

Ukraine at the Crossroads Velvet Revolution or Belarusification

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The 2002 Parliamentary Election: a Victory for Democracy

The present Ukrainian electoral system is based on a mixed majoritarian/proportional system, with 225 of the Rada's deputies elected in single-mandate districts (SMD) and 225 elected by party lists. In the March 2002 parliamentary election, opposition forces received almost 60 percent of the party list votes while the two pro-Presidential parties who cleared the 4 percent threshold received only 18 percent of the votes. The public relations (PR) techniques used by Ukrainian oligarchs with the help of Russian consultants failed. (See PONARS policy memo 236). The pro-presidential groups Winter Crop Generation, Women for the Future, the Green Party of Ukraine, and the Democratic Union did not pass the 4 percent threshold. This election should be seen as an indication that the Ukrainian electorate has reached political maturity.

For the first time since independence, the winner of the party list, despite administrative pressure and isolation from the electronic mass media, was the center-right bloc Our Ukraine, led by former premier Viktor Yushchenko. The radical opposition represented by center-left Socialists led by Oleksandr Moroz and center-right Yulia Tymoshenko's Bloc also passed the threshold with ease.

At the same time, in single-mandate districts, the so-called administrative resource was widely used. After the election, the non-party MPs were pressed to join the main pro-presidential force, For a United Ukraine, to compensate for the presidential forces' failure on the party lists. (See Table 1) Relations with Russia had been an important factor in the 1994 parliamentary elections. In the 1998 parliamentary and 1999 presidential elections, this issue had lost much of its salience. The 2002 parliamentary elections confirmed this trend, as the radical populist Progressive Socialist Party, led by the charismatic Natalia Vitrenko, did not pass the threshold. *Rus'kyi bloc* and For Ukraine, Belarus, and Russia both also failed to reach the electoral threshold, receiving 0.7 and 0.4 percent, respectively.

The 2002 election also resulted in smoother regional distribution of the votes. Our Ukraine won not only in the West and Kyiv, but also in many central regions, including those that earlier supported the Communists. In the Donetsk region, traditionally a Communist stronghold, the winner was For a United Ukraine. In total, the Communists

received only 65 mandate seats (compared to 123 in 1998). In the Crimean parliament the Communists won only 15 seats out of 100 and lost the speaker's position.

Changing Relations between Branches of Power?

Our Ukraine has proposed a series of political reforms that would increase the role of the government (at the expense of the president), make the government accountable to Parliament, and change elections to Parliament to a pure party list ballot based on proportional representation. Almost all parliamentary factions from the Communists to the oligarchic Social Democrats (United) (SDPU(o)), with the exception of pro-presidential For a United Ukraine, supported the reforms suggested by Our Ukraine. As the winner on party lists, Our Ukraine hoped to form a coalition government.

Ukrainian president Leonid Kuchma ignored this proposal when it was suggested. Volodymyr Lytvyn, former head of the president's administration and the first to hold the position on the For a United Ukraine party list, was elected speaker. He received the minimum number of votes needed to be elected speaker—226 out of 450. Having succeeded in installing a pro-presidential parliamentary leadership, the amorphous For a United Ukraine split into eight factions (see Table 1 below).

The greatest challenge for the democratic forces was the appointment of the new head of the presidential administration in May 2002. Kuchma's choice was Viktor Medvedchuk, the leader of the SDPU(o). Medvedchuk has a reputation of being tough and willing to use any means to gain power. His presidential ambitions are well known; however, Medvedchuk evokes such resistance that most analysts agree that he was appointed to his position not to serve as Kuchma's successor but as a manager to secure transition from Kuchma to somebody else.

TABLE 1. PRESENT COMPOSITION OF THE PARLIAMENT COMPARED TO THE RESULTS OF THE MARCH 2002 PARLIAMENTARY ELECTION

Parties/Factions	Party List Votes (%)	Seats	SMD	Total Seats, March 30, 2002	Total Seats, October 19, 2002
Our Ukraine	23.57	70	42	112	110
The Communist Party of Ukraine	19.98	59	6	65	61
Yulia Tymoshenko's Bloc	7.26	22	0	22	20
The Socialist Party of Ukraine	6.87	20	2	22	21
Total				221	212
<i>Pro-Presidential Factions:</i>					
The Social Democratic Party of Ukraine (United)	6.27	19	8	27	38
Bloc For a United Ukraine/ Factions formed on its basis	11.77	35	86	121	—
The Party of Industrialists and Entrepreneurs – Party 'Labor Ukraine'					42
Regions of Ukraine					37
The People's Democratic Party					17

Agrarians of Ukraine					16
European Choice					20
Democratic Initiatives					20
Sovereignty of the People					17
People's Choice					14
Total				148	221
Deputies from other parties and non-affiliated			80	80	15
Total in Parliament				449	449

Opposition forces launched demonstrations against Kuchma and the system on September 16, 2002, the second anniversary of the disappearance of journalist Heorhij Gongadze. However, Kuchma (or more correctly, Medvedchuk) had taken several preventive steps in anticipation of such demonstrations. In addition to trying to revoke Tymoshenko's parliamentary immunity (this proposal was rejected by a parliamentary committee) and efforts to increase central control of Ukraine's mass media, Kuchma made a sensational statement on August 24, Ukraine's Independence Day, when he seemed to agree to Our Ukraine's earlier proposals. The president seemed to agree to the ideas of a coalition government, a purely proportional electoral system and the transformation of Ukraine into a parliamentary-presidential republic. Five times in the past, Kuchma had vetoed a law on the creation of proportional electoral system. In the face of popular demonstrations and opposition forces beginning to work together, it is likely that the main aim of Kuchma's step was to split the opposition and separate Our Ukraine from the radical opposition—the Socialists and Tymoshenko's Bloc.

Another explanation for Kuchma's sudden willingness to entertain these proposals can be derived from recent polling data on Kuchma's potential successors. Kuchma cannot (barring Constitutional Court intervention) run for a third term in 2004. Polls conducted over the last 18 months place Viktor Yushchenko, leader of Our Ukraine, leading the pack of likely presidential contenders. Therefore, analysts saw in Kuchma's proposal a desire to reduce the power of the future president and perhaps even to see the future president elected by Parliament. The democratization of the present Ukrainian system, however, does not require such a step: it can be more easily adjusted to the French/Polish presidential-parliamentary model by the formation of a coalition government on the basis of a parliamentary majority and by increasing the government's responsibilities.

Medvedchuk managed to create a fragile 231 pro-presidential majority in Parliament on October 8, 2002. By October 12, however, this majority was undone as five deputies suspended their participation in the parliamentary coalition after the arrest of a businessman, a rival of Medvedchuk, on dubious charges. Medvedchuk's questionable methods, then, opened the door for other parties to try to garner enough support to form a coalition government. Our Ukraine, Labour Ukraine, and the Donetsk-based Regions of Ukraine could create the basis for a parliamentary majority without SDPU(o). There are even speculations on the possibility of rapprochement between the opposition and Lytvyn on an anti-Medvedchuk basis.

Kuchma's Maneuvering in the International Arena

After the terrorist attack on the United States, Ukraine once again faced being in the shadow of its neighbor as the West concentrated on Russian support for its counterterror campaign. Kuchma was also faced with attempting to restore his damaged image both within Ukraine and abroad.

Promoting EU- and NATO-membership considerations has played an important part of Ukraine's international relationships. In February 2002, Kuchma presented the schedule for Ukraine's integration into the EU, which envisaged that Ukraine would meet EU-membership criteria by 2011. No parliamentary groupings oppose Ukrainian membership in the EU. The Ukrainian leadership also tried to use further NATO-Russian rapprochement to declare on May 23, 2002, that Ukraine was at the "beginning of practical realization of the course to join NATO." Those in Ukraine opposed Ukrainian membership in NATO due to NATO's "anti-Russian" character; in light of Russian-NATO rapprochement, they have seen their argument undermined.

Russia's reaction to Ukraine's NATO declaration was surprisingly reserved. There is speculation that Russian president Vladimir Putin, who fully understands the obstacles of Ukraine's joining the EU and NATO, is trading acquiescence, or at least silence, on these remote prospects for actual movement by Ukraine toward the Eurasian Economic Community. Trying to increase his international credibility, Kuchma unexpectedly signed an agreement with Putin and German chancellor Gerhard Schroeder on June 10, 2002, to establish an international consortium to use Ukrainian transit gas pipelines. This has evoked contradictory reactions in Ukraine. The opposition blamed Kuchma for trying to trade Ukrainian state property for international support for his regime. According to Tymoshenko (deputy prime minister for energy issues in the Yushchenko government), the Ukrainian gas network, which costs \$30 billion and annually contributes \$2 billion to the Ukrainian budget (which is under \$10 billion), will come under Ukrainian-Russian-German joint management in which the Ukrainian share could comprise only 30 percent. On October 7, 2002, at the Commonwealth of Independent States (CIS) summit in Chisinau, Moldova agreements were signed between Ukrainian and Russian governments, and Russian Gasprom and Ukrainian Naftogaz companies on the transit of gas. However, the texts of agreements remain vague and unclear. Also unclear was the prospect of German participation in the project.

Kuchma's international position has been further complicated by the latest episode in the "tapeagate" scandal. The tapes allegedly made by Kuchma's bodyguard contain a July 10, 2000, conversation in which Kuchma discusses the possibility of illegal sales to Iraq of Ukrainian-produced *Kolchuga* anti-aircraft radar system. At the end of September 2002, U.S. experts identified this part of the tapes as authentic. The United States suspended \$54 million in aid to Ukraine, which represents one third of its total aid budget to Ukraine. The suspended aid was to have gone to central governmental agencies; the United States continued to deliver its support to the third sector, local government, and military institutions. As a result of Washington's demands to investigate the matter, U.S. and British experts received unprecedented access to Ukrainian military facilities, documentation, and the plant that builds the *Kolchuga* radar system.

The Ukrainian opposition uses these U.S. accusations as an additional argument against Kuchma. This latest aspect of the tapegate scandal, however, may have the same effect as the start of the tapegate scandal in the fall of 2000, when the Russian and Ukrainian media, largely controlled by oligarchs, wrote about the so-called Brzezinski plan (in reference to Zbigniew Brzezinski) to undermine Russian-Ukrainian relations, to make Yushchenko president, and then, perhaps, even “to send Kuchma to the Hague.” Although there has been no substantiation of the Brzezinski plan, continued criticism from the United States makes Kuchma look to support from Russia and treat the opposition’s demands as part of a U.S. campaign against him.

The latest tapegate revelations have also had an effect on Ukraine’s NATO aspirations. After the optimistic results of the parliamentary election, some Ukrainian and Western analysts called for forward movement in launching a Membership Action Plan for Ukraine, and even to raise the question of future membership for Ukraine at the NATO summit in Prague in November 2002. “Kuchmagate,” however, undermined prospects of these steps being made in Prague.

One of the attempts to influence the situation in Ukraine was the initiative of Poland, which is traditionally seen as the best promoter of Ukrainian interests in the West, to organize a conference called Ukraine in Europe, in Warsaw in October 2002 with representatives from both Ukrainian authorities and the Ukrainian opposition. Polish president Aleksandr Kwasniewski and EU high representative for the common foreign and security policy Javier Solana were actively involved in the conference. At first, Kuchma called the Polish initiative “interference into Ukraine’s domestic affairs,” but wound up sending representatives and appeared himself after the conference formally closed to meet with Kwasniewski and Solana. Both leaders sent very critical signals to the Ukrainian president while maintaining a dialogue with Kyiv in the situation when Kuchma’s contacts with the leaders of the United States and some other Western countries are almost frozen.

Prospects

Unlike in Russia, Ukrainian democrats still have the potential to win their power struggle against an authoritarian-minded presidential administration. It is an important consideration that the largest single faction in Parliament is the pro-democracy, pro-European Our Ukraine. In the face of the radical opposition’s demands for an early presidential election, a scenario in which Kuchma is persuaded to secure a smooth transition to a government controlled by democrats is possible. The democrats may try to find a tacit agreement with Kuchma: “we will not disturb you after presidential elections, but do not now work against us.” As Adrian Karatnycky, president of Freedom House, stressed in an article entitled, “An Exit Strategy For Ukraine's Rogue President,” in *The Wall Street Journal Europe*, October 8, 2002, “American and European diplomatic isolation of Mr. Kuchma must be airtight and confined to the president and his corrupt cronies, not the entire Ukrainian government or nation.” At the same time, “one possible compromise would be to give Mr. Kuchma blanket amnesty for past transgressions.” A large hurdle to a smooth transition, however, is that the opposition may simply be not strong enough and not unified enough to force a turnover.

The importance of the 2004 presidential election cannot be overstated: this election will determine Ukraine's development for at least the next decade. Campaign preparation has already begun in earnest and outside forces could influence the course of the election. Ukrainian oligarchs could turn to Russia and paint the center-right forces as nationalists, which would limit the support they would be able to garner. This tactic, however, has already been used in the 2002 parliamentary elections and met with only limited success. Despite such tactics Yushchenko's bloc party list, for example, contained several representatives of Russian business in Ukraine who did gain seats in parliament on its party list

The West can still have a significant influence on the course of events in Ukraine by making it clear that Ukraine's drift further toward authoritarianism and corruption will lead to Ukraine's international isolation. The policy of good-neighborliness that was being formulated by the EU over the course of 2002 is not sufficient to compel the current regime to toe the line on democratization and anti-corruption because it does not provide a clear prospect of EU membership (or even associate membership) for Ukraine. The same is true for Ukraine's potential Membership Action Plan. It is fully understood within Ukraine, however, that the realization of both EU and NATO membership is conditioned on positive changes in the present Ukrainian political situation.

Western policymakers should differentiate between Kuchma's regime and Ukrainian society, which voted for change in the 2002 election. The West can invest in democratic state building in Ukraine by supporting Ukraine's nascent civil society, institutions of higher education, and the independent mass media. There are positive signs and reasons to be optimistic about Ukraine's democratic future, but Ukraine is at a crossroads in its political development. The next presidential election may well decide if Ukraine finally embarks on its own velvet revolution, or if it follows the path of Belarus. The West has a clear interest in the former and should invest in Ukraine's democratic future.

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