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UKRAINE'S PARLIAMENTARY ELECTION

March 29, 1998



**A Report Prepared by the Staff of
the Commission on Security and Cooperation in Europe**

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ABOUT THE ORGANIZATION (OSCE)

The Conference on Security and Cooperation in Europe, also known as the Helsinki process, traces its origin to the signing of the Helsinki Final Act in Finland on August 1, 1975, by the leaders of 33 European countries, the United States and Canada. Since then, its membership has expanded to 55, reflecting the breakup of the Soviet Union, Czechoslovakia, and Yugoslavia. (The Federal Republic of Yugoslavia, Serbia and Montenegro, has been suspended since 1992, leaving the number of countries fully participating at 54.) As of January 1, 1995, the formal name of the Helsinki process was changed to the Organization for Security and Cooperation in Europe (OSCE).

The OSCE is engaged in standard setting in fields including military security, economic and environmental cooperation, and human rights and humanitarian concerns. In addition, it undertakes a variety of preventive diplomacy initiatives designed to prevent, manage and resolve conflict within and among the participating States.

The OSCE has its main office in Vienna, Austria, where weekly meetings of permanent representatives are held. In addition, specialized seminars and meetings are convened in various locations and periodic consultations among Senior Officials, Ministers and Heads of State or Government are held.

ABOUT THE COMMISSION (CSCE)

The Commission on Security and Cooperation in Europe (CSCE), also known as the Helsinki Commission, is a U.S. Government agency created in 1976 to monitor and encourage compliance with the agreements of the OSCE.

The Commission consists of nine members from the U.S. House of Representatives, nine members from the U.S. Senate, and one member each from the Departments of State, Defense and Commerce. The positions of Chair and Co-Chair are shared by the House and Senate and rotate every two years, when a new Congress convenes. A professional staff of approximately 15 persons assists the Commissioners in their work.

To fulfill its mandate, the Commission gathers and disseminates information on Helsinki-related topics both to the U.S. Congress and the public by convening hearings, issuing reports reflecting the views of the Commission and/or its staff, and providing information about the activities of the Helsinki process and events in OSCE participating States.

At the same time, the Commission contributes its views to the general formulation of U.S. policy on the OSCE and takes part in its execution, including through Member and staff participation on U.S. Delegations to OSCE meetings as well as on certain OSCE bodies. Members of the Commission have regular contact with parliamentarians, government officials, representatives of non-governmental organizations, and private individuals from OSCE participating States.

CONTENTS

EXECUTIVE SUMMARY	2
BACKGROUND	3
THE ELECTION LAW AND PROCEDURES	4
ADMINISTRATION OF ELECTIONS AND ELECTION CAMPAIGN	5
CAMPAIGN	7
FINANCING	10
POLITICAL PARTIES	11
VOTING ON ELECTION DAY	13
RESULTS	16
POLITICAL IMPLICATIONS	19

This report is based on a Helsinki Commission staff delegation to Ukraine to observe the March 29, 1998 parliamentary elections. Commission staff members Orest Deychakiwsky, Chadwick R. Gore, and John Finerty joined the observer delegation of the Parliamentary Assembly of the Organization for Security and Cooperation in Europe (OSCE PA). Commission staff observed the election process in Zhytomyr, Berdychiv, Vinnytsya, Uman, Bila Tserkva, Crimea (Simferopol, Sevastopol, Bakhchysaray, Yalta), and Donetsk.

The Commission wishes to thank the U.S. Embassy in Kyiv, the OSCEPA and the OSCE Office of Democratic Institutions and Human Rights (ODIHR) for assisting Commission staff in Ukraine.

Information sources for this report include: Meetings in Ukraine with party leaders and government officials, Central Election Commission as well as regional and precinct commissions, independent political observers, journalists, and U.S. Embassy staff. Printed source material include: OSCE PA and ODIHR briefing materials, including 30 March 1998 Joint Statement of the OSCE and Council of Europe Parliamentary Assembly, International Republican Institute (IRI) reports, National Democratic Institute (NDI) Pre-Election Report, Radio Free Europe-Radio Liberty (RFE-RL), Foreign Broadcast Information Service (FBIS), International Foundation for Election Systems (IFES) reports, IntelNews, Kyiv Post, Ukrainian Weekly, Financial Times, Reuters, Research Updates of the Ukrainian Center for Independent Political Research, the Rukh Insider and the Eurasia Foundation.

EXECUTIVE SUMMARY

- Ukraine's March 1998 parliamentary resulted in the election of a parliament similar in composition to the previous parliament, albeit with a somewhat more Communist tilt. The left will constitute about 40 percent of parliament's membership, with the remainder a mix of centrists, independents and national democrats. The new parliament will include many new faces – only 141 deputies from the old parliament are in the new one.
- The parliamentary elections were held under a new election law which replaced the majoritarian system, introducing a mixed electoral system where half of the 450 deputies are elected from single-mandate districts and half from national party lists.
- Eight parties passed the four percent threshold required for entry into the parliament. The Communist Party of Ukraine came in first, with 24.6 percent of the party list vote, followed by the national democratic Rukh, with 9.4 percent and the leftist Socialist/Peasant bloc with 8.5 percent. Most of the remaining parties passing the threshold are centrist. In the single-mandate districts, independents won 114 seats, followed by the Communists with 39 seats, and over a dozen other parties with 14 seats each or fewer.
- While there were violations, transgressions and irregularities during the campaign and voting, Ukrainian voters generally were able to express their political will freely, and the results of the elections do appear to reflect the will of the electorate.
- The elections were conducted under a generally adequate legal and administrative framework, but the late passage of laws and regulations relating to the election—as well as late decisions regarding the Crimean Tatars—led to confusion and uncertainty about the electoral process. Considering its complexity, the balloting itself was reasonably well managed, and voting was generally calm and orderly.
- The campaign was generally peaceful in most of the country. However, it was marred by some tension, including incidents of violence, especially in Odesa and Crimea. The failure to allow non-citizen Crimean Tatar returnees the opportunity to vote, in contrast to arrangements that allowed them to vote in the 1994 elections, also tainted the elections. The state apparatus did not always display neutrality, and there were instances of harassment and pressure on opposition media.
- Given its makeup, it is doubtful that the new Verkhovna Rada (Supreme Council) will be a force for significant reform. At the same time, the likelihood of significant backsliding from reform is small. Conflict between the executive branch and the Rada probably will continue, especially in the run-up to the Fall 1999 Presidential elections. Unless President Leonid Kuchma is able to engage the majority of the Rada to work with him in the larger interests of the country in order to reverse the dismal economic situation, we are likely to see a continuing “muddling through” and erratic pace of reforms.

BACKGROUND

On March 29, the people of Ukraine went to the polls to elect a new parliament. It was the second democratic election of the *Verkhovna Rada* (Supreme Council) since the restoration of Ukrainian independence in 1991. This election was governed by the October 1997 election law, which introduced a mixed voting system based on proportional party-list voting in combination with direct single-mandate races.

Political and Economic Situation

Ukraine continues its difficult post-Communist transition. Whereas important milestones have been reached in reform, the legacy of the Soviet era still weighs heavily. Since its 1991 independence, Ukraine has faced a myriad of challenges in its transition to democracy, the rule of law and a market economy. The government's respect for human rights, including that of national minorities, has generally been good. Progress in the area of political and civil rights, however, has been marred by some governmental actions, including political interference with respect to opposition media outlets. In contrast to a number of other former Communist countries, Ukraine has enjoyed a peaceful transition of power, relatively free and fair elections, and—given all of Ukraine's diversity and problems inherent in a difficult transition—a remarkable degree of social peace and stability.

While the transformation is far from complete, Ukraine has made steady progress toward a tolerant, pluralistic and democratic society, and there exists a strong democratic spirit where all issues are openly discussed and debated. However, while Ukraine might be considered an “electoral” democracy, it is not yet a liberal democracy and, in between elections, the Ukrainian people have had relatively few institutional outlets for channeling concerns. The 1996 adoption of a new, genuinely post-Soviet Constitution was an important milestone in Ukraine's democratic development. Furthermore, Ukraine has made important strides in the building of its state institutions—especially when one considers their virtual non-existence only seven years ago – and in making a mark in the international arena. Its foreign policy has been particularly constructive, resulting in notable recent foreign policy achievements. Ukraine has forged closer links with the West in general—including, importantly, a “strategic partnership” with the United States—and with all of her neighbors, notably Russia.

At the same time, despite some progress in economic reforms, including the sharp reduction in inflation, the introduction of a new stable currency, the *hryvnia*, in 1996, and the significant growth of the private sector (mostly small and medium sized enterprises), Ukraine's economic reform efforts have been erratic since July 1995, and economic progress has been lagging. Industrial output continues to be poor, wage and pension arrears are a significant economic, not to mention political problem, and much of the population lives in poverty. There is a need for structural reforms, especially in the agricultural and energy sectors. Ukraine remains one of the most closed, corrupt and over-regulated economies in the region. Badly-needed foreign investment in Ukraine is low, due to corruption and burdensome taxation and licensing practices. Ukraine's bureaucracy is in serious need of streamlining. Ukraine's parliament has often been an obstacle to economic progress and to executive branch reform initiatives, but the executive branch has all-too-often taken a half-hearted, piecemeal approach towards reforms. Lack of effective implementation of reformist de-

crees or legislation has also plagued Ukraine. Ukraine's economic problems and high degree of corruption have produced widespread disillusionment among the citizenry.

Perhaps due to the seriousness of the economic situation, there appeared to be a slight resurgence of reform moves in 1998. In February, parliament passed the president's privatization law, opening the way for major sell-offs of larger state industries. President Kuchma also issued a decree designed to reduce the regulatory burden on small business, and a law was enacted consolidating the number of licenses required by a business.

While Ukraine continues the process of establishing rule-of-law and constructing a civil society, the legal and prison systems remain largely unreformed, and independence of the judiciary is far from complete.

THE ELECTION LAW AND PROCEDURES

After months of debate and controversy, and opposition from President Kuchma to a mixed electoral system, the Ukrainian parliament approved a new election law in September 1997. On October 15, the Verkhovna Rada amended the law, adopting 13 of the 15 changes that President Kuchma proposed. Kuchma signed the law on October 22, 1997. Under the new law, a mixed voting system combines proportional party-list voting with direct district races. Half of the legislature's 450 seats are decided on an individual basis in single mandate majoritarian districts, with the remaining 225 seats determined on the basis of nationwide party lists in proportion to the number of votes their party receives. A four percent threshold is required for a party or electoral bloc to gain parliamentary representation. Under the previous 1993 law, all deputies were elected in single-mandate constituencies, resulting in local figures, many with no party affiliation, winning seats, and a weak party role in the Rada.

Proponents of the mixed system argued that it will strengthen the development of political parties and their organization. Parties will presumably be encouraged to develop real platforms and truly "sell" themselves to the voter, thus diminishing the influence of the regional clans that have dominated Ukrainian politics. Over time, this system may encourage the development of greater levels of professionalism and accountability of the parliament and may make individual deputies more accountable to their constituencies and to party discipline. Also, a four percent threshold helped weed out many of the smaller parties. As a practical matter, this hurt mostly centrist parties, while helping the left (Communists and Socialists) and, to a lesser extent, the center-right, national-democratic Rukh party.

President Kuchma opposed a mixed electoral system because he felt it would favor highly organized parties, especially the Communist Party. The law tends to reduce the power of local officials—Kuchma's power base—but he signed the law, despite what he considered to be its shortcomings.

Among the more significant features of the law is the change in what determines a valid election. No longer is a minimum turnout of 50 percent of eligible voters required. Also, the requirement that the winning candidate receive over 50 percent of the votes cast is replaced with a first-past-the-post system. These changes reduce the likelihood of a lengthy election cycle with numerous repeat elections and runoffs. The electoral process begun in 1994 was not completed for

two years. The law also raises the previous 5 percent deviation for establishing constituencies to 10 percent (i.e. each constituency is based upon an average number of voters plus or minus 10 percent). Other positive features of the law include easier registration requirements for individual candidates, the introduction of “positive” voting (as opposed to crossing out every party or candidate except the one you want to choose), the elimination of early voting (according to observers, the source of the majority of fraud in earlier elections), and an improvement in the appeals process where people can take disputes directly to court.

On February 27, Ukraine’s Constitutional Court ruled that a number of provisions of the election law were unconstitutional, but decided to exclude many of these from the law only following the March 29 elections. Most notably, the Court ruled that candidates cannot run simultaneously in single-seat and national party lists, which, if implemented immediately, would have disqualified a large number of candidates. (Of 4,231 candidates who ran for office in single-mandate districts, 37 percent were also on party tickets.) Effective immediately, the court also stripped parliamentary candidates from immunity to administrative and criminal prosecution, and ruled unconstitutional the provision that mandated that candidates who were state employees should resign from their positions. The court also allowed voters to go to the courts in the event of disputes or complaints with election commissions. Convicted criminals were also given the right to vote. The Court refused to debate the imposition of the 4 percent threshold for party entrance into the parliament, arguing that this was a political matter for the Verkhovna Rada to decide.

ADMINISTRATION OF ELECTIONS AND ELECTION CAMPAIGN

On November 3, 1997, the Verkhovna Rada passed the law “On the Central Election Commission”. The now-permanent commission consists of 15 members and is chaired by Mykhailo Ryabets, a deputy who served as a member of the Rada’s Committee on Law Policy, Legal and Judicial Reform. At least one-third of the CEC’s members must have a graduate degree in law. They are proposed by the President and appointed by the Parliament. The CEC is charged with conducting elections on all levels, including the constituency and polling station level. The CEC controls the budget for the election, forms election constituencies, registers candidates for the party-list/multi-mandate election, and is responsible for the ballots for the parliamentary elections. Decisions made by the CEC can be changed only by the commission itself or by a court decision. For the period of the election campaign, every political party or electoral bloc registered for the elections has the right to send one representative to the CEC as a delegate with the right of “deliberative voice” in the sessions.

Constituency electoral commissions are formed by decisions of the oblasts, the Krym (Crimea) Supreme Council and Kyiv and Sevastopol radas (legislatures). Constituency commissions create polling stations, establish their boundaries and direct the polling station commissions, and register candidates for single-mandate elections. Polling station commissions are formed by local radas. These, too, include representatives of political parties registered for participation in the elections. The chairman, co-chairman and secretary of these commission cannot be from the same party. Polling stations are responsible for the accuracy of the voters lists and for ensuring that voters know the venue of the voting, and prepare the premises of the voting, conduct, voting and counting processes. As opposed to the permanent CEC, the authority of the constituency and polling station commissions expires 10 days after the elections.

An immediate priority of the newly elected CEC was to redistrict the single-mandate constituencies to reduce the number from 450 to 225. The CEC approved redistricting plans submitted by the 24 oblasts, plus the Autonomous Republic of Crimea, Kyiv and Sevastopol, and finalized the list of constituencies on November 27, 1997. The list included the number of constituencies, districts within each constituency, and the number of voters per constituency (average 171,059 plus or minus 10 percent).

Nomination and Registration

The nomination process for candidates on the party lists began on October 25 and ended on November 28, 1997—120 days before the elections, as mandated by the electoral law. For single-mandate candidates, the nomination process began on December—90 days before the election and ended on January 27, 1998.

Parties

Parties were required to collect at least 200,000 signatures by December 18 with at least 10,000 voters in each of at least 14 (of 27) administrative territorial units of Ukraine. Thirty parties and electoral blocs (out of 54 registered parties in Ukraine) registered successfully for the elections and appeared on the ballot; two parties—the Women of Ukraine Party and the Party of National Salvation—did not meet the election registration requirements, not having submitted all the required documentation by the deadline. A total of 2,218 candidates were on the national lists put forward by the political parties and electoral blocs. There were 1,345 candidates running on party lists and in single-mandate constituencies simultaneously. Many of these parties were of a centrist orientation, and most were small, weak, and personality-driven—often, in essence, groups organized to protect political and individual interests.

The Hromada party of former Prime Minister Pavlo Lazarenko—one of President Kuchma's fiercest rivals – submitted the largest number of signatures – 360,000, with the Communist Party, Rukh, the Peasant and Socialist parties bloc, and National Front and Social-Liberal Union also garnering well over the minimum number of signatures. Numerous allegations were made about the signature collection process, including accusations that a number of parties, especially Hromada, paid workers for the signatures they gathered or paid people to sign petitions. Others alleged that workers' collectives pressured people to sign petitions. The CEC claimed that no evidence existed that documents were falsified or signatures illegally gathered. However, according to the Ukrainian Center for Independent Political Research in Kyiv (Research Update, vol. 3, No. 96, December 22, 1997), the “CEC failed to ensure verification of at least some signatures, notwithstanding numerous reports about a variety of violations, from faking signatures by corrupt minor clerks who have access to people's passport details to paying citizens to sign the proposed election lists.”

Single-mandate

Registration of candidates for parliament in single-mandate electoral districts was completed February 11. According to the CEC, out of the 4,231 candidates registered by the oblast election commissions in single-mandate constituencies, 1,812 vied for the elections as independents, with the remaining 2,379 representing political blocs and parties. The remaining 40 candidates were nominated by worker collectives or civic organizations. The Communist Party nomi-

nated candidates in each of the 225 single-mandate districts, Rukh in 224, and Hromada in 223. Other parties fielding a substantial number of candidates in single-mandate constituencies included the People's Democratic Party (143), Socialists and Peasants (200), and Social Democratic Party (United) (196).

Who were the candidates? Out of the total of 6,449 candidates, 25 percent were Kyiv residents and about half were residents of regional capitals. Only 8 percent were rural residents. Of all registered candidates, 1,560 were declared as entrepreneurs, 674 worked at educational institutions, 554 worked in state enterprises or institutions, 214 were journalists, 78 worked for the Verkhovna Rada, 41 worked for ministries and state committees and 18 were presidential administration staff. Eighty-seven percent of the candidates have a higher education, and only 11 percent were women.

According to the CEC, 354 (of 450) deputies from the current parliament ran for re-election. The largest number were from the Communist Party.

CAMPAIGN

In Ukraine, the Communist Party, and to a lesser extent, the Socialists and Rukh, could rely on a broad network of party organizations. Other parties relied on the financial support of businesses. Parties did, however, conduct more active election campaigns than in the 1994 elections, some even using Western campaign techniques such as telephone canvassing. Advertising, especially on television, was extensive and significantly more expensive than in the past. Through a well-organized, well-financed national advertising campaign, the Green Party came up from relative obscurity to take fourth place in the party-list vote. At the same time, other parties, most notably the Communist Party, were successful using more traditional techniques such as direct voter contact.

The critical issues in the campaign were socio-economic issues – including wage and pension arrears, corruption, and other economic issues. Not surprisingly, virtually each party claimed that it could best reverse the dismal economic situation in Ukraine. In contrast to the 1994 elections, issues such as minority rights, foreign policy, and the use of the Russian language were not especially prominent. (Most Ukrainians like having good relations with Russia, and this is popular politically. At the same time, as the idea of an independent Ukrainian state becomes increasingly accepted, even by ethnic Russians and Russified Ukrainians, the emphasis has been on “preserving the Russophonic culture” so prevalent in parts of Ukraine, rather than relations with Russia *per se*.) Even in Donetsk oblast, one of the most Russified regions in Ukraine, Commission staff observed that the economic situation was far more prominent an issue among both the voters and the political leadership than any union with Russia.

Nearly all parties ran against the current government, with some more vehemently opposed to Kuchma's policies (Communist Party, Hromada) and others (Rukh, Social Democrats–United) and even the Socialists, less so.

Ukraine's campaign was characterized by considerable mudslinging and “kompromat” (attempts to find compromising material about the other side) between various political groupings and numerous accusations that Kuchma's administration has been abusing its power to weaken the

opposition, especially his arch-enemy, former Prime Minister Pavlo Lazarenko. Claims and counter-claims of official corruption abounded, many of them difficult to substantiate. There were many allegations, but few supporting documents. The mudslinging was especially heated between Prime Minister Valery Pustovoitenko's National Democratic Party, the so-called "party of power", and Lazarenko's Hromada party. On March 20, the General Prosecutor's office asked parliament to permit it to charge Lazarenko with corruption, which would override his parliamentary immunity. In turn, Lazarenko accused Pustovoitenko of, among other things, stealing \$40 million during renovations to the Palace Ukraina cultural center in Kyiv.

One of the most prominent examples was the detention, on March 10, of Mykhailo Brodsky, a candidate both for a seat in the Rada and for mayor of Kyiv, for illegal trade and illegal profits in connection with his Dendi financial concern. Brodsky was associated with the opposition newspaper *Kievski Viedomosti*, which often criticized the President and government. Many critics charged that Brodsky's arrest was politically motivated, but government spokesmen vigorously denied the accusation.

On March 5, the Verkhovna Rada set up an ad hoc commission of deputies to monitor the election, citing reported breaches of the election law by candidates.

Campaign struggles were intense in Odesa, especially in the local mayoral race between incumbent mayor Eduard Hurvitz and head of the Odesa oblast administration Ruslan Bodelan. Various threats, as well as accusations and counter-accusations of corruption were raised. In the months leading up to the elections, there had been a series of violent incidents, including the shooting of Leonid Kapeliushny, a journalist and Chairman of the Odesa City Election Commission, and the kidnaping of Ihor Svoboda, head of the Odesa state administration. Journalists from an Odesa TV station were attacked and their film taken after attending a campaign meeting by Bodelan. On the eve of the election, a court ruled to reject incumbent mayor Hurvitz as a candidate. This decision, according to the OSCE, "served to increase tension and confusion."

In Vinnytsya, a challenger physically beat the incumbent mayor in his office and was detained for three days. In Crimea, an anti-corruption struggle was launched immediately before the election, which included the arrest of the Crimean Education Minister.

In Crimea, Crimean Tatars held several protests and clashed with police after the Verkhovna Rada rejected measures that would have allowed them to vote in the elections for the Rada, for the Crimean Parliament, and locally. About 85,000 of the 165,000 Crimean Tatars of voting age who have returned to Ukraine – mostly from Uzbekistan – do not have citizenship, partly because of difficulties in shedding their Uzbek citizenship, including the prohibitively high cost. Ukraine does not recognize dual citizenship. More significantly, according to the 1996 constitution, only citizens can vote.

Media

Ukraine's Election Law includes provisions guaranteeing access to the mass media for parties and individual candidates. On December 24, 1997, the CEC adopted a resolution that airtime would be given to registered parties and election blocs, and candidates on Ukrainian state television and state radio. Also, the parliament adopted a blueprint television and radio program called

“Your Choice,” to inform the public about the new election law and the campaign. The program was to have included dialogue between two opposing political forces or candidates. According to *Intelnews* (Kyiv, March 11, 1998), President Kuchma’s Information Minister refused to provide airtime for this program and “issued resolutions to confirm that the program [was] useless.” Also in accordance with the election law, regional television provided five-minute segments of free airtime to single-mandate parliamentary candidates.

Notwithstanding the law, the lack of a truly independent media hindered an informed electorate. Most media entities were controlled by the government or by monied political interests.

Despite the election law’s requirement that state media provide equal coverage to all parties and candidates, in practice media outlets reportedly denied coverage to, or did not accept paid advertising from parties or candidates not supported by the stations’ or newspapers’ political patrons/financial backers.

Parties controlled or exercised strong influence over different newspapers. While there was considerable pluralism, coverage lacked objectivity and evenhandedness. According to a report by the European Institute for the Media, the “integrity of news and editorial programs was compromised to such an extent that in many news items the distinction between political advertising and news coverage was blurred, as was the distinction between news and editorial comment.”

State television coverage focused on and promoted the pro-presidential People’s Democratic Party, led by Prime Minister Valery Pustovoitenko, while displaying a negative bias towards other parties, including former Prime Minister Lazarenko’s Hromada Party and the Communist Party.

In January, one of the most respected Ukrainian television news shows, “Pislyamova” (Epilogue) went off the air, citing political pressure, including numerous visits by the tax police. According to the *Financial Times*: “Pislyamova, according to many observers, had exceeded the polite boundaries of criticizing the authorities, but had left itself open to attack by not having a powerful political sponsor who could defend it.”

Certain events during the campaign period related to the media led to allegations that the government was attempting to inhibit media coverage of the elections. Opposition daily *Pravda Ukrainy* – controlled by Hromada and often critical of the government – was suspended by the Information Ministry, ostensibly because the paper’s registration was not in order. Parliament’s Committee on Fighting Corruption and Organized Crime also alleged that the newspaper used over \$4 million in funds transferred to a Ukrainian bank from a Swiss firm to circulate 500,000 copies of the paper, a violation of the election law. The newspaper *Vseukrainski Vedomosti* was ordered by an arbitration court decision to pay \$1.8 million in damages to the Kyiv Dynamo soccer team for reporting that the team might sell one of its players. According to the U.S.-based-NGO, The Committee to Protect Journalists, the regional arbitration court where the case was filed lacked jurisdiction in defamation cases and the court’s goal was to “bankrupt and silence the popular newspaper before the March 29 parliamentary elections.” Both newspapers had close ties with former Prime Minister Pavlo Lazarenko and his Hromada party, and the actions against them were widely seen as part of an intense political battle between President Kuchma and his former Prime Minister. The government’s actions did not go unnoticed. Parliament reacted to the closure of *Pravda Ukrainy* by

establishing a working commission to investigate the government's action. Also, *Pravda Ukrainy* sued President Kuchma for 5 million hryvny (USD\$2.5 million) in damages because he failed to overturn the Information Ministry order to shut the paper down. On February 23, Kare Vollan, Head of the OSCE/ODIHR Election Observation Mission to Ukraine, called the actions against the two newspapers "highly disturbing." Ukrainian media organizations, including the Ukrainian Media Club and the Ukrainian Union of Journalists, also criticized the government's actions.

The European Institute for the Media also criticized the Ukrainian media and the Central Election Commission for failing to provide voters with enough information about voting procedures and other aspects of the electoral process.

FINANCING

According to the election law, campaigns are funded from the state budget, as well as the funds of parties, blocs, candidates, and corporate or individual campaign donations. The CEC and Constituency Election Commissions provide in-kind support by printing pre-election posters, publication in state newspapers of pre-election programs, air time on radio and TV, and use of premises and equipment for meetings with voters. Additionally, candidates, parties and blocs can form their own election funds from their own assets.

In contrast to the previous election law, there are now no spending caps. Citizens of Ukraine and legal entities formally registered in Ukraine can contribute to campaigns, but state entities and enterprises, foreign legal entities and individuals, anonymous persons, and international organizations are prohibited from doing so. Significantly, there are no limits for transactions of funds from foreign individuals and companies through joint ventures, and this practice is "already widely employed by Communists who receive ample support from their comrades in Russia, and by pro-Russian parties supported through the Congress of Russian Communists," according to the Ukrainian Center for Independent Political Research (Research Update, December 1, 1997).

Election funds are to be kept in special segregated bank accounts, subject to disclosure by the Central and Constituency Election Commissions. The law does require that financial reports be submitted at least one week before election day. While the law requires that election funds should be used exclusively for campaign needs and forbids the use of the funds for other purposes, it does not define "campaign needs" or "other purposes." The law also does not regulate in-kind contributions.

On February 25, the CEC approved a resolution authorizing two newspapers to publish the total campaign funds of parties and electoral blocs participating in the elections. Of the 30 parties competing in the election, 23 filed the mandatory campaign spending reports with the CEC 7 days before the deadline. The spending totals filed by the parties were widely believed to significantly under-represent the actual sums spent.

Crimea

On February 18, President Kuchma signed a controversial law allowing elections to take place for the Crimean parliament at the same time as the national parliamentary elections. The law came into force on March 1, allowing little time to prepare for the elections. The law permitted

citizens of any region to run for the Crimean parliament and maintained a majoritarian system for Crimea rather than a mixed system such as existed in the previous Crimean parliament. This mixed proportional-majoritarian system had given seats to ethnic minorities, including 14 seats to the Crimean Tatars. Under this new law, ethnic minorities lost their quotas. Since the Crimean Tatars are geographically dispersed throughout Crimea, this reduced their representation in the Crimean parliament.

After the Verkhovna Rada's March 24 rejection of measures that would have allowed Tatars to vote in the elections, Tatars held several protests and clashed with police. Adding fire to the dispute was the fact that non-citizen Crimean Tatars who were permanent residents at that time had been allowed to vote in the previous, 1994 elections.

Crimea's Tatars were forcibly deported by Soviet dictator Stalin in 1944, but began returning in the late 1980's. Over half, mostly those who resided in Crimea when Ukraine passed its November 1991 citizenship law, are citizens. However, 75,000–85,000 of the 165,000 Crimean Tatars of voting age who have returned to Ukraine do not have citizenship, partly because of difficulties in shedding their Uzbek or other citizenship. The Uzbek government, in fact, imposes a \$100 fee for those wanting to relinquish their Uzbek citizenship. While in Kyiv, Commission staff who met with members of the Presidential Administration were told that the Ukrainian and Uzbek officials were discussing a substantial reduction of this fee.

Presidential Chief of Staff Yevhen Kushniarov said a few days before the election that a presidential decree was being drafted to give at least the approximately 20,000 stateless Tatars the right to vote in these elections. President Kuchma on March 26 decided not to sign the decree enfranchising Tatars who were stateless or held other citizenship, rejecting charges that the government has made it difficult for them to become citizens. The OSCE Election Observation Mission Joint Statement regretted "...the failure of initiatives for granting returnees with permanent residence, regardless of citizenship, the right to vote."

POLITICAL PARTIES

Most of the thirty parties registered for the elections were rather anemic, characterized by weak organizational bases and a lack of coherent platforms. Virtually every party focused on socio-economic issues and claimed it would reverse the dismal economic situation, eliminating wage and pension arrears and addressing the issue of corruption. Only the Communist Party, and to a lesser extent, the Socialists and Rukh, could rely on a broad network of party organizations. Others were hastily convened blocs and lobbies for various interest groups—or, perhaps more succinctly, political clans vying for power and control of the wealth. Many parties were personality, rather than platform-driven, adding prominent Ukrainians from the cultural, entertainment and sports worlds to shore up support. Below are brief descriptions of the eight parties that passed the four percent threshold required for entry into the parliament.

Communist Party of Ukraine (CPU): Ukraine's strongest party organizationally, the Communist Party is anti-Kuchma and anti-reform. As in the previous parliament, it will constitute the largest single faction in the Verkhovna Rada. The Party was banned between 1991–94, until it was legalized in 1994 by Ukraine's courts. Its platform calls for an immediate suspension of privatization, the return to central planning and the nationalization of the banking system, and for abolition of the

1996 Constitution. The Communists also seek to abolish the Presidency and return power to working people through people's soviets (councils). The party's primary base of support lies among disillusioned middle age and elderly voters (retirees constitute almost half the CPU's membership) who yearn for the relative security of the Soviet era, and in more heavily Russified and industrialized eastern Ukraine and Crimea. The CPU calls for Ukraine's admission into the Russian-Belarusian Union, envisioning the voluntary creation of a "single union state", and supports the status of Russian as the second state language in Ukraine. The CPU is anti-IMF and World Bank, and anti-NATO. The CPU, however, is not monolithic, with some "national communists" within the party more supportive of Ukrainian statehood, and other elements, including businessmen, who are more pragmatic and less virulently resistant to reforms. The CPU, for instance, promises to respect private businesses that "do not exploit the labor of others."

Socialist and Peasants Party: An alliance of the Socialist Party of Ukraine led by Verkhovna Rada Chairman Oleksandr Moroz. The Socialist Party, formed in 1991 by members of the banned Communist Party, and the Peasant Party, formed in 1992, joined together to form an electoral bloc in November 1997. The Socialists and Peasants are less Marxist-Leninist in orientation than the Communists, but favor state control of key industries and advocate close ties within the CIS. Some within the party are more social-democratic in orientation, while others are hardly distinguishable from Communists. In addition to Moroz, one of President Kuchma's chief opponents, leading figures include former Economics Minister Victor Suslov.

Rukh: Established in 1989 as the key democratic opposition movement, Rukh was the leading force in the drive for Ukraine's 1991 independence. It is a center-right, largely pro-market, pro-reform, pro-Western party led by former Soviet-era political prisoner Vyacheslav Chornovil. Rukh is strongly supportive of Ukraine's cultural renaissance and for strengthening Ukraine's independent statehood, opposing any kind of union with Russia. Its largest base of support lies in western Ukraine and Kyiv. Leading candidates on its party list include former Foreign Minister Hennady Udovenko, Environment Minister Yuri Kostenko, several leading cultural and literary figures, and Crimean Tatar leader Mustafa Jemilev.

Green Party: The Green Party, formed in the early 1990's, supports re-organization of the economy, various pro-environmental measures, including "energy-saving as a national priority," the closure of the Chernobyl nuclear power plant, and the strengthening of controls over the nuclear energy sector. The party also favors low taxes for both individuals and especially businesses, canceling conscription in favor of a professional military, and a neutral status in foreign affairs. Many of its top candidates on the party list come from the business and banking world, and a disproportionate number were employees of Ukribank, one of Ukraine's largest banks. The Green Party came from relative obscurity only a month before the election due to effective television advertising.

People's Democratic Party: The pro-presidential People's Democratic Party (PDP), often called "the party of power", is led by Prime Minister Valeriy Pustovoitenko, and includes other Kuchma government officials. The PDP was formed in 1995 by a merger of the Party of Democratic Rebirth and the Labor Congress, and was joined by the reform-oriented political bloc New Ukraine in 1996. The party supports economic reform, including a reformed tax system, an improved climate for investment and integration into the global economy, further privatization and the state-directed sale of land. The PDP favors a foreign policy aimed at strong relations both with the West and the CIS countries.

Progressive Socialist Party: Led by Natalia Vitrenko, the Progressive Socialist Party, which broke with the Socialist Party in 1997, has been stridently anti-reform, constituting the “hard left” of the political spectrum. Leaders of the party have even accused the Communists and Socialists of betraying Marxism. The platform calls for building a Soviet Socialist Ukraine, liquidation of the presidency and transferring power to worker’s councils, the nationalization of “national security enterprises” and “confiscatory monetary reform”, and establishing closer ties with Russia and Belarus. It opposes links with NATO and is vehemently anti-IMF and World Bank.

Hromada: Hromada, formed in 1993 by a group of former Communists, was rejuvenated in 1997 when former Prime Minister Pavlo Lazarenko (removed by President Kuchma in July 1997), and Yulia Tymoshenko, former head of the prominent United Energy Systems company, took control. Hromada is in strong opposition to the president and government. Hromada enjoys strong support in Dnipropetrovsk, Lazarenko’s political base. Hromada – which means “community” in Ukrainian – favors citizens’ participation in the State apparatus, including the reduction of official corruption, defending national producers, and supporting small- and medium-sized businesses, including the reduction of taxes and administrative obstacles.

Social-Democratic Party (United): Led by former Justice Minister Vasyl Onopenko, the party grew in stature and size after attracting former President Leonid Kravchuk and former Prime Minister Yevhen Marchuk to its electoral slate. Marchuk is expected to become one of President Kuchma’s most significant rivals in the Fall 1999 presidential elections. Its leadership includes wealthy oil company owners as well as the president of the popular Kyiv Dynamo soccer club. The SDP(U) platform calls for building a “socially oriented market economy”, using market economics to generate resources for better social protection, administrative reform, especially in the Cabinet of Ministers, and state supervised sale of land. In foreign policy, the SDP(U) favors both strong relations with Russia as well as integration into European structures.

VOTING ON ELECTION DAY

The vote was held on Sunday, March 29, 1998, and Helsinki Commission staff observed voting in Zhytomyr and Berdychiv in the Zhytomyr oblast, Vynnytsya oblast, the city of Uman in Cerkasy oblast, Donetsk oblast, and Simferopol, Yalta and Sevastopol in Crimea. The vote count was observed in Bila Tserkva in Kyiv oblast and in Donetsk. Polls were open from 7:00 a.m. to 10:00 p.m.

Commission staff assessment of the voting and counting process was consistent with that of most international and domestic observers. While irregularities were witnessed, generally speaking, on election day the voting process was carried out in a peaceful and orderly manner. The complicated nature of the voting system resulted, in effect, four different voting systems: the two parliamentary ballots, oblast (region) and rayon (county) council elections, as well as city or village elections. This resulted in some confusion. A number of polling stations did not have sufficient capacity in voting booths, and sometimes rooms were too small to handle voters at peak times. The voting process was time consuming, with not only six or seven separate ballots given to each voter, but a myriad of choices on most ballots (e.g. 30 parties to choose from on the national party list ballot for the parliamentary elections).

The most frequent irregularities observed were so-called “family” voting, where more than one person was present in the voting booth, usually couples, and “open”, or “community” voting, where voters filled out their ballots outside the voting booth. Community voting was especially pronounced during peak times, when voters did not want to wait in line to go into the voting booth. Sometimes community voters appeared to consult with each other, but did not appear to be concerned about anyone seeing how they were voting. Commission staff did not witness any attempts at intimidation in these circumstances.

Other irregularities noted were the absence of official information about the candidates and parties at several polling stations—in one, the polling station chair erroneously thought that these constituted campaigning. In another, visited towards the end of the day, the precinct chair admitted taking the information down because with so many people crowding around to read it, voting was disrupted. There were several instances where commission members were unclear as to how the election law should be applied in a given situation.

Specifically, in Donetsk oblast, Commission staff observed that the elections in the 41st District went generally according to the rules, with four notable exceptions:

- In one polling station, the polling commission chairman refused to allow domestic observers to observe the ballot boxes, i.e., watch the voters go from voting booths to drop their ballot in the ballot box
- In at least one polling station, the so-called “mobile” box was not taken to about two thirds of the persons who signed up. The chairwoman of the polling commission stated that the commission had only one automobile at its disposal and could not complete the rounds of houses. According to the chairwoman, another problem was that many able-bodied individuals signed up for the mobile box at the last moment and thus overburdened the list to the detriment of persons who genuinely could not reach the polling station.
- At another polling station, campaign material for candidates was lying on a table in the room where the voting booths were located. The chairman stated that since there were so many parties and candidates, the commission wished to put out as much material as possible so that voters might acquaint themselves with the candidates (although there were officially produced biographies available at all the polling stations).
- There was a wide divergence in opinions of polling station chairpersons concerning the role of commission members in assisting voters who requested same. At some polling stations, a commission member would carefully explain the procedure to a voter who requested assistance. At another, they would only point to the booth and suggest that the voter find another person to assist. At another station, a commission member would explain the procedure while an independent local observer would listen in.

Another observer in Donetsk reported proxy voting, i.e., one voter presented a number of passports and voted for each passport holder. At least one city radio station on election day featured public service announcements advising voters that they need to show their passport to vote.

In Sevastopol, staff was informed by non-partisan and partisan observers alike of directed voting by the military. In two separate polling stations with almost 5,000 registrants—one predominantly Ukrainian Army, the other Navy—it was reported that early on election day morning, senior officers ordered enlisted, conscript and non-commissioned officers to vote for the Communist Party. Since the sources of these allegations crossed the political spectrum, and junior officers were present in both polls directing the military vote, the allegations are to be taken seriously.

Staff visited two polling stations at the Zhytomyr prison, where they received confirmation that Mykhailo Brodsky—a Rada candidate who had been arrested for illegal trade and profits in connection with his Dendi financial concern—was being held. Brodsky was associated with the newspaper *Kievski Viedomosti*, which has been critical of the President and government, and which had even published *Pravda Ukrainy* following its closure by the government. Many observers felt his arrest was politically motivated. Mr. Brodsky won his seat in the parliament and was released from prison a few weeks after the election.

In contrast to previous elections, Commission staff noted a greater number of domestic observers, representing either individual candidates (at both the parliamentary and local levels) or party observers. This was important in ensuring a greater degree of control over the process and reducing the chances of cheating by unscrupulous election officials. There were reports that in some polling stations, observers were instructed where to sit and did not, in all cases, have the line of vision that would enable them to see the entire voting procedure, including the ballot boxes themselves.

With respect to the count, the counting procedures were fairly rigorous, but, as the IRI succinctly stated, “hand counting paper ballots, particularly in multi-ballot elections, too easily leads to mistakes, disputes and delays in reporting, thus undermining confidence in the electoral process.” This is especially the case when the polling station commissioners have put in a very long, grueling day. Commission staff monitored the count at a polling station in Bila Tserkva. With six separate ballots, the count was laborious and long. While the polls closed at 10 p.m., by 2:30 a.m., only the party list vote had been counted at that particular polling station, and Commission staff noticed some members of the commission clearly fighting off sleep.

All in all, the polling station officials (and especially the often-harried chairpersons) did a good job under difficult circumstances and the balloting itself was reasonably well managed. Commission and other international observers concluded that officials at polling stations were, in general, committed to fairness. Most significantly, international observers generally concluded that, despite irregularities and violations, there were no systematic efforts to alter the results of the voting—hence, the voting did generally reflect the will of the electorate.

There were various reports of violations, a number of which the Central Election Commission is investigating. The CEC voided an election in a constituency in Donetsk due to violations of tabulation and election day campaigning. According to *Intelnews*, the CEC said it has enough evidence to declare invalid the elections in district No. 40 in the Dnipropetrovsk oblast, where Pavlo Lazarenko was elected, as well as Slovyansk city district No. 58, where Oleksander Leshchynsky was elected. CEC investigators were examining the possibility of election violations in the Dnipropetrovsk region, where Lazarenko’s Hromada party received 700,000 of the 1.2 million votes it received nationwide. Hromada received 37 percent of the Dnipropetrovsk oblast’s

vote. At an April 7 press conference, CEC Chairman Ryabets stated that the CEC has received complaints of violations from more than half of the electoral districts in Ukraine, especially from Dnipropetrovsk, Luhansk, Zaporizhyya, Sumy and Kyiv. Most complaints centered on the counting or the campaign. There were also apparent voting violations for several candidates in the Crimean Parliament elections. The CEC has admitted that it will not be able to investigate all the complaints and recommended that grievances be filed in the general courts. As of April 28, the CEC had certified 426 deputies for the new Verkhovna Rada.

On April 20, a court in Sumy oblast deprived Progressive Socialist Party leader Natalya Vitrenko her parliamentary mandate, ostensibly because she gave information about the private life of her rivals and insulted state officials during the campaign. Earlier, on April 11, on a visit to Dnipropetrovsk, President Kuchma ordered the Dnipropetrovsk oblast Prosecutor's office to investigate his rival ex-Prime Minister Pavlo Lazarenko for various financial improprieties. While there, according to the Ukrainian Infobank News Agency, Kuchma "emphasized the fact that the ex-Prime Minister deliberately spread false information about the state" and that, in order to gain votes, Lazarenko "first took people's money and then, before the election, began to give them back ten hryvnias as supplement to their pensions." In late April, a Kyiv court invalidated the results of the election of former Justice Minister and Kuchma critic Serhiy Holovaty, despite the CEC's having earlier dismissed a grievance filed by candidates that he had defeated.

Observers:

The OSCE provided the largest contingent of international observers, deploying 237 short term observers from OSCE's Office of Democratic Institutions and Human Rights (ODIHR) and the OSCE Parliamentary Assembly, as well as 16 long-term observers. ODIHR served as the coordinating office for the management of the OSCE election observation mission to Ukraine. The Council of Europe Parliamentary Assembly had 6 short-term observers. On election day, the OSCE observers visited over 1,200 of the 32,500 polling stations and were present in two-thirds of Ukraine's oblasts, as well as in Crimea.

U.S.-based NGO observers included a delegation from the International Republican Institute as well as the Ukrainian Congress Committee of America.

Domestic observers: The Committee of Voters of Ukraine (CVU), a non-partisan monitoring group substantially assisted by the National Democratic Institute (NDI), reportedly sent some 17,000 monitors throughout polling stations in Ukraine. In addition, CVU volunteers mounted a nationwide voter education campaign, candidate debates, and informational meetings on new balloting procedures.

RESULTS

Voter turnout for the elections was 26,571,273, or 70.78 percent of Ukraine's 37,540,092 eligible voters.

Eight of the 30 parties contesting the elections passed the four percent threshold required for entry into the Verkhovna Rada for the 225 parliamentary seats apportioned according to party lists. According to the CEC, the Communist Party of Ukraine received 24.65 percent of the vote

(6,550,353 votes), which translates into 84 of the 225 party-list seats. The center-right Rukh Party came in second with 9.4 percent (2,498,262 votes), obtaining 32 seats. The leftist Socialist/Peasant coalition garnered 8.55 percent of the vote (2,267,675), with 29 seats. The Green Party, which had grown significantly in popularity only a few weeks prior to the elections, came in fourth with 5.43 percent (1,448,264), obtaining 19 seats.

Surpassing the threshold by less than a one percent margin were the pro-presidential People’s Democratic Party, with 5.01 percent (17 seats), former Prime Minister and Kuchma arch-rival Pavlo Lazarenko’s Hromada party, with 4.67 percent (16 seats). The leftist Progressive Socialist Party squeaked past the threshold with 4.04 percent (14 seats), and the centrist Social-Democratic Party (United), with 4.01 percent (14 seats).

The pro-presidential Agrarian Party, the reformist Party of Reform and Order, and the “Working Ukraine” bloc all came in below the threshold, but above three percent.

Almost 30 percent of voters cast ballots for parties that did not make the 4 percent threshold.

According to territorial commission records, 5.23 percent of voters did not support any of the parties (i.e. voted for “none of the above”).

Judging by the results, some parties displayed strong regional preferences. Nationwide, the Communists received a greater percentage of votes in more heavily Russified eastern Ukraine, and especially in Crimea, with almost 40 percent of the party vote. The national-democratic Rukh did well in western Ukraine, especially in Lviv, where it received one-third of the party vote. In Dnipropetrovsk, the power base of former Prime Minister Pavlo Lazarenko, Hromada came in first with 37 percent of the party vote.

The elections also manifested a tendency towards “ticket-splitting”, where voters who cast ballots for a particular party on the national party-list ballot did not necessarily support a candidate from that particular party in the single-mandate voting.

In single-mandate constituencies, the majority of winners were so-called independents, candidates without any party affiliation, who garnered 114 of the 225 seats. Many of them are businesspeople, and some campaigned on a reformist platform, and there are hopes that they will be supportive of economic reforms. The following parties which passed the 4 percent party-list threshold also had single-mandate constituency winners:

Communist Party	40
Rukh	14
Socialists/Peasants	6
Hromada	7
Progressive Socialist Party	3
People’s Democratic Party	11
Social Democratic Party (United).....	4

The Green party was the only party to gain parliamentary representation in the party-list vote which did not win any single-mandate seats.

In addition, a number of parties which did not gain entry into the parliament by virtue of the party-list vote will be represented from constituencies: Agrarian Party—10; Congress of Ukrainian Nationalists—4; Christian Democratic party and Reforms and Order will be represented by 3 deputies each. Two deputies were elected from each of the following parties: Soyuz, and Ukrainian Republican parties; and one each from the Interregional Bloc of Reforms, Liberal, Social-National, Ukrainian Christian Democratic parties, Christian People’s Union and “Fewer Words” election bloc.

Only 141 members of the old parliament won re-election to the new Verkhovna Rada.

The preliminary composition by political affiliation (subject to change given several invalidated elections and challenges to others, as well as the expected affiliation of some independents or members of smaller parties with larger party factions) of the 14th Verkhovna Rada follows:

Communist Party of Ukraine	121
Independents (no party affiliation)	114
Rukh	40
Socialist/Peasants	36
Hromada	32
People’s Democratic Party	30
Greens	19
Social Democratic Party (United).....	17
Progressive Socialist Party	16
Smaller parties	24

As of April 20, the CEC has invalidated election results in three constituencies because violations of the election law were deemed to be sufficient enough to have altered the results, and special elections are expected to be held in May. As of April 22, there were challenges pending in the courts to about 20 other constituency elections.

In terms of political make-up, the left—Communists, Socialists/Peasants; Progressive Socialist Party—will constitute nearly 40 percent of the new Verkhovna Rada. Together with the anti-Kuchma Hromada, as well as several independent candidates, they will exceed 200, approaching a majority in forming a hard opposition to the president and government on some key issues. Centrists who may be more amenable to cooperating with the executive branch may constitute about 130 new deputies, and there are about 60 representatives of the national democratic (center-right) forces.

Two groupings of parties performed poorly—the Ukrainian nationalist far right parties, and the pro political union with Russia but non-Communist parties.

By profession, engineers, businessmen, economists and lawyers are well represented in the new Verkhovna Rada. The most numerous age group are 40–50 year olds, and only a small percentage are over the age of 60.

POLITICAL IMPLICATIONS

Despite a high degree of voter frustration with the difficult economic situation in Ukraine and cynicism about the government and parliament, 70 percent of the electorate turned out to vote. It is an open question as to how much of the high turnout represented a commitment to the democratic process, a desire for change, or simply force of habit. Over two-thirds of the incumbents running for re-election were not reelected, underscoring voter disaffection with the current power structures and economic conditions in the country. Much of the Communist Party's success in the party-list vote has been ascribed to voter protest due to the severe economic difficulties the majority of Ukrainians, especially the elderly, have experienced over the past decade. Despite the relative success of the Communist Party, the overall makeup and distribution of political forces within the new parliament does not appear to differ substantially from that of the old parliament. While the Communists have about 30 more seats than in the previous parliament, the overall percentage of the left, of which the Communists are the majority, constitutes nearly 40 percent of the new parliament, a similar percentage to that of the previous one. The leftist parties are not strong enough by themselves to set the parliament's agenda. However, while the left does not constitute a majority, a strong possibility exists that some "centrist" parties that are strongly anti-Kuchma, as well as certain "independent" candidates, may vote with the left on various issues, forming a major obstacle to any reform efforts that Kuchma may initiate.

On the other hand, reform-oriented forces do exist within the parliament, especially among the national democrats, centrists and independents. The fact that the Communists do not themselves constitute a majority forces them to work with other parties if they are to have significant influence on policy and could act to temper some of their more backward-looking policies. Moreover, there are decided differences and conflicts among leftist parties. Even the Communist Party itself, while more disciplined than virtually any other major party, is decidedly not the monolithic entity it was during the Soviet era.

While the centrists are sometimes viewed as a bloc, this is far from the reality. Centrists include pro-presidential parties such as the People's Democratic Party led by Prime Minister Valeriy Pustovoitenko, to bitter opponents of President Kuchma, notably former Prime Minister Pavlo Lazarenko's Hromada Party. Given the enmity between Kuchma and Lazarenko, which regularly manifested itself in the election campaign, it is difficult to envision meaningful cooperation even among centrists. Another party generally considered to be centrist albeit left-leaning, the Socialist Democrats (United), includes as one of its leaders the savvy Yevhen Marchuk, another ex-Prime Minister who is considered to be a leading contender to Kuchma in the Fall 1999 presidential elections.

While independents constitute 114 deputies in the new parliament and could act as a crucial swing vote, it is too early to predict how they will vote. Many of the independents are businessmen and are relatively young. Most certainly, they will not support a return to central planning. On the other hand, it is not clear to what extent they will be a force for reform, or will they be satisfied with the status quo of erratic and piecemeal reform. The center-right, together with the small right of the political spectrum, will make up about one-fifth of the new Verkhovna Rada. Together with many centrists and independents, they will generally continue to promote democracy and free markets. On many issues, they will comprise a force in the parliament in definite opposition to the Communists and Socialists, and a force that President Kuchma could work with on certain issues.

In considering the implications of these elections for the future of Ukraine, an important factor is the political will and determination of President Kuchma to advance reforms. After an auspicious start following his 1994 election, reform initiatives by the president and government have become erratic. While the old parliament was certainly an obstacle to progress in many areas, the president and government often did not take advantage of reform opportunities, including some reforms which required no action by the legislature. Moreover, the Cabinet of Ministers has had a less than stellar record in implementing reforms, and the reformist credentials of many ministers are highly suspect. Unless President Kuchma is willing to pursue resolute economic reforms and can work with the new Verkhovna Rada to the extent feasible, Ukraine faces a continued period of “muddling through”, with executive-legislative gridlock and insufficient action—or even inaction—on economic reform. This appears to be the most likely scenario, given the distribution of forces in the new parliament. Some backsliding is possible, especially if the President, anticipating the October 1999 Presidential election, undertakes populist measures that ultimately do more harm than good to the economy. At the same time, a serious turning back of the clock is highly unlikely.

What do the new elections mean for the critical U.S.-Ukraine relationship, which has taken on the dimensions of a “strategic partnership”? The lack of progress on reform has resulted in growing frustration in the West, including the United States. The election results—and election process for that matter—in and of themselves have not yet produced a major impact on U.S.-Ukrainian relations. The United States would have preferred to see a more progressive parliament, but there were low expectations beforehand that the elections would produce a parliament dedicated to the pursuit of aggressive reforms. Despite the possibility of continued lackluster efforts at structural reform, the United States and, to a lesser extent, other Western countries, will remain engaged with Ukraine. Ukraine is simply too important from a geostrategic perspective. Furthermore, Ukraine has and continues to undertake positive strides, especially in foreign policy, including the decision to get rid of nuclear weapons and to cease cooperation with Iran’s nuclear program. Ukraine’s successful efforts to forge constructive relationships with its neighbors, and its efforts to integrate into the Euro-Atlantic community, have also been favorably received in the West.

The United States has a compelling interest in a strong, independent and democratic Ukraine. However, if structural reforms continue to stall, if the foreign investment climate does not improve, and if corruption remains a pervasive problem, the caliber of U.S. commitment, including the level of assistance, may diminish. Ukraine’s President and Rada must work together, recognizing that reforms are, first and foremost, in Ukraine’s own interests, to help ensure continued U.S. and Western support—including the support of international lending institutions. Most importantly, such reforms will advance Ukraine’s potential as a genuinely independent, stable and democratic country.

