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As President Viktor Yushchenko promised, Ukraine held a mini-version of the annual Davos World Economic Forum. As *The Economist* (June 16) wrote, "The government hoped to give investors more clarity" at the roundtable in Kyiv, "but the impression of incompetence will linger."

After three days of speeches and discussions, the 250 participants outlined a 10-point Action Plan to increase foreign investment and called for its adoption by July 1. With only two days to go, this now seems unlikely.

Ukraine's parliament continues to vote down legislation required for Ukraine's WTO membership in the fall (see EDM, June 15). Ukraine must adopt the necessary legislation before the parliament's current session ends on July 8. If not, the report on Ukraine prepared for the July WTO Working Group in Geneva will not recommend Ukraine's accession at its fall session (UNIAN, June 22).

Although a May 20 presidential decree called for speeding up WTO accession, only 11 days later parliament failed to adopt necessary legislation when one-quarter of Yushchenko's own Our Ukraine faction did not vote. Prime Minister Yulia Tymoshenko hoped the relevant 21 draft laws sent to parliament this month would be voted on as a package, but parliament rejected two because they disagreed with the government proposal to vote on them together.

The Action Plan calls for parliament to enact all of the necessary legislation before the summer recess. It also calls for the establishment of a group of specialists to support foreign investors. Yushchenko pledged, "I give you my word that we will give this agency...such status of relations with the president, the prime minister, and the government that will help it solve problems of any investor" (State Television Channel 1, June 17).

Another step would create a one-stop procedure for starting new businesses. The Yushchenko coalition understands the importance of

this change both to encourage small and medium businesses and to reduce temptations for corruption. A fourth step would reduce excessive regulations.

Other steps address Ukraine's deficit in the legislation required for a market economy. The Plan calls for a new Commercial Law to replace the Economic Code and for introducing a new Financial Securities law to protect shareholders. The Action Plan also calls upon Ukraine to reform taxation legislation.

Other steps are more medium-term objectives. These include introducing international accounting standards, enhancing management and business skills, and combating corruption.

The authorities have made progress in fighting corruption. The World Bank's director in Ukraine, Paul Bermingham, believes, "We have a sense that the power of the oligarchs has been reduced, in terms of privileged access, influence on public policy, and non-transparency in business" (BBC News, June 23). Yushchenko sardonically said that from now on Ukraine would never again have a prime minister with two criminal arrests (i.e. Viktor Yanukovich) or a head of the presidential administration with one (i.e. Viktor Medvedchuk) (State Television Channel 1, June 17).

The issue of corruption is non-negotiable for the Yushchenko coalition, but they believe that Western participants in the Mini-Davos were sending mixed signals. If this ambiguity halted anti-corruption measures, it would, Yushchenko believes, "give amnesty to future corrupt criminals and tendencies" (*Ukrayinska pravda*, June 18).

Kyiv's roundtable rightfully condemned calls from some elements of the Yushchenko coalition and the former Leonid Kuchma camp for Ukraine to adopt its own "third way." Such calls have been regularly and catastrophically made since 1992. Western participants in the Mini-Davos forum advised Ukraine's leaders to simply copy the successful transitions undertaken by the Baltic states and Central Europe.

Many of the comments from participants in the forum lamented Yushchenko's failure to use the energy generated by the Orange Revolution to introduce rapid reforms immediately after coming to power on January 23. Yushchenko has failed to exercise his extensive presidential powers or to impose his will on his own parliamentary faction.

Participants also criticized Tymoshenko's disastrous introduction of price controls and the contradictions within the government and presidency over re-privatization. The EU cited price controls as grounds to not grant Ukraine market economy status, a second objective outlined by Yushchenko (alongside WTO membership) for this year. An Economist Intelligence Unit report (June 20) entitled "Reprivatization Stuck in the Mud" discussed how this issue was becoming a "major liability" for Ukraine. The report concluded, "De-privatization is likely to dog the government's work for most if not all the rest of the year and to serve as a reminder that Mr. Yushchenko is unable to get all of his team working together."

Western participants share a belief that the Yushchenko presidency has focused too much on undoing the negative past instead of focusing on positive policies for the future. Both Yushchenko and Tymoshenko tried to calm fears about re-privatization while insisting, in Yushchenko's words, "The ones who were stealing billions yesterday will be the first who will want to breathe this fresh air" (AP, June 17).

Western businessmen who attended the Mini-Davos seemed unconvinced by the speeches made by Yushchenko and Tymoshenko. *Ukrayinska pravda* (June 18) lamented that Yushchenko's speech was not inspiring. With his eyes firmly glued to his text, Yushchenko devoted a third of his speech to Ukrainian and European history.

Many in the audience had heard empty rhetoric for over a decade from Kuchma's administration and now expected action. "The speeches are great, but big businessmen want to see things happen on the ground level," said James Gallagher, senior vice-president of Nestlé's central European division (AP, June 17).

Despite the Mini-Davos forum, Yushchenko and Tymoshenko are still failing to get their message across to Western governments and businessmen and lack any communications strategy. These shortcomings, coupled with a change of policies, better leadership from Yushchenko, and fewer public rows will be needed to successfully fulfil the hopes of the Orange Revolution.