

New «region» formed in Ukrainian Parliament

No. 13/214, March 26, 2001

The faction map of the parliament of Ukraine has been changed again, with a new entity with a notorious title, «Regions of Ukraine», established to enforce the ailing parliamentary majority that now comprises 12 factions.

The recruitment to the new formation was a rather problematic task, as the new faction had to rely on other faction of the majority, rather than on «nonaligned» MPs, for «donated» staff. The unwilling (and mostly resentful) «donors» were other factions that have traditionally claimed the role of representing regional interests: the Vidrozhennya Rehioniv, the Trudova Ukraina and the People's Democratic Party (PDP). Recruits of the new faction included a number of strong politicians, many of them, indeed, associated with the Donetsk region: former members of the Vidrozhennya Rehioniv Volodymyr Rybak, Valery Konovaliuk, Yefim Zvyahilsky, Serhiy Matvienko and Serhiy Tykhonov; «independent» MPs Vitaly Zhuravsky, Raisa Bohatyrivna, Serhiy Kyrychenko, Georgy Filipchuk, Bohdan Boiko, Serhiy Chukmasov; ex-member of the Trudova Ukraina Oleksandr Leshchynsky, and former members of the PDP faction Leonid Chernovetsky, Ihor Yushko.

The loss of some MPs could not be seen positively by the «donor» factions. The informal «manager of the parliament», leader of the majority and a driving force behind a faction under a similar name, Oleksandr Volkov of the Vidrozhennya Rehioniv, described the formation of the new faction as yet another blow dealt to the parliamentary majority. Allegedly, the MPs were «lured away» from other factions, by illegitimate methods of pressure and influence, and most of them have nothing to do with the party of «regions» (Den, March 22, 2001). «But if a party starts claiming what has been formed for years, this cannot cause any other reaction than negative,» the Vidrozhennya Rehioniv leader told the press (UNIAN, March 22, 2001). In his opinion, the factor that convinced the MPs to switch to a new faction was business interest: in the unstable Ukrainian business environment every MP with business interests and connections would be motivated to get «under the roof» of a key power-broker in the field, the party's new leader Mykola Azarov, head of the State Taxation Administration (Den, March 22, 2001).

The establishment of the Regions of Ukraine has been a logical step of the accelerated process of preparing for the 2002 parliamentary elections. The new faction is designed to serve as a parliamentary wing of a new political party, the Party of Regions of Ukraine. The party itself finalized almost a year of political bargaining between five-strong political association, the Party of Regional Renaissance «Working Solidarity of Ukraine» (PRR WSU). The visibly amorphous association transformed into the Party of Regions of Ukraine on March 3, 2001, and head of the State Taxation Administration Mykola Azarov (not a co-founder and even not a member of the party) became the party chairman.

On July 18, 2000, leaders of five political parties, inspired by chairman of the Solidarity party of Ukraine Petro Poroshenko, announced their willingness to join their parties into a single entity. Initially, the unification congress was scheduled to take place on October 21, 2000, but the event did not occur. The organizers explained the fact by merely «technical», not political reasons: «some of the regions did not have enough time to have regional party conferences to elect delegates for the congress; [therefore], the unification had to be postponed till later, November 18» (Vlada i Polityka, October 27, 2000). However, on November 17 the «founding fathers» were struck with an unpleasant surprise: five representatives of the Peasant's Party led by the party chairman Serhiy Dovhan abandoned the Solidarity faction in the parliament. Though, the departure of the «peasants» did not prevent Poroshenko and his Solidarity from pursuing the unification agenda. On November 18, 2000, five political entities: the Party of Regional Renaissance of Ukraine, the Party of Solidarity of Ukraine, the Party of Labor, the Party for the Beautiful Ukraine and the National Party of Pensioners, merged into a new structure. At that point the new allies failed to elect a party chairman, and opted for electing three co-chairmen: Volodymyr Rybak of the Party of Regional Renaissance of Ukraine, Petro Poroshenko of the Party of Solidarity of Ukraine, and Valentyn Landyk, chairman of the Party of Labor. While the co-chairmanship institution resembled political club rather than leadership of a well-structured

consolidated political entity, the new structure definitely attracted attention of other political forces after it was joined by a number of rather strong players: leader of the National Party of Pensioners Hennady Samokhvalov, leader of the Party for the Beautiful Ukraine (and owner of one of Ukraine's major commercial banks, the Pravex) Leonid Chernovetsky, deputy chairman of the Party of Regional Renaissance of Ukraine Volodymyr Pekhota, members of the parliament Volodymyr Semynozhenko, Yefim Zvyahilsky and Ivan Popesku, and, finally, STA head Mykola Azarov. This was probably the first public political step, made by Mykola Azarov in the context of establishment of the new party and taking the lead in it. Later on, Azarov publicly claimed that «starting with summer, [he had] repeatedly rejected the offer to chair the party» (Den, March 6, 2001) but later agreed to become the chairman for a brief period of time «until the party nominated a leader who will claim the office of the President of Ukraine in 2004» (Den, March 6, 2001).

On March 3, 2001, Mykola Azarov took the lead of the party and the process itself as an almost unilaterally elected official chairman of the newly formed Party of Regions. The congress also elected his deputies: Volodymyr Rybak (to become the leader of the party's parliamentary faction a few days later), Hennady Samokhvalov, Valentyn Landyk, Volodymyr Semynozhenko, and Petro Poroshenko. The congress also elected a 19-strong Presidium and announced it would «stand for building the budget, starting with the regions», as the «father of the ideology of «new centrism» Volodymyr Semynozhenko put it. The «new centrism», as interpreted by the Party of Regions, is «an effective technology and philosophy of creation that envisages a culture of political compromise, puts a human being in the center of its activity, provides for self-preservation of the nation» (Den, March 6, 2001).

It may appear that Solidarity leader Petro Poroshenko, previously seen by many as an independent and promising political personality, has been moved to the side of the new political track. This development is suggested by the fact that Poroshenko's faction chose not to merge with the Regions of Ukraine. On March 20 the Solidarity and the Regions of Ukraine announced they would work in the parliament «as a single block», but nothing was said about any unification prospects. A new party's activist Victor Korol, MP, «vehemently denied any conflicts within the Party of Regions and attempts to refer to the fact of creation of the Regions of Ukraine deputy group as [signs of] a split-up in the party» (UNIAN, March 20, 2001). Yet, it seems like the new quasi-formation has also been affected by the traditional growth problem. On the other hand, for the reasons of political effectiveness it is always to control two factions in the parliament than one.

While claiming at the foundation congress that he would chair the party until a suitable candidate to run for presidency in 2004 is chosen, Mykola Azarov denied he had any ambitions for that position at all (UNIAN, March 3, 2001). Yet, his ambitious career pursuit gives every reason to see him as a probably presidential candidate.

His political career has developed rapidly within a few recent years. Prior to being appointed to the position of head of the State Taxation Administration on October 1, 1996, he had worked as acting chairman of the Political Council of the Party of Labor (1993-1994). He was elected to the 2nd parliament of Ukraine in 1994 for the Petrovsky constituency # 115 of the Donetsk region, having defeated 10 competitors and received 26% of the votes of 72.9% of eligible voters who came to the polling stations in the first round, and 52.16% of the votes in the run-off, in which 64.2% eligible voters took part. His strongest challenger was member of the Socialist Party of Ukraine V. Pavliuk (b. 1949). In the parliament Mykola Azarov joined the Inter-regional Deputy Group. In February 1995 he became a member of the Presidium of the Verkhovna Rada. At the end of 1999 he was considered as a possible candidate to become Ukraine's new Prime Minister. However, Victor Yushchenko was eventually appointed to the top executive position, and Azarov remained the head of the STA. One of the most influential decision-maker, he continued the line chosen during the 1999 presidential elections: «I do not hide my position: I will vote for Leonid Kuchma...» (Fakty I Kommentarii, October 9, 1999).

From the very start the new format of the Party of Regions of Ukraine raised the issue of relations between its leadership and President Kuchma. On March 3, Azarov publicly stated that he had agreed to become the party leader as he had «seen no other way out» and that it was Leonid Kuchma who had «helped» him to make the final decision (UNIAN, March 3, 2001). However, a couple of days later Azarov was quoted as saying that he had had a very serious discussion with the President of Ukraine on the eve of the party congress, and that Kuchma «advised against» the STA head becoming the party leader explaining that otherwise Azarov would have come under even stronger attacks of the media and

the political opposition (Den, March 6, 2001). Which, in fact, would not be surprising... Obviously, a party led by head of the State Taxation Administration is bound to have a significant administrative resource and levers of influence that are likely to facilitate the party's victory in the forthcoming elections. Hence, the Party of Regions of Ukraine falls into the category of «parties of power» - sending much well-founded anxiety among other «inhabitants» of that political area who compete in demonstrating support to Leonid Kuchma and claim the title of «parties of power». Those irritated most of all by the development of the Party of Regions of Ukraine include the SDPU(o), the Trudova Ukraina, the PDP and the Vidrodzhennya Rehioniv (the parliamentary wing of Oleksandr Volkov's Democratic Union). The new political structure infringes on electoral and administrative interests of the «older» political players.

Besides a relatively distant prospect of the election campaign there are a few other conflict points in relations between the Party of Regions and the above political forces. For instance, the Regions of Ukraine faction in the parliament announced that notwithstanding some criticism of the Yushchenko government it would not engage in discussions about dismissing it, nor support the idea of «dividing offices between factions» that had been enthusiastically proposed by the Vidrodzhennya Rehioniv. The difference in opinions and approaches may have an impact on voting results that will determine the ability of this government to survive.

Given the size of the new party (at the end of 2000 the party's secretary Volodymyr Semynozhenko, MP argued that the Party of Regional Renaissance «Working Solidarity of Ukraine» numbered over 100,000 members and would be doubled by the 2002 parliamentary elections), the political figures that have already joined it, the resources and the regional lobby, other political forces will have to take the new formation seriously. Which does not mean competition between them will not become an even more critical issue.

While Azarov claims that his party will not be privileged because he is the head of the State taxation Administration («my position will not, in any way, be used for implementation of ideas of building and strengthening our party» (Den, 6 March 2001)), but the current developments suggest that there is little evidence in support of his claim. The temptation to use tax inspectors as convincing «propagandists», and other administrative resource methods, for reaching the declared target of doubling the party ranks by the 2002 elections is too high.

The establishment of the Regions of Ukraine does not only signify Azarov's and his backers' political ambitions: it also suggests that an increasingly broad variety of parties are dissatisfied with the results of political competition. If the tendency prevails, the result may be continuous crisis and deterioration of the parliamentary majority. Apparently, President Kuchma, who has repeatedly emphasized the interest in keeping the majority, is aware of the challenge. Officially he was not pleased with the establishment of the new party and its faction. On March 21, 2001, he «strongly criticized the new formation by stating [that] «it is yet another evidence that the pre-election campaign has started, and that it, very unfortunately, will not add effectiveness to the work of the Verkhovna Rada of Ukraine (Den, March 22, 2001).

Another important point is that the party and its faction appear to be more legitimate claimants of the «regional» image than Volkov's Vidrodzhennya Rehioniv, and the Regions of Ukraine are dominated by representatives of the Donetsk political and business elite. Currently nine out of 17 members of the faction have strong political and business affiliations in the Donetsk region. In a way, the fact may send a warning message to the Communist party that cannot ignore the fact of arrival of a strong competitor likely to claim a fair share of the Communists' traditional electorate in the area. In the 1998 parliamentary elections the Communist election list was supported by 35.46% of voters. Later on, commenting on the 1998 electoral situation in the Donetsk and Luhansk regions (routinely referred to as the Donbass), Dmytro Tabachnyk, MP, argued that «the Donbass was torn apart between Zvyahilsky, Shcherban, Rybak and Azarov, which resulted in almost total victor of Communists in majoritarian constituencies, and the proliferation of meaningless commands, irrational nonsense» (Den, May 14, 1998). Apparently, the recent political merger of representatives of the Donetsk regional elite, multiplied by the presence of the «administrative resource», may boost up the new party's election potential in the east of Ukraine. The possibility is being watched with anxiety by their rivals from the left and the center of the political spectrum.

There is another angle to the issue: simultaneously with being a Donetsk regional and business lobby in

the parliament, the new faction of the Regions of Ukraine is also a lobby of the State Taxation Administration. Furthermore, the party's declared agenda and its notorious leadership make it attractive for other regional elites. Specifically, the party's agenda claims that the party will seek to «carry out in life the concept of regional policy, one of the constituents of which is the formation of the state's budget system «from below», with at least 60% of the money staying locally». The claims may appear to be very attractive to other regional elites that feel «undervalued» or «offended» by the «center».

Hence, given the political personalities and the party agenda, the emergence of the new party is likely to contribute greatly to the political rivalry among the «centrist» parties claiming to represent the Ukrainian political and business elite before the parliamentary elections, and claiming a role in settling the current political crisis. Speaking in Darwinian terms, in the Ukrainian political and regional «natural selection» it is the best-equipped and the most adjustable species that win.