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"Ukrainian Uncertainties" by Derek Fraser, Former Ambassador to Ukraine Director, EastWest Institute of Canada, University of Victoria

After the inconclusive results of the Ukrainian parliamentary elections on March 31, it will probably be a long time before a new government, with a stable majority in parliament, is formed in Kyiv. Much is at stake. An important consideration for President Kuchma, who must propose the new prime minister to parliament, will to find someone who can protect him from further attempts by parliament to impeach him during the remaining two and a half years of his mandate, and who, by succeeding him, might shield the President from prosecution after he leaves office. The President is under pressure, because recordings apparently made in his office by a member of his security guards, Major Mykola Melnychenko, suggest that the President has been implicated in assassinations, election fixing, corruption and the illegal export of arms. The President has denied all these allegations.

As the nucleus of a pro-presidential majority, the president evidently placed his hope in the elections on a political party "For Ukrainian Unity" (FUU), headed by his Chief of Administration, Lytvyn, and the present Prime Minister, Kinakh. In spite of an election campaign that the International Election Observer Mission found, while better conducted than on previous occasions, was nevertheless marred by biased coverage in the media, use of government resources for favoured parties, inflated voters lists, multiple voting, and unrepresentative scrutineers, the FUU only managed 12% of the vote for the half of the seats in the legislature allocated on a proportional basis. Because it won a large number of single-member constituencies, the FUU will nevertheless emerge with around 102 seats, a figure, however, far short of a majority in the 450 seat legislature.

There are few evident allies for the FUU. The 98 independents have to be wooed and won in competition with other blocs. Other ostensible pro-presidential parties only control between them 31 seats. The Communists at 66, the Tymoshenko bloc at 21, and the Socialists at 24 all call for the President's impeachment. The Communists are, however, suspected by many as being in league with the President, and therefore willing to vote the right way on key issues. Since many of the opposition parties intend to contest the results of several of the single member constituencies, results that they regard as rigged in favour of the FUU and the other pro-presidential forces, it may take until the end of the summer before the issue is finally resolved.

This leaves as a possible ally for the FUU, the winner of the election, "Our Ukraine" (OU), a party that received over 23% of the popular vote and 112 at least of the seats. An alliance with the OU would not, however, come quickly or easily for either side. The pro-presidential oligarchic parties ousted Yuschenko as Prime Minister in April 2001 because his radical economic reforms threatened their privileges, his popularity reduced their chances in the recently concluded elections, and they saw him as a dangerous competitor in the presidential elections in 2004. The President also evidently felt Yuschenko was not sufficiently loyal in dealing with the Melnychenko recordings scandal. In addition, in the election campaign, official resources were arrayed against Yuschenko, who has also complained that the electoral authorities robbed him of 8-12% of his party's vote to the benefit of the propresidential forces.

The political uncertainty, as long as it lasts, will damage Ukraine, and probably lead it to continue to drift towards Russia. The Ukrainian economy requires substantial foreign investment to continue its recovery. Serious Western investment, however, is not likely to come without a program of radical economic reforms that only a strong, reformist government can introduce. Without Western investment, Ukraine will be increasingly dependent on Russian investment.

A strong, reformist government is also needed to repair Ukraine's relations with the west, which have been damaged by Melnychenko scandal, making Ukraine more dependent on Russian political support. It was significant that, during the election campaign, while Western governments issued statements in favour of free and fair elections, Russian spokesmen announced their support for the propresidential parties, Russian PR experts worked for them, and Russian election observers pronounced themselves satisfied with the way in which the elections were conducted.

In spite of its problems, Ukraine remains important. It is the second largest country in Europe, with a population not far short of that of Britain and France. It is, with Russia, one of the ex-Soviet states that is the best equipped to become a full democracy and a market economy. While it has lagged behind Russia