GIGA Focus
German Institute of Global and Area Studies
Leibniz-Institut für Globale und Regionale Studien

Number 2
2015
ISSN 2196-3940

Oligarch vs. Nationalist: Ukraine's 2014 Parliamentary Elections

Alexandr Burilkov

Ukraine's October 2014 elections resulted in a parliament divided between three new major power blocs: the Poroshenko Bloc, the People's Front, and the Opposition Bloc. Formed from the atomized remnants of Ukraine's pre-Maidan parliamentary landscape, the new parties differ strongly in their bases and visions for the future of Ukraine.

Analysis

- Ukraine transitioned from a bipolar party system, mainly based on the regional patronage networks of prominent oligarchs from western and eastern Ukraine, to a post-Maidan electoral landscape where the ruling Poroshenko Bloc depends on an uneasy alliance with the activist nationalists of the People's Front to advance badly needed economic and security reforms.
- The end of the old party system had the positive outcome of bringing to power a more technocratic administration that has the chance to preserve Ukrainian national unity and steer the country toward transparency and prosperity.
- Current challenges are the fragility of the ruling coalition, which can only gain legitimacy by improving economic conditions and avoiding corruption, and the extreme-right tendencies of some volunteer units fighting on behalf of the government in the Donbass.
- The tense February 2015 Minsk II peace accord and the threat of Russia deepening its support for the separatists is likely to further damage the Ukrainian government's dwindling resources and its capacity for reform.

Keywords: Ukraine, Russia, Crimea, Donbass, nationalism, oligarchy, elections, paramilitary.

INTERNATIONAL EDITION English

open access

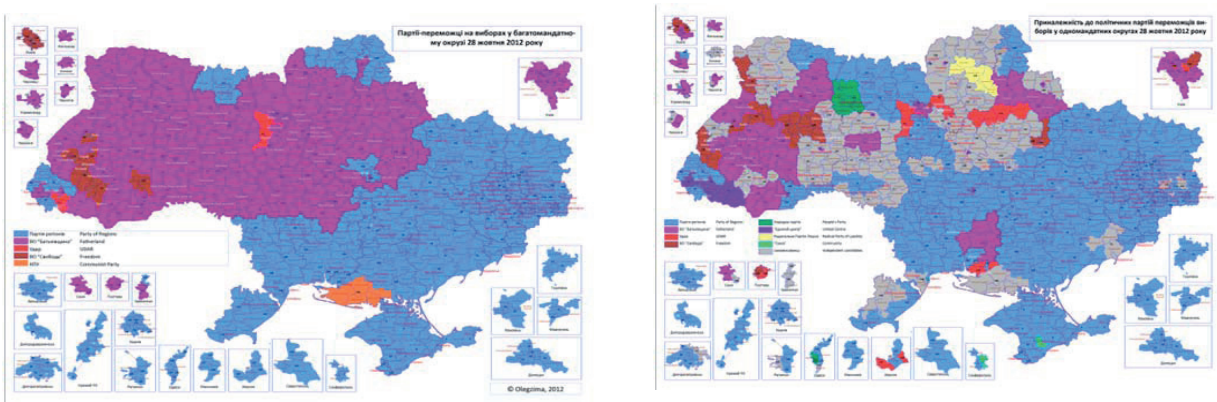
Ukraine's Bipolar Electoral Geography

Electoral geography is the study of elections and their results in the context of geographic factors and techniques. This specifically refers to geographic factors that affect the political choices and geographic structures of electoral systems that influence electoral results; a prime example is the art of gerrymandering electoral districts in the United States and elsewhere. In the Ukrainian case traditional markers of election results – such as urbanization, ethnolinguistics, and economic outcomes – do not fully capture voting behavior, because the Verkhovna Rada (Supreme Council, unicameral parliament) is split between 225 seats elected from proportional party lists and 225 seats elected from majoritarian single-mandate districts; it is therefore appropriate to use spatial autocorrelation, a geographic technique that measures the distribution of results across space. More precisely, spatial autocorrelation looks for clustering of similar results, or conversely, for randomly distributed results, which provide a more complete explanation of regionalism and polarization in Ukrainian electoral politics, including the existence of ubiquitous oligarch patronage networks.[1]

The territory of modern Ukraine has been invaded, settled, and disputed by many empires – Russian, Polish, and Austrian to name the most recent. The divisions within the Ukrainian nation and state are a testament to that legacy. While eastern Ukraine was the industrial heartland of the Soviet Union, western Ukraine remains largely rural, and is the hotbed of Ukrainian nationalism. Stoked long ago by Polish conquest and Austro-Hungarian promotion of particularism, it undermined Imperial Russia's hold on western Ukraine. Furthermore, westernmost Ukraine was the stronghold of ultranationalist Ukrainian organizations such as the Ukrainian Insurgent Army, which fought Soviet and German forces and massacred Polish and Jewish civilians in World War 2. Eastern Ukraine, on the other hand, was one of the heartlands of Soviet industry. As a result, it experienced waves of Russification, which resulted not only in significant populations of Russian-speaking Ukrainians but also in the settlement of ethnic Russians on the Russian border and the Crimean Peninsula, where they displaced the exiled Tartar population.

These regional differences manifested following the introduction of elections after the collapse of the Soviet Union and Ukrainian independence in 1992. The east, with its massive foundries and factories that are still run in vertical Soviet style, encouraged the formation of dense patronage networks centered on the new oligarchs who were enriched by taking control of vast industrial assets. These networks dominated Ukrainian politics under President Kuchma and were only weakened in the wake of the 2002 Orange Revolution.

Figure 1: Ukraine Parliamentary Elections, October 2012



Proportional Single district

Purple – Fatherland; Blue – Party of Regions; Orange – UDAR; Brown – Svoboda; Grey – Independent.

Source: Central Election Commission of Ukraine, online: <www.cvk.gov.ua>.

1 This statistical analysis (spatial autocorrelation, spatial panel model) was conducted by the author. Data on Ukrainian elections comes from the Ukrainian Central Election Commission, online: <www.cvk.gov.ua/>.

The Orange Revolution saw Viktor Yushchenko and Yulia Tymoshenko's Fatherland Bloc come to power, which had its heartland in western Ukraine. Although the party promoted Ukrainian nationalism and populism for electoral purposes, its leadership also sought to reap the rewards of patronage and oligarchy by constructing a profitable rentier network centered on transit rights, especially for oil and natural gas, earning Tymoshenko the moniker "the gas princess." This lasted until 2010 when the reins of power shifted to Yanukovych and his "family," based in Ukraine's eastern industrial basin of the Donbass.

This state of affairs – where elections would be dominated by two blocs, one based in the West and another in the East – lasted until Maidan in 2014. The parliamentary election of October 2012, the last one before Maidan, is illustrative.

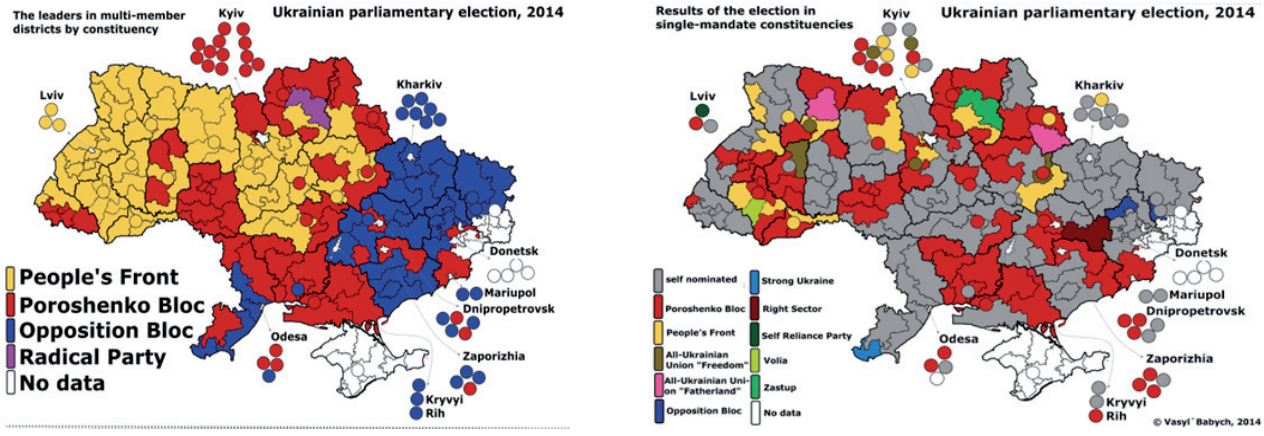
Statistical analyses based on the spatial autocorrelation method reveal very strong clustering in election results, with sharp divisions between the pro-Europe and pro-Ukraine Fatherland Bloc and the pro-Russia Party of Regions that reflected traditional divisions in Ukraine. Furthermore, Svoboda (Freedom), the far-right party of choice for Ukrainian ultranationalists, was deeply entrenched in the greater L'viv area. The lack of independent candidates in the East was a testament to the power of the Yanukovych "family," while in the west, many local petty oligarchs and businessmen not entirely willing to cooperate with the Fatherland Bloc won seats as independents, including the current President Poroshenko, a skilled political operative then known for opposing Yushchenko and Tymoschenko's influence on pro-Ukrainian politics. The only party whose results were not clustered, but rather more randomly distributed across the whole of Ukraine, was UDAR, Vladimir Klitschko's center-right and pro-European party, which suggests non-partisan appeal to voters of a party perceived as more in line with center-right civic politics

The Collapse of the Bipolar Party System

The fragile equilibrium of Ukrainian bipolar politics was irretrievably shattered by Maidan, the Crimean annexation, and the Donbass conflict, which is referred to as an "antiterrorist operation" by the Ukrainian government. In late February 2014 Yanukovych fled to Russia, and Arseniy Yatsenyuk – the parliamentary leader of the Fatherland Bloc – became prime minister of an interim government based on a coalition of the main Maidan elements: Fatherland, the UDAR, and Svoboda. The interim government included several Svoboda members whose questionable decisions on language policy, inter alia, greatly alarmed Russian-speaking Ukrainians and Russians. Its instability and the election of Poroshenko as president, who had called for national unity, led to early parliamentary elections in October 2014 – this time with a number of new parties.

The relative failure of the interim government is noteworthy as it was composed of a large section of ultranationalist forces that served as the militant vanguard of the Maidan protests. The

Figure 2: Ukraine parliamentary elections, October 2014



Proportional

Single district

Source: Central Election Commission of Ukraine, online: <www.cvk.gov.ua>.

consensus on interim governments is that in order for them to be successful in enabling a long-lasting peace, they should either be based on power-sharing arrangements (such as in Liberia) or be international in nature (such as in Kosovo); furthermore, parallel institutions should be integrated, and civil society should be consulted in the legislative process. Given the lopsided nature of Ukraine's interim government, it was unable to effectively represent Russian-speaking Ukrainians and Russians or to reach out to the oligarchic structures that dominate economic and political life in eastern Ukraine. It thus created fertile ground for pro-Russian separatism and Russian support of armed rebellion.

In the October 2014 elections Yanukovych was not the only conspicuously missing political veteran; Tymoshenko had also been sidelined, and her Fatherland Bloc sunk into irrelevance. From the perspective of electoral geography, the most notable result of the election was the emergence of new blocs and new constituencies and the collapse of the existing bipolar party system.

Spatial autocorrelation statistical analyses of the 2014 election provide far more varied results than do analyses of previous elections, especially for single-mandate districts. What is immediately clear is that there are now three distinct blocs competing for votes as well as a huge fringe composed of independents and a smattering of nationalist and ultranationalist Ukrainian parties. In effect, the single-district level is highly fragmented, whereas the proportional level clusters around regionalist narratives of Ukrainian identity, Ukraine's policy toward the separatists, and Ukraine's place in Europe and European institutions.

Though pro-European in appearance, the People's Front is a Ukrainian nationalist and populist party at heart. Headed by Prime Minister Yatsenyuk, its rise gutted Tymoschenko's Fatherland Bloc, as it gained Fatherland supporters loyal to Yatsenyuk – and these were a majority given Tymoschenko's shady past. The party also absorbed much of the far-right and ultranationalist forces prominent in the final days of Maidan, thus leaving Svoboda and Right Sector as tiny parties composed only of members unwilling to cooperate with Yatsenyuk's more moderate policies on the question of Ukrainian identity and the Donbass crisis. The mark of ultranationalism remains, however, as the party has a military council – funded by western Ukrainian oligarchs – that coordinates with the official state security organs (i.e., the national guard and the Ministry of Defense) to manage the 50 or so volunteer battalions fighting in the Donbass; some, notably the Azov Battalion, are openly far right in nature. Despite achieving a remarkable success in the proportional elections, the party was unable to attract as many votes in the single-district elections; this was because people voted based on economic preferences, selecting local business candidates who they felt would represent them better in tough economic times. Nevertheless, the People's Front strongly relies on its western Ukrainian base and is likely to survive in the future, irrespective of economic conditions, given its populist and nationalist roots and its links to oligarchs and patronage networks.

The Poroschenko Bloc is funded and promoted largely by President Poroschenko himself and other oligarchs loyal to him, such as Dmytro Firtash, the major shareholder in Ukraine's largest television channel. The bloc is therefore not immune to the patronage politics that dominate Ukraine and does sometimes adopt a populist narrative of moderate Ukrainian nationalism; this has included a number of media appearances by Poroschenko in traditional Ukrainian peasant garb. Though an attempted merger with Klitschko's UDAR failed, UDAR candidates ran as part of the bloc during the October elections. The bloc's platform, and most importantly, its stance and Poroschenko's leadership since February 2014 continue to signal that the bloc is the most pro-European and center-right of the three major pro-European parties. This is evidenced by the bloc largely concerning itself with objectively remedying Ukraine's dismal economic situation, adopting a tough stance on the Donbass crisis, and assuaging the concerns of ordinary Russian-speaking Ukrainians and Russians from the South and the East. The nomination of experienced foreigners to cabinet posts after the October 2014 election reinforces the perception that this is a bloc concerned with nonpartisan administration of the country, mirroring other center-right and liberal parties in Eastern Europe.

The Opposition Bloc consists of the remnants of Yanukovych's "family" and of the Party of Regions. Though the bloc is designed to gather pro-Russian forces under one banner, it has not been wholly successful, as this task depends on gaining the support of eastern oligarchs and their patronage networks. Given the conciliatory tone of

the Poroschenko campaign, the Opposition Bloc failed to gain support in traditionally pro-Russian regions that lack Soviet-era heavy industry, such as Mykolaiv and Kherson; nor was the bloc particularly successful in Odessa despite brutal anti-Russian street violence occurring there. The fragmentation of former Party of Regions votes is particularly stark at the single district level, with patronage playing a huge role. The prevalence of independent and Poroschenko Bloc victories in the industrial cities of Dnipropetrovsk and Zaporozhye suggests that most eastern oligarchs remain ambivalent and prefer to wait for the Donbass crisis and the internal struggles within the remnants of the Party of Regions to resolve themselves. It is unlikely these wealthy clans and businesspeople will seek much of a coherent pro-Russian platform beyond protection of the rights and privileges of Russian-speaking Ukrainians and Russians, since many hold significant assets in and around Donetsk – assets that will be of little use if trapped in a frozen conflict or, in an unlikely case, incorporated outright into Russia.

More Parties, More Problems

The October 2014 election is considered to have been conducted in a free and fair fashion, and it brought to parliament a diverse group of parties. Some of the outcomes of the election are cautiously positive. The far right-wing Svoboda lost its clustered and stable base in western Ukraine and is now confined to urban areas where it is able to muster sufficient support among the more extreme Maidan activists, disaffected working-class individuals, and football ultras. Meanwhile, the even more extreme Right Sector only managed to gain votes in a district close to the front where a high number of volunteer battalions are stationed. Moreover, the success of the Poroschenko Bloc in traditionally pro-Russian areas indicates that the Ukrainian political landscape does have the chance to move past patronage and ethnicity to genuine civic politics.

For all the positive outcomes, the election also generated a lot uncertainty and a number of negative outcomes. For instance, despite ultra-nationalism appearing to have been discredited and stamped out, the reality is that much of Svoboda and Right Sector were incorporated into the People's Front, which has a very stable regional base. This suggests that irrespective of whether a party changes its name or leadership, nationalist ideology will continue to thrive. Furthermore, the military council of the People's Front legitimizes Ukrainian nationalism since it organizes the volunteer battalions on behalf of the Ministry of Defense. Though the battalions' actual performance on the front is questionable, their morale and prestige is undeniably high, and the expediency of the Donbass crisis dictates that the government is not particularly picky when it comes to manpower. However, certain volunteer battalions have been accused of serving as microarmies for oligarchs (in the case of Dnipro-1) and of embracing extreme right politics (in the case of Azov-1). Their continued existence poses a challenge to the Ukrainian state's monopoly on force. This issue is compounded by the fact that international pressure to delegitimize these respected wartime volunteers would be perceived as foreign intervention and only serve to antagonize Ukrainians of a nationalist disposition. Collusion between the state security organs and the volunteers, or independent action by the volunteers, could sour relations between Ukraine's various ethnolinguistic groups and threaten the fragile unity of the country.

Whatever the resolution of the Donbass crisis may be, Ukraine's stability will not be positively affected by the proliferation of heavily armed combat veterans not controlled by the state – many of whom hold questionable political views that are partly or wholly incompatible with European ideals. Though these formations were nominally legalized through integration into the national guard of the armed forces, this does automatically guarantee that they will obey state commands. Paradoxically, if planned aid to Ukraine's military fulfills its purpose of improving the dismal state of the regular army – thus rendering the issue of manpower and the necessity of volunteer formations at the front less pressing – the issue will become that of transferring these units to rear echelon duty, eventually demobilizing them altogether, and then reintegrating their personnel back into civilian life. The Ukrainian government has done fairly well in controlling and directing volunteers – in contrast to Russian claims of "terrorist battalions" – but the fact remains the risks posed by the liberal use of volunteer formations persist as long as the conflict drags on.

The Poroschenko Bloc appears to have won a fairly convincing victory at the polls, giving it a mandate for badly needed reforms. This victory, however, is more fragile than it appears at first glance. While results for the bloc cluster, they do so around urban agglomerations; this signals that voting depends on economic issues, and that the bloc cannot rely purely on a loyal regionalist base. This also means the party's legitimacy, and by extension the legitimacy of the president and the current government, depends almost entirely on the competent handling of the economy first and foremost. With Ukrainians exhausted and uncertain about the future, the issues of security and federalization are a distant secondary concern. Although this is true for every Eastern European party pursuing a center-right, liberal, and pro-European platform, it does put tremendous pressure on the government and its short-term performance. If it is unable to provide amelioration in the standards of living and the provision of public goods or, even more devastatingly, if there is a major scandal involving corruption at the governmental and/or party level, the party will most likely be unable to govern or win the next election. Such an event would expose Ukraine to an uncertain future and pave the way for nationalist forces to come to the fore. Given the disorganization in the ranks of the Opposition Bloc, and the many pro-Russian votes lost in the annexation of Crimea and the Donbass conflict, it is almost certain that without a credible showing by the Poroschenko Bloc, the People's Front and aligned nationalist forces will take the next election.

The Cost of Chaos

As previously stated, many pro-Russian votes were lost in the crises. This means that pro-Russian parties will no longer be able to exert the same kind of electoral pull they did under Yanukovych. This bodes well for Ukrainians wishing to create a more transparent and responsive democracy, but it does come with its own set of issues. Above all, it reduces the possibility of Russian-speaking Ukrainians and Russians being represented in national politics, which was ultimately the originally stated grievance in eastern protests against the February interim government. If technocratic politics fails and Ukrainian nationalism comes to dominate national-level politics, it will be difficult to guarantee fairness to these ethnolinguistic groups through electoral methods. Previously, the bipolar nature of Ukrainian politics on the surface suggested that ethnolinguistic issues dominated; in reality, however, competing clans of oligarchs were at the root of electoral competition, rather than any kind of coherent nationalist program. But resurgent Russian power and interference, combined with the cataclysm of Maidan, will ensure that Ukrainian politics is no longer solely dominated by personal interests and patronage networks; the danger is that it will set the darker sides of nationalism and factionalism loose.

The Minsk II peace accord of February 2015 calls for a ceasefire, the establishment of a demilitarized zone, the withdrawal of heavy weapons and artillery by both sides, amnesty for separatists, exchange of prisoners, and the restoration of Ukrainian sovereignty with a high degree of autonomy for the Donetsk and Luhansk oblasts. The peace accord further destabilizes the position of the government and that of the Poroschenko Bloc within the ruling coalition. Leaving aside the antiterrorist operation, the accord ensures that Kiev must maintain a significant military presence in the East, given that anything else would be perceived as a tacit surrender to possible dismemberment of the country. Furthermore, one of the provisions of Minsk II is the withdrawal of heavy weapons from the ceasefire line. With regard to the separatists' weaponry, the accord specifically listed extremely advanced systems such as the Pantsir-S1 SAM vehicle (entered Russian service in 2012) and the Tornado-S rocket artillery vehicle (entered Russian service in 2014), suggesting the separatists appear to be better armed than most small NATO members at this stage. Given its current state and the limited resources available to Ukraine, the Ukrainian armed forces simply cannot repel firepower of that magnitude should the rebels either choose to violate Minsk 2 and push westward or simply engage in low-level warfare along the ceasefire line. Further mobilization by Kiev, which is already proving costly, can be comfortably matched by steady separatist and Russian escalation. Fatigue among ordinary Ukrainians resulting from the cost of the war and stagnation of the economic promises of Maidan will further increase the likelihood of a return to polarizing nationalist narratives and destabilize the prospect of a return to normality.

References

Åslund, Anders (2014), Why Ukraine is so poor, and what could be done to make it richer, in: *Eurasian Geography and Economics*, 55, 3, 236-246.

Eppinger, Monica E. (2014), *Property and Political Community: Democracy, Oligarchy, and the Case of Ukraine*, online: <http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2526308> (17 November).

Gerasimov, Ilya (2014), Ukraine 2014: The First Postcolonial Revolution. Introduction to the Forum, in: *Ab Imperio*, 2014, 3, 22-44.

Kovalov, Maksym (2014), Electoral Manipulations and Fraud in Parliamentary Elections The Case of Ukraine, in: *East European Politics & Societies*, 28, 4, 781-807.

Kuzio, Taras (2005), Russian policy toward Ukraine during elections. Demokratizatsiya, in: *The Journal of Post-Soviet Democratization*, 13, 4, 491-517.

Herron, Erik S. (2014), The parliamentary elections in Ukraine, October 2012, in: *Electoral Studies*, 33, 353-356.

The Author

Alexandr Burilkov is a doctoral candidate at the University of Hamburg and a researcher at the GIGA German Institute of Global and Area Studies. His research focuses on security aspects of the post-Soviet space and the maritime strategy of rising powers, especially in the Western Pacific.

<alexandr.burilkov@giga-hamburg.de>, <www.giga-hamburg.de/en/team/burilkov>

GIGA Research

GIGA's Research Programme 1: Legitimacy and Efficiency of Political Systems examines the balance between legitimacy and repression, the survival of political systems, and the role of international norms. Due to Ukraine's typical post-Soviet hybrid system, dominated by oligarchs, it links with the Persistence and Change in Non-Democratic Regimes research project, which examines legitimization and survival processes of nondemocratic and hybrid regimes. Furthermore, Julia Strasheim's research on interim governments provides important insights into the chain of events that resulted in the failure of reconciliation, the origins of the Donbass crisis, and the current Ukrainian electoral landscape.

GIGA Publications

Croissant, Aurel, Steffen Kailitz, Patrick Köllner, and Stefan Wurster (eds) (2014), *Comparing Autocracies in the Early Twenty-First Century*, Vol. 2: The Performance and Persistence of Autocracies, Abingdon/New York: Routledge.

Strasheim, Julia, and Hanne Fjelde (2014), Pre-Designing Democracy: Institutional Design of Interim Governments and Democratization in 15 Post-Conflict Societies, in: *Democratization*, 21, 2, 335-358.

Köllner, Patrick (2013), *Informal Institutions in Autocracies: Analytical Perspectives and the Case of the Chinese Communist Party*, GIGA Working Papers, 232, online: <www.giga-hamburg.de/working-papers>.

open access

The GIGA *Focus* is an Open Access publication and can be read on the Internet and downloaded free of charge at <www.giga-hamburg.de/giga-focus>. According to the conditions of the Creative Commons licence Attribution-No Derivative Works 3.0 at <http://creativecommons.org/licenses/by-nd/3.0/de/deed.en>, this publication may be freely duplicated, circulated and made accessible to the public. The particular conditions include the correct indication of the initial publication as GIGA *Focus* and no changes in or abbreviation of texts.

The **GIGA German Institute of Global and Area Studies** – Leibniz-Institut für Globale und Regionale Studien in Hamburg publishes the *Focus* series on Africa, Asia, Latin America, the Middle East and global issues. The GIGA *Focus* International Edition is edited and published by the GIGA. The views and opinions expressed are solely those of the authors and do not necessarily reflect those of the institute. Authors alone are responsible for the content of their articles. GIGA and the authors cannot be held liable for any errors and omissions, or for any consequences arising from the use of the information provided.

Editor: Robert Kappel; Series Editors: Hanspeter Mattes
Editorial Department: Errol Bailey and Kerstin Labusga
Contact: <giga-focus@giga-hamburg.de>; GIGA, Neuer Jungfernstieg 21, 20354 Hamburg, Germany

GIGA Focus
German Institute of Global and Area Studies
Leibniz-Institut für Globale und Regionale Studien

IMPRINT

www.giga-hamburg.de/giga-focus