

Event Transcript

Ukraine's Future: The Challenges and Impact of Governance in Ukraine

The Challenges of Governance in Ukraine

Moderator: Anders Åslund, Peterson Institute for International Economics

Participants:

Adrian Karatnycky, Atlantic Council

David Kramer, Freedom House

Andriy Kulykov, Svoboda Slova, ICTV

Oleh Rybachuk, United Action Center

Victoria Sjumar, Institute of Mass Information

Conference cohosted by the Peterson Institute for International Economics, the Center on the United States and Europe at the Brookings Institution, and the Atlantic Council

July 7, 2011

This transcript is unedited.

Fred Bergsten: Please take your seats and we'll begin the program.

Ander Åslund: Ladies and gentlemen, welcome back to the first panel that we are having here, the second session. My name is Anders Åslund, I'm a senior fellow here at the Peterson Institute and I'm dealing with Ukraine since, I think 1985.

As Steve Pifer pointed out at the beginning, why we are doing this today, Brookings and Peterson Institute and Atlantic Council together? It is that, on the one hand, we are long-time friends of Ukraine. We think it's very important that the United States and the European Union have good and close relations with Ukraine. All of us are engaged and think that Ukraine really belongs to Europe as Deputy Foreign Minister Klimkin so well underlined today.

And the other side of it is that we are concerned about the situation in Ukraine. And what we are concerned about is specifically domestic governance. And as Steven Pifer so well clarified, the issues that we are concerned about is increasing pressure on the media, revocation of the constitutional changes that took place last September, the substandard election already last October, and various harassment by the security services, and indeed, the many legal cases and arrests of previous ministers and top officials.

And most spectacularly now, we are seeing Tymoshenko case that seems to develop into an ever-worse farce each day. Every charge is changed while it's clear that it's supposed to be a guilty verdict, whatever, for whatever crime it might be. We're already entering the fourth crime accusations after the, at least the two first have fallen apart, and now the fourth is coming. And now the prominent case is directed against former president Leonid Kuchma.

So this panel is very much about what is the state of affairs inside Ukraine, and the next panel will be about what is the impact of that state of affairs. So without further ado, I will ask the various members of the panel to speak briefly to their topic, as they choose it, for five to seven minutes, not more. We want to have a conversation, so I will definitely call on the floor; so prepare your questions or comments already, do that.

And first, I would like to turn to David Kramer, who was previously Assistant Secretary of State for Democracy and Human Rights. He has been working on Ukraine for a very long time, and we happened to be colleagues at Carnegie [ph 00:03:52] for some time, I remember.

And you have now decently as president of Freedom House, together with Damon Wilson and Bob Nurick, done a substantial report in April on the state of freedom in the Ukraine. So I would like to start to ask you, what were your conclusions?

David Kramer:

Anders, thank you very much. Thanks to the Peterson Institute, Atlantic Council, Brookings for inviting me to join you for this conference. I'm amazed and very pleased to see such an impressive turn-out here this morning. I think it reflects both a great interest in Ukraine, but also a level of concern that we haven't seen in quite a while.

Let me briefly describe the conclusions of our report, which is "Sounding the Alarm: Protecting Democracy in Ukraine." It's a follow-on to our downgrade from our annual Freedom in the World report that we issued in January, moving Ukraine from the free category to the partly free category. Both this special report that we did and our Nations in Transit report, which we just released last week, I think reaffirm the downgrade of Ukraine's ranking; and in the Nations in Transit report, in fact, which came out last week, it cites four declines; including most notably in the areas of national democratic governance and judicial independence, and it talks about a growing concentration of power in the executive branch and a general return to a post-Soviet semi-authoritarian model.

The conclusions in this report that we came to broke down in four ways. The first concerns the trends in the domestic politics and in the governance; and they include, I think, a disturbing consolidation and

concentration of power in the executive branch, which while may be a welcome change for some from the disarray and lack of governance in the previous administration, has now reached an extreme point.

We also see a growing use of the security services, the S B U, the Ministry of the Interior, to a degree that is raising alarms as well. A politicization of the judiciary, local elections that were first postponed and then conducted in a fashion that fell far short of international standards; growing pressure on media, and we'll hear more about that from my colleagues on the panel; and then also most notably selective prosecutions, and I'm going to come back to that at the end.

We've also mentioned the judiciary. We've seen court decisions which, if we go back to the decision that permitted the formation of the coalition of the government, that may have been the first step in the wrong direction that we've seen since the Yanukovich presidency has been in place. And then we saw the reversal of constitutional reforms last fall, which further solidified the power of the executive branch at the expense of the legislative branch. So the first conclusion is very disturbing trends from the government.

Second is, the opposition, unfortunately, is not a great deal better. It doesn't offer a lot of hope. There were many thousands, hundreds of thousands of people who turned out in Maydon in 2004, and they became very disappointed and very disillusioned with the Orange leaders after that very important moment in Ukraine in 2004, and discovered that the leaders for whom they went out and protested for turned out to be a terrible disappointment. The opposition, I'm afraid to say, hasn't gotten a great deal better. Now, it has, certain members of it, at least, have been under great pressure from the government; but the opposition I think is a great source of disappointment.

This leads to the third conclusion, which is the civil society, while quite vibrant, also risks becoming disheartened and disillusioned as well. When it looks at the choices politically, it doesn't see a lot to get behind. And civil society is under growing pressure. There was one organization when Damon, Bob Nurrick and Evan Alterman, my colleagues from Freedom House were in Ukraine in February, heard from, who said that the SBU paid visits to the homes of people who participated in a conference, something this person said, having worked in Ukraine for ten years, that he has not seen in the whole time he's been living there.

The last conclusion concerns western engagement. And I think both a sense among Ukrainians in and outside the government, but also a reality, which is that the West is not as engaged as it should be or used to be. And here, I think it's critically important that the European Union and United

States step up their level of interest, their level of engagement. There is a clear understanding of what's behind the reset policy between the US and Russia. I don't think there is a similar clear understanding of what US policy is toward Ukraine or what EU policy is, notwithstanding the progress that has been made in trying to finalize agreements dealing with free trade and the association agreement.

Ukraine has become less democratic in the past year; and that's not to say, by the way, that those of us who conducted the study have a rose-colored view of the previous five years. As I mentioned already when I described the opposition, the previous five-years were a virtual disaster where you had lack of governance, you had gross corruption, and a situation where the prime minister and the president were too busy fighting with each other rather than focusing on the greater good.

But the current trends in Ukraine, and we mentioned this in our report, if left unchecked, will lead to a Ukraine that is moving towards greater autocracy and greater kleptocracy. There are trends since we were there, and we went back in June to roll out a report in Ukraine; I think have only affirmed the conclusions that we reached, that the situation is going in the wrong direction.

And let me know end with comments on the selective prosecutions. I had not planned to single this out in particular until developments of this week. But the latest SBU investigation of Yulia Tymoshenko has turned, as Anders said, a farce into a tragedy. One of the lessons I think a lot of us have learned, whether you're in government or out of government, when you find yourself in a hole, stop digging. Ukrainians keep digging, and before they know it they're going to wind up through the other end of the earth.

This is a tragedy for Ukraine. It is becoming a joke. There is no credibility to these investigations anymore. It's just one charge after another against Yulia Tymoshenko until something sticks. And if Ukraine wants to maintain credibility in pursuing or going after corruption, if it wants to maintain credibility on issues of rule of law, this nonsense has to stop.

So I urge my Ukrainian government colleagues who are here, when you go back or report back to your government, tell them to stop. This is outrageous. It is destroying Ukraine's prospects for real integration into the Euro-Atlantic community, and is destroying your country's prospects for a real democratic future.

There are some of us who hoped that the gains from the Orange Revolution in 2004 were irreversible. I think what we're seeing now is that those gains were not irreversible, they are in fact being reversed, and

something desperately needs to be done about it. I've taken recently to wearing a bracelet for Belarus, another country I follow very closely. And this bracelet is "Free Belarus Now.org" I certainly hope that we don't have to start wearing similar bracelets for Ukraine. Thank you.

Anders Åslund: Thank you David, that was a very clear message. Let me then turn to Oleh Rybachuk. I should say that for this panel, we have invited three outstanding personalities from Kyiv, and we are very happy that they all could come. Oleh, for many years, you were the Chief of Staff of former president of Viktor Yushchenko, and you were also Deputy Prime Minister for European Affairs after the Orange Revolution.

But I remember in 2006, you resigned rather abruptly. And since then, you have done a lot to develop various civil society organizations, now is Chairman of United Action Center. So I'm very interested in hearing what is your take on the governance situation in Ukraine today?

Oleh Rybachuk: Thank you Auslund. Welcome everyone. I'm really impressed by the audience, by attention, by the speakers, by this initiative, when three largest American think-tanks actually find it appropriate. I may not like background against which we are all here, but I'm impressed that we are meeting here and we are discussing the issues.

I could, I could just say one word, that I agree with everything David Kramer said and I could make my five minutes timing, but probably I would add a few words which are very close to something you already heard. Interesting enough, in Ukraine, there is no—in Ukrainian and even in Russian language, there is no analog of governance and good governance. But both in Russia and Ukraine you will hear the word of, "strong vertical of power."

I remember that I was asked by BBC correspondent who just came from Moscow, asking me, "What does it actually mean?" For BBC it's not known what is vertical of power, but in Ukraine and in Russia this is maybe something which resembles the subject that we are discussing about governance.

Just for my own understanding I, knowing that Washington is homeplace for World Bank, I decided to put on my notes definition of governance by World Bank, which says that governance "is the exercise of political authority and the use of institutional resources to manage society's problems and affairs." The way my government is managing society's problems and affairs is not a surprise for you.

What I'm noticing and what I simply agree with, and probably I am encouraged again by the fact that practically all leading world institutions

dealing with democracy or world affairs, during last year more or less simultaneously or in the same words described what is happening in Ukraine. This criticism is helpful, I would like to say, because Ukrainian authorities, regardless are they in democratic camp, or are they in today's camp with stronger democracy management skills, they all are receptive to international criticism.

And therefore when we hear in Ukraine that all institutions starting from Brussels, European Council and European Parliament, and American State Department, Freedom House, Transparency International, all are talking in the same language about backslide of democracy. It means that Ukrainian government has to respond, and it is trying to respond. What probably is desired, that this criticism is also accompanied by some actions, or government which does not respond to this kind of criticism should pay a price, either political or financial.

Because when we are speaking about ever-growing corruption, and I was telling this in Brussels; if you are financing directly government which is chronically engaged in corruptive activity, indirectly you finance corruption. Same can be said about international financial institutions. If you would like to have changes, you have to change criticism; go from criticisms to direct link between your money and actions promised if you would like corruption to be curbed down.

There are two level of challenges of governance in Ukraine. One is obvious, and obvious was already discussed by practically every speaker on today's panel. This is monopolization of power, systemic corruption, the deterioration of the parliaments and judicial system, security services interfering into political and civic affairs, worsening of election rules, politically motivated prosecutions, all that are obvious things.

But I would like also to say that there are also latent challenges to governance in Ukraine. One is, and you've been witness of this one, that Ukrainians are now playing very nice with words. We all speak same language. If you listen to opposition, or if you listen to government, we're all speaking about democracy, we need to fight corruption, reforms.

Last parliamentary elections, all Ukrainian candidates had- practically strongest Ukrainian candidates had American advisors. So over the breakfast, all Americans could sit across the table and discuss the problems which were in the country, but if you listen to Ukrainian politicians, they are speaking right things. You wouldn't challenge them verbally, and this is very clearly noticed in Ukraine. This is the positive change. Is it positive change? It is a question.

But rhetoric has changed. There are speech writers, they know what to say, they know what you would like to hear, and you'll get it, what you would like to hear. The problem is much more difficult on the actual state of affairs, because all society knows that there is no democracy, there is a threat for democracy, as there was a threat for democracy before that. Reforms? You ask president, he would say, “Yes, there are democratic reforms. Talk to people.” Look yourself, and analyze yourself, and you will see the fucking difference there.

The example of this kind of approach; look at the election law, for example. How many times Ukrainians have been criticized, Ukrainian government has been criticized for changing election rules exactly on the eve of next election—what we are facing today. We've been expecting to have election code to change all that.

You probably heard the story of what was happening with new law on parliamentary elections, with NDI and IRI backs off, and all that rhetoric. This is a classical example where nice words are there, and if there would be Minister of Justice—friend of mine and neighbor of mine, we live in the same village—he would explain to you that everything is all right, that there were advisors involved, that civil society was in the working group, that their recommendations, some of their recommendations have been taken to notice. But you know, you cannot take all of it.

In reality, the way it works is that civic experts are present there. They are not drafting the law, but they can talk. No problem, you can talk, you can submit your proposals. But then there was Deputy Minister who was fired actually after talking publically about this. She openly said that “We take all those recommendations, and it will be decided by president what to take into consideration and what not to take into consideration.”

And this is the way it works everywhere. You can talk. You can propose. But it's not for you to decide, and you never know, actually, who will make a decision, because president is a symbol. It's a collective wisdom. As a person who was working there, I know how things are done. You got to expect from president physically able to get into all the nuisances [nuances], all the details of the process. So either you open up, or you don't open up. And in case of Ukraine, we have second option. There is only one way to resist to that.

I just came from Delitzia. In Georgia reforms were initiated and they came from the top. This is not case in Ukraine. We can never expect reforms from the top, unless they are demanded from the grassroots, by the people. Therefore, campaign which I represent, civic campaign, civic partnership, New Citizen, is actually saying this: “If you need reforms, reforms would

be done by citizens. It's only citizens who can change the country." Now, I'm pretty confident that this will happen. Thank you.

Anders Åslund: Thank you very much, Oleh. Then I'll turn to Adrian Karatnycky here on my left, who was one of David Kramer's predecessors, president of Freedom House. You have been a long term leading commentator on Ukrainian affairs in this country with many articles in foreign affairs. And in recent years, you have mainly worked as a consultant on the mainly Ukrainian affairs. What is your take on the situation?

Adrian Karatnycky: Thanks. I'm delighted to be here and delighted to be with such a panel of learned and deeply expert colleagues. The first thing that I would like to say is that if we had been meeting about this time sixteen months ago or so, we would've probably had a report from another foreign policy think-tank called, "Sounding the Alarm: Ukraine's Drift Towards Russia's Embrace and Away from its National Identity." Over time, we look back at some of these events and see that there is a sort of natural order to things.

The case that I would make is that I believe there is much more continuity, regrettably in some cases, and in some cases positively, in the Ukrainian experience. We're asked to speak about governance, and I think that governance as the World Bank defines it, in six broad categories; and I'll try to address a little bit of all of them, to give you a sense of where I think things are headed.

Clearly on the voice and accountability direction, there has been slippage, regression, and I think we heard a lot about it from David Kramer's excellent presentation. However, I do think it is a little bit overwrought. I do think that it is correct to say that the prosecution of Yulia Tymoshenko and these prosecutions that appear to be politically motivated and probably are politically motivated, should cease. They're casting a light on a number of positive developments in an extremely negative way and it was a mistake by whoever or whatever the processes were that lead to this point. And the sooner Ukraine can move beyond that point, the better a clear picture we will have of what is occurring.

On the issue of media, it's also very clear that on television, that television newscasts in particular are moving in a direction where there is less and less criticism, and less and less space for the opposition. At the same time, that's balanced by the very immense power of the Internet, which is now at about what, 30%, 25 to 30% use, and of the active, particularly active generation and the leading forces in society to use a term from the past.

And secondly, there are, as Mr. Kulikov represents, these very vigorous, highly-rated TV talk shows that are on for three hours each week on a

weekly basis, on all the major channels. They attract 15% ratings, 13, 15, 16%, Mr. Kulikov has been leading the pack lately. They're on a hiatus over the summer. But they are completely free for all, where all comers are there. The opposition is extremely well and vigorously represented. And in fact, I think they're a little too competitive and charged, but in any event, it is possible for viewers to get an impression.

Civil society is remarkably vigorous despite these heavy-handed attempts at intimidation. But there are all sorts of paradoxical things. A KGB guy talks with the rector of Catholic University, and six months later, a check for ten million dollars is given by one of the main political sponsors of Mr. Yanukovich.

So, this is not Russia, this is not bullying and intimidation; there is a sort of a push-back, and therefore I welcome these very harsh criticisms. But I think that we need to have objective and clear and true understandings of what is going on, rather than unbalanced characterizations of the state of affairs. Demonstrations occur mainly without incidence, spontaneously, even though there were laws where it looked like there would be constraints on these. The atmosphere is not one where people are being marshaled, pushed back, harassed, and so on.

There are problems, there are serious problems in the way media are being treated by the president's guard and so on, and those issues have to be dealt with. But again, all of this looks much more negative, much more dramatic in the light of this prosecution of Missus Tymoshenko and this even more outrageous prosecution of Mr. Lutsenko the former Interior Minister, for a very minor offense.

Let's talk a little bit about other issues. Political stability and lack of violence, that's another of the governance criteria. I would say that, despite the bumpy nature of Ukrainian rhetoric, there is stability, there is continuity, and there has been an orderly transfer of power heretofore at the national level.

As regards to the local elections that were held, I agree they were deeply flawed, I agree in many places there were closely-contested elections where it looks like the vote was counted and the results were counted in a way that advantaged representatives of people who were closely aligned to those in power.

However, it should also be said that it is an open secret. Yulia Tymoshenko in Byut did not contest those elections. No money was spent on those elections. There were no advertising campaigns, there were no national monies spent. She basically decided not to contest the elections, but to contest the holding of the elections. It's an open secret.

That opened the door to Svoboda in many constituencies. She had internal three different factions and leaders vying for the leadership in the L' Viv administration, so it was not all purely-- And then she refused to back to urge her voters to vote for other constructive alternatives to boost-- She basically opted out of places where she was not allowed to register in western Ukraine. So I think there's a little bit of-- I think both parties contributed to this state of affairs.

On government effectiveness, I think we have signs of improved government effectiveness. Ukraine for the first time is developing a reform of its health care. I don't know if you know this: twenty years, no effort, no effort at all. This is the Soviet health care system: not budgeted, not allocated; it's just running on its own will. This is the first government that is attempting to address this. It's a tragedy that the past governments, because of internecine fighting did not make this terrible issue, which affects life spans, which affects life results for millions of Ukrainians, was not addressed.

The issue of land reforms: Ukraine has a cadaster that was passed today. Apparently a cadaster law will be privatizing its land. I think, again, a step forward in a halting and bumpy ride. In terms of the pension reform, whatever may be said of this government and whether it is heeding the will of society, society never likes a tax on its own interests and therefore there will be some sacrifices. And it is very hard to sell this when it's a government of billionaires trying to sell an austerity program and a revision of the pension system. Nevertheless, for the benefit and the long term benefit of the country, it needs to be done.

I think that the problem is not that the government is not attempting this reform; I think the problem is that the government and the group of people that are running the country is overly-represented by extremely rich people, and it is extremely hard under that type of a circumstance to put forward that idea.

On regulatory quality, lots of problems, but the reduction of staff of 30% across the board will mean fewer people to implement onerous regulations. That means just by—without changing even the regulations—by having fewer people having the time to meddle with small business and so on, we're going to have longer term improvements in terms of the space for ordinary life.

In terms of the rule of law, the Tymoshenko case is typical of the sad state of the lack of independence in the Ukrainian judiciary. But here again I don't see a huge regression. What we saw before was a terribly corrupted and imperfect judicial system which was able to function more or less on its own because of the sharp division of power and internecine fighting.

Nothing fundamental changed in terms of the independence of the judiciary; it's just that power is structured in one direction; and the judiciary now bends to power here, whereas before, some bent in the direction of Yulia Tymoshenko, some bent in the direction of Yanukovich, and some bent in the direction of Yushchenko. But the fundamental problem existed, remained, and remains from the period preceding it.

On one rule of law issue where I do think there is some progress, and that is, we may have differences of opinion at this table, but I do think the renewal of the serious prosecution and investigation of the role of President Kuchma is also an answer to the fact that Yanukovich does not only go after his political opponents. This is the person that launched his political career, that nominated him to be president.

Now, cynically, people may say, he's not part of his inner circle, but that's someone out of which Yanukovich came. And for the first time, we have this serious look at the role of President Kuchma in the disappearance and tragic death of Georgiy Gongadze.

And finally, on control of corruption: absolutely, incredibly difficult, onerous, and continuous problems. Nothing has changed in my view in terms [that] there was no major anti-corruption campaign under the previous government. There is very little progress in this government except at the local level where we are seeing serious prosecution at the level of Kyiv, serious prosecutions of municipal officials. And at least we can say that is one incremental step for progress, and that is the attack on municipal corruption, which in Kyiv costs voters \$15 billion of potential revenues to the state and to the state coffers.

Anders Åslund: Thank you very much, Adrian, for a very clear argument. And then turning to our two media specialists on the panel. First, Viktoria Sjumar who's Executive Director of Independent Media Institute and has worked as a journalist in a variety of independent media outlets before. And you are now a leading activist in favor of media freedom in Ukraine. What is your view of the situation? How severe do you find government interference and what forms of it do you react against?

Viktoria Sjumar: Thank you Anders, and thank you for your attention. We were listening a lot about philosophical and historical issues here from Deputy of Minister, and I decided to give you only the facts. And the first point, the situation on TV channels. My colleagues, TV journalists one year ago done their statement about pressure and about censorship. They were united in movement to stop censorship. But I must say the majority of them now lost their job and they can work on only one opposition channel, it's TVI channel.

What about the editorial policy of Ukrainian TV channels? The 69% of Ukrainians take the news from T V. The quality of news is very important, the issues. But the content analysis of Academy of Ukrainian Press demonstrates us that 75% of political information is the position of government and president, and only 16% is present of opposition, and it's a huge problem with balance of information on TV channels.

Yes, we have three talk show, traditionally with the politicians, but we don't have independent experts on our TV channels. If we don't have any investigation about corruption of the people from the authority team; and that's a problem.

The worst situation is on the state channel, the first national channel. The President Yanukovich promised to create public broadcasting in Ukraine. He promised a lot of time this case in Ukraine and here in United States in October last year; but nothing happened.

Nine months ago, he starts the process to create the draft of law; and it was created in the Humanitarian Council in the presidential administration. But then, president didn't send it in the parliament. He send it to Cabinet of Ministers for agreement; I don't know why. One week ago, I request the text of this document. And we can see that the Cabinet of Ministers proposed to do the financing of this public broadcasting from budget, and the Cabinet of Ministers will decide how many money to give for public broadcasting.

The editorials rule must be adopted in Cabinet of Minister; and this public broadcasters, according this draft of law, must do all events with officials, with president, with prime minister, et cetera. And my question is, what is the different between this public broadcasting and state broadcasting?

The next point, the Internet editions; now the Internet is really free space in Ukraine, and it's very important to save this space. But we have the recently events and be concerned about this freedom in Internet. The prosecutor officer opened the crime case about threats to Member of Parliament Inna Bogoslovska from Party of Regions, and now the prosecutor officer tries to have access to the servers of the most popular Internet resources Koprovnan [ph 00:37:32]. The similar situation with Internet Edition Austro [ph 00:37:30] from Donets'k. It's really independent editions which made a lot of investigation about Party of Region team.

And also, in the parliament registered the draft of law which proposed the opportunity for government to close every non registered informational agency, new agency. And it can be really a problem for Internet editions.

And the last point is the safety of journalists. We have a lot of situation when journalists were beaten, but were beaten by bodyguards of president and prime minister. It's case of Serhiy Andrushko reconciliation from fifth [five] Channels, and another one. We have the case of Vasily Klimentyev who was killed in Kharkov last year, but we don't have any successful investigation of this story.

For example, yesterday some of my colleagues were beaten by police in their court in [Inaudible 00:38:57], in the building of the court, and that's a problem. And just now, in Kharkov editorial office of newspaper Globenia[ph 00:39:08] continues a search of police, and the safety of journalists is also a very important point. And of course we care about the conditions of our work.

And it's not the criticism only for critics, but we understand that without freedom of speech, we cannot have any transparent political process; we cannot have any transparent electional campaign; we cannot have any effective struggle against corruption; and of course we cannot have the effective governance in Ukraine. Thank you.

Anders Åslund: Thank you very much, Victoria, for a very clear statement. And then I'll turn to Andriy Kulikov since long you are one of three leading television talk show hosts, as Adrian for example, pointed out. And you're running a weekly political review program, Svoboda slova, The Freedom of the World, at the private television channel I C T V. On the one hand, you are active in the movement Stop Censorship. On the other hand, you're still invited by President Yanukovych. You are one of the rare people who are walking this very sensitive middle ground. And my basic question to you is, how do you manage? Tell us your take of the situation.

Andriy Kulikov: I don't know whether in current circumstances it's a praise or whatever.

Anders Åslund: It's a question.

Andriy Kulikov: Yeah okay. So my answer is that, when I'm being asked such things, I remember Mr. Gorbachov who one said that, to the former Soviet republics, "You should take as much power as you can use." In many cases, the level of the freedom of speech, if it can be measured, is determined by the fact, how prepared journalists are to take as much power, as much courage, to display as much courage, as much patience, as much professionalism as is necessary to safeguard the freedom of speech in the country in general and in their particular teams, talk shows, programs, whatever.

I think that the examples that Viktoria quoted were very eloquent in showing you how dangerous it is sometimes to be a journalist in Ukraine,

not even necessarily an opposition journalist, just a journalist, because many of us are underpaid, many of us have been publically vilified by people from the authorities who say--

Well, there was a famous quote from a member of parliament from the Party of Regions, Mr. Debutznik [ph 00:42:28] who said that 85% of journalists in Ukraine are lackeys who would do anything that their masters or owners tell them. I don't think that he has any data to substantiate his assertion, but this is one of the things that is being said about the guild [ph 00:42:56].

However, I think that in many cases, the guild is, to a great extent guilty of what is being done to us and what we do or don't do. We've been cutting too much slack to the previous authorities because we sympathized with them, and we thought—or they were called—Democrats, and we wanted to side with Democrats. Then the things changed; new people came to power, and in many cases what they do is rather similar to what's been done in those five years.

I'll take one concrete and specific example of a formation of the so-called loyal pool of journalists who go, especially television journalists, who go and talk to the president. I remember in early 2005, that was an idea of the then Press Secretary of President Yushchenko, that every news service should designate just one journalist and one cameraman who will be able to film Mr. Yushchenko and all these kind of stuff.

There are ample opportunities to work in Ukraine, but one of the major to work in press in Ukraine, but again, you have to make a choice almost every day, almost every hour, almost every issue, what you do, how you view the things, and whether you are prepared to face the consequences.

We, of late, have been—at least some of us, but the guild in general as well—are being courted by the authorities because they have conscientiously, to my mind, reintroduced the notion of the press or the media as the fourth branch of power into the public discussion. I think this is a very interesting trap, because if we join this point of view, we become part of the system of power--

Anders Åslund: And responsible.

Andriy Kulikov: Yes of course, partly responsible. Part of the system of power which is in bad need of change, and where the reform is, to my mind only just proclaimed, but has not yet started in earnest. On the other hand, I think that the slogan of media being by nature, an opposition to the existing power of any kind is another extremity which is wrong.

We should not be the fourth power or the opposition. We should be inquisitive, we should be attentive, we should be incisive to what is being done by both opposition and power. We should be part of the nascent civil society or a bridge between politicians and civil society.

I especially noted that, at the beginning Mr. Pifer and then Mr. Kramer used the term “pressure on the media” rather than “censorship” or some such stuff. Yes, of course, there is a pressure on media. It comes from very different sources. It comes from the authorities, it comes from the opposition, it comes from the politicians who watch how authorities and opposition try to win over each other, and then step into their shoes and exert as much pressure on media as they will be able when they replace both opposition and power.

There's a pressure from public organizations, nongovernmental organizations, and it grows, and I think that this is a positive factor, because nongovernmental organizations become more active.

There's peer pressure, of course. There's peer pressure amongst the journalists, and I think Viktoria can also tell about how we, she and I, feel this pressure. There's pressure from the readership, from our audience. The world is very, very multi-faceted.

So, if I were to answer the question, is there freedom of speech in the Ukraine? I would say yes. If I were to answer the question, is there a threat to freedom of speech in the Ukraine? I would say yes. And it depends on us, first of all, yes, as Mr. Rybachuk said, Ukrainian authorities are receptive to international criticism. Yes. But no amount of international criticism, I think, can change things in Ukraine.

The ultimate responsibility, yes, lies with us, and in order to survive in this battle of chaos and control that's raging in Ukraine now, we should really get smart, but still remain honest and stanch; and most importantly to my mind, eager to listen to other people's opinions, however we might not like those opinions. Thank you.

Anders Åslund:

Thank you very much, Andriy. There might be some people on the podium that want to comment on each other, but I would like to invite the floor first. So I would like to have a round of questions, so please prepare your questions, and then I will gather a suitable number, and then invite the panel, and if I can do it in the second round as well. I see James Sherr down here, and please introduce yourself by name and institution. The microphone is there. Is it turned on?

Audience: Yes, uh, no. James Sherr, Chatham House, London. Just two modest points, please. First, if vertical is the worst translation of governance into Russian, which it is, I think a better one would be [Inaudible 00:50:25]

Second, can I modestly suggest to all of us in this discussion, that we stop referring to corruption as the main problem? Corruption is the symptom of the main problem; it is the principle means by which the objective of concentrating power is realized. It's the effort to concentrate power in the Ukraine which I would suggest is the main problem.

And that leads to one question: anyone who examines Russia carefully would now be coming to the conclusion that a vertical of power there no longer works, if it ever worked. It is fragmenting and disintegrating. Is it the view of the panel that there is now a more effective vertical in Ukraine than there is in today's Russia? Thank you.

Anders Åslund: Thank you. Yes please, the next person.

Audience: Hello, I'm Anitoly Humenko. a student from Ukraine and an intern at Hudson Institute right now. I've got a question based on something Mr. Rybachuk mentioned but it's open to everybody. You mentioned how there is no chance of being an effective reform from the top in Ukraine, and as somebody who lived in Ukraine for 15 years, I completely agree with you. But several panelists mentioned how responsive the people in power are to international criticism, even though as Pavlo Kulikov mentioned, it may not be the final solution.

So let me pitch this idea. How about a sort of grassroots movement that comes from abroad, be it by the Ukrainian diaspora in the United States but more importantly by the Ukrainian students abroad, who have this international experience but also have the ties to Ukraine and the desire to reform, so we're starting some several thousand people just in North America without some sort of central organization.

So my question is, do you think that's an option? Do you think there could be an effective grassroots movement from abroad to initiate changes in Ukraine? Yes, no why? And if yes, what would be the effective channels to do that? Thank you.

Anders Åslund: Yeah, please keep comments or questions short. Next person.

Audience: Good morning, I'm Atul Singh, founder and editor-in-chief of Fair Observer, a new multimedia journal that launched last week. So my question is, following on from the gentleman from Chatham House. The question is simply this: I believe, like him, that corruption is a manifestation of a fundamental problem in institutions. It deals with a

concentration of power. How do you develop institutions with checks and balances, with a rule of law, in a difficult environment like Ukraine where you don't see any palpable political leadership with vision?

Anders Åslund: That's a big one. Please.

Audience: Good afternoon, my name is Natalia Navagola [ph 01:53:30], I'm a student at Harvard University Kennedy School of Government and I'm an intern at the World Bank. I have a question to Mr. Rybachuk. Despite disputable achievements of the previous administration, which you have been a part of, the vast disappointment of population is not a surprise to anyone.

How much responsibility you personally, if any, do you take for what I would call complete erosion of government legitimacy to total outcry which led to enable the power grab and led to issues we are discussing today. How much responsibility do you take for events that actually happened that led to us together today to discuss Ukraine in such an unfavorable way? Thank you.

Audience: I'm Roxalana Lawazinski [ph 00:54:20] from the US-Ukraine Foundation, I'm interning there this summer. My question is for Mr. Kramer. You talked about how the West needs to take a greater interest in Ukraine's European integration. What kind of role does the U S, is there a role for the US to play in this path if any of the obstacles the Ukraine faces are deeply internal?

Audience: Hello, my name is [Inaudible 00:54:52] I'm from [Inaudible 00:54:54] Rochester. What role do you expect economic society should be playing in promoting democracy in Ukraine, and how do you prevent a similar trend happening in Ukraine as it happened in Russia, where the economic society became completely depoliticized? Thank you.

Anders Åslund: Thank you, so if I quickly summarize the questions. James Sherr , the vertical is not the strongest, corruption is the main problem; can youth that is foreign-trained be of any use in the Ukrainian administration, how do you build or form an institution standing up against corruption in Ukraine, and specifically to Oleh, are you guilty for the current mess? And for David Kramer, has the US any role in Ukraine to fulfill? And yeah, and then the final question. And please, let's take a round and whoever wants to start, does so. Oleh?

Oleh Rybachuk: As I have the easiest questions, I will start. Let's start with responsibility. I am the only person who was working with Viktor Yushchenko since '93, in all his capacities. And when I became his Chief of Staff, it took me three months to realize, unfortunately, we became incompatible on a number of issues.

My experience from this is very simple. I have absolutely no illusion of role of personality in very ambitious promises of reforms. If Viktor Yushchenko who had the largest credit of confidence, and who had unique possibility to really change the country, getting on the top decided not to do it; it means we have very wrong rule system, and very wrong environment for the politicians.

If you get on the top and there is no balance, there is no accountability, there is no public control, the press is not actually performing its duty, it means that if we don't change that, whoever is elected on the top, even as promising as Viktor Yushchenko used to be before he became president. You must have no illusion about Yushchenko or his personal values and his previous life.

My conclusion is, change the rules, don't look for new faces; because today's rules are practically attracting people who look at politics as business, and who, by joining that club are first non-transparent, they for some reasons became hugely rich, they are never willing to get rid of that hype level, they just change positions, but they do not leave the club. But regardless are you in government or are you in opposition, it's the same sand clock. We just change it upside down, but the quality of sand is never changed. And therefore, we must change the quality of sand and the rules.

And therefore, my lesson was very simple. Out of the system, back to grassroot, start from the very beginning, talk to people, deal with people, and just convince voters that if they don't change in their attitudes, looking for new faces, listening to promises has no perspective [prospect]. The only way to fight corruption is what Viktorija Sjumar says, not creating anti-corruption bureau, but creating new rules, demanding from politicians accountability.

It's ridiculous that our politicians, members of parliament of the ruling party, Party of the Region, refuse to publicize, to publish their declarations. After adoption of the law, and it says to public information. They said they are not going to do it. It's not their responsibility. It's responsibility of the secretariat of parliament. And secretariat of parliament is saying no, it's responsibility of own peers. Personal responsibility.

And then, administration of president is the same. National Security Council is the same. So if top politicians are not willing to open up, even if they have to do it, what do you expect from new faces? They will happily join the club and become enormously rich very shortly.

And then one comment about grassroot movement from abroad, from diaspora. It could be the case but clearly cannot be the only way to bring

reforms in Ukraine. Similar movement must be first in Ukraine. It must be created in Ukraine, and we are working on that. Something similar to maybe Polish Solidarity, which is not political movement but is a massive movement which gets people involved in day-to-day politics, encourages people to influence politicians life, getting people involved into drafting of the laws, demanding the accountability, not being the background for some ambitious politicians to use that movement for getting back into politics, but to really bringing back confidence to people.

The biggest problem in Ukraine now is confidence. And there was a publication a few days ago, Ukrainians don't trust anybody, not even themselves. So if there is no confidence, whatever initiative coming from outside will also not be trusted. Thank you.

Anders Åslund: Viktoria?

Viktoria Sjumar: I would like to answer James Sherr question about monopolization of the power. Monopolization for what? For reformation, as our government said, or for supporting for business of the richest political team in the country. But you can see the Forbes Magazine, and it shows that the member of the Party of Regions is the richest people in the country. And because the question about corruption on the top level is very important question.

And if we can compare Ukrainian situation and Russia, I think it's a really different situation, because Leonid Kuchma says, Ukraine is not Russia, and Huntingdon said that Ukraine has a two civilization, and you know that supporting of Viktor Yanukovich now really decrease. He has only 23% now, and I think it's a real assessment of the reforms and the need to understand why we have this monopolization. I think that successful Ukraine, to have the balance, to balance between those two parts of Ukrainians who has maybe different civilization points. Thank you.

Anders Åslund: Thank you very much. And I'll turn to David Kramer and the question to you sir was if the United States can do anything useful in the Ukraine; and perhaps you also would like to comment something upon what Adrian said that was rather different from your take of the situation in Ukraine?

David Kramer: Sure, thanks Anders. In our report, there are recommendations for the United States and for the European Union, so I won't run through them. But let me offer some kudos for John Teft, our ambassador in Ukraine, who has been raising these issues on a regular basis. Also to Tom Melia the Deputy Assistant Secretary who has a working group on democracy and human rights and civil society issues dealing with Ukraine, Dan Rosenbloom who's here for the assistance that comes out of his office and other officials who are raising these.

But having said that, if you think back to last year, Viktor Yanukovich did a brilliant thing when he came for the Nuclear Security Summit and brought President Obama a prize on highly enriched uranium. There had been no statements issued in the name of the President of the United States last year on Ukraine until the end of last December. Despite the local election problems, despite the selective prosecution concerns, despite the trends that we had seen in Ukraine on the political situation, the statement that came out from the White House in the name of the President was praising Ukraine for the latest transfer of highly enriched uranium to Russia.

That sends a bad signal. That suggests that for the United States, what we are most concerned about is highly enriched uranium. A very important issue; I don't mean to minimize it, but when we don't say anything at the highest level of the US government—and Vice President Biden, I should say, has done a very good job on these issues—but it needs to come from the top. It needs to come from the President of the United States. Because, otherwise, the impression we create is that Ukraine can buy our silence by doing what we want it to do on highly enriched uranium, and we shouldn't let them do that.

But the other point on this is, the United States can press the European Union, encourage the European Union to stay engaged, to try to finalize these agreements, and to ultimately keep the door open to Ukraine. And the eastern partnership is a good initiative, but the eastern partnership is not a pathway to eventual membership. I'm not talking about membership tomorrow or next year, but for European officials to say Ukraine will never be a member is not a useful way to try to encourage better behavior and more reform.

A similar question was about the responsiveness to international opinion. I had thought this until recently, and now I'm reexamining it. I'm not so sure; because, and I'm glad you mentioned the Tymoshenko case, Adrian; absolutely a miscarriage of justice. But this constant drumbeat against Tymoshenko suggests to me they don't get it, and they're not responsive.

And so, perhaps we have to change the discussion, and talk about what penalties there will be in the relationship Ukraine has with the west if this kind of behavior continues. That pains me to say, because I had hoped we wouldn't have to have that kind of discussion. But I worry that that's where we may be approaching if these trends continue.

Quick two points on Adrian's comments, and I apologize for going on. The Yushchenko government did not go after Viktor Yanukovich. They didn't go after top officials in the Party of Regions. This government is going after-- This government is relentlessly pursuing the opposition to

leave it leaderless, to make sure that Tymoshenko does not have a chance of competing again. That seems to be the objective here, and the previous government did not do that.

On the Kuchma investigation, I have to say, I was a little suspicious when this first appeared. I am not convinced this is a breakthrough. My impression has always been that Yanukovych and Kuchma had a major falling out after 2004. They don't like each other, and this may be a vendetta being carried out against Kuchma and a way to try to get us to think that this is an attempt to deflect the selective prosecution charges, that we're going after a former president of Ukraine. Kuchma. Yanukovych was prime minister to Kuchma. I don't buy it. I don't see where it's going, so I'm not convinced that that is such a positive development as you see it. There are other issues, but let me leave it there.

Andriy Kulikov: I just want to add just two words to what Mr. Kramer said. The Yushchenko government did not go after the former- the Yanukovych and others in earnest. There were criminal cases launched, but they were not, sort of, pushed.

Anders Åslund: Well the main thing was, Kalesnikov [ph 01:07:42] was arrested for a couple of months, if I remember rightly, and [Inaudible 01:07:48] had to leave Ukraine for a few months for his personal security. But these were businessmen and not purely politicians. Adrian, do you want to respond something?

Adrian Karatnycky: Well, the one thing I want to talk about is how to deal with this leadership, and to get them to move in the right direction. And I do think that pressure is important, but I also think it's also important to understand that this current group, the people who formulate foreign policy and sort of the grand strategy of Ukraine such as it is, have made an iron-clad commitment of European integration as the main goal. There's a political price to be paid, there's an economic price to be paid in relations with Russia; and to have them pay that price, and then to enact sanctions against them for taking that tough choice, I think is a mistake.

I think the better path to go is to begin that process of partial integration through a free trade agreement and visa-free regime through the deep agreement the EU as the first step, and then to start this and then to continue the process of criticism, et cetera.

I think it also is important for the leadership in Ukraine to know that if Yulia Tymoshenko is sentenced and jailed, this will freeze relations between Ukraine and most of the civilized, democratic world. It will have, perhaps, unintended consequences, and I think that while this process is

still at work, and we know that the judicial system operates, at least, we should think that the judicial system under its own rules.

Nevertheless, nevertheless, nevertheless, we should as outsiders, not wanting to influence the process of the judicial system, send a message to the Ukrainian elite that they are going down an extremely dangerous path, and that many of the positive things that I spoke of, that the Yanukovich administration is incrementally doing in a variety of areas can be jeopardized by this one, I would say, not fundamentally insignificant act. It's an indicator of a very bad policy, but I don't think it is fundamental to the existence of the opposition.

I just looked at polling data from today done by Salteze [ph 01:10:05] a company owned by YouTube, but this is a completely objective company, and this was an objective poll not done for a political grouping; and it showed that the combination of [Inaudible 01:10:18] and other parties is as vigorous and more substantial in terms of their combined rating than the Party of Regions. There's no sense that the current majority coalition would get the same amount of support.

So it shows that there is a vigorous political life, and I think it is the wrong path for this government and the people who are advising it to go down this path of prosecution. It's going to create, I would say, incalculable new problems. And while I disagree on some of these issues, on the fundamental issue of where this prosecution goes, I think there is an almost nearly universal consensus in western Europe and in the United States that this would be a tremendous set-back to the improved relationship that Yanukovich has managed to develop with Europe and with the United States.

Anders Åslund:

Thank you very much, Adrian, for bringing up this point, because I think that this is really the key issue. If you take this week in Ukraine, what I had expected would be that this would be the week that the pension reform is adopted, and that would dominate the news. What we are seeing is that the Tymoshenko court farce is totally dominating the Ukrainian news, that now look like judicial chronicles rather than ordinary newspapers. And I would like to draw the others of you out a bit further on this.

If we take the Ukrainian, the Tymoshenko case, first there were three Washington-based organizations, [Inaudible 01:11:28] that construed two cases, which [Inaudible 01:12:06] another Washington-based company seems to have crashed, more or less. So that it seems as though the prosecutors are just leaving this aside.

Instead, the prosecutors have now jumped on this gas deal with Russia of January 2009, accusing Tymoshenko for abuse of power, as far as I understand, without claiming that she has made any money on it at all.

And now, it seems the Security Service realized that this is falling apart. This is the farce that is taking place in the court right now. So they are raising a new case, which is the old case that has been up there a couple of times before. Her gas deal with Russia as a private businesswoman in '96, where the Russian Minister of Defense claimed that they have a claim on her former company which is dead since 1990, something, of \$405 million, and she is now being accused.

I would like to ask the Ukrainians of the panel, what do you think is really in this, and what do you think will come out of it? And I would like to ask David to comment on the same things Adrian already answered here, that Adrian thinks that this is a decisive, damaging point if this really goes to a full sentencing in this prosecution. Who wants to? Oleh?

Oleh Rybachuk:

I would just say almost in one sentence, what is extremely dangerous in this process, not going into details; they try to come back to good old days where criminal law was used to judge politicians; and criminal law clearly is not able to address those challenges. Yulia Tymoshenko is at the court as the Prime Minister who signed into governmental increment. Other counter signature was coming from Mr. Putin, someone you might know of.

This is the major problem, trying to use criminal law to get politicians responsible for their political deeds; not for their personal or business, but political deeds. And therefore, it must be clearly addressed; and here, I agree both with Mr. Karatnycky and with Åslund, that there must be very strong international words. If you ask me whether she would go to jail or not- whether Tymoshenko would go to jail or not,

I would say that it, to logics then depend on how clearly message would be sent to the government. They respond to real red line signal.

If they under impression- there was one article in Ukraine saying that government made deal with the west, and Ukrainian opposition members can go to prison. In return there will be free trade agreement with EU and government will be cooperative on economic issue. This is most dangerous things that maybe happen. I don't believe this is the case, but the fact that this articles are published means somebody is probing.

The same about civic movement and all the freedoms. If there would be a compromise, economy versus values, and values would be sacrificed, this is the worst case scenario for Ukraine.

Anders Åslund: Viktoria?

Viktoria Sjummar: Now I checked the level of trust to Ukrainian court. 10% of Ukrainians only believe in the independence of Ukrainian courts, and that's a problem of course.

Oleh Rybachuk: And that's maybe those Ukrainians who are now in power, members of the court.

Viktoria Sjummar: And the government said that they've done the reform of the legislative system, but we don't have the effects of this reform. Because we see that Ukrainian courts really depend on government.

I am a journalist, and we decided to do the peaceful gathering. It was a day of journalists on 6 June, and we like to do the meeting near the Mezhyhirya, where the president live, and court said no. We understand that it's our right, our human right to do this peaceful meeting, and we understand that we can win the European Court of human rights, but we can't win in Ukrainian court, and of course that's also problem, because we don't have any reforms without the independent court.

Anders Åslund: But Viktoria, you did it anyway, didn't you?

Viktoria Sjummar: Yes, we go there like as journalists, to check is this court decision is done?

Anders Åslund: And? And what happened?

Viktoria Sjummar: The president didn't like to stay with us, he drive to the administration.

Anders Åslund: Andriy, would you like to comment something about these matters?

Andriy Kulikov: Well, I think whatever happens to Mrs. Tymoshenko, she won't quit the Ukrainian political scene, she won't quit the minds of many, many Ukrainians who will vote for her no matter what, even if she's not on the ballot. If she is imprisoned, or if there is a sentence which will preclude her participation for a number of years from political activities, there is quite a bench of other able people in her political force that will be able to substitute for her.

The way in which Ukrainian media reports on the process and the fact that the issue of whether this is a political process, a political trial or not, is being discussed publically, is again a measure on the one hand of the level of the freedom of speech in this country, and on the other hand on the

professionalism and courage and day-to-day practices of individual journalists and teams, and also of the owners.

Excuse me for taking a couple of minutes on my own initiative, but there's a very interesting thing that the authorities now introduce into this discussion. They say that most of the problems, or even all of the problems that Ukrainian journalists have, come from their relations with their owners, with owners of their respective newspapers or television channels. It's absurd to deny that there is quite a lot of issues between owners and journalists and all this kind of stuff. But we should not forget that, in Ukraine, the state is one of the biggest owners of mass media.

The state owns at least two or three television channels, a couple of newspapers, a lot of regional television entities, radio, and ultimately, the state is the owner of course of radio frequencies, on which the existence of many radio and television channels depends. So without taking this into account, we cannot really judge- really see the entire picture. So there's a lot of ways to interfere, there's a lot of ways to influence, and by the way there's a lot of ways the state influences the owners, however rich or dependent or independent they may be. Thanks.

Anders Åslund: Thank you very much Andriy. David?

David Kramer: Picking up on Andriy's point; the goal it seems to me, is to make her ineligible, whether by keeping her in jail or convicting her, whatever the case may be, so that she herself cannot participate in the political process. This gets at the heart of the problem, which is this prosecution and the Lushenko case, and others undermine the credibility of the government, they undermine the credibility of the judiciary, they destroy the independence of institutions, and it's going to cause tremendous damage to Ukraine's efforts to move in a more democratic direction.

It is not good enough in my view, although I agree, Adrian. I support finalizing the free-trade agreement, the association agreement. But it is not good enough to proclaim that you want to join Europe, and then engage in the kind of behavior and actions that they're doing. Saying you want to move towards Europe is not a pass for this kind of bad behavior.

I'll really believe that the push against corruption is serious, if there are investigations launched in the November 2004 election, in the efforts to steal the election. I'll believe it when there's an investigation into January 2006 gas deal, where I think allegations of corruption are pretty well founded. I'll believe it when I see an investigation into RosU krEnergo. I'll believe it when I see an investigation into how the Ukrainian government handled the Stockholm hearing with RosU krEnergo and cost the

government and country lots of money. Lots more money than we're talking about in any of the Tymoshenko cases.

That's how to restore credibility, and unless and until the government does any of those things, I won't buy it. James's point, I only partially agree with you, James, about corruption as the symptom- Oh, James has left. James is moving all over the place. So you're half in and half out.

But you know corruption was a huge problem in the previous government. And that gas deal was a source of tremendous corruption. I don't think they were doing it to consolidate power. So in this government, it may be true, but I wouldn't say that it's true across the board or as a general principle. I don't mean to misrepresent you; now you can go.

Anders Åslund: Thank you very much, I--

David Kramer: Just very briefly, not as a rejoinder, but as an added dimension to this; I think in reopening the case in Stockholm, you may be putting in jeopardy a number of government officials, including Yulia Tymoshenko, because there is a track record of very strong legal cases mentioning Gas Perm and the deal with Gas Perm which were ordered to be removed by Yulia Tymoshenko. So, I think we should, if we're going to go down that path, I don't want you to do it on a day when Yulia Tymoshenko is under legal challenge.

Anders Åslund: Thank you very much. I think that this panel brought out a very clear picture. What I heard here is that corruption is the profound problem, and the judiciary got a very bad rap, I'm afraid, and it seems to be in really bad shape. The media situation is not rosy, but we got a more mixed picture here. What perhaps came as a novelty to me is that the Tymoshenko judgment would be a game-changer for Ukraine's relations with the west. So these are the main conclusions that I heard coming out of this discussion. And I would like to thank the panel very much, and now we have fifteen minutes coffee break.

