

Ukrainian 'democracy' is sacrificed to the IMF

by Rachel Douglas

Having become an unwelcome presence in most countries, unable to nail down Congressional approval for \$18 billion in contributions from the United States, and termed by Japan's Deputy Finance Minister Eisuke Sakakibara an institution whose "checks, and solutions, are insufficient," the International Monetary Fund is acting more dictatorially than ever in Russia and Ukraine. These are two of the largest and most heavily industrialized countries, to have had their every move subjected to IMF scrutiny and veto in recent years.

In Moscow, IMF representative Martin Gilman said in an interview with Radio Free Europe/Radio Liberty on April 28, that Russia had better not try to enforce its new trade statute, which enables domestic producers to make anti-dumping complaints against imports priced below cost. "We need to know, how the government plans to apply the law in practice," warned Gilman.

In Ukraine, the IMF has dictated a rewrite of the national budget for 1998. Its handiwork is visible also in the latest shakeup of the Ukrainian government, and is suspected in the devious use of court actions in attempts to oust newly elected members of the Ukrainian Parliament, including Dr. Natalya Vitrenko, the country's most ardent, and competent, opponent of IMF policies.

Clearly, "democracy," and legislation adopted by duly elected representative bodies, have no place in the IMF's universe.

Budget rewrite

Viktor Yushchenko, chairman of the Central Bank of Ukraine, told an April 22 press conference that the IMF has imposed precisely 92 conditions for Ukraine to receive an Extended Fund Facility (EFF) of \$2.5 billion, in tranches over three years, to "support deep structural reforms." The conditionalities include cuts in budget spending, to reduce the deficit from 3.3% to 2.5% of Gross Domestic Product. Also on the list, is the increase in fees for electricity and utilities — which means further strangulation of Ukraine's ruined industry and impoverished population. The utilities fee hike was imposed by government decree, already on April 21.

An IMF delegation was in Kiev for much of April, determining whether or not to approve the EFF, replacing a standby credit line, on which disbursements were suspended early this year.

On April 23, Ukrainian TV reported that Finance Minister Ihor Mityukov had announced that the 1998 budget is being rewritten to adhere to the new conditions, and will be submitted to the new Verkhovna Rada (Parliament) in May. The previous budget had already counted on a \$292 tranche from the EFF, which now is being made contingent on implementing "real economic changes," as the *Russky Telegraph* put it. In coverage of the IMF's demands on Ukraine, that Moscow newspaper commented that President Leonid Kuchma is visibly worried about the IMF's withholding approval of the EFF, since "the absence of IMF assistance precludes the possibility to improve, even declaratively, the life of the country's voters on the eve of [next year's] Presidential elections."

Russky Telegraph suggested that democracy has become too expensive in Ukraine — quite literally: It was the spending necessary to hold the March 29 parliamentary elections, that drove the budget deficit above the IMF's requirements!

Premier Valeri Pustovoytenko, using IMF language, said on April 17 that his cabinet was about to be purged, "to considerably reinforce and improve the government team in order to speed up *structural changes* in the Ukrainian economy." Economics Minister Valeri Suslov met Kuchma on April 22, then resigned to "concentrate on parliamentary work." Suslov was elected to the Verkhovna Rada on the slate of the Socialist-Rural bloc, headed by Oleksandr Moroz. Finance Minister Mityukov received a warning that if the situation with the budget does not improve, he'll also have to leave his post. Other officials likely to resign to take up their seats in Parliament, include Technology Minister Vitali Seminozhenko, Environment Minister Yuri Kostenko, and Transport Minister Valeriy Cherep. Kuchma also shifted the leaders of the Agroindustrial Complex Ministry, and the Security Service.

The tension around economic and financial policy questions in Ukraine was heightened with the assassination on April 22 of Vadym Hetman, head of the Ukrainian Interbank Currency Exchange, who was gunned down in the entryway of his apartment building. The highest-ranking such assassination in independent Ukraine, Hetman was famous as the author of Ukraine's own currency, the hryvnia, which bears his signature. Central Bank chief Viktor Yushchenko is one of his protégés. Hetman also ran for Parliament and lost, in the March 29 election. An Internal Affairs Ministry spokes-

man told Interfax that both economic and political motives for the killing would be investigated. Some sources in Kiev regard Hetman's murder as the signal for an assault on the hryvnia.

What democracy?

At an April 24 press conference in Kiev, Dr. Natalya Vitrenko released an open letter to President Kuchma (see box), regarding unlawful attempts to bar her Progressive Socialist Party of Ukraine from being seated in the Verkhovna Rada. She invoked international human and civil rights standards.

During the press conference, Dr. Vitrenko displayed a copy of her interview in *EIR* of April 24, 1998, which appears under the headline, "Our First Goal Is to End Ukraine's Pact with the IMF." The Konotop Province court acted to overturn Vitrenko's clear electoral victory, while the IMF delegation considering the new \$2.5 billion EFF was in the country.

According to the Press Center of Dr. Vitrenko's Progressive Socialist Party of Ukraine, it is not yet clear, whether the party's slate of 14 elected deputies will be seated in the new Verkhovna Rada. On April 29, former Justice Minister Serhi Holovaty, a leader of the "Forward Ukraine!" opposition electoral bloc, also had his victory nullified by a court, this time in Kiev. As in the case of Natalya Vitrenko, his victory had already been certified by the Central Electoral Commission.

Cynical violation of human rights must stop

This statement was issued by Dr. Natalya Vitrenko, chairman of the Progressive Socialist Party of Ukraine (PSPU), on April 24.

To: President of Ukraine L. Kuchma; Chairman of the Supreme Court of Ukraine V. Boyko; Acting Prosecutor General of Ukraine. V. Ferenets; Chairman of the Central Electoral Commission M. Ryabets.

Understanding the importance of regular elections to the organs of power, as one of the basic rights exercised by citizens in the formation of a ruling power structure, which would express the political will of the people, the People's Deputies of Ukraine from the Progressive Socialist Party of Ukraine believe that shameful political persecution has been unleashed against the PSPU and its leaders, N. Vitrenko and V. Marchenko.

According to the election results for the single, nationwide election district, the PSPU received 1,075,000 votes, i.e., 4.046% of the votes, surpassing the 4% barrier [for entry into Parliament as a bloc] and winning 14 seats in the Parliament.

N. Vitrenko and V. Marchenko won convincing victories in their individual districts (No. 160 and No. 161). More than 65,000 people voted for N. Vitrenko, or 53% of the voters; 51,000 people voted for V. Marchenko, which was 36% of the vote. They led their closest rivals by 43,000 and 31,000 (!) votes, respectively.

The party and its leaders achieved this victory, while completely observing the Constitution of Ukraine and Ukraine's Law on the Election of People's Deputies. It was precisely on that basis, that the district electoral commissions for districts No. 160 and No. 161, on 30 March 1998, certified the election of People's Deputies of Ukraine N. Vitrenko and V. Marchenko. The Central Electoral Commission also certified the representation of the PSPU in the Ukrainian Parliament as legal.

These electoral results, however, became the object of political attack by the opponents of the PSPU, and of Vitrenko and Marchenko personally. This has been assisted by state organs of power, and by the courts. Acting in the name of Ukraine, the Konotop Municipal Court has twice (27 March and 17 April), on the basis of unproved allegations by opponents and their hired witnesses, and in gross violation of procedural norms and the constitutional rights of citizens, adopted illegal decisions, aimed at annulling the lawful results of the election.

The supreme organs of state power, which ought to defend the rights of citizens, are abetting by their inaction the gross violation of the political rights of the citizens and of the members of the PSPU. Furious blackmail is under way, aimed to force the PSPU leaders to yield the districts where they won.

Such actions, together with the inaction of state organs of power and officials, forces us to state, that Ukraine is becoming a nation, where political rights are openly violated, and persecution for political beliefs occurs.

It is difficult to find in history any analogue for the flouting of the law, which is currently being permitted with respect to the PSPU and its leaders, for whom the population has expressed support.

We will never accept such cynical political reprisals, and we state that, if this is not stopped, we reserve the right, as a protest, to resign our mandates as People's Deputies of Ukraine, and to appeal to the European Court on Human Rights, and to the international community, for Ukraine to be recognized as a country, where human rights are cynically violated, and against which the corresponding sanctions should be applied.

With the agreement and on instruction of People's Deputies of Ukraine V. Marchenko, A. Charodeyev, P. Romanchuk, M. Savenko, T. Zadorozhnaya, I. Malolitko, V. Kvyat, S. Tikhonov, N. Haber, M. Sidorchuk, N. Ly-mar, V. Stozhenko, I. Kunev.