

Pyotr Poroshenko, (independent) favourite in the presidential election in Ukraine

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Analysis

On 25th May next the Ukrainians are due to elect a new President of the Republic. The election follows the former Head of State, Viktor Yanukovich's abandonment of his post (Party of Regions) and the violent events that have caused upheaval in the country.

On 22nd February the Verkhovna Rada (Supreme Council), the only chamber in the Ukrainian parliament declared that by quitting his post Viktor Yanukovich had dismissed himself and that he was no longer fulfilling his responsibilities. It voted on the President's resignation 328 votes in support (none against) and announced that a new presidential election would be organised on 25th May. The next day Oleksandr Turchynov (Panukrainian Union-Motherland, Batkivshchyna), Yulia Tymoshenko's right-hand man, former Secret Services head and former Deputy Prime Minister (2007-2010), was appointed interim President. Arseny Yatsenyuk was appointed interim Prime Minister four days later.

The Party of Regions threw Viktor Yanukovich out deeming him *"responsible for the tragic events and guilty of having betrayed Ukraine, and of causing Ukrainians to fight against one another."* *"We condemn the criminal orders that led to death and took the country to the verge of collapse,"* declared the party.

Viktor Yanukovich was therefore impeached. He is the focus of an arrest warrant for mass civil murder in the wake of the confrontations that took place in Kiev and that led to the death of 82 people in all. The parliament also voted on a resolution asking the International Criminal Court to prosecute Viktor Yanukovich as part of an investigation into crimes against humanity. Thirty police executives are also the focus of an inquiry into their role in the repression.

Viktor Yanukovich maintains that he is a victim of a coup d'état and declared in an undated TV interview broadcast by a regional channel of Kharkiv that he was the only legitimate President of Ukraine!

Neighbouring Russia is stepping up its actions to prevent the presidential election taking place. *"Organising an election without having found a settlement with the Russian-speaking East and South of Ukraine is extremely damaging to the country,"* declared Russian Foreign Minister Serguey Lavrov.

Kiev is to do everything in its power for the election to take place since the country really requires legitimate authority. *"This presidential election must take place at all costs. Destabilisation is due to the fact that the country does not have a legitimate president,"* stressed Volodymir Fessenko, political expert at the Penta Centre for Political Studies in Kiev. *"Undermining the presidential election is part of Russia's plan. This is why everything must be done so that it takes place,"*

indicated Olexi Garan from the Mohyla University in Kiev. *"Even if the authorities do not manage to organise the vote everywhere, the international community will acknowledge the election,"* he added.

Three Months of Crisis

On 21st November 2013, just a few days before the signature of a trade and association agreement with the European Union's 28 heads of State and government at a summit in Vilnius, which had been under negotiation for several months, was suspended by President of the Republic of Ukraine, Viktor Yanukovich. Several hundred Ukrainians deemed they had been betrayed and

rallied in Independence Square (*Maïdan Nézalejnosti*) in Kiev to denounce the u-turn made by those in power in the face of what they considered to be pressure on the part of Russia. Demonstrations were also organised in other major provincial towns. The authorities counted on the demonstrators giving up after a time.

On 25th November the police of Kiev used force against the demonstrators. On 30th November a further police assault turned the demonstration into a challenge to those in power. On 13th December a first round table brought the President of the Republic and the representatives of the opposition together.

On 17th January Viktor Yanukovych promulgated laws restricting the right to demonstrate that were approved by parliament. Two days later 100,000 demonstrators defied the laws and on 22nd January, the charge made by the police forces led to three deaths in Kiev. Viktor Yanukovych then offered the post of Prime Minister to former Foreign Minister (March-December 2007) and former leader of parliament to (2007-2008), Arseny Yatsenyuk (Panukrainian Union-Motherland, Batkivshchyna) and that of Deputy Prime Minister to Vitaly Klichko (Ukrainian Democratic Alliance for Reform, UDAR). Both men declined the offer.

On 28th January Prime Minister Mykola Azarov (Regions Party) resigned and parliament repealed the law on the right to demonstrate. The occupation of Independence Square continued and some weeks later, on 18th February, Kiev plunged into scenes of violence: 26 people were killed and over 600 injured amongst the demonstrators and police force. The truce signed two days later did not last and demonstrators reclaimed Independence Square. Further clashes led to 47 deaths.

Three European Foreign Ministers, Laurent Fabius, Frank-Walter Steinmeier and Radoslaw Sikorski travelled to the Ukrainian capital and negotiated with the demonstrators' representatives and the authorities in office. On 21st February the President announced that an agreement had been found. On the same day parliament appointed new people to the posts of Prosecutor General, Defence Minister and the head of the States' Security Forces. Interior Minister Arsen Avakov (Panukrainian Union-Motherland, Batkivshchyna) announced the dissolution of the *berkout* (special anti-riot force), responsible for the repression of the demonstrators.

In the night of 21st-22nd February Mr Yanukovych quit office and fled first to the east of Ukraine and then

to Russia. Since the Constitution allows parliament to impeach the head of State if the latter is not able to ensure his post or if he *de facto* abandons power, the Verkhovna-Rada did so. In the same evening former Prime Minister (January-September 2005 and 2007-2010) Yulia Tymoshenko (Panukrainian Union-Motherland, Batkivshchyna) was freed from prison where she had been kept since 2011. On the same evening she travelled to Independence Square.

The events that took place from November to February led to 82 deaths in all, including around 15 policemen; there were 2000 injured including 500 who were in a serious condition.

Some days later on 27th February a pro-Russian commando took over the Parliament of Crimea which elected a local pro-Russian government and approved the organisation of a referendum in support of greater autonomy for the region. Thousands of Russian troops landed on the peninsula taking control of public buildings and surrounding Ukrainian military bases.

On 6th March the Crimean Parliament asked for the peninsula's annexation to Russia and announced that a popular consultation on the issue would take place on 16th March. Voters had to choose between annexation to Moscow or greater autonomy within Ukraine. 97% of those voting supported annexation to Russia. Russian President Vladimir Putin signed the treaty annexing Crimea to Moscow on 18th March thereby infringing international law. He also said that Russia would not try to integrate any other regions of Ukraine! On the peninsula the property of the Ukrainian state was nationalised, the rouble was introduced and Ukrainian military units dismantled.

Since 1992 Crimea had its own Constitution and was autonomous from a regional point of view. The town of Sebastopol, a major Russian naval base enjoyed a special status as an autonomous town. Moscow has 25 battle ships with 13,000 men on board in this town which comprises its only direct access to the Mediterranean (via the Bosphorous Strait). In 2010 the Ukrainian and Russian Parliaments signed a 25 year extension on the agreement which enabled Russia to remain in Sebastopol.

On 20th March the Ukrainian parliament adopted a resolution which states that "*Ukraine will fight for the liberation of Crimea whose annexation to Russia it will never acknowledge.*" Western response was sharp and great in number. UN Secretary General Anders Fogh

Rasmussen criticised Moscow and maintained that this military attack had infringed Ukraine's sovereignty which Russia had nevertheless vowed to respect in 1994. On 5th December that year Russia, the US and the UK signed a treaty in Budapest with Ukraine which planned for Kiev's relinquishment of nuclear arms in exchange for the guarantee of its territorial integrity by Washington, London and Moscow.

US Vice President Joe Biden denounced the "confiscation of territory" of which Vladimir Putin has made himself guilty. The US has suspended its goods and services exports thereby affecting the area of defence as far as Moscow is concerned. Together with the EU the US has also restricted visas and frozen the assets of 13 Russian and 8 Ukrainian leaders. The Parliamentary Assembly of the Council of Europe (PACE) has suspended the voting rights of the 18 Russian representatives until the end of 2014.

Finally on 27th March the UN approved the resolution submitted by Ukraine denouncing the referendum and the annexation of Crimea to Russia (100 votes in support, 58 abstentions and 11 against – including Russia, Belarus, North Korea, Cuba, Venezuela, Sudan and Syria). This very same text had been blocked at the Security Council eight days earlier when Moscow used its veto and Beijing abstained. The thirteen other States on the Council supported the resolution.

"Western leaders have excluded using the military option against Russia. With the annexation of Crimea to Russia, Vladimir Putin is testing just how far he can go (...) the crisis is not over. Vladimir Putin will not give up his dream of building his Eurasian Union," maintained Xavier Follebouck, researcher at the Catholic University of Louvain.

23 candidates running in the presidential election

23 people are officially registered to run in the presidential election, which is five more than in the last election on 17th January and 7th February 2010. On 25th May local elections will also be taking place in the 27 main towns including Kiev and Odessa.

- Pyotr Poroshenko, independent, supported by the Ukrainian Democratic Alliance for Reform (UDAR);
- Yulia Tymoshenko (Panukrainian Union Motherland, Batkivshchyna);
- Mikhaïl Dobkin (Regions Party), governor of the region of Kharkiv;

- Petro Symonenko (Communist Party);
- Serhii Tihipko, independent;
- Olga Bogomolets, independent, supported by the Socialist Party of Ukraine;
- Yuri Boyko, former Deputy Prime Minister;
- Anatoli Hrytsenko (Civil Position);
- Andri Hrynenko, independent;
- Oleksandr Klymenko (People's Party) ;
- Valeriy Konovalyuk, independent ;
- Natalia Korolevska, independent ;
- Vasyl Kuybida (People's Movement of Ukraine) ;
- Renat Kuzmin, independent ;
- Oleh Lyashko (Radical Party) ;
- Mykola Malomuzh, independent ;
- Vadim Rabinovich, independent, is one of the leaders of Ukraine's Jewish community;
- Volodymyr Saranov, independent;
- Zoryan Shkiryak, independent;
- Oleg Tsarov, independent;
- Vasyl Tsushko, independent;
- Oleh Tyahnybok (Svoboda) ;
- Dmytro Yaroch (Right Sector, Pravy Sektor).

The favourite in the polls, Pyotr Poroshenko, is indeed the candidate of consensus. Founder of the group Ukrprominvest and the biggest producer of confectionary in Ukraine, he has been nicknamed the *King of Chocolate*. His fortune lies at 1.5 billion \$ according to American magazine Forbes which maintains he is one of the ten wealthiest people in the country. He also owns the TV channel Kanal 5 that he offered to demonstrators during the recent events that rocked Ukraine. He is also the only oligarch to have openly supported the demonstrators in Independence Square. He also travelled to Crimea in a bid to negotiate with the pro-Russian troops when they surrounded the parliament after Viktor Yanukovich's demise. Pyotr Poroshenko is promising to bring the peninsula back into Ukraine's fold and to create a new national, modern, efficient army which will defend the State's sovereignty and integrity if he is elected.

Politically he played an active role in the Orange Revolution (mobilisation which followed the second round of the presidential election on 14th November 2004 which brought Viktor Yushchenko to office as head of State) but he was also one of the founding father of Viktor Yanukovich's Regions Party. Former Foreign Minister, (2009-2010), he was appointed Economy Minister in 2012 and elected to parliament

where he stood as an independent candidate.

"Pyotr Poroshenko is undoubtedly more consensual amongst the electorate than Yulia Tymoshenko. Many want an experienced crisis manager as head of State. Pyotr Poroshenko has the experience of several governments and he is seen as a successful business man," indicated political expert Volodimir Fessenko.

A man of compromise, Pyotr Poroshenko also enjoys a great deal of support of Vitaly Klichko, who after announcing that he would run for the presidency on 28th February, then decided to withdraw a month later. *"We must not fight against each other but for the future of Ukraine,"* he declared adding, *"the democratic forces must put forward one candidate, who had to be the one with the widest support."* Vitaly Klichko will run in the local elections of the capital, Kiev.

Heroine of the Orange Revolution and the unfortunate rival of former head of State Yanukovich in the last presidential election on 17th January and 7th February 2010 Yulia Tymoshenko is Pyotr Poroshenko's main rival. The former Prime Minister was sentenced on 11th October 2011 by the Pecherski Court to 7 years in prison for abuse of power to the financial detriment of Ukraine after the signature of a gas contract (between Naftogaz Ukraine and Gazprom) with Russia in January 2009. In the eyes of Ukrainian justice Yulia Tymoshenko stood accused of what comprised high treason: the contract negotiated in 2009 indeed led to a rise in Russian gas tariffs imported by Kiev. The former Prime Minister maintained that she was beaten and treated badly in prison.

"As long as Crimea is occupied by the Kremlin, Vladimir Putin will be Ukraine's no1 enemy in my eyes. I shall devote all of my strength to the defence of Ukraine and will never accept the idea that Crimea has been lost," indicated Ms Tymoshenko, adding *"I have useful information to stop this attack. But to accomplish my plan I must be appointed to office."* *"No Ukrainian politician who are preparing to be a candidate for the presidency has gauged the anarchy and is ready to stop it,"* maintained the former Prime Minister, who wants to step up the fight to counter corruption.

Dmytro Yaroch is the leader of Right Sector (Pravy Sektor) which he founded on 22nd March last by merging the nationalist movements of Una-unso and Tryzub (which means Trident, the symbol of Ukraine). *"The party will be a tool in the political area as the Kalashnikov is in the military domain,"* he declared.

Strongly anti-Russian and claiming to be (contested) the legatee of the Ukrainian nationalists of the 2nd World War is asking for the Communist Party and the Party of Regions to be banned. *"Above all the government must wipe out corruption from within the security and legal institutions. It has to launch in-depth reforms. We must have action not just words to make Ukraine a country where people want to live and separatists are no longer relevant,"* maintained Dmytro Yaroch.

In Ukraine the head of State is elected for 5 years. All candidates have to pay a deposit of 2.5 million hryvnia.

The Uprising in the East of Country

As soon as the new authorities were appointed in Kiev incidents started to take place in the eastern part of Ukraine. In Donetsk, the capital of the Donbass region and the country's leading industrial and economic town lying 50 km from the Russian border demonstrators first demanded their federalisation of Ukraine before taking over regional administrative buildings on 7th April and proclaiming a sovereign republic in Donetsk. In Lugansk, separatists have taken over the security services' building (SBU). In Kharkiv, Ukraine's second largest town, rebels temporarily occupied the regional administrative buildings; in Slavyansk and Gorlivka, the HQ of the local police and the town council have been taken over; in Kramatorsk the local town police buildings were the target; in Mariupol, Enakievo, Pervomaysk, Artemivsk, Enakiev, Torez, Kirovsk, Jdanyvka, Khartsyzk and Kostyantynivka, local council buildings have been occupied. In Gorlovka the police station and town hall have been occupied. The Mayor of Kharkiv, Gennedy Kernes was shot and injured. Separatists are demanding the organisation of a referendum on regional autonomy or annexation (of their town or their region) with Russia.

The Ukrainian authorities are accusing Moscow of trying to dismember the country and of preventing the presidential election on 25th May next. The Russians are supporting a federalisation of Ukraine which would grant more power to the Russian-speaking regions in the country's east. This project is being rejected by the authorities in Kiev – which Moscow does not acknowledge – which sees an open door to the division of their country. *"The only reason for all of this is to push Ukraine to fire a missile and then to accuse it of*

starting a war against Russia," declared interim Prime Minister, Arseny Yatsenyuk.

The Ukrainian government made a gesture towards the pro-Russian rebels with Interior Minister Arsen Avakov saying that he supported strengthening local administrative powers that to date had been decided upon by Kiev; he promised an amnesty to the rebels if they accepted the evacuation of the buildings they were occupying. But this was in vain – now Kiev is fighting to maintain its territorial integrity in what appears to be the worst crisis seen by Europe since the end of the Cold War.

The Ukrainian army has been put on maximum alert since the end of April. *"Our goal is to prevent terrorism extending from the regions of Donetsk and Lugansk to other regions,"* declared interim President Turchynov.

"Given Ukraine's geography, federalisation would lead to a situation in which the regions in the west would be under the tutelage of the west and those in the east under Russian control. This would imply a disguised form of division," indicated Vadim Karassyov, director of the Institute for International Strategy in Kiev.

"Of course some want annexation with Russia but the polls prove that this is only a minority," said Olexii Garan from the University of Mohyla in Kiev. Indeed a poll by the International Institute for Sociology and published by the newspaper Dzerkalo Tyjnia in April shows that 52.2% of the inhabitants of Donetsk are against annexation to Russia. Moreover 41.1% say they support decentralisation, 38.4% for a federal Ukraine and 10.6% for the status quo.

On 17th April the US, Russia, the EU and Ukraine met in Geneva in a bid to find a settlement to the present crisis. They signed an agreement that planned for the disarmament of illegal armed groups and the evacuation of the occupied buildings. In spite of that 40,000 Russian troops gathered on the Russia-Ukrainian border!

About a dozen OSCE observers were taken hostage by separatists in Slavyansk. Vyacheslav Ponomarev, a separatist leader indicated that these men were "prisoners of war". They were released on 3rd May. At the end of April the Russian air-force infringed Ukrainian airspace several times. The separatists now occupy the HQ of the regional TV of Donetsk. On 30th April they took over most of the official buildings in Lugansk.

On 2nd May the Ukrainian army launched an military operation in the towns of Slavyansk and Kramatorsk.

A country on the verge of bankruptcy

Ukraine's coffers are almost empty. In 2013 the GDP per capita totalled 3000 euro a figure that is one of the lowest in Europe and which represents 23% of the EU average. Ukraine is due to experience recession this year (-3% forecast) after stagnation in 2013 (0.4%) and will only recover its 2008 GDP in 2016. The country's deficit is due to grow (4.8% against 4.5% in 2013) and the debt is due to rise to 86.1% of the GDP (81% last year). Inflation is due to lie at 12% in 2014. The national currency, the hryvnia, has lost a quarter of its value since the beginning of the year. The Central Bank has used its reserves to support the currency and as a result the exchange reserves have collapsed. They now represent only 2.5 months' worth of imports.

Ukraine has many assets however: it has a high agricultural potential and qualified, cheap labour force. However the country is undermined by corruption and nepotism which discourages investors. Kiev also suffers major debt and is highly dependent on raw materials, notably steels whose rate has dropped significantly. *"Ukraine is suffering from atone external demand due to the economic performance of its euro zone partners and in Russia in a context that is marked by a stagnation in the sale of metallurgy products which are the country's main export item,"* indicates economist Vitaly Denysyuk.

The country will need 35 billion \$ over the next two years according to the interim Finance Minister, Yuri Kolobov who is asking for the organisation of an international donor conference. Kiev is due to receive aid totalling 28 billion \$ over two years from the international community. The International Monetary Fund (IMF) announced that it would be disbursing 17 billion \$ on 30th April. This loan is subject to the introduction of austerity measures and structural reform. The IMF already granted to lines of credit in the past (of 16.40 billion \$ in 2008 and 15.10 billion \$ in 2010) to Ukraine. These were however interrupted due to the refusal of those in office to implement painful and therefore unpopular measures.

Interim Prime Minister Arseny Yatsenyuk recently presented a series of measures to adopt: reducing the numbers of civil servants by 10% (which would total 24,000 people), the sale of State-owned land and

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properties, an increase in taxes on the wealthiest, the abolition of subsidies paid to the mines. The austerity cure demanded by the IMF is due to represent 2.5% of the GDP. It comprises a 50% rise in domestic gas prices and a freezing of retirement pensions and civil servants' wages.

The European Commission is due to introduce a bail out of 11 billion € in the shape of loans and trade privileges. Brussels is due to reduce customs duties between Kiev and Brussels (500 million € per year).

On 17th December 2013 Viktor Yanukovich obtained a loan of 15 billion \$ from Russia and a 30% reduction on gas prices. It is said that 3 billion were paid at the end of December. This loan has since been suspended. On April 1st Moscow raised gas prices by 80% - Kiev has not paid its bills since January 2014: 1000m³ rose from 268 to 485 \$ - an increase that was rejected by Ukraine.

Alexei Miller, CEO of Gazprom, also asked Ukraine to pay back the 11.4 billion \$ - a sum which is equal to the four previous years of reductions granted on the prices of gas. Alexander Medvedev, CEO of Gazprom Export (and Deputy Chair of Gazprom) has demanded 3.5 billion \$ in unpaid bills by Ukraine.

Russia recently warned Ukraine that it wanted to introduce a system of prepayment for its gas deliveries. Hence the Ukrainian authorities have until June 1st to pay (in advance) their June 2014 gas bill. This is almost impossible considering the country's present financial difficulties.

Around 60% of the gas used in Ukraine comes from Russia. Moreover 65 billion m³ of gas are transported towards the EU via Ukrainian gas pipelines.

On 2nd May the EU, Ukraine and Russia met in Vienna to discuss gas security and delivery to Kiev and the EU.

Reminder of the Presidential Election Results 17th January and 7th February 2010

Turnout : 66.76 % (1st round) and 69.15% (2nd round)

| Candidates | No of votes won (1st round) | % of votes cast (1st round) | No of votes won (2nd round) | % of votes cast (2nd round) |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Viktor Yanukovich (Regions Party) | 8 686 751 | 35,32 | 12 481 268 | 48,95 |
| Yulia Tymoshenko (Yulia Tymoshenko Bloc) | 6 159 829 | 25,05 | 11 593 340 | 45,47 |
| Serhii Tihipko (Labour Party of Ukraine) | 3 211 257 | 13,06 | | |
| Arseny Yatsenyuk (Front for Change) | 1 711 749 | 6,96 | | |
| Viktor Yushchenko (Our Ukraine) | 1 341 539 | 5,45 | | |
| Petro Symonenko (Communist Party of Ukraine) | 872 908 | 3,55 | | |
| Volodymyr Litvin (People's Party) | 578 886 | 2,35 | | |
| Oleh Tyahnybok (Panukrainian Freedom Union) | 352 282 | 1,43 | | |
| Anatoly Hrytsenko (Our Ukraine, dissident) | 296 413 | 1,20 | | |
| Inna Bohoslovka | 102 435 | 0,41 | | |
| Oleksandr Moroz (Socialist Party of Ukraine) | 95 169 | 0,38 | | |
| Yuri Kostenko (People's Party of Ukraine) | 54 376 | 0,22 | | |

Source : Commission électorale centrale d'Ukraine

According to the most recent poll by Socis between 9th and 16th April, Pyotr Poroshenko is due to win the presidential election with 48.4% of the vote. He is due to come out ahead of Yulia Tymoshenko, who is due to win 14% of the vote; Serhii Tihipko, is due to win 7.4%; the governor of the region of Kharkiv Mikhaïl Dobkin (6%) ; Communist Petro Symonenko (5,6%) and Oleh Tyahnybok (2,1%).

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