



## Warm Reception in Brussels

Prime Minister Yulia Tymoshenko received a warm and sympathetic reception from European leaders and EU officials during her visit to Brussels last week.



▲ The reformer: Prime Minister Yulia Tymoshenko was warmly received in Brussels.

Whilst in the Belgian capital, the premier met with Javier Solana, Secretary General of the Council of the European Union, High Representative for Common Foreign and Security Policy. Although concerned by the political turmoil in Ukraine, Mr Solano praised the efforts of Ms Tymoshenko's government in tackling inflation.

According to Mr Solana, Ukraine's economic policy was moving extremely positively and the country displaying strong economic growth, while inflation was coming under control.

Mr Solano expressed his desire to see greater political stability which he believes will further improve the economic situation.

In response, Ms Tymoshenko said, "Ukraine has excellent potential and is developing positively." Recognising the need for greater political unity with President Viktor Yushchenko, she said, "from my side as head of the government, I will do my best to work in this direction."

Ms Tymoshenko reiterated the importance of controlling inflation and said that the economy would benefit from a bumper harvest this year. High food prices have had a significant impact on inflation as more than 50 per cent of Ukraine's consumer price index is related to food staples.

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The 2008 harvest is expected to be twice that of 2007, due in part to better financing of the agricultural sector – by 40 percent this year – and improved management and practices. Ms Tymoshenko told European leaders of her desire for Ukraine to regain its status as the breadbasket of Europe.

Vice President of the European Commission, Günter Verheugen, said, "I admit that Ms Tymoshenko has achieved significant progress from the point of view of Ukraine's economic development." He noted and welcomed the planned structural reforms to bring Ukraine in line with European principles and underlined the EU's commitment to a comprehensive free trade agreement. "We will deepen our cooperation for the strengthening of European prospects in Ukraine," he said.



Mr Verheugen also endorsed Ukraine joining the European Charter for small enterprises, expressing a desire for closer collaboration in this area.

"This was a fruitful visit," said Hryhoriy Nemyria, Deputy Prime Minister responsible for European Integration. "Although our EU partners are rightly concerned about the volatility of domestic politics in Ukraine, there is a general consensus on economic progress and closer links."

In September, French President Nicolas Sarkozy will host an EU-Ukraine summit which is expected to bring about closer ties and edge Ukraine nearer to its long-term goal of EU membership.

## Membership No Time Soon

"We must be realistic, EU membership is a long-term goal for us," said Mr Nemyria, "first we must align our institutions, structures and regulations with European norms and this will take time. But we are making real progress and taking those first steps. We have the mandate from the people to do this and our course is irreversible."



Although Ukraine hopes one day to become a full-member of the EU, much will depend on the pace of its reform programme and the willingness of member states to expand the boundaries of the 27-member state bloc. The EU boasts nearly 500 million citizens and 30 percent of the world's nominal GDP.



## Support from the European People's Party

One of the main reasons for the Brussels visit was for Ms Tymoshenko to attend a meeting of the leaders of the European People's Party (EPP). The centre-right party is the largest European-level party on the continent with 74 member parties from 38 countries.

The EPP leaders agreed that the EU should continue the ratification of the Lisbon Treaty and expressed support for the process of accession for Croatia.

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**course of reform."**

Also on the agenda was the issue of rising fuel and food prices. Ms Tymoshenko said that she saw a significant role for Ukraine to play in helping to ease the international food crisis; noting that this year's expected bumper grain harvest would enable Ukraine to increase exports to European countries.

In return, President of the EPP, Wilfried Martens, said that he backed the reforms of the Ukrainian government and, notably, its measures to curb inflation.

"On behalf of the EPP I would like to state our solidarity with the course undertaken by the Tymoshenko-government, its anti-corruption and privatisation programme. I would also like to support Ms Tymoshenko as the leader of the democratic coalition. We remain perturbed that there are attacks on the government and at the same time these attempt to block the course of reform," said Mr Martens.

▲ Wilfried Martens.



According to a report in Ukrayinska Pravda, "The EPP openly stands on Tymoshenko's side in the current conflict."



▲ Prime Minister Yulia Tymoshenko with German Chancellor Angela Merkel and the Prime Minister of Italy, Silvio Berlusconi.

"President Yushchenko's policy of attacking the orange coalition and Tymoshenko-government is having an impact internationally," commented Dr Taras Kuzio, Research Associate at the Institute for European, Russian and Eurasian Studies, George Washington University and editor of Ukraine Analyst. "Yushchenko is fast losing support in Brussels, London and Washington for the very same reasons he is losing support among Ukrainians; namely, in response to his duplicity in claiming to support "his government" while doing everything in his power to undermine it," he said.

The EPP meeting attracted 15 heads of government. Taking advantage of the gathering, Ms Tymoshenko took the opportunity to meet with Fredrik Reinfeldt, Prime Minister of Sweden, Ives Leterme, Prime Minister of Belgium and Silvio Berlusconi, the Prime Minister of Italy

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## Regions Plots End of Coalition

Last week, as Prime Minister Yulia Tymoshenko met EU officials in Brussels, back home the pro-Russian Party of Regions was sharpening knives in preparation to topple the democratic coalition government.

The bloc revealed its hand last Thursday by announcing it would demand the premier hold an extraordinary meeting of the Verkhovna Rada to report on the high level of inflation.

Many in the Bloc of Yulia Tymoshenko (BYuT) saw this as the opening gambit to dismiss the government through a vote of no confidence. BYuT lawmakers immediately blockaded the speaker's podium in protest.

To win a no-confidence motion, the Party of Regions requires a simple majority in Ukraine's 450-seat parliament. With the recent defection of two lawmakers from the democratic coalition, the government has lost its numerical majority and parliament stands on a knife-edge. Accordingly, political machinations abound, many of which point to a November snap election.



### Plotting and Scheming

A recent article in the Segodnya newspaper indicated that the Party of Regions has a two-pronged strategy to bring about the demise of the democratic coalition. Firstly, it plans to get the Constitutional Court to rule on the legitimacy of the ruling coalition. The law is not entirely clear whether defecting lawmakers who resign from the coalition, but not from their respective blocs, make the governing coalition illegitimate.

Secondly, the Party of Regions is allegedly engaged in behind the scenes negotiations with three parties: the pro-Presidential Our Ukraine – People's Self-Defence bloc (OU-PSD), the Communist Party and the independent Lytvyn bloc. Again the objective of the talks is to garner sufficient votes to carry a no-confidence motion and form a new "grand coalition."



Former-prime minister Viktor Yanukovych said that his faction would gather the 150 signatures needed to put the question onto the parliamentary agenda. This he can do as the Party of Regions controls 172 lawmakers. However, it is questionable whether he can muster sufficient votes to carry a no-confidence motion.

Many doubt he can. OU-PSD is a bloc riven by political infighting. Yuriy Lutsenko's People's Self-Defence faction is loyal to the democratic coalition and at odds with the president's secretariat, headed by Viktor Baloha. Mr Lutsenko has accused him of plotting the downfall of Ms Tymoshenko to bolster the president's position ahead of the 2010 presidential election. Moreover, the People's Self-Defence Bloc is openly sympathetic to BYuT's policies.

Who else can Mr Yanukovych turn to? His former ally, the Communist Party, has become a stronger and more independent political force following last September's snap parliamentary election. Believed to be on better terms with BYuT, its leaders may think twice about joining up again with a party which openly backs rich oligarchs. However, like last time, promises of power-sharing may prove too much for them.



▲ Will President Viktor Yushchenko fight to keep the democratic coalition together?

According to some reports, the Lytvyn bloc is charting a neutral course. Quoted in the Delo newspaper, Oleh Zarubynskiy, a lawmaker with the 20-seat centrist bloc, said that the democratic coalition was doomed. "Of course, those who want to keep the coalition at present, they regard the Lytvyn's Bloc as a magic wand. But we will not become any patch for the Titanic," he said. Mr Zarubynskiy suggested that there were 37 lawmakers from OU-PSD that may be prepared to join a coalition with the Party of Regions. Conversely, there are many fiercely against a re-run of the ill-fated Coalition of National Unity.

Viacheslav Kyrylenko, a faction leader at OU-PSD, refuted allegations that his bloc was holding talks with the Party of Regions. "The faction has not held and is not holding any talks on the creation of a coalition with the Party of Regions," he said.

"The president would have to be insane to climb into bed with Yanukovych again," said a British businessman based in Kyiv, "does he not recall why he called last year's election? I'm staggered. Contesting another one would fragment his party and leave him out in the cold."

The fall of the government, was rejected by a determined Prime Minister Tymoshenko in Brussels. Dismissing the provocations of the opposition, she said, "Their actions are aimed at destabilising the situation in the country, but they won't have enough power to trigger anybody's dismissal."

## Measures to End the Stalemate

Meanwhile, BYuT lawmaker Ivan Kyrylenko demanded that the Verkhovna Rada focus on legislation to end the political deadlock. He called for laws cancelling immunity and privileges for lawmakers, and the introduction of the imperative mandate to "avoid political corruption in the future."

The imperative mandate, which requires lawmakers to remain members of the faction of the party or bloc from which they were elected into parliament, is often scorned upon by well established democracies but is believed to best serve nascent democracies, like Ukraine's, as it provides a means to prevent politicians from being bribed to switch sides. ▶▶▶

The imperative mandate is supported by a majority of Ukrainians, tired of political stalemate and intrigue. A recent poll by the Public Opinion Fund Ukraine (FOM Ukraine) revealed that 71.9 percent of Ukrainians support its introduction.

## Emergency Plenary Session

The Chairman (Speaker) of the Verkhovna Rada, Arseniy Yatsenyuk, was threatened by Mr Yanukovich who suggested that he would orchestrate the election of a temporary parliamentary speaker if Mr Yatsenyuk did not take steps to convene the emergency session.

Mr Yatsenyuk made it clear that the session would be convened if 150 signatures were collected. "As for an emergency plenary session, I can guarantee we'll convene it within a period of three days if we get a petition for it from 150 lawmakers," said Mr Yatsenyuk, "no one wants an unconstitutional replacement of state power."

Former-speaker and leader of his eponymous block Volodymyr Lytvyn thinks that a November election is unavoidable. "Considering current developments, it is inevitable," he said.

**"Political turmoil should not be the norm for our citizens. We all must behave responsibly, delivering on the trust placed in us."**

Many believe a snap poll, which could not legally be held before November, may also trigger an early presidential election. Such a scenario could be potentially disastrous for President Viktor Yushchenko whose popularity is waning. "It is inconceivable how he could benefit," said a perplexed insider.

Ms Tymoshenko put things into perspective, saying: "Political turmoil should not be the norm for our citizens. We all must behave responsibly, delivering on the trust placed in us. Sadly our politicians squabble like infants in the playground when there are serious issues needing to be addressed; budget laws to be passed and inflation to be fought. These must be the priorities of the Verkhovna Rada, not byzantine plots."

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## Where in the World?



▲ Valentyna Semeniuk, the inactive Head of the State Property Fund, basks in the sun at the luxurious Sungate Port Royal hotel in Turkey.

Several weeks ago the Cabinet of Ministers wanted to pass a motion to dismiss Valentyna Semeniuk, the head of the State Property Fund (see Inform, Issue 74). This is because Ms Semeniuk has persistently blocked the government's privatisation plans, preventing it from raising funds for a scheme to return lost Soviet-era savings to millions of citizens.

Arseniy Yatsenyuk, Chairman of the Verkhovna Rada attempted to summon her before parliament, but Ms Semeniuk was reportedly on vacation. Other reports suggested she was undergoing medical treatment. According to Ukrainian law, an employee cannot be dismissed if he/she is on vacation.



Foreign Notes blogger LEvko wrote: "Parliamentary speaker Arseniy Yatsenyuk informed deputies that she was undergoing urgent medical tests abroad."

Yet journalists eventually tracked the inactive head responsible for state privatisations down to a luxurious Turkish hotel. Apparently Ms Semeniuk decided to combine her vacation-cum-medical treatment with a honeymoon.

Speaking to journalists by phone she said, "I went on leave, and, at first, underwent a medical examination." She explained further saying that her doctors advised her to swim, and her husband recalled that they had missed their honeymoon.

At last the mystery is solved. Needless to say, Ms Semeniuk's return to Kyiv is awaited with bated breath.



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