During the late spring and summer of 1997 Ukraine concluded a number of major agreements. It seemingly settled its long-standing dispute with Russia over the fate of the Black Sea Fleet and its basing in Sevastopol, and saw at the end of May the long-awaited visit to Kyiv by President Yeltsin and the signature of a Ukrainian-Russian treaty of friendship and cooperation. It also finally concluded a similar treaty with Romania, and Presidents Kuchma and Kwasniewski signed a document on Ukrainian-Polish historic reconciliation. In July Ukraine signed a special partnership agreement with NATO. In September, Ukraine's international reputation was given a major boost when Foreign Minister Udovenko was elected president of the UN General Assembly.

Domestically, though, progress with the political and economic reform efforts continued to be slow: battles over powers between the president and the parliament were renewed, and the left continued its blocking tactics. In the middle of 1997 Kuchma replaced prime minister Lazarenko, who was accused of corruption and illegal dealings, with a close political ally, Valerii Pustovoitenko, thereby confirming the split within the ranks of the 'Dnipropetrovtsi'. Holovaty, Durdynets and Kuras were among the ministers who did not reappear in the new Cabinet of Ministers.

In late August 1997 the IMF approved a $542 million stand-by loan but deferred consideration of a longer and larger $2.5 to $3 billion credit. The IMF's assessment of the situation, as reported by Reuter on 25 August 1997, put it succinctly: 'While Ukraine has made great strides, formidable challenges remain as domestic consensus on the nature of reform is sought, particularly as parliamentary elections approach.'

With new parliamentary elections scheduled for March 1988, leftist deputies opposed the adoption of a new election law proposing a mixed majoritarian-proportional representation system. Kuchma's calls for a one-year delay of the parliamentary elections were unsuccessful. The new election law was finally adopted in late
September 1997 after which the country's political forces focused on preparing their election campaigns.

The president's supporters formed the People's Democratic Party (PDP) led by Pustovoitenko; Lazarenko created his own 'social democratic' Hromada (Community) party, and Marchuk and Kravchuk joined forces in the centre-right United Social Democratic Party of Ukraine. Because of political rivalry and distrust, Rukh, still led by Chornovil, and other national democratic and rightist parties were unable to form an effective electoral coalition. The rein­vigorated Communist Party led by Petro Symonenko, which with a membership of 140,000 was the country's largest and best or­ganised political party, however, prepared to reap the benefits of the new election law which favoured larger parties. Meanwhile, Moroz, still defiantly wearing two hats—that of parliamentary speaker and leader of the Socialist Party of Ukraine -exploited the increasingly ugly recriminations between Kuchma and Lazarenko and, while backing calls for the president's impeachment, sought to boost parliament's and his own standing.

The elections resulted in a leftward swing and an even more politically polarized parliament. Ironically, it was the Communists who experienced a resurgence, winning over a quarter of the seats (123) and emerging as by far the largest single party in the new 450-strong parliament. Together with their neo-Communist allies they could control about one-third of the votes. Rukh obtained 46 seats, the PDP 28, Hromada 23, the Green Party, an impressive 19, and the United Social Democratic Party, 16.

The political stalemate in the new parliament, accompanied by more miners' protests and social discontent, was demonstrated by the protracted process during the summer weeks of electing a new speaker. Moroz, Symonenko, Kravchuk, Plyushch and quite a few other compromise candidates failed, often by just a few votes, to be elected before, finally, after about twenty attempts, the conservative leftist agrarian, Oleksandr Tkachenko, obtained the requisite num­ber of votes. Control over the parliamentary commissions (renamed 'committees') was divided up among the parties represented in the legislature, with Moroz (agrarian policy), Marchuk (social policy and labour), Oliinyk (foreign relations), Udovenko (human rights, national minorities and inter-religious relations) and Tanyuk (culture) emerging among the new heads. Others included the Communists, Hurenko, whose return to political life was rewarded by his party with the
chairmanship of the committee on economic policy, and Hryhorii Kryuchkov, who was given stewardship over the committee on defence and security.

The results of the 1998 parliamentary election and the appointment of the new parliament's officials confirmed that Ukrainian society continued to be pulled in opposite directions: forward and backwards, westward and eastward. Just as President Kuchma and his team were coming under mounting pressure from the IMF and western states to move ahead with economic reforms and to overcome the external frustration with the sluggish pace of change and rampant corruption, the Communists and their allies had taken control of key committees within the parliament. Furthermore, although Ukraine's most pro-Western diplomat, Borys Tarasyuk, has been recently been appointed by Kuchma to replace Udovenko as foreign minister (the latter had become a deputy from Rukh), the Communist leader Symonenko was publicly in league with Russian and Belarusian colleagues who wanted to restore the former Union, and Kryuchkov, was voicing his aversion to NATO.

After seven years of independence, having secured for itself conducive external relations, but still plagued by its internal economic malaise and political divisions, Ukraine was still in the throes of systemic transition and did not seem adequately prepared to face the challenges of the twenty-first century. At almost the end of the twentieth century, as Russia and other former Soviet states also struggled to come to terms with their changed status and the vagaries of political and economic transformation, the fate of the second Ukrainian resurgence in modern times hung in the balance.