With the exception of the Baltic region, Ukraine is one of the most democratic post-Soviet states. Ranked by Freedom House as partially free in 2013, Ukraine has a score of 4 on political rights and 3 on civil liberties (1 is the most free and 7 the most repressive).\(^1\) Outside of the Baltic region, only Moldova and Georgia had similar or better scores. After the Orange Revolution in 2004, there was hope that Ukraine would be a model of democratic transition for other post-Soviet states. Following the Orange Revolution, Ukraine’s leaders sought a more democratic system and attempted to move Ukraine out of Russia’s sphere of influence. If they had succeeded in developing a fully democratic Ukraine, then Ukraine would be an unusual post-Soviet state. Unfortunately, the developments since the Orange Revolution have not lived up to these hopes and promises. Despite some progress in developing a more democratic state, especially in the realm of elections and press freedom, the post–Orange Revolution government failed to consolidate democracy and fulfill the hopes of the protestors for a stable, strong, democratic Ukraine. Intense, intra-elite conflict and the institutional ambiguity brought about in the compromise of 2004 partially explain why the leaders of the Orange Revolution failed to implement needed political and economic reforms. Ukraine is now looking more like the majority of other post-Soviet states, which have electoral authoritarian regimes and a close relationship with Russia. The inability of Ukraine to complete the transition to democracy highlights the difficulty of this task for post-Soviet states.
Domestic factors, such as Ukraine’s historical experience with communism and elite divisions, have primarily determined Ukraine’s regime outcome. Much of the last decade has been characterized by conflict between Victor Yushchenko, Yulia Tymoshenko, and Victor Yanukovych and their respective supporters. Although the conflict between Yushchenko and Tymoshenko prevented Yushchenko from instituting reforms, Freedom House measures document increased democratization during his presidency (2004–2010). Since Viktor Yanukovych became president in 2010, he has eroded democracy by prosecuting his opposition, changing electoral laws, and limiting press freedom.

Although domestic factors are important, Russian involvement in Ukrainian politics and economics has interacted with and intensified existing conditions to encourage the development of authoritarianism. Russia directly interfered in the 2004 presidential election to help ensure the election of Victor Yanukovych. Despite its failure in the Orange Revolution, Russia has continued to influence events in Ukraine. Between the 2004 and 2010 presidential elections Russia’s actions, primarily the repeated gas wars, intensified pre-existing intra-elite tensions in Ukraine and helped to destabilize the economy. Since his election in 2010, Russia has offered political and financial support to Yanukovych, helping him strengthen his position. Russia’s involvement in Ukraine has interacted with domestic circumstances to increase the capabilities of illiberal elites and make democratization more difficult.

Before I continue, a brief note about what this chapter does not cover. The United States and the European Union have also tried to influence the regime outcome in Ukraine and were influential during the Orange Revolution. Although the story of democracy promotion in Ukraine is important, given limitations of space and the extensive coverage of the promotion of democracy in Ukraine elsewhere, this chapter focuses on internal political developments and Russia’s support for authoritarianism in Ukraine.

HOW RUSSIA CAN INFLUENCE UKRAINIAN POLITICS

The variety of literature written about the promotion of democracy provides some insights for how Russia has been able to influence political developments in Ukraine. External actors, like Russia, are able to affect the development of autocratic regimes by either altering elite strategies or capabilities. In the case of Ukraine, Russia has both influenced the strategies of nondemocratic elites, such as Yanukovych and Kuchma, and increased their capabilities by providing financial assistance.

Incentive-based approaches within the literature about the international dimension of democratization argue that an external actor may offer incentives or sanctions that will influence elite strategic choices.
Political elites may adopt policies that support democratization because of the rewards or sanctions offered by other states. In other words, political elite regime preferences may remain the same (e.g., favoring democratization), but their strategies for how to gain power may change because of external pressure (e.g., cooperating with adversaries). States can also offer rewards or sanctions to encourage authoritarianism. External actors may provide suggestions to illiberal elites on how to gain or maintain power. These strategies can be especially useful in illiberal regimes, where elements of democracy exist and prevent outright repression. External actors may share strategies with non-democratic elites on how to manipulate election results, commit electoral fraud, and pass legislation restricting institutional checks and balances on executive power.

In addition to changing strategies, other states may also provide assistance that increases the capabilities of illiberal elites. Increasing capabilities can change the power balance in a country and therefore alter cost/benefit analyses about the regime type. States may offer foreign aid, cheap energy supplies, or trade agreements to non-democratic elites, enabling them to buy off the opposition and/or finance repression. Through altering the capabilities of particular elites, external assistance helps them to hold state power and may “shift the relative balance of power among elite(s).” Elites may also use external assistance to strengthen the “political and economic position of supportive domestic groups and weaken that of opponents.” If non-democratic elites do not hold power, external actors can provide assistance to help them seize power.

Efforts to enhance the capabilities of illiberal groups may occur through two different mechanisms. The first mechanism is when external actors directly provide technical and financial assistance to favored political parties and thereby increase their ability to run political campaigns, mobilize supporters, and win elections. International assistance helps parties mount effective campaigns by recommending fund-raising strategies, candidate selection methods, and ideas for party platform development. Although this strategy is most commonly associated with efforts to promote democracy, external actors can also use it when promoting illiberal political parties.

In the second mechanism, states can increase the capabilities of non-democratic political leaders by providing them with the resources they need to maintain the economic stability and patronage networks necessary for their survival. In some cases, international economic support enables an authoritarian regime to produce economic growth or at least maintain minimal living standards, which grants some legitimacy to the regime. Assuming that state authority depends on some internal support and voluntary submission, external assistance may help the leadership avoid a legitimation crisis. If severe, an economic crisis can cause political “disintegration” or a revolt against the government. Although non-democratic governments can survive severe economic crises, if possible,
most leaders seek to avoid the destabilizing effects of economic turmoil. If international assistance allows the regime to avoid economic problems, then there is often less domestic pressure to liberalize or change the regime.

In addition to increasing capabilities, external actors may also take actions to weaken elites in the recipient country. Through denying aid or economic agreements, the external actor can contribute to economic instability in the recipient country, which may harm the popularity of the leaders. Furthermore, criticism from respected external actors may help erode the legitimacy of elites and their policies. Although these actions can also provoke backlash and a “rally around the flag” effect of support for leaders, under the right circumstances, external actors can reduce the capabilities of elites.

External actors can change elite strategies and increase or decrease the capabilities of different elite factions to encourage authoritarianism. In the case of Ukraine, Russia engaged in all of these activities in an attempt to ensure the election of a pro-Russian president. Russia believes that a democratic Ukraine would naturally ally with NATO and the EU. Therefore, Russia equates pro-Russian support with the non-democratic leaders in Ukraine.

**ORANGE REVOLUTION**

Even though the Soviet Union dissolved over twenty years ago, Russia still believes that Ukraine is in its sphere of influence and considers the development of a pro-Russia, anti-NATO, and non-EU member Ukraine as strategically important. The Russian government viewed the outcome of the 2004 presidential elections in Ukraine as “essential to its geopolitical contest with the West for domination in the post-Soviet region.” Russia sees Ukraine as an essential buffer between it and NATO. In addition, Russian elites believe that the “restoration of Russia’s great power status and its dominant position in the former USSR was contingent upon the curtailment of the wave of democratization” affecting the region. Therefore, Russia considers the political situation in Ukraine important for its own interests.

In December 2004 tens of thousands of Ukrainians came out to protest against the fraudulent second round of the presidential elections. The protestors in Kyiv’s Independence Square, organized by active civil society groups, called for new, fair, and free presidential elections to be held. The days of protests and intense international pressure cumulated in a negotiated compromise between the leaders of the opposition, Victor Yushchenko and Yulia Tymoshenko, and the incumbent president, Leonid Kuchma. The compromise included a new election, which Yushchenko
Russian involvement in Ukrainian politics was evident during the 2004 presidential elections. The Russian government affected Ukrainian elite strategies during the campaign and financed much of Victor Yanukovych’s political campaign. Russia’s technical support influenced how Yanukovych and his supporters ran their campaign, including the decision to pursue massive electoral fraud. For example, Russia provided technical assistance to Yanukovych on how to conduct electoral fraud. Russian political operators, Gleb Pavlovsky, Vyacheslav Nikonov, and Marat Gelman, helped to manage Yanukovych’s campaign. Yanukovych’s campaign incorporated successful Russian election campaign practices, such as using state-controlled media to run a pro-Yanukovych public relations campaign, exploiting internal divisions within the opposition, and painting Yushchenko as evil. Although it is possible the Yanukovych campaign would have considered electoral fraud even without Russian involvement in the election, repeated Russian suggestions to use fraud gave international support for President Kuchma and Yanukovych’s decision to manipulate the election. At a meeting between Putin, Kuchma, and Yanukovych in November 2004, Putin persuaded Yanukovych to use “administrative interference” during the election by replacing “disloyal” local officials with loyal bureaucrats to ensure an electoral victory. Russia assisted and encouraged the anti-democratic behavior of the Yanukovych campaign.

In addition, Russia provided political support to Yanukovych in the months leading up to the election. The strong historical, cultural, and economic relationship between Russia and Ukraine made Ukrainians more aware of Russia and the views of its leaders. Mykhaylo Pohrebinsky, a political advisor to President Kuchma, argued that pursuing strong relations with Russia helped Yanukovych gain public support in parts of Ukraine. Their campaign research found most wanted good relations with Russia, over 80 percent did not view Russia as a foreign country, and up to 35 percent desired to live with Russia in one country. Furthermore, Russian president Vladimir Putin had high approval ratings in Ukraine during the 2004 presidential campaign. Therefore, when Putin repeatedly and publically showed his approval of and support for Yanukovych, it was a strong endorsement of Yanukovych noted by many Ukrainians. In contrast to Russia’s public support of Yanukovych, Russian officials refused to interact with Yushchenko during the campaign, despite his efforts to initiate a bilateral dialogue.

Along with the strong political support for Yanukovych, Russia also provided significant financial support for his 2004 campaign. Given the lack of transparency, it is not possible to establish a precise amount, however, Timothy Garton Ash and Timothy Snyder estimate about $300 million came from Russian sources. Much of the money for Yanuko-
Vych's campaign was given through Russian businesses, such as the energy company, Gazprom. Russian financial assistance was important for the Yanukovych campaign and enabled them to bribe state election officials (approximately 85,000 of them) and commit other types of election fraud.

Russia also provided economic resources to Kuchma and Yanukovych to help them provide for economic stability. Ukraine has important economic ties with Russia. For example, in 2005, Russian capital helped produce 70 percent of all commodities made in Ukraine. However, a major aspect of their economic relationship is Ukraine's dependency on Russia for its energy supplies. Until 2005, Gazprom provided Ukraine with natural gas at greatly reduced prices, $50 per 1,000 m$^3$ compared to the $220–230 per 1,000 m$^3$ Western Europeans paid. As Ukraine obtains the majority of its energy from gas and has an economy that is relatively energy inefficient, this "subsidy" from Gazprom helped the Ukrainian economy. Furthermore, the difficulty of finding alternative sources of natural gas in Europe makes Ukraine especially vulnerable to pressure from Russia.

Russia provided economic assistance to Ukraine leading up to the elections to help Yanukovych win. The Russian government reduced Ukraine's gas debt by approximately $1 billion. Russia also offered continued investment, cheap natural gas and oil, and trade if Ukraine elected Yanukovych. In exchange for this support, Russia wanted Kuchma's agreement to join the Single Economic Space (SES), a Russian-led economic union. One of the clearest examples of economic support was the deal on changing the collection of value-added taxes. In September 2004, President Putin and President Kuchma signed a deal on value-added taxes on oil and natural gas that involved the transfer of $800 million to the Ukrainian national treasury. Russia engaged in this deal for political, not economic, reasons, as there was no economic benefit for Russia. This increase of resources for the Ukrainian national government enabled Yanukovych, prime minister at the time, to adopt populist policies, such as increasing pensions twofold, that increased his popularity. Ukrainian presidential advisor, Mykhaylo Pohrebinsky, stated on a Ukrainian website prior to the election that the decision to increase pensions would help Yanukovych win the election. In an October meeting, Russian prime minister Mikhail Fradkov promised Yanukovych that the two countries would soon sign an accord lifting restrictions on trade, and he implied that the accord was dependent on Yanukovych's victory.

Russia's involvement in the 2004 presidential elections was direct and substantial. The Russian government deliberately altered strategies and increased Yanukovych's capabilities in an attempt to ensure a friendly, pro-Russia regime in Ukraine. Yushchenko clearly signaled his interest in pursuing closer relations with NATO and the EU; therefore, from a Russian viewpoint a more democratic government in Ukraine would also
have been a less friendly government. Russia saw a Yushchenko presidency as a threat to its security interests because of the possibility of NATO membership and a threat to its economic interests because, under Yushchenko, Ukraine would not join the SES. Furthermore, President Putin supported investment in Ukraine as part of an effort to gain control over Ukraine’s gas transit pipelines to Europe, a recurring issue in Russian-Ukrainian relations. The Orange Revolution stunned Russia’s leadership and ensured their failure to achieve Yanukovych’s election. However, post-Orange Revolution, Russia continued its involvement in Ukraine, but through different methods.

RUSSIA’S INVOLVEMENT IN UKRAINE POST–ORANGE
REVOLUTION

Between the 2004 and 2010 presidential elections, Russia did not directly try to change Ukrainian elite strategies. Rather, the Russian government sought to weaken the Orange Coalition, especially through the gas wars, by intensifying existing intra-elite conflict in Ukraine and contributing to economic and political instability.

Despite the animosity between the Yushchenko government and Russia, Russia was still a major economic partner for Ukraine. In 2009 Russia was Ukraine’s second most important trade partner, just behind the EU. Along with the high levels of trade, Ukraine is still dependent on Russia for the majority of its oil and natural gas, a major source of contention between the two countries.

Russia repeatedly used its control over natural gas supplies to gain concessions from Ukraine and to undermine the government of President Yushchenko. One of the major gas lines linking Russia’s gas supplies with markets in Western Europe travels through Ukraine (20 percent of Europe’s gas supplies flow through Ukraine). Therefore, the disputes about natural gas involved both disagreements over how much Ukraine paid for its natural gas and how much Gazprom paid Ukraine in transit fees for the natural gas going to European markets. Disputes over price led to Russia’s Gazprom cutting off the supply of natural gas in January 2006. Eventually Russia and Ukraine reached a temporary deal. Although Gazprom claimed the dispute was only about price, Russian commentators “sold the conflict to the Russian public as a move to discipline the former revolutionaries (Yushchenko and his allies)” in Ukraine.31 The crisis contributed to political instability in Ukraine because Parliament voted to sack the government of Yuri Yekhanurov over concerns that the agreement on prices was too favorable for Russia.

An even more contentious gas war occurred in January 2009, when disagreements over the price Ukraine would pay for gas and how much Gazprom would pay in transit fees resulted in Moscow suspending gas
deliveries to Ukraine. In their response to the suspension of gas supplies, the Ukrainians ended transit of gas to Europe. After over two weeks of brinkmanship, with dwindling supplies of gas throughout Eastern and Central Europe, intense pressure from European leaders forced Ukraine and Russia to reach a deal.

Russia claims the disputes were about price; however, the disagreements were really about geopolitics. Russia sought to gain control over Ukraine’s energy pipeline and undermine President Yushchenko’s position at home and abroad.32 Many analysts believe that Russia was trying to discredit Ukraine as a potential member of the EU or as a reliable transit country for European gas. Russia hoped to gain support for the building of gas pipelines bypassing Ukraine, which would remove an important source of revenue for Ukraine.33 During the crisis, Alexander Medvedev, deputy chief executive of Gazprom, stated that Ukraine “is responsible for everything that has happened,” especially the suspension of gas deliveries to Europe.34 Along with trying to define Ukraine as an unreliable energy partner, Russia also sought to discredit Ukrainian president Yushchenko. As Vadim Karasyov, director of the independent Global Strategies Institute in Kiev, stated, “The Kremlin wants to remove Yushchenko because he embodies the pro-Western and pro-NATO membership course for Ukraine.”35 Yuliya Mostova, commenting on the gas crisis in the Ukrainian weekly, Zerkalo Nedeli, argued that “the Russian side, setting its hopes on its immense information resources and numerous ‘fifth columns’ in Ukrainian political circles, obviously expected to not just discredit Yushchenko, but also to create an emotional background for launching the impeachment procedure, as there is no need to discredit the president whose popularity rating is less than four percent.”36 Some believed that Putin wanted Prime Minister Tymoshenko to agree to impeachment proceedings against Yushchenko in exchange for a deal on the gas price. In response to questions about this, Tymoshenko stated:

From a historical standpoint, those nine months remaining before the next presidential election is such a short term that there is simply no point in either party making it the subject of any systemic or large-scale impeachment-related talks. It would be nice, of course, if the incumbent president’s term ended sooner. I think that is now the wish of all Ukrainian people. But we need to pluck up our courage and be patient.37

In her reply, Tymoshenko did not deny that Putin demanded impeachment or that she was willing to consider it.

The gas disputes intensified existing intra-elite conflicts in Ukraine. Although originally they were allies in support for a more democratic Ukraine, the relationship between Tymoshenko and Yushchenko deteriorated throughout Yushchenko’s presidency. Tymoshenko’s comments
Regarding possible impeachment proceedings demonstrated her animosity toward Yushchenko. President Yushchenko also used tensions over the gas deal with Russia to attack Tymoshenko. For example, in February 2009, Yushchenko called on the state security service to investigate the agreement Tymoshenko negotiated with Russia in January and suggested the deal should be re-examined. Under pressure from worried European leaders, Yushchenko agreed to accept the deal. However, Yushchenko repeatedly publically condemned the deal and argued Tymoshenko had negotiated a deal that was disadvantageous for Ukraine.

Unlike in the case of the 2004 presidential election, Russia’s recent involvement in Ukraine has been more indirect. However, Russia’s activities from 2005–2010 helped to decrease the capabilities of the pro-democratic, pro-West Ukrainian elites. Russia’s actions, especially during the gas wars, also further destabilized the Ukrainian economy and the political situation.

THE 2010 PRESIDENTIAL ELECTION

Despite the intensity of the intra-elite conflict before and during the presidential campaign, independent observers reported the 2010 presidential election was relatively free and fair. The European Network of Election Monitoring Organizations (ENEMO) reported that there was no evidence of systemic fraud in the election and that the election environment remained free of intimidation and harassment. Therefore, the victory of Yanukovych and the defeat of the “Orange Coalition” were because of other factors than electoral fraud. The “Orange Coalition” faced three major problems in the buildup to the 2010 presidential elections that contributed to the defeat of Yushchenko and Tymoshenko: 1) the horrible state of the economy, 2) the failure of Yushchenko and Tymoshenko to significantly reduce corruption in Ukraine, 3) the bitter rivalry and infighting among Ukrainian elites, especially between Yushchenko and Tymoshenko. These three major factors interacted together to help bring about the victory of Viktor Yanukovych.

Russia, as the previous section demonstrated, helped to intensify existing elite conflict in Ukraine in the years leading up to the 2010 elections. Although Russia did not engage in the 2010 election with the same degree of public and financial support as it did in 2004, it did demonstrate its disdain for Yushchenko and his candidacy. In August 2009, Russian president Medvedev wrote an open letter to Yushchenko complaining that Ukraine was signing “treacherous” pipeline deals with the EU, kicking out Russian diplomats, supplying arms to Georgia, and falsifying Soviet history. Furthermore, Medvedev said Russia would not send an ambassador to Ukraine until after the presidential election. There is no evidence (as far as we know) that Russia gave direct financial sup-
Economic Problems

Ukraine suffered significant economic turmoil following the global economic crisis of 2008. Ukraine’s GDP growth rate fell 14 percent in 2009 and GDP per capita decreased from $3,891 in 2008 to $2,468 in 2009. The Ukrainian currency, the hryvna, plunged in value by nearly 60 percent, and Kiev’s main stock market fell by 75 percent by February 2009. Even before the crisis Ukraine’s GDP had yet to recover to the level it was during the time of the Soviet Union. The global recession especially hurt the chemical and steel industries in Ukraine, which are major components of the economy. In addition to problems in the private sector, local, regional, and national governments in Ukraine had severe budget problems, with some cities failing to provide water or heat because of an inability to pay their bills. The increased cost of natural gas from Russia intensified the economic problems in Ukraine, especially in the metallurgical industry, which is energy intensive, helping to erode further Yushchenko’s popularity. With Ukraine in danger of default, the International Monetary Fund (IMF) loaned Ukraine $4.5 billion in 2008 as the first installment in a $16.4 billion loan. However, the IMF repeatedly delayed the disbursement of additional installments of the loan in 2009 because of the failure of the Ukrainian government to adopt required austerity measures. In the leadup to the presidential election Yushchenko and Tymoshenko both supported increases in wages and pensions to gain public support, despite IMF requirements to reduce government spending. The IMF also delayed payment because of the lack of consensus and coordination within the Ukrainian government that made needed economic reform almost impossible.

The deep economic crisis hurt Yushchenko and Tymoshenko, who was prime minister during the worst of the economic turmoil. Ukrainians held the government, most visibly represented by Tymoshenko and Yushchenko, responsible for their economic problems. Public opinion polls demonstrated in 2009 that Ukrainians scorned Yushchenko, with 57 percent of respondents wanting him to resign. The call of one Ukrainian to replace the government because “they just can’t handle it [economic recession],” was a widespread sentiment throughout the country.
Continued Corruption

In 2004, Ukrainians elected Yushchenko with the hope he would effectively reduce the level of corruption and establish the rule of law. However, Yushchenko and Tymoshenko both failed to make any major improvements on combating corruption and demonstrated the “same nepotism and disrespect for legality as their predecessors.” Transparency International’s 2010 Corruption Perception Index ranked Ukraine as 134 out of 178 countries (178 is the worst) on corruption with a score of 2.4 (10 is the least corrupt, 1 the most corrupt). In the most recent Global Corruption Barometer report, 53 percent of Ukrainians surveyed believed corruption was the same as three years ago and 30 percent believed it was worse. The Barometer has found that fewer than 10 percent of Ukrainians believed that government anticorruption efforts had been effective. Freedom House’s Nations in Transit 2010 report on Ukraine states:

In 2009, 62.5 percent of respondents indicated that they were involved in corrupt transactions with government officials over the past 12 months, compared with 67 percent in 2007. Official bodies remained nontransparent, the government appeared unwilling to fight corruption, and oligarchic groups played a major role in official decision-making and the appointment of officials. The judicial system is ineffective in combating corruption.

Clearly, there have not been major improvements in the level of corruption in Ukraine. The failure of the government of Yushchenko to live up to expectations about reducing corruption contributed to widespread disillusionment and dissatisfaction with Yushchenko, and to a lesser extent with Tymoshenko.

Intense Intra-Elite Conflict

Intense intra-elite conflict and fragmentation characterize Ukrainian politics. The intra-elite conflict contributed to the inability of the Orange Coalition to deliver on its promises for reform. The failure to institute reform contributed to the defeat of Yushchenko and Tymoshenko in the 2010 presidential elections.

One major area of intra-elite conflict has been among the “Orange” camp. The coalition between Victor Yushchenko and his party Our Ukraine, Yulia Tymoshenko and her party, and Oleksander Moroz’s Socialist Party began to unravel as early as 2005. Personality clashes, especially between Prime Minister Tymoshenko and President Yushchenko, intensified political struggles and policy disagreements between the two. Disagreements over, among other things, Tymoshenko’s plan to revisit earlier privatization deals, led to Yushchenko dismissing her government in September 2005. Political in-fighting forced parliamentary elections in 2006 and again in 2007. After each election, the members of the original
Orange coalition struggled to reach an agreement to form a coalition government. The intra-elite conflict resulted in severe political instability, with Ukraine having four different governments in four years (2005–2009). A clear sign of the animosity between the two former allies was when Yushchenko’s supporters accused Tymoshenko of treason. The president and prime minister also publicly blamed the other for the economic problems. In February 2009, Yushchenko claimed that Tymoshenko’s “irresponsibility” will result in “salaries, pensions, and stipends” not being paid and social catastrophe in Ukraine. By accusing the president of spreading “falsehood, panic, and hysteria. Everyone can see that the president is not the kind of leader they need when Ukraine is reeling under the blows of the global economic crisis.” By the 2010 presidential elections the animosity between the two was so severe that Yushchenko called upon Ukrainians to not vote for Tymoshenko in the second round of the presidential election, a shocking statement compared to their allegiance in the previous presidential election. The political fighting between Yushchenko and Tymoshenko and charges of corruption on all sides produced widespread disillusionment with Ukrainian politics. As noted in the previous section, Russia’s actions regarding natural gas helped to intensify these disputes between Yushchenko and Tymoshenko.

In addition, the December 2004 compromise that weakened the powers of the presidency intensified the intra-elite conflict. The agreement was that the parliament, not the president, would name the prime minister beginning in 2006. The changes unfortunately left significant ambiguity over what powers the president had and what powers the prime minister had. Despite having a stronger prime minister, the president still had the authority to appoint ministers in the cabinet, including the ministers of defense and foreign affairs, the head of the security service, and the prosecutor-general. Disputes over the distribution of powers resulted in conflicts between President Yushchenko and Prime Minister Yanukovych in 2007 and then between the president and Prime Minister Tymoshenko in 2008.

Along with significant divisions among political elites, there was also a lack of agreement among economic elites about reform and the foreign economic policy direction of the country. Eastern Ukraine, dominated by industry, especially the metallurgical industry, exports much of its output to Russia and other Commonwealth of Independent States (CIS) countries. In 2007, over half of Ukrainian exports of machinery, equipment, and means of transportation went to Russia, with Belarus and Kazakhstan the two other major markets. Furthermore, given that the Central European countries produce many of these same products, further integration into the EU is overall not beneficial to these industries. In contrast, central and western Ukraine is more agrarian and would potentially profit from better economic relations with the EU and access to
European agricultural markets. The tension between these two positions contributes to fragmentation and conflict within Ukraine. As Russian economists note, "As a result of the conflict between the two programs [positions], the country is unable to follow a consistent course of integration into the Eurasian Economic Community, while also being unable to join the EU. Under conditions of crisis in Ukraine, we may expect intensification of the struggle for control over the administrative resource of the redistribution of transfers [of revenue from the capital]." Therefore, the economic crisis in Ukraine over the last four years has only increased intra-elite conflict.

In many ways, Yanukovych did not win the election; instead, the Orange Coalition lost it because of Yushchenko and Tymoshenko’s inability to work together. Although, unlike 2004, Russia was not directly involved in the campaign, their earlier actions had helped to intensify the already existing intra-elite conflict. Yushchenko only received 5 percent of the vote, representing widespread dissatisfaction with him and his presidency. The relatively small difference between Yanukovych’s results (49 percent) and Tymoshenko’s (45.5 percent) suggests that Yushchenko’s call to not vote for Tymoshenko could have lost her the election. Under these circumstances, the election was Yanukovych’s to lose.

POST-2010 ELECTION DEVELOPMENTS

Since the 2010 election of Yanukovych, the country has experienced both a reduction in the level of democracy and a closer, although still sometimes contentious, relationship with Russia. Government pressure on independence media and opposition parties, changes to the constitution, and the problems surrounding the 2012 parliamentary elections all demonstrate a reduction in the level of democracy in Ukraine. In addition to eroding democracy, Yanukovych has actively sought to develop better relations with Russia. These two developments suggest that Ukraine is moving away from the promise of the Orange Revolution and back towards some type of illiberal regime. As Ukrainian expert Andrew Wilson argues, “Yanukovych would like to establish some kind of Putin-like soft authoritarianism.” Despite hopes that Yanukovych had become more democratic since 2004, his actions over the last three years instead raise many concerns about the future of democracy in Ukraine.

DETERIORATION OF DEMOCRACY

Government Pressure on Independent Media and the Opposition

Since the 2010 election, Yanukovych’s government has restricted press freedom in Ukraine and tried to remove any potential threat from the
opposition by aggressively attacking Tymoshenko and her supporters. In September 2010 the International Press Institute wrote President Yanukovych to “express its concern at the significant deterioration” in press freedom.\(^5\) Reporters Without Borders has also warned of increased evidence of censorship, political pressure on journalists, and physical attacks on journalists in Ukraine.\(^57\) The Security Service of Ukraine (SBU) has threatened journalists and placed them under surveillance. Freedom House’s 2011 report downgraded Ukraine from free to partly free because, among other issues, the reduction in press freedom.\(^58\) By the end of 2011 most of the major television stations either avoided airing programs critical of the government or chose to stop covering political news altogether.\(^59\) Ukrainian journalists have started the “Stop Censorship” campaign in protests against what they believe is self-censorship by television news editors. Journalists argue that editors never broadcast reports they make that are critical of President Yanukovych. Furthermore, there are concerns that press freedom is being eroded in Ukraine because the majority of television networks in Ukraine are now owned by oligarchs friendly with Yanukovych.\(^60\) Valery Khoroshkovsky, an ally of Yanukovych, is the chairman of SBU, sits on the Supreme Council of Justice (VSU), and is the owner of the most popular television channel in Ukraine, Inter. Independent journalists saw a court ruling depriving Channel 5 and Tvi of their frequencies as an attack on press independence because the judges were dependent on the VSU, and the stations are not only the leading opposition-leaning channels but also Khoroshkovsky’s main competition.\(^61\)

Along with trying to restrict media freedom, Yanukovych’s government has also sought to constrain the opposition, especially Tymoshenko, as she still leads the largest opposition group. In the Ukrainian business weekly Kontrakty, Palvo Serov argues that Yanukovych’s government was trying to “strip Tymoshenko of any remaining influence” and that there is “systemic persecution” of her and her Fatherland party.\(^62\) In 2011 a Ukrainian court sentenced Tymoshenko to seven years in jail and a fine of $190 million for her actions in negotiating the gas deal with Russia in 2009. Members of the Ukrainian government argued that it was a valid, non-political investigation and prosecution. However, American and European diplomats are very skeptical of the government’s claims, especially as the investigation only looked into Tymoshenko’s time as prime minister, not Yanukovych’s term as prime minister. In December 2010 the American embassy issued a statement chastising the Ukrainian government, “When, with few exceptions, the only senior officials being targeted are connected with the previous government, it gives the appearance of selective prosecution of political opponents.”\(^63\) The EU’s foreign policy head, Catherine Ashton, declared that the conviction of Tymoshenko would have “profound implications for EU-Ukraine bilateral relations, including for the conclusion of the association agreement.”\(^64\) Ty-
moshenko’s imprisonment has continued to delay progress on an association agreement with the EU. Along with pressure on Tymoshenko, the Ukrainian government also arrested Yuriy Lutsenko, the interior minister in Tymoshenko’s government, and tried to prosecute the former economic minister, Bohdan Danylyshyn, who fled to the Czech Republic and received political asylum.\textsuperscript{65} The European Court of Human Rights (ECHR) found the Ukrainian government guilty of unlawfully detaining Lutsenko, who is currently serving a four-year sentence for embezzlement and abuse of office. The ECHR determined that the Ukrainian government had given “no valid reasons” for Lutsenko’s detention.\textsuperscript{66} The combination of all these events demonstrates a systemic and deliberate attempt by the government to restrict the freedom of information and reduce the strength of any opposition to its position of power.

\textit{Constitutional Changes}

In early October 2010, the Ukrainian Constitutional Court ruled that the political reforms of 2004, which divided power between the president and prime minister, were unconstitutional. The Court’s decision, widely suspected to have been influenced by Yanukovych’s government, significantly strengthened the power of Yanukovych and weakened the Parliament. With these changes, the president of Ukraine now has the power to select independently the prime minister and to appoint and dismiss all cabinet members. The president also regained the right to appoint and dismiss the head of the State Property Fund (dealing with privatization), the Antimonopoly Committee, and the State Committee for Television and Radio Broadcasting of Ukraine.\textsuperscript{67} The Court’s decision also solidified the president’s control over the state security apparatus, as the president has the right to dismiss the prosecutor-general and appoint the head of the Security Service of Ukraine (SBU).\textsuperscript{68} On the positive side, the Court’s ruling could end the problems that division of the power between the president and prime minister produced under President Yushchenko. In other words, now there is less institutional ambiguity over who has what authority. However, overall the decision is a problem for democracy as it further eliminates checks on the powers of the president. As Ihor Zhadanov, president of the Ukrainian Open Policy Analytical Centre, noted after the Constitutional Court’s decision, there are “no internal brakes on the current authorities.”\textsuperscript{69} Two major legitimate avenues of influence for the opposition, the parliament and the judiciary, are clearly restricted after this decision. The combination of Yanukovych’s attacks on the opposition, limits on press freedom, and the strengthening of the powers of the presidency point towards a disturbing trend for Ukrainian democracy.
2012 Parliamentary Elections

The parliamentary elections in October 2012 further demonstrate the continued deterioration of democracy. Yanukovych’s party, the Party of Regions, obtained the largest number of votes with 30 percent. Tymoshenko’s Fatherland party, led by Arseniy Yatsenyuk while Tymoshenko is in prison, received approximately 26 percent of the vote. The surprising result was the strong showing by the nationalist party, Svoboda, which went from no seats in the 2008 elections to thirty-eight in 2012. Prior to the elections, analysts predicted that Yanukovych’s party would win because his most significant opposition, Tymoshenko and Lutsenko, were in prison.70 The leader of the Organization for Security and Co-operation in Europe (OSCE)’s observer mission stated that after the elections “democratic progress appears to have reversed in Ukraine.”71 Representative David Dreier, who led the American observer mission, noted, “When you have political opponents incarcerated, when you have the minority television stations basically kept off the air, these are not positive developments.”72 The official report from the OSCE concluded that although election day itself was peaceful overall,

The pre-election period constituted a step backwards compared with recent national elections. In particular, these elections were characterized by the lack of a level playing field, caused primarily by the abuse of administrative resources, lack of transparency of campaign and party financing, and the lack of balanced media coverage. . . . Post-election day, the integrity of the results in some districts appeared to be compromised by instances of manipulation of the results and other irregularities, which were not remedied by the Central Election Commission (CEC) or the courts (emphasis mine).73

Along with concerns about the fairness of the elections, there were also reports of Ukraine’s Minister of the Interior’s Berkut riot police intervening in elections to ensure the victories of pro-regime candidates and preventing protests against electoral fraud.74

In summary, three years after President Yanukovych gained power the country is less democratic and Yanukovych has gained greater control over political power. Independent experts argue that the only real checks on Yanukovych’s power are external actors, especially the EU and the United States, and possibly civil society. Vitaliy Kulyk, director of the Centre for Civil Society argued, “at the moment, the only restraining factor is external influence” and that civil society is not passive and may be able to influence the development of further constitutional changes.75 Although other experts disagree about the strength of civil society in Ukraine, they agree that external influence might be able to check Yanukovych’s tendency towards authoritarianism, especially as he desires to be welcomed not only in Moscow but also in the EU capital, Brussels. Yuriy Yakymenko, director of the Razumkov Political and Legal Pro-
grammes Centre, argued, “Some countries may act as a means of influence on the Ukrainian authorities to force it to remain within democratic bounds.” Furthermore, other experts have acknowledged, “Every state leader is well aware that Ukraine remains under serious monitoring by Western institutions that would like to see development in our country rather than backsliding on democracy.” Despite the possibility that external pressure will limit Yanukovych’s attempts to develop a non-democratic government, the deterioration of democracy in Ukraine is troubling.

**A SHIFT TOWARD RUSSIA**

Since Yanukovych’s victory in the 2010 presidential elections, Russia has provided significant economic assistance to help Ukraine address its financial problems. In 2010 Ukraine received a $2 billion loan from Russian state-controlled VTB bank at under market rates, and if Ukraine failed to obtain a loan from the IMF the Yanukovych administration announced they would rely on Russia for help. Trade between Russia and Ukraine increased to approximately $50 billion in 2011. In 2011, Russia offered Ukraine $8 billion in natural gas subsidies if Ukraine agreed to join the Russian-led Eurasian Customs Union (ECU). However, if Ukraine enters into the ECU with Russia it would eliminate the possibility of free trade agreement with the EU and any possibility of future EU membership. Demonstrating independence from Russia, Yanukovych has so far tried to pursue economic relations with both Russia and the EU and has so far not agreed to join the ECU. Russia is clearly willing to assist Yanukovych in achieving economic stability as long as it serves Russian interests.

Although Yanukovych still desires to have positive relations with European states, he has clearly moved Ukraine closer to Russia since becoming president. Yanukovych and his Party of Regions have had a close relationship with Russia since the Russian government actively supported Yanukovych in the 2004 presidential elections. In 2005, the Party of Regions joined into a cooperation agreement with Vladimir Putin’s United Russia party. Therefore, it is not surprising that Yanukovych has pursued a policy of developing stronger ties with Russia. One example of this policy is that in July 2010 the Ukrainian parliament passed a new law on foreign policy, which dropped any mention of NATO membership for Ukraine. Yanukovych’s party pushed the bill through the parliament without adequate scrutiny and rejected all the changes proposed by the opposition. The movement away from pursuing NATO membership was a significant shift in Ukrainian foreign policy, as it was under President Kuchma that Ukraine began to actively seek NATO membership, partially as a guarantee of Ukrainian sovereignty.
ous Ukrainian leaders, does not see Russia as a threat to Ukraine sovereignty and endorsed Russian president Medvedev’s plan for European security that involves the end of NATO and American security involvement in Europe.⁸¹

The Russian leadership has repeatedly expressed its animosity for Yushchenko and its admiration for Yanukovych. Putin traveled to Ukraine in July 2010 to congratulate Yanukovych on his birthday and spoke of his “special relationship with Yanukovych,” a dramatic difference from Putin’s hostile relationship with Yushchenko.⁸² Konstantin Kosachyov, chairman of the Russian Duma’s Foreign Affairs Committee, stated

For us any president of Ukraine is absolutely fine who is realistically oriented toward the interests of Ukraine. [Former President Viktor] Yushchenko interpreted those interests in a false way. Yushchenko thought they consisted of getting as far away from Russia as possible and quickly moving toward the West. That is precisely why we had such a hard time with him. But with Viktor Yanukovych, it is simple for us. He has significantly more precise and adequate understanding of Ukraine’s interests.⁸³

The earliest and clearest sign of Yanukovych’s support for Russia was his decision to renew Russia’s lease on the naval base in Sevastopol, on the Crimean peninsula in the Black Sea. Crimea was originally part of Russia, but the Soviet government transferred the region to Ukraine in 1954. Since Ukraine’s independence, the status of the Russian base in Sevastopol has been a source of contention. Former President Yushchenko vowed to not extend Russia’s lease when it expired in 2017. Only months after entering office Yanukovych forced through parliament a deal that extended Russia’s lease on the base for twenty-five years in exchange for a 30 percent discount on the price of Russian natural gas sold to Ukraine. The deal helped Ukraine’s economic situation and served Russia’s interests of maintaining an important warm water naval port. However, the decision ignored opposition protests and was of debatable legality, depending on interpretations of the Ukrainian constitution.

It is also not clear if the deal is beneficial to Ukraine in the long term. The agreement did not include any guarantees that Russia would continue to transport natural gas through Ukraine’s pipelines, leaving open the possibility that Russia will bypass Ukraine once the Nord Stream and South Stream pipelines are complete.⁸⁴ If Russia does bypass Ukraine, the country will lose an important source of revenue. Concerned about continued reliance on gas from Russia, Yanukovych’s government has been pursuing alternative sources of gas, such as increased drilling in the Black Sea, building a liquified natural gas terminal, and negotiating a deal with a German gas company. Despite the closer relationship be-
tween Yanukovych and the Russian government, natural gas continues to be a source of tension.

Following the decision to extend Russia’s lease, the Russian government also demanded that Yanukovych agree to allow members of the Russian Federal Security Service (FSB) to operate on the Russian base in Crimea. The Ukrainian government had forced the FSB to withdraw in 2009 because it had violated Ukrainian law and had regularly operated outside the confines of the base.\textsuperscript{85} Along with these developments, in July 2012 Yanukovych’s party pushed a bill through parliament that granted the Russian language equal status with Ukrainian across much of the country. The Russian language bill provoked violence within parliament, the resignation of the speaker of the parliament, and protests on the streets of Kyiv. Language is a divisive issue in Ukraine, and Ukrainian speakers saw this law as a threat to national sovereignty.\textsuperscript{86} Since becoming president, Yanukovych’s support of the Russian base in Sevastopol, agreement to allow the FSB to operate in Ukraine, and passage of the Russian language bill demonstrate a policy of strengthening relations with Russia. This relationship raises concerns about the prospects for Ukrainian democracy because of Russia’s history of enabling other nondemocratic, pro-Russian governments in the region (e.g., Belarus).

CONCLUSION

Russia directly tried to influence the outcome of the 2004 presidential elections in Ukraine by influencing elite strategies and increasing capabilities. During the presidency of President Yushchenko, Russia’s actions, especially the conflicts over natural gas, helped intensify existing problems within Ukraine and shift the balance of power away from the pro-democratic elites. Although the Russian government made its preferences known in the 2010 presidential campaign, it did not actively interfere in that election. They either learned lessons from 2004 or, given Yushchenko’s extremely low polling numbers, believed it was unnecessary to become directly involved because the candidate they did not want to win, Yushchenko, would not. Since the 2010 presidential elections, Russia has repeatedly shown their support for Yanukovych and their interest in maintaining his position of power. Russia’s involvement helps Yanukovych erode democracy in Ukraine. However, it is also clear that domestic political and economic circumstances are still very important in explaining Ukraine’s erosion of democracy. The intense intra-elite conflicts, especially among the members of the Orange Coalition, significantly hampered the ability of President Yushchenko’s government to govern. Furthermore, the bitter fighting among elites has contributed to feelings of anger and apathy among many Ukrainians. Russian involvement
in Ukrainian politics and economics has interacted with existing problems to contribute to an erosion of democracy.

Upon Yanukovych’s election, there was a hope that he would support democracy. Unfortunately, three years into Yanukovych’s presidency there are multiple examples of an erosion of democracy in Ukraine. The constraints on press freedom, attacks on the opposition, changes to the constitution, and the undemocratic nature of the parliamentary elections all demonstrate movement away from democracy. With fewer restraints on Yanukovych’s power, there is now an even greater possibility of a further slide toward authoritarianism. Although there is some hope that internal constraints, such as civil society, or external influence from the United States or the EU, will prevent the development of an authoritarian government, the current prospects for democracy in Ukraine are poor.

NOTES


3. For more information on efforts to promote democracy in Ukraine, see Andrew Wilson, Ukraine’s Orange Revolution (New Haven: Yale University Press, 2005) and Michael McFaul, “Ukraine Imports Democracy,” International Security 32, no. 2 (Fall 2007): 45-83.


5. For example, see works by Milada Vachudova; Geoffrey Pridham; Laurence Whitehead; Jon Pevehouse; Frank Schimmelfennig and Ulrich Sedelmeier.


11. The argument in this section is based on my earlier book, Promoting Authoritarianism Abroad.


14. Andrew Wilson provides a well-documented and good summary of the types of election fraud that occurred. He reports that the Committee of Voters of Ukraine determined that 85,000 officials were involved in election fraud. See Wilson, Ukraine’s Orange Revolution, 119.


27. Petrov and Ryabov, “Russia’s Role,” 150.


33. “With the recent opening of the Nord Stream pipeline Russia will now be able to bypass both Belarus and Ukraine to provide natural gas to Germany, if Russia so desires.”


75. Romashova, “Den Experts.”

76. Ibid.

77. Ibid.


81. Kuzio, “Ukraine Closes Road to NATO Membership.”


