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INSIDE UKRAINE

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The International Center for Policy Studies (ICPS) restores issuing analytic paper «Inside Ukraine», the last issue of which was prepared in September 2010.

The aim of the publication is to provide objective information on current political events in Ukraine and thorough analysis of major tendencies in domestic politics. Such analysis will assist in setting priorities in the process of implementing reforms in Ukraine and in evaluating quality of state decisions from the viewpoint of their impact and sustainability. Special attention is paid to evaluation of political competition in Ukraine and ability of key political players to address challenges.

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1. The Government Policy

Accountability of authorities is among key demands of civil society in Ukraine. It may be ensured through constant analysis of how the Government fulfills its Program.

For the last three months Yatseniuk's Cabinet managed to implement four tasks out of 23 declared in the Program. In particular, it succeeded in restoring cooperation with the IMF, stabilizing financial situation, ensuring transparency of public procurement in legislative terms and taking unpopular decisions as regards prices and tariffs. Three tasks were partially fulfilled – signing the Association Agreement with the EU, investigation of murders on the Maidan and diversification of sources for energy supplies. The Government failed to achieve two tasks: ensuring territorial integrity of Ukraine and establishment of good relations with Russia.

1.1. The Government failed to counter the challenges of hybrid war

The Government failed to protect territorial integrity of Ukraine, though it had defined it as a priority No. 1 in its Program.

This spring Ukraine faced a new form of warfare – so called hybrid war. It is waged without announcement, with the use of raiding forces which the aggressor does not officially recognize as its own. It is accompanied with a massive information campaign both among the local population and at the international level. Its key components are militia-style paramilitary groups, a significant share of population which supports the aggressor and betrayal of local political elites.

The Ukrainian army and a new political leadership did not respond adequately to the challenges Russia had generated. It resulted in Russia's annexation of Crimea and the Government inability to stabilize the situation in Donbas which lasts already for two months.

Inefficiency of the Ukrainian army in Crimean events is explained with the lack of a clear Government position and a long-lasting deliberate campaign to destroy the army from inside. It is no secret that for years the Ukrainian Ministry of Defense was headed by Russians and its financing was aimed to steal funds, but not to increase defense capacity of the country.

During several weeks of direct confrontation with the Russian troops, Ukrainian military units in Crimea remained without support from continental Ukraine, without clear orders from the country's leadership, left alone against overwhelming forces of the aggressor. It was inaction, indecisiveness and in many cases – non-professionalism of the new Government which resulted in annexation of Crimea. The Ukrainian authorities indeed surrendered the peninsula, along with hundreds of thousands of pro-Ukrainian local residents, for instance Crimean Tatars.

1.2. Lack of changes in law enforcement and courts

Though in his Program Arseniy Yatseniuk promised to reform law enforcement agencies and ensure rule of law, no changes took place in prosecution or police for these three months.

The Government made a mistake having dismissed a special police unit called "Berkut". As a result, most officers of the latter, who were involved in killings of protesters on the Maidan, managed to escape from

The Government failed to protect territorial integrity of Ukraine

Inaction, indecisiveness and often non-professionalism of the new Government resulted in annexation of Crimea

prosecution. Later on, they would play an important role in annexation of Crimea and in separatist scenario in Donbas.

Another move of the Government in the sphere of law enforcement was to create the National Guard on the basis of the internal troops. Now these units are actively involved in anti-terrorist operation in the East.

These two steps have not changed anything in functioning of law enforcement. Its principles are still the same – just the names of officials have changed. However, the offices are distributed not on the professionalism criterion, but by party quotas. There was no lustration campaign in law enforcement. Society did not see how the new Government has legally assessed actions of thousands of police officers and hundreds of prosecutors, who were the executives of criminal orders by Victor Yanukovich and his confidants.

There was no considerable progress achieved in “objective investigation of killings and other crimes related to protest actions in November 2013 – February 2014”. Having presented interim results of the investigation as regards murders which took place on the Maidan on February 18-20, the Interior Ministry, General Prosecutor’s Office and Security Service of Ukraine did not say a word about other crimes committed during peaceful protests: a bloody crackdown of student protest on November 30, events on Bankova St. on December 1, numerous arrests, crimes against journalists etc.

Vitaliy Yarema, the first deputy Prime Minister, acknowledged that there are many critical remarks to the investigation. At the moment the police know who is guilty for killings of 46 protesters, while a total number of casualties was 106. 7 people have been arrested, while the rest have escaped to Crimea or abroad. At the same time Mr. Yarema does not say a total number of people accused.

The problem is that the Government does not want to make institutional changes in law enforcement. To our knowledge, so far there is no progress in elaboration of laws on concept of law enforcement reform, on police, on prosecution, on High Council of Justice, on criminal investigation, though the Government Program defined them as the most urgent ones.

The Parliament adopted the Law “On restoring the trust to the judicial system of Ukraine”, yet it does not provide for a systemic judicial reform. This law dismissed heads of courts and defined that the judges are elected for administrative positions by peers, contrary to their previous appointment by the authorities. Nevertheless, the key to comprehensive judicial reform is to reset the whole judicial system and to ensure that the courts are not influenced by representatives of executive branch.

1.3. Economic changes take place only under the IMF pressure

In late March Verkhovna Rada adopted an anti-crisis package which opened access to the IMF financial aid and made corrections in Budget 2014.

The package may hardly be called reform-oriented. It is aimed at settling urgent budget issues and cutting the budget expenses. Qualitative increase in budget income serves a secondary role in this package. Proposed tax innovations are of fiscal nature, while stimulating and social functions of taxes are largely ignored.

Monetary policy of the last three months deserves a special attention. Regardless of the speculative demand for FX, the National Bank of Ukraine

There was no lustration campaign in law enforcement

There are many critical remarks to the investigation of crimes on the Maidan

Proposed tax innovations are of fiscal nature

introduced a floating FX rate, which was one of the IMF requirements. However, at the initial stage the floating FX rate turned into a free fall of the national currency. As a result, UAH depreciation amounted to more than 50 per cent.

Under these circumstances, the NBU did not intervene claiming that there is a floating FX rate in the country now. Finally, the agency responded to the critics and took some measures (increase of discount rate and refinancing price as well as administrative measures against the banks involved in FX speculations), which brought some positive results.

It should be noted that almost all economic steps of the Government were defined by the IMF requirements: a floating FX rate, law on public procurement, anti-corruption laws, budget cut, and increase of energy prices for population. The IMF funds in the amount of USD 17 bln. were the only way to prevent the country from its default. Therefore, the Government did its best to secure this financing and managed to achieve it.

All economic steps of the Government were defined by the IMF requirements

1.4. Signing the Association Agreement is Government's half-victory

On March 21, political part of the Association Agreement between Ukraine and the EU was signed, though in November the document was ready to be signed as a whole. So called "political part" makes up only 2% of the Agreement. Economic part will be signed in late June at its best, otherwise – already in the autumn.

The Government postpones creation of the coordination center for European integration. The initiative was taken by civic activists who addressed Yatseniuk with the offers to create such an institution.

The only Government's promise was to create a respective office on the basis of the EU Association and Integration Department in the Cabinet of Ministers. Moreover, the national program on implementation of the Association Agreement is not ready yet. It should become a guideline for all the state agencies in the sphere of the European integration.

One of the tangible results of the European integration for Ukrainians will be a possibility for visa-free travel to Europe. Last week the Ukrainian Parliament adopted a package of "visa-free" legislation. However, Yatseniuk's version of the law, contrary to Azarov's, omits the issue of sexual orientation. For the EU it may become a sufficient reason to deny the second stage of visa-free regime for Ukraine.

Some tricky details in the Government's version of "visa-free" legislation

At the same time some Europeans, for instance Radoslaw Sikorski, Polish Minister of Foreign Affairs, remain optimistic and say that Ukraine may get visa-free travel to Europe as early as next year. It will depend on the actions and determination of the Ukrainian Government whether these optimistic forecasts will come true.

1.5. Nothing mentioned about administrative reform

It should be noted that the Government of Batkivshchyna and Sloboda faced a number of challenges which hardly could have been forecast in February. The Russian aggression and separatist scenarios in Crimea and Donbas made a lot of changes in the Government work.

For instance, the Parliament adopted the Resolution on granting the status of indigenous people to Crimean Tatars and the Law on occupied territories. Besides, the coalition passed the Law on the parliamentary opposition and the Law on public broadcasting, the importance of which was

The Government implemented some initiatives not foreseen by the Program

highlighted by journalists and civic activists.

At the same time the new Government avoids the issue of administrative reform. Qualitative changes towards democratic governance are impossible if the principles of public service remain the same.

The remedy for a sick system is to create an independent civil service, under which civil servants would not be related to the parties. The state requires a clear division between administrative and political positions. Currently we witness the opposite – all the positions in the Government – from central to district level – are distributed under party quotas.

Pro-government parties even more actively than their predecessors try to fix their ownership right not only on certain offices, but on whole sectors of economy or whole regions. Such manifestations of political corruption conserve the system, while problems with Russia or separatism in the East are used by the Government as an excuse not to do the reforms.

A true reason for the lack of reforms is an inability of the Soviet system of civil service to function under democratic standards. Under these standards the violation should inevitably be related to punishment; the decisions are made based on norms, but not at the official's discretion; controlling agencies should not depend on the people they are to control.

It goes without saying that reforming of corrupted post-Soviet state service needs years to be accomplished. Yet the society wants to see that the Government has a political will to change the system, knowledge of the method to conduct the reforms, and the skills to transform political decisions in specific administrative procedures.

The need for an independent civil service

The society wants to see that the Government has a political will, knowledge and skills to change the system

2. Economic Situation

The Government is ready for tax amnesty of businesses, earlier involved in “grey” schemes. This step will be efficient only in case anti-corruption reforms are conducted and tax office ensures a rigid control over tax evasion.

In the energy sector the Government tries to convince the EU to move the intake station for the Russian gas to the Ukrainian-Russian border. It will decrease the possibility for gas conflicts between Ukraine and Russia in future.

At the same time a food crisis looms in Crimea, caused by administrative measures of the Russian Government and destruction of economic ties between the peninsula and continental Ukraine.

2.1. The Government is ready to compromise on taxes

The Government has drafted a bill that will offer a tax amnesty to companies that have not been avoiding paying their taxes. Going for a tax compromise, say officials, will bring some 1,000 companies out of the shadow economy. However, without a complementary set of measures to reduce the shadow economy and combat corruption, the effect of this proposed tax compromise will be far smaller than the Government anticipates.

A tax amnesty may bring some 1,000 companies out of the shadow economy

The point of this tax compromise is to absolve companies that, prior to January 1, 2014, reduced their tax obligations and inflated budget compensation. The companies would be absolved of financial, administrative and criminal liability if they provided updated reports of their tax obligations and paid a one-time tax of 15% of the overall taxes due. The bill is intended to appeal to those companies that were forced to engage in shadowy schemes set up by individuals in Viktor Yanukovich’s inner circle.

Once they have paid the one-time tax, no additional penalties of fines would be levied against them. However, they could be subject to a documentary review by a tax administration agent in the following 90 days. If no audit took place during that period, all declared amounts would be considered accepted. The tax compromise would be considered completed once the company paid its taxes due. After this, the tax administration would no longer have the right to review those periods during which the taxpayer revealed unpaid taxes due and paid the one-time tax.

Carrying out this particular tax compromise is unlikely to have a serious impact on budget revenues, although, as a general principle, the Government’s readiness to go for capital amnesty measures is a good idea. The idea of extending this particular mechanism only to those companies that were “forced” to participate in the Yanukovich Family’s tax schemes raises a few questions, because a tax amnesty of this kind should really cover a broader range of businesses.

The tax compromise is unlikely to have a serious impact on budget revenues

One extremely important factor in the success of such an initiative is the rolling out of full-scale reforms directed at reducing the level of corruption, along with consistency and strictness on the part of the tax agency in terms of revealing and punishing companies that evade taxes and did not take advantage of the tax amnesty. However, a one-off application of a tax amnesty of this nature is no guarantee that companies won’t then continue to use the same schemes as before to evade taxes. The very

existence of corrupt schemes that allow people to evade tax liabilities makes it questionable how effective this tax mechanism can be.

For companies to further feel incentive to legally pay the taxes they owe, it is necessary for tax administration to be streamlined, to reduce the number of taxes being levied, and to severely punish companies that continue to evade them.

2.2. The gas question continues to provide challenges

The Government has finally clearly stated its position regarding deliveries of Russian gas to Europe having proposed moving the intake station for Russian natural gas to the Ukrainian-Russian border and signing new agreements that will allow European gas companies to use the country's underground gas storage facilities.

The EU officials say that they do not mind buying the Russian gas on the Ukrainian-Russian border. "Move of the intake station to eastern Ukraine by European companies is a matter of business. It is the companies that should discuss it. But we believe that there should be a possibility for such an idea", says Sabine Berger, spokesperson of Guenther Oettinger, European Commissioner for Energy.

Despite the efforts of both Ukraine and the EU, the Russians have shown no willingness to regulate the issue of gas deliveries from the Russian Federation to Ukraine and the EU.

Ukraine's position on the unacceptability of a monopolist, politically motivated price for Russian natural gas that was unilaterally nearly doubled without any economic justification remains unchanged. For the time being, Ukraine continues to propose signing an annex to the agreement with Russia fixing prices at the level that was in effect during Q1 2014.

It is unlikely that European companies in long-term contracts with Gazprom will agree to move the intake station for Russia's gas to the Ukrainian-Russian border, because that will mean signing new contracts to reflect the change. This is the point where Ukraine-EU-Russia relations have come to a halt so far.

The current provocation of a new gas war and attempts to discredit the reliability of transit routes through Ukraine are intended exclusively to justify the need to build the South Stream pipeline. This project is not intended to diversify and improve the EU's energy independence but simply to remove Ukraine as a transit country.

The EU could support Ukraine financially in terms of paying off back bills for Russian gas, but only on condition that the price for gas is a market rate. The European Commission has also indicated that it expects Ukraine and Russia to come to a compromise on the gas issue by the end of May 2014. The Russian side has already announced that it was prepared to negotiate a discount on the price for gas supplied to Ukraine provided that Kyiv paid off its debt as of April 1, 2014, which Russia calculates to be USD 2.237 bn. Russia is also demanding that Ukraine establish a reliable repayment schedule for its gas debt. At the same time, Moscow is prepared to consider only the question of a discount on the price, not a change in the actual price established in the current contract.

2.3. A food crisis looms in Crimea... and not only

For Ukraine's food producers, the Crimean market has become

Ukraine tries to get the EU support in gas relations with Russia

Attempts to discredit the reliability of transit routes through Ukraine are intended to justify the need to build the South Stream pipeline

relatively inaccessible. On May 17, the Russian Federation's Customs Service announced that it would no longer allow trucks with Ukrainian food products through. This led to a major bottleneck of such vehicles at the border with Crimea.

Given that there was already a cutback in the number of companies supplying the peninsula with foodstuffs and the fact that 80% of the selection on Crimean grocery shelves is actually Ukrainian products, banning Ukrainian goods from entering Crimea could lead to a serious food shortage there.

Yet another urgent issue is settlements with contractors. Because the National Bank of Ukraine (NBU) has prohibited any transactions between the peninsula and mainland Ukraine, it has become very difficult to transfer funds from Crimea to the mainland. This is particularly hard on retailers.

At the same time, the major Russian supermarket chains are in no hurry to set up on the peninsula. Russian retailers are afraid because of unresolved banking issues and the fact that the price range for Russian goods is higher. Given the cost of delivery, especially by sea, prices for Russian goods will be around 25% higher than they were for Ukrainian ones.

Another issue is also raising its head: supplying Crimea with potable water. The new government of the annexed peninsula has not signed any contracts for the supply of water with Ukraine.

Lack of water could lead to serious problems with a slew of crop yields. And although Crimea provides its own both forage and food grains, it's only half of what the peninsula needs, so a failed crop will have a very negative impact on the local population.

The situation could be ameliorated by delivering grain by sea, but Crimean ports are designed to load grain, not to receive it. Modernizing the ports requires major investment and that is unlikely to come in before the end of 2014.

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3. Political Competition

The 2014 election campaign is very different from its predecessors. The absence of an antagonistic division into Eastern and Western candidates, the vague positions of those in power and the opposition, and the constant presence of an external threat from Russia have affected the rhetoric of the leading candidates. Their campaigns have evolved chaotically and without strategy. The main argument in the battle that will likely determine the winner has been opinion polls. Given that the results of opinion surveys published at the beginning of March showed a large lead for Petro Poroshenko compared to other candidates, he gained a strategic advantage and became the factor consolidating other players around this one individual.

3.1. Petro Poroshenko: A sociological hegemony

The cornerstone of Petro Poroshenko's election campaign has been voter opinion. The earliest opinion poll, taken only a few days after the sniper massacre on the Maidan, showed him already with a commanding lead over his rivals. Sociologists explained this result as reflecting the emotional state of the people of Ukraine, who were exhausted by the extended street protests, shocked by the number of victims, and eager to finally see some peace and quiet in the country. With his traditional image as a peacekeeper, diplomat and successful businessman, Poroshenko was positively perceived by respondents. In this way, from the very start, during the first week of March, the billionaire was able to gain the strategic advantage and consolidate his position as the favorite in the race.

This survey also had a follow-on impact on all the subsequent polls, as there is always a part of the electorate that tends to vote for the candidate with the greatest chances of winning.

One of Poroshenko's main problems is the lack of a political team. He has always been seen as a solo player and his political party, Solidarnist, still only exists on paper. This was partly resolved by forming a political alliance with Vitaliy Klitschko, who provided his regional network of UDAR and key players from his team to set up Petro Poroshenko's election headquarters. When Klitschko withdrew from the presidential race and officially threw his support behind Poroshenko, this also had a positive impact on Poroshenko's ratings.

As he began to feel the lack of organizational and other support, the Solidarnist leader began to attract people from the Batkivshchyna party, independents and even some politicians that were earlier members of Party of the Regions. Such "omnivorousness" in forming an electoral team was rapidly noted by reporters and could pose a threat for Poroshenko at some point, since his team could start to form cliques with conflicting agendas.

Another achievement for Poroshenko was getting Yuriy Lutsenko on his team. The leader of the Third Ukrainian Republic, a civic initiative, and a one-time Interior Minister, Lutsenko became Poroshenko's VIP promoter at the end of April. He could also end up running Poroshenko's party during the Verkhovna Rada election and represent the billionaire's interests in the next legislature.

Although Petro Poroshenko has considerable financial resources of his own, he considered it necessary to get the support of leading domestic business groups. Although his successful negotiations with Dmytro Firtash were negatively perceived by the public, using the resources of Privat

Petro Poroshenko gained the strategic advantage due to opinion polls

Poroshenko's problem is the lack of a political team

Involvement of Yuriy Lutsenko was another achievement for Poroshenko

Bank's Ihor Kolomoyskiy and his open support towards the end of the campaign actually strengthened Poroshenko's position.

Throughout the campaign, the candidate actively used the language of the peacekeeper that was typical of him from the months of the Euromaidan. He called for national consolidation, while not trying to criticize any of his opponents. This also explained why he refused to debate Yulia Tymoshenko, although she insisted several times that a debate was very necessary.

Poroshenko also devoted considerable attention to working at the international level. Poroshenko's interactions with high-level officials have established the groundwork for successful cooperation in the future and provide a clear signal to Ukrainian society that the presidency of this candidate is almost assured.

During the final phase of the election campaign, the main idea Poroshenko tried to promote was victory in the first round. The importance for this is justified both based on public opinion polls and on the internal situation in the country. This politician has done everything to mobilize field work with voters, and work with members of electoral commissions, to ensure that he will win outright in the first round. But chances of this are not high given the large number of voters who still have not made up their minds and Yulia Tymoshenko's capacity for getting more support than what the polls predict.

The candidate gained support of key business groups

Poroshenko's major aim is to win in the first round

3.2. Yulia Tymoshenko: Kill all the oligarchs!

Yulia Tymoshenko announced that she would run for president at her very first public appearance after leaving jail. A good chunk of the Ukrainian public and even some members of her team reacted very negatively to this announcement. The Batkivshchyna leader had been isolated for too long from political processes in the country and has an overly high negative rating to count on victory in this election.

Tymoshenko's position regarding her participation in the race led to some of her team, such as Mykola Tomenko and Oleksandr Bryhinets, to announce leaving the Batkivshchyna faction in the VR. During the course of the campaign, Yuriy Lutsenko also changed his mind and began to openly support Petro Poroshenko. Realizing that voter support for the two candidates was not in Tymoshenko's favor, more and more political players and business interests began to pile in on the side of the frontrunner.

Marked by chaos and lack of organization, the Batkivshchyna leader's campaign also proved ineffective. In many cases, Tymoshenko openly copied the actions of other candidates, without offering anything substantially new. Her main message was fighting the oligarchs and was primarily aimed against Petro Poroshenko. Moreover, Tymoshenko's rhetoric was overtly aggressive at a time when Ukrainians were looking more for peacemakers than warriors.

In contrast to previous elections, the visual component of Tymoshenko's campaign, mostly in black and white, also received poor marks from experts. The politician was counting on an active presence on television but attitudes among Ukrainians towards television in recent years has changed and become far more critical.

Another factor that played against Tymoshenko was the fact that from the very first days after her release, she became an active player in the political process in Ukraine. Under her watchful eye, Batkivshchyna and

Tymoshenko's campaign is marked by chaos

The politician was counting on an active presence on television

Svoboda formed the transition Government, divided up portfolios, and appointed oblast governors and county administrators. All of this was based on party quotas, which showed the public that the new government was not prepared to radically change the system but was happy to run according to the existing schemes.

Yulia Tymoshenko tried not to be directly associated with the Government. While taking credit for every little positive achievement, she did everything to distance herself from any mistakes or failures to act.

Tymoshenko's problem in this campaign is the lack of a brilliant antipode, the role that Viktor Yanukovich had played for the last 10 years. This politician was used to election races run on the basis of aggressive negative campaigning against her opponents, but this time, her main rival is a member of the democratic camp.

Despite any number of PR tricks, such as setting up the Resistance Movement and negotiations with the separatists, support for Tymoshenko barely shifted. Towards the end of the campaign, polls actually showed it in decline.

Still, Tymoshenko's one advantage is a stable core electorate that will vote for her, no matter what and reliably comes to the polling stations on Election Day. Moreover, her voters are focused in rural areas, which are not always accurately reflected in opinion polls.

At this stage, Tymoshenko's main goal is to make it to the second round. After that, she will have three more weeks to roll out a strongly anti-Poroshenko campaign. Keeping in mind the complicated relations between these two politicians in the past, it is fair to assume that this will include some serious dirty tricks.

Whatever the case, Yulia Tymoshenko has no intentions of admitting defeat. She is likely to challenge any negative results in court. The fact that the new government has not changed the principles of the way the court system works in Ukraine and has not lustrated judges offers endless opportunities to pressure the latter. Moreover, should Tymoshenko lose, she has already promised to organize a third Maidan. It's clear that, in the race for the office of President, Yulia Tymoshenko is going to fight to the bitter end.

Tymoshenko's problem is the lack of a brilliant antipode

In the race for the office of President, Yulia Tymoshenko is going to fight to the bitter end

3.3. Serhiy Tihipko: Going for the bronze?

At the beginning of March, Serhiy Tihipko tried to privatize Party of the Regions brand, but he ran into resistance from Rinat Akhmetov, its billionaire godfather, and Oleksandr Yefremov, its faction leader. Having failed to inherit the Party, which refused to nominate him as its candidate for the presidency, Tihipko went the other way and completely distanced himself from the "regionals" and began to campaign to win over the electorate of southern and eastern Ukraine. He also began to work to revive his last political project, Sylna Ukraina [Strong Ukraine].

In his election campaign, Tihipko has focused primarily on the issues of peace, stability, political circumspection, and not allowing any bloodshed. Given that peacekeeping rhetoric has been in great demand among Ukrainians and that Tihipko did manage to get some of the PR electorate to follow him, he might be able to reach his 2010 results and come third in the race.

The 'political bronze' offers good possibilities for a new party to compete for a place in the next legislature. Moreover, the nature of political

Political revival of Sylna Ukraina project

culture in this country is such that Ukrainians are more inclined to vote for leaders than for those on a party's list. So Tihipko's #1 goal is to gain a solid third place, get back his political sponsors, and take up residence on the electoral ruins of Party of the Regions.

3.4. Party of the Regions: Bent on self-destruction

The flight of Viktor Yanukovich and his entourage certainly damaged Party of the Regions politically, but it was not the key factor in the PR's collapse. The party itself could well have regrouped its resources, blamed most of the bad stuff on the Family, and become a legitimate opposition to the current Government. This would have allowed it to go into the next VR election from a better position. However, the type of behavior that its key players and sponsors chose to exhibit inevitably discredited them from the very start.

The network of what was once the largest party in Ukraine became a victim of determined self-destruction. Many of the PR organizations in western Ukraine simply folded, the Kyiv Oblast branch was taken over by Yuriy Boyko, while Serhiy Tihipko took control over Odesa and a slew of PR organizations in central Ukraine. By March, the PR leadership deliberately began to cut down the national reach of this political force and tried to retrench itself in only four oblasts: Donetsk, Luhansk, Kharkiv and Dnipropetrovsk. Soon, Dnipropetrovsk completely removed itself from PR influence thanks to the hard stance taken by Ihor Kolomoyskiy, who had been appointed Governor there.

Playing around with the idea of federalization and unofficial support for separatists led to a situation where, even in its three core oblasts, Party of the Regions spun out of control. Now both Akhmetov and Yefremov are reaping the fruits of their labor. As the separatists rapidly turned into a separate power center in Donbas and have become a genuine threat to the business interests of leading "regionals."

Another miscalculation of Party of the Regions was support for Mykhailo Dobkin in the presidential race. Dobkin has a huge negative rating at the national level, and even in Kharkiv Oblast, where his main voter base is, he has been unable to increase his numbers in more than two months of campaigning. What's more, he has taken an openly pro-Russian position, which is negatively perceived even among eastern voters.

Another mistake Party of the Regions made was setting up a collective body to run the party. Firstly, the PR electorate has always wanted to see a strong leader. Secondly, in the two months that this committee has been in place, it has not turned into a consolidated PR voice: its position mostly has been the one expressed by faction leader Oleksandr Yefremov.

At this point, a huge electoral gap has opened up in eastern Ukraine, where voters are completely disillusioned with both the previous government and the present one, while Party of the Regions no longer reflects the interests of this region. The question of the emergence of some new political force in this region is extremely urgent, one that could garner the support of the Russian-speaking population in the East and return that part of Ukraine's population into the national political process.

3.5. New faces fail to make hay

There is great demand among Ukrainian voters for the new

The third place will help Tihipko get back his political sponsors

Destructive behavior of Party of the Regions

Party of the Regions tried to retrench itself only in four oblasts

Party of the Regions support for Mykhailo Dobkin did not increase his rating

The question of the emergence of some new political force in the East is extremely urgent

politicians who burst onto the national scene so dramatically during the first weeks after the Maidan. Still, lacking resources, teams and experience, these novices proved unable to take advantage of such an opportunity.

The two new faces that emerged in the wake of the rebellion and are now running for the top post in the land are Olha Bohomolets and Dmytro Yarosh. Their main problem has been that neither was able to put together a proper team and move their activity to an institutional level.

In addition to the lack of a real team, Olha Bohomolets was unable to also formulate a clear vision of the country and did not manage to build on her medical renown. Still, public trust in her remains every high.

Dmytro Yarosh was a bit slow in turning Praviy Sector [Right Sector] into a political party, although he went ahead as a self-nominated candidate for the presidency. Among the other candidates, Yarosh distinguishes himself for his political platform, which is unusually specific and completely matches his public image as a politician.

What will influence his ultimate result the most is the fact that he decided not to actively campaign, because of the military threats from Russia. Although moving his headquarters to Dnipropetrovsk has a one-time positive impact on his image, the lack of grassroots work at the national level will have more negative consequences. In many polling stations, for instance, Yarosh doesn't even have his own people sitting on the local polling station commissions. His constant media presence this politician has Russian media to thank for, as they continue to use Right Sector's putative image to frighten voters in Donbas.

One mistake that both Bohomolets and Yarosh made was to ignore the mayoral election in Kyiv, which would have been a great opportunity to try themselves in the capital. What is more, thanks to the Maidan they became leaders of the protest and enjoyed considerable support precisely in this city.

Still and all, getting national support even at the level of a few percentage points will make it possible for these two new politicians to establish their brands, and that will make it easier to attract financial support and a team for the Verkhovna Rada election.

3.6. Oleh Liashko and Anatoliy Hrytsenko: The soldier boys

Two candidates, Oleh Liashko and Anatoliy Hrytsenko, occupied a separate electoral niche during this campaign, which put both of them firmly in the top five in the race. Both of these candidates have been playing on the same electoral field, using similar rhetoric and approaches to campaigning. Their parties are also both running in the Kyiv City Council election according to party lists and are waging battle in the FPTP districts.

The growing popularity of Oleh Liashko has been the result of his support for rural areas, where voters like his straightforward manner and his radical speech. Liashko was one of the first to concentrate on aggressive militaristic statements that found considerable support among voters who want a decisive leader.

Liashko gained a certain amount of political capital on the matter of returning Crimea, which has been actively used in his billboard campaign. Indeed, he has remained at the epicenter of the action throughout his campaign, starting with Crimea, and then in Donbas. His announcement about the formation of an Ukraine territorial defense battalion, which he himself gathered together and leads, generated an additional wave of support

***Lack of team
plays against the
novices***

***Among the other
candidates,
Yarosh
distinguishes
himself for his
political
platform***

***Liashko and
Hrytsenko are in
the top five in
the race***

***Straightforward
manner of
Liashko
increases his
support in rural
areas***

in his favor. Moreover, this is one candidate who has been actively using social networks in his campaign.

The main message of Anatoliy Hrytsenko's campaign has been as the candidate with military experience who successfully ran the Ministry of Defense. Given the uniqueness of this campaign, taking place as it is at a time of military threat, a significant number of voters want to see the new President as a strong military man. In addition, Hrytsenko positions himself as a politician of principle, an expert and an analyst.

Opinion polls have indicated that Hrytsenko's rating is growing. For many voters, he is a strong second choice, which means that on Election Day, his support could end up being higher than what the surveys are suggesting. In that case, Hrytsenko could be the compromise candidate for many voters who were unable to decide during the campaign whom they should vote for, and made their final choice only in the voting booth.

***Hrytsenko
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