

Parliamentary Elections in Ukraine

Assessment : Electoral results from the upcoming parliamentary elections are unlikely to lead to a closest relationship between the EU and Ukraine, or significantly change Ukraine's security and defence policies. A ruling coalition's victory, especially if the elections are not conducted according to established democratic principles, would reassert the Ukraine-Russia relationship and could increase short term political instability as the opposition supporters might express their dissatisfaction by protests. Should that be the case, EU's relationship with Ukraine is likely to stagnate further. Should the opposition win the elections, openness to a more positive relationship with the EU would increase. At the same time, this could lead to instability in the mid-term since cooperation between the president and the parliament would be difficult, preventing the government from undertaking structural reforms. This could lead to popular discontent driven by economic concerns. An opposition victory, however, remains unlikely.

Key judgments:

- The upcoming elections are unlikely to change the current Ukrainian security and defence policy.
- Russia's influence in Ukraine is increasing while EU's partnership with Ukraine is stagnating. Should the Party of Regions win the upcoming elections, this trend is likely to continue.
- Ukraine's economic situation is worsening which continues to be a source for Russia to leverage its influence. Increasing popular dissatisfaction with the socio-economic conditions in the country can be a source of instability, particularly if the elections are perceived to have been conducted unfairly.

The political situation in Ukraine

Ukrainian parliamentary elections will take place on 28 October 2012 based on a new electoral law, endorsed by the OSCE. There are, however, already reasons to believe that the law is not being implemented properly, which raises questions as to the conduct of the actual elections. Several opposition politicians remain imprisoned and were not deemed eligible to register as candidates. There are also allegations of misuse of administrative resources. The media environment is characterized by a significant lack of political pluralism.

The voting system favours oligarch-backed candidates who are through their financial power able to considerably influence local political leaders and their regional electorate. As previously, the ethnic, cultural and regional divide along the Dnieper continues to be the determining factor in political support. This will not significantly change with the upcoming elections and continues to favour parties whose support base is in the industrial, wealthier east.

The ruling Party of Regions remains predominant in the east, mostly Russian-speaking areas. The ruling coalition has recently had to deal with public discontent because of inflation, job cuts and unpaid salaries, which has somewhat weakened its power base. However, most sources predict that the Party of Regions will be able to form a coalition government after the elections with the support of its allies.

Opposition parties likely to exceed the 5% quorum are the Batkivshchyna (Fatherland Party) led by Arseni Yatseniuk (15.4% of votes) and a new non-parliamentary party called the United Democratic Alliance for Reform (UDAR) led by the Ukrainian boxing celebrity, Vitali Klychko (14.8% of votes, according to mid-September polls). However, the opposition forces remain fragmented and lacking high profile candidates, which render them unlikely to obtain a voting majority in the parliament.

In terms of internal political stability, perceptions of wide-spread electoral fraud could lead to protests as resentment and lack of trust in political parties has been on the rise for some time. This risk is, however, mitigated by the lack of high profile candidates among the opposition parties and a general disenchantment with the Orange revolution, making significant unrest unlikely.

A key feature of the Ukrainian political landscape – the corrupt and clientelist relations between key political figures and business leaders – will persist. Since some of these interests are tightly linked with Russian interests, change in security and defence policy of the country is unlikely.

International consequences of the upcoming elections

Foreign and security policy issues are not on the fore-front of these elections, and any international reactions are likely to be temporary, not bringing about real change.

Significant shortfalls in the democratic conduct of elections could temporarily negatively affect the NATO-Ukraine relationship, although both parties continue to have vested interests in maintaining practical cooperation on the existing level and engaging in regular dialogue. Future cooperation will most likely continue on operational issues as well as security sector reform, which has been the focus since Ukraine distanced itself from NATO membership aspirations. The EU keeps pressuring Ukraine to enforce democratic and rule of law principles in exchange of a stronger political and economic partnership. However, any sign that the Ukrainian political system continues to stagnate is likely to further frustrate EU member states, and decrease interest in high level political cooperation. If not handled properly, this might lead to a stronger Russian influence, which will in any case remain significant due to Ukraine's reliance on Russian gas. In any case, Ukraine's non-block status precludes any significant progress on NATO membership and more political and economic partnership with the EU in the foreseeable future.

Russia will also continue to exploit the fragile relations between Yanukovich's government and the EU (and the Western countries in general) as well as the financial difficulties of the country, even though there continue to be disagreements between Russia and Ukraine on several issues. The most significant of these continues to be energy security (gas prices and the Gas Transit System (GTS) pipeline). Ukraine would also like Russia to renounce its participation in the South stream pipeline project and revise the gas agreement signed in 2009 between Yulia Tymoshenko and Dmitri Medvedev. As before, President Yanukovich's power base, composed of Donbass regional oligarchs, will continue to influence the President's foreign policy orientation.

In case of the EU, the democratic conduct of elections is essential for Ukraine to reset its relationship with the EU countries, which has been damaged by Tymoshenko's arrest. Should the EU conclude that

the elections were non-transparent or fraudulent, the negotiations of the EU-Ukraine Association Agreement regarding political, economic and trade (including customs) cooperation are likely to slow down. Ukraine's position as an energy hub between EU countries and Russia (80% of EU gas imports pass by Ukraine) will, however, temper EU's potential negative reactions towards the conduct of elections.