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Ukraine's Party of Regions: Domestic and Foreign Policy Objectives

At a recent protest on Kiev's Maidan Nezalezhnosti (Independence Square, which once housed masses of people protesting during the Orange Revolution), Viktor Yanukovich, the leader of the Party of Regions (PoR) declared, «This Maidan in the history of independent Ukraine rendered it a very bad service... In 2004 from this Maidan the authorities, which brought the [current financial] crisis, came to Ukraine... waging a fight against us – the opposition – in a different way... pursuing us in 2005»¹.

Yanukovich's speech in the Maidan echoes Viktor Yushchenko's² words and his tone of discontent with the regime in power. In 2004, on the same Maidan where Yanukovich now speaks, masses of people gathered to hear Yushchenko's words, «For 14 years we have

suffered the tyranny of Kuchma, Medvedchuk and Yanukovich. It's all in the past now. Our future is a new, independent and free Ukraine»³. The peaceful protest in Kiev and the outrage of the international community with the fraudulent election put pressure on the authorities for a run-off vote (November 21, 2004) resulting in the victory of Viktor Yushchenko and his "Orange" allies.

Has the make-up of the PoR changed dramatically since the Orange Revolution or has the context within which it operates given it the opportunity to recover from its leader's defeat in 2004? Indeed, the PoR has evolved, both internally in its power-base and externally in the way that it is perceived by the general public as well foreign and domestic analysts.

The origins of the Party of Regions

The predecessor of the PoR was the Party of Regional Revival of Ukraine (PRRU), which was created in 1997. Vladymir Rybak, the former mayor of Donetsk (located in eastern Ukraine), became the

¹ V. YANUKOVYCH, «The only thing the authorities have been stable at in this country is deceiving that part of Ukraine which trusted them», in Party of Regions Official site, *Speech by the Party of Regions Leader at a mass protest meeting on Independence Square*, 03.04.2009, <http://www.partyofregions.org.ua/eng/pr-east-west/49d60475ac5bb/>.

² In October 2004, Yushchenko's team opposed Yanukovich in the contested presidential elections, whilst shaming the Party of Regions (PoR), linking it to Leonid Kuchma's regime.

³ V. YUSHCHENKO, *Yushchenko's New Year's Speech on Maidan*, December 27, 2004, <http://eng.maidanua.org/static/enews/1104119894.html>.

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Abstract

According to the Razumkov Centre, Viktor Yanukovich lead in the polls last conducted in March 2009 that asked Ukrainians how they would vote in the next presidential election.

The support for Yanukovich and his Party of Regions (PoR) may be surprising, given the memories of the Orange Revolution when thousands of people went to protest about the fraudulent election for which Yanukovich and his team were blamed.

The election resulted in the victory of Viktor Yushchenko and his "Orange" allies.

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leader of the party. One of the milestones in the party's history, according to its information officer, was the 1999 Party Convention, where members decided to support Leonid Kuchma in his presidential re-election. In turn, the PRRU members asked Kuchma to support programmes that would empower the regions and legalise the use of Russian as the second state language. In the following years, the Party took several other measures to prepare for the 2002 parliamentary elections⁴.

In 2000, several parties – the Party of Ukrainian Solidarity, the Labour Party, the All-Ukrainian Pensioners' Party and the Party for "Beautiful Ukraine" – decided to join the PRRU which subsequently changed its name to the Party of Regional Revival "Labour Solidarity of Ukraine"⁵. The Party drew most of its support from south-eastern Ukraine, especially the Donetsk region, both leadership and electorate-wise. Many leaders of the PoR followed the path of other post-Soviet elites, who «transformed their political

influence into economic power»⁶.

Prior to the parliamentary elections of 30 March 2002, the PoR joined the "United Ukraine" alliance, a pro-government group that directly supported Leonid Kuchma. During the elections, the United Ukraine alliance gained 11.8% of the votes. In November of the same year, Viktor Yanukovich assumed the post of prime minister. Yanukovich soon became the chairman of the party (19 April 2003) and a year later accepted the nomination to run for president of Ukraine.

The pre-election image of Yanukovich attempted to portray him as a strong, reliable and predictable politician. Despite his poor childhood, he quickly became a transport executive and eventually a governor of the Donetsk region, «home to more than three million people and the economic powerhouse of Ukraine»⁷. During this time, he acquired many business and political links in this region, the home to a powerful clan-based network.

Despite efforts to create a popular figure before the 2004 presidential elections, links to Leonid Kuchma – the serving president at that time, who was accused of corruption and infringements of democracy – soon besmirched Yanukovich's the image. His history of imprisonment when he was

young (aged 17 and 20) for "violent crimes" also helped to discredit Yanukovich as a respectable and strong leader in the eyes of some Ukrainian voters⁸.

Party of Regions in "Post-Orange" Ukraine: Identity Crisis or Chance for Renewal?

As the origins of the PoR reveal, it evolved from the merger of multiple parties. Although it was united in its goal to promote regional and business interests (especially in south-eastern Ukraine), these interests were not unanimous. All of this meant the stress and humiliation of the Orange Revolution not only left a mark on Yanukovich's identity as a political leader, but also had a profound effect on the power balance within the Party (many deputies switched from party to party depending on the regime in power)⁹.

Some members of the PoR blamed Yanukovich for the party's losing the 2004 election. Ultimately, many key members also understood that the "Yanukovich brand" was still powerful. After all, even though he lost to Viktor Yushchenko in presidential elections, a substantial number (44%) of Ukrainians cast their votes for him. It was Yanukovich who «was much closer to the losers, fishermen, and foul-mouthed than the hard Kolesnikov or the pragmatic Akhmetov [prominent members and

⁴ See Party of Regions 2007, in «Nasha Istoriia», on the Party of Regions Official Information Server: <http://www.partyofregions.org.ua/meet/history/>.

⁵ At that time, its leadership ranks included Vladimir Rybak, Petro Poroshenko, Valentyn Landyk, Mykola Azarov, Efim Zviagyl's'kyi and Leonid Chernovets'kyi. In March 2001, the party changed its name to "The Party of Regions". Some analysts considered Poroshenko and Azarov among the most influential members, both were ambitious and the latter became the leader of the party (see LIGA, 2007).

⁶ T. KUZIO, *Oligarchs wield power in Ukrainian politics*, in «Eurasia Daily Monitor», The Jamestown Foundation, 2008, p. 2.

⁷ BBC News, *Profile: Viktor Yanukovich*, 2007, p. 1, <http://news.bbc.co.uk/go/pr/fr/-/1/hi/world/europe/4038803.stm>.

⁸ BBC News, *Profile: Viktor Yanukovich*, cit.

⁹ Interviews by the author with PoR deputies support this point.

major sponsors of the PoR]»¹⁰. In other words, the wealthy businessmen who dominated the ranks of the PoR did not resonate with the majority of the party's electorate. Yanukovich's personal rating remained strong and at times was higher than that of his Party¹¹.

Moreover, the context within which the PoR operated also provided it with ample opportunities to recover and strengthen its image among its core electorate. After a short-lived unity between Viktor Yushchenko and Yulia Tymoshenko, their co-operative relationship soon ended. Since 2005, public conflicts between these two political forces have become the source of much instability in Ukraine, causing what some academics termed "Ukraine fatigue"¹². This "fatigue" translates not only into the way Ukraine is viewed by the international community, but also to growing feelings of disappointment among Ukrainians who supported the "Orange" alliance¹³.

¹⁰ S. HARMAS, *The Party of Regions is Changing its Face or Akhmetov in the Role of Prime Minister*, in «Ukrayinska Pravda», 01.12.2005, http://www.ukrainianstudies.uottawa.ca/ukraine_list/ukl370_7.html.

¹¹ When asked which national leader people trusted more, 34.2% chose Yanukovich (33.5% chose Yushchenko and 36% Tymoshenko) (D. AREL, 2006:3).

¹² A. WILSON, *Ukraine Goes to the Polls: Another Year, Another Crisis?*, European Council on Foreign Relations, October 3, 2007.

¹³ See Centre of Sociological Studies "Sofia", *Rezultaty sociologichnogo doslidzhennia 'Otsinka roboty vlady v umovakh kryzy. Reityngy elektoral'noii*

In 2005, a poll conducted by the Kiev International Institute of Sociology (KIIS) revealed the growing popularity of Yanukovich and his party. The ratings showed 26.6% support for the PoR, 16.2% for the Tymoshenko Bloc and 14.2% for Yushchenko's "Our Ukraine"¹⁴. It was evident that the PoR had not only survived the defeat suffered in 2004, but also retained its role among the leading players in Ukrainian politics. The polls also demonstrated that there were three major centres of power, limiting options for alliances but creating many opportunities for deadlock¹⁵.

The 2006 and 2007 Parliamentary Elections

Before the 2006 parliamentary elections, the Party revamped its campaign for the vote scheduled for 26 March. The BBC pointedly commented about the reinvention of Yanukovich's image, stating, «...he skilfully made use of the tactics that helped the

pidtrymky politychnykh partii ta pretendentiv na posadu Presydena', 2009, <http://www.sofia.com.ua/page112.html>.

¹⁴ D. AREL, *Three Months Before the 2006 Parliamentary Elections: The Latest KIIS Survey Yanukovich and the Orangists Head to Head, Regional Factor as Strong as Ever*, Kiev International Institute of Sociology, 2006, <http://www.kiis.com.ua/index.php?id=4&sp=1&num=5&lng=eng>.

¹⁵ There were other deal-breaking parties, whose ratings were lower than those of the three major ones, but who nonetheless were able to win seats in the parliament and at times play a crucial role in coalition-building, such as the Communist Party, the Lytvyn Bloc and the Socialist Party.

Orange Revolution to triumph – employing American consultants, staging rock concerts and prominently displaying his blue-and-white flags and banners on tour»¹⁶. The Party gained 32.12% of the votes and 186 (out of 450) seats in the Verkhovna Rada, forming the largest parliamentary group¹⁷.

The 2006 elections were particularly important as they served as a test case for the political reform which had transformed the country from a presidential to a parliamentary republic¹⁸. After several months of negotiations and political power struggle, Yushchenko decided to accept a coalition of the Party of Regions, the Socialists and the Communists. Viktor Yanukovich returned to his former post of Prime Minister, while Yulia Tymoshenko became the cornerstone of the new Opposition.

In 2007, President Yushchenko dissolved parliament again¹⁹

¹⁶ BBC News, *Profile: Viktor Yanukovich*, cit.

¹⁷ Forty-five parties participated in the election; in addition to the Party of Regions, four other parties garnered at least 3% of the votes enabling them to enter parliament. These parties included the Yulia Tymoshenko Bloc (129 seats), President Viktor Yushchenko's Our Ukraine (81 seats), the Socialist Party (SPU) (33 seats) and the Communist Party (CPU) (21 seats) with Oleksandr Moroz and Petro Symonenko as their leaders, respectively. *The Make-up of the New Verkhovna Rada*, in «Ukrayinska Pravda», January 4, 2006.

¹⁸ See J. MAKSYMUK, *Ukraine: An Endgame For the Orange Revolution?*, Radio Free Europe/Radio Liberty, March 23, 2006, p. 1.

¹⁹ This was due to an internal power struggle between President Yushchenko and Prime Minister Yanukovich. Their relationship has

and called for another election. Scheduled for September 30, the Party of Regions gained 34.37% and 175 parliamentary seats out of 450. Despite a strong showing during the elections, Yanukovych did not assume the role of Prime Minister²⁰.

Party of Regions' Electorate

The majority of the PoR's supporters come from the south-east of Ukraine, which is a predominantly industrial, Russian-speaking region. The 2004 presidential elections showed that Ukraine's voting pattern split the country in half: the Orange bloc, which is mainly associated with Tymoshenko and Yushchenko; and the anti-Orange bloc, which includes the Party of Regions and the Communist Party.

Analysing poll taking in 2005, Arel pointed out, «What these numbers suggest is that the 2006 election will be extremely close. The Party of Regions and their natural ally, the Communist Party, would combine for 44.8% of the seats, while the two Orange blocs (Tymoshenko and Yushchenko) are currently at

44.5%»²¹. In terms of regional dimension, the poll showed that "anti-Orange" parties were popular in the east (78.4%) while the "Orange" parties were popular in the west (74.2%)²².

Considering that the PoR gears its policies toward its electorate (while also trying to gain support from those who traditionally vote for the "Orange" parties), it is important to analyse briefly the policy preference of this region. The study conducted by the Razumkov Centre in Kiev demonstrates that around 57% of Russian-speaking citizens want Russian to be a second state language, with a quarter wanting to see it «an official language in some regions of the country»²³.

Moreover, the study shows evidence of nostalgia for the USSR among some members of the Ukrainian population, especially pensioners who were among Yanukovych's core supporters during the 2004 presidential campaign. About one-third of the Russian-speakers identify closely with Soviet culture (as opposed to 6% who relate to European culture). At the same time, about one-third of the Russian-speakers «identify

themselves as bearers of the Ukrainian cultural tradition»²⁴.

Party of Regions' Policy Goals: Declaration and Implementation?

While in opposition and during the pre-election campaign, Yanukovych was true to his supporters' preferences. In his speeches he reaffirmed the traditional PoR programme²⁵. The main issues continued to be support for Russian as a second state language, opposition to Ukraine's NATO membership (at least without staging a national referendum), strong ties with Moscow, increased regional influence within Ukraine, greater funding for social sectors (higher spending on education, increased financial support to families with children, affordable housing and help for the unemployed).

When President Yushchenko agreed to Yanukovych becoming Prime Minister (after the 2006 parliamentary elections), many analysts had mixed views. Some predicted that with Yanukovych at the helm of the government, there would be a shift towards a pro-Russian foreign policy. This was logical, given the Party of Region's programme and the electoral statistics discussed earlier that highlight almost equally divided support for the "Orange" and the "anti-Orange" (also referred to as

been subject to many public disputes, with tensions escalating over Ukraine's plans to pursue NATO accession and the dismissal of Borys Tarasyuk, the Minister of Foreign Affairs and a staunch supporter of Ukraine's accession to the EU.

²⁰ Yulia Tymoshenko, whose bloc also received strong support (and a substantial increase in votes compared to 2006), became prime minister. BYT joined forces with "Our Ukraine" to form a ruling coalition.

²¹ D. AREL, *Three Months Before the 2006 Parliamentary Elections*, cit.

²² Further breakdown shows that in the south of Ukraine, "Orange" parties gained 22.0% support and anti-Orange 54.9%, while in the central region the figures stood at 57.0% and 18.3% respectively (D. AREL, 2006: 3, cit.).

²³ Y. YAKYMENKO, *Russian-Speaking Citizens of Ukraine: "Imaginary Society" as it is*, Razumkov Centre, 2008.

²⁴ *Ibidem*.

²⁵ V. YANUKOVYCH, *Zhodne vazhlyve rishennia v nashii kraini nikoly ne bude pryiniato v obkhid Partii regioniv*, in «Dzerkalo Tyzhnia», 13 (592) 8-14 April 2006.

“Blue”) teams²⁶, thus fitting the “East versus West” paradigm²⁷.

The reality, however, has proved to be more nuanced. During the period when the PoR was in power, the Russian language did not become the second state language. In terms of economic reforms, the PoR had much more in common with “Our Ukraine” (unlike the Bloc of Yulia Tymoshenko). Despite its pre-election slogans, the PoR favoured liberal economic policies. As mentioned above, the Party is composed of many wealthy businessmen who made their fortunes in the 1990s. Even though some of them have strong links with Russia and still resist greater transparency, in recent years Western European markets have become more attractive to them²⁸.

²⁶ “Blue team” (the PoR) and the “Orange team” (Yuliya Tymoshenko’s Bloc-BYT and the pro-presidential Our Ukraine People’s Self-Defence Bloc-NUNS, allies during the Orange Revolution (I. SOLONENKO, 2007: 1-2).

²⁷ I. SOLONENKO, *Ukraine’s 2007 parliamentary elections: implications for the foreign policy and international perception*, International Renaissance Foundation, 2007.

²⁸ This author’s interviews with PoR members of parliament support this point. Moreover, some justified their pro-Western liberal arguments, explaining that by raising standards to reach European norms, Ukrainian companies would be likely to not only increase their competitiveness and customer base – especially considering that Europe, with its population of approximately 450 million, is much more affluent and stable in its economic development than Russia – but also increase

In 2007 on Yanukovich’s request, Rinat Akhmetov (considered to be the wealthiest person in Ukraine and a powerful member of the PoR) established the Foundation for Effective Governance. This \$50-million initiative is funded by Akhmetov, who has hired leading global consultancies to develop economic projects tailored to specific regions in Ukraine (in both western and eastern Ukraine). At the launch of the initiative, Akhmetov stressed that «the Foundation for Effective Governance has been established to contribute to Ukraine’s economic growth and to make its economy more competitive with Europe and globally»²⁹.

In terms of foreign policy, despite a cautious reaction from the international community to Yanukovich’s return to power³⁰, neither the newly appointed Prime Minister nor those close to him challenged the pro-Western policy (on which President Yushchenko insisted). They appeared to support it fully, at least in the first few months. In the *Washington Post*, Yanukovich declared, «President Yushchenko and I also agree that Ukraine has made a choice for Europe and will pursue closer relations with all European and Euro-Atlantic institutions»³¹.

their prestige in the domestic market.

²⁹ Foundation for Effective Governance, *Foundation News*, 2007, http://www.feg.org.ua/ru/news/foundation_news/2.html, p. 1.

³⁰ *Europeans Lost Between Two Viktors*, in «Ukrayinska Pravda», January 21, 2007.

³¹ V. YANUKOVYCH, *Ukraine’s Choice: Toward Europe*, in «The

There was, however, a clear shift within the pro-EU government discourse. Yanukovich stressed cooperation in the economic sphere in particular, while pressing less for EU membership. Although officially it remained a long-term goal, EU membership was not listed as an immediate, pressing issue as was the case after the Orange Revolution. Economic reforms topped the list in a speech delivered in the US and that listed the main priorities in Ukraine’s foreign and domestic policies³².

Moreover, there has been a separation and change in policy within the Euro-Atlantic framework between the sections dealing with issues pertaining to EU integration and those dealing with relations with NATO. Unlike for EU membership, Yanukovich set the following conditions for joining entering NATO, «We [the Ukrainian government] intend to pursue defence reforms... [b]ut when an invitation is extended, we will hold a referendum in which the Ukrainian people can make their choice»³³.

Despite overall pro-Western foreign policy statements, Yanukovich’s general approach “stretched” the pro-EU foreign policy and shifted it to accommodate the pro-Russian course. A *Kiev Post* editorial noted, «At first glance, Yanukovich seems to be the more cautious politician. But this week he appears to have shown his true colours by publicly saying

Washington Post», October 5, 2006.

³² *Ibidem*.

³³ *Ibidem*, p. 1.

his country would only decide which union to join – an economic pact with Russia or the EU – after boosting living standards and economic growth»³⁴. Yanukovich also reaffirmed his position, arguing that Ukraine's relations with Russia are «inalienable to Ukraine's European choice»³⁵.

One issue – namely the subject of trade – deserves particular attention as it encompasses both domestic and foreign policy. When Yanukovich was in power, Ukraine's parliament passed all the major pieces of legislation necessary for WTO accession. It is difficult to conclude who should receive credit for pressing parliament to pass the necessary laws despite a ferocious opposition lobby. On the one hand, the Party of Regions had the greatest number of votes and their support proved crucial. On the other, some commentators argue that it was Yushchenko's persistent efforts that should be credited whilst Yanukovich was «stalling on WTO legislation...»³⁶.

In an article published by the *Financial Times*, Olearchyk argued that Yanukovich's coalition tried to delay WTO accession in order to accommodate Russia's interests³⁷. Russia also promoted

the idea of a Common Economic Space to be created among the CIS, but this may harm Ukraine's aspirations to pursue European integration³⁸. Despite this, Yanukovich regularly stressed that, «we should concur with the idea of Common Economic Space and there is no other alternative...»³⁹.

It is evident that the Party of Regions is not unanimous in its preferences of which policies to pursue. Several analysts have pointed out the growing gap between divergent interests within the Party⁴⁰, and some prominent members left the party. Raisa Bohatyrova, one of the Party's core leaders, was dismissed after she accepted Yushchenko's offer to become secretary of the National Security and Defence Council (NSDC). The PoR expelled Bohatyrova, but the decision was not unanimous. She was a friend of Akhmetov and was thought to be supported by his "people" in the Party. Taras Chornovil was a prominent leader who voluntarily left the Party of Regions, and subsequently criticised its internal structure. Several publications have also mentioned that the Party may have undergone a change in its key financiers, thus

signalling a change in its power dynamics⁴¹.

Party of Regions and 2009 Challenges: Economic Crisis and Gas Dispute

The beginning of 2009 has been a challenging time for Ukraine's economy and its international image. Its reputation has been seriously challenged by the gas dispute with Russia, internal political instability and the global economic crisis. In all instances, the PoR remained critical of the Tymoshenko government and took measures to strengthen its opposition.

On the occasion of the dramatic events of January 2009, the PoR criticised the "Orange" coalition for being incapable of reaching a compromise and for ruining Ukraine's image as a reliable partner in both Europe and Russia. After the crisis was over, the PoR blamed Yulia Tymoshenko for reaching an agreement with Russia with prices that were too high for Ukraine. Moreover, Tymoshenko's tactics were described as corrupt and in need of further investigation. Consequently, the PoR created a Special Investigating Commission to evaluate the government's actions in resolving the crisis.

In terms of the economy, Ukraine was particularly heavily hit by the global crisis. Falling steel prices affected Ukraine's heavy industries and spilled over into other sectors of its real economy.

³⁴ *Wrong message from Brussels*, in «Kiev Post», Opinion Editorial, 2007, <http://www.kyivpost.com/opinion/editorial/25931/>.

³⁵ *Yanukovich Zibraviya Sperechatysia z levrokomisarom Pro Vstup do leEs*, in «Ukrayinska Pravda», January 26, 2007.

³⁶ R OLEARCHYK, *Europe: Boost for Ukraine's WTO ambitions*, in «Financial Times», December 14, 2006.

³⁷ *Ibidem*.

³⁸ O. SHUMYLO, *Ukraine and the European Neighbourhood Policy Ensuring the Free Movement of Goods and Services*, in «CEPS Working Document», 240, 2006, p. 22.

³⁹ V. YANUKOVYCH, 2008, <http://www.ya2008.com.ua/eng/visitors/4933b2515fe2a/>.

⁴⁰ S. DOROSH, *Partiia Regioniv: vyborcha kampaniia pid starymy haslamy*, BBC Ukraine, Kiev, October 22, 2008.

⁴¹ *Ibidem* and P. VUETS, *Vozvrashcheniie Rinata: ocherednaia perestankovka sil v Partii RegionovIn*, in «Fokus», 2009.

According to World Bank estimates, Ukraine's economy will shrink by 9%. Moreover, the World Bank has forecast a deteriorated inflation rate for Ukraine, with a rise from 13.6% to 16.4% in 2009⁴².

During the gas conflict, it appeared that powerful business groups were disrupting the negotiations. From when Yulia Tymoshenko first assumed office, she was a strong opponent of gas intermediaries and especially RosUkrEnergo (RUE), some of whose founding members were PoR leaders. Specifically, the strong supporters of the RUE were Yuri Boiko, the former energy minister and Sergei Levochkin, the former head of the Kuchma presidential administration. As part of the agreement with Russia, Tymoshenko demanded that RUE's services be bypassed and that Gazprom deal directly with Naftogas, Ukraine's national company⁴³.

Some members of the PoR with strong pro-Russian ties, mostly individuals representing businesses, used to rely on stable, cheap oil imports from Russia. When Yanukovich was in power, his government agreed to Russia's offer to exchange stock in its gas transportation system for access to Russian oil and gas fields. This decision immediately created political turmoil. The Tymoshenko Bloc and Our

Ukraine united in their opposition to this action and pressured the legislators to adopt a law safeguarding state control over the country's gas pipelines. Following this, Yanukovich continued to stress his wish to pursue negotiations with Russia in return for paying lower prices for natural gas⁴⁴.

In a recent interview, Yuri Boiko suggested that stronger cooperation with Russia – in both renovating the gas transportation system and taking part in research and development projects in this sector – was paramount for Ukraine⁴⁵. He also criticised Tymoshenko for failing to coordinate better with the Russian leadership before attending the Joint International Investment Conference on the Modernisation of Ukraine's Gas Transit System in March 2009, when the European Union pledged €2.5 billion for the modernization of Ukraine's gas transit system.

Meanwhile, public discontent is growing. According to a February 2009 study conducted by the Kiev International Institute of Sociology, over 40% of those surveyed «reported readiness to participate in certain protest moves»⁴⁶. In comparison, in December 2004, the proportion of people ready to participate in protest

moves was only 1.4 times greater. The authors of this study conclude, «These figures show that even though readiness to protest is spread certainly less than it was in December 2004, it is considerably more radical... Nowadays there are many fewer people disposed to reserved, peaceful protest actions, while the number of those inclined to act radically is notably larger»⁴⁷. Moreover, the recent surveys conducted by the Centre of Sociological Studies "Sofia" found that over 90% of Ukrainians consider the current economic situation "bad", and over 60% "unambiguously bad"⁴⁸.

The PoR has capitalised on the growing discontent by organising anti-government protests. On April 3, 2009, one such protest gathered more than 50,000 people from all over Ukraine according to PoR leaders. Some argue, however, that these estimates were exaggerated and that a more realistic number of protesters was around 10,000. PoR leaders demanded that the Tymoshenko government resign for failure to respond to the economic crisis with an adequate programme. In response, government officials argued that such a programme had been developed, but that the PoR members of

⁴² *Ukraine economy to shrink 9% in 2009 – World Bank*, UNIAN News Agency, April 7, 2009.

⁴³ S. PIRANI - J. STERN - K. YAFIMAVA, *The Russo-Ukrainian gas dispute of January 2009: a comprehensive assessment*, Oxford Institute for Energy Studies, February 2009.

⁴⁴ A. YEREMENKO, *Yuri Boyko: The only asset we could exchange would be the distribution networks*, in «Zerkalo Nedeli», 6 (635), February 17-23, 2007.

⁴⁵ *Interview with Yurii Boiko conducted by Vitalii Dymarskii*, in «Ekho Moskvu», April 5, 2009.

⁴⁶ *Ukrainian Population on Readiness to Protest*, Kiev International Institute of Sociology (KIIS), February 2009.

⁴⁷ *Ibidem*, p. 3.

⁴⁸ See Centre of Sociological Studies "Sofia", *Rezultaty sociologichnogo doslidzhennia "Otsinka roboty vlady v umovakh kryzy. Reityngy elektoral'noii pidtrymky politychnykh partii ta pretendentiv na posadu Presydena"*, 2009, p. 1, <http://www.ukba.homeoffice.gov.uk/contact/applyinginperson/>.

parliament had failed to adopt it in parliament⁴⁹.

Street protests were taking place just as the Ukrainian government was preparing to negotiate with the International Monetary Fund (IMF) the terms of the second and third tranches of the Stand-By Arrangement (SBA) that would provide a loan of around \$2.6 billion in equal instalments⁵⁰. As part of this agreement, the IMF mission recommended «implementation of fiscal correction measures and bank re-capitalisation» as well as «containing the budget deficit to 4% of GDP in 2009»⁵¹. To meet these and other conditions, the government had to find additional budget revenues and adopt savings mechanisms. This has proved rather challenging, considering effects of the economic crisis and the government's stated goal to ensure social safety measures.

The PoR criticised the acceptance of the IMF terms and the overall policy to remedy the economic crisis. Iryna Akimova, the Minister of Economy in the opposition – or the “shadow” government of the PoR – argued that the budget is not adequate for the current economic situation. According to Akimova, Tymoshenko's attempts to balance

the budget place undue pressure on small and medium enterprises (SMEs). The PoR also argued against supporting government legislation as it was expected to increase gas prices. This, according to the PoR, would lead to debt accumulation from municipality bills in both the private and public sectors. The PoR also opposed the increase in taxes, especially for SMEs, and the government's efforts to reform the Pension Fund.

The parliament did not adopt the laws proposed by the government. However, the Tymoshenko government found alternative ways to adopt these laws in the form of government directives. The PoR claimed that such steps signal the government's increased control over the economy and its disregard for the parliament.

As an alternative to the government's anti-crisis programme, the PoR has suggested focusing most of the budgetary resources on projects that rebuild infrastructure and support the agrarian sector⁵². Recently the PoR highlighted its Economic Strategy Programme, originally issued in 2005. This stresses regional development, the importance of creating a good business climate and investment in cutting-edge technology, as well as other measures⁵³.

Several analysts have voiced their criticism of the PoR's recent actions of calling for protests and failing to offer a viable alternative to the government's anti-crisis programme. These actions have been dubbed as irresponsible, in light of the economic crisis that requires political consolidation. The *Kiev Post* Editorial wrote, «This collection of self-serving politicians, in the middle of an economic crisis, would rather block the work of parliament rather than constructively offer anti-crisis legislation or compromise in good faith with proposals on the table»⁵⁴. This criticism stems from what some argue is the lack of a concrete anti-crisis programme to serve as an alternative to the government programme vociferously opposed by the PoR. The PoR economic programme issued recently on its website, has been judged to contain many contradictions and is repetitive in many places⁵⁵.

Concluding Remarks

While marking the 10th anniversary of the Party of Regions, Yanukovich proclaimed, «Ten years ago, a new party emerged on Ukraine's political landscape, which soon became the most influential»⁵⁶.

⁴⁹ *Ibidem*.

⁵⁰ In late 2008 the IMF agreed to grant a \$16.4 billion loan to Ukraine. The first tranche, amounting to approx. \$4.5 billion, was disbursed in 2008 itself.

⁵¹ International Monetary Fund, *IMF Mission Reaches Agreement on First Review under Stand-By Arrangement with Ukraine*, Press Release n. 09/129, April 17, 2009, <http://www.imf.org/external/np/sec/pr/2009/pr09129.htm>.

⁵² International Information Agency of Ukraine, *Akimova: antikrizisnaia programa Timoshenko – eto programa total'nogo obmana*, April 14, 2009, <http://www.newsukraine.com.ua/news/141026/>.

⁵³ Party of Regions, *Strategiia Ekonomicheskogo Rasvitia Ukrainy*, 2009, <http://www.partyofregions.org.ua/economic-development/>.

⁵⁴ *Destructive force*, in «Kiev Post», Editorial, Opinion, April 2009, p. 1, <http://www.kyivpost.com/opinion/editorial/39324>.

⁵⁵ I. HLUKHOV, *Partiia Regioniv opryludnyla vymohy do antykrizovoi programy*, in «UNIAN News Agency», April 13, 2009.

⁵⁶ V. YANUKOVYCH, *Zhodne vazhlyve rishennia v nashii kraini nikoly ne bude pryiniato v obkhid Partii regioniv*, In «Dzerkalo Tyzhnia», 13 (592), April 8-14,

He claimed that the Party became successful because it delivered on promises to its supporters and focused on Ukraine's regional development. It is evident that the PoR's electoral campaign does have strong appeal for a large proportion of the Ukrainian population. However, the interests of its electoral base at times do not match the interests of the Party's leaders. Workers and pensioners, to whom the Party appeals, are not so interested in liberal economic policies. This makes it difficult to make the PoR's ideological standing remain consistent during policy declarations and their implementation⁵⁷. Internal disputes within the Party also make it difficult to remain orderly and consistent.

Nevertheless, the "East vs. West" paradigm that divides Ukraine's parties into either pro-Russian or pro-Western is simplistic. As Solonenko noted, «the situation in Ukraine is very patchy with different competing interests being present and having an impact»⁵⁸. With the growing discontent with the financial crisis⁵⁹, it is difficult to predict

how events will unfold and how many more rallies the Maidan will witness.

2006, p. 2, <http://www.dt.ua/1000/1550/60938/>.

⁵⁷ This difficulty does not only apply to the Party of Regions. Most major parties in Ukraine have some elements of paradox when addressing multiple interests and reaching a common compromise.

⁵⁸ I. SOLOENKO, *Ukraine's 2007 parliamentary elections: implications for the foreign policy and international perception*, in «International Renaissance Foundation», 2007.

⁵⁹ According to a Kiev International Institute of Sociology (KIIS) study which conducted a survey in February 2009, 41% of respondents reported a readiness

to take part in certain protest moves (KIIS, 2009).

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