

Ukraine

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Capital: Kyiv
Population: 45.6 million
GNI/capita, PPP: US\$7,180

Source: The data above are drawn from the World Bank's *World Development Indicators 2014*.

Nations in Transit Ratings and Averaged Scores

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-------------------------------------|------|------|------|------|------|------|------|------|------|------|
| Electoral Process | 3.50 | 3.25 | 3.00 | 3.00 | 3.50 | 3.50 | 3.50 | 3.75 | 4.00 | 4.00 |
| Civil Society | 3.00 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.50 |
| Independent Media | 4.75 | 3.75 | 3.75 | 3.50 | 3.50 | 3.50 | 3.75 | 4.00 | 4.00 | 4.25 |
| National Democratic Governance | 5.00 | 4.50 | 4.75 | 4.75 | 5.00 | 5.00 | 5.50 | 5.75 | 5.75 | 6.00 |
| Local Democratic Governance | 5.25 | 5.25 | 5.25 | 5.25 | 5.25 | 5.25 | 5.50 | 5.50 | 5.50 | 5.50 |
| Judicial Framework and Independence | 4.25 | 4.25 | 4.50 | 4.75 | 5.00 | 5.00 | 5.50 | 6.00 | 6.00 | 6.00 |
| Corruption | 5.75 | 5.75 | 5.75 | 5.75 | 5.75 | 5.75 | 5.75 | 6.00 | 6.00 | 6.25 |
| Democracy Score | 4.50 | 4.21 | 4.25 | 4.25 | 4.39 | 4.39 | 4.61 | 4.82 | 4.86 | 4.93 |

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

EXECUTIVE SUMMARY

In 2013, Ukraine entered a period of political turbulence caused by a growing conflict between the government's evident authoritarian trend and society's determination to seek democracy, European integration, and the rule of law. After years in which President Viktor Yanukovych worked to concentrate power in his own hands, the system of checks and balances had been undermined, and the authorities were increasingly misusing the judiciary for political purposes. This process was interrupted by massive protests in late November, triggered by the government's abrupt refusal to initial an Association Agreement with the European Union (EU).

Since gaining independence from the Soviet Union in 1991, Ukraine has held five presidential (1991, 1994, 1999, 2004, and 2010) and six parliamentary (1994, 1998, 2002, 2006, 2007, and 2012) elections. The latest parliamentary elections, held on 28 October 2012, were widely recognized as a step back from the democratic standards that had previously been achieved. Moreover, under a 2010 Constitutional Court decision, the Verkhovna Rada (parliament) lost much of its authority to a stronger presidency. The legislature is no longer authorized to appoint and dismiss cabinet ministers, though it retains the right to confirm the prime minister appointed by the president. In practice, the parliament lost its ability to exercise oversight and control over the executive branch. The government and its allies retained a slim majority in the body in 2013, while three opposition factions—*Batkivshchyna* (Fatherland), Ukrainian Democratic Alliance for Reforms (UDAR), and *Svoboda* (Freedom)—collectively held about 40 percent of the seats.

The government took some steps to meet demands from the international community and the opposition to release members of the former government who were imprisoned on politically motivated charges. Two former cabinet ministers were freed after receiving a presidential pardon in April. However, former prime minister Yuliya Tymoshenko remained in prison at the end of 2013, having received a seven-year sentence for "misuse of power" in 2011.

Ownership changes and an increase in violence drove an overall deterioration in the media environment during the year, though some television channels offered fair coverage of the antigovernment protests of November and December. Civil society organizations continued to operate in a relatively free environment, representing a wide spectrum of interests. New legislation on nongovernmental organizations (NGOs) took effect in January, providing a more hospitable legal framework for civic activity. Nevertheless, as the political crisis emerged in November, there were new signs of pressure on the NGO sector. Some positive reforms targeting

corruption were enacted in the spring, but they were overshadowed by reduced transparency on procurement and the growing wealth of the president's inner circle.

Meanwhile, the Ukrainian economy entered into recession, contracting slightly for the full year. The International Monetary Fund (IMF) refused to resume its stand-by program until the government could fulfill all the relevant conditions. In December, after the government declined to initial the EU agreement, Ukraine received a \$3 billion loan from Russia and the promise of an additional \$12 billion in 2014.

National Democratic Governance. From the time he took office in 2010, President Yanukovich consistently attempted to build an authoritarian regime on the basis of personal connections and the predominance of the executive over the legislature and judiciary. However, lack of public support and the relative strength of opposition forces prevented him from achieving lasting success. The massive protests of November and December 2013 in Kyiv and other cities presented the government with a major challenge. Hundreds of people were beaten and some arrested during police assaults on the demonstrations on 30 November, 1 December, and 11 December. While the regime remained in place at year's end, its public legitimacy was substantially undermined. During the crisis, the government was reluctant to conduct genuine negotiations with protesters, relying instead on the loyalty of police and judges. No policemen were punished for the excessive use of force against peaceful demonstrators, and as of the end of December, officials had taken no steps to address the protesters' grievances. Due to the authorities' failure to respond properly to society's expectations and demands, which resulted in the escalation of the political crisis, *Ukraine's rating for national democratic governance declines from 5.75 to 6.00.*

Electoral Process. There were no national elections in 2013. The Verkhovna Rada adopted reforms to the electoral framework that reflected many but not all of the recommendations issued by international monitors following the October 2012 parliamentary elections. Voting was held on 15 December in five constituencies where winners were not determined in 2012. However, these elections demonstrated almost the same shortcomings that were detected the previous year, with even wider use of fraud and vote buying reported. In some cases, there were major gaps between the exit polls and official results, raising doubts about fairness. Separately, due to obstruction by the ruling party, the Rada failed in its obligation to set dates for local elections in Kyiv and seven other cities. *Ukraine's rating for electoral process remains at 4.00.*

Civil Society. Civil society is a central pillar of Ukrainian democracy, with a variety of groups and initiatives playing a crucial role in the defense of democratic values and practices in the country. The new Law on Civic Associations, which took effect on 1 January 2013, opened wider space for nonprofit activity, liberalizing the registration of new NGOs and removing some administrative barriers. The mass

protest movement that emerged in November and December became an engine for the recruitment of a new generation of civic activists. It represented not just a substantial and consistent protest action, but a truly bottom-up self-organization by the public, featuring highly productive horizontal civic networking. Due to the evident and growing power of Ukrainian civil society as expressed in the Euromaidan movement, *Ukraine's rating for civil society improves from 2.75 to 2.50.*

Independent Media. Ukraine has a diverse and competitive media market, and the constitution and legal framework generally provide for media freedom, but respect for these fairly progressive laws has diminished in recent years. The overall situation for the media deteriorated in 2013. Controversial ownership changes at Ukrainian Media Holding (UMH) and the independent television channel TVi led many respected journalists to resign, and the level of violence against reporters increased during the year. At least 51 journalists were attacked on the weekend of 30 November alone as they covered the Euromaidan protests, and impunity for such assaults remained the norm. In one of the most prominent cases, investigative journalist and activist Tetyana Chornovol was forced off the road and severely beaten in late December. Meanwhile, new internet-based media outlets emerged to provide accurate information about public affairs, and cyberattacks and misleading clone websites rose in response. *Ukraine's rating for independent media declines from 4.00 to 4.25.*

Local Democratic Governance. The key problems hindering the development of local self-government were left unaddressed during 2013. They included an excessive concentration of power and revenue at the national level, fragmentation of lower-level administrative units, vague criteria and procedures for establishing various territorial units, inadequate financing for local government budgets, and poor staffing of local self-government bodies. The head of the Kyiv city administration, Oleksandr Popov, was suspended in December, and at the end of the year, the capital had neither a mayor nor an administrative head. The Euromaidan movement could have a positive impact on the development of local self-government in the future, as decentralization and the empowerment of local communities were among the strategic demands of the protesters. *Ukraine's rating for local democratic governance remains unchanged at 5.50.*

Judicial Framework and Independence. The country's justice system remains undemocratic and unreformed, lacking transparency and the trust of citizens. Most of the developments in the judicial sphere in 2013 were negative, leading to greater control over and misuse of the judicial system by the executive branch. An exception was the implementation of a new code of criminal procedure, which continued in 2013 and was generally recognized internationally as a positive process, though Ukrainian experts disagreed in their assessments of the code and its enactment. The government continued to use the courts and law enforcement agencies for political ends during the year, refusing to release Yuliya Tymoshenko, the former prime

minister, and giving free rein to police and prosecutors as they cracked down on the Euromaidan protesters. In addition to police assaults and trumped-up criminal charges, demonstrators and activists faced abductions and torture by unidentified men who were apparently acting in concert with the authorities. *Ukraine's rating for judicial framework and independence remains at 6.00.*

Corruption. Corruption has been a core characteristic of the Ukrainian political, economic, and social systems, though the Euromaidan movement demonstrated the readiness of citizens to mount a real effort to combat the problem. The political and judicial systems are still considered the most corrupted parts of the state, and poorly regulated public procurements continued to present opportunities for large-scale graft. Observers noted the ongoing and extremely rapid enrichment of Yanukovych's close associates, known as the "Family," and his elder son Oleksandr in particular. *Ukraine's corruption rating declines from 6.00 to 6.25.*

Outlook for 2014. Ukraine is at a critical point in the development of its statehood and democracy. The year 2014 will be full of challenges due to the obvious conflict between the interests of antidemocratic forces—whether native to Ukraine or directed by Moscow—and the will of the majority of society to overturn the old system and establish transparent governance that meets European standards. Such a transformation is possible and would include, but not be limited to, restoring checks and balances, limiting presidential power, and ensuring free and fair presidential and parliamentary elections. However, the most negative potential outcomes of the crisis, including armed conflict, cannot be fully ruled out.

Regardless of the short-term political implications, which are still uncertain, the Euromaidan movement will have a lasting impact on all spheres of political, social, and economic life in Ukraine. Society's demands for reform and European integration may play a crucial role in the further consolidation of Ukrainian democracy. At the same time, because a substantial part of the society does not support the movement, reconciliation efforts will be needed to build a sustainable consensus on the goals and means of any major changes. Areas of possible agreement could include the strengthening of local self-governance, a reform of the judicial system, and measures to eliminate corruption and personal enrichment by public officials. All of this will depend on a positive resolution of the immediate political crisis and the creation of a peaceful atmosphere in which the long-term interests of the country can be freely discussed.

MAIN REPORT

National Democratic Governance

| 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|------|------|------|------|------|------|------|------|------|------|
| 5.00 | 4.50 | 4.75 | 4.75 | 5.00 | 5.00 | 5.50 | 5.75 | 5.75 | 6.00 |

From the time he took office in 2010, President Viktor Yanukovych made continuous efforts to build an authoritarian regime on the basis of personal connections and the predominance of the executive over the legislature and judiciary. However, a lack of public support and the relative strength of opposition forces in society prevented him from achieving any lasting success. Despite the emergence of the Euromaidan protest movement late in the year, there were no changes in the cabinet in 2013, and major interest groups preserved their positions of power, competing for access to state resources and influence on the president.

Although a constitutional assembly continued its work during the year, the constitutional reform effort was essentially frozen, as there was a lack of political will on the government's side to change the existing presidential model, which allowed one person to dominate all branches of power.

The political opposition maintained a strong minority presence in the Verkhovna Rada (parliament), with Batkivshchyna (Fatherland), the Ukrainian Democratic Alliance for Reforms (UDAR), and Svoboda (Freedom) controlling a combined 40 percent of the seats. Moreover, the government took some steps to meet international and opposition demands to free members of the previous government who had been incarcerated on politically motivated charges the previous year. In April, Yanukovych pardoned former interior minister Yuriy Lutsenko and former environment minister Heorhiy Filipchuk, clearing the way for their immediate release. However, the most prominent political prisoner, former prime minister Yuliya Tymoshenko, remained behind bars at year's end, having been sentenced in 2011 to seven years in prison for "misuse of power."

For most of the year, the prospect of initialing an Association Agreement with the European Union (EU) at a 28–29 November summit served as a constructive factor that encouraged political elites to cooperate in order to achieve the criteria laid out by the EU in December 2012. The Rada successfully drafted and adopted a number of required laws, including those on elections and countering corruption. This positive trend was then shattered on 21 November, when the president unexpectedly decided—under strong Russian pressure—not to initial the EU agreement as planned.

The sudden reversal of pro-EU policies after three years provoked a feeling of betrayal in the public, leading to the largest civic protests since the Orange Revolution of 2004. The Euromaidan rallies in Kyiv—so named because of their support for European integration and their base in the city's Independence Square (Maidan Nezalezhnosti)—drew hundreds of thousands of people. The number

reportedly swelled to over half a million on 1 December, after the government tried on 30 November to disperse the protesters with brute force. The use of violence seriously undermined the administration's public legitimacy, and protesters began demanding not just the signing of the EU pact but also the resignation of Yanukovich and his entire cabinet.

Despite the massive protests, the opposition in the Rada failed to secure a majority for a no-confidence vote against the cabinet on 3 December. Only 186 of 450 lawmakers voted to dismiss the government.¹

As antigovernment rallies continued in Kyiv and other cities through the end of the year, the administration proved reluctant to conduct genuine negotiations with the protesters, relying instead on the loyalty of the police and judiciary. Hundreds of people were beaten and some arrested during police assaults on 30 November, 1 December, and 11 December, and a number of policemen suffered injuries as well. However, no policemen were punished for using excessive force.

On 29 December, a so-called Maidan People's Assembly adopted a manifesto that included a comprehensive list of objectives, including punishment for human rights abusers, adoption of a new constitution, decentralization of power, the lustration of judges, and fundamental reforms of the law enforcement system.²

Even before the protests began, Ukraine's finances were close to default, devastated by a combination of economic mismanagement and unchecked corruption. In exchange for Yanukovich's decision not to go forward with the EU agreement, the Russian government offered relief in the form of a \$15 billion loan and a discount of roughly one-third on the price Ukraine would pay for imports of Russian natural gas.³ The relevant deals were signed in Moscow on 17 December, and the first \$3 billion of the promised loan was paid that month.

According to a poll conducted by the Democratic Initiatives Foundation, the country remained politically divided at year's end, with 50 percent of respondents supporting the Euromaidan protests and 43 percent opposed. At the same time, 75 percent agreed that the movement was the most important event of the year, and large majorities supported some of the key demands of the protesters. For example, 61 percent were in favor of criminal charges against those who beat demonstrators, and 78 percent agreed on criminal proceedings against anyone involved in corruption.⁴

Electoral Process

| 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|------|------|------|------|------|------|------|------|------|------|
| 3.50 | 3.25 | 3.00 | 3.00 | 3.50 | 3.50 | 3.50 | 3.75 | 4.00 | 4.00 |

There were no national elections in 2013. The main developments of the year were connected to legal changes prescribed by the Venice Commission, the EU, and the Organization for Security and Cooperation in Europe (OSCE) following the October 2012 parliamentary elections.

The Ministry of Justice drafted legislation that would amend the laws governing parliamentary elections, but a number of recommendations of the Venice Commission and the OSCE were not accounted for, including those that would require a constitutional amendment (particularly with respect to rules disqualifying candidates who lack Ukrainian residency or have criminal records); those that imply harmonization of electoral laws governing local, parliamentary, and presidential elections; and those that the government said would require further exploration (such as introduction of public funding of political parties).⁵ The draft legislation was nevertheless adopted by the Rada in November, incorporating many if not all relevant recommendations from the international bodies.

Also during the year, the High Administrative Court revoked the mandates of five Rada members in a series of rulings, and, although technicalities were cited in each case, political motivations were widely suspected. Two members whose elections were invalidated in February—Oleksandr Dombrovsky and Pavlo Baloha—had reportedly refused to join the ruling Party of Regions faction in the parliament. Serhiy Vlasenko of Batkivshchyna was stripped of his seat in March because he had served as Tymoshenko's defense lawyer. Also in March, Andriy Verevsky of the Party of Regions lost his mandate for leading a commercial entity while also serving as a lawmaker. And in September, the court removed Ihor Markov, also of the Party of Regions, for alleged electoral violations, though he had publicly clashed with the party leadership.⁶

Five other seats had been left vacant since the October 2012 elections because fraud and other irregularities made it impossible to determine a winner. Legislation passed in September 2013 cleared the way for special elections, and fresh voting for these mandates was held on 15 December. However, the elections demonstrated many of the same shortcomings that were detected the previous year, namely the misuse of administrative resources, unequal access to media, and vote buying. The last problem was allegedly even more extensive than before. In some cases, major gaps were noted between exit polls and the official results, adding to serious doubts about the fairness of the elections.⁷ Opposition forces ultimately captured only one of the five seats.

The ruling party prevented the Rada from setting dates for overdue municipal elections in Kyiv and six other major cities during the year.⁸ The mandate of the incumbent Kyiv city council expired in the spring, and the capital had been without an elected mayor since July 2012. In May, the Constitutional Court approved the postponement of Kyiv's elections until October 2015.

Civil Society

| 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|------|------|------|------|------|------|------|------|------|------|
| 3.00 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.50 |

Nongovernmental organizations (NGOs) continued to operate in a relatively free environment in 2013, representing a wide spectrum of interests. Civil society played

a crucial role in defending democratic values and practices in Ukraine, particularly toward the end of the year, when the emergence of the Euromaidan movement generated unprecedented levels of civic self-organization and mass mobilization around issues of common concern.

Substantial progress has been achieved with regard to providing a legal framework for nonprofit activity. The new Law on Civic Associations, which took effect on 1 January 2013, created greater space for NGOs to operate by removing some administrative barriers. Among the major reforms were a simplified registration process and rules allowing organizations and companies to establish NGOs. Problematic restrictions that existed in the old framework were also eliminated, including those limiting where organizations could physically operate or conduct activities within Ukraine, banning advocacy on behalf of individuals or groups that are not members of the organization, and prohibiting commercial activity to raise funds. By allowing NGOs to conduct nonprofit commercial activity aimed at their legitimate goals, the new law could help diversify such groups' sources of income and strengthen their financial sustainability.

The government has formal mechanisms for consultation with civil society on draft legislation and other matters, including civic councils operating at different levels of government. However, the voices of civil society actors were ignored on many occasions in 2013 when politically sensitive issues were concerned. The unclear procedure for the election of civic council members caused competition between NGOs with different political bents. In late December, responding to the massive protests, the government prepared a draft law that would severely restrict organizations with funding from international sources, branding all such NGOs as "foreign agents" in an imitation of similar Russian legislation. The bill had not yet passed at year's end.

The Euromaidan protests became a source for the recruitment of a new generation of civic activists, and a number of groups addressed the crowd from the stage in central Kyiv. Low confidence in political parties gave NGOs additional responsibilities, and they attempted to focus on the goal of institutional transformation rather than a simple change of government. There were various civic networks operating at the maidan, including "Civic Sector of Maidan," "Maidan Civic Council," and "All-Ukrainian Forum of Euromaidans," providing the means for an array of individual groups and interests to coordinate their activities. In order to improve communication between political and civic actors involved in the protests, the All-Ukrainian Association "Maidan" was established in December.

The Euromaidan movement represented not just a substantial and consistent protest action but a truly bottom-up process of mass self-organization and horizontal civic networking. Such a process had been lacking in Ukraine since its independence, and it will affect the country's future for years to come, even if the direct political results of Euromaidan are still uncertain.

Independent Media

| 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|------|------|------|------|------|------|------|------|------|------|
| 4.75 | 3.75 | 3.75 | 3.50 | 3.50 | 3.50 | 3.75 | 4.00 | 4.00 | 4.25 |

Ukraine has a diverse and competitive media market, and the constitution and legal framework generally provide for media freedom. However, respect for these fairly progressive laws has diminished in recent years. The overall situation for media freedom deteriorated further in 2013.

The country's politicized state media remained unreformed and continued to serve the interests of senior politicians and the state bureaucracy. The private media sector, while pluralistic at the national level, has faced increasing political pressure. Biased coverage in favor of the government continued at some television channels in 2013, and self-censorship was a visible phenomenon.

In June, it was announced that the Ukrainian Media Holding (UMH) group had been sold for an estimated \$340 million to East European Fuel and Energy Company, or VETEK, owned by 28-year-old Serhiy Kurchenko, who belongs to the inner circle of associates of President Yanukovich and his son Oleksandr, known collectively as the "Family."⁹ UMH owns some 50 broadcast, print, and online brands, including the well-known publications *Forbes Ukraine* and *Korrespondent*. A large group of journalists, including *Korrespondent* chief editor Vitaliy Sych, resigned from the company over the subsequent months.¹⁰ The new management had allegedly instructed them not to pursue critical stories about lawmakers from the ruling Party of Regions or investigate corruption in the executive branch.¹¹

Journalists also left the formerly independent television channel TVi after a highly opaque hostile takeover in April. The station had already been weakened by an allegedly politicized tax investigation in 2012 and pressure on cable companies to drop it from their packages. After the change of ownership, the channel reportedly began to reappear on many cable networks.

Internet-based media continue to expand rapidly. More than 35 percent of households have regular internet access, and about 40 percent of the adult population are regular internet users, though in the larger cities this indicator exceeds 65 percent.¹² At the same time, cybercrimes are also proliferating, and a number of fake websites have appeared to mislead readers. For instance, the most popular online news outlet, *Ukrayinska Pravda* (Ukrainian Truth), has two clone sites dedicated to discrediting independent journalists, civic activists, and opposition politicians. In October 2013, Oksana Romanyuk, director of the Institute of Mass Information media watchdog, was targeted in a cyberattack that stole the contents of her home computer and posted them online. A link to the material was published on one of the *Ukrayinska Pravda* shadow sites, called *Ukrayinska Kryvda* (Ukrainian Lies). Experts blamed the government for such attacks, noting that infected e-mail used to hack the target computers often bore the domain name of the Interior Ministry.¹³

The political crisis and protests of November and December had a variety of effects on the Ukrainian media landscape. Some television channels seemed to improve their standards, providing comparatively fair coverage of the

demonstrations, and new internet-based broadcasters like Hromadske TV and Spilno TV became key sources of information about the Euromaidan movement and related developments. However, the crisis also led to increasingly biased coverage on progovernment stations and a dramatic rise in physical attacks against journalists. At least 51 journalists were reportedly attacked on the weekend of 30 November while covering protests in Kyiv and other cities.¹⁴ The assailants included police and unidentified thugs. However, the most prominent incident occurred away from the protests on 25 December, when a group of attackers drove well-known investigative journalist and activist Tetyana Chornovol off the road, dragged her from her vehicle, and brutally beat her.¹⁵

Local Democratic Governance

| 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|------|------|------|------|------|------|------|------|------|------|
| 5.25 | 5.25 | 5.25 | 5.25 | 5.25 | 5.25 | 5.50 | 5.50 | 5.50 | 5.50 |

Ukraine has four tiers of subnational administrative divisions: the Autonomous Republic of Crimea and oblasts (regions), including two cities with oblast status, Kyiv and Sevastopol; raions (districts) and cities with raion status; cities; and villages and townships. Each raion is divided into a number of village councils. Ukraine has 24 oblasts (plus Crimea), 490 raions, 118 city raions, 459 cities, 1,344 townships, and 29,787 rural populated localities.

Local governance is regulated by Section XI of the constitution and a number of specific laws, including the 1997 Law on Local Self-Government and the 1999 Law on Local State Administrations.¹⁶ The laws have been amended many times since their original adoption, but they still mostly reflect and operate on principles inherited from Soviet times—namely, strong centralization, lack of local autonomy, and a disproportional distribution of the state budget.

Over the past 17 years, the authorities have repeatedly attempted to implement a package of legislation on local governance reform. However, each attempt failed to reach completion, and every successive government started the process anew. There were no new attempts of this kind during 2013.

The key problems hindering the development of local self-government remained unchanged: an excessive centralization of power at the national level; excessive fragmentation of lower-level administrative units; assumption of the powers of local self-governance bodies by the administrations appointed by the president and cabinet; vagueness of the criteria and procedures for establishing various territorial units; absence of an adequate financial basis for local government budgets; unfair and inefficient accumulation of funds by the central government; and poor staffing of local self-government bodies.

There were local elections in about 400 jurisdictions during the first half of 2013, and the ruling Party of Regions won the majority of the contests.¹⁷ There was no election in 2013 to fill the mayor's post in Kyiv, which had been vacant since the incumbent resigned in June 2012. Moreover, the city council's term expired in

the spring of 2013, and the Constitutional Court ruled in May that voting for both the mayor and the council could be postponed until October 2015. In December, the maidan protesters occupied the city council building. Oleksandr Popov, the presidentially appointed head of the Kyiv city administration, was suspended on 14 December as a result of his role in the beating of protesters by police on 30 November and 1 December. Though the suspension was welcomed by the opposition, Popov was widely seen as a scapegoat rather than the principal organizer of the police abuses. At year's end, the capital had only acting executive officials.

In October, the Council of Europe's Congress of Local and Regional Authorities adopted a report on the state of local and regional democracy in Ukraine.¹⁸ The document noted that several cities had lacked mayors for long periods of time and that the financial autonomy of local authorities was limited. It also observed that the Ukrainian government had failed to act on pledges to reform the system and clarify the division of responsibilities between national and local entities. The report recommended legislative changes that would remove restrictions on the powers of local authorities, as well as prompt elections to fill vacancies in local governments.

The Euromaidan movement could have an impact on the future development of local self-governance. Many residents and some officials in the regions, particularly in western Ukraine, organized their own local protests and civic networks, emphasizing their differences with the central authorities. Allies of the Yanukovich administration also attempted, with less immediate success, to mobilize supporters in other regions in the south and east. Decentralization became one of the long-term political demands of the Euromaidan protesters and was written into the manifesto adopted on December 29: "Decentralization of power, giving real power to local governments, including the creation of their full executive powers, limiting the powers of the president and the authority of appointed local governors to only administrative functions, providing conditions for the development of local communities through the decentralization of public finances."¹⁹

Judicial Framework and Independence

| 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|------|------|------|------|------|------|------|------|------|------|
| 4.25 | 4.25 | 4.50 | 4.75 | 5.00 | 5.00 | 5.50 | 6.00 | 6.00 | 6.00 |

Apart from the implementation of a new criminal procedure code that had come into force in late 2012, most of the developments in the judicial sphere in 2013 were negative, reflecting the courts' dependence on and misuse by the executive branch.

The reforms contained in the new criminal procedure code included equalization of the rights of the defense and the prosecution; introduction of the principle of adversarial argument; an end to the exclusive right of investigators and prosecutors to produce evidence; a requirement that the defense be conducted only by lawyers, whereas previous rules allowed the defendant to be represented by relatives; a ban on pretrial detention in cases that do not involve grave or extremely grave crimes; and a ban on detention in the investigatory isolation ward for commercial crimes.

International organizations praised the code and encouraged the authorities to fully implement it.²⁰ Some respected Ukrainian NGOs also positively assessed the impact of the code's implementation on the judicial system.²¹ However, others argued that it had been drafted without proper input from Ukrainian specialists or the opposition, that it was adopted in violation of normal legislative procedures, and that some provisions may be contrary to the constitution, existing legislation, and international conventions ratified by Ukraine.²²

Long-awaited judicial reforms that would guarantee the independence and professionalism of judges were not undertaken in 2013. The membership of the High Council of Justice still does not meet international standards, and the independence of the High Qualification Commission of Judges also remains insufficient.

Former prime minister Tymoshenko continued to serve her 2011 sentence, and there were no new court decisions on the additional allegations that had been lodged against her. In April, the European Court of Human Rights (ECHR) ruled that Tymoshenko's pretrial detention was arbitrary and unlawful, though the judges rejected claims that she had been beaten or denied proper medical treatment. The ECHR was still considering a separate case focused on Tymoshenko's actual conviction and sentence. Also in April, the pardon of former interior minister Lutsenko and former environment minister Filipchuk was welcomed by the opposition, international observers, and much of the public,²³ but it was nevertheless a political decision by the executive rather than an internal correction by the judicial system.

Ukrainians continued to widely distrust the country's law enforcement bodies, according to opinion surveys. The judiciary, prosecutors' offices, and police agencies were considered to be among the most corrupt spheres of public life. One poll found that 59.8 percent of respondents do not support the work of the courts in Ukraine.²⁴

The judiciary and law enforcement agencies were used to suppress the Euromaidan movement in late 2013. Riot police and other internal security forces carried out brutal beatings of protesters, the courts jailed activists on trumped-up charges, and a number of government opponents faced abduction and torture by unidentified assailants who seemed either to belong to or be working in league with state entities. Such abuses highlighted the need for a thorough overhaul of the country's justice system.

Corruption

| 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|------|------|------|------|------|------|------|------|------|------|
| 5.75 | 5.75 | 5.75 | 5.75 | 5.75 | 5.75 | 5.75 | 6.00 | 6.00 | 6.25 |

According to the prosecutor general's office, civil servants are the most corrupt group in Ukraine, followed by police officers, the military, and tax officials.²⁵ Similarly, Transparency International's 2013 Global Corruption Barometer found that 82 percent of respondents in Ukraine believed public officials and civil servants

to be corrupt or extremely corrupt. Some 84 percent said the same of police, 87 percent did so regarding the judiciary, and 74 percent deemed political parties to be corrupt or extremely corrupt.²⁶ Another poll released in August found that 18.9 percent of Ukrainians had paid a bribe over the past year.²⁷ President Yanukovich himself stated in February that corruption was costing the state budget 20 billion hryven (\$2.4 billion) annually.²⁸

Corruption continues to hamper economic development in the country. According to a study by Ernst & Young released in May, 85 percent of Ukrainian executives reported that it was impossible to do business in the country without paying bribes.²⁹ In March, the same company found that corruption was considered by foreign businessmen to be the biggest problem for Ukraine's investment climate.³⁰

In March, the latest report of the Group of States against Corruption (GRECO) indicated that Ukraine had fully implemented only 2 of the 13 recommendations for tackling corruption that were still outstanding as of 2012, having originally been issued in 2007.³¹ GRECO noted some positive steps but encouraged the Ukrainian authorities to fulfill the rest of recommendations, including the creation of an independent and effective anticorruption body, ensuring the protection of whistle-blowers and the political independence of prosecutors, and reforming public procurement laws to comply with European standards of transparency and accountability.

Procurement legislation adopted in 2012 had carved out extensive exceptions to the underlying law's transparency and competition requirements, exempting all procurements by public, municipal, and state-owned enterprises as well as private business entities in which the state interest exceeds 50 percent. Experts predicted that the new rules would effectively exclude 80 percent of all state procurements from the law's regulations. Consequently, in the first half of 2013, public data was provided on only about 131.94 billion hryven (\$16.1 billion) in public tenders, compared with 307.75 billion hryven (\$37.6 billion) in transactions that were disclosed during the same period in 2012.³²

In May 2013, the Rada rejected anticorruption legislation proposed by the opposition, but it did pass a bill that expanded income-disclosure rules to a wider circle of officials' relatives and to lower-ranking officials. Related legal changes introduced criminal liability for corporations whose employees pay bribes and enabled asset seizures in corruption cases.

As in previous years, any positive changes in the legal framework were undermined by an apparent lack of political will to combat corruption, and overshadowed by evidence of illicit enrichment among the president's closest associates. In April 2012, Yanukovich's son Oleksandr was already on *Forbes Ukraine's* list of the 100 richest Ukrainians, with an estimated fortune of \$99 million.³³ A year later, his assets had reportedly jumped to \$187 million. And by November 2013, his net worth was estimated at \$510 million, having nearly tripled in the intervening months.³⁴

Dissatisfaction with the high level of elite corruption was among the core grievances that brought people to the streets to participate in the Euromaidan

movement. European integration and its attendant reform requirements were seen as a means to fight this feature of the Ukrainian state and society, and the government's decision to back away from the EU Association Agreement amounted to a rejection of this reform path. The Euromaidan movement can be interpreted as a signal that Ukrainians are finally ready to take the necessary steps to defeat corruption and cleanse the governing system, though it will be a long and difficult undertaking.

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