

UKRAINE

Off with a Bang

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The events of the past month make it clear that the 2015 presidential campaign has begun. But it kicked off with a giant Party of Regions blunder that could have a major impact on the political landscape.

To compensate for its low popularity, the ruling group decided to play on Ukrainians' fears of the ultra-nationalist Svoboda party, and to call itself an “anti-fascist” power. During a gathering in Kyiv, Party of Regions “anti-fascists” attacked and beat journalists -- an incident widely covered by the media. Worse, the police made no move to stop the attackers, even helping them retreat from the scene of the crime. The minister of the interior blamed the opposition for this provocation. A scandal is unfolding, but it's clear that the ruling group will have a tough time maintaining its “anti-fascist” line. The Party of Regions claims the interior minister won't resign. Still, it's clear that the “anti-fascist” PR attempt backfired badly.

The smell of elections is also emanating from the ruling group's economic policy. Given the persistent delay of an IMF accord, the Cabinet has requested that Parliament allow the sale of the gas pipeline. This was presented as a step toward European integration. But its true aim is to raise politically cheaper cash (cheaper than IMF money, that is) to cover the currency deficit in the pre-election years. So far, Parliament has postponed voting on the gas pipeline issue, but we expect President Viktor Yanukovitch's team to keep pushing for it.

Meanwhile, the economy keeps shrinking>>>