

Ukraine in Brief

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Thanos Arvanitis, head of the IMF's mission in Ukraine

(Photo: Kyiv Post)

Ukraine and IMF Reach Favorable Agreement

The International Monetary Fund (IMF) sent a mission group to Ukraine to discuss continuing relations between the organization and Ukraine. From February 1-14 the two sides discussed a variety of issues including the status of Ukraine's economy and future assistance from the IMF.

The head of the IMF delegation was Thanos Arvanitis and he met with several Ukrainian representatives, including Prime Minister Mykola Azarov. Also present at the meetings were key ministers, business officials, and other financial officers.

At the conclusion of these meetings the IMF issued a statement about the future relationship. The IMF did agree to renew its loan partnership with Ukraine, so Ukraine will continue to receive funds to promote economic growth. The IMF approved a stand by program with funds totaling \$10 billion, the third biggest assistance program the IMF has given.

The IMF commented on what Ukraine has done economically, stating: "The Ukrainian economy performed better than expected in 2010, with growth exceeding 4 percent of GDP." These positive steps taken by the country are part of the reason the IMF has agreed to continue supporting them financially.

The talks, which were never supposed to last two full weeks, were lengthened to complete discussion on some of the more challenging issues. Some of the more complicated issues facing the IMF and Ukraine were pension reform and natural gas tariffs. By the conclusion of the session, a compromise had been reached. Ukraine has agreed to increase tariffs for natural gas and reform the current pension system, but in a more gradual process. By slowly making these changes, the country hopes to "cushion the impact on households" according to the IMF statement. Positive relations with the IMF will allow Ukraine to continue to grow economically and implement new programs to help the country.

Ukraine and NATO to Continue Working Together

On Feb. 11 the Deputy Chairman of the NATO Military Committee, Walter Gaskin, met with Colonel-General Hryhoriy Pedchenko in Kyiv.

Gaskin expressed gratitude to Ukraine for its assistance in NATO military operations such as Ukraine's participation in the Kosovo Force and operations in Afghanistan.

Ukraine has worked in alignment with NATO on several issues in recent times, though they maintain a nonaligned status currently. Gaskin also stated that NATO respects Ukraine's current status.

He did note that NATO hopes that Ukraine will continue to work closely with them and improve relations for the future. Gaskin also said that Ukraine must "increase the capabilities of the Ukrainian Armed Forces." Doing so would allow Ukraine's army to work better with NATO.

Ukrainian Democracy Levels Drop Low

Based on research from members of the academic community, civil society groups and policy advocates, the levels of democracy in Ukraine are said to be nearly as low as they were during the final year of President Leonid Kuchma in 2004.

Iryna Bekeshkina, who is the director of the Ilko Kucheriv Democratic Initiatives Foundation, asked the study to quantify the status of democracy in Ukraine. The results indicate that on the standard international scale used to assess democracy, Ukraine scored a 4.75. Ranked from one to ten, with one being a completely dictatorial government, the scale is used to compare democracy throughout the world.

During Kuchma's last year in power the level was at a 4.6 out of 10. In order to calculate the current status, 63 experts worked with the Democratic Initiatives Foundation.



Iryna Bekeshkina, Director of Democratic Initiatives Foundation

(Photo: Democratic Initiatives Foundation)

Based on this information, Bekeshkina said that while Ukraine hasn't reached the low level of democracy Kuchma's administration created, "I am afraid we are going to get there." She presented the results of the study at a round table discussion about democratic freedoms in Ukraine on Feb. 9.