

## The Dual Spiral of Ukrainian Politics after 2010

PONARS Eurasia Policy Memo No. 165  
September 2011

Oleksandr Fisun  
*Kharkiv National University*

The victory of Viktor Yanukovich in Ukraine's February 2010 presidential election launched a new cycle of regime change in Ukraine, marked by movement from a premier-presidential regime system with "dual executives" to a super-presidential system dominated by a single principal. Ukraine's two previous presidents, Leonid Kuchma (1994-2005) and Viktor Yushchenko (2005-2010), lacked the party resources needed to create pro-presidential majorities in parliament and to build proper executive verticals of power. By contrast, Yanukovich took advantage of the disciplined Party of Regions (PR) machine to take control of parliament and create a cabinet with very few coalition allies.

Perhaps counterintuitively, this sudden turn of Ukrainian politics toward soft authoritarianism does not constitute a break from the relatively democratic-like Orange period of 2004-2010. Instead, it is the consequence of past institutional changes: the constitutional reform of 2004 and electoral rules that strengthened party-list proportional representation. The relative weakness of genuine party projects by Kuchma and Yushchenko was compensated for not only by co-opting individual deputies to join the pro-presidential majority but also by making compromises within the elite and attracting coalition partners from alternative political camps and business groups (leading to the premierships of Pavlo Lazarenko, Yevhen Marchuk, and Yushchenko under Kuchma, and Yulia Tymoshenko and Yanukovich under Yushchenko). The move by Yanukovich toward building a single power pyramid was conditioned not so much by any inherent authoritarianism *per se*, but by the fact that the president – for the first time – did not have to share power with coalition party partners or appoint a compromise prime minister. The relative domination of the PR in parliament became the platform for creating a "one-and-a-half party cabinet," which includes various "deserters" from other political forces who enjoy "sub-partner" rights.

More than a year after the presidential elections of 2010, three leading trends in Ukrainian politics may be distinguished:

1. A return to a “winner-takes-all” politics, liquidating the possibility of a competitive diarchy based on a president-prime minister rivalry while deepening the influence of the patron-client business networks that back the winner.
2. The full control of the president over law enforcement and fiscal bodies (Ministry of Internal Affairs, prosecutor’s office, security service, tax and customs administration, and court system) and their transformation into instruments of political pressure on the opposition and the business figures supporting them.
3. A transformation and reconfiguration of the 2002-2010 party system by means of gradually fragmenting the Yulia Tymoshenko Bloc (BYT) and Yushchenko’s Our Ukraine-People’s Self-Defense (OUPSD) conglomerate, taking their “business” segments into the presidentially-influenced orbit. This process has also involved the minimization of previously pivotal parties like the Lytvyn Bloc and the Communist Party of Ukraine and the development of new regional party projects that enjoyed success in the October 2010 local elections.

The dual spiral of Ukrainian politics after 2010 consists of an efficient combination of two political strategies. The first has been a party-building strategy based on incorporating the remains of alternative patron-client networks into the dominant party (the PR). Combined with executive control over parliament, this has prevented the semi-presidential regime from getting caught in a stalemate between two branches of government. The second strategy has been to use bureaucratic resources, both sticks and carrots, to expand the executive vertical of power. These have allowed for an ever-widening pro-presidential coalition in both parliament and local government. This strategy has led to a wave of disintegration of the regional bases of BYT and a move of their investors and influential members into the party of power.

The foundation for this dual spiral was the restoration of the 1996 constitution, which strengthened the prime minister’s dependency on the president and minimized the influence of parliamentary parties on his appointment. The constitutional rollback has given the president direct control over cabinet formation. This has strengthened the executive’s hand vis-à-vis not only parliament but also his own party coalition and political investors.

A new electoral law proposed in May 2011 marks one more twist in the wending road of Ukrainian politics, bringing to the forefront a bureaucratic/fiscal coercion strategy instead of a dominant party-building one. In accordance with the proposed bill, Ukraine will revert to the mixed electoral system that existed prior to 2005. This system envisages the selection of half of parliament by party-list proportional representation and the other half by single-member constituencies. The main task of the new electoral system is to decrease the role of parties in decision-making and to create an efficient pro-presidential parliamentary majority. As expected, the “presidential support” function will be fulfilled by influential MPs and “respected” politicians and businessmen of regional origin, who will have a certain political autonomy, considerable local electoral resources, and an inclination to support any central power

regardless of party affiliation. Such a system will make it easier to create a subservient pro-presidential majority, which could conceivably even obtain a super-majority of more than 300 votes (required to make constitutional changes).

Will the logic of the dual spiral operate in favor of creating a soft authoritarian regime (or façade democracy) with limited political competition? Again counterintuitively, probably not. The paradox of the dual spiral in the context of the 1996 constitution and a mixed electoral system is that it creates new space for political competition *within* the party of power. The PR contains various factions and regional segments, often called “clans” and consisting of groupings such as Rinat Akhmetov-Borys Kolesnikov, Dmytro Firtash-Serhiy Lyovochkin, Mykola Azarov-Volodymyr Rybak, and Andriy Kluyev, as well as the Yanukovych family and influential businessman Yuri Ivaniushenko (also known as Yura Enakievsky). Under the new conditions, the president will have to struggle for control not so much over the parliamentary majority but over the majority in the PR.

Already, intensive competition has arisen among different pressure groups within the PR for control over central bodies in the executive branch and political machines in the regions, which is leading to new lines of political cleavage and settlements. Sites for potential strife include: the Donetsk region, where power is divided between governor Andriy Shyshatskiy (an appointee of the Akhmetov-Kolesnikov clan) and regional council chairman Andriy Fedoruk (a former business colleague of the president’s elder son Aleksandr); the Zaporozhie region, where there is conflict between governor Boris Petrov (an appointee of Kluyev) and businessman Oleh Anisimov (who represents the interests of Ivaniushenko, close to the president’s family); and the Odessa region, where there is trouble between governor Eduard Matviichuk (an appointee of Kluyev) and the Odessa PR faction head and municipal councilman Gennadiy Trukhanov (an Ivaniushenko man).

Different pressure groups within the PR also see the future of the party in different ways. The main line of division runs between the old party core (Akhmetov-Kolesnikov, Kluyev, Azarov-Rybak) which stands for the development of the PR as the principal presidential party and a direct base of parliamentary support, and new elite factions that joined the PR after 2007, who stand for positioning the president not only as leader of PR but as a leader of the nation who stands above the party structure. This latter group is represented by, first of all, the RosUkrEnergo group of Dmytro Firtash, together with other newcomers like Serhiy Lyovochkin, Yuri Boyko, and Valeri Khoroshkovsky. It is also represented by the so-called “Yanukovych family” group, most actively represented by Aleksandr Yanukovych and Ivaniushenko.

After Yanukovych’s victory, the role of these latter groups increased sharply, not least of all to create a counterbalance to the old party core, which had been controlling PR headquarters and its electoral campaign teams for some time. One sign of their increased strength has been the appointment of Lyovochkin, an individual closely connected with the RosUkrEnergo group, as the president’s chief of staff. This has made him one of the most influential players in Ukrainian politics and has widened the group’s opportunity to place their people in positions in the central government and

regional administrations. Another newcomer is Serhiy Arbuzov, appointed governor of the National Bank and close to the president's son.

The rollback of the constitution and the changes in the electoral system should be understood in this context on intra-PR wrangling. The reforms were implemented thanks to the efforts of the Firtash-Lyovochkin and "family" groupings to decrease the influence of the old party core of the PR and the party's main investors, in particular the Akhmetov-Kolesnikov clan. Aiming to "liberate" Yanukovich from exorbitant obligations to and pressure from "old" party investors, the reforms have minimized the role of the PR as an independent institutional player, transformed it into an instrument for disciplining regional elites, and made it a convenient parliamentary voting machine controlled directly by Yanukovich.

It will soon be clear whether the swing from a dominant party-building strategy, which led Yanukovich to electoral success and allowed him to build a single vertical of power, toward a bureaucratic/fiscal strategy supported by new allies from RosUkrEnergo and the "family" group represents a long-lasting twist to Ukrainian politics. Critics of the new direction argue that if so the PR may follow the fate of Yushchenko's Our Ukraine party, which fragmented into separate blocs that were then annexed by new party projects, especially in the case of failure in the 2012 parliamentary elections. Even without this, it is important to consider how effective a pro-presidential majority based not on party discipline but on majoritarian deputies, who owe their places to presidential patronage, can be.

To conclude, let us take a look at the short-, mid-, and long-term trajectory of the dual spiral of Ukrainian politics for 2011-2015. In the **short-term**, there will be a tendency to transition from a "party quota" system of distributing positions in national and local executive branches to a presidential patronage system. There will also be a shift from interparty coalition settlements to inner-factional checks and balances among various interest groups within the PR and their representatives in parliament. One element of this tendency may be a possible transition in the management of the 2012 electoral campaign from the Akhmetov-Kolesnikov clan toward the "family" group of Ivaniushenko and Aleksandr Yanukovich, which will control the financial flows related to the election, formation of party lists, and distribution of single-member constituencies.

In the **mid-term**, the bureaucratic vertical headed by Yanukovich will inevitably enter into conflict with some of the oligarchic groups. Expansion of the "family"/Ivaniushenko and Firtash/RosUkrEnergo groups unavoidably affect the interests of both old groups in the PR, such as the Akhmetov-Kolesnikov group, and many other oligarchic groups outside it, primarily those originating in Dnepropetrovsk (in particular, the group of Leonid Kuchma's son-in-law Viktor Pinchuk and the Privat group of Kolomoisky-Bogoliubov). These mid-term processes will inevitably lead to the appearance of disgraced oligarchs and an inner-elite opposition, who may become investors in alternative political projects or opposition forces. In contrast to Russia, in Ukraine structural and political prerequisites exist for the success of such projects, even as soon as the 2012 parliamentary elections.

In the **long-term**, we can speak about a general increase in the stakes surrounding the presidency and a return to a winner-takes-all political paradigm in Ukraine. In particular, changes in the constitution and to electoral laws have altered the incentives of political players. With the role of parliamentary elections and formal party institutionalization in decline, political entrepreneurs will invest their resources into party projects not so much to have success in parliament but to have an opportunity to nominate candidates with the best chance of winning presidential elections. In the summer of 2011, rumors spread that the party Front for Change, led by former presidential candidate Arseniy Yatsenyuk, had already moved under Akhmetov's control, and that Firtash was ready to make an investment in support of vice prime minister (and former presidential candidate) Serhiy Tyhypko, absorbing the latter's Strong Ukraine party project into the PR. Like before, these candidates will probably be Yanukovich's main contenders in the inter-elite struggle for the successor nomination in the 2015 election.