



**European Parties Elections
and Referendums Network**

ELECTION BRIEFING NO. 16 EUROPE AND THE UKRAINIAN PRESIDENTIAL ELECTION OF 2004

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Key points

- This was Ukraine's most important poll since independence in 1991.
- The pro-European candidate Viktor Yushchenko was elected in an extraordinary repeat second round.
- Extensive falsification of the results characterised the first and second rounds.
- There was an attempt by Prime Minister Viktor Yanukovych and outgoing President Leonid Kuchma to steal the election.
- The campaign characterised by dirty tricks as the government sought to retain power at any price.
- In the event, 'people power' triumphed over sleaze.
- As a consequence of this election, the European Union has been forced to rethink its relations with Ukraine.

Introduction and Context

Ukrainians went to the polls to elect a new President for a third time in the space of two months on 26 December 2004. This extraordinary repeat second round was ordered after the Ukrainian Supreme Court upheld accusations of extensive falsification of results in the second round run-off held on 21 November 2004, which in turn was necessitated by an inconclusive result in the first round held on 31 October 2004 in which no one candidate achieved more than 50% of the total votes cast. The election pitted the opposition candidate, Viktor Yushchenko, against the incumbent prime minister and government-endorsed candidate, Viktor Yanukovych. On 28 December 2004, with 100% of the vote counted, the Central Electoral Commission declared Viktor Yushchenko the winner.

Dominating the election were the mass protests that followed an attempt by the incumbent administration to steal the election after the original second round. On 22 November 2004, with around 99% of the vote counted, the Central Electoral Commission of Ukraine declared Viktor Yanukovych the winner. Accusations of widespread vote rigging and falsifications followed immediately, and were verified by reports from domestic and international observers, including the OSCE.¹ By the evening of 22 November 2004, in what became known as the ‘Orange Revolution’,² over 100,000 demonstrators had taken to the streets of central Kyiv and other cities in western and central Ukraine calling for the immediate resignation of the outgoing president Kuchma, and the instatement of the opposition candidate Viktor Yushchenko as the President of Ukraine. The events that followed have fundamentally altered relations between Ukraine and the European Union.

This briefing explains the significance of the Ukrainian Presidential elections of 2004 and has five sections. First, it explains the context of the 2004 Ukrainian election. Second, it examines the campaign. Third, it scrutinises the first and second round results and explains how they were falsified. Fourth, it assesses the role and importance of the various protagonists in the events of Ukraine’s 17-day Orange Revolution and the results from the repeat second round. Fifth, it analyses the European dimension of the elections.

The 2004 Presidential elections were Ukraine’s third since independence in 1991. Although Ukraine’s constitution limits Presidents to two terms, the current one, Leonid Kuchma (victor of elections in 1994 and 1999), obtained a ruling in December 2003 from the Constitutional Court allowing him to run for a third term. Despite this, he declared his intention not to do so – although there was speculation far into 2004 that he would change his mind and stand again. Kuchma’s second term in office saw a long-awaited upturn in the economy after a precipitous decline during the 1990s, with GDP per capita rising by more than 50% since 2003. However, rising inflation and a weakening hryvnya threatened growth in 2005-2006, as a result of the government’s spending splurge in the run up the election, including a vast 107% increase in pensions for 11 million people, taking the minimum pension from 137 hryvnya to 284.6 hryvnya. Moreover, on both the domestic and international scenes, Kuchma’s second term was marred by the fallout from the ‘Gongadzegate’ scandal of 2000, which erupted when reports emerged of the existence of tapes on which Kuchma was heard to be ordering the murder of the investigative journalist, Heorhiy Gongadze. Kuchma’s credibility at home and abroad subsequently plunged, leaving him isolated amongst foreign leaders. Nonetheless, Ukraine did come in from the cold to a certain extent when it sent troops to Iraq in 2003 to fight under Polish command.

¹ Full reports of the OSCE’s findings in the first and second rounds of the election are available at: <http://www.osce.org/odihr>

² The Orange Revolution drew its name from the campaign colours of Viktor Yushchenko, and trumped the earlier nomenclature ‘Chestnut Revolution’. The latter was named after the main street of the Kyiv, Khreshchatyk or Chestnut Street, which runs across Independence Square, and on which the protestors from all over Ukraine built Tent City.

Ukraine's policy of steering a course between Russia and the West since 1991 has become increasingly untenable since its Western neighbours joined the European Union in May 2004, and Russia unveiled its plans for a Single Economic Space together with Belarus, Kazakhstan and Ukraine. For several years, Ukraine has signalled its willingness to integrate more closely with Western Europe, particularly NATO and the EU. However, it has been rebuffed as a potential candidate for membership many times by the EU, which has argued that Ukraine has not made nearly enough progress with economic and political reform or the implementation of its Partnership and Cooperation Agreement (PCA) to make membership even a remote possibility.³ At the time of the Presidential election, Ukraine's foreign policy choice for the next few years was unenviable: further attempts at integration with a reluctant EU through the European Neighbourhood Policy, or entry into a Single Economic Space providing access to lucrative Russian markets but entailing a significant loss of sovereignty in a quasi-supranational organisation dominated by a resurgent Russia.

The Campaign

Twenty-six candidates registered for the Presidential elections, but from the start the campaign was effectively a two-horse race between the two that made it to the second round play off: Viktor Yushchenko and the incumbent prime minister Viktor Yanukovych, representing the Party of the Regions. Yushchenko led the pro-Western Our Ukraine and was an advocate of European integration, complemented by close co-operation with Russia, but outside the framework of the Single Economic Space. Yanukovych, on the other hand, supported leading Ukraine into the Single Economic Space and, moreover, promised to deliver dual Russian nationality for all Ukrainians that wanted it.

Both candidates issued manifestoes at the outset of campaigning in August 2004. Yushchenko's displayed a high degree of political immaturity, making pledges that would be impossible to carry out within the limits of a five-year Presidential term. Yanukovych's promises were rather more measured. The headline promises in Yushchenko's programme⁴ included: the creation of five million new jobs; increases in pensions and benefits; immediate payment of wage arrears; reduction of taxation; a war on corruption; protection for all citizens against crime; reversing the decline of the population [sic]; promotion of spirituality; the doubling of agricultural productivity together with a pledge to close the income gap between rural and urban areas; the abolition of conscription by 2010; and, an honest, transparent and consistent foreign policy, complemented by good relations with Russia and the European Union. Yanukovych's manifesto⁵ was a more measured document, and its pledges included: the

³ See the Commission's DG External Relations website:
http://europa.eu.int/comm/external_relations/ukraine/intro/

⁴ For Yushchenko's official manifesto, see <http://www.razom.org.ua> and also his election broadcast on UT1 TV2, 2 September 2004, taken from BBC Monitoring <http://www.monitor.bbc.co.uk/>

⁵ Yanukovych's manifesto is available in Russian and Ukrainian at <http://www.ya2004.com.ua/our-choice/program>. Material from his election broadcast at <http://www.monitor.bbc.co.uk/> gathered from Ukrainian Radio First Programme on 7 September 2004.

reduction of presidential powers in favour of parliament; provincial governors to be appointed by the cabinet, not the President; a greater role for the regions in forming the national budget; much closer economic cooperation with Russia, especially in the production and export of arms, within the framework of the Single Economic Space; putting a hold on NATO entry; raising the Russian language to equal status with Ukrainian; and, slowing the pace of integration with the EU.

The two Viktoros both sought, sensibly, to promote themselves as candidates for all Ukrainians, appealing to voters from all regions and economic classes. A good example of this ‘something for everyone’ politics was Yanukovych’s statement on the Soviet era, a period for which many elderly Ukrainians are nostalgic: ‘It should not be forgotten that virtually all the existing economic, scientific, educational, medical, and cultural potential in Ukraine was created during the Soviet years. All sorts of things happened at that time – both vast achievements and great suffering. That is all part of our history, the story of each of us individually and all of us taken together.’ Yushchenko, in contrast, sought to unite Ukrainians by portraying himself as the champion of the people in the fight against corruption, stating that: ‘Ukraine is not divided into those born in east and west. Ukraine is not divided into Orthodox and [Greek] Catholic. Ukraine is not divided into Ukrainian speakers and Russian speakers. Ukraine today is divided into two categories. There are the bandits and the honest people.’ In essence, what divided the candidates was not their overarching stated aims – both claimed to seek a prosperous, stable, and above all, united Ukraine – rather their preferred means of reaching this goal. Yanukovych’s accent was on order and stability of the kind that has proved so popular in Putin’s Russia, and which Ukrainians in the populous eastern regions (from which Yanukovych draws most of his core support) are keen to emulate. Yushchenko offered a ‘European’ solution for Ukraine in the longer term: anchoring Ukraine to Western liberal institutions and values, in particular: the rule of law, freedom of speech, and the gradual strengthening of the market economy.

Manifesto pledges aside, the real issue in this election was corruption. Yushchenko’s self-image as the anti-sleaze candidate was bolstered by a number of factors, including: Yanukovych’s two previous criminal convictions and his status as the choice of the present regime in a country renowned for its high levels of corruption in all areas of public life. The corruption issue is also vital to understanding what has happened since the election and why it has proved impossible to find a compromise between Yushchenko and Yanukovych. What was at stake in this election for both sides was not merely the Presidency, all-powerful as this institution may seem in Ukraine. Both camps were competing for their political, economic and, even physical, survival. Throughout the campaign, and subsequently, there was a strong chance that Kuchma and Yanukovych would face prosecution (on corruption and possibly murder charges) should they find themselves suddenly ejected from office. It was also highly unlikely that Yushchenko would avoid retribution should Yanukovych have become President. Neither side appeared willing – or perhaps able – to negotiate a deal with the other that guaranteed the security of the other’s family and a significant chunk of their wealth. Moreover, ties of kinship, friendship and alliances – the so-called clans of Ukraine – widened the Yushchenko-Yanukovych rivalry throughout the regions. The result was an increase in

polarisation between the influential supporters of either side. The knowledge that this was a winner-take-all election made for an exceptionally hard-fought campaign, with neither side prepared to give quarter.

Before moving on to the details of the tactics deployed by each side in the campaign, it is worth noting that the opposition Yushchenko retained a respectable lead in the opinion polls over Yanukovich, despite three overwhelming advantages enjoyed by the government side. First, Yanukovich benefited from almost total dominance of the broadcast media. State owned television channels received so-called '*temnyky*' or guidelines from 'sources unknown' which gave instructions to editors to cover only certain themes, and certain points of view – all strongly in favour of Yanukovich. Supporters of the government also switched off the pro-opposition Channel 5 in several large cities in Ukraine, including Kharkiv. Second, Yanukovich had control over the levers of state power as prime minister and as the candidate endorsed by the outgoing president Kuchma. Candidates for the Presidency in Ukraine are supposed to resign their ministerial office so that there is no blurring of roles nor potential for the abuse of prime ministerial patronage. Yanukovich failed to do this. The OSCE reported employees whose living is dependent on the state being pressured into voting for Yanukovich by their managers. Third, Yanukovich had the support of most of the country's leading industrial groups, many of which are located in his base in the Donbass. This gave him a much heavier war chest for the election. Conservative estimates put his expenditure advertising in the run-up to the first round of the election at \$1.7 million, against \$742,000 for Yushchenko. Popular estimates for Yanukovich's total spending on the election campaign (including items such as office leasing, equipment, communications, and salaries for election campaign staff) are nearer \$1 billion.

Campaigning reached fever pitch in September with the alleged poisoning of Yushchenko and his subsequent emergency treatment in a Vienna clinic, which knocked him off the stump for two weeks. The illness also left him seriously disfigured. This was countered with the bizarre 'egg throwing incident' in the western Ukrainian city of Ivano-Frankivsk, in which Yanukovich collapsed suddenly as if mortally wounded after being hit by an egg thrown by students. It was subsequently claimed that other projectiles had been hurled in his direction, including stones, although this has not been substantiated. For a while after the poisoning affair, it seemed as if Yushchenko had taken the advantage, until the Vienna hospital issued a statement that it could not say if he had indeed been poisoned or not.⁶

Results from the First and Second Rounds

As Table 1 shows, despite the overwhelming balance of resources in favour of Yanukovich, and the spectacular endorsement of his candidature immediately prior to polling day during a phone-in on Ukrainian television by Vladimir Putin, Yushchenko emerged as the winner of the first round held on 31 October 2004 by a fractional margin of 0.55%, with 39.87% of the vote against 39.32% for Yanukovich. The next two

⁶ Yushchenko's poisoning was, however, eventually proven by the Vienna clinic. He had been given ricin at a dinner with the chief of the Ukrainian Security Services.

candidates, the Socialist Oleksandr Moroz, and the Communist Petro Symonenko, polled 5.81% and 4.97% respectively. The decline in support for the communist party, which has generally won around 20% to 25% of the vote in Presidential and parliamentary elections, is worthy of note here. Voter preferences by region were also much as would be expected, with Yushchenko polling best in central and western Ukraine, whilst Yanukovych did well in eastern and southern Ukraine.

Table 1: 2004 Ukrainian Presidential Election: First, Second and (Repeat) Second Round Official Results

	31 October 2004 First Round		21 November 2004 Second Round		26 December 2004 (Repeat) Second Round	
Viktor Yanukovych	39.32%	11,008,731	49.46%	15,093,691	44.19%	15,115,452
Viktor Yushchenko	39.87%	11,188,675	46.61%	14,222,289	51.99%	12,848,087
Oleksander Moroz	5.81%	1,632,098	-	-	-	-
Petro Symonenko	4.97 %	1,396,135	-	-	-	-
Natalie Vitrenko	1.54%	429,794	-	-	-	-
Against All	1.08%	302,779	2.31%	704,810	2.34%	680,198
Turnout	74.79%	28,035,134	79%	30,511,289	77.22%	29,068,309

Source: Ukrainian Central Electoral Commission <http://www.cvk.gov.ua>

Since neither candidate won more than 50% of the vote, the election proceeded to a second round contest between Yanukovych and Yushchenko, which took place on 21 November 2004. The second round of polling was marred by reports of falsification from the OSCE and other international and domestic observers. Examples of this include turnout exceeding 96% in Donetsk, and votes cast by prison inmates or soldiers, over 99% of which went to Yanukovych. Once again, Putin descended on Ukraine from Moscow to endorse Yanukovych. Nonetheless, in most of Ukraine the chairmen of the local electoral commissions conducted the election with diligence and professionalism. Exit polls gave Yushchenko a lead of between 3% and 11%. It therefore became clear that some fixing had taken place in the Central Electoral Commission in Kyiv when on 22 November 2004, the day after the second round of the election, it announced that with 99% of the vote counted Yanukovych had emerged as the winner with 49.46% of the vote against 46.61% for Yushchenko.

The key question was therefore: were the results fixed? Although at the time of writing no official, verifiable results have been published (the Central Election Commission's website has also been shut down), it is certain that the elections were not free nor fair and that the result did not reflect the true preferences of the majority of Ukrainians. In addition to the three advantages enjoyed by Yanukovych in the campaign that led to undue pressure being exerted on state employees mentioned above, three further factors make it almost certain that the election was rigged.

First, prior to election day in both rounds, the government printed around 1.4 million ‘*talony*’ or absentee ballots, which enabled voters to cast their ballots in a different polling station to the one in which they would normally be registered. On average, 5% of votes were cast in this way, although in some regions absentee ballots made up 10% of the total vote. For example, heads of polling stations in the city of Poltava reported six buses loads of voters arriving from Donetsk in order to cast their ballots there. These absentee ballots meant that it was possible to vote in more than one place, i.e. where one is registered and elsewhere. This is a factor that certainly contributed to the turnout of above 96% in Donetsk region.

Second, voter registration was wildly incorrect, with some people prevented from registering, whilst in Kharkiv over 17,000 ‘dead souls’ were registered. It is believed that up to 2 million deceased voters were registered across Ukraine in the first round. This would be an understandable – albeit suspiciously large - number in the first round. That these voters remained on the list for the second round, and indeed that even more voters were added to the list for the second round is extraordinary.

Third, protocols (the record written during the count) from some polling stations were altered between leaving the district electoral commission and arriving at the Central Election Commission (CEC) in Kyiv. The CEC’s failure to publish detailed results for each region from the second round makes this allegation hard to prove at the present time; however, its procrastination indicates that disparities exist between the votes counted locally and the aggregated national result.

In short, the election result was rigged in favour of Yanukovych because the Central Election Commission fabricated a result by changing the totals recorded in each region to give him an overall majority. Moreover, it is highly probable that Yushchenko won a slight majority (around 54%) of the votes cast in the first round and that the election result was similarly rigged to give the appearance of a much closer contest in order to soften public opinion up for a Yanukovych victory in the second round.⁷

The Orange Revolution and the (Repeat) Second Round Result

Given the extensive falsification of the ballot in favour of Viktor Yanukovych, it came as little surprise that Ukrainians took to the streets of Kyiv on the evening of 22 November 2004 to protest. What was unusual was the scale of the protests, and their duration. Hundreds of thousands of protestors came out each evening in Independence Square in central Kyiv. The figure varied from day to day, but during the course of the Orange Revolution, between 100,000 and 300,000 people gathered in Kyiv each evening. The demonstrations were not limited to Kyiv, nor were they exclusively in support of Yushchenko. Rallies were held in other cities of Ukraine, including: Lviv, Vinnitsa, Ivano-Frankivsk, Kharkiv and Poltava. Yanukovych’s supporters also took to the streets, albeit in far fewer numbers. As will be demonstrated, it was this People Power factor

⁷ Taras Kuzio reported shock amongst members of the Yanukovych team that Yushchenko had actually won the first round with 54% of the vote – had the result not been rigged. See: Eurasia Daily Monitor, Volume 1, Issue 119, The Jamestown Foundation, Washington DC, Wednesday, 3 November, 2004.

above all else that acted as the driving force behind Ukraine's Orange Revolution between 22 November 2004 and 8 December 2004.

This section examines the events that took place between the announcement of the provisional results of the second, falsified ballot on 22 November 2004 and the eventual victory of Viktor Yushchenko on 28 December 2004. The actors are divided into two main groups: domestic and international, with the former playing the crucial role. The role of the EU as a cohesive unit is reviewed separately in the following section.

On the domestic political scene, the key players were as follows, in approximate order of significance: the crowds on the streets, the Supreme Court, Viktor Yushchenko, the *Verkhovna Rada* (the Ukrainian unicameral parliament), outgoing President Kuchma, and Viktor Yanukovich.

Crowds on the streets, as noted above, played the key role in the Orange Revolution. Their sheer weight of numbers overwhelmed all the other actors – including Yushchenko - and ultimately made any backroom deal between the outgoing administration and Yushchenko, or indeed any result other than a re-run of the second round, impossible. It is worthy of note that a disproportionate share of the protestors on the streets of Kyiv came from the towns of western Ukraine.

Ukraine's Supreme Court occupies second place in order of importance amongst domestic actors, since it was this body that upheld the numerous complaints of falsification in the second round. It invalidated the result announced by the Central Electoral Commission on 3 December 2004, in a decision that paved the way for the extraordinary repeat of the second round on 26 December 2004. From the outset of the Orange Revolution, the Supreme Court was viewed as a neutral arbiter in the dispute, as one of few Ukrainian constitutional institutions to remain independent during Kuchma's Presidency.

Yushchenko's role in the crisis at the outset was crucial in calling on his supporters to gather in Independence Square on the night of the first election. Whilst his support amongst the crowds should not be underestimated, it is worth noting that the demonstrations for the most part were not strictly in favour of Yushchenko - a man, who, despite his brief tenure as prime minister and Governor of the National Bank of Ukraine, was actually relatively unknown to most Ukrainians before the election campaign began. The crowds were protesting for democracy, the rule of law, and an end to the corruption and cronyism of the Kuchma era. On the first evenings of the demonstrations, protestors could be heard to say that if Yushchenko did not do his job, they would remove him as well. In short, the demonstrators wanted the power to determine ultimately who governs in Ukraine – in other words a democratic system. Therefore, Yushchenko's role was essentially to do nothing that might alienate his supporters, whilst playing for time with the international community and the outgoing Kuchma administration. He played this part well, taking part in negotiations designed to end the crisis but not conceding any ground, confident that no decisions could be made against him so long as his supporters remained out on the streets.

Ukraine's parliament, the *Verkhovna Rada*, vacillated in the crisis, waiting to see what was happening before committing itself to any course of action. The parliament annulled the election result on 27 November 2004, only to overturn its decision on 30 November 2004. Parliament was present throughout the crisis as a focal point for demonstrations, and close to the outset of the crisis as the scene for Yushchenko's unofficial Presidential oath on 23 November 2004. Its real importance lay in approving the legislation that eventually paved the way for the re-run of the election on 26 December 2004. Ukraine's Constitution was amended, reducing the powers of the President, but delaying the implementation of this reform until mid-point in a Yushchenko Presidency, which coincides with parliamentary elections due in 2006. Ukraine's electoral law was temporarily amended, tightening restrictions on absentee ballot papers, requiring voters to register at one particular polling station in advance should they need to vote away from the district in which they are normally registered. Home voting was restricted to invalids 'of the first category'.

President Kuchma's role in the Ukrainian crisis was minor: he was effectively hostage to events moving beyond his control. Kuchma was unable to use the army and security forces to suppress the demonstrators; they had acquired a critical mass, which would have made it impossible to remove them from the streets without heavy bloodshed. Moreover, the army pledged not to use force against the demonstrators.

Viktor Yanukovych had much to gain from negotiation and everything to lose in a re-run of the third round. He even offered to make Yushchenko his prime minister. Yushchenko's capacity to bide his time seriously undermined any influence Yanukovych might have had on the crisis. It is worth noting, however, that Yanukovych still managed to hold up a respectable 44.19% of the vote in the repeated second round, despite all the bad publicity.

The three international actors with most impact on the Ukrainian elections – the United States, Russia, and Poland – all played very different roles. The latter two have emerged from the crisis with an altered international reputation. No doubts remain about the kind of vision Vladimir Putin has of Russia's role in the former Soviet space. His willingness to use Russian money, Russian expertise – though fortunately not Russian forces - to put a man obviously supported by the Kremlin in control is obvious. In this instance, Putin received a rude reminder of the limits to Russia's influence on Ukraine. Like so many others, he was squeezed out by the all-powerful crowds in Independence Square. Poland emerged from the crisis with its international reputation much enhanced. President Aleksander Kwaśniewski's considerable knowledge of Ukraine⁸ together with his long-standing friendship with outgoing President Kuchma placed him in a unique position amongst negotiators. Whilst it was clear that Poland's preferred candidate was Yushchenko, the official Polish line, respected by all sides, was that Poland supported a fair and democratic election. The United States receives special mention because of its frank condemnation of the rigging of the ballot in the original second round as other

⁸ On the Polish-Ukrainian Strategic Partnership, see: R. and K. Wolczuk, *Poland and Ukraine: a strategic partnership in a changing Europe?* Royal Institute of International Affairs, 2003.

Western countries and the EU hesitated.⁹ The United States sent a strong message to the protestors in Independence Square that they would have its full support in their demands for democracy and the rule of law.

All these factors taken together allowed for a repeat of the second round of the election on 26 December 2004. This ran ‘substantially closer’¹⁰ to OSCE and Council of Europe standards. Most of the abuses reported in the previous two rounds, such as the overwhelming bias of the broadcast media in favour of Yanukovich or the issue of the ‘*temnyky*’ or guidelines to journalists, did not take place in this round. However, considerable confusion was caused by the regulation of home voting, restricted to ‘invalids of the first category’ (those who cannot walk) by the legislation passed by the *Verkhovna Rada* on 8 December 2004, subsequently overruled by the Ukrainian courts.¹¹ On 28 December 2004, with 100% of the vote counted, the Central Electoral Commission declared Yushchenko the winner with 51.99% to 44.19% for Yanukovich. Yanukovich at first tried to contest the result, refusing to resign as prime minister until his complaints to the Central Electoral Commission had been upheld. However, on 1 January 2005, he eventually stood down paving the way for Yushchenko’s official inauguration as president and the appointment of a new prime minister.

The European Dimension

This section reviews: what role Europe – and the EU in particular- played in the election campaign; and what the election and the events that have followed it mean for EU-Ukraine relations, and in particular the implementation of the European Neighbourhood Policy (ENP).

Even if this election was fought primarily on the issue of corruption in public life and not on foreign policy orientations, European affairs were at the very heart of the 2004 Ukrainian Presidential elections. The explanation for this can be found in a point touched upon above: what the ‘European choice’ means for Ukraine. A European choice - or more precisely, a choice for European standards - has two meanings in Ukraine: first a [West] European standard of living, and second, European standards or values of justice, democracy and the rule of law. At times, the two visions of what ‘European standards’ meant clashed with each other, with Yanukovich promising to build European living standards in Donetsk, and Yushchenko promising European values and European integration. For both sides ‘Europe’ has a positive connotation, and the fact that it clearly meant different things to different people allowed both sides to use ‘Europe’ to their advantage during the campaign.

The events that followed the election – the mass demonstrations in the centre of Kyiv and other Ukrainian cities – took Brussels and most of the EU’s Member States by surprise.

⁹ See: <http://www.cnn.com/2004/US/11/24/powell.ukraine/>

¹⁰ The OSCE/ODHIR report on the repeat second round is available at:

http://www.osce.org/odihr/elections/field_activities/?election=2004ukraine

¹¹ BBC News Kyiv 25 December 2004. See: <http://news.bbc.co.uk/2/hi/europe/4124941.stml>

For the first time, the EU and west European member states, such as Germany and the UK, were forced to take Ukraine seriously. Four factors account for this.

First, Ukraine now appears to have made a definitive 'European choice'. Previously, the European Commission and Council argued that eventual Ukrainian membership of the EU was out of the question, since Ukraine had not made a definitive choice in favour of European integration. Ukraine has long had a clear majority of about 56% in favour of European integration, with 16% against.¹² The election results only serve to underline this.

Second, the strength of Ukrainian civil society – on both sides of the political fence – and Ukrainian institutions were strongly evident since the election. Prior to the election, commentators from states favourable to Ukrainian integration with the EU, such as Poland, were adamant that the principal obstacle to Ukrainian integration with the Union was the absence of civil society, precluding the efficient functioning of democracy. The peaceful mass demonstrations across western and central Ukraine are testament to how far Ukraine has developed since independence in 1991. When Leonid Kravchuk, first President of Ukraine, proclaimed the autonomy of the Ukrainian SSR, around 20,000 people came out on the streets of Kyiv. By contrast, around 200,000 people gathered to protest against the rigging of the 2004 presidential election.

Third, at the outset of the crisis, there were worries that, in Ukraine, the EU had an unstable state with a reasonable risk of civil conflict on its Eastern doorstep. It was always extremely improbable that the Ukraine would have descended into full-scale civil war on the scale that followed the break-up of the former Yugoslavia. However, should the opposition protestors have been crushed by forces loyal to Kuchma and Yanukovich, it is very probable that refugees would have flooded across the border into the three Member States bordering Ukraine: Poland, Hungary and Slovakia. Fortunately, none of this happened, but the crisis has served to put Ukraine on the map.

Fourth, if the EU ever had any doubts about what kind of Russia Vladimir Putin is hoping to build, it is now clear that it will not hold back from direct intervention – possibly even militarily – in the affairs of its neighbours when it can. It is clearly not in the interests of the EU to strengthen Russia's position as it appears to revert to its earlier authoritarian tendencies.

Now that Yushchenko is installed in the Presidential palace, the EU will have to move swiftly. Negotiations on its Action Plan for Ukraine's implementation of the ENP will have to be brought to a close as soon as possible, and momentum maintained to ensure that its provisions are put in place sooner rather than later. For the four reasons spelt out above, attitudes towards Ukraine have shifted – or will soon have to shift – in Brussels. Perhaps the European Commission and the foreign affairs ministries of some member states have less far to go than might at first be imagined. For example, the British Foreign Office had earmarked around £500,000 for Ukraine in its Global Opportunities Fund,

¹²See: J. Konieczna, *Polska-Ukraina Wzajemny Wizerunek*, Instytut Spraw Publicznych, Warsaw, 2001, p. 71.

contingent on a Yushchenko victory - a figure that will probably now have to rise. After a couple of days of dithering, two key Member States, the UK and Germany, signalled that they did not recognise the election result in Ukraine. France, perhaps mindful of its traditionally pro-Moscow stance long remained conspicuously silent. It is likely that these states have moved Ukraine up the foreign policy agenda, and - together with the three Member States that border Ukraine - this group now has the critical mass to ensure the implementation of a robust ENP.

Conclusion and Future prospects

The priorities for Yushchenko as incoming President of Ukraine will be as follows:

First, repair the splits in Ukrainian society. The repeat second round election gave a clear majority to Yushchenko, but Yanukovych still won almost half the total with 44.19% of the vote. The polarisation of society between east and west that has followed cannot be allowed to continue. Calls on 28 November 2004 for a referendum on the separation of the Donetsk and Luhansk regions from Ukraine reflect genuine concerns amongst ordinary people that their interests will be ignored by the new administration. Yushchenko will have to court popularity – or at the very least acceptance – in Donetsk as well as Lviv.

Second, raise interest rates to control inflation and stabilise the hryvnya. Ukraine's present double-digit economic growth is not sustainable, resulting partially from a rebound after the economic collapse of the 1990s, and also from the large pre-election increases in government spending. Increases in public spending will also have to be trimmed. Yushchenko's record as a monetarist prime minister and previously governor of the Ukrainian Central Bank bodes well on all these counts. Nonetheless, it will be very hard to square economic austerity with popularity in the east. Much of Yanukovych's popularity in his home region of Donetsk stems from paying miners on time and subsidising loss-making, labour intensive industries with public money.

Third, crack down on corruption. This is much easier said than done. Corruption tops the list of voter priorities in Ukraine, and is a serious disincentive to foreign [Western] direct investment. In fairness to the outgoing administration, some of the worst excesses of the 1990s have been already been dealt with. Ukraine's new President cannot afford to fail in the fight against corruption, since this will be the basis of his mandate.

Fourth, recast Ukrainian-Russian relations on a new footing. Russian meddling in Ukraine's election notwithstanding, the new President will have to rebuild bridges with Russia. Russia is the largest investor in Ukraine, its principal trading partner and the main supplier of its energy needs. Yushchenko will have to convince Putin that closer European integration need not necessarily leave Russia out in the cold. Part of the key to this may be the ethnic Russian business community in the Baltic states, particularly in Latvia. Their positive experiences of the business environment in the EU have already filtered through to Kyiv. It may be possible for Ukrainian business people to convince

their Russian counterparts that the Single Market has much more to offer than the Single Economic Space.

Fifth, take advantage of the goodwill towards Ukraine on the part of the United States and the EU to make serious headway with European integration. For the reasons spelled out above, the EU has shifted its thinking on Ukraine. It is likely that the ENP offer from the EU side will be raised to draw Ukraine closer; it is up to the incoming Ukrainian administration to ensure its efficient implementation. Ukraine is also well positioned to gain membership of NATO. Apart from the recent political changes, the presence of its troops in Iraq and, most importantly of all, its possession of military hardware (such as the heavy Antonov supply planes) would add considerably to NATO's collective might in a way that many new members do not. However, this is a much more controversial issue in Ukrainian society, and the incoming Presidency would have to think carefully before abandoning neutrality.¹³

Sixth, complete the constitutional reform that signalled the end of the Ukrainian crisis on 8 December 2004. The transfer of considerable powers from the President to the prime minister and parliament is not only felt by many to be democratically good practice but will also send a clear signal to the world about the kind of state that Ukraine is on the road to becoming.

Despite the momentous events that have followed the Ukrainian elections, the incoming administration faces many challenges. It is up to Yushchenko not to squander his mandate, to take advantage of international goodwill, and to cement democracy and the rule of law at the heart of the Ukrainian polity. The hundreds of thousands of Ukrainians who came out to defend democracy will not be forgiving of an administration that fails to live up to the hopes invested in it.

This is the latest in a series of election and referendum briefings produced by the European Parties Elections and Referendums Network (EPERN). Based in the Sussex European Institute, EPERN is an international network of scholars that was originally established as the Opposing Europe Research Network (OERN) in June 2000 to chart the divisions over Europe that exist within party systems. In August 2003 it was re-launched as EPERN to reflect a widening of its objectives to consider the broader impact of the European issue on the domestic politics of EU member and candidate states. The Network retains an independent stance on the issues under consideration. For more information and copies of all our publications visit our website at <http://www.sussex.ac.uk/sei/1-4-2.html>.

¹³ 40% of Ukrainians are against joining NATO. 30% are in favour. The rest are uncertain. This compares with 56% for EU membership and 16% against. See: *Polska-Ukraina Wzajemny Wizerunek*. p71.