

UKRAINE AFTER THE PARLIAMENTARY ELECTIONS

REVIEW AND OUTLOOK

Gabriele Baumann / Christine Rosenberger

The parliamentary elections held in Ukraine on 28 October 2012 were heralded in advance by the European Union as an important event on the path to democratic development in the country. It was regarded that the course of the electoral campaign as well as the electoral process itself would have a direct influence on the questions of whether and when the already negotiated association agreement can be signed. A review shows that the elections did not meet European standards. This is clearly reflected in the opinions of national and international electoral observers, the opposition parties as well as the High Representative of the EU and the European Commission. Signing of the agreement has now been made conditional on having the mistakes corrected and promulgating an electoral law which meets European standards, rather than having the law modified prior to each election in accordance with the requirements of the ruling party.

In spite of the massive manipulation and targeted use of administrative resources well in advance of the election day, the parliamentary elections produced a strong opposition. It had not been expected that such a clear result would be delivered. The former governing party, the Party of Regions (PR) led by President Viktor Yanukovich, did emerge as the strongest force, but was weakened. The objective of a two-thirds majority set during the election campaign was clearly missed, as a result of which the party will initially have to rely on support from the Communists and individual independent parties when it comes to voting.



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Voters in many regions withstood attempted vote rigging by the governing party as well as the influence of populist advertising campaigns, and instead voted for the opposition parties. Their vote is a clearly positive signal for the three opposition parties, the United Opposition Batkivshchyna (Fatherland), the Ukrainian Democratic Alliance for Reform (UDAR) under Vitali Klitschko and the right-wing, nationalist All-Ukrainian Union Svoboda. All three together were able to record a significant boost with about ten million electoral votes. It is therefore a matter of great importance for the opposition parties to meet the electorate's expectations by presenting joint solutions and alternatives for the reform process on the path towards a sustainable democracy in Ukraine. At the same time, it is a matter of creating fair and reliable starting conditions for the presidential elections in 2015. Last but not least, the country is also facing major economic and financial problems, and both government and the Parliament need to come up with solutions for these.

ELECTION RESULTS FROM OCTOBER 2012 – NEW ELECTIONS IN FIVE CONSTITUENCIES IN EARLY 2013

Problems arose with determining the victor amongst directly elected candidates in several constituencies. Election day had been largely free from problems, but in some cases there were significant delays.

It was only two weeks after the elections that the Central Electoral Commission (CEC) was able to announce the official final result of the parliamentary elections. This was not so much a matter of the proportion of votes controlling how the 225 candidates from the party lists took their seats in Parliament, rather problems arose with determining the victor amongst directly elected candidates in several constituencies. Election day had been largely free from problems, but in some cases there were significant delays at the electoral district commissions in evaluating the voting records from the individual polling stations and entering these results into the central database. In many cases, this process took several days, while some electoral districts needed almost two weeks to achieve this. In one constituency, for example, the data was manipulated while being transferred to the servers of the Central Electoral Commission, in other constituencies there were power failures during the count. In the southern Ukrainian city of Mykolaiv (also known as Nikolayev), the Berkut special unit of the Ukrainian militia stormed a

polling station in order to confiscate ballot papers. Scuffles ensued and tear gas was fired. In the Odessa Region, a court decision was taken to declare votes invalid in one constituency which would have led to the victory of a politician from the UDAR party.

During its session on 11 November, the CEC finally announced the victors in the still undeclared first-past-the-post constituencies, but also announced at the same time that it had been impossible for it to calculate the election results in five constituencies. As a result, only 220 out of the total of 225 candidates directly entering Parliament have been declared. It is assumed that new elections will be held in spring for the five first-past-the-post constituencies no. 94 (Obukhiv, Kiev Region), no. 132 (Pervomaisk, Mykolaiv Region), no. 194 and 197 (Cherkasy Region) as well as no. 223 (Shevchenko district in the city of Kiev).

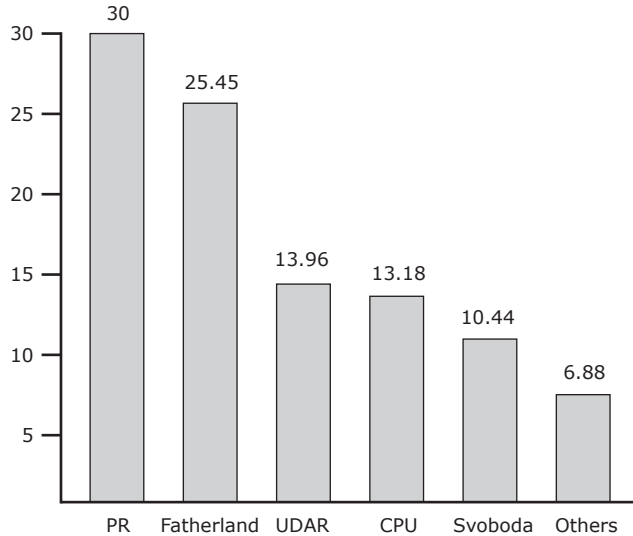
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Considering the official final result for the share of deputies elected by proportional representation, the PR occupies first place with 30 per cent of the votes, followed by the Fatherland party (25.54 per cent) and the UDAR with 13.96 per cent. The Communist Party of Ukraine (CPU) attracted a total of 13.1 per cent of the votes cast. The surprise winner in these parliamentary elections was without doubt the right-wing national party Svoboda, which was able to enter the Verkhovna Rada for the first time, with 10.44 per cent.

This result of the proportional representation voting represents a strengthening of the opposition parties and reflects the fall in support for the governing party amongst the population. After all, according to this partial result, the PR would not have been able to form a majority in order to continue its governing work: Even together with the CPU, the United Opposition together with UDAR and Svoboda would have been able to outvote the PR. These three opposition parties together would have enjoyed a slight majority.

Fig. 1

**Official final result of the parliamentary elections 2012
(by proportional representation, in per cent)**



Source: Central Electoral Commission.

However, the passage of a new electoral law¹ in autumn 2011 reintroduced the mix of proportional and directly elected deputies, as a result of which the votes cast by proportional representation (Fig. 1) only represent part of the election result. The first-past-the-post system is used for allocating the other half of the total of 450 seats in the Verkhovna Rada, from 225 constituencies nationwide. In contrast to the electoral law in Germany in which there is a correlation between first votes cast for directly elected candidates and the number of places in the list, victories in first-past-the-post constituencies deliver additional seats in Parliament according to Ukrainian electoral law. Continuously declining polling figures indicated in advance that the PR would not achieve a majority through the party list, as a result of which it concentrated at a very early stage in the election campaign on individual first-past-the-post

1 | A detailed presentation of the electoral law, the most important parties and their candidates as well as an analysis of the events during the electoral campaign can be found in Gabriele Baumann, Christine Rosenberger, Anna Portnova and Juliane Ziegler, *Wahlhandbuch Ukraine 2012*, Konrad-Adenauer-Stiftung, Kiev, Aug 2012, http://kas.de/wf/doc/kas_31911-1522-1-30.pdf (accessed 11.12.2012).

constituencies, and the use of administrative resources in order to support the directly elected candidates. Experienced electoral observers from the Ukrainian OPORA non-governmental organisation or the Committee of Voters of Ukraine (CVU) thus reported on attempted manipulations in the first-past-the-post constituencies above all: Candidates or charitable associations founded by them distributed presents in the form of food packages, domestic goods, equipment for schools and hospitals or even money to voters.² Parties and candidates with governing responsibility enjoyed a significant advantage over opposition candidates because of their greater resources, and frequently used their position of power in order to obstruct or intimidate opposition candidates. These unequal conditions during the electoral campaign were one of the central points of criticism expressed in the subsequent assessment of the elections in the OSCE report.

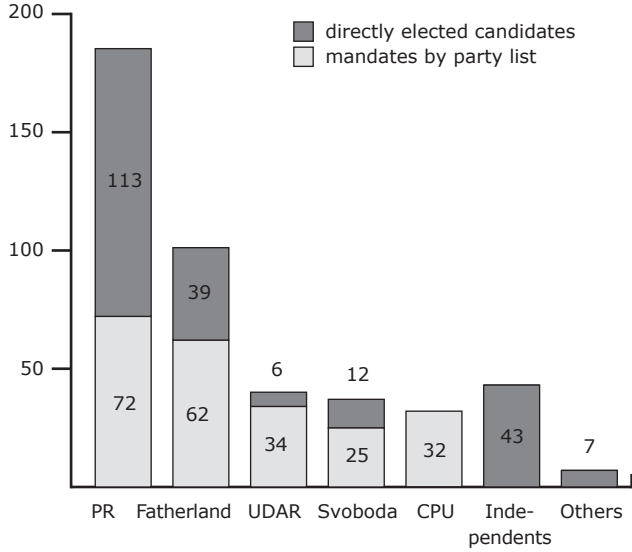
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The return to the mixed electoral law which had last been used in the parliamentary elections of 2002 was also decided with opposition votes. In the final analysis, it paid off for the Party of the Regions: With the help of victories in 113 out of 225 first-past-the-post constituencies, the governing party was able to boost its number of deputies in the new Parliament significantly, and secure for itself a significant advantage over the other parties. With only 39 victories in first-past-the-post constituencies, the United Opposition clearly lagged behind the Party of the Regions. Svoboda succeeded in winning twelve constituencies, whereas UDAR candidates only achieved six constituencies. The Communists were unable to win in any of the 225 constituencies.

2 | Committee of Voters of Ukraine, *Report on results of long-term monitoring on preparations for parliamentary elections in Ukraine in June 2012*, Jun 2012, http://issuu.com/victoryklymar/docs/report_cvu_lto_12_jun/3 (accessed 4 Feb 2013); *The Fourth Report on the results of all-Ukrainian observation of Parliamentary elections – July 2012*, OPORA, 2 Aug 2012, <http://oporaua.org/en/news/1786-chetvertyj-zvit-za-rezultatamy-zagalnonacionalnogo-sposterezhennja-parlamentski-vybory-2012-roku> (accessed 4 Feb 2013).

Fig. 2

Number of mandates by party list and directly elected candidates 2012³



Source: Central Electoral Commission.

Adding together the mandates obtained via the party list and by directly elected candidates, the distribution of seats in the new Verkhovna Rada is such that no party was able to form a majority immediately. For this reason, the Party of the Regions was very highly dependent on the total of 43 independent candidates and seven directly elected representatives of tiny parties in its attempt to form a majority. The independents are non-party candidates who stood for election in their constituencies, and are officially independent from the political parties taking part. In many cases, these independent candidates deliberately eschewed all other parties. This applies above all to regionally known and popular personalities who, at the same time, possess sufficient financial means to support the costs of an electoral campaign. One member of this group, for example, is Petro Poroshenko, who won his constituency in the central Ukrainian city of Vinnytsia with more than 70 per cent of the vote. The owner of the nationally known Roshen sweet

3 | The presentation only considers the 445 mandates which have been allocated so far. It is assumed that new elections will be held in spring 2013 in the five disputed constituencies for which the Central Electoral Commission was not able to calculate a result.

factory was formerly a member of various parties and governments. For example, he was Foreign Minister under President Viktor Yushchenko, and from February to October 2012 Minister for Economic Affairs in the Azarov government. At the same time, thanks to the economic success of his company – he is one of the ten wealthiest Ukrainians and is thus occasionally referred to as the “chocolate king” – Poroshenko has the necessary financial wherewithal to conduct an election campaign without party support. As far as a further proportion of the formally independent candidates is concerned, it was to be assumed in many cases that their proximity to the PR was greater than officially admitted. If any of these candidates proved capable of winning in the election, it was already expected in advance that they would enter the parliamentary group of the PR. This concerns amongst others David Zhvaniya, who stood as an independent candidate in constituency 140 in the Odessa Region, attracted just under one third of all votes and thus won a seat in the Verkhovna Rada. The transfer of the independent, directly elected candidate from constituency 18 in the Vinnytsia Region to the parliamentary group of the Party of the Regions was equally unsurprising: Grigoriy Kaletnik clearly achieved first place amongst the candidates standing in his first-past-the-post constituency, with 46 per cent of the votes, and like Zhvaniya is now a member of the parliamentary group of the Party of the Regions.

The task that faced the PR following the announcement of the election results was to induce as many as possible of the total of 43 independent deputies and the seven deputies belonging to tiny parties to come across to the parliamentary group of the Party of the Regions. The Party of the Regions was not lacking possible leverage to increase the pressure on these candidates:

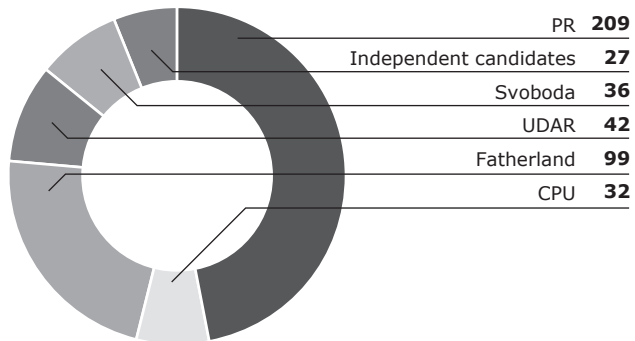
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Some deputies found the decision to make the transfer was facilitated by the prospect of funding being allocated from the state budget to their constituencies. In the event that such suggestions did not bear fruit, the next step was to embark on “individual work” with every single candidate – such measures could even amount to a threat of an investigation for tax evasion in individual cases. As a result, it was announced when the new Verkhovna Rada first convened

on 12 December that 25 of the independent candidates had changed to the parliamentary group of the PR, while two of the previously independent deputies switched to the UDAR parliamentary group and one moved over to the Communists. The Party of the Regions also attempted to win over deputies from the opposition parties to cooperate with the governing parliamentary group. According to media reports, for example, one UDAR deputy had been offered five million U.S. dollars to switch parliamentary group.⁴ The gloves have been and will presumably remain off when it comes to securing the majority in the new Parliament, as long as the governing parliamentary group continues to lack sufficient votes in order to command a majority by itself.

Fig. 3

Distribution of seats in the new Verkhovna Rada⁵



Source: Central Electoral Commission.

A study of the voting behaviour by region shows a clear east/west divide, which was already a characteristic of Ukraine in earlier elections: Whereas the inhabitants of Western and Central Ukraine voted for the United Opposition (except for the Lviv Region which was won by Svoboda), in the eastern and southern parts of the country, the PR swept the board by proportional representation. Basically, nothing has changed about this east/west divide:

4 | "Депутату от Кличко предлагали 5 миллионов за то, чтобы стать 'тушкой'" (Klitschko deputies were offered five million dollars to defect from their parliamentary group), *Ukrainska Pravda*, 7 Dec 2012, <http://pravda.com.ua/rus/news/2012/12/7/6978931> (accessed 4 Feb 2013).

5 | See n. 3.

Once again, the majority in Western and Central Ukraine including the capital Kiev voted for the Orange camp – 2007 for the Yulia Tymoshenko Bloc and (BYuT) and 2012 for the United Opposition Batkivshchyna, whereas the east and south of the country voted for the PR. There is only a single exception to this rule – the Trans-Carpathian or Zakarpattia Region in the extreme west, which had been part of Czechoslovakia, Hungary and Ukraine or the Soviet Union during the 20th century, and is the only region in the west to have voted in the majority for the PR.

Table 1

Distribution of seats in the new Verkhovna Rada

	Party of the Regions	CPU	Independent candidates, small parties	Fatherland	UDAR	Svoboda
Mandates by proportional representation	72	32	0	62	34	25
Mandate by first-past-the-post election	113	0	43 + 7	39	6	12
Number of mandates	185	32	50	101	40	37
Of which deputies who did not join the parliamentary group	-1*	-1*	- 28	- 2**	0	-1*
Transferred to the corresponding parliamentary group	+ 25	+ 1	+5	0	+ 2	0
Total (majority at 226 mandates)	209	32	27	99	42	36

* The parliamentary speaker Volodymyr Rybak (PR) and his two deputies Igor Kalyetnik (CPU) and Ruslan Koshulinsky (Svoboda) had to set aside their parliamentary group membership in order to take up their office, and are counted in the group of independent deputies.

** Father and son Tabalov were candidates of the United Opposition Batkivshchyna, but did not join the parliamentary group, remaining independent.

Table 2

**Electoral winners by proportional representation
in the regions (in per cent)**

Region	Electoral winners 2012	Proportion of the vote 2012	Electoral winners 2007	Proportion of the vote 2007
Western Ukraine				
Volhynia	Fatherland	39.46	BYuT	57.59
Lviv	Svoboda	38.01	BYuT	50.38
Zakarpattia	PR	30.87	Our Ukraine	31.11
Rivne	Fatherland	36.59	BYuT	50.97
Ternopil	Fatherland	39.04	BYuT	51.57
Ivano-Frankivsk	Fatherland	38.21	BYuT	50.67
Chernivtsi	Fatherland	39.60	BYuT	46.17
Central Ukraine				
Zhytomyr	Fatherland	36.15	BYuT	37.00
Khmelnyskyi	Fatherland	37.17	BYuT	48.16
Vinnysia	Fatherland	45.01	BYuT	49.97
Kiev Region	Fatherland	36.63	BYuT	53.38
Kiev city	Fatherland	30.96	BYuT	46.18
Cherkasy	Fatherland	37.77	BYuT	47.03
Kirovohrad	Fatherland	32.16	BYuT	37.57
Chernihiv	Fatherland	30.73	BYuT	41.92
Sumy	Fatherland	36.27	BYuT	44.45
Poltava	Fatherland	30.14	BYuT	37.86
Eastern Ukraine				
Kharkiv	PR	40.98	PR	49.16
Luhansk	PR	57.06	PR	73.53
Donetsk	PR	65.09	PR	72.05
Dnipropetrovsk	PR	35.79	PR	48.15
Zaporizhia	PR	40.95	PR	55.45

Southern Ukraine

Odessa	PR	41.90	PR	52.22
Mykolaiv	PR	40.51	PR	54.40
Kherson	PR	29.34	PR	43.23
Autonomous Republic of Crimea	PR	52.34	PR	60.99
Sevastopol city	PR	46.90	PR	64.53

Source: Central Electoral Commission.

Voter turnout at about 58 per cent nationwide was significantly lower than five years ago, when 65 per cent of those entitled to vote took part in the voting. The highest turnout was recorded in the Lviv Region with 67 per cent, while the lowest was in the Autonomous Republic of Crimea, where only one in two of those entitled to vote took part.

Table 3

Comparison of voter turnout: 2012 and 2007

	2012	2007
Number of registered voters	35.8 m	37.2 m
Number of voters who voted	20.8 m	24.2 m
Voter turnout	58.1%	65.1%
Region with the lowest voter turnout	49.5% (Crimea)	47.6% (Zakarpattia)
Region with the highest voter turnout	67.1% (Lviv)	71.2% (Ternopil)

Source: Central Electoral Commission.

NATIONAL AND INTERNATIONAL REACTIONS TO THE ELECTIONS

According to the OSCE report, significant irregularities and restricted transparency in adding up the results occurred to a greater or lesser extent in one third of the electoral district commissions during the course of the election night

and over the following two weeks.⁶ At the press conference held by the International Election Observation Commissions of the OSCE, Europarat, the European Parliament and the NATO Parliamentary Assembly on 29 October, the heads of the individual missions did indeed themselves evaluate the procedure of the electoral day as largely calm and peaceful, although at the same time they expressed significant criticism regarding the uneven playing field that existed during the election campaign between the government candidates and opposition candidates, as well as the lack of transparency during the process of evaluating and transmitting the voting records following closure of the polling stations. The head of the short-term election observation mission of the OSCE, Walburga Habsburg Douglas, observed that Ukraine had taken a step back from democracy as a result of the abuse of power and the significant role played by money in these elections.⁷

Some members of the opposition proposed not taking up the mandates in protest. New elections were demanded throughout the country.

The three opposition parties, United Opposition, Svoboda and UDAR, claimed during the week following the elections that they had lost votes in 13 constituencies due to the irregularities. Some members of the opposition proposed not taking up the mandates in protest. New elections were demanded throughout the country. The first week following the election day was characterised by protest gatherings held in front of the building of the Central Electoral Commission in Kiev Yulia Tymoshenko embarked on a hunger strike in protest against the manipulations of the election results. The government did not respond until 2 November: Prime Minister Azarov declared on this day that neither the government nor the PR had anything to do with the complications which arose during the counting of votes in the problematic constituencies.⁸ On 6 November, the Central

6 | Office for Democratic Institutions and Human Rights (ODIHR) of the Office for Democratic Institutions and Human Rights (OSCE), Election Observation Mission Ukraine, *Post-Election Interim Report 29 October-6 November 2012*, <http://osce.org/odihr/elections/97077> (accessed 7 Dec 2012).

7 | OSCE, Election Observation Mission Ukraine, "Ukrainian elections marred by lack of level playing field, say international observers", press release, 29 Oct 2012, <http://osce.org/odihr/elections/96673> (accessed 10 Dec 2012).

8 | "Азаров: Ни Партия регионов, ни Кабмин не причастны к проблемам на округах" (Asarov: Neither the Party of the Regions nor the cabinet of ministers were involved in the problems with the constituencies), *Ukrainska Pravda*, >

Electoral Commission decided at the recommendation of the Verkhovna Rada to announce new elections in five constituencies, since it regarded itself incapable of confirming an official final result there.

THE FIVE POLITICAL FORCES IN THE PARLIAMENT

Party of the Regions (PR)

The de facto victor of the parliamentary elections is also one of the major vote losers compared to the 2007 parliamentary elections: According to data from the Central Electoral Commission for 2007 and 2012, 1.9 million fewer voters checked the box for the Party of the Regions than had been the case five years before. This may be related on the one hand to disappointment felt by former Party of the Regions voters with the work done by the government, while on the other hand it may be connected to the lower voter turnout compared to 2007.

The PR focused its election campaign above all on the goal of increasing living standards, and in doing so was happy to refer repeatedly to what had already been achieved: The party included above all numerous investments in the infrastructure that the government undertook as part of the preparations for the UEFA Championships in summer 2012 – including expansion of motorways, building of new and/or renovation of stadiums and airports in the four host cities as well as the deployment of new high-speed trains on the most important routes.

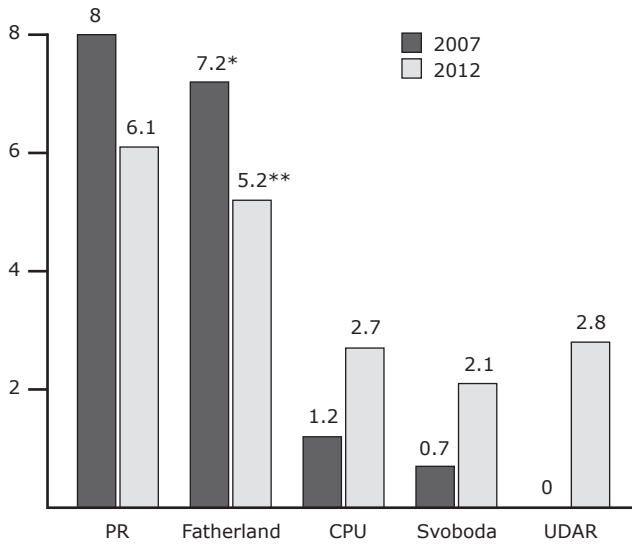
The Party of Regions had always emphasised that it stands for modernisation and economic growth, and during the election campaign in the summer, it emphasised that the first positive effects of the reforms set in train by the government were starting to show. It included in this a reduction in the state deficit over the period 2010 to 2012 as well as a low inflation rate and repayment of a large part of the national debt at the start of 2012. However, the actual situation at the end of 2012 was significantly more negative: Industrial production declined by 4.2 per cent compared to the previous year in October alone, economic growth during 2012

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was only 0.5 per cent, the current account deficit is 7.8 per cent of gross domestic product and support purchases for the currency by the national bank have rapidly decimated the currency reserves by 15 per cent since the start of the year.⁹ On top of all this, the Standard & Poor’s rating agency downgraded Ukraine to the score of B.

Fig. 4

Comparison of votes: Parliamentary elections 2007 and 2012 (in millions)



* 2007: Figures for BYuT

** 2012: Figures for the Fatherland-Party

Source: Central Electoral Commission.

With its 209-strong parliamentary group, the party clearly missed its self-appointed goal of capturing the simple parliamentary majority of 226 votes under its own steam. Nevertheless, the PR did succeed in having not only Mykola Azarov elected as head of government but also in appointing the parliamentary speaker Volodymyr Rybak –

9 | Ricardo Giucci and Robert Kirchner, "Braucht die Ukraine ein neues IWF-Programm?" (Does Ukraine need a new IMF programme?), German Advisory Group, newsletter, No. 51, Nov 2012, http://beratergruppe-ukraine.de/download/Newsletter/2012/Newsletter_51_2012_Deutsche%20Beratergruppe.pdf?PHPSESSID=02e450fc2207936eb4bf0e2d03e05033 (accessed 12 Dec 2012).

in each case with the help of the Communists and some independent deputies. Rybak, like President Yanukovich, comes from Donetsk and is deputy party chairman.

United Opposition Batkivshchyna (Fatherland)

Not only the PR but also the opposition was obliged to take losses compared to 2007: Five years ago, the Yulia Tymoshenko Block (BYuT) achieved just under a 31 per cent share of the vote with 7.2 million votes cast. For the 2012 parliamentary elections, the party of Yulia Tymoshenko merged with the Front Smin (Front for Change) of Arseniy Yatsenyuk and five other small opposition parties to form the United Opposition Batkivshchyna, in order to present a democratic alternative to the PR with a unified force. In the new Parliament, Batkivshchyna is now represented by 99 deputies, and the parliamentary group is chaired by Arseniy Yatsenyuk. Immediately before the constituent parliamentary session, it was announced that two deputies of Batkivshchyna would not remain in the opposition parliamentary group, but would function as independent deputies. The level of anger regarding the two defectors (father and son Tabalov) was expressed in the scuffles that broke out directly on the first day of the new parliamentary session: Deputies from the three opposition parties attempted to block access of the two defectors to the chamber by means of force, in order to prevent them from taking their oath and thus forcing them to lay down their mandate. However, this attempt failed.

Ukrainian Democratic Alliance for Reform (UDAR)

The UDAR under Vitali Klitschko was able to achieve a significant result as a newly founded party, attracting 2.8 million votes during its first parliamentary elections. With its pro-European and reform-oriented election manifesto, Vitali Klitschko and his team appealed above all to voters under 40 years old from Central and Western Ukraine, with a medium to high level of education. Many UDAR voters regarded this party as offering a promising alternative to the familiar faces of the United Opposition, the leadership elite of which had failed to live up to the hopes and expectations of the population for implementing

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reforms in many respects during the years in government following the Orange Revolution of 2004; instead, this leadership had on occasion stymied itself with internal wrangling. UDAR was able to succeed because many Ukrainian voters with an opposition inclination were looking for a new face with a more European-oriented political culture. In its election manifesto, the party called for, amongst other things, the creation of a new relationship between the state and citizenry based on recognition of the independence and autonomy of the citizen in relation to the state. For this purpose, UDAR is striving for a reorientation with a view to the fundamental values of Ukrainian society, towards a strengthening of the principle of self-responsibility and liberating the citizen from excessive state influence. This objective also encompasses the requirement for strengthening of local self-administration and a more systematic integration of civil society into the political process. In economic terms, UDAR is promoting the creation of a legal framework for the Ukrainian economy to be flexible and competitive, and to be driven by small and medium-sized enterprises (SMEs). Within the political process, UDAR is demanding greater transparency and a political culture that is more strongly oriented towards the long-term requirements of the country than towards the personal gain of individual politicians. In the constituent session of the Parliament, the UDAR parliamentary group comprised 42 deputies, meaning that in addition to the 40 mandates achieved in the elections, two deputies who had stood as independent candidates decided to join the parliamentary group. The party leader Vitali Klitschko will also head the parliamentary group in Parliament.

Communist Party of Ukraine (CPU)

The CPU gained more than twice as many votes as in the 2007 elections. In absolute terms, it was able to increase its electorate from 1.2 million to 2.7 million.

Even though it was unable to win a single constituency directly, the Communists – as well as the right-wing nationalist Svoboda party – emerged as the surprise victors of

these elections. The CPU gained more than twice as many votes as in the 2007 elections. In absolute terms, it was able to increase its electorate from 1.2 million to 2.7 million. The disappointment felt by many voters with the PR played into the hands of the CPU, because the core electorate of the PR and the CPU overlaps in many respects. As a result,

many disappointed citizens who had previously voted for the governing party regarded the Communists as a natural alternative: Both parties appeal above all to the electorate above 50 years of age in the southeast and east of the country, which tends to be Russian speaking, and with a medium standard of education. Its election campaign was critical of the government and the CPU promised a political reorientation in economic and social policy.

The parliamentary group of the Communists numbers 32 deputies: One of the independent candidates decided to join the CPU parliamentary group, whilst at the same time Igor Kalyetnik had to lay down his parliamentary group membership because he has taken the office of first deputy parliamentary speaker in the new Verkhovna Rada. The chairman of the parliamentary group is party leader Petro Symonenko.

All-Ukrainian Union Svoboda (Freedom)

The large gain in votes for the Svoboda party was one of the surprises of the election day. The party had previously drawn its chief support from the west of the country where Ukrainian nationalism is more pronounced, but was able to increase its reservoir of voters by just fewer than two million, to an increasing extent in Central Ukraine and even expanded eastward, although to a much lower extent. In 18 of the 27 regions, Svoboda overcame the five-per-cent hurdle, whilst it even finished ahead of the other parties amongst Ukrainian voters living abroad, with 23.6 per cent of the votes cast. In 2007, the party was still a long way from achieving the three-per-cent hurdle which applied at the time, attracting only 0.76 per cent of the votes nationwide. The significant increase in approval for Svoboda is above all due to voters who cannot actually be called radical nationalists, and who consequently do not belong to Svoboda's original electorate: According to analysts, a significant proportion of Svoboda supporters voted for the party more from strategic considerations or as an expression of protest than because of their ideological identification with the extreme right

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grouping.¹⁰ In this way, some of the voters wanted to vote with a pronounced Ukrainian nationalist approach as a means of showing their rejection of various government initiatives such as the language law which they had regarded as anti-Ukrainian. Tactical considerations may also have played a role with many Svoboda voters: By using their vote to help the right-wing national party to overcome the five-per-cent hurdle and thus take its seats in the new Parliament, they ensured that the opposition forces in the Verkhovna Rada would be as inflexible as possible, and immune from “defectors” to the government camp (referred to as *tushki*), because of the party’s radical rejection of the government’s work and due to its being regarded as highly disciplined.¹¹

Svoboda’s agenda included not only populist measures such as nationalising some important key companies of the country, but also the quite sensible demand for lower taxes for small and medium enterprises.

During the electoral campaign, the party criticised the oligarchical economic structures prevailing in Ukraine, and positioned itself as an anti-liberal party. Its agenda presented during the electoral campaign included not only populist measures such as nationalising some important

key companies of the country, but also the quite sensible demand for lower taxes for small and medium enterprises.¹² An important goal in the party’s programme is to create a strong Ukrainian state along the lines of “social and national justice”. In accordance with the party’s intentions, the state should adopt its “deserved place amongst the leading countries of the world”, and ensure the continuous development of the Ukrainian nation.¹³ In order to achieve this, the party focuses

10 | Andreas Umland, “Nichtideologische Motivationen der Svoboda-Wähler: Hypothesen zum Elektorat der ukrainischen radikalen Nationalisten bei den Parlamentswahlen vom Oktober 2012” (Non-ideological motivations of Svoboda voters: Hypothesis on the electorate of the Ukrainian radical nationalists during the parliamentary elections in October 2012), *Ukraine-Analysen*, No. 109, 13 Nov 2012, Research Centre Eastern Europe at the University of Bremen and Deutsche Gesellschaft für Osteuropakunde (DGO), 8 et seq., <http://www.laender-analysen.de/ukraine/pdf/UkraineAnalysen109.pdf> (accessed 11 Dec 2012).

11 | Ibid.

12 | Tadeusz A. Olszański, “The electoral success of the Svoboda Party – the consequences for Ukrainian politics”, Centre for Eastern Studies, *OSW Commentary*, No. 97, 28 Nov 2012, http://osw.waw.pl/sites/default/files/commentary_97.pdf (accessed 10 Dec 2012).

13 | Vgl. Svoboda, “Програма ВО ‘Свобода’ – Програма захисту українців” (Programme of the Svoboda party – programme for the protection of Ukrainians), http://svoboda.org.ua/pro_partiyu/prohrama (accessed 31 Jan 2013).

on its demand for the dismissal of the government which it regards as anti-Ukrainian.

The parliamentary group appointed its party leader Oleh Tyahnybok as its chairman. By the agreement of the three opposition parties, the Svoboda deputy Ruslan Koshulinsky was proposed for the post of deputy parliamentary speaker, and elected with the approval of 305 deputies. Due to his election, he had to set his membership of the parliamentary group in abeyance, as a result of which the Svoboda parliamentary group now only comprises 36 deputies. The fact that the three opposition parties united on Koshulinsky as their joint candidate underscores the increasingly important position adopted by Svoboda within the opposition. The Svoboda deputies displayed extreme inflexibility during the first parliamentary sessions, and through their influence the opposition as a whole has been radicalised.

The fact that the three opposition parties united on Koshulinsky as their joint candidate underscores the increasingly important position adopted by Svoboda within the opposition.

The electoral gains by the Svoboda party attracted international criticism. The high level of votes attracted by the party which had come to attention in the past through anti-Semitic statements gave rise to concern. For example, party leader Oleh Tyahnybok said in a speech in 2004 that Ukraine was governed by a "Muscovite-Jewish mafia", and that the country should finally be given back to Ukrainians. As a result, on 13 December, the European Parliament appealed to democratically minded parties in the Verkhovna Rada not to enter into a coalition with the Svoboda party or to support it, because its racist and anti-Semitic attitudes could not be brought into accord with European values and principles.¹⁴ Irrespective of this call, the parliamentary group chairman of Batkivshchyna, Arseniy Yatsenyuk, announced on the same day that his party wanted to continue its cooperation with Svoboda. There is a certain amount of ideological disagreement between Batkivshchyna and Svoboda, but nevertheless at the same time both parties are in pursuit of a common goal, explained Yatsenyuk in justification of this decision,

14 | European Parliament, "European Parliament resolution of 13 December 2012 on the situation in Ukraine (2012/2889(RSP))", <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2012-0507+0+DOC+XML+V0//EN> (accessed 3 Jan 2013).

this goal being to dismiss the current government.¹⁵ As a result, cooperation with Svoboda can be explained above all through pragmatic arguments: It is only by the three opposition parties coming together that they can jointly stand a chance of opposing the governing party's projects.

CHARACTERISTICS OF THE DEPUTIES IN THE NEW VERKHOVNA RADA

The new Parliament only differs insignificantly from the old one in terms of its gender and age structure. Eight per cent of the deputies in the fifth Verkhovna Rada (2007-2012) were female – 36 women out of 450 deputies – and 43 women are represented in the new Parliament. This amounts to just under ten per cent of the 445 mandates which have been allocated so far. In terms of the proportion of women in its Parliament, Ukraine is clearly in the last quarter of 190 investigated countries by international comparison.¹⁶ The age structure has scarcely changed compared to the last Parliament. The average age of the 445 deputies is 48 years. Of the five parties represented in Parliament, Svoboda is the youngest parliamentary group with an average age of 42 years. The two oldest parliamentary groups with an average age of 50 years are the PR and the Communists.

One particular feature of the new Verkhovna Rada concerns the many family relations between the individual deputies. Family ties have always played a role in the composition of previous Ukrainian parliaments, but in the latest parliamentary elections it appears that this phenomenon is especially prevalent. In total, about 50 of the elected representatives are related to political personalities at national or regional level. These clan-like structures are particularly pronounced in the Kharkiv, Donetsk, Zaporizhia and Dnipropetrovsk Regions.¹⁷

15 | "Яценюк пообещал сотрудничать со 'Свободой' несмотря на мнение Европарламента" (Yatsenyuk promises to continue cooperating with Svoboda despite the European Parliament's resolution), *Ukrainska Pravda*, 13 Dec 2012, <http://pravda.com.ua/rus/news/2012/12/13/6979670> (accessed 3 Jan 2013).

16 | Cf. Inter-Parliamentary Union, "Women in international parliaments", status 31 Oct 2012, <http://ipu.org/wmn-e/arc/classif311012.htm> (accessed 30 Nov 2012).

17 | Denis Rafalsky, "Family ties that bind parliament", *Kyiv Post*, 16 Nov 2012.

The best-known relatives are the second son of the President, Viktor Yanukovych junior, who is taking his place for the third time in the Verkhovna Rada, like the son of the Prime Minister, Mykola Azarov. The son of the Chief Prosecutor, Viktor Pshonka, will also sit in the new Parliament for the Party of the Regions. At the same time, some pairs of brothers won their respective constituencies – including the party leader of the Svoboda party, Oleh Tyahnybok and his younger brother as well as the Baloha brothers from the Zakarpattia Region, all of whom stood as direct candidates for the tiny United Centre party. As far as some of the newly elected deputies are concerned, their chief qualification for the office of deputy appears to be their family ties to high-ranking political personalities. These findings underscore the high level of nepotism which prevails in Ukraine.

FORMATION OF THE PARLIAMENT AND GOVERNMENT AT THE TURN OF THE YEAR

On 12 December, the newly elected deputies of the seventh Verkhovna Rada met for the constituent parliamentary session. Of the 30 parliamentary committees, 13 will be chaired by deputies from the Party of the Regions, nine committees are chaired by deputies from the United Opposition, three will be led by UDAR representatives, two by CPU deputies, two by independents and one by a Svoboda representative. Immediately before the constituent session of the Parliament, President Viktor Yanukovych announced that he would propose Mykola Azarov to Parliament once again for confirmation as Prime Minister. On 13 December, Azarov was confirmed in his post with a majority of 252 votes (deputies of the Party of the Regions, the Communists and twelve independent delegates).

On 24 December, about ten days after the constitution of the Parliament, President Viktor Yanukovych appointed the members of the new government under Prime Minister

Mykola Azarov. By giving some key positions to close allies, Yanukovych has strengthened his immediate entourage, often referred to in the Ukrainian media as the “family”. The members of the “family” include above all people who have personal relations with the President himself or with his eldest son Oleksandr, for example the former head of

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the Ukrainian National Bank, Serhiy Arbuzov. In the new government, the latter holds the position of first deputy Prime Minister, and according to reports in the Ukrainian media he may well inherit Mykola Azarov's post as head of government before too long.

Oleksandr Klymenko has also had a new department created for him, namely the Ministry of Revenues and Duties. His responsibilities include above all taxation and customs questions.

Other appointments from the close entourage of the President include Olena Lukash, a former adviser to the President, for whom Yanukovych has created the new office of Minister of the Cabinet of Ministers. As a confidante of the President, she will represent the direct line between the Presidential palace and the Cabinet of Ministers, ensuring that the President's influence is extended to the Cabinet of Ministers. Oleksandr Klymenko has also had a new department created for him, namely the Ministry of Revenues and Duties. His responsibilities include above all taxation and customs questions, and in view of the importance of this role, the ministry is also referred to as a "super ministry" in the media. Other important posts have also fallen to personalities from Yanukovych's close entourage, such as the Ministry of Energy Generation and Coal Mining that is now headed by the former Environment Minister, Eduard Stavitsky, and the Ministry of Ecology and Natural Resources, to Oleh Proskuryakov. Minister of Finance Yuriy Kolobov, Minister of Internal Affairs Vitaliy Zakharchenko as well as the Russophile Minister of Education and Science, Youth and Sport, Dmytro Tabachnyk (known for his disputed education policy) remain in their post.

In addition to strengthening the position of persons close to the President within the government, another effect that is apparent is an increase in the influence of the Donetsk oligarch, Rinat Akhmetov, who is by far and away the richest Ukrainian and an important business partner of the President. For example, Ihor Prasolov, up to 2005 the Managing Director of the System Capital Management company owned by Akhmetov, is now the Minister of Economic Development and Trade. Another acquaintance of Akhmetov has been appointed deputy Prime Minister with responsibilities for regional development, construction and infrastructure: Oleksandr Vilkul was previously not only governor of the Dnipropetrovsk Region, but also, amongst

other things, the head of various companies owned by Akhmetov.

For many observers, it will not have been entirely surprising to see Natalia Korolevska appointed the Minister of Social Policy. This strategic move confirmed all the suspicions that Natalia Korolevska's Ukraine – Forward! party was merely a government project to divert votes away from the opposition parties. With a brash poster campaign on the streets of Ukraine, Ms. Korolevska and her team, including the popular elite footballer Andriy Shevchenko, had attempted to convince the Ukrainian population to join her project for a "new economy and a new land". During the election campaign, she consistently denied having links to the government camp, and presented her party as a genuine opposition force. However, it appears that the Ukrainian population did not put its trust in these reassurances, as demonstrated by the poor performance of Ukraine – Forward! in the parliamentary elections: With only 1.58 per cent of the votes, the new party project did not manage to gain any seats in Parliament. The leadership candidate Korolevska will now sit in Azarov's cabinet, despite having publicly called for his replacement in the election campaign.

DEVELOPMENT TRENDS IN THE UKRAINIAN ECONOMY

The year 2012 was by no means a good one for the Ukrainian economy: Growth declined significantly, the world bank attributed only minimum growth in gross domestic product (GDP) of 0.5 per cent for Ukraine in 2012.

Also, 2013 is not expected to deliver any significant improvements. Even now, it is clear that Ukraine will have to repay loans amounting to just under nine billion U.S. dollars to foreign creditors, with about 5.8 billion U.S. dollars of this going to the International Monetary Fund (IMF) alone. It remains to be clarified whether the IMF will resume the payments this year from its loan assistance programme which were frozen more than one year ago. In order to achieve this, the Ukrainian government would have to declare its agreement with a catalogue of wide-ranging demands by the IMF regarding adaptation of macroeconomic policies. It is highly probable that this would include the demand to surrender the fixed exchange

If the IMF is to will resume the payments which were frozen more than one year ago, the Ukrainian government would have to declare its agreement with a catalogue of wide-ranging demands.

rate between the hryvnia and the U.S. dollar, and instead introduce a flexible exchange rate. Secondly, the Ukrainian government would probably also have to declare its agreement with a raft of more restrictive measures in fiscal policy. Primarily in this regard is the IMF demand for a gradual increase in the prices for gas and heating for private households, which are kept artificially low by state subsidies. These impose an annual burden on the Ukrainian national budget of about six per cent of GDP, currently corresponding to about the same amount that Ukraine spends on education.

The Ukrainian population can scarcely be expected to appreciate these demands. The government in Kiev was correspondingly reluctant to take measures to increase the gas price directly ahead of the parliamentary elections. The parliamentary elections have now finished, but presidential elections are due within two years, so the next important political deadline is approaching. Such an unpopular measure as increasing the prices of gas is something that President Yanukovich will most likely not wish to implement before 2015, particularly since this would endanger his chances of re-election which appear in any

Putin is demanding that Kiev enters the customs union between Russia, Belarus and Kazakhstan, as well as granting approval for the purchase of the Ukrainian gas transit system.

case to be in jeopardy. It appears much more convenient for the President and government to obtain commitments for price reductions on gas imports from Russia, thereby killing two birds with one stone: Firstly, this method would allow the strain on the Ukrainian budget to be reduced; secondly the country would not have to take the harsh medicine prescribed by the IMF, whilst nevertheless obtaining greater freedom for itself in financial terms. However, Russia's President Vladimir Putin will not grant these concessions without a quid pro quo from Ukraine. He is demanding that Kiev enters the customs union between Russia, Belarus and Kazakhstan, as well as granting approval for the purchase of the Ukrainian gas transit system by Gazprom. Only then would it be realistic to expect the gas price to be reduced to the level paid by Belarus, namely only 166 U.S. dollars per 1,000 cubic metres of Russian gas. At the moment, Ukraine pays 426 U.S. dollars per 1,000 cubic metres, which is a significantly higher price than Germany does, for example. In the short term, such a financial easement would be a shot in the arm for the

Ukrainian national budget. At the same time it would only postpone a resolution of the structural problems that prevail in the Ukrainian economy.

IMPORTANCE OF THE PARLIAMENTARY ELECTIONS FOR RELATIONS WITH THE EUROPEAN UNION

In mid-January 2013, the latest survey results on attitudes in the Ukrainian population towards the European Union or a customs union with Russia, Belarus and Kazakhstan were published. The Democratic Initiatives foundation surveyed more than 2,000 people nationwide. The majority, 42.4 per cent of those surveyed, declared themselves in favour of Ukraine joining the EU, whilst only 32.1 per cent were in favour of integration in the customs union – the younger the age of the survey population, the clearer the tendency in favour of the EU.¹⁸ As a result, many voters in Ukraine deliberately decided to support the opposition parties with their pro-European course. At the same time, however, a majority of those surveyed believes Ukraine is currently failing to proceed in either direction. This is due above all to the see-saw policy of the President and government of Ukraine between Russia and the EU: The association agreement between the EU and Ukraine, which not only includes a political section but also provides for an extensive free-trade zone between both partners, has still not been signed in spite of a preparatory phase that lasted more than five years. Most recently on 10 December, the European Union clearly expressed the conditions for signing the association agreement, in a decision by EU foreign ministers taken after the parliamentary elections in autumn 2012: Reforms in the area of the rule of law must be undertaken in accordance with European norms. Politically motivated justice must be revised, on the basis of the judgements of the European Court of Justice for Human Rights. As a result of negative experience with implementing the mixed electoral law during the parliamentary elections in 2012, the electoral law must be set on new and reliable footing.

18 | Cf. Survey by the Democratic Initiatives: "EU or customs union? Where do the citizens want to go?", http://dif.org.ua/modules/pages/files/1358144625_2255.pdf (accessed 17 Jan 2013).

At the start of 2013 it is apparent that the rhetoric is moving more and more towards the association agreement. The parliament announced to strive for a joint resolution on European integration.

If the European Union observes significant process in these three core areas during the course of this year, it might be possible for the association agreement to be signed at the EU summit of the Eastern Partnership in Vilnius in November 2013. A further delay beyond this date would be tantamount to killing off the agreement, which would have fatal consequences not only for the relationship between Ukraine and the EU, but also and in particular with regard to the urgently required process of reform and modernisation for the country. To what extent the new government and the Parliament will implement the reform agenda agreed jointly with the EU remains to be seen. At the start of 2013, at least, it is apparent that the rhetoric is moving more and more towards the association agreement. It is hoped that a declaration on the signature will be achieved during the EU-Ukraine summit on 25 February. Parliamentary speaker Rybak already announced during the first days of the new year that all five parliamentary groups in the newly elected Parliament were striving to reach a joint resolution on European integration, and entry to the customs union was not on the agenda.

OUTLOOK

The sullenness of the voters concerning the continuing difficult economic and social situation in Ukraine has reached a high level, and might increase further up to the presidential elections in early 2015. Preparations for this next key political event are set to dominate political life at the latest following the elections to the Kiev city council which are slated for May 2013. The United Opposition Batkivshchyna already selected Yulia Tymoshenko to be its presidential candidate on 7 December. However, it should by no means be ruled out that Vitali Klitschko (UDAR) and Oleh Tyahnybok (Svoboda) could also stand.

The governing party itself has already set things in motion to remain in power as well. On 6 November, the old Parliament passed the "Law on an All-Ukrainian Referendum" as an emergency measure with 265 votes, and President Yanukovich signed the law into force on 27 November. This promulgation lays the basis for changes to the constitution through referendums. In the event of a redrafting of the

constitution and at the initiative of citizens, the President can call a referendum. To make an application, it is necessary to have three million signatures of citizens from two thirds of the regions, each of which must have at least 100,000 signatures. In the past, changes to the constitution could not be approved without a two-thirds majority in Parliament. Immediately after signature of the law by the President on 28 November, Arseniy Yatsenyuk expressed his fear that a referendum could open the door for Ukraine to join the customs union, as well as having the president elected by Parliament, instead of the direct election by the population which has been practised so far. In addition, there would be a danger of manipulation similar to what happened in the presidential elections. Viktor Medvedchuk, the former director of the presidential administration under Leonid Kutschma and a close confidant of the Russian President Vladimir Putin, attracted attention during recent months with his Direct Democracy campaign. Medvedchuk has already announced that the first referendum after the law comes into force should be used for entry into the customs union.

In the meantime, the EU is keeping the door open for Ukraine. However, the more the signature of the association agreement is kicked into the long grass, the more people will notice that solutions are lacking regarding implementation of a European perspective for Ukraine. The more the discussion about Europe recedes into the background, the easier it will become to decide for a customs union with Russia as part of a referendum. It is thus important and even more urgent than in 2012 for Germany and Brussels to send a clear message to Kiev, in addition to disseminating information about the importance and content of the association agreement, to make it clear that the European Union represents the correct long-term partner in the reform process that is so important for the future of Ukraine.