

Yanukovich Is Burning Bridges

By [Lilit Gevorgyan](#)

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Yulia Tymoshenko is no stranger to controversy, court cases and detention, but even by her own standards Tuesday's guilty verdict and seven-year prison sentence was shocking. In addition, she will face a five-year ban from standing in elections and a \$188 million fine to be paid to the state for her poor judgement in concluding a 10-year natural gas supply deal with Gazprom in 2009 — an agreement that was heavily in Russia's favor at the expense of Ukrainian consumers.

Given the high stakes involved in this verdict and the well-documented political dependency of Ukraine's judiciary, it is hard to imagine that the inexperienced Judge Rodion Kireyev took the decision to back the prosecution independently, as Ukrainian President Viktor Yanukovich claimed. After all, it was the deputies from Yanukovich's Party of the Regions who pressed for a criminal case against Tymoshenko and formulated the charges.

A closer look at the converging factors behind the ruling suggests that Tymoshenko has become a scapegoat for Ukrainian authorities who wanted to achieve a number of goals with one guilty verdict.

First, by blaming Tymoshenko for agreeing to high gas prices the authorities hope to shift the blame for the current state of the economy onto her. Currently, the Ukrainian government is under pressure from the International Monetary Fund to liberalize its domestic gas prices. In August 2010, Yanukovich ordered a 50 percent increase in otherwise heavily subsidized domestic gas prices.

This has proven to be a very unpopular measure with voters. But the IMF is strongly recommended another 50 percent hike this year. In fact, it was due in August but Ukraine has been dragging its feet fearing a political backlash from ordinary Ukrainians ahead of the 2012 parliamentary elections. The IMF has frozen its cooperation with Ukraine over the noncompliance with its recommendations, which is not a good sign for the teetering economy in dire need of attracting foreign investors.

One of the key contributors of these economic woes is the 2009 gas contract that Tymoshenko signed with Prime Minister Vladimir Putin. The agreement sets an exorbitantly high price for Russian gas imports and disadvantageous terms for import and transit volumes. The current Ukrainian leaders believe that it is only fair that Tymoshenko shares part of the blame for her poor decisions that have cost the state and its citizens dearly.

Second, the verdict also goes a step further to ensure that Tymoshenko is isolated from the political scene for the next five years. This conveniently takes Tymoshenko, a controversial yet influential opposition leader, out of the upcoming parliamentary and presidential elections. It is hard to say whether the authorities will be able to succeed with their plan. Perhaps this will work for the parliamentary elections in 2012, but banning her from the presidential race in 2015 might be difficult because the West will clearly oppose this and might threaten Ukraine with sanctions if they exclude Tymoshenko from the race.

In addition, the effectiveness of this strategy is dubious. Tymoshenko was already losing her popularity in recent years because of the failings of the Orange Revolution government. As a result, she lost the presidential race to the incumbent in the runoff in February 2010. But Tuesday's sentence may give her an opportunity to redeem herself as a politician. Often opposition leaders are more effective at leading their followers from behind bars than from parliament.

Third, the verdict is an attempt to undermine the legality of the 2009 gas deal with Russia. Ukraine is desperately trying to gain a price concession from Gazprom. But these attempts have only led to the deterioration of otherwise close ties between Moscow and Kiev — so much so that the Ukrainian government has threatened to seek international arbitration to see the agreement reviewed.

It is interesting that during his witness statement against Tymoshenko, former Ukrainian President Viktor Yushchenko said he was not aware of the details of the agreement that Tymoshenko, who served as his prime minister during his presidency, was concluding with Gazprom at the time. And the verdict clearly states that Tymoshenko criminally exceeded her powers. This ruling effectively creates grounds for the Ukrainian delegation currently in talks with Gazprom to question the legality of the agreement and even try to annul it. So it comes as no surprise that Putin criticized the verdict.

Tymoshenko's guilty verdict appears to be a tactical move by the Ukrainian authorities to

shift the blame for the country's economic hardships away from themselves and to exercise pressure on Russia. In the meantime, Yanukovych and his cabinet are likely to seek a face-saving measure that could result in Tymoshenko being released early but still having to pay the multimillion-dollar fine.

Yanukovych's statement that the court verdict is not final suggests that he is aware of the high political costs attached to the ruling for Ukraine's relations with the West. The Ukrainian political and business elite still view a balanced foreign policy, both with Russia and the European Union, as being in their long-term interest. As Yanukovych put it after his victory in the presidential election in early 2010, he will be seeking to turn Ukraine into a bridge between Russia and the EU. So far, however, he has only managed to alienate both.

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