

**Taking Ukraine Seriously: Western and Russian Responses to the Orange Revolution**

*Derek Fraser*

in Ukraine since 1994. The Orange Revolution and the final outcome of the election went against the prevailing trend in the former Soviet Union toward increased authoritarianism. Furthermore, the victory of Viktor Yushchenko marked the first time since Ukraine became independent in 1991, that a non-communist president replaced an ex-communist leader.

Following the Orange Revolution, its architects began a process of political and economic reform. Nevertheless, the difficulties the reformers faced suggest that their victory in the election was only a staging post on the long road that Ukraine has yet to travel to achieve their goals.

Among the results of the Revolution and its aftermath, which we treat as the period lasting up to the return to power as prime minister in August 2006, of Yushchenko's opponent in the presidential election, Viktor Yanukovich, were:

- *The emergence of a structural basis for democracy.* The presidential election of 2004 and the parliamentary elections of 26 March 2006 confirmed the existence in Ukraine of two broad and, admittedly, fissiparous political streams – the Orange parties in the West and Centre, and the Blue or conservative parties in the East and South. Provided that future elections remain democratic, the difficulty that either tendency will have in permanently dominating the political landscape should discourage absolutism and encourage pluralism and compromise.<sup>2</sup>

Furthermore, the competition among the various political parties, and the political fluidity it implies, should, if the experience of the ex-communist states of Central Europe is any guide, stimulate political and economic reform.

- *Greater political freedom.* The application of “administrative resources,” that is the illegitimate use of state funds and methods of pressure, including assassination, blackmail, judicial and administrative persecution and vote rigging, largely disappeared at the national level as a means of influencing the political process, although misuse of “administrative resources” remains still a factor locally.
- *Greater media freedom.* Ukrainian television was partly de-monopolized and democratized. Gone were the censorship directives that the presidential administration under Kuchma issued to the media. National journalists work in a freer environment, no longer fearful of arrest or violent personal attack. At the same time, the parliament, the *Verhovna Rada*, passed a law prohibiting the media from offering any commentaries, assessments or analyses during an election campaign. Furthermore, local journalists may still face difficulties. According to Viktoriya Syumar, Director of the Institute of Mass Information in Ukraine, the media reported only 12 cases of economic or political pressure in 2005, compared with 60 in 2004. There were only 14 reported cases of censorship in 2005, compared with 52 in 2004.<sup>3</sup> In its 2005 Annual Worldwide Press Freedom Index, Reporters without Borders, the international watchdog for press freedom, raised Ukraine’s ranking from the 138<sup>th</sup> spot in the previous year, to the 112<sup>th</sup> place out of 167 countries. By comparison, Russia ranked 138<sup>th</sup>.

governing business activity were eliminated. To reduce the temptation to take bribes, salaries for officials were increased. Corrupt practices were prosecuted. While the government lowered the income tax rate, by reducing tax evasion, it managed to increase tax revenues. As a result of these and other steps, the government shrank the shadow, or illegal economy. The Financial Action Task Force, the international body that monitors money laundering, removed Ukraine from its black list of countries that fail to deal with the problem. Both the United States and the EU granted Ukraine market economy status. In its 2005 Corruption Perceptions Index, Transparency International, the global anti-corruption association, raised the ranking of Ukraine according to the degree of corruption, from the 122nd spot in 2004, to the 107<sup>th</sup> place in 2005 out of 159 countries. In the same time period, Russia dropped from 90<sup>th</sup> place to 126<sup>th</sup>.<sup>5</sup>

As a result of these and other reforms, Freedom House, the US non-governmental organization devoted to promoting human rights and democracy, in its report “Freedom in the World 2006,” judged Ukraine to be now “free” instead of, as it was previously, “partly free.” It raised Ukraine’s marks for political rights and civil liberties, on a scale from the best to the worst standards of one to seven, from 4 in 2004 to 2 in 2006. In the same time period, Russia was classified downward from being “partly free” to “not free.” Its score declined from 5 to 6 for political rights, while remaining at 5 for civil liberties.<sup>6</sup>

Much still remains to be done, to overcome the burdens of Ukraine’s past. The culture of patronage, in a wide variety of areas ranging from the appointment and promotion of officials, to the awarding of contracts, has not yet been replaced by a culture of merit. The state bureaucracy remains largely unreformed; the legal process is

not yet entirely independent; regulations are neither impartial nor clear; contracts are difficult to enforce; property rights are still not well protected; and the Ukrainian economy and political process remain largely dominated by oligarchs who can still block foreign investments. It will therefore take a while to establish conditions for promoting competition and restraining unfair trade practices.<sup>7</sup> The slow pace of economic reform meant that Ukraine's rating in the Index of Economic Freedom 2006, published by the Heritage Foundation and the *Wall Street Journal*, has – on a five-point scale where a score of one is highest and a score of five is lowest – improved only marginally, from 3.49 in 2004 to 3.24 in 2006. In comparison, Russia scarcely budged from its 2004 score of 3.51 to 3.50 in 2006.<sup>8</sup>

The break-up in September 2006 of the coalition between the two principal Orange parties – President Yushchenko's Our Ukraine and Prime Minister Tymoshenko's *Batkivshchyna* – owed much to a persistence of authoritarian patterns of thought and behaviour, and a poor understanding, even among the reformers who had headed the Orange Revolution, of the rules of the game of a functioning democracy and a market economy. Other factors were President Yushchenko's poor management skills and political judgement, possibly worsened by the precarious state of his health following the attempt, by apparently unknown assailants, to poison him during the election campaign.

The art of compromise does not come easily to an authoritarian culture, nor does respect for the rule of law. In forming their coalition after the presidential election, the two Orange parties had not agreed on a detailed action programme or worked out an adequate system of policy coordination. Instead, the President duplicated in his administration some of the functions of the Cabinet, so as, in the view of several political

observers, to block the government from carrying out policies he opposed. In doing so, the President sometimes ignored the law. The Prime Minister interfered in the economy using methods borrowed from the communist era. Officials of the Orange Coalition repeatedly bullied the judiciary to render favourable decisions, and attempted, through dubious means, to force some of the oligarchs associated with President Kuchma to divest themselves of their media holdings.

The President's bad judgement and his difficulties in treating his allies as equals came to the fore in his actions in the dissolution of the coalition and subsequently. The alliance between Yushchenko's party and Tymoshenko's party was essential for success in the reform programmes and for victory in the parliamentary elections in March 2006. In spite of the coalition's importance, when in September 2005 one of Tymoshenko's allies brought forward accusations, which seem to have been well founded, of corruption against particular officials in the President's administration, Yushchenko dismissed Tymoshenko, after she refused to place her party under his control.<sup>9</sup>

This split, coupled with Yushchenko's lack of experience in mustering support in Parliament, forced him, in order to get parliamentary approval for Yuriy Yekhanurov as her successor, to enter into a tactical alliance with the man who had been his opponent in the presidential election in the previous year: Viktor Yanukovich. Yanukovich had a criminal record and as prime minister at the time, was implicated in the political oppression and monstrous electoral frauds that had led to the Orange Revolution in the first place. One of the terms of Yushchenko's agreement with Yanukovich was that members of the previous regime would not be prosecuted for their crimes. Yushchenko's break with Tymoshenko, and his agreement with Yanukovich, may have rescued

Yanukovych from marginalization. Certainly both events contributed to a serious decrease in public support for Yushchenko in the parliamentary elections in March 2006.

Membership in the WTO is central to Yushchenko's policy of joining Western economic institutions. Although it was important that the *Verhovna Rada* should pass a series of bills that were a condition for Ukraine's admission, Yushchenko did not do the necessary lobbying. As a result, half the bills were defeated.

A similar scenario played out in January 2006. As a result of the lack of support from members of Yushchenko's own party, due in part to a lack of lobbying by the government and the presidential administration, the *Verhovna Rada* passed a motion of non-confidence against the government for its handling of a gas dispute with Russia.

After the parliamentary election in March 2006, the inability of the reformist parties

authoritarianism to pluralism. As a result, Ukraine has had no culture of pluralism or memory of democracy to draw on. It also has had no knowledge of a market economy. In addition, Ukraine had experienced no previous period of existence as an independent state to give it a sense of national cohesion. At the moment of its declaration of independence, it also lacked much of the apparatus of a state, since the sole function of the limited governmental structure in place at the time of the Ukrainian SSR had been to carry out the decisions of the Central Committee of the Communist Party of the Soviet Union.

If Ukraine's past and present are a prologue to its future, Ukraine's progress towards a stable democracy and a prosperous market economy may, in spite of the Orange revolution, continue to be slow.

### **The Russian Big Brother**

Another factor that acts as a brake on Ukraine's progress along the road of reform, is Russian interference. Most Russians find it difficult to conceive of a Russia without Ukraine. For the Russians, Kyiv was the first Russian capital: the tsars buried there were Russian, the Sofiisky Sobor was the first Russian cathedral, and the Percherska Lavra was the first Russian monastery. The Treaty of Pereiaslav of 1654, which, for many Ukrainians, signifies the beginning of Russian domination, is regarded by Russians as the restoration of the unity of the Russian lands, destroyed by the Mongol invasion in the thirteenth century.<sup>10</sup> As a consequence, public opinion polls in Russia have shown that about three-quarters of the population thinks that Russia and Ukraine should form a single country. According to a September 2005 poll carried out by the Levada Centre in





•

journalist Heorhiy Gongadze, and other crimes, to pressure Ukraine into joining the CES. Had Yushchenko not, on assuming office as President, limited the extent of any Ukrainian association with the CES to that of a free trade zone, Ukraine would have been prevented from joining the WTO or the EU, except in tandem with Russia. Since Viktor Yanukovich became prime minister in August 2006, Russia has resumed its pressure on Ukraine to become a full member of the CES.

In the presidential election of 2004, Russia followed its practice in the parliamentary elections of 2002 of funding its favourites. It reportedly supplied about half the campaign expenses for Kuchma's chosen successor, Viktor Yanukovich.<sup>15</sup> Putin's "political technologists" gave tactical advice to both Kuchma and Yanukovich.<sup>16</sup> The same technologists helped write the illegal censorship directives for the Ukrainian media.<sup>17</sup> Russian television campaigned on behalf of Yanukovich, and Putin himself visited Ukraine twice during the campaign to show his support. Finally, the Russian government may have been involved in at least two of the three or four assassination attempts against the opposition candidate, Viktor Yushchenko.<sup>18</sup>

### **The implications of the Orange Revolution for Russian-Ukraine relations**

For Russia, shock at the victory of the Orange Revolution went beyond the apparent loss of any early prospect for increasing Russian influence in Ukraine: The Orange Revolution gave a fillip to political turmoil elsewhere in the former Soviet Union – the Tulip Revolution in Kyrgyzstan in March 2005 and the uprising in Uzbekistan in May 2005 – and awakened fears in the Kremlin that the Ukrainian experience might serve as a model for political change in Russia itself.

The growing gap between Russian and Western interests and understanding also contributed to the threat perception that the Orange Revolution had inspired in Moscow. The Revolution was regarded by leading Russian politicians as the result of a Western coup.<sup>19</sup> It strengthened the trend in Russian foreign policy to adopt a defensive posture toward the West, strengthen ties with other former Soviet republics, and develop closer relations with other countries, such as China.

The policies of the reformers strengthened this threat perception. Besides blocking

- Any weakening of the integration processes within the Commonwealth of Independent States (CIS).<sup>20</sup>

For Russia, Ukraine's membership in NATO would put Russian control of its Black Sea naval base at Sevastopol in jeopardy, and make the defence of European Russia difficult. According to Dmitri Trenin, a senior associate of the Carnegie Moscow **Centre**, writing in an article in *Nezavisimaya Gazeta*, Moscow's principal goal is to stop the "conveyor belt" moving Kyiv toward NATO. To this end, Russia is willing to risk a "real conflict" with Ukraine.<sup>21</sup>

Following Yushchenko's victory in the presidential election of 2004, the Russian government, therefore, renewed its efforts to bring about a government in Ukraine favourable to Russian interests. The return of Yanukovych as prime minister is not likely to lessen Russian concern at the future direction of Ukraine. The political situation in

in which the price increase was handled, suggest that the main aim of the increase was political: The 2003 Energy Strategy of the Russian Federation to 2020 states that the country's fuel and energy complex is "an instrument for the conduct of internal and external policy. The role of a country in world energy markets largely determines its geopolitical influence."<sup>22</sup> Gleb Pavlovsky, one of Putin's leading political technologists, declared: "I think that the most important outcome of the gas conflict is not the additional \$3 billion or so that Gazprom intends to earn from the deal with Ukraine, but the experience we have gained of conducting a policy aimed at becoming a great energy power."<sup>23</sup>

Just after his resignation, Andrei Illiaronov, a former economic adviser to President Putin, described, in an interview with *Time* magazine, the price hike as a political weapon. The price was discriminatory, and the way in which it had been proposed was deliberately provocative, so as to prevent the dispute from being settled before the parliamentary elections of March 2006. One of the other aims of the increase was to take over the Ukrainian gas transit pipeline.<sup>24</sup>

Russia had torn up its existing gas agreement with Ukraine, concluded in 2004 and valid until 2009, which established a gas price of \$50 per 1000 cubic metres. Instead, Russia insisted on increasing the price with no transitional period to \$230 per 1000 cubic metres on 1 January 2006. To pressure Ukraine into yielding to its demands, Russia not only blocked gas shipments that were payment to Ukraine for providing the transit for Russian gas bound for Western Europe, but also the shipments of gas from Turkmenistan that the Ukrainians had bought directly from the Turkmenis.

When the Ukrainians continued to take the gas they regarded as theirs from the common pipeline supplying both Ukraine and Western Europe, there was an outcry from West Europeans at the loss of gas. The protests of the West Europeans led Russia eventually to agree to a compromise price.

Russia associated its new price, however, with conditions that, according to the leading weekly newspaper in Ukraine, *Dermal Tychy*, and other sources, were likely to bring Russia closer to its a

*Journal*, Russian Deputy Prime Minister and Minister of Defence Sergei Ivanov described the tasks of the Russian armed forces, stating, “Our



restraint on Russian behaviour towards Ukraine. This element of Russian foreign policy was apparent when, in response to Western criticism, Russia backed down on its suspension of gas shipments to Ukraine. In spite of existing tensions, we believe that further development of Russia's relations with the West, especially in the economic field, remains one of the country's primary goals. Nevertheless, even within certain limitations on its behaviour, Russia can still do serious harm to Ukraine

### **How the West Might Support Ukraine**

In his article in *Nezavisimaya Gazeta*, Dmitri Trenin noted, "The accelerated transformation of the countries of the CIS in the direction of political democracy, the free market and civil society is possible only with the support and serious assistance of the West."<sup>28</sup> The return of Yanukovich as prime minister in August 2006 shows how long the road to a stable democracy and a genuine independence is likely to be for Ukraine.

To help the reformers in Ukraine achieve their goals, Western policy toward Ukraine might be guided by two principles:

- First, since reforms in Ukraine will not come quickly, and Russian hostility towards reform and increased Ukrainian independence will not disappear easily,





the West. The reformers' task of winning over Ukrainian public opinion is not an easy one. According to a poll conducted by the Democratic Initiatives Fund in January 2006, 56.8 percent of Ukrainians support Ukrainian membership in the CES, while only 42.6 percent back membership in the EU.<sup>34</sup> Another poll held in December 2005 by the Razumkov Economic and Political Studies Centre in Kyiv, found that 42.2 percent of the population consider that ties with Russia should have priority, while only 25.4 percent would give the same importance to ties with the EU. Only 16 percent of the Ukrainian population were in favour of NATO membership, while 61.4 percent were opposed.<sup>35</sup>

While President Yushchenko maintains his support for Ukraine's early entry into NATO, Prime Minister Yanukovich has insisted that Ukraine is not ready to join, although he does not rule out eventual membership. He does favour continuing co-operation with the Alliance. He nevertheless has echoed Russian calls for an early referendum on Ukrainian membership, apparently so as to kill the idea for the foreseeable future. He has disbanded the Interdepartmental Committee on Euro-Atlantic Integration. He has cut funds for the government's two NATO information programmes by 40



## Endnotes

---

<sup>1</sup> Kuzio, Taras, **Revisiting the Orange Revolution, Considerable Gains Made**, Eurasia Daily Monitor, Washington, Vol. 2 Issue 217, 21 November 2005.

<sup>2</sup> Sherr, James, **The New Coordinates of Ukrainian Politics**, Nezavisimaya Gazeta (Moscow), 10 April 2006 - #15, The Ukraine List, #387, Ottawa, 10 April 2006.

<sup>3</sup> **Ukrainian Media Ownership Still a Concern**, Associated Press, Kyiv, 3 May 2006, #20, Action Ukraine Report, #694, Washington, 5 May 2006.

<sup>4</sup> **Press Freedom Index**, Reporters Without Borders, Paris:  
<[http://www.rsf.org/rubrique.php3?id\\_rubrique=554](http://www.rsf.org/rubrique.php3?id_rubrique=554)>

<sup>5</sup> **Corruption Perceptions Index 2005**, Transparency International, Berlin,  
<[http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/2005](http://www.transparency.org/policy_research/surveys_indices/cpi/2005)>

<sup>6</sup> **Freedom in the World 2006**, Freedom House, New York  
<<http://www.freedomhouse.org/uploads/pdf/Charts2006.pdf>>

<sup>7</sup> **Ukraine Risk: Risk Overview**, Economist Intelligence Unit, New York, 2 February 2006 - #19, Action Ukraine Report

---

<sup>24</sup> Zarakovich, Yuri, **Q&A: Putin's Critical Adviser**, Time.com, New York, 31 December, 2005 - #18, Johnson's Russia List #1, Washington, 1 January 2006

<sup>25</sup> Ivanov, Sergei, **Russia must be Strong**, Wall Street Journal, New York, 11 January 2006 p.A-14 - #4, Action Ukraine Report #646, Washington, 3 January 2006

<sup>26</sup> Lipman, Masha, Washington Post