## ПОЛІТИЧНА ТЕОРІЯ ТА ПРАКТИКА ДЕМОКРАТІЇ

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### **UKRAINIAN NEOPATRIMONIAL DEMOCRACY:** DOMINANT PARTY-BUILDING AND INTER-ELITE SETTLEMENT IN THE **SEMI-PRESIDENTIAL SYSTEM**

The effects of constitutional and electoral changes on the process of dominant party building during the presidency of V. Yanukovych are considered. The major competition strategies among interest groups of the party in power are defined in the context of Ukrainian neopatrimonial democracy. On the example of the 2012 election key cases of inter-elite struggle in the single-member districts are examined.

Key words: neopatrimonialism, dominant party, factionalization, interest groups, electoral struggle

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### УКРАЇНСЬКА НЕОПАТРИМОНІАЛЬНА ДЕМОКРАТІЯ: БУДІВНИЦТВО ДОМІНАНТНОЇ ПАРТІЇ ТА МІЖЕЛІТНА ВЗАЄМОДІЯ У НАПІВПРЕЗИДЕНТСЬКІЙ СИСТЕМІ

Розглядається вплив конституційних та електоральних змін на процес будівництва домінантної партії в період президентсва В. Януковича. Визначаються головні стратегії боротьби груп інтересів всередині партії влади в контексті української неопатримоніальної демократії. На прикладі виборів 2012 р. аналізуються ключові приклади міжелітної боротьби в мажоритарних округах.

Ключові слова: неопатримоніалізм, домінантна партія, фракціоналізація, групи інтересів, електоральна боротьба

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### УКРАИНСКАЯ НЕОПАТРИМОНИАЛЬНАЯ ДЕМОКРАТИЯ: СТРОИТЕЛЬСТВО ДОМИНАНТНОЙ ПАРТИИ И МЕЖЭЛИТНОЕ ВЗАИМОДЕЙСТВИЕ В ПОЛУПРЕЗИДЕНТСКОЙ СИСТЕМЕ

Рассматривается влияние конституционных и электоральных изменений на процесс строительства доминантной партии в период президентства В. Януковича. Определяются главные стратегии борьбы групп интересов внутри партии власти в контексте украинской неопатримониальной демократии. На примере выборов 2012 г. анализируются ключевые примеры межэлитной борьбы в мажоритарных округах.

Ключевые слова: неопатримониализм, доминантная партия, фракционализация, группы интересов, электоральная борьба

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Ukraine's current political system can be considered a classic case of patronage politics. The persistence of patronage politics in Ukraine can be attributed not only to structural, historical, and cultural factors, but also to particular decisions regarding constitutional design, electoral rules in particular. In particular, the 2010 rollback of Ukraine's 2004 constitutional reforms have strengthened President Viktor Yanukovych's ability to wield both formal and informal tools of governance, including by broadening the patron-client foundations of his regime. At the same time, however, this process also has appeared to lead to a weakening of the ruling party itself while spurring consolidation of the opposition.

The transformation of Ukraine's political system from a premier-presidential system with a dual executive (2005-2010) to a super-presidential regime began with the 2010 restoration of the 1996 constitution. This involved a rollback of the 2004 constitutional reforms, which had led to the formalization of electoral competition between patron-client networks via a party list system and the expansive growth of major networks, such as the PR (PR), led by Yanukovych, and the Yulia Tymoshenko Bloc (BYuT), both of which formed effective political machines for the accumulation of votes and the nationwide redistribution of patronage.

After winning the presidential election in 2010, Yanukovych commanded a relative party majority in the parliament, which his predecessors Leonid Kuchma and Viktor Yushchenko never had. This was also the first time that a parliamentary majority was bound by the leashes of tight party discipline. Meanwhile, Tymoshenko's imprisonment in 2011 left the BYuT's regional organizations without the support of rent-seeking tycoons or political investors, who either defected to the party of power or adopted a fence-sitting stance.

Yanukovych's super-presidential regime has become trapped in a winner-takes-all political system that requires from the party of power the permanent reassertion of its dominance in parliament. In most cases, this is impossible without coalition partners (in other words, compromises with "hidden" patrons from alternative patron-client networks). The constitutional change thus has led to a clear shift not only toward extra-party sources of support based on informal patronage but also a substantial formal extension of the elite support base outside the PR. Two important consequences of the changes were the general decline of the role of the PR as a formal machine for national organization and discipline of elites, and the expansion of the sphere of direct presidential patronage as a channel for the co-optation of new elite allies that seek protection for their businesses.

The new November 2011 electoral law was based on a mixed electoral system, used earlier in Kuchma's super-presidential system. New electoral rules have greatly modified the strategy of party players, who were given the possibility to distribute their forces and resources via both party lists and single-member constituencies. The effect of the new electoral system has varied for the party of power and the opposition. It has facilitated segmentation of the former and unification of the latter.

The new electoral law has had several consequences for pro-presidential forces. First, it has led to greater competition among different interest groups within the PR for the right to nominate their candidates to single-member constituencies. Attachments to different patrons and centers of influence within the PR have allowed aspiring candidates to bandwagon on the controversies among them and appeal to the availability of their own local resources, high ratings, and popularity in single-member constituencies. In some regions, candidates have enlisted the support of different patrons such as the formal leader of the election campaign headquarters, Andriy Klyuyev, or the presidential chief of staff, Serhiy Lyovochkin, to contest the same district.

Second, many candidates in the party of power, especially in the central and western regions, are campaigning as independent candidates so as not to draw attention to their connection to the PR. Moreover, even in many eastern and southern regions, ruling party candidates virtually abstain from using the white-and-blue symbols of the PR and hide behind the support of newly established public organizations with amorphous names.

Third, one unanticipated consequence of the new electoral law has been an open competition between several pro-presidential candidates in one electoral district. These candidates rely on their own autonomous informal patron-client networks and are not especially dependent on central PR headquarters. For example, the clans of Viktor Baloga and Petro Poroshenko are competing with other pro-presidential patron-client networks for the support of the center, the Baloga clan against the patron-client network of the local PR head, Zakarpattya governor Oleksandr Ledida, and the Poroshenko clan against that of State Customs Service head Ihor Kaletnik.

Thus, the political system of Ukraine during 2010-2013 was characterized by dominant positions and key influence of the PR and the political and business elites in relation with it. At the same time, one may observe the emerging of various interest groups within the PR as the party in power and the conflict of their interests in pursuit of the top state positions.

# Factionalization inside the power party in Ukraine

There was three major interest groups in the PR.

- 1) Donetsk core of the party (Akhmetov-Kolesnikov groups, Klyuyev group and Azarov-Rybak group);
- 2) RosUkrEnergo group (networks of Firtash, Lyovochkin, Boyko, Khoroshkovsky);
- 3) So called group of Yanukovych family (Aleksandr Yanukovych group, Ivanyushchenko group).

On the one hand, the nature of this factionalization can be assessed as competitive [1]. Indeed, the above-mentioned interest groups initiate competitive political projects. For instance, in terms of relations between the president and the parliament one can reckon that the Donetsk core supports the development of the Party of Regions as the presidential party and the basis for the parliamentary support; RosUkrEnergo group sees the president as not only the leader of the party but the leader of the nation standing above the political structure; president's family group supports autonomy of the president from the party and supports the expansion of the vertical power and creation of parliamentary support not only as a disciplined party, but more as pro-presidential coalition with the participation of popular majority.

These groups of interest also represent conflicting foreign policy interests: Donetsk core of the party, in particular, Akhmetov group supports the development of relations with EU while RosUkrEnergo group is likely to be more interested in reinforcing the relations with Russia. Availability of some features of veto games and fragmented voting speaks in favor of competitive nature of this factionalization. These features showed up, for instance, during parliamentary voting when electing Ombudsman (March 2012) as well circulation of elites that appeared, for instance, during the parliamentary shifts.

However, such institutional outlook has to be supplemented with a political anthropological view. In this relation, Ukraine can be examined as a classical example of neopatrimonial democracy [2, 3] wherein informal patron-client networks compete via formal electoral mechanisms (for the presidential office and the seats in parliament), but their goals still focus on state capture as the primary gain. Neopatrimonial democracy is a standard modification of the semi-presidential regime in a clientelistic setting, in which rent seeking is the key motive of politics.

# Reasons for factionalization inside the Party of Regions

- a) mechanical; extension of the party and increasing its influence preconditioned by readjustments of power in the party system (fragmenting of BYuT and NUNS with the attraction of their business segment into the orbit of presidential influence, decreasing influence of previously powerful Block of Lytvyn and KPU as well as introduction of new political projects into the political arena.
- b) substantive: struggle with political competitors and the following distribution of "trophies" depending on their contribution to this struggle.

present, the factionalization conditional to the results of the fight with the main political competitor of V.Yanukovych -Yuliya Tymoshenko. This competition had started when V. Yushchenko was the President, and successful ending of the competition allowed the RosUkrEnergo group that can be considered as one of the key drivers of this competition, to occupy a more favorable position in power compare to another pole of the Party of Regions - Donetsk core of the party. Donetsk core of the party in this competition endeavored to limit the influence of the RosUkrEnergo group. A case study of this is the voting of R. Akhmetov for setting up an investigation committee with Roman Zvarych a chairperson, an associate of Y. Tymoshenko, to investigate the facts of corruption activities of RosUkrEnergo.

The next round of competition with political rivals can become the parliamentary election of 2012, and "trophies" will be distributed depending on the financial and organizational support during the elections.

# Competition strategies among interest groups

a) Hard maximization: Profit maximization strategy at minimal costs. In this case, profit maximization means having a direct access to the president V. Yanukovych, as well as taking up the most efficient positions to gain revenue. Implementation of this strategy implies competition for positions in executive bodies in power.

b) Soft maximinimization: strategy of decreasing risks/losses and ensuring the most profitable conditions in case the maximization strategy will not work out. Maximin strategies are becoming more up-to-date in circumstances of political ambiguity that, in particular, is specific for pre-election situation. Implementation of this strategy implies creation of groups of support in parliament and in local authorities.

From the institutional standpoint, the fact that hard maximization strategies are in the first line related to a proximity to the president and executive power, and the soft maximinimization strategies are mainly rolled out on a parliamentary platform, can be explained by the constitutional reform of 2010 which led to transformation of Ukraine from premierpresidential to presidential-parliamentary regime. The latter is specific for weak influence of parties and parliament on the forming of executive power, dependency of the cabinet from the president, abilities of the president to counteract against parliamentary law making (veto powers and/or dissolution of parliament).

### **Maximization strategies**

- a) Competition for the position of the prime minister. In fact, the positions of the head of President Administration and prime minister have direct access to the president. In competition for the position of the future prime minister there is a key trend of the increasing influence of RosUkrEnergo Group and the weakening of the positions of the old Donetsk core of the party, there are some evidences of this below:
- 1) Resignation of A. Klyuyev, vice prime minister, one of the candidates for a position of prime minister from the group of Donetsk core of the party, and his consequent appointment to the position of Secretary of Council of National Security and Defense (February 2012).
- 2) Promotion of V. Khoroshkovsky one of the candidates to the position of prime minister from RosUkrEnergo group, initially to the position of minister of finance and then to the position of the first vice prime minister (February 2012).

These events cannot be construed univocally. On the one hand, CNSD (Council for National Security and Defense) as seen in the Ukrainian political practice, can evolve well into an alternative way of access to the president and authoritative executive body. On the other hand, the political capital of A. Klyuyev includes management of election headquarters of PR and negotiator status on building the majority in the parliament.

Promotion of V. Khoroshkovsky to the top state positions in the executive power cannot be interpreted univocally. On the one hand, his appointment to the position of the minister of finance meant the weakening of Donetsk core representative in the party, the prime minister N. Azarov. Factually V. Khoroshkovsky took over the F. Yaroshenko loyal to N. Azarov, apart from the following past political disagreements between them<sup>1</sup>. On the other further hand, the promotion of V. Khoroshkovsky to the position of the first vice prime minister made the two executive positions vacant – head of Security Service of Ukraine and minister of finance that occupied close to V. Yanukovych Mr. I. Kalinin and Y. Kolobov respectively, that allowed reinforcement of Yanukovych family group.

It is also important to understand that A. Klyuev and V. Khoroshkovsky are not the only candidates for the position of the future prime minister. Merger of "Strong Ukraine" and the PR in this context can be considered as an application of S. Tigipko to the position of the prime minister. There are also candidates to this position among the close to the family of the president, for instance, S. Arbuzov.

- b) competition for the most profitable positions for rent-extraction. In distribution of executive positions, the most important trend is strengthening of the positions of president's family that are in conjunction with informal influence of his eldest son Aleksandr. In fact, the executive positions are distributed among three interest groups:
- 1) Donetsk core of the party is represented, in particular, by the current prime minister N. Azarov, vice prime minister and the minister of infrastructure B. Kolesnikov, minister on youth affairs and sport R. Saffiulin, minister of industrial policy D. Kolesnikov, vice prime minister and minister of health R. Bohatyryova.
- 2) RosUkrEnergo group is represented, in particular, by the Head of President Administration S. Lyovochkin, first vice prime minister V. Khoroshkovsky, minister of fuel and energy Y. Boyko.
- 3) The close to the president family take up the key positions in fiscal and law enforcement structures, namely, in the National bank of Ukraine (S. Arbuzov), ministry of internal affairs (V. Zaharchenko), state tax service (A. Klimenko), and as it has already been

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<sup>&</sup>lt;sup>1</sup> In 2004 V. Khoroshkovsky expressed disagreements with the policy of the then vice prime minister N. Azarov, by resignation from the position of minister of economics on the European integration in the government of V. Yanukovich.

mentioned, in state security service (I. Kalinin) and ministry of finance (Y. Kolobov).

From the anthropological standpoint the strengthening of the president family's positions have something in common with structuring of political elite that is referred to as conical clan in the political anthropology. The conical clan is institutional securing of the power-as-property system, i.e. the system wherein the rule who earlier was a manager of the community resources becomes an owner of these resources. The conical clan comes to change the clan without a clear and compulsory for all sub-clans leadership (or along with the elected leadership). The conical clan is a hierarchyarranged clan. There is a major sub-clan going from the ruler to his elder son, elder grandson and so on, as well as lateral sub-clans<sup>2</sup>.

If this to translate into the language of formal and informal institutes then one can speak of the trend of transfer from the redistribution of the major power resource (executive positions) under the party quota to a peculiar awarding of this resource by the president and the closest to him interest group and its distribution under the president patronage (conical) system. Also, strengthening of the president family's positions in the parliament can be reckoned as the creation of the president vertical, which interests collide with the interests of oligarchic interest groups.

A peculiar feature of the competition for the most profitable positions to gain revenue is the process of redistribution of authority and powers between formal institutes specific for the patrimonialism. It is known that "these competing functions originate particularly in the competition for sources of income which are at the disposal of the master himself and of his representatives. It is often in the first instance through these interests that definite functional spheres are first marked off and genuine administrative organs come into being" [4, p. 229]. Distribution of powers of the new governmental bodies is essentially a result of the distribution of rent-seeking interests. As an example of this principle in action, one can recollect an initiative of the parliamentary deputy V. Kaskiv under the support of S. Lyovochkin to become in charge of the State Agency on Investments and Development.

There was already in this position A. Taran who had been delegated by A. Klyuyev. The conflict ended up in creating the new power body under an initiative of S. Lyovochkin - State Agency on Investments and National Project Management chaired by V. Kaskiv.

### **Maximinimization strategies**

a) Competition for representation of interest groups in parliament. Success of failure of interest groups in implementation of the maximin strategies leads to the balance shift of powers in the executive vertical that result in the balance shift of powers in the parliament. Rearrangements in the parliament provoke increase or decrease of the parliament groups of support of one or another "big man".

Correspondingly, in order to decrease risks interest groups strive to ensure availability of loyal parliamentarians. This becomes especially relevant with the introduction of the mixed electoral system. Mixed electoral system creates conditions for formation of pro-president majority not by means of disciplined party but by means of individual cooptation of the deputies loyal to the president.

In the pre-election period the interest groups inside the party can ensure the own parliamentary platform based on such strategies:

1) Competition for the top position in the party list and for candidates of single-member constituencies. In the 2012, party list of PR compared to the 2007 party list there is a trend of domination of Donetsk core of the party, strengthening of representation of the president family and the setback of RosUkrEnergo group.

At the same time the situation with a nomination of the candidates in single-member constituencies gives evidence concerning the opposite trend, the strengthening of the positions of RosUkrEnergo group. This fact proves a specific division of the maximin strategies: Donetsk core of the party stakes on the party list whilst the Firtash-Lyovochkin-Boyko group is trying to ensure parliamentary support via recruitment of majoritarian candidates.

The politicians and executives related to the group of RosUkrEnergo are the candidates in different single-member constituencies. Thus, V. Chudnovsky, the MP elected in the list of BYuT, who is known to be in conjunction with S. Lyovochkin, the Head of Administration of the President, is standing as independent candidate in the election district No. 90 (Bila Tserkva town, Kyiv region). S. Lyovochkin's sister, Y. Lyovochkina is a candidate of PR in the district No. 6 (Feodosiya, AR Crimea). In

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<sup>&</sup>lt;sup>2</sup> The conical clan marks a transfer from the age system wherein the clan is managed by the eldest, to the ranktitle system, in which titles and ranks are assigned in the first place to representatives of the major sub-clan and the relatives of the privileged sub-clans despite of the age.

addition, A. Nechayev, the head of "Crimean Titan" represents the RosUkrEnergo group, and interests of D. Firtash, in particular. He is a candidate from the PR in the single-member district No. (Armyansk town Krasnoperekopsk town, AR Crimea). addition, the interests of this lobby group are represented by I. Fursin, a business partner of S. Lyovochkin, the owner of Misto Bank and a candidate from the PR in the district No. 138 (Shiryaevo town, Odessa region). Interests of D. Firtash are also represented by V. Zhukovska, an independent candidate in the district No. 194 (Cherkassy, Cherkassy region). She is linked with RosUkrEnergo group via the position of the interim administration of Nadra Bank after the bank has been purchased by D. Firtash. Further, the head of Chernivtsigaz controlled by D. Firtash, G. Fedoryak is standing as a candidate of the PR in the majority district No. 203 (Novoselytsya town, Chernivtsi region). In addition, the Secretary of City Council of Chernivtsi, Y. Mikhailishin, is associated with D. Firtash, and he is standing for the MP seat in the district No. 201 (Chernivtsi, Chernivtsi region). Y. Ioffe, a former deputy is also associated with the group of RosUkrEnergo, who is standing for the deputy from the PR in the district No. 112 (Rubizhne, Lugansk region), as well as the mayor of Lisichansk town, S. Dunayev who is a candidate from the party of power in the district No. 107 (Lysychansk, Lugansk region). The interests of RosUkrEnergo group, in particular the ones of Y. Boyko are also represented in the person of S. Katsuba, Deputy chairman of NAC "Naftogaz" and a candidate in the region No. 92 (Uzyn town, Kyiv region). His father, V. Katsuba is a candidate of the PR in the district No. 175 (Dergachi, Kharkiv region). Also V. Zherebnyuk, a candidate in the district No.14 (Zhmerenka town, Vinnytsia region) is also said to be associated with the head of Administration of President.

The interest groups' struggle in specific regions is marked by the involvement of the local political elites to this competition, in the same way those who represent the PR itself and those who are considered to be the members of the party in power in a broad sense of word, i.e. the old and the new political business elites of the region who maintain their political capital at the expense of the agreements with the dominant party in exchange for their support.

2) Another important strategy of maximin is support of the new alternative party projects that become a point of unionization/fusion for the peripheral patron-client networks. In the political field of Ukraine a few parties have emerged who present themselves as opposing and having a potential to get places in the parliament, for instance, UDAR of Vitali Klitschko, Ukraina Vpered! Natalia Korolevska. In the situation of the competition of the interest groups inside the party, such projects are becoming profitable objects for political investment.

b) competition for the favorable positions on the level of the local authorities. Another method of competition among groups of interest inside the party of power is the competition for control over the local executive power and the regional political machines. There are clear examples of this competition as follows:

- 1) Donetsk region, where the interests of the governor, A. Shishtsky, close to the group of Akhmetov-Kolesnikov, collide with the interests of the head of the Regional Council A. Fedoruk, a former business partner of A. Yanukovych.
- 2) Zaporizhia region, wherein the interests of the governor, B. Petrov, close to A. Klyuyev collide with the interests of O. Anisimov, who represents the interests of Y. Ivanyushchenko, relevant to the family of Yanukovych.
- 3) Odessa region, wherein the interests of the governor E. Matviychuk, close to A. Klyuyev, collide with the interests of the head of the faction of the PR in Odessa City Council, G. Trukhanov, close to Y. Ivanyushchenko.

#### **Five Cases**

Let us consider two trends in more details – the competition inside the party in single-member districts with the increasing influence of RosUkrEnergo group (on the example of the process of promoting the candidates in Chernivtsi region, Lugansk region and AR Crimea) as well as the competition of the PR with the alternative local centers of the power (on the example of Zakarpattya and Vinnitsia region).

Chernivtsi region. The conflicts of different interest groups inside the PR in the Chernivtsi region have some specific peculiarities. The PR here is being divided into so-called "old regionals", i.e. those who were at the beginning of formation and affirmation of the regional organization of the party and also into the "young regionals" those who switched to the PR primarily from the SDPU(o). The latter are represented by the head of the regional state administration, the current head of Chernivtsi organization of the PR, M. Papiyev and his team. However, there was another centre of gravity in the process of promoting candidates to the single-member districts – RosUkrEnrgo

group, and D. Firtash, in particular. This centre of influence is supported by young "regionals" in exchange for the significant funding of the region directly by D. Firtash, and through the ministry of fuel and energy chaired by another representative of the RosUkrEnergo group, Y. Boyko. The interests of D. Firtash in the promoting of majority candidates in Chernivtsi region has been more clear in the districts 201 and 203.

The district No. 201 as a whole has opposition attitude. A former mayor of Chernivtsi, N. Fedoruk is standing a candidate in this district from the opposition who was running for the chair of the mayor again with a significant support of voters. However, in March 2011 Chernivtsi city council voted for the early termination of his mayor authorities. One should note that the interests of D. Firtash started appearing already during preparation of his resignation. The PR had an assignment to nominate a candidate who will be a worthy competitor against N. Fedorchuk. Such a candidate could have been an old regional N. Romanyuk who had been in charge of Chernivtsi regional organization of the PR from the date of its foundation and up to 2010 and who was a real rival to N. Fedoruk at the elections of the city major. However, his nomination appeared inacceptable in the context of the conflict between old regionals and young regionals. Old regionals are not satisfied with their secondary role and methods of work of the young regionals. Thus, N. Romanyuk had criticized the activities of the governor team repeatedly. N. Romanyuk ranked 92<sup>nd</sup> place in the election list of the PR, and V. Mikhailishin was nominated to the position of the mayor as a candidate in the majority district from the party. V. Mikhailishin is said to be linked directly with D. Firtash as well as with Y. Borisov, the former key top-manager of D. Firtash who is now in charge of Ukrgazdobycha (NAK "Naftogaz").

A notorious situation is being also observed in the district No. 203 that is peculiar for the dense residence of the Romanian national minority. The old regionals were considered as the nominees for promotion from the PR in this district: I. Semenyuk, businessman and deputy having a strong support and the peoples' deputy I. Popescu. The influence of I. Semenyuk was limited through the pressure on his business and specifically through the examination of his "Rodnichok" company by the prosecutor's office in Chernivtsi. And the question with a candidacy of I. Popescu similar to the case of N. Romanyuk was dismissed through his inclusion into the election list of the PR (73<sup>rd</sup> place). G. Fedoryak, the head of Chernivtsigaz, who is said to be associated with D. Firtash directly, has become a candidate to deputy in the majority district.

In this way, these facts prove the strengthening of the third center of influence (along with the old regionals and young regionals) in Chernivtsi region, the influence of D. Firtash and RosUkrEnergo group as a whole.

Lugansk region. The confrontation of the interest groups inside the party of power in Lugansk region also have specific regional peculiarities. The PR is represented in the first place with the groups of so-called "Luganskiye" that was set up back in the middle of the 1990's around then the first deputy of the head of regional state administration V. Tikhonov as well as around the deputy group "Narodniy Vybor" (*People's Choice*) established in 2002. Today A. Yefremov is one of the most powerful representatives of the "Luganskiye" group; he is the leader of the PR faction in the parliament. In the process of promotion of candidates to deputies in majority districts in Lugansk region there is a trend of weakening of the "Luganskiye" positions. This is due to being forced into conceding the districts to other interest groups inside the PR, primarily to the groups of RosUkrEnergo and Donetsk core of the party. The other center of in this pre-election campaign is the former member of the Party of regions S. Shakhov who is linked with Y. Ivanyushchenko (the group of the president family)<sup>3</sup>.

The completion is also being observed in the environment of "Luganskiye" themselves. In particular, this is becoming apparent in their attempt to exclude some old regionals form the pre-election rally, those who were at the origin of the regional organization of the PR. A grave confrontation inside the party for the seat of the

<sup>&</sup>lt;sup>3</sup> Particularly, these trends already showed up when

defining the borders of the electoral districts. For instance, it is thought that the borders of the districts 106, 107 and 112, which are characterized by irrationality from the standpoint of administrating of the electoral process, were created for the specific candidates; these are A. Kunchenko, S.Dunayev and I. Ioffe. All the three are associated with D. Firtash. Also when outlining the borders of these districts, influence of S. Shakhov was limited, since the town of Stakhanov in which S. Shakhov has got a significant political influence was divided between the districts 106 and 107. S. Shakhov became an independent candidate from the district 107. Apart from that, he is related with an array of independent candidates in other districts of Lugansk region (A. Makarov in the district 109, A. Bukhalov in the district 112).

people's deputy took place in the district 104. V. Goncharov, businessman, N. Grekov, mayor of Aleksandrovsk town and V. Struk, village head were running to become a candidate in this district. The PR promoted V. Goncharov, and the other two candidates were put under administrative pressure<sup>4</sup>. Currently V. Struk is an independent candidate in 104 electoral district. The trend of exclusion of the old regionals from Lugansk is being observed in 108 district as well. One of the potential candidates in this district was V. Landik, one of the founders of the regional PR and head of regional organization of the party in 2005. However, V. Landik is considered as an oppositionist inside the party and the party promoted Y. Ternikov, businessman as a candidate to become a deputy in the district

It is worth noting the situation in electoral district 111 from the standpoint of the competition of the various interest groups. One of the most influential candidates here is A. Koval, director of "DTEK Sverdlovantratsit" promoted from the PR. "Sverdlovantratsit" has been acquired by the DTEK corporation of R. Akhmetov, A. Koval is associated with the oligarch directly. In this district, A. Koval is competed by K. Ilchenko, an independent candidate, famous for his active combating illegal coal mining. K. Ilchenko is linked to Y. Ivanyushchenko through his relations with a businessman, I. Avramov.

AR Crimea. In the case with AR Crimea, on the one hand, one have to pay attention not to the Party of Region itself but to the party in power in a broad sense of word that apart from the Party of Region includes the Communists and other authoritative local politicians. The confrontation of various interest groups inside this party of power is characterized by the conflict between the old and the new political elites of the Crimea. The new political elites have shaped with the PR coming into power and many old important politicians have lost their influence along with that. As a result, there is a trend of promotion of the old political elites as independent candidates or as the candidates from the alternative political projects in the election campaign in majority districts. This trend also becomes apparent, for instance, in the district No. 9 wherein A. Nechayev, head of

<sup>4</sup> N. Grekov was arrested on suspicion of bribery and thus he had been expelled from the hustings. V. Struck was sentenced to one year of conditional punishment

was sentenced to one year of conditional punishment for his signing of the resolution of the village council regarding the keeping the costs of the outperformed budget plan of 2009 in the village budget. state holding company "Titan of Ukraine" and chairperson of the supervisory board of "Crimean Titan" is standing as a candidate from the party of regions. This candidate is directly related to D. Firtash who is the owner of "Crimean Titan". The running of A. Nechayev left no chances to influential representative of the old political elite in this region, member of the Party of Afghan Veterans, who could also become a potential candidate in this region. S. Kunitsin who is also associated with D. Firtash stood up with an initiative to support "Udar" party at the parliamentary elections.

On the other hand, attention should be paid also to the relations inside the Crimean PR. There is a confrontation between the local politicians and the newly arrived. In the process of promotion of the candidates to deputies in majority districts in the AR Crimea there is a trend of weakening of local political elites. This is due to being forced into conceding the districts to other interest groups inside the PR, primarily to the groups of RosUkrEnergo and S. Lyovochkin, in particular.

The latest trend is becoming apparent that, for instance, in the district 6 where the local representatives of the PR proposed to the congress to promote A. Fomenko, deputy of city council and head of health department of Feodosiya city to stand as a candidate. This candidate should have received political support from mayor A. Bartenev. However, Lyovochkina, sister of head of Administration of the President and the people's deputy was promoted as a candidate for this district. The financial help to the region explains the support of this candidate from the side of the mayor of Feodosiya. With an assistance of Y. Lyovochkina a subvention of 24 mln. UAH was financed from the national budget.

In this way, these facts confirm the increase of the influence of RosUkrEnergo group, and D. Firtash and S. Lyovochkin, in particular, apart from the trend of competition inside the party in power (in a broad sense of the word) between the old and the new elites and the trend of the competition inside the PR between the local politicians and the politicians who are not related to AR Crimea straightforwardly.

Zakarpattia region. The conflicts of different interest groups inside the PR in Zakarpattia region have some specific peculiarities. The peculiarity of the confrontation inside the party in power (in a broad sense of the word) here is the collision of the interests of the group of influence of the current Minister of Emergency Situations, V. Baloga and also the interests of the PR itself.

The influence of V. Baloga is associated with a loyal mayor of Uzhgorod city as well as of majority in the city and the regional councils. The interest group of V. Baloga has established around the party "Yedyniy Tsentr" (United Center) as well as round the business empire "Barva". The interests of the Party of regions itself are represented by the head of regional state administration A. Ledida who as they thought focuses on A. Klyuyev. The group of V. Baloga has a claim on several majority districts where three brothers of V. Baloga will be candidates in exchange of the support of the PR in Zakarpattya. At the same time, the candidates of the interest group of V. Baloga compete with the candidates promoted by the

In this way, there is a younger brother of V. Baloga, P. Baloga standing as a candidate in the district No. 71. In addition, the deputy of the regional council, S. Derkach is running in this district on behalf of the PR. In the district No. 72 a cousin of V. Baloga, V. Petevka is standing as a candidate from the "United Centre". His competitor in this region will be the chairperson of Tyachevska district state administration, deputy of regional council and the former head of district police M. Shelever. In the district No. 73, the candidate of the "United Center" is another brother of V. Baloga, the chairperson of Zakarpattia regional council, I. Baloga. However the governor A. Ledida supports the candidate from the PR - the first vice governor I. Bushko.

Thus, these facts certify that the influence of the group of V. Baloga remains on the same level as well as they prove the trend of competition inside the party of power (in the broad sense of the word) between the group of V. Baloga and the PR itself.

Vinnytsia region. A specifics of the confrontation inside the party in power (in the broad sense of the word) in Vinnytsia region is the collision of the interest group of the Poroshenko family (represented in the first place by the minister of economy P. Poroshenko, his father A. Poroshenko, the director of Ukrprominvest and the companion of P. Poroshenko, former head of regional council G. Zabolotny), group of the Kaletnik family (in the first place represented by the people's deputy from the PR, G. Kaletnik, his son, head of State Customs Service and the former deputy of KPU I. Kaletnik as well as by the niece of G. Kaletnik, O. Kaletnik who is the member of the National council on television and radio broadcasting) as well as the interests of the PR itself. At the same time, there is a distribution of the districts among the powerful families happening and the direct collision of the interests on the specific districts. Thus, it has been planned that A. Poroshenko will be the candidate on the majority district No. 16 competitive to O. Kaletnik. This confrontation could become one of most tense in the election campaign in Vinnytsia region. However, P. Poroshenko announced that his father will go off the elections, having, in fact, conceded to the group of G. Kaletnik.

#### **Conclusions**

The PR can be considered as the dominant party during he Yanukovych presidency. Its transformation into a dominant party have been connected with two changes in the political system of Ukraine.

Firstly, this is the political reform of 2004, related with the transition of Ukraine into premier-presidential regime and introduction of proportional system to the Verkhovna Rada. These both key transformations have established the bases of the status that the Party of Region is enjoying now. On the one hand, the proportional electoral system prioritized the strategy of active party building. Political cleavage that shaped in the course of the presidential election of 2004 stimulated various interest groups, predominantly of Eastern Ukrainian political and economical elites, to cooperation or stimulated to cooperative factionalization as we mentioned, as a result of which had become the construction of the disciplined party around the Donetsk core. On the other hand, the premierpresidential regime allowed the PR to maneuver in the political field in the absence of their president, using the divided executive situation - confrontation between president and prime minister. This allowed them to weaken their main political opponents and receive a political advantage, for instance, the position of the prime minister.

Secondly, this was the victory on the presidential elections of 2010, cancellation of the political reform and re-introduction of the constitution of 1996, i.e. transformation of Ukraine into the presidential-parliamentary regime. This also helped to get rid of the divided government, having limited political maneuvers of the oppositions in the field of conflict of the two centers of the executive power. In these circumstances, the PR became a parliamentary basis for the shaping of power vertical.

After the presidential elections of 2010, V. Yanukovych could rely on the strong party resources, as opposed to the previous

presidents, forced to balance between different political forces, rely on coalitions, attempting to limit the influence of the prime minister to enter cartel negotiations with the opposition. Under these conditions, Yanukovych could also rely on support of the coalition partners - KPU and Block of Lytvyn, and he could attract some segments of the opposition into the orbit of his influence. There has only one conical center of the executive power remained. It is the president who sustained out of the two centers of influence – president and the prime minister, who grouped the parliamentary clientele around themselves. However, the formation of the power vertical with the weakened figure of the prime-minister, fusion of the party and executive power and its exclusive access to the state resources provoked transition for the competitive factionalization inside the party and the slackening of the discipline inside the party. Here starts the competition of the different factions for the areas of influence in the executive power and for the access to the president.

Two projects emerged to overcome this factionalization. On the one hand, a return to the strategy of the party building, and on the other hand, the strategy of use of bureaucratic resources to set up pro-presidential coalition, is becoming up-to-date with the introduction of the mixed electoral system. The competition of these projects is refreshing a look on the Ukrainian politics not only on the field divided by the party and ideological borders (the look with is to more extent actual for the situation after 2004), but on the competition of patron-client networks for the access to the resources of one party of power in the wide sense of the word. Instead of the widespread view on the Ukrainian politics as on the competition of the authoritative power and democratic opposition, a more realistic is an attempt to explain it through the struggle of various groups of interest and patron client networks for the control over the state. At the same time, the major structure-forming cleavage is the competition of the old Donetsk core and the new groups inside the party in power (RosUkrEnergo and the family of the President). The latter, by all means, as a counterbalance of the PR, put their stake on the new party projects (as, for instance, UDAR of Klitschko) and the single-member districts that altogether create the "second echelon" of the party in power in the Verkhovna Rada, a more flexible one, not exclusively linked to the Donetsk region and with a broader nation-wide support. An important consequence of the changes in the status quo in the party of power is decline of the role of the PR as formal machine for inter-elite bargaining (for which the old Donetsk core of the party had always stood) and expansion of the sphere of direct presidential patronage as a channel for cooptation of new elite allies and as a way to pacificate their contradictions.

Thus, the parliamentary elections of 2012 under the mixed system are stimulating party factions to use both the strategy of the party-building (via access to the organization and financing of the pre-election campaign, that in case of successful results will allow them to expect the prize in a form of key executive positions) and the strategy of support of the own patron-client networks through support of the opposition parties, loyal majoritarian candidates and local political leaders.

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