first make mad'. Defeat is a time to observe, wait and think. And the first sensible thought should be that, barring an act of gross stupidity by Regions or their allies, there will be no new *Maidan*—at least not for now.

The second sensible thought should be that, whatever we have to say about it, the remaining two options—parliamentary opposition and amalgamation—will emerge *de facto*. Those inside *Nasha Ukraina* who were arguing for a grand coalition months before 7 July *should* see the difference between a coalition based upon a well crafted compromise—the coalition available after 26 March—and a coalition based upon a well negotiated surrender—the coalition on offer now. But a fair proportion of that contingent will refuse to see it and for a very tangible reason: the business interests which, now as in the past, will be put ahead of their party and the country. For the same tangible reason, the large contingent of free-lancers who joined BYuT à la Oleksandr Volkov will also be bought. But this does not necessarily mean that these contingents will not constrain the options of the

victors. Neither does it mean that the stragglers from the field will be unable to form an opposition which, in time, becomes cohesive and effective, or even, after a longer period of time, the government of Ukraine.

If necessity is the mother of invention, then defeat should be the mother of strategic wisdom. In the back channels of power and the cross channels between opposition and grand coalition, strategic wisdom should be focused on an immediate goal, a mid-term goal and a long-term goal.

The immediate goal should be the preservation of the conditions that make long term battles worth fighting. In essence, this means the preservation of democracy in Ukraine: the basic freedoms of speech and association that preserve the stake of all parties in the system and the legitimacy of Regions' victory. The challenge will be to sharpen Regions' grasp of the contradiction between the 'administrative resource', their natural temptation, and legitimacy, their vital interest. In an ideal world, someone would also persuade Regions to abandon the financial resource as a means of governance. But we are not in an ideal world, and no one has the slightest chance of doing that. It will be difficult enough to appeal to the interests that Regions has. It will be impossible to appeal to the ideals that they don't possess.

The mid-term goal should be the mutation and reconstitution of the political blocs that exist today. Today, these blocs are indigestible. Even at their strongest and most noble, the Orange parties had only one aim in common: the democratisation of state and society. In terms of economic and geopolitical philosophy, they were divided. The 'anti-crisis' coalition mirrors these cleavages and, whilst repressed today, many of them exist within Regions itself. Ukraine also contains important constituencies—e.g. the business interests grouped around the Industrial Consortium of Donbas—who do not fit comfortably into any bloc. Defeat should be a solvent that melts today's blocs into more emollient units, diminishing the relevance of today's dividing lines and enabling groups to work together on the basis of common and increasingly transparent interests.

The long-term goal should be to forge an opposition determined to change the relationship between business and power in Ukraine and capable of changing it. A relationship between business and power exists in any democracy, but in liberal democracies, it exists openly. It is the shadow element and, inseparable from it, the criminal element which makes this a poisonous relationship in Ukraine. The commitment to embrace this principle of liberal democracy should, on an equally self-interested basis, stimulate a commitment to join the community of liberal democracies—in economic and political terms certainly, and once the taboos and phobias are removed, in security terms as well. A renewed bout of 'civilised relations with Russia' and its emerging Single Economic Space might also rekindle an appreciation of Aleksandr Griboedov's nineteenth century wisdom: 'we Russians so easily win spaces and so worthlessly use them'.

Western Realism and Realism about the West

Ukrainians should face the worst. Until the dust settles, the West is unlikely to be of much help. This is only in part because of the war in the Middle East, the worsening conflicts in Iraq and Afghanistan and the ever present threat of war with North Korea. It is also because, where Ukraine is concerned, Western governments are entitled to be as disorientated as Ukrainians are. They also face a dilemma. How can they possibly criticise the formation of a coalition which Yushchenko's inner circle has spent months negotiating? The fact that this coalition has taken a

different form from that which Yushchenko sought is not the West's business. But if its emergence threatens democracy or provokes civil conflict, then whatever its rightful business, it will certainly engage the West's interests and provoke some very sharp reactions.

A country's foreign policy is never entirely its own business. Here, Western governments must be prepared to face the worst:

- *A resurrection of Russian dominance and a setback to security in the Black Sea region.* It is no secret that Yanukovych and Moroz firmly oppose Ukraine's membership of NATO. Whilst rhetorically positive about the EU, Yanukovych is committed to the Single Economic Space, which without Ukraine cannot become the 'counterweight' to the EU that President Putin seeks. It also takes little effort to see that, whilst 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. In these circumstances, Georgia could lose its strongest regional ally. the newly revived GUAM (Georgia, Ukraine, Azerbaijan and Moldova) and the larger Community of Democratic Choice could lose their rationale and Ukraine's cooperation with the EU in Transnistria, which is grossly disagreeable to Russia, could end.
- They might multiply risks to energy security and diversity, which to a significant extent depend upon Ukraine retaining ownership of its pipeline network. The signal given on 13 July by the Chairman of *Naftohaz Ukrainiy*, in contradiction to all previous assurances, that ownership would be ceded to a 'joint' Russo-Ukrainian entity has not escaped notice in Western capitals. Neither are policy makers in these capitals blind to the risk that Yanukovych will take things further and do everything to facilitate Ukraine's integration into Russia's energy 'space'.

They must also face the reality of Russian interests and Russian influence. The Russian leadership has four reasons to welcome 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 have been 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, whatever her deficiencies, is an astute and courageous politician with the ability and determination to oppose them;
- In particular, they feared that Tymoshenko would 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.

This is a bleak picture. But the worst case is not the only one. It takes insufficient account of the ambivalent business interests that shelter under the Regions umbrella, not to say other business interests in eastern Ukraine. In 2004, Yanukovych wanted Ukraine to become closer to Russia without becoming subordinate to it. He wanted the Russian vector to be Ukraine's primarily vector of policy, but not its sole vector. He therefore needed the West and wanted to keep it in the equation. Is there any reason for this to change? Is there any reason for him or for Rinat Akhmetov, Ukraine's richest man and Regions' ultimate sponsor, to bargain less sharply with Russian business interests than they did before? Is it certain that they would cede important energy interests to Russia without a solid

quid pro quo, and does it stand to reason that they would be more venal or half as incompetent as Yushchenko's inner circle turned out to be since the January 2006 gas accords were negotiated and *RosUkrEnergo* (*Gazprom's* opaque intermediary) was established?

It is not axiomatic at all. Neither is it axiomatic that the West will lose all of its leverage. The positive levers should continue to be what they have been: the diminution of barriers between economies and a momentum of relations that stimulates trade, investment and confidence. The conditions should continue to be what they have been: democracy, transparency, security and a rule based framework for conducting business. Can Regions meet these conditions? It is up to the West to show that cannot do so without making real choices and without changing their behaviour. If Yanukovich embarks on this road, he will soon discover the contradiction between his Party's wishes and its interests. If he refuses to embark upon it, then perhaps someone else in Regions will. If no one embarks upon it, then Regions and its coalition partners will be left with brother Russia. It is not absurdly optimistic to hope that this will not occur. It is not absurd to believe that the quality of government and opposition will improve in Ukraine if the West establishes these rules of the game and enforces them. . But if it closes the book on Ukraine, everyone will lose.

Like Ukraine's democrats, the West's democrats have been defeated by the Orange collapse and Regions' ascendance. Much publicity in Ukraine has been given to the relatively small number of Westerners who have called for an equal coalition between the two, and much is bound to be said about the still smaller number who welcome the hideously unequal coalition that has now emerged. Despite these individuals and their supposed influence, Western governments are not celebrating. Most are saddened and worried. But Regions are now in power, and we have to make the best of it.

Defeat is a harsh teacher. It also has its uses. It provides an opportunity to cleanse the mind, go back to the beginning and renew one's efforts on the basis of a deeper and stronger wisdom. Ukraine is not yet dead. Neither are its prospects in Europe.

(This article was originally published in *Zerkalo Nedeli* [Mirror of the Week], Kyiv, No 28 (607), 22-28 July 2006
in Ukrainian, Russian and (on the web) in English)

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Conflict Studies Research Centre

Defence Academy of the UK
Watchfield
Swindon
SN6 8TS
England

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

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