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# The advantages and disadvantages of weak government

**T**he only clearly positive outcome of the parliamentary elections in Ukraine in late September was a certain easing of the inter-regional tensions. The standoff between the Eastern and Southern regions, with their Russian-speaking and Russian-leaning population, and the folks in Central and Western Ukraine, with predominantly anti-Russia and pro-Western sentiment, emerged immediately after this country gained independence in 1991. The confrontation peaked during the Presidential race of 2004 and the subsequent 'Orange revolution'. Back then the political elite managed to avoid a national split by agreeing on constitutional reform, which curtailed the President's authority and the stakes involved in the Presidency debate, and strengthened the role of the Parliament and the cabinet. Meanwhile, the latest parliamentary elections have displayed a new development, with the pro-Western parties from the blocks led by Yulia Tymoshenko and the incumbent President Viktor Yushchenko winning more votes in the Eastern and Southern regions, while the Party of the Regions that traditionally represents the pro-Russian provinces gained serious ground in the West and Center of the country.

Nevertheless, the popular vote was once again split almost squarely down the middle, making it impossible to form a robust ruling coalition. After three cabinet changes in the last three years no one can guarantee that the next one will hold on to power even for a few months. This environment of relative vacuum of power comes with certain advantages. Ukrainian bureaucrats have inherited from the Soviet Union the habit of interfering in every economic process in an attempt to control and regulate everything. Now their capacity is restricted and businesses, especially SME, are enjoying a more comfortable climate than under a full-fledged and pro-active Government. In addition, the persistent and difficult political rivalry is helping install a system of checks and balances between branches and levels of government, which never before existed in Ukraine. The quite liberal idea of 'less government' becomes self-implementing, despite the fact that all the principal political parties rely on leftist, Socialist-style rhetoric. All of this is unfolding in the context of a favorable international climate (with rising prices of Ukraine's major exports like steel and chemical products) and ensures a respectable GDP growth rate (expected to reach 7 per cent this year), with real household incomes growing at an even quicker pace.

However Ukraine needs an effective and consolidated power to sustain its growth momentum. This country is in need of a complete set of government-backed macroeconomic reforms, a well-designed industrial policy, and anti-corruption legislation. The still standing moratorium on the sale of agricultural land arrests the development of the agribusiness sector. It may well be that the demand for these reforms will set the agenda for the Presidential elections due in two years' time. ■