Dr. Olexiy Haran, Petro Burkovsky

Orange Revolution: Origins, Successes and Failures of Democratic Transformation
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Dr. Olexiy Haran, Petro Burkovsky
(School for Policy Analysis, University of Kyiv Mohyla Academy)

The Orange Revolution appeared to be an event of crucial importance for the whole post-Soviet space. Although supported by Moscow, Ukrainian President Leonid Kuchma did not manage to pass power to his designated „successor” and to repeat in such a way the „Yeltsin – Putin scenario". Falsification of the 2004 Presidential elections led to massive, yet non-violent, protests known as Orange Revolution. In the 2006 Freedom House ratings Ukraine was recognized as the only free country among all other post-Soviet states (with the exception of the Baltic States). Were all these developments unexpected? Was it a Western plot as often depicted in Russian media or a product, first of all, of internal development? How deep are the transformations and what are the handicaps?

From Independence to the Crisis of Kuchma’s Regime

After Ukraine gained independence, there were discussions in the international press if the new country was viable, predictions about future interethnic conflicts, and Ukraine’s turning „back to Eurasia". It never happened. Ukrainian independence transformed the status of the previously provincial elite. Independence of the country became one of the dominant values of the elite. Russian-speaking leaders do not feel excluded from the political struggle in Kyiv, and they find it more realistic to compete for seats and resources in Kyiv than in Moscow.

Since the late 1980’s and the peaceful transition to independence crises in Ukrainian politics resulted in political compromises within ruling elites. In 1994, for the first time in the post-Soviet space, a peaceful transition of power was made as a result of Presidential elections. The 1996 Constitution reflected a reasonable compromise between the President and the parliament, between left and right forces in the parliament itself. At the same time, as a result of compromises constantly made in Ukrainian politics since 1990, former Communist nomenklatura remained in power, democratic opposition was weakened, and the economic reforms were stalled.

After his re-election in fall 1999, Leonid Kuchma promised to become „a new President”. In December 1999, the pro-market head of the National Bank of Ukraine, Viktor Yushchenko was approved as Prime Minister. Since 2000 the country has posted impressive positive economic growth rates after a decade of economic decline (for example, in 2000 the GDP increased by 6 %, in 2001 – by 9 %). This trend is usually attributed to favorable external market conditions and the policy of Prime Minister Yushchenko who started to reduce arbitrary administrative inter-

ference in the economy, provided for stable payment schemes in the energy sector, and cut inflation down.

Despite this progress, the authoritarian trend in Kuchma’s policy was growing. European institutions strongly criticized the 2000 referendum which was held on a very loose legal basis to give the President broader authority. As a result of this criticism as well as opposition within the country, Ukraine’s Constitutional Court threw out two of six proposed questions and stipulated that the results of the referendum should be implemented through the proper parliamentary procedure. Because of opposition to his plans, Kuchma lacked forces to implement the results of the referendum through the parliament.

In general, during Kuchma’s second term (1999–2004) Ukraine faced a serious decline of civil rights, rule of law and fair government. Political scandals around journalist Gongadze’s murder, intimidation of political opposition and independent media resulted in growing social dissatisfaction with the state institutions. In the Western press Ukraine was often depicted in black color (criticism of Kuchma and corrupted state bureaucracy). Also, the West after the 9/11 events was concentrated on dealing with Putin, and Kyiv faced the danger of being in the shadow of Russia.

However, in this approach one important factor was missed. In Russia there was no real opposition to President Putin. In Ukraine, democratic forces still fought for power, and the political system remained quite pluralistic which was explained by: 1) quite strong democratic opposition in the parliament; 2) competition between oligarchic groups within the ruling elite.

*Origins of the Revolution: Democracy and Sovereignty vs. „Corrupted, Criminal Regime”*

At the beginning of 2000s Ukrainian politics faced the evolution of a new strong non-leftist opposition, which presented an alternative view of the modernization of Ukrainian state and nation in conformity with democratic values. The main force of this opposition, the Our Ukraine bloc, held by former Prime Minister Viktor Yushchenko, included not only the traditional national-democratic opposition but also former state executives who protested against Kuchma’s crony capitalism and corruption. Despite restrictions from the authorities, Our Ukraine won the first place on party slates in the 2002 parliamentary elections, and Yushchenko emerged as the leading candidate in the 2004 Presidential race.

Among politicians loyal to Kuchma Viktor Yanukovych, the Prime Minister since November 2002 and representative of the Donetsk group, had the highest personal
rating (primarily because of his administrative position). His past, especially two
terms of imprisonment, weakened his position, and in the view of Kuchma and his
administration would make Yanukovych dependent on kompromat and poten-
tially could serve as strings to control his future political actions and to guarantee
security of Kuchma and his entourage.

Throughout the election campaign the Presidential administration did ever-
thing possible, so that Yushchenko could not win the elections. Kuchma himself
„predicted“ that it would be the dirtiest campaign in the Ukrainian history.

Their main card was to present Yushchenko as a radical nationalist who is going
to oppress the Russian-speaking population, whereas Yanukovych was portrayed
as a decent public servant and a great friend of Russia.¹ Russian and Ukrainian
consultants of Yanukovych started to promote an idea of a „schism“ in Ukraine
between „nationalistic“ West and „industrial“ East.²

Russian authorities openly supported the Yanukovych campaign. President Vla-
dimir Putin agreed to restructure $US 800 million of Ukrainian debt for purchased
gas and decided to repeal value-added tax on oil export to Ukraine starting Janu-
ary 1, 2005. Moreover, on October 26, five days before the first round of voting,
Putin made a visit to Kyiv and praised the Yanukovych government. To support
Yanukovych before the run-off (November 21), Russian Duma adopted a law on
weakening the control regime for Ukrainians traveling to Russia. Also, President
Putin ordered to prepare legal instruments for the introduction of dual citizenship
with Ukraine – another electoral promise made by Yanukovych. However, as the

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¹ Although most Russian analysts considered Viktor Yanukovych as a possible ‘pro-Russian’
candidate for the Ukrainian presidency, it was a simplification. As an example, Ukraine was
ahead of Russia in the process of joining the WTO, the Yanukovych government continued ne-
gotiations with the WTO in this direction. The Russian side demanded ‘coordination’ (disclosure
of the Ukrainian documents signed with the WTO countries, which contradicts WTO practice),
but the Ukrainian side refused this request. When Russia laid territorial claims to the tiny but
strategically important island of Tuzla in October 2003, this caused stormy protests in Ukraine,
including then Ukrainian officials. Even more important: it was clear that the Donetsk group
would defend first of all their own interests which often come in contradiction with interests
of more powerful Russian oligarchs and state-controlled monopolies. For more on Russian-
Ukrainian relations under Kuchma, see: Ukraine at a crossroads /Eds. Nicolas Hayoz, Andrej

² On real, imagined, and cleavages artificially deepened by politicians, see the special issue of
the journal „National Security and Defence“, no. 7 (79), 2006 (http://www.uceps.org.ua/eng/)
published by the Ukrainian Center for Economic and Political Studies named after Olexander
Razumkov (The Razumkov Center).
further development showed, open interference appeared counter-productive and only discredited Yanukovych.

Despite regime’s control over mass media and the use of administrative resources, the opposition was successful in depicting Yanukovych as a continuation of Kuchma’s regime and in disseminating information about Yanukovych’s past and his economic policy, which ended in a sharp growth of prices on gasoline and food. On the other hand, the Yushchenko team declared its desire to get rid of “state capture” by clans, to decrease administrative pressure on businesses, abolish the tax police and lighten tax burdens. Thus, small and medium business supported Yushchenko. Moreover, he was supported by the “second layer” of Ukrainian large business. The first layer supported Kuchma but in reality many of them were not happy about Yanukovych as well and some of them even showed signs of such a disagreement and were playing with both sides.

According to exit polls, Yushchenko won the elections by 7% in the first round and by 9% in the run-off. However, frauds were widely used, and after the first round the Central Election Commission (CEC) counted the votes for 10 days (!) to recognize Yushchenko’s victory (official result was 39.87% against 39.32% gained by Yanukovych). On November 24, the CEC declared Yanukovych the winner in the run-off (49.56% against 46.61%). Thus, the changes in favor of Yanukovych comprised almost 12% (and in the center of the country – 17.4%)!

**Culmination: „Orange Revolution“**

The live-broadcasted session of CEC on November 24, 2004, which declared Yanukovych winner after obvious and cynical violations, only increased the scope of mass protests. It is no secret that the opposition knew about such scenario of Presidential administration and prepared to call people to the streets. But even Yushchenko and his radical and charismatic ally, Yulia Tymoshenko, perhaps, did not expect such gigantic non-stop rallies all over Ukraine which combined the celebration of the „orange“ victory (color of Yushchenko) with protests against falsifications. The civil movement against falsifications was joined by journalists protesting against manipulation and censorship, and the policy of main channels changed to a quite balanced coverage.

When the protests started, the authorities did not manage to provoke the violent clashes which they expected. In this situation, another scenario was used:

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4 Conducted by the respectable Kyiv International Institute of Sociology and the Razumkov Center.

5 Ibid.
three governors of eastern oblasts started to blackmail Yushchenko by the possible creation of a 'South-Eastern autonomous republic', and Kharkiv governor even refused to make payments to the state budget. Yushchenko team immediately blamed Yanukovych supporters of separatism and demanded from Kuchma to act as the guarantor of the Ukrainian territorial integrity. Many local authorities did not side with separatist slogans. In fact, Yushchenko won not only in the West and the center of the country. He moved to northeastern Chernihiv and Sumy regions, and won almost half of the votes in the southern Kherson oblast. In the Ukrainian capital he officially secured 75% of the votes. Even oligarchs around Kuchma like Pinchuk and Akhmetov (the main business figure behind Yanukovych) were not interested in splitting the country, as their access to world markets would suffer.

The Ukrainian parliament, Verkhovna Rada, denounced separatism, declared that the results of the run-off were distorted, expressed non-confidence to the CEC and then, on December 1, to the Yanukovych government.

On November 29, the Supreme Court of Ukraine started to examine Yushchenko's complaint on the decision of the CEC. The live broadcast of its session revealed the scale of falsifications to the country and the international community. International mediators including the EU High Representative for the Common Security and Foreign Policy Javier Solana, Polish President Alexander Kwasniewski, OSCE Secretary General Jan Kubish, Lithuanian President Valdas Adamkus also played an important role in persuading Kuchma, Yushchenko and Yanukovych to wait until the Supreme Court makes its final decision about elections.

Kuchma and Putin were eager to have a new Presidential campaign (from the very beginning). It seems that it was one of the initial scenarios of Kuchma's administration, though they did not expect such strong protests from Ukrainians as well as from the international community. On the contrary, opposition and the West insisted on repeating the run-off.

The decision of the Supreme Court on December 3 to repeat the run-off on December 26 was a powerful blow to Kuchma and Yanukovych. In fair elections Yushchenko got 52%, and Yanukovych – 44, 2%.

To sum up, the main factors leading to Yushchenko's victory and the success of the peaceful protests were:
1) Weakness of the regime and relative pluralism of the Ukrainian political system compared to Russia and most post-Soviet states;
2) support of small and medium business (middle class);
3) split within large business groups dissatisfied with growing authoritarianism;
4) maturity of civil society;
5) international condemnation of the falsifications and firm Western position in demanding Kuchma to restrain from the use of force.

Handicaps for Reforms

After inauguration the new leadership of Ukraine enjoyed the highest level of public support since 1991. Further, members of former pro-Kuchma majority in the Rada interested in political survival began to re-brand themselves as supporters of the Orange Revolution. Under the same umbrella, many members of the former nomenklatura have been included into new power structures at regional and local levels. A group of former high-ranking officers and tycoons fled the country, some of them for Russia. The former ministers of internal affairs and of transportation committed suicide.

The absence of effective opposition and high social expectations created a window of opportunity for accelerated reforms. On the other hand, there were at least three main handicaps for implementing reforms:

1) the constitutional reform which would weaken the role of the presidency, leaving him only one year to implement reforms;
2) the country within a year slid from Presidential to parliamentary campaign, hence the growing populism in Ukrainian politics;
3) differentiation and internal disagreements within the broad coalition in power.

One of the main impediments for Yushchenko's course arises from a contradictory compromise reached in the Ukrainian parliament on December 8, 2004 (between the fraudulent second round and the run off). It stipulated that the constitutional reform would be effective from January 1, 2006. Prime Minister would rely on parliamentary majority and he/she cannot be removed by President at any time like it was before – a step in the right direction, demanded by democratic forces for many years. On the other hand, the reform appeared to be hectic and inconsistent. One could mention, as an example, the ability of the parliament to dismiss any minister by simple majority, which would make ministers dependent on lobbyist groups in the parliament.

As the reform would weaken the role of the presidency and, consequently, increase the importance of the March 2006 parliamentary election, its adoption decreased the fears of pro-Kuchma forces over Yushchenko's victory and thus eased the way for the run off. However, Yushchenko was elected with broad scope of
authority, but in a year it would diminish. Therefore, the plan of Kuchma to limit the power of the future President whoever is elected (Yushchenko or Yanukovych) seemed to be materialized. But he and his entourage did not expect the Orange Revolution which put at risk their personal legal status and led to the democratization of the country.6

After Yushchenko's victory there was a debate among Ukrainian politicians and analysts about the question if the reform should be implemented as several constitutional changes have not been approved in advance by the Constitutional Court. Therefore, it was possible to check with the Constitutional Court the legality of the whole procedure of constitutional changes. However, Yushchenko did not use this possibility. Perhaps, he did not want to change on his own initiative the compromise reached by Ukrainian elites. In this situation, to get rid of inconsistencies of the reform might become possible only when the new parliament would be elected.

Growing populism in Ukrainian politics on the eve of the upcoming parliamentary election in March 2006 led to a decline in economic performance and to the split between the liberal Yushchenko and the more populist and state-oriented Prime Minister Tymoshenko in September 2005.

The most difficult task for Yushchenko was to harmonize competing variants of reforms represented in the leadership of this coalition (which also included left-center Socialists) into a unified vision. The second task was to accomplish urgent reforms given limited resources and time.

Although the Yanukovych government benefited from 12 percent economic growth rate in its last year, its populist measures of increasing salaries and pensions created a deficit of $3.7 bln for the 2005 budget. As he needed to react in the Presidential campaign, Yushchenko also promised to increase social spending. Preparing new budget and increasing social payments, the Tymoshenko cabinet increased the deficit to $6.3 bln. After nearly all parliamentary factions approved it, Yushchenko agreed to sign it, on the grounds that the deficits were justified by the population's low incomes. At the same time, President demanded that the cabinet should find new ways to ease the administrative and fiscal burden on businesses and to stimulate the legitimate economy at the expense of Ukraine's shadow economy.

For more about Kuchma's constitutional games, see: Olexiy Haran, Rostyslav Pavlenko. Political Reform or a Game of Survival for President Kuchma? (November 2003, No. 294) http://www.csis.org/component/option,com_csis_pubs/task,view/id,2170/
However, Tymoshenko implemented strong administrative remedies, which bought stunning success in the beginning and failure at the end of the day. One of the greatest successes was a program to stop smuggling, which increased paid duties by 200 percent over 2004. The cabinet also succeeded in collecting more taxes from businesses, although increasing the fiscal pressure on small and medium enterprises. Businesses waited in vain for a promised economic amnesty to entrepreneurs forced to work in shadow economy. Cabinet's actions shocked the business community that had expected more liberal treatment. They felt deceived and returned to old schemes of avoiding taxation. Administrative pressures could not stop the increase of prices for meat and sugar, while the massive flow of social spending accelerated the growth of consumer prices. Tymoshenko tried to force oil companies to sell fuel at fixed prices, but Russian giants (including Lukoil, TNK-BP, and Tatneft) warned President Yushchenko that such a policy could end in an energy crisis, and the President canceled Tymoshenko's decisions.

During the 2004 campaign Yushchenko had promised to reconsider the cases of privatization taken under dubious and sometimes illegal conditions, especially the metallurgical giant Kryvorizhstal, obtained at a very low price by Donetsk oligarch Rinat Akhmetov (who supported Yanukovych for presidency) and Viktor Pinchuk, Kuchma's son-in-law. After the election, Yushchenko supported the idea of re-privatizing 20–30 enterprises of strategic importance to the country. Tymoshenko, however, suggested the potential re-privatization of 3,000 firms. Later, she said she was misunderstood. Tymoshenko also canceled special economic zones as she declared them to be tools for tax avoidance arrangements. As a result, investments to Ukraine declined. Nevertheless, the Kryvorizhstal re-privatization case was ultimately successful. At an auction shown on TV, Mittal Steel paid $ 4.8 billion, 6 times higher than the price given during the first privatization by Akhmetov and Pinchuk. It exceeded all the revenues from privatization of Ukrainian enterprises since 1991 by 20%.

Split of Orange Forces and the 2006 Parliamentary Elections

The split between Yushchenko and more radical Tymoshenko was predicted by analysts from the very beginning. In early September 2005 Yushchenko dismissed the entire cabinet and appointed his close associate Yuri Yekhanurov as acting Prime Minister. Yekhanurov failed to gain sufficient support on the first vote, but was confirmed by the Verkhovna Rada on September 23 on a second vote. He promised to stop re-privatization campaign (with the exception of Kryvorizhstal and Nikopol ferro-alloy mill). Yekhanurov's approval as Prime Minister in parliament was supported even by Pinchuk's political group and by the Donetsk-based Party of Regions led by Yanukovych and supported by Akhmetov.
As a result of political compromises leading to Yekhanurov’s confirmation, Tymoshenko supporters accused Yushchenko of reconciling with former pro-Kuchma factions based on a declaration on stabilization in Ukraine and a special memorandum with Yanukovych. However, as Tymoshenko’s faction did not support Yekhanurov during the confirmation, Yushchenko needed to secure support from other factions.

No matter how observers of East European politics assess the situation in post-orange Ukraine, they agree that the parliamentary elections of March 26, 2006 were held in a free and fair manner. Despite fears to the contrary, the turnout appeared quite high, up to 67%. The Party of Regions led by Yanukovych benefited from the Yushchenko-Tymoshenko rivalry, blamed democrats for economic difficulties and gained the biggest share of the votes (32.1 percent). Tymoshenko’s anti-oligarchic and anti-corruption rhetoric resulted in increased electoral support for her party (22.3). The pro-Presidential party, Our Ukraine, finished only third (13.9).

Actually, the voting pattern was quite stable when measured against the 2004 Presidential election. The former Orange coalition (including Yushchenko and Tymoshenko’s parties plus other forces) pulled down 46 percent of the vote in 2006, compared with 52 percent in 2004. Yanukovych’s camp support also somewhat declined, from 44 percent in 2004 to about 40 percent in 2006 (including here votes for Communists and other forces which supported Yanukovych in the 2004 run off). The results of the local elections in 2006 also showed that the orange regions remained orange, and the blue regions (supporting Yanukovych’s party) remained blue. However, at regional and local levels party composition of the councils is more diverse than in the parliament, and in some cases there are orange mayors in blue regions and vice versa, which would make different forces to find a form of cohabitation.

As far as „Our Ukraine” won 82 parliamentary seats it was up to the President to decide whether to form a coalition with the Party of Regions (183 seats) or with the Yulia Tymoshenko Bloc (129 seats) and the Socialists (30 seats). Both variants were under serious consideration and had their pros and cons. The likely ruling coalition to emerge could include Yushchenko and Tymoshenko’s blocs (plus the Socialists), with Tymoshenko emerging once again as Prime Minister as she received strong negotiating cards after her good electoral performance. However, many within Our Ukraine would prefer another head of the new Orange cabinet; moreover, negotiations started to create a so called grand coalition between Our Ukraine and the Party of Regions (based on their agreement that the cabinet would be headed by Yekhanurov, and Yanukovych would remain only leader of the parliamentary faction).
It was evident that if the Party of Regions presents itself in a manner that demonstrates it has learned from its experience at the end of 2004, there will be a certain differentiation and reconfiguration of forces within it, which would enable them to become a more respectable political player. However, Yushchenko’s electorate could not understand the alliance with Yanukovych and vice versa. Most of the electorate preferred the restoration of the Orange coalition which again received a majority.

Termidor: Building Coalition Government in the New Constitutional Framework

During and after the 2006 parliamentary elections Ukrainian elites demonstrated again a peaceful, although tense and dramatic, sharing of power between the ruling groups and the opposition and a using of compromises for settling political disputes. At the same time, political process in Ukraine is still shaped by shadow decision-making, sharp conflicts between executive and legislative bodies, central and local governments. These factors were aggravated by the introduction of the constitutional reform and the installation of the new three-polar political system, in which the alliance of either two of the three main centers of power (the President, the speaker and the prime-minister) seemed to have the potential to overwhelm the „outsider“ top-official and dictate „rules of the game“.

According to the amended Constitution, a ruling parliamentary coalition shall be constructed in 30 days after the first plenary meeting of the new parliament. Otherwise, the President has the right to dissolve the parliament and initiate early elections. As Yushchenko had a loyal acting Prime Minister and cabinet, in case of the new elections he would remain the chief political player.

After three months of negotiations and developing a common program of government’s activity, all three „orange“ parties agreed on June 22 to create a coalition with Tymoshenko as Prime Minister and a representative of „Our Ukraine“ as speaker.

However, on July 6, 2006, in violation of the previous agreement (without any notification and during the voting process) Moroz, the leader of Socialists, was put

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7 Polls by the Kiev International Institute of Sociology and „Democratic Initiatives“ Foundation (April 27–May 4) showed that only 38 percent of population supported „grand coalition“ between former rivals, Yanukovych and Yushchenko, and 47 percent preferred restoration of the „Orange coalition“.

8 The final part of this paper is based on the presentation „From Presidentialism to Parliamentarism: Strengthening or Weakening of Democracy in Ukraine?“ prepared for a policy conference at the Center for Strategic and International Studies (CSIS), Washington, DC, December 7, 2006.
forward by his own party as a candidate for speaker and was elected by 238 votes from his own party, the Party of Regions and the Communists. Thus, the so called „anti-crisis“ coalition emerged, and Yanukovych was put forward as a candidate for Prime Minister. Consequently, „Our Ukraine“ and Yulia Timoshenko’s Bloc blamed Moroz for betraying his voters as his party objected to Yanukovych in 2004 and coalition with Party of Regions (PR) in 2006 elections.

In this situation Yushchenko faced a difficult political and constitutional dilemma. He had the possibility to call for new elections after July 26 using constitutional provision to dissolve the parliament if the new cabinet of ministers is not formed within 60 days after the resignation of the previous government. But this would mean a further polarization of the country. The other question was if the President had the constitutional right not to introduce Yanukovych as Prime Minister. The only body to solve it was the Constitutional Court. But its formation was blocked by the parliamentarians for a year: they feared that it could cancel the constitutional reform.

After two weeks of uncertainty Yushchenko decided to call for a „national round table“ to develop a document – a matrix of political compromise for all parliamentary forces – as a prerequisite for introducing Yanukovych as a candidate for parliamentary approval. The idea was to outline the course for the new cabinet and make Yanukovych agree with pro-Western orientation and democratic values. To some extent, President’s initiative helped to stabilize the country. The text of the „Universal of National Unity“ was signed by all parties, except for Tymoshenko who decided to stay in firm opposition to Yanukovych. Despite Party of Region’s electoral slogans for federalization, Ukraine was again characterized in the Universal as a unitary country (an important victory for the President). Moreover, the President succeeded to keep in cabinet not the only pro-Western Minister for Foreign Affairs and the Minister of Defense (constitutional „President’s quota“ in the cabinet) but even the Minister of Interior who was known by his strong accusations of many politicians from the Party of Regions for their activity contradicting the law.

_Delineation of Powers: To Be Continued_

At the same time, the Universal was not a legally binding document. On the one hand, Yanukovych had to stress that it was not possible to introduce Russian as the official language as it would require constitutional changes and a national referendum. Even the more important, many analysts believe that while stressing partnership with Russia, Yanukovych would keep moving Ukraine to Europe, although in a more gradual and slow, „pragmatic“ way. On the other hand, the Yanukovych team started to monopolize key positions in governmental offices and state companies,
(almost 4/5 of newly appointed deputy ministers have their origins or made their careers in the Donetsk region). The Prime Minister declared that it is too early for Ukraine to join the NATO Membership Action Plan and de facto postponed joining the WTO until 2007.

When Yushchenko appealed to the provisions of the Universal and reminded Yanukovych that he had to follow President’s instructions in foreign policy, Prime Minister’s office stroke back. Yanukovych lawyers argued that the Constitution determines the right of the Prime Minister to countersign Presidential decrees concerning appointment and dismissal of ambassadors, declaration of emergency situation, creation of courts, and, which is most important, adoption of National Security and Defense Council decisions. This is a crucial point because President has 2/3 members of NSDC loyal to him and with their help he still can produce orders obligatory for the Cabinet of Ministers. However, both sides after a war of words agreed to wait for the official decision of the Constitutional Court.

Another Presidential lever of pressure is his legislative veto. For now Yanukovych can rely only on 240–250 deputies but he needs 300 votes in order to overrule a possible Presidential veto on lobbied laws. On the other hand, Party of Regions showed that it could „persuade“ deputies using money or threats. They are trying to „collect“ 300 votes to amend the Constitution.

However, the stability of the „anti-crisis“ coalition can also be questioned. Its left wing (the Socialists and the Communists) continued to support populist initiatives in spite of the complex economic conditions. In its turn, Yanukovych ordered to design the state budget for 2007 which favored big business of Donetsk and introduced social cuts. His party lost the struggle to get a majority and to nominate the heads of the Constitutional and Supreme Courts (first one seems to have a pro-Presidential majority; the second one is headed by a representative of Tymoshenko’s bloc, while PR has strong positions in the Prosecutor General Office). Also, the most popular press media and TV-channels remain quite independent and provide opportunities to criticize government’s failures.

Prospects: Revolution Betrayed or Compromises to Moving Ahead?

The 2006 parliamentary elections conducted in a free environment created by the Orange revolution resulted in five political parties winning seats, with no party in the majority. This outcome will make Ukrainian parliament more structured along party lines. No matter the exact configuration of the cabinet and the form of cohabitation between President Yushchenko – who despite the constitutional changes will certainly remain one of the most influential players in the arena – and the new
coalition government, the Ukrainian political system is finally loosing authoritarian features. The increased clarity of the division of powers moves Ukraine closer to European standards.

However, the new system emerged after the constitutional reform needs to be adjusted in order to maintain stability. Now President and Prime Minister are trying to secure separate and sometimes parallel structures of their power. For the time being, the present system reminds to a certain extent the French „double executive“ model in cohabitation periods where Prime Minister and President compete with each other but, at the same time, must cooperate to ensure stability and govern the country. This situation can be used by a quite strong parliamentary opposition to criticize the government while for the moment Tymoshenko is striving for the role of Yushchenko’s „successor“ in 2009.

Taking into consideration the fact that the next election cycle will start in 2009–2011, the crucial things which can prevent a restoration of the oligarchic rule are the court system which is to be reformed, free media, and effective strong opposition.

Finally, there is a niche and demand for the creation of a new opposition of European type based not on a leader but on programmatic and ideological values.
**Dr. Olexiy Haran** is Professor of Political Science and Founding Director of the School for Policy Analysis at the University of Kyiv Mohyla Academy (UKMA). His recently co-edited books include: The Ukrainian Left: Between Leninism and Social Democracy (2000), Russia and Ukraine: Ten Years of Transformation (Moscow 2003). Dr. Haran is a member of NGOs Consultative Board at the Ukrainian Ministry of Foreign Affairs. He is a frequent commentator on Ukrainian politics in Western media.

**Petro Burkovskiy** has MA degree from the University of Kyiv Mohyla Academy. After the Orange Revolution he worked for a year at the Main Analytical Service in the Secretariat of the President of Ukraine and now works at the National Institute for Strategic Studies. He continues to participate in the research projects of the UKMA School for Policy Analysis.