EASTERN EUROPE: THE STATE OF DEMOCRACY AND FREEDOM

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CONTENTS

Page

WITNESSES

Mr. Thomas O. Melia, Deputy Assistant Secretary, Bureau of Democracy, Human Rights, and Labor, U.S. Department of State 8
Nadia Diuk, Ph.D., vice president, programs, National Endowment for Democracy 33
Mr. Stephen Nix, regional director, Eurasia, International Republican Institute 43
The Honorable David Kramer, president, Freedom House 65

LETTERS, STATEMENTS, ETC., SUBMITTED FOR THE HEARING

The Honorable Dan Burton, a Representative in Congress from the State of Indiana, and chairman, Subcommittee on Europe and Eurasia: Prepared statement 3
Mr. Thomas O. Melia: Prepared statement 12
Nadia Diuk, Ph.D.: Prepared statement 37
Mr. Stephen Nix: Prepared statement 45
The Honorable David Kramer: Prepared statement 68

APPENDIX

Hearing notice 86
Hearing minutes 87

EASTERN EUROPE: THE STATE OF DEMOCRACY AND FREEDOM

TUESDAY, JULY 26, 2011

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EUROPE AND EURASIA,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:30 p.m., in room 2172 Rayburn House Office Building, Hon. Dan Burton (chairman of the subcommittee) presiding.

Mr. BURTON. The Subcommittee on Europe and Eurasia of the Foreign Affairs Committee will come to order.

Good afternoon. Thank you all for being so patient. We had a whole bunch of votes on the floor and in addition to that, we had to take a picture. You know how important that is for Congressmen and Congresswomen. If you don't, now you do.

Anyhow, I appreciate your being here. It's been 20 years since the fall of the Soviet Union. In that time, the countries of the former Soviet Union and her Iron Curtain satellites have strived to adopt democratic governments and free market economies. For some, the transition was swift and complete. For others, the transition is still ongoing and for a tragic few, freedom and prosperity remain elusive.

I believe much of the credit for this progress is due to the courageous leadership of many democratic-minded people in the region, but these brave patriots could not have succeeded without the dedication of people like former President Ronald Reagan, and others in the United States and elsewhere, who invested in the future of these countries by helping to plant the seeds of democracy and nurturing them over time. Countries such as Lithuania, Estonia, and Latvia which have adopted strong democratic institutions, electoral systems representative of the people and economies which have the opportunity to flourish should be applauded for their efforts.

However, as we have seen in countries such as Georgia, Serbia, Albania, and Moldova who have struggled in their transition, democracy, although still holding on, is not without it's challenges. While the people of Georgia, Serbia, Albania, and Moldova have steadfastly maintained their commitment to achieving the democratic standards that "Western countries enjoy," there's a real risk that people could start to grow tired of the struggle to reform of malintented actors suddenly swept into power seemingly overnight. We must not allow such things to happen. The United States and the European Union must continue to encourage and support those who strive for better and stronger democracies and we just un-

equivocally let them know that the United States is unwavering in our commitment to their success.

Similarly, we must be equally unwavering in pressuring the leaders of those countries who have not adopted democratic ideals such as Belarus and Russia to make the necessary reforms to allow democracy to take root and to end corruptive and repressive practices. The United States, without a doubt, must let the leaders of such nations know that the status quo will not be tolerated and that the only way to fully join the international community is to embrace true democracy that enables freedom and rights which are obtainable by all of their citizens.

Recently, I along with six other Members of Congress took part in the Community of Democracies Forum in Vilnius, Lithuania. It was encouraging to see so many nations from around the globe take part in an open forum to speak out in support of democracy and against those who destabilize democracy for their own corrupt purposes. Also encouraging was to see established democracies such as the United States and Germany attending the conference to support the goal of promoting democratic rule as well as strengthening democratic norms and institutions around the world.

Forums such as the Community of Democracies enable cooperation to take place and we in the United States must support such efforts. To that end today, we're going to examine the current status of democracy and freedom in Eastern Europe, not only for former Soviet States, but also for all countries in the region. The good fight is for democracy and we must encourage its existence and nurture it so that it flourishes. Without our strong support and the support of European Union friends we would doom millions of people to repression that inhibits personal growth and stifles freedoms such as the right to assembly, the right to freely practice religion, the right to a free press and media, and the right to be in control of your own future. We must not let that happen.

I am glad that the U.S. Department of State is providing testimony and I'm thrilled that Freedom House, the International Republican Institute, and the National Endowment for Democracy are here represented today. Thank you, and I look forward to learning how we can better support democracy and freedom in Eastern Europe. And I might add that we're going to be going over in Europe on a number of codels to meet with officials in those countries and talk to them about a myriad of problems and questions that exist, not the least of which is the financial stability of the entire region.

With that, I will yield to my ranking member, Mr. Meeks.

[The prepared statement of Mr. Burton follows:]

Remarks of the Honorable Dan Burton, Chairman
Subcommittee on Europe and Eurasia
Committee on Foreign Affairs
U.S. House of Representatives

Hearing on: "Eastern Europe: The State of Democracy and Freedom"

*****As prepared for delivery*****

July 26, 2011

It has been twenty years since the fall of the Soviet Union. In that time, the countries of the former Soviet Union and her iron curtain satellites have strived to adapt democratic governments and free market economies. For some, the transition was swift and complete; for others the transition is still ongoing; and for a tragic few, freedom and prosperity remain elusive.

I believe much of the credit for this progress is due to the courageous leadership of many democracy-minded people in the region but, these brave patriots could not have succeeded without the dedication of people like former President Ronald Reagan and others in the U.S. and elsewhere who invested in the future of these countries by helping to plant the seeds of democracy and nurturing them over time.

Countries, such as Lithuania, Estonia, and Latvia which have adopted strong democratic intuitions, electoral systems representative of their people, and economies which have the opportunity to flourish; should be applauded for their efforts.

However, as we have seen in countries, such as Georgia, Serbia, Albania, and Moldova, who have struggled in their transition, democracy, although still holding on, is not without its challengers. While the people of Georgia, Serbia, Albania and Moldova have steadfastly maintained their commitment to achieving the democratic standards that "western" countries enjoy, there is a real risk that people could start to grow tired of the struggle to reform and of mal-intended actors suddenly swept into power, seemingly overnight. We must not allow such things to happen. The United States and the European Union must continue to encourage and support those who strive for better and stronger democracies and we just unequivocally let them know that the United States is unwavering in our commitment to their success.

Similarly, we must be equally unwavering in pressuring the leaders of those countries who have not adopted democratic ideals, such as Belarus and Russia, to make the necessary reforms to allow democracy to take root and to end corruptive and repressive practices. The United States,

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To that end, today, we will examine the current status of democracy and freedom in Eastern Europe, not only for former Soviet states, but also for all countries in the region. The good fight is for democracy and we must encourage its existence and nurture it so that it flourishes. Without our strong support, and the support of our European Union friends, we would doom millions of people to repression that inhibits personal growth and stifles freedoms such as the right to assembly, right to freely practice religion, the right of a free press and media, and the right to be in control of your own future. We must not let that happen.

I am glad that the U.S. Department of State is providing testimony and am thrilled Freedom House, the International Republican Institute, and the National Endowment for Democracy are represented today. Thank you and I look forward to learning how we can better support democracy and freedom in Eastern Europe.

Mr. MEEKS. I want to thank you, Chairman Burton, for calling this hearing and providing an opportunity to review the state of freedom and democracy in Eastern Europe and Eurasia and to consider how best to engage with countries of the region to support the stiffening of democratic rights and liberties in the region.

This large swath of the world includes some of Western civilizations oldest democracies and of course, some of its newest. Compared to some, the United States is a newcomer on the block. Others, however, are carved crudely out of failed empires or attained statehood with the fall of the Iron Curtain and the collapse of the Soviet rule have defined their borders in the past two decades. These are truly young democracies with legacies of authoritarian regimes that are difficult to relinquish.

Democracies are works in progress, even in countries with a solid foundation and a long history of freedom and democratic institutions, like the United States. Even in Greece, the country that we credit as being the birthplace of democracy thousands of years ago, even Greece still tweaks the format. Just last year, Greece enacted a law allowing legal immigrants to vote in municipal elections.

As we conduct this review, we must turn the prism of scrutiny on ourselves while we consider the imperfect rule of law in Russia, the discrimination against minorities throughout much of the region, and the identity laws that deny citizenship and voting rights to Roma, we remember our own flawed democracy that once defined a person or a man in such a way as to disenfranchise and even dehumanize women and minorities for centuries. And we observe that our democracy continues to struggle with and in some cases ignores the question of whether one's sexual preference is cause to deny an individual the rights of association, inheritance, insurance, marriage, and other rights and privileges that the majority population enjoys.

Democracy is not a perfect system. It's greatest strength—that it relies on the will of the majority—can be a great vulnerability. Leaders and representatives may fail to make difficult and necessary decisions like raising taxes for fear of alienating voters with the power to vote them out of office.

As we will likely hear today, voters may choose governments we do not like. We shall hear that some European Governments have flip-flopped from left to right and back again. Rather than concluding that a given country is backsliding, we should conclude that voters are exercising their right to change course, peacefully and democratically. The system is working when that happens.

I expect that we shall also hear today about challenges to countries in Eastern Europe and Eurasia. It is important to approach this information constructively and remember that our work today is not to sanction countries for failing. We, too, have failed. Rather, our purpose should be to lead by example and to offer our assistance where we can make a difference. Engagement also dictates that we expand our economic and trade relationship with Russia, while encouraging them to address the challenges of democracy. And it is gratifying that the full committee authorized this policy during our recent markup for the Foreign Affairs Reauthorization Bill.

With respect to this, I urge my colleagues to scrutinize the votes of last week's State Authorization Markup. I fear that the bill that emerged from that session may have jeopardized some important democracy assistance in the vulnerable spots of the region.

I am delighted to learn that our European friends are considering the United States National Endowment for Democracy as a model for undertaking of foreign policy—the Polish Foreign Minister Radoslaw Sikorski and EU High Representative for External Relations Catherine Ashton who are pushing for the creation of the European Endowment for Democracy, a flexible, funding mechanism for supporting democratic transition processes in neighboring countries.

I hope our witnesses will also touch on this and other interesting regional cooperations planned that are underway. And I know that Mr. Chairman and Mr. Marino and Mr. Deutch recently participated in a Community of Democracies Parliamentarian Forum and that the NGOs that will be testifying today were also present there. And I look forward to hearing about this and their testimony and the organization's potential.

Since the end of the Cold War, Europe and the United States have worked together successfully to advance freedom and democracy in the newly independent states. For most of these new partners, the goal has been economic and political stability and membership in one or more premiere trans-Atlantic organizations. That is NATO, the European Union and OSCE. This work is not over as the Balkan nations strive to pass through reform to prepare themselves for membership. But Belarus, Ukraine, Georgia, Armenia, if expansion of these organizations is finite, what goal or incentive will inspire these countries to take on the challenges of reform? I hope our witnesses will speak to this issue as well.

Finally, the protracted, frozen conflicts in Moldova and the southern Caucasus are reminders that we can not expect forward motion on freedom and democracy if we, the United States and the EU, disengage or embrace isolationism. In Belarus, or on the EU's borders, Europe's last dictator has orchestrated an electoral fraud and violent crackdowns on peaceful dissent. Close coordination between the United States and European Union is important in addressing this situation, but most importantly Belarus' democratic neighbors have a vital role to play by backing civil society and independent media with material assistance and political support.

Central and Eastern Europe have shown a strong willingness to assume leadership in the EU and NATO and I think this is a real opportunity to assume a leadership role. If the Arab Spring has taught us anything it is that democracy is still relevant and that the people who are oppressed seek freedom and seek the power to change their governments, the promises of democracy.

I commend the work of IRI, Freedom House, the National Endowment for Democracy, and others who have implemented the U.S. vision of strengthening democracy worldwide. And I'm eager to hear the testimony from our witnesses and I again thank the chairman for calling this hearing and having an agenda where we will be traveling and seeing for ourselves what's happening on the ground because I think that's how we learn more by going there

and visiting and interacting with people and I look forward to traveling with you in the future.

Mr. BURTON. Toward that end, I hope your wife is feeling much better. She had a little back trouble. And I want to say that I'm very happy that I was able to co-sponsor the Russia amendment with you, even though we still have some problems over there.

The gentlelady from Ohio, would you have an opening statement?

Ms. SCHMIDT. Mr. Chairman, I'll be brief. I just want to say that this is a very important topic and while I might be new to this panel, I am not new to the International Republican Institute or the National Endowment for Democracy, because some 15, 16 years ago I was sent by the IRI to Russia to work with both the IRI and the NED to help in their election processes and to train candidates. And back then we were working toward democracy in Russia and we're still working through it today and I look forward to the testimony and I yield back the balance of my time.

Mr. BURTON. I thank the gentlelady. And we'll now recognize Mr. Sires from New Jersey.

Mr. SIRES. Thank you, Mr. Chairman, for holding this important hearing today to examine democracy and the human rights development in Eastern Europe. While human rights conditions are not perfect across Europe, I think we can agree that the situation in Central and Eastern Europe, as well as in the South Caucasus, has greatly improved since the days of the Cold War and the wars in the Balkans.

Much of the success can be credited to the integration of Europe and the desire of many of these countries to join NATO and the European Union. I think it can be concluded that the EU has had a great impact on the progress of human rights in the region. The human rights situation is generally better among EU member states than EU member candidates.

I have personally seen firsthand the progress made on democracy and freedom in the region when I travel to both Poland the Czechoslovakia. While great improvements have been made, there are still shortcomings in human rights and democracy in such countries as Belarus, Ukraine, and even the EU member Hungary. It is my hope that today's hearing will help us assess how we can balance the need to continue to help new democracies in the region emerge without letting other democracies regress.

I look forward to hearing from the witnesses today. And I thank you, Chairman, for holding this meeting.

Mr. BURTON. Mr. Poe of Texas, do you have an opening statement?

Mr. POE. Yes, I do, Mr. Chairman.

Mr. BURTON. Mr. Poe.

Mr. POE. Thank you, Mr. Chairman. Today's hearing focuses on democracy, freedom, and respect for human rights in Eastern Europe. One item of human rights that I am particularly concerned about, not only Eastern Europe but worldwide is the dastardly deed of human trafficking that occurs in Eastern Europe and other places in the world. Thankfully, the Trafficking of Persons Report established by the Trafficking Victims Protection Act and produced by the Department of State sheds light on the disturbing issue oc-

curring in the world and in our own country where human beings, mainly females, are bought and sold for sex and for labor. It is a form of modern-day slavery.

Many countries, in my opinion, aren't doing enough to address this issue. We need to do all that we can to pressure all countries that do not meet the minimum standards in combating traffic and to change course and focus on this issue.

Significant numbers of Eastern European countries have poor human trafficking records. The 2011 Trafficking of Persons Report places Russia, the Ukraine, Azerbaijan, and Estonia all on the Tier 2 watch list with many other Eastern European countries on Tier 2. Tier 2 watch list countries have a significant number of trafficking victims and have not provided evidence that they are increasing their efforts from the previous year to combat this horrible crime.

While Tier 2 countries are making efforts to come into compliance, they still don't meet the minimum standards established in the Trafficking Victims Protection Act. Both Tier 2 and Tier 2 Watch List countries are considered to be making significant efforts to bring themselves into compliance and with the standards of the Trafficking and Victims Protection Act, it is necessary for the United States to continue to put pressure on these countries to make real changes.

The United States claims to be and is the leader in human rights throughout the world and it is important that we take the lead worldwide in making sure that human trafficking, modern day slavery, comes to an end.

Mr. Chairman, I'll submit the rest of my comments for the record.

Mr. BURTON. Thank you, Mr. Poe. Mr. Melia, we really appreciate you being here today. Let me introduce our guests. Mr. Melia is Deputy Assistant Secretary of State in the Bureau of Democracy, Human Rights and Labor. He's responsible for DRL's work in Europe and in Russia and the countries of Central and South Asia as well as workers' rights and issues worldwide.

He came to DRL in 2010 from Freedom House where he was deputy executive director for 5 years. And for more than 12 years, Mr. Melia held senior posts at the Democratic National Institute. I really appreciate you being here today. We normally swear witnesses in, so if you wouldn't mind, I'm sure you're very truthful. Will you rise so we can swear you in?

Do you swear to tell the whole truth and nothing but the truth, so help you God?

Mr. MELIA. I do.

Mr. BURTON. You can proceed with an opening statement if you have one. Can you turn on the microphone?

STATEMENT OF MR. THOMAS O. MELIA, DEPUTY ASSISTANT SECRETARY, BUREAU OF DEMOCRACY, HUMAN RIGHTS, AND LABOR, U.S. DEPARTMENT OF STATE

Mr. MELIA. Thank you, Mr. Chairman, Congressman Meeks and the other members of the subcommittee. I appreciate the opportunity to speak to you today about the state of human rights and

democracy in Eastern Europe. I ask that my full written testimony be submitted for the record.

Mr. BURTON. Without objection.

Mr. MELIA. I apologize for its length. To paraphrase a great American, if I had taken more time, I would have made it a bit shorter, but in the interagency clearance process, more things get added to these kinds of documents than get taken out. Assistant Secretary Michael Posner asked me to send his regards specifically to the members of this subcommittee to emphasize his desire and that of all my colleagues in the Bureau of Democracy, Human Rights and Labor to work closely with this subcommittee to address the challenges and opportunities in this important region.

I want to commend you also, Mr. Chairman, for the selection of the non-governmental panel that is to follow and that I intend to stay and listen to. Nadia Diuk, Steve Nix, and David Kramer are among the very best analysts of the democracy challenges in this region and they are also activists of the first order, leaders of important NGO efforts to assist local efforts in these countries to promote the cause of freedom. So I'm proud to be at the hearing today with them.

This is a timely moment to discuss democracy in Eastern Europe. Lithuania, one of the brighter stars of democratic consolidation to have emerged from the collapse of the Soviet Union just concluded a very successful term as chair of the Community of Democracies—as you saw when you were in Vilnius 3 weeks ago. Moldova, too, has moved forward in recent months with orderly elections and is deepening its democratic habits on several fronts. Turkey and Hungary are in the midst of major constitutional reforms that have raised some concerns and anxieties because of the very large majorities that those governments have in their Parliaments. In the past few weeks, more happily, Belarusians have recently found creative new ways to protect their government's harsh repression, demonstrating the resiliency of the human spirit in Belarus.

I want to start with two broad points. First, even among our allies in Europe, we have a continuing interest in the fair treatment of minorities. Roma, Europe's largest minority, continue to experience violence, segregation and other discrimination. Anti-Semitic and anti-Muslim incidents are too common and not going away. And individuals with disabilities struggle to participate fully in governance due to limited accessibility. Moreover, members of the lesbian, gay, bisexual and transgender communities face discrimination and even violence in many parts of Europe. These issues are important in their own right and because the U.S. and democratic Europe can send important messages by our own examples of what tolerance and inclusion, what equal citizenship for all can look like.

Second, I want to add a caveat about the enduring project of trans-Atlantic integration. The promise of EU and NATO membership has been highly effective in promoting reform and democracy. Ten former Communist countries from the former Yugoslavia and the Warsaw Pact have now joined the EU and today's news is that Croatia has been told it may join by the turn of the year. In every case to date, however, the Democracy Index scores from Freedom House in its Nations in Transit Report declined the year after each of these countries' admission to the EU, demonstrating that mem-

bership in the EU is not the end of history, does not mean that democratic development is over or concluded.

We're concerned, for instance, these days about Hungary's current democratic trajectory since the Fidesz-led government there won two-thirds of the seats in Parliament last year. The government has taken several major steps to limit checks and balances and otherwise solidify the power of the government party. As Secretary Clinton said during her visit to Budapest last month, "We call for real commitment to the independence of the judiciary, a free press, and governmental transparency."

We also have a great interest in developments in Turkey, concerned about media freedom. We've urged that an investigation into prosecutions of journalists proceed in a transparent manner, and with due process. And while the government there has taken some positive steps in expanding religious freedom, we continue to urge that the Halki Seminary be reopened and the other issues relating to the status of the Orthodox patriarch.

Ukraine is an important partner and we have major concerns about the directions things have gone since the Presidential elections last year. I visited Ukraine the second week in July for the third time in 9 months and met with government officials, civil society, and opposition leaders. As you know, former government officials including Prime Minister Tymoshenko are facing prosecution on charges that seem puzzling at best and mischievous more likely. At the same time, there is positive momentum in some areas. We urge the government to reach for a genuine consensus on the rules of the game as it develops a new election law and we take note of the concerns raised by partners like NDI and IRI. The Yanukovych government needs to deepen its engagement on election reform with other parts of society.

On Belarus, the Obama administration has continued the longstanding bipartisan policy centered on consistent advocacy for democracy and human rights. I myself went to Minsk in mid-January, shortly after the crackdown on December 19th, to demonstrate the U.S. Government solidarity with the families of political prisons. I met also with human rights lawyers, journalists and civic leaders. In tandem with the EU, we imposed sanctions and asset freezes on individuals responsible for the crackdown and we have increased our support for democratic actors by 30 percent this year to aid those facing repression.

Mr. Chairman, perhaps the most complex challenge to democratic reform in Europe lies in Russia. In a 6-day visit there in March I traveled beyond Moscow to Perm and Ekaterinburg where I acquired a better sense of the diversity of opinion of the Russian people and the challenges they face in advancing democracy. Two weeks ago, Secretary Clinton and Foreign Minister Lavrov met in Washington. In addition to working together to address shared interests like confronting Iran's nuclear threat and priorities such as Afghanistan and missile defense, they announced several important partnership initiatives. It's within this context a partnership of great breadth and strategic importance that we continue to support a democratic, modern Russia governed by the rule of law.

Unfortunately, continued restrictions on fundamental freedoms hinder Russian development and its prospects for deeper partner-

ship with us. We've expressed our concerns that parliamentary elections in December may fall short of international standards and though an assessment team from OSCE's ODIHR office is arriving soon, it's important that Russia follow up with a formal unrestricted invitation for ODIHR election observers.

We continue in our engagement throughout the year to raise concerns about the assaults on freedom of the press and freedom of expression, particularly the numerous, unsolved cases of murdered activists like Natalya Estemirova, the rampant corruption and impunity exemplified by the case of Sergei Magnitsky and restrictions on freedom of assembly for members of groups like Strategy 31, the Khimki Forest Defenders, and various LBGT groups.

U.S. programs in Russia, including those funded by DRL, my bureau, focused on developing an independent media bolstering local human rights defenders capacity and of course, we continue to speak out publicly and privately against human rights abuses on a consistent basis.

We're grateful for the partnership with the Congress in this effort. Mr. Chairman, thank you again for the opportunity to appear here today and I look forward to your questions and our discussion.

[The prepared statement of Mr. Melia follows:]

Testimony of
Deputy Assistant Secretary Thomas O. Melia
House Foreign Affairs Europe and Eurasia Subcommittee
"Eastern Europe: The State of Democracy and Freedom"
July 26, 2011

Thank you, Chairman Burton, Ranking Member Meeks, and Members of the Committee. I appreciate the opportunity to speak to you today about the state of human rights and democracy in Eastern Europe. Before I turn to U.S. policy toward this region, Assistant Secretary Michael Posner asked me to send his regards to the Committee, and to emphasize that the Bureau of Democracy, Human Rights and Labor is keenly interested in working closely with Members of this Committee to address both the challenges and the opportunities in this key region.

President Obama has said that, "Europe is the cornerstone of our engagement with the world and a catalyst for global cooperation." Certainly, we are all sadly aware that during the last century, Europe was the venue for two World Wars and a Cold War. Twenty years after the fall of communism in Europe and the breakup of the Soviet Union, it is appropriate to look at how the region has developed and to note where there has been progress and where there has been disappointment. The Committee is wise to distill lessons learned and to look closely at the challenges that remain.

This is a timely moment to discuss democracy in the region given recent events as well. Lithuania has just concluded a very successful term as chair of the Community of Democracies, and it continues until December as Chairman-in-Office of the OSCE. Moldova has this year seen an orderly change of government and improvements in democratic performance. Turkey and Hungary -- both NATO allies and countries in the midst of consolidating democratic transitions – are in the midst of major constitutional reforms. And in recent weeks the people of Belarus have found creative ways to protest against harsh repression.

Of course, we hope that we one day achieve a Europe "whole, free, and at peace," but for now our job is to lay the groundwork for that future. We believe that the consolidation of genuine democracy in Central and Eastern Europe is in fact a pre-requisite for our other goals in the region.

Strong European democracies – with respect for minorities, tolerance of dissent, freedom of assembly and expression, regular and democratic elections, and credible and accessible justice systems that recognize all individuals are equal

before the law – are the strongest allies of the United States and bring the best prospects for peace, stability, security, and prosperity in the broader world.

The focus of today's hearing is "democracy in Eastern Europe" – which I have interpreted to mean central and eastern Europe and the European portions of the former Soviet Union, but before I turn to that area, I want to take a moment to make clear that we have an important common agenda even with the most advanced democracies in Europe. Just as the United States strives to build a "more perfect union," we collaborate with our good friends in Europe to discuss and address continuing concerns in our own countries, like the fair treatment of minorities.

As the Secretary has noted, "[f]ar too often and in too many places, Roma continue to experience racial profiling, violence, segregation, and other forms of discrimination. " Anti-Semitic and anti-Muslim incidents are too common. Individuals with disabilities struggle to participate fully in governance due to limited accessibility for voting and other aspects of civic life. Members of the lesbian, gay, bisexual and transgender community face discrimination and violence in many parts of Europe – although we were pleased to see the Government of Serbia successfully protect participants in a Belgrade pride parade last year, and I spoke in mid-June at a Baltic Pride symposium in Tallinn.

I begin with the issue of minorities not to find fault with any particular country but to emphasize that we should approach the promotion of human rights with some humility. By talking about our own shortcomings –as strong as our democracy is, and it is very strong the United States is not perfect -- we disarm those who claim that promoting human rights and democracy is meddling in others' internal affairs.

In addition to the matter of how we treat our minorities, I want to add a caveat about our common project of transatlantic integration. The promise of EU and NATO membership has been highly effective in promoting reform and democracy-strengthening on the continent. Ten former Communist countries from the former Yugoslavia and the Warsaw Pact have now joined the EU. In every case, the Democracy Index scores from Freedom House's Nations in Transit report declined the year after admission to the EU. Membership in these organizations has therefore not resolved democratic concerns in several places.

With that I'd like to turn to a brief survey of the region, beginning with some of the countries we consider more integrated within Europe and moving outward to the eastern border and some of the tougher cases.

Several recent events are cause for significant concern about **Hungary**'s democratic trajectory. Hungary is an important EU and NATO member. At the same time, we have seen the current one-party government use its unprecedented two-thirds parliamentary majority to lock in changes to the Constitution that could solidify its power, limit checks and balances, and unduly hamstring future democratic governments in effectively addressing new political, economic and social challenges. The government replaced members of a media oversight board, for example, with candidates aligned with the ruling party. More disconcerting, the board has been given the power to issue decrees and impose heavy fines - up to $950,000 - for news coverage it considers "unbalanced" or offensive to "human dignity."

Secretary Clinton stated during her June 30 visit, "As friends of Hungary, we … [call] for a real commitment to the independence of the judiciary, a free press, and governmental transparency." We are urging the government to temper the pace of change, to be more inclusive and to limit the number of issues covered by so-called "cardinal laws," which require a two-thirds majority to change. In particular, we will ask the government to carefully reconsider the new law on "the Right to Freedom of Conscience and Religion and on the Status of Churches, Religions and Religious Communities," which requires re-registration of all but 14 religious groups, negatively impacting the religious freedom atmosphere in Hungary. We will continue to engage Hungary in a broad dialogue in coming months, as the government works to implement its new constitution.

Albania is another NATO partner – and aspiring EU member – facing challenges to its democratization. While the conduct of municipal elections in May was better than in previous elections, the extremely close race for the mayor of Tirana exposed some of the continuing flaws in Albania's electoral system. The United States, along with our EU and OSCE partners, expressed our strong reservations about the Central Elections Commission decision to count certain "miscast" ballots that created the perception that rules were changed in the middle of the process. We appreciate the fact that the opposition pursued its complaints through the specified legal channels. And we note that the Electoral College has made its final rulings on the complaints related to the Tirana mayoral race, thereby concluding the election process. While we now expect all sides to accept the final results once confirmed, we also expect them to follow the recommendations of ODIHR and the Council of Europe's Venice Commission. We urge governing and opposition parties to get back to work on the EU reform agenda and get Albania moving forward again.

There are significant challenges in the rest of the **Balkans**, and as [Under] Secretary Burns stated earlier this month, "the United States remains deeply committed to helping this region achieve our common goals." For example, in the Western Balkans, DRL programs are supporting interethnic collaboration, civic education, and access to justice, especially for marginalized populations such as the Roma.

In **Bosnia and Herzegovina**, the political leaders have yet to fulfill their most basic responsibility to their citizens by failing to form a state government nearly 10 months since their last elections. We urge Bosnian leaders to move rapidly to form a coalition that is broad-based and inclusive and capable of advancing reforms required for eventual EU and NATO integration. This includes implementing the European Court of Human Rights ruling in the Sejdic Finci case to allow non-Bosniaks, Serbs, or Croats to serve as a member of the Presidency or in the upper chamber of parliament. We remain deeply concerned by the Republika Srpska's statements and actions attacking the legitimacy of state law enforcement and judicial institutions and the authorities of the High Representative, and suggesting the possibility of Republika Srspka secession. We continue to strongly support the sovereignty and territorial integrity of Bosnia and Herzegovina, the Dayton Peace Accords, and the mandate of High Representative Valentin Inzko.

In **Kosovo**, the country has achieved much progress in establishing a multiethnic, democratic state in its first three years of independence. The election of President Jahjaga demonstrated political maturity in Kosovo, with governing and opposition parties coming together for the good of the country. The United States, with its international partners, remains committed to strengthening Kosovo's institutional capacity, expanding its economic development, and supporting a police force and judicial system throughout the country that serves and protects all communities. We remain deeply concerned by the actions of Serb "parallel structures" in the north that obstruct positive change and foster an environment of intimidation. The EU-facilitated dialogue between Kosovo and Serbia has yielded some initial technical agreements to improve freedom of movement, make whole the Kosovo civil registry, and ensure mutual acceptance of diplomas, but there is still much that can and must be accomplished.

I visited **Armenia, Georgia, and Azerbaijan** last month, meeting with senior government officials, civil society activists, opposition party leaders, and independent journalists. In **Georgia**, there have been notable developments both positive and negative since the 2003 Rose Revolution, and a great deal of work

remains to be done, particularly in advance of 2012 parliamentary and 2013 presidential elections that we hope will mark that country's first peaceful, fully democratic transfer of power since its independence from the Soviet Union. We are pleased that Georgia has adopted new laws that when implemented will enhance media transparency and facilitate the registration of minority religions as religious organizations.

Georgia should now focus on promoting political pluralism, adopting and implementing important electoral code reforms in consultation with the Venice Commission and OSCE/ODIHR, strengthening judicial independence, and ensuring that the freedom of assembly is allowed in accordance with international standards. The United States also continues to press Georgia to bring its labor code up to ILO standards, and address allegations of politically motivated cases against labor activists.

In neighboring **Azerbaijan**, we are concerned about fundamental freedoms. Elections in Azerbaijan continue to fall below international standards. According to the OSCE's Office of Democratic Institutions and Human Rights (ODIHR), November 7, 2010 parliamentary elections included a deficient candidate registration process, limits on freedom of assembly and expression, a restrictive political environment, unbalanced media coverage of candidates, and problems in vote counting and tabulation. Continued restrictions on freedom of expression, assembly, and association impair political party activities and significantly limit citizens' right to change their government through peaceful elections.

The imprisonment of independent activists such as Bakhtiyar Hajiyev, opposition party activists such as Jabbar Savalanli, and human rights defender Vidadi Iskenderov, is a continuing problem widely perceived to be politically motivated. We continue to urge Azerbaijan to resolve these and related cases in a manner consistent with the government's commitments to freedom of assembly and expression. The government should allow the National Democratic Institute and "Human Rights House Azerbaijan" to resume their activities, and permit Voice of America and Radio Free Europe/Radio Liberty to use national FM frequencies. We urge greater respect for religious freedom, including permitting the registration of minority religions and allowing individuals to manifest their beliefs through religious attire. I raised many of these issues with senior government officials during my visit.

For **Armenia**, I want to highlight the need for greater media diversity, including both a transparent and fair digitalization process, and for greater respect for

independent media outlets such as GALATV. We also support greater respect for religious freedom, including alternative civilian service for conscientious objectors, as the European Court of Human Rights called for in its July 7 ruling. We welcome the government's recent efforts to create a dialogue with the Armenian National Congress, and urge them to extend this effort to all opposition parties. The government's release of detainees from the March 2008 post-presidential election violence is also a welcome development; however, we encourage the government to fulfill its promise of a fuller investigation of post-election violence that left 10 people dead, and hold accountable those responsible. Upcoming 2012 elections in Armenia, as in the other South Caucasus countries, are an important opportunity for the government to demonstrate progress in fulfilling its commitments to democratization.

In all three South Caucasus countries, U.S. government programs promote a number of universal values, including democratic electoral processes, and capacity building for defense lawyers, human rights organizations, and independent media.

Across the border from Armenia, we have great interest in the developments of NATO ally, **Turkey**. As the Secretary noted in her visit to Istanbul last week,

> "Our partnership is rooted in a long history and a very long list of mutual interests, but most importantly it is rooted in our common democratic values. … Turkey's upcoming constitutional reform process presents an opportunity to address concerns about recent restrictions … [on] freedom of expression and religion, to bolster protections for minority rights, and advance the prospects for EU membership, which we wholly and enthusiastically support. We also hope that a process will include civil society and parties…. I hope that sometime soon we can see the reopening of the Halki Seminary that highlights Turkey's strength of democracy and its leadership in a changing region. I think across the region, people … are seeking to draw lessons from Turkey's experience."

Mr. Chairman, these remarks by the Secretary in Istanbul reflect of the importance of our relationship with Turkey, the interests the two of us share regionally and globally, and our strong support for the continued development of democratic institutions and practices in Turkey. Following the June 12 elections, resulting in the re-election of Prime Minister Erdogan and his Justice and Development party, we are particularly interested in how the Turkish people will strengthen their democracy as they rewrite their constitution.

As the Secretary's remarks illustrate, the United States is a strong defender of freedoms of expression and the press in Turkey. We are closely monitoring the recent arrests of journalists. We have urged that any investigations and prosecutions proceed in a transparent manner and that all defendants be assured due process in accordance with international standards. We note that the OSCE, EU, the Council of Europe, numerous non-governmental organizations, and many Turks have issued statements expressing concern about these actions and other constraints on freedom of expression in Turkey. We hope that Turkey will continue to undertake necessary legal reforms to protect freedom of expression, not only to further its EU accession process but to strengthen Turkish democracy.

We will also be interested to see how Turkey's constitutional reforms address the situation of minorities, including members of the Kurdish and minority religious communities. A parliament that represents all of Turkey will be a stronger parliament. We also encourage the government to take steps to protect members of the LGBT community, which has experienced recurring violence and harassment.

We have noted the Turkish government's positive movement in some areas of expanding religious freedom for all, including its decision to grant Turkish citizenship to 12 Orthodox metropolitans in October 2010 and return several important properties to the Ecumenical Patriarchate. We continue to urge the government to reopen Halki seminary and to recognize the places of worship of the country's unrecognized religious populations, like Alevis and Protestant Christians, and grant legal personality to the leading Greek, Armenian, and Jewish religious institutions.

Mr. Chairman, **Ukraine**, like Turkey, is an important partner, but unlike Turkey, Ukraine's democratic trajectory of late has been distinctly less positive. I visited Ukraine during the second week of July – for the third time in nine months – and met with government officials, the opposition, and civil society.

Establishing the rule of law, protecting minorities and reforming the criminal justice system are central to Ukraine's future prosperity, democracy, and aspirations toward European integration. As you know, former government officials, including former Prime Minister Yulia Tymoshenko, are facing prosecution. During my visit, I emphasized our concern about politically-motivated prosecutions of opposition figures and the potential impact on political competition. When the senior leadership of the preceding government – now in opposition – is the focus of prosecutions, out of proportion with other political figures, this creates the appearance of a political motive. A conviction for

Tymoshenko, who was narrowly defeated in the runoff for the presidency last year, would prevent her from standing for election in the 2012 Parliamentary ballot.

We urge the government to continue its efforts to develop a new election law that will win the confidence of the public. Key aspects of the law, such as the nature of the voting system itself, have not been subject to debate by the working group. At the same time, we urge the government to deepen its engagement on electoral reform with Ukrainian civil society, NGOs, and a broad spectrum of political parties, and discuss the changes with the international community.

The Obama Administration has continued a long-standing, bipartisan policy of principled engagement with Belarus that centers on our consistent advocacy for democracy and human rights. Long before the recent crackdown, we were pressing **Belarus** to strengthen its adherence to democratic principles and to its human rights commitments and obligations as a prerequisite to improved bilateral relations. However, the brutal crackdown against civil society, independent media and the political opposition after the December 19, 2010 presidential elections demonstrated the government's focus was on its own survival rather human rights and democracy.

I went to Minsk in January to demonstrate the U.S. government's solidarity with the families of the political prisoners, and to consults with journalist, human rights lawyers and others. I also told government officials that it was entirely in the hands of the Lukashenko government whether the country would be further isolated from Europe and United States. In his testimony before you three months ago, Deputy Assistant Secretary Russell laid out our policy response to the crackdown. In coordination with the EU, the United States has imposed travel sanctions on individuals responsible for the crackdown and sanctions on certain state owned enterprises. President Obama publicly condemned the May convictions of opposition presidential candidates, and announced new sanctions against select Belarusian state-owned enterprises. Secretary Clinton called again for the release of all political prisoners in Vilnius in early July. Even as we impose additional measures targeting those in the Government of Belarus responsible for the crackdown, we are simultaneously increasing our support for democratic actors. The United States has increased its democracy assistance to Belarus this year by 30%. U.S. assistance efforts are addressing immediate needs, providing legal and humanitarian assistance to those facing repression, preserving access to information to help the Belarusian public stay full informed, and increasing support to both the independent media and civil society.

We have also worked in multilateral fora – including the OSCE and the UN Human Rights Council – to highlight the country's dire human rights situation.

Despite the continuing crackdown, we have witnessed remarkable developments over the last several weeks. Since June 1, "silent" protests – in which participants gather silently and clap their hands – have taken place across the country. The government responded with mass arrests.

Online protests have been even larger. Over 216,000 people joined a group on Vkontakte (the Russian-language equivalent of Facebook), calling for "Revolution via the social networks" in Belarus. Access to the page was blocked July 3, but a replacement page garnered 20,000 comments in two days. Bloggers and Internet journalists have continued to post videos of police harassment of peaceful demonstrators on YouTube. Security services have ordered the closure of a number of websites, and reports of denial of service and spear-phishing attacks have increased. Failing to completely suppress free expression via the Internet, Belarusian authorities created their own Twitter accounts, using them to send threatening messages.

Perhaps these protests are primarily motivated by the government's management of the economy, which has resulted in a sharp devaluation of the Belarusian currency, shortages of foreign currency and surging inflation. As my fellow panelist David Kramer wrote in the Washington Post a few weeks ago, "[t]he people of Belarus are signaling they have had enough." We have no illusions that persuading Belarus's leaders to change course, support democracy and respect human rights and the rule of law will happen easily or quickly. But let me assure you that the United States will continue to punish those responsible for the crackdown and will increase support for those seeking to build a democratic Belarus.

Mr. Chairman, perhaps the most complex challenge to democratic reform in Europe is in **Russia**. I had the opportunity to visit Russia for six days in March. In my travels to Moscow, Perm and Yekaterinburg, I acquired a better sense of the diversity of opinion of the Russian people, their mounting unhappiness with the state of affairs and some of the challenges they face in advancing democracy.

Two weeks ago, Secretary Clinton and Foreign Minister Lavrov met in Washington. In addition to working together to address Iran's nuclear threat, coordinating our diplomatic approach in Libya, consulting closely on the changes unfolding across the Middle East, and discussing such priorities as Afghanistan,

missile defense cooperation, and Russia's WTO accession, they also announced the conclusion of several partnership initiatives reflecting the importance of our relationship. The Secretary and Foreign Minister announced agreements to strengthen procedural safeguards in adoptions and to make travel between the two countries easier for Russians and Americans. At the same time, the Secretary underscored the importance of continuing democratic reform. It is within this context – a partnership of great breadth and strategic importance – that we continue to support a democratic, modern and successful Russia governed by the rule of law.

President Obama told attendees at Moscow State University on July 7, 2009, "… in our own history, democracies have been America's most enduring allies …" In this vein, our partnership with Russia – its citizens and its government – will grow ever stronger and more durable to the extent that this partnership is based on shared democratic values, norms, and practices. Unfortunately, continued restrictions on fundamental freedoms – rights guaranteed in international and Russian domestic law – hinder the potential of Russian social, economic, and political development, and necessarily limit the possibilities for partnership.

We have concerns that the upcoming parliamentary elections in December may fall short of international standards. Pressure on the democratic opposition and independent media is pronounced. Last month, Secretary Clinton issued a statement expressing disappointment over the Russian decision to deny the registration of the opposition group PARNAS, effectively barring its participation in the December Duma election. Russia has invited ODHIR experts to conduct a needs assessment for an elections observer mission in lead-up to December's parliamentary elections, and it is important that election officials will extend a formal, unrestricted invitation for this observation mission once the assessment is completed.

We continue to raise concerns about the assaults on freedoms of the press, assembly, and rule of law, particularly the numerous unsolved cases of murdered journalists like Paul Klebnikov and human rights activists like Natalia Estemirova; rampant corruption and impunity as exemplified by the case of Sergei Magnitsky; and restrictions on freedom of assembly for members of groups like Strategy 31, the Khimki Forest Defenders, and for members of various LGBT groups.

We continue to follow the treatment of minorities in Russia, including the application of the so-called "law on extremism" to peaceful religious groups. We hope the Russian government will consider amending the current law, and we

strongly encourage Moscow authorities to implement the European Court of Human Rights' decision of June 10, 2010 and register the Jehovah's Witnesses Moscow community.

We are also concerned about inter-ethnic tensions and incidents of violence between ethnic Russians and minority groups, as well as by reports of serious human rights violations in the North Caucasus, particularly in Chechnya. These reports include disappearances, extrajudicial killings, torture, and retribution against those who report abuses.

Our engagement with non-governmental organizations helps us gain an appreciation for the state of Russian society and encourages these groups to continue their important work. We are encouraged by the expansion of new media and internet penetration across Russia – creating new mechanisms for citizens to communicate, organize, and hold their government accountable – while we continue at the same time to monitor the mounting threats to Internet freedom such as criminal prosecutions of bloggers for libel or 'extremism,' to the blocking of specific sites by local service providers, denial of service (DDOS) attacks on sites site of opposition groups or independent media, and attempts by security services and regional authorities to regulate content.

Observing developments in Russia, we recognize there is a thirst for fundamental freedoms. As Vice President Biden stated during his visit to Moscow in February, "Polls show that most Russians want to choose their national and local leaders in competitive elections; to assemble freely; and to have a free press." That's also a message I heard when President Medvedev said that "freedom cannot be postponed."

DRL programs in Russia focus on developing independent media and new media platforms, bolstering local human rights defenders' capacity to advocate on issues of freedom of expression, assembly, and association; and energizing human rights advocacy working to combat police corruption. These activities are undertaken as part of a wider set of U.S. Government programs – modest in the context of such a vast country – to advance democracy, human rights and the rule of law in Russia. Russia's progress in these areas is essential to the health and productivity of our broader partnership.

Before I conclude, however, I want to share with you a few examples of the broader programs we are pursuing to help support democracy across the region and the globe. In a number of countries in Europe, civil society is facing significant pressure.

Secretary Clinton noted this trend more than a year ago, and we have followed up in several ways.

In September 2010, we successfully refocused the UN Human Rights Council on defending civil society through the passage of an historic resolution creating the first special rapporteur on freedom of assembly and association. As Secretary Clinton noted, we hope the new rapporteur's work "will become an impetus for countries around the world to strengthen protections for this fundamental freedom."

In addition, the State Department and USAID have invested $50 million in supporting Internet freedom around the world, including Europe, and will have committed an additional $20 million by the end of 2011. These programs can enable activists to get around technical threats and firewalls enacted by repressive regimes, empowering them not merely to access censored content, but also to use new technologies to organize and to tell their stories to the world.

Last month in Vilnius, the Secretary launched the Lifeline: Embattled NGOs Assistance Fund, to help civil society groups with legal representation, cover medical bills arising from abuse, facilitate visits to activists in jail, and help replace equipment that is damaged or confiscated as a result of harassment.

These global initiatives, together with multilateral efforts, bilateral diplomacy and many bilateral and regional programs, comprise our efforts to promote democracy in Europe. We are grateful for the support of Congress — through funding, policy guidance, and oversight – in helping advance freedom.

Mr. Chairman, thank you again for the opportunity to appear before you today. I look forward to your questions.

Mr. BURTON. Thank you very much. I appreciate your opening statement. One of the—I have a few questions here that I think are extremely important and you addressed one of them in your opening statement regarding Hungary. They passed a religious repression law just recently. Have we had any contact with that government protesting that move, restricting religious freedom to just a few religions in particular?

Mr. MELIA. The law you're referring to requires the re-registration of religions in Hungary and thereby disadvantages a number of them.

Mr. BURTON. Tell me a little bit about that. I mean they can't register as a legitimate religion, but can they assemble or what kind of restrictions have been put on them by the Hungarian Government?

Mr. MELIA. The law has just been passed so in terms of whether it will lead to any actual restrictions in the day-to-day operations of faith communities remains to be seen. The Hungarian Government has told us that it won't. But I can tell you that Assistant Secretary Posner and I raised this issue last week in a meeting in our office with a visiting minister from the Hungarian Government. We said this looks very troubling and looks like it's moving in exactly the direction you suggest. We asked them to revisit that.

Our Embassy in Budapest raises this, among other issues, with the Hungarian Government. They are in the midst of passing a lot of laws these days in Hungary. They are passing more fundamental laws in the wake of the constitutional reform that was just enacted a few weeks ago. They are going through a series of I think it's almost two dozen cardinal laws which are fundamental laws framing major parts of Hungarian society. And they're doing it without adequate consultation with political opposition and civil society and frankly, without heeding much of the advice they're getting from the international community.

Hungary is a partner of ours. It's a NATO ally. It's a member of the EU. It just concluded its turn as President of the EU. We're engaged on a very vigorous basis with Hungary and trying to get their attention on some of these measures.

Mr. BURTON. I think since they are a member of the EU and they are an ally, a NATO ally, I think it's incumbent upon us since we stand for freedom, democracy, and human rights and religious freedom, that we send a formal letter, if not criticism, but a formal letter of protest because that flies in the face of what we stand for as well as our NATO allies and I believe the European Union. So I don't know if anybody from the Hungarian press is here, but we think this was a mistake and we hope that they'll rectify that.

You mentioned Turkey. Can you restate real quickly the concern that you had about Turkey that was in your opening statement?

Mr. MELIA. Well, I can refer to the fuller statement where it's discussed at greater length.

Mr. BURTON. You don't need to go into great detail, but you mentioned something that eludes me at the moment.

Mr. MELIA. I mentioned the importance of the Halki Seminary, the Greek Orthodox Seminary that's been closed since the mid-1970s due to a law that was passed by a previous government that

restricted the ability of any faith community to operate educational establishments.

Mr. BURTON. The Patriarch of the Orthodox Church is in Turkey.

Mr. MELIA. That is right.

Mr. BURTON. And we passed an amendment in the authorization bill which we passed last week that addresses that and urges Turkey to make some changes that would allow for the reconstruction and the expansion of religious freedom over there, especially since one of the leaders of one of the biggest churches in the world actually resides and is headquartered in Turkey.

Mr. MELIA. 300 million Greek Orthodox.

Mr. BURTON. 300 million.

Mr. MELIA. That's right.

Mr. BURTON. And my wife happens to be one of them so I have to be absolutely sure I bring that up.

Mr. MELIA. And we bring it up frequently with the Government of Turkey. And in the aftermath of their recent elections in which the Erdogan government was reconfirmed in office, we have taken it up again and there have been some measures taken to accommodate the ecumenical Patriarchy there. They're making it easier for others to gain Turkish citizenship so that they can become part of the operation of the Patriarchy in Istanbul. That's part of normalizing the succession prospects of others to take over as Patriarch. So they're doing some minor things that are accommodating the community there, but they haven't yet found a way to reopen the seminary which continues to have a high school that operates and it continues to operate as a library and a resource center. The facility, I understand, is maintained in good stead. They're just not allowed to train seminarians for the priesthood at a college-equivalent level. And that's something that we've been pressing them about on a regular basis.

Mr. BURTON. Turkey is a NATO ally and a good friend, but I think just mentioning this to the government would be a profitable thing.

Mr. MELIA. We will continue to do so.

Mr. BURTON. Let me just make one more comment and ask a question. There are two cases and I think you mentioned one, Sergei Magnitsky.

Mr. MELIA. Yes.

Mr. BURTON. And Mikhail Khodorovsky. I had the same problem you did with some of these Russian names. Can you give me an update on that situation? I know you mentioned it briefly in your opening statement.

Mr. MELIA. Well, Sergei Magnitsky, you recall, was the lawyer for an American firm that uncovered some fraud, a $230 million fraud against his company and reported it to Russian authorities and was promptly accused of having undertaken the fraud himself and was imprisoned and held for about a year without charge or trial. And during his imprisonment, he became ill and he died through neglect which most observers think was malicious and intentional.

We have called on numerous occasions for the prosecution of those responsible, that there should be no impunity for those responsible for his tragic death. It is a major human rights violation

of this innocent, 37-year-old lawyer when he died last year. So that continues to be one of our engagement points.

In response, legislation that Senator Cardin introduced, and has also been introduced in the House by several of your colleagues, would call for visa bans on some people identified as being responsible for Magnitsky's death. I think there has been some action taken recently. You'll note that just in the last 2 weeks, two prison officials had charges opened against them and prosecutions are beginning about his death. So that is an item that we continue to press the Russians on and we'll continue to do so. It's become a kind of emblematic case in Russia. A lot of Russians are as outraged about it as we are.

Mr. BURTON. They should be. Khodorovsky, he evidently was responsible for U.S. investors losing $12 billion. Can you give us any update real quickly on that?

Mr. MELIA. I'm not familiar with the aspect that you just mentioned. Mikhail Khodorovsky was one of the wealthiest men, maybe the richest man in Russia 10 years ago when he became a supporter of opposition political movements and most observers believe that for his involvement and support of alternative political operations in Russia, he was tried and convicted of fraudulent activities. He was recently resentenced a few months ago and his term was extended. He was to have gotten out of jail later this year.

Mr. BURTON. One of the things I hope you'll check on, because evidently U.S. investors were bilked out of or lost $12 billion, and since he's been incarcerated I wonder if we could find out what happened to those assets and if there's any way that there could be some repayment for the money that U.S. investors lost as a result of this.

Mr. MELIA. You may be referring to the fact that his company, Yukos Energy, which was an oil exploration company was taken over by——

Mr. BURTON. Expropriated by the government.

Mr. MELIA. By the state and that included a lot of American ownership as well. So that was part of what was done to Khodorovsky. That's right.

Mr. BURTON. Are we making any protest about that to try to get some of those funds back and if not, will we? Sorry to take so much time.

Mr. MELIA. That's all. You know, we've mostly addressed taking to the Russia Government our concerns about the prosecution of his case and his imprisonment and the extension. I would have to get back to you. I'll take that question and explore what we've done in terms of the assets themselves.

Mr. BURTON. Well, we'd really appreciate that. I mean obviously if he was incarcerated illegally, it's great to protest that, but I'm sure these American business people who were bilked out of $12 billion because of government expropriation would like to protest as well.

Mr. Meeks?

Mr. MEEKS. Thank you, Mr. Chairman. I think I'll just pick right up since you ended with Russia, let me just ask some questions about Russia. One of the things that I've been looking to move forward with is Russia's accession to the WTO, because that will then

force them into some rules and regulations and that might be good. But my question about Russia lies with the President's reset policy and from the way I understand it, it's expanding engagement in areas of mutual interests that will not only improve an important relationship, but open markets. But the question is, and also the hope is, sometimes my viewpoint is when you engage with countries in this regard, you also can have a significant impact on human rights, on workers' rights, in democratic principles. And I know there's a lot—I'm trying to figure out how do we improve the situation because Russia is key in the area.

Can you talk a little bit about the President's reset policy as well as maybe make a comment on the U.S.-Russia Bilateral Presidential Commission and whether that's working successfully or not.

Mr. MELIA. Sure. Thank you for that, Mr. Meeks. When the President came to office 2½ years ago, we set upon a course that's been frequently referred to as the reset with Russia in order to repair a relationship that had broken down to the point where there was almost no communication between the two governments. And over the last 2½ years, we have found a way to engage with Russia on a range of things that are important to our national security and our prosperity and that includes working with the Russians on shrinking our nuclear arsenals, working with them to corral Iran and its nuclear ambitions. And they've provided access for supplies to our service members to get in and out of Afghanistan over Russian territory.

They abstained on the key vote on the Libya action at the U.N. Security Council in order to let it go forward. So there are a number of ways in which we are doing normal business with Russia that we were not able to do before the start of this reset policy.

Our hope has been that this engagement will give us more influence and more leverage with the Russians to move further in the direction of respect for human rights and opening up the political system to respect democratic norms. It's been less successful on that front.

We continue to engage with them on a regular basis. As I said, we call them out on individual cases as they occur, on recurring strategic problems like the freedom of assembly, curtailment of freedom of expression. There is generally what I call an "information deficit disorder" in Russia in that the authorities make it difficult for alternative points of view to get reflected in the official media and even in private media. There are definitely efforts to curtail freedom of expression in a broad, systematic way. And we try to address that in a couple of ways. One is by pressuring the government to relent. The other is by supporting independent media through grants and through our work in the OSCE and other ways.

We can't make other countries do what we want most of the time. What we can do is try to engage with them and pressure them and persuade them and cajole them and also support through material means and in our solidarity efforts, other voices to be heard. So we're doing that in Russia. We'd like it to be more successful and we'll continue to work at that.

In terms of public statements, we speak out publicly about our concerns in Russia at least as often and probably more often than

we do with any other country in the world. So the engagement that we have in terms of cooperation on things that are important to our national security interest does not keep us from speaking the truth in public to the Russian Government.

Mr. MEEKS. And on that same, you know, note, you talked about our activities in helping strengthen civil society, etcetera, can help promote democracy, move things around. Now given the fiscal crisis that we're having in the United States and other problems, it seems as though funding for assistance to Europe and Central Asia has plummeted and continues to plummet. The good news about that is that the EU is taking a greater role in this regard and I'm convinced that the United States' role is not obsolete. We're not just going to—just, compete with the EU.

In fact, there has often been the case where U.S. funding assistance has initiated innovative programs that the EU has subsequently taken over which is a testament to American innovation which I think is a good thing. But I'm always concerned when traveling with the United States' reputation and with the dwindling amount of money that we're going to be having to fund various programs that are there, some of it because of what we have, but I want to make sure that we're not cutting off our nose to spite our face.

What kind of goodwill do you think that we can continue to build in Eastern Europe and Eurasia if the funding levels keep going steadily down? And how will this impact, for example, the Northern Distribution Network or the future of the Manas Base in Kyrgystan, in particular, the impact of cutting funds to them?

Mr. MELIA. That's either one big question or a lot of small questions. They're all important. I think the main question you asked is about whether our influence and our prestige in the world will be diminished if we shrink our ability to be present in grants and activities around the world. I think you're right. To the extent that we are not able to be providing support to democratic activists in countries throughout Eastern Europe and beyond into Central Asia, that is the extent that our light will be fading in the eyes of people who are looking for our help.

We are engaged on the security front across Central Asia and around the world, but even there, there are pressures on the budget, obviously, and that's part of the debate that's going on in this town this week.

We are finding smarter ways to use the resources we have to make it available to support the work of democratic activists in various places. We're doing that through virtual programs, enabling international networks to get together online and to support each other in ways I think have come to fruition in Belarus in recent weeks, for instance. We'll continue to do that.

If there's a dramatic cut in resources, then there will be a dramatic cut in the ability of America to be present on the front lines where people want us to be. I've traveled in the 11 months that I've been in this job, I've been to 10 of the former Soviet Republics and I have found that people look to America, first and foremost for our example, the kind of democracy that they know we are and are becoming, as we struggle to improve our democracy all the time. And they want us to be speaking out that we know what's going on in

other countries, that we have a preference for the democrats, small D democrats. And we're going to put our influence and our weight and our resources behind them.

There are republicans, too, in some of these places, but I'm talking more generally about democrats. So I think you're right. The more that we're able to be present in the world, the more we're able to help people that ask for our assistance.

Mr. MEEKS. The last question I have, do you think we'll have—because my concern is about the Northern Distribution Network and the future of Manas, especially with the cooperation that we've been having with Kyrgyzstan. Do you think it's going to have any effect there?

Mr. MELIA. Kyrgystan is the best hope for a democratic breakthrough in Central Asia. They've had competitive elections a few months ago and five parties are in Parliament. President Roza Otunbayeva, the woman who came in as interim President, she's going to stand down when they hold a Presidential election later this year. That is the country that has the best chance to consolidate a democratic system. It happens to be the place where the Manas Air Base is and where we have access to Afghanistan.

I think we need to demonstrate that we're interested in Kyrgystan not just because of their strategic location, but because we care about the people of Kyrgystan and the policy of this administration is to do so. And so we are emphasizing our support for trying to consolidate this democratic opportunity in Kyrgystan right now. That's the largest recipient of our democracy and governance assistance and the place where we can be the most helpful I think.

Mr. BURTON. Incidentally, we're planning to take the codel over there some time either late this year or early next year.

Ms. Schmidt of Ohio.

Ms. SCHMIDT. Thank you. First, a quick comment on Russia and then I want to focus on Romania. It was 16 years ago, I think it was 16 years ago, that I actually went over to Voronezh, Russia to help them establish a way to win elections in a democratic fashion. And it's ironic that this many years later, they're still struggling for democracy in Russia. But having said that, focusing on Romania, what target date has the administration given the Romanian Government for restoring the remaining 5,000 properties belonging to religious communities illegally confiscated under communism? And is the State Department aware that the Romania Restitution Committee has met only twice in 2 years and for the past 9 years has handled only one third of all religious property claims?

Mr. MELIA. You have gotten outside my briefing. I don't know the answer to that, Congresswoman. I will take that question and get back to you in the next few days, either in person or with a written response to you on that. I just don't know the answer to that.

Ms. SCHMIDT. Thank you. You probably can't answer the other two with Romania. I will just say, in closing, on my Romania question that I do have some folks back home that have interests in Romania and one of the things that they struggle with is the level of corruption that is there and it makes it very difficult for American

companies to do business when corruption still is commonplace in many parts of the former Soviet Union.

Well, maybe you can answer the last question that I have. Is our Embassy in Bucharest prepared to send an observer to the trial of Attila Marko, which is set to begin on September 6th in Brasov? As you probably know, Mr. Marko is the only Hungarian member of the Romania Restitution Committee who has been scapegoated and falsely indicted for abuse of power because he approved the restitution of specific property in 2001. If you don't know that, you can get back to me on that.

Mr. MELIA. I will include that in my response to you.

Ms. SCHMIDT. Okay, and you mentioned that the Organization for Security Cooperation in Europe, whose mission has drastically changed since its founding, its operations during the Cold War and 20 years of post-Soviet Union democracy building. What role do you see the OSCE taking in the next 20 years?

Mr. MELIA. Well, the OSCE is an important mechanism for a number of reasons. Twenty years ago in 1990, at the end of the Soviet Union, it transformed from an occasional meeting of foreign ministers into a permanent organization with a Secretariat and a number of missions. An important part of that mission has been the Office for Democratic Initiatives and Human Rights based in Warsaw and they have been able to put missions on the ground in various countries and provided advisory and technical assistance and political momentum to accelerate certain reform initiatives. They provide a lot of assistance in monitoring of election processes across the OSCE space.

I was with the Secretary in Astana last December when the OSCE summit took place. And the Astana Declaration reaffirmed all of the 56 member states' commitments to the human rights catechism that has been built up over the years in OSCE, including the proposition that human rights in any individual country is the responsibility of all the members, that it is not an intrusion on the internal affairs of another state to take an interest in human rights situations elsewhere. And so, all of the countries agreed to that.

That's particularly important in the case of Central Asia because the five countries of Central Asia don't belong to any other framework organization that provides a discussion on human rights and democratic fundamentals in the way that other parts of the former Soviet Union or parts of the Council of Europe or nowadays, the European Union. So the OSCE is especially important in Central Asia. It's also important as a reference point in places like Ukraine and Russia and in the Caucasus. So it will continue to be a way that we can gather together governments who otherwise may go their separate ways.

The monitoring missions and the peacekeeping efforts in the so-called frozen conflicts in Moldova, between Armenia and Azerbaijan, along Georgia's northern border, OSCE provides an important way to get these governments together from time to time to try to address these security issues, as well as the human rights issues that are attached to them. So we think that it will remain an important mechanism going forward.

Ms. SCHMIDT. Thank you. I yield back my time.

Mr. BURTON. Mr. Sires?

Mr. SIRES. Thank you, Mr. Chairman. I apologize. I had to go to my office.

Mr. BURTON. That's okay.

Mr. SIRES. Thank you very much for your testimony. I'm sorry I missed most of it. You know, a couple of years ago we traveled to Czechoslovakia, Poland, and Hungary and also we went to Russia. One of the things that one of our colleagues asked the Russians when we were there is that the BBC did polling in Russia and they said about two thirds of the Russians do not like us or distrust us. Is that still the case? I mean this was about 3 years ago.

The other question I have is I just want to know how much—one of the other things that came out during the conversation is the influence of Russia on Hungary which used to be a lot more than in Poland and Czechoslovakia. I was just wondering if you can comment on that.

Mr. MELIA. I mentioned earlier the information deficit disorder that we see in Russia where discussion of a lot of public issues and political options and political opportunities is curtailed due to restrictions on the broadcast media in particular. The information space is flooded by anti-American—I guess propaganda is not too harsh a word to use. There's a campaign to feed suspicion and paranoia about the West, about the United States, and about democracy. That's the information environment that we're competing in through Voice of America and through our information programs, exchange programs, things like that.

It's a contested space and right now the dominant view is that the United States and other Western governments do not want Russia to succeed as an independent state. Now that is exactly wrong. Right? We know that the United States wants Russia to stand on its feet and be a self-sufficient, law-abiding democratic state that can be part of the international community. We want Russia to succeed. But there is this campaign abroad in the land that says exactly the opposite, that somehow we're trying to weaken Russia and make it something other than a success. So public opinion is inclined in the way you say. That's right.

Mr. SIRES. In terms of Hungary?

Mr. MELIA. Hungary on the other hand has to this point had a very open, vibrant media environment. It has a history of being part of the Warsaw Pact, being dominated by the Soviet Union. There's a lot of hostility toward Russia and the Soviet legacy. That was underscored, I think in recent days. They dedicated a statute to Ronald Reagan in Budapest last month to commemorate the fall of communism.

Mr. SIRES. We have to go there, Mr. Chairman.

Mr. MELIA. So I would say well, there are obviously business connections between Hungarian businesses and Russian counterparts. The Hungarian Government is part of the Trans-Atlantic Alliance. The OSCE has all these connections to Russia. I don't think I would be as concerned about Russia somehow suborning Hungary. That was sort of the inference in your question.

Mr. SIRES. Right.

Mr. MELIA. I think Hungarians are aware enough of their surroundings and they can make up their own minds. There have been six elections in Hungary since the fall of communism. Five times

they've thrown out the incumbents and put in an alternative government. So Hungarians are pretty good at being able to make decisions and say no when they want to. So I'm confident that Hungary will retain its well-deserved and long-fought for independence from Russian and other kinds of foreign influence.

Mr. SIRES. Thank you very much.

Mr. BURTON. Thank you very much. Where did you come up with this information deficit disorder? That's a term that I've not heard before. Is that something that you made up?

Mr. MELIA. Well, it emerged from some conversations in my office. I have some very able colleagues in the Democracy and Human Rights Bureau, and that's a phrase that we came up with to describe what we see as one of the central challenges in the democratization of Russia which is this public discourse space.

Mr. BURTON. You don't need to explain, I just thought it was kind of cute.

Mr. MELIA. You can quote me on it.

Mr. BURTON. Now Mr. Meeks had one more question.

Mr. MEEKS. Let me ask this question which is something of an issue that really concerns me. I look at my own history and Dr. Martin Luther King once said, "Injustice anywhere is a threat to justice everywhere." And when I look at the situation of the Roma throughout Europe and Eurasia, it's deplorable. Roma communities are on the fringe of society. They're largely unemployed and uneducated. They're living under bridges and in shanties and garbage dumps and children are subject to servitude and trafficking.

So I was wondering if you could address what is being done to help fight and help them with human and civil rights of Roma and to address statelessness in general, if you could?

Mr. MELIA. The Roma community is the largest minority across Europe and is present in various proportions in many countries in Europe, East and West. In our diplomacy, in our Embassies in those countries, we do a lot of outreach to Roma communities. We provide grants to organizations that advocate for Roma rights. We in DRL have several programs along those lines trying to strengthen the advocacy for Roma interests and rights in a number of the new democracies in Central and Eastern Europe.

The Hungarian Government, we keep circling back to Hungary, in their recently concluded presidency of the EU, they made the elevation of the plight of the Roma the signature issue of their presidency and that's to the credit of the Hungarian Government. And we hope that there will be more follow through across the EU institutions to try to bolster the situation of Roma so they can enjoy their citizenship and participate in political and economic life.

Mr. BURTON. Mr. Melia, thank you very much. Your testimony was very thorough and we really appreciate you answering the questions so well and thank you for the new terminology. We really appreciate that.

Mr. MELIA. Thank you for the opportunity.

Mr. BURTON. If you can send us the answer to some of the questions that you weren't prepared for, we'd appreciate it.

Mr. MELIA. Will do.

Mr. MEEKS. He'll give you the credit the first time for your statement. The second time it will belong to him.

Mr. BURTON. That's absolutely right.

Mr. MELIA. I'm willing to share.

Mr. BURTON. Thank you, sir. Our next panel we'd like to welcome to the table. David Kramer, he is the—David, where are you? David Kramer, do we have the—there we go. He's the president of Freedom House, which he joined in October 2010. Prior to joining Freedom House, Kramer was a senior trans-Atlantic fellow at the German Marshall Fund of the United States which is a good organization. He was an adjunct professor at the Elliott School for International Affairs at the George Washington University and before joining GMF, Kramer served as Assistant Secretary of State for Democracy, Human Rights, and Labor from March 2008 to January 2009. Thank you very much and welcome.

Steve Nix joined IRI in October 2000, as regional director for Eurasia. In that position, he oversees programs in Azerbaijan, Belarus, Georgia, Kazakhstan, the Kyrgyz Republic and Moldova, Russia and the Ukraine. Nix joined the IRI after serving for 2 years as Senior Democracy Specialist at the U.S. Agency for International Development. He's a specialist in political party development and judicial and legal reform in the former Soviet Union. Welcome. Thank you, Mr. Nix.

Nadia Diuk, did I get that right?

Ms. DIUK. It's pronounced Diuk.

Mr. BURTON. Diuk. I'm sorry. They wrote this down wrong. It wasn't the way I read it. I would have said that. She serves as vice president of programs for Europe and Eurasia, Africa, Latin America and the Caribbean at the National Endowment for Democracy, a private nonprofit organization funded by the U.S. Congress to strengthen democratic institutions around the world through nongovernment efforts. She has worked in Eastern Europe for nearly 20 years. You're too young for that, but for 20 years, at NED. I want to thank you all for being here today, and just because we have a practice of doing this, I'd like for you to be sworn in.

Do you swear to tell the whole truth, and nothing but the truth, so help you God?

[Witnesses sworn.]

Thank you. Let's start with Dr. Diuk. Did I get that right that time? Thank you, Doctor.

STATEMENT OF NADIA DIUK, PH.D., VICE PRESIDENT, PROGRAMS, NATIONAL ENDOWMENT FOR DEMOCRACY

Ms. DIUK. Chairman Burton, Ranking Member Meeks, and members of the subcommittee, thank you for inviting me to join in today's very timely hearing on a region that continues to hold tremendous importance for freedom and democracy around the world.

For the record, I would like to note that the National Endowment for Democracy does not take policy positions, so all the recommendations I offer today come as a result of my own assessments.

As you know, this year marks the 20th anniversary of the dissolution of the Soviet Union and just over 20 years since the lifting of the Iron Curtain when the countries we previously called East-

ern Europe cast out the Communist systems that kept them as "Captive Nations" and shackled them to the Soviet Union. This is a good time to rethink the terminology. These states are fully integrated into Europe whose institutions have proven to be one of the main guarantors of freedom and democracy, an aim that we should support for countries still on the outside.

For this reason, I'm pleased to see that the title of this hearing refers to Eastern Europe. We should view Moldova, Ukraine, Belarus, and even Russia as the new Eastern Europe and consider the inclusion of Georgia, Azerbaijan, and Armenia which are, after all, already members of the Council of Europe.

This brief review of the state of freedom and democracy has been informed by reports, discussions, and feedback from the many nongovernmental groups NED works with in the region. Overall, although there have been some gains, the general trend has been a slow backsliding and in some cases dramatic reversal. I have presented details and examples in my written remarks.

In four of the western Balkan states, Serbia, Kosovo, Albania, and Bosnia and Herzegovina, the prospects of EU membership in the interest of EU officials have provided a sobering and positive effect on democratic backsliding.

Moving to the East, the deteriorating state of democracy and freedom in the Southern Caucasus is of continuing concern. In Azerbaijan, the overall trend is a slow and painful decline of political pluralism and civil society. Constitutional amendments have removed Presidential term limits. The recent parliamentary elections were considered the worst ever. Freedom of association is nonexistent and an attempt to introduce an extremely restrictive NGO law in 2009 was diverted only as a result of international pressure.

The prospects of democracy and freedom look more hopeful in Armenia where protest rallies of up to 15,000 people have taken place recently and the political prisoners who were held after the 2008 protests have been released. Despite the real gains achieved by Georgia in the past few years, there is cause for concern about creeping authoritarian tendencies that could mar its record as a leader for democracy and freedom in the region.

Moving back into the heart of the new Eastern Europe, Moldova is the one bright spot where trends toward democracy are positive. However, the authoritarian regime in the breakaway region of Transistria remains a problem. The situation in Belarus remains dire as the crackdown, begun after the Presidential election on December 19th, continues. I think you have very full details from all three of us on that, so I won't dwell on that which I know my colleagues will talk more about.

Mr. Chairman, I have left Ukraine and Russia until last in order to underscore their importance. The relationship between the two and the direction each takes will determine the future of freedom and democracy not only in their own country, but in the region as a whole. The trend lines in Russia have been unremittingly negative. Human rights defenders and independent journalists have been killed. We have witnessed the grizzly death in detention of the lawyer, Sergei Magnitsky. And civic activists have been routinely harassed, especially those who work on the North Caucasus.

By creating an array of government-controlled commissions, public chambers, and councils which have essentially replaced the role of political parties, and aggregating and expressing the interests of the people and by refusing the registration of truly independent political parties, the Kremlin has effectively created two classes in Russia, those who wield political power and control of all the public and private assets and those who have limited access to justice and no genuine representation of their interests.

Despite the growing frustration within society and the increasing number of street protests such as the 31 Movement, it is ironic that the current regime will likely use the upcoming elections with the inevitable falsifications and manipulations to claim the continued legitimacy of its rule.

In 2004, when the rulers in the Kremlin saw their Ukrainian neighbors to the south bring down their authoritarian government, they responded by strengthening control over civil society groups and further curbing the independent media. Many authoritarian rulers around the world have followed Russia's lead to conduct their own backlash against democracy. Always the source of innovation when it comes to anti-democratic strategies, the Kremlin has also taken proactive measures to promote support for the government through sponsorship of youth groups such as Nashi, which means "ours," whose jingoistic ideology challenges and erodes the fragile democratic values that civic and human rights activists in Russia struggle to advance.

This brings me to Ukraine where I met last week with both government officials and civic leaders. Just a few years ago, Ukraine played a pivotal role as a champion of democracy and freedom in the region. Indeed, one prominent Russian pro-democracy commentator declared that the best way to promote democracy in Russia was to make sure it succeeded in Ukraine. Since the election of President Viktor Yanukovych in February 2010, however, the prospects for freedom and democracy have taken a sharp downturn. The constitution has been amended to recentralize power with the presidency. The judicial system has been manipulated to launch criminal proceedings and selective prosecutions against former officials. Last year's local elections were considered to have been manipulated in favor of the ruling power. Independent media have come under pressure. The security services have started to monitor civic organizations. There has been a concerted effort by the authorities to coopt advisory councils of civic organizations.

As in Russia, there have also been efforts to undermine freedom of religion.

Despite these negative trends, civil society in Ukraine remains strong and motivated. Ukraine's significance for the region's democracy activists cannot be underestimated: They come to Ukraine to hold conferences, conduct training seminars, exchange experiences and generally to "breathe the air of freedom" which is not available in their own countries. Russian journalists, Belarusian human rights defenders, and civic leaders from the South Caucasus have all come to Ukraine to work and meet. Ukraine's crucial role as the democratic anchor for civic activists in the region should not be overlooked despite the backsliding of its own democracy.

Mr. BURTON. Dr. Diuk, could you summarize, please? We try to keep it close to 5 minutes, if possible.

Ms. DIUK. Yes. You will see that my recommendations are actually in my written remarks, but if there is one that I would like to highlight, it is to support the increased participation of women in politics which is a problem in all authoritarian states. I haven't singled that out because it is a widespread problem and particularly since it has been proven that the presence of women usually reduces the level of corruption and has a tendency to break up the opaque and corrupt relationships maintained by male-dominated authoritarian political aides.

Mr. Chairman, I think Eastern Europe has a great deal to offer. As we focus on the democratic breakthroughs in the Middle East and as we look forward to a period of austerity, we should be mindful that a strategic and concerted effort conducted through diplomatic and nongovernmental actors is the most cost-effective way to achieve our goals.

Thank you, and I look forward to answering your questions.

[The prepared statement of Ms. Duik. follows:]

Testimony of Nadia M. Diuk
Vice President, Programs
Europe and Eurasia, Africa, Latin American and the Caribbean
National Endowment for Democracy
Before the
Subcommittee on Europe and Eurasia
of the
House Committee on Foreign Affairs
Tuesday, July 26, 2011

"Eastern Europe: The State of Democracy and Freedom"

Chairman Burton, Ranking Member Meeks, and members of the subcommittee:

Thank you for inviting me to join in today's very timely hearing on a region that continues to hold tremendous importance for freedom and democracy around the world. My own experience in the region both as an academic and also as a program specialist at the National Endowment for Democracy (NED) spans well over a quarter century, and together with the years devoted to the region by my colleagues on the panel, David Kramer from Freedom House and Steve Nix of the International Republican Institute, as well as our colleague Tom Melia who is now in government, we represent over a hundred years of accumulated experience in this field.

For the record, I would also like to note that the National Endowment for Democracy does not take policy positions, so all the recommendations I offer today come as a result of my own assessments.

As you know, this year marks the twentieth anniversary of the dissolution of the Soviet Union and just over twenty years since the countries of the region we previously called Eastern Europe stepped onto the path of freedom and democracy having cast out the Communist systems that kept them as "Captive Nations" and shackled them to the Soviet Union. This is a good time to rethink the terminology we use when we speak of the post-communist states. Thankfully the old Eastern Europe has disappeared, and has been replaced by the new Central Europe with states such as Poland, Hungary, the Czech Republic and Slovakia now fully integrated into the European Union and all of its institutions. Entry into Europe, with all its institutions, has proven to be one of the main guarantors of freedom and democracy in these states—an aim that we should support for the countries still on the outside. For this reason I am pleased to see that the title of this hearing refers to "Eastern Europe." We should view Moldova, Ukraine, Belarus and even Russia as the new Eastern Europe, and also consider the inclusion of Georgia, Azerbaijan and Armenia, which are, after all, already members of the Council of Europe.

Backsliding and Reversal

Looking around the region, I would like to present for you a picture of the state of freedom and democracy that has been informed by reports, discussions, and feedback from the many non-governmental groups NED supports. Although there have been some achievements in the past couple of years, the general trend has been a slow backsliding and in some cases dramatic reversals in the topics under our review.

In four of the Western Balkan states that are still outside of the EU—**Serbia, Kosovo, Albania** and **Bosnia and Herzegovina**—the leaders are well aware of the need to improve their electoral systems, hold politicians accountable, continue dialogue on reconciliation, promote tolerance, ensure the rights of minorities, arrest war criminals, and come to terms with the past. The close proximity of the EU and active interest of EU officials in assessing these countries' eligibility for EU membership has had a positive and sobering effect.

NED programs in these countries have focused on support for numerous independent media outlets and the considerable efforts of civic groups to promote interethnic tolerance, as well as programs to advance the process of ethnic and historic reconciliation and to increase trust and participation in the political process. A good proportion of NED support in the Western Balkans has gone to prodemocracy youth groups.

Moving to the east, the deteriorating state of democracy and freedom in the Southern Caucasus is of continuing concern. Despite the welcome release of the imprisoned youth movement bloggers and a leading independent journalist earlier this year, arrests of democracy activists continue in **Azerbaijan**, where the overall trend is a slow and painful decline of political pluralism and civil society. Constitutional amendments adopted in March 2009 removed presidential term limits, the November 2010 parliamentary elections were considered to be the worst ever, and an attempt to introduce an extremely restrictive NGO law in 2009 was diverted only as a result of international pressure. Civic activists and human rights defenders continue to suffer harassment, and the freedom of association is non-existent. Many young activists have recently been detained usually on trumped up charges of narcotics possession, hooliganism or other fabricated criminal offences. One youth activist imprisoned in 2005, Ruslan Bashirli, is still in jail. The prospects for democracy and freedom look more hopeful in **Armenia**, where protest rallies of up to 15,000 people have taken place recently and the political prisoners who were held after the 2008 protests have been released.

Despite the real gains achieved by **Georgia** in the past few years, there is cause for concern about some creeping authoritarian tendencies on the part of the authorities. The continuing political maneuvering of the government to disenfranchise the opposition, the crackdown against protesters by government forces and moves against independent trade unions, especially against the teachers' union, are reversals that could mar Georgia's record as a leader for democracy and freedom in the region.

NED programs in Azerbaijan, Armenia, and Georgia offer support to human rights defenders, promote freedom of information, and provide assistance to youth groups.

Moving back into the heart of the new Eastern Europe, **Moldova** is the one bright spot where trends toward democracy are positive since the transition that was launched in April 2009 when protests brought down the last communist government in Europe. The breakaway region of **Transnistria** remains a problem, however. The rogue republic maintains strong ties with Russia and is a haven for arms trading and illicit business interests. The authoritarian regime of Igor Smirnov continues to stifle independent media and persecute civic groups. An NGO law signed in 2010 limits foreign funding. In late 2010 and early 2011, two journalists were convicted of high treason and sentenced to 14 and 15 years in prison, respectively. NED is one of only a few donors able to operate in Transnistria. Since 2007, more than 50 civil society and media projects have been funded in the breakaway territory. In Moldova as a whole, NED support played a key role in helping to promote democratic change prior to the 2009 and 2010 elections, especially in assisting independent media. NED programs in 2011 help civic groups to monitor progress on democratic reforms.

The situation in **Belarus** remains dire as the crackdown begun after the presidential election on December 19th continues. The brutal repressions have been among the worst in Europe since martial law was imposed against the Solidarity trade union movement in Poland in 1981. For the past few months, thousands of Belarusans—many of whom did not previously participate in the protest movement—have mobilized in response to the protracted political economic and political crisis and against the repressions. Forms of protest such as "maintaining silence," simply standing in the street, and clapping hands in "prolonged applause" have infuriated the authorities, who have redoubled their brutal tactics. More than 1,800 protesters have been detained in the last two months and hundreds have been jailed and fined; leading opposition activists have accused the regime of torture of the detainees.

I should note here, Mr. Chairman, that the NED is the leading US supporter of the independent press, Internet-based media and human rights groups in Belarus, having supported hundreds of programs to assist civic groups, political prisoners and their families, the initiatives of numerous youth groups, and the work of religious freedom advocates.

Ukraine and Russia

Mr. Chairman, I have left Ukraine and Russia until last in order to underscore their importance and influence in the region. The interrelationship between the two states and the direction each takes will determine the future of freedom and democracy not only in their own countries but in the region as a whole.

The trend lines for freedom and democracy in **Russia** have been unremittingly negative since Vladimir Putin took power and set about the systematic construction of a controlled vertical arrangement of power. Human rights defenders and independent journalists have been killed, we have witnessed the grizzly death in detention of the lawyer Sergei Magnitsky, and civic activists have been routinely harassed, especially those who work on the North Caucasus. The Putin regime has worked to disenfranchise the Russian people and deprive them of the means to participate in the political process.

By creating an array of government controlled commissions, public chambers and councils which have essentially replaced the role of political parties in aggregating and expressing the interests of the people, and by refusing the registration of truly independent political parties, the Kremlin has effectively created two classes in Russia—those who wield political power and control all the private and public assets of the state and the second class of citizens who have limited access to justice and no genuine representation of their interests within the state. Despite the growing frustration within society, the obvious disdain for the current leadership of some parts of the political elite and the increasing number of street protests such as the "31" movement and its attempts to draw attention to the lack of freedom of association, it is ironic that the current regime will likely use the upcoming parliamentary elections in December 2011 and presidential election in March 2012 with the inevitable falsifications and manipulations, to claim the continued legitimacy of its rule.

I mention the interrelationship between Russia and Ukraine partly because of the influence it has had in Russia. When the protests against authoritarian rule during Ukraine's Orange Revolution brought down the government in 2004, Russian citizens saw a vision across the border of an alternative future for themselves as a Slavic nation. But the rulers in the Kremlin also took note of the threat to their power and responded by strengthening their control over civil society groups and further curbing the independent media—the now standard method used by dictators to launch a backlash against democracy. Many authoritarian rulers have followed Russia's lead and have adopted similar strategies for dealing with dissent. At the same time, the leaders in the Kremlin—always the most creative innovators in the club of authoritarians—have also taken active measures to promote support of the government and undermine the democratic opposition, for example, through the sponsorship of the youth group *Nashi* (Ours), whose jingoistic ideology challenges and erodes the nascent democratic values that civic and human rights activists in Russia struggle to advance. This group's philosophy has included an uncritical glorification of the Soviet past without much assessment of the devastation wrought by leaders such as Stalin. These trends have been accompanied by the attempt to curtail religious freedom and the favoring of the Russian Orthodox Church.

NED has maintained an extensive program of support for a broad range of civic groups and human rights organizations in Russia over many years. Funding has gone toward civic education especially as it related to the preservation of historical memory, freedom of information, support for political processes, strengthening civic organizations, promoting accountability of government officials, rule of law initiatives and human rights. NED has been one of the leading donors for human rights and freedom of information programs in the North Caucasus.

This brings me to **Ukraine**, where I met last week with both government officials and civic leaders. Just a few years ago, Ukraine played a pivotal role as a champion of democracy and freedom in the region. Indeed, one prominent Russian prodemocracy commentator declared at that time that the best way to promote democracy in Russia was to make sure it succeeded in Ukraine. Since the election of Viktor Yanukovych in February 2010, however, the prospects for freedom and democracy have taken a sharp downturn. The Constitution has been amended to recentralize power with the presidency, the judicial system has been manipulated to launch criminal proceedings in selective prosecutions against former officials, last year's local elections were considered to have been manipulated in favor of the ruling power, independent media have

come under pressure, the security services have started to monitor civic organizations, and there has been a concerted effort by the authorities to coopt advisory councils of civic organizations. As in Russia, there have also been efforts to undermine freedom of religion.

Despite these negative trends, civil society in Ukraine remains strong and motivated to preserve and push back against repression to retain the freedoms that it enjoyed after the Orange Revolution. Ukraine's significance for the region's democracy activists cannot be underestimated: they come to Ukraine to conduct training seminars, exchange experiences and generally to "breathe the air of freedom" which is not available in their own countries. Without the possibility to travel easily into Europe past the Shengen curtain, Russian journalists, Belarusan human rights defenders, and civic leaders from the South Caucasus have all come to Ukraine to work and meet. Ukraine's crucial role as the democratic anchor in the region should not be overlooked despite the backsliding of its own democracy.

NED funding in Ukraine has supported civic groups, analytical centers, youth groups, human rights organizations, religious freedom groups, independent trade union programs and efforts to promote independent business associations and a free market economy. NED grantees in Ukraine have spearheaded innovative programs: On the twentieth anniversary of the fall of the Berlin Wall, NED funding helped to launch a process to bring together the veteran activists of the Polish, Czech, Slovak, and Lithuanian freedom movements with the civic activists of the present day Eastern Partnership countries—Belarus, Ukraine, Moldova, Georgia, Armenia and Azerbaijan—to pass on experiences and to promote regional solidarity. The conference took place in Lviv, Ukraine under the recognizable slogan: "For your freedom and ours, for our common future."

Recommendations

Mr. Chairman, if there is one point I would like to leave you with after today's hearing, it would be that the state of freedom and democracy in Ukraine is crucial not only for its own citizens but also for the entire region. If we need to be strategic in our approach, greater attention to Ukraine on these issues would be my first recommendation.

We should also recognize that where human rights and civic freedoms are being abused, international pressure on the rogue governments has an effect. The positive outcome in the trial of human rights defender Oleg Orlov in Russia was a case where the authorities appeared to take international concerns into account; the case of the Azerbaijani bloggers became an international cause celebre which put pressure on the government and contributed to their release; the Ukrainian government is very sensitive to its international image and has responded positively to some criticisms. Even though there are many cases where international pressure has not worked, we should not let up in using this as a valuable instrument.

We should work with our European partners at both the governmental and non-governmental levels to consolidate the new regional configuration and to support the integration of these states into Europe's institutions.

We should recognize the tremendous contribution and experience of the former communist states now in Europe to the struggle for democracy and freedom and work with them in their efforts to bring along their neighbors. Lithuania has set a standard in the region with its chairmanship of the Community of Democracies and is heading up the OSCE this year. On July 1, 2011 Poland took up the Presidency of the Council of the European Union. These countries have experienced activists both in and outside of government who are eager and ready to engage with us in efforts to promote democracy and freedom in this region.

We should be aware that human rights and civic activists in the region benefit from exchanging experience and rely on each other for support. We should assist these regional efforts in addition to our support for single country programs.

I have not singled out the problems with gender balance and access to democratic institutions for women simply because it is a general problem in all authoritarian states. We should do what we can to encourage greater gender balance in all of these states. On an institutional level, we should support the increased participation of women in the political system, particularly since it has been proven that the presence of women usually reduces the amount of corruption and has a tendency to break up the opaque and corrupt relationships promoted by male-dominated political elites. On a cultural level, we should encourage changing attitudes toward women, to facilitate their full participation as equals in society and politics at all levels.

Mr. Chairman, we should recognize, particularly at this time when so much attention is focused on the democratic breakthroughs in the Middle East, that Eastern Europe has a great deal to offer in contributing to our understanding of the effective strategies that support and the difficulties that slow down democratic transition. We should look to this region as the source of a great wealth of experience on how the enemies of freedom are ever on the alert to assert their dominance, but also how the forces for freedom and democracy will always find a way to push back in a struggle that demands our support. And as we look forward to a period of austerity, we should be mindful that a strategic and concerted effort through both diplomatic and non-governmental actors is the most cost-effective way to achieve these aims.

Thank you. I look forward to answering your questions.

Mr. BURTON. Thank you very much for that testimony and we here in the United States try to make absolutely sure, in fact, the women in Congress make absolutely sure that there's no discrimination.

Mr. Nix, you're recognized.

STATEMENT OF MR. STEPHEN NIX, REGIONAL DIRECTOR, EURASIA, INTERNATIONAL REPUBLICAN INSTITUTE

Mr. NIX. Chairman Burton, Ranking Member Meeks, thank you very much for this opportunity to testify about a very important part of the world. We know the focus is sometimes elsewhere, the Middle East, North Africa, however, Eurasia remains a very, very important area for the strategic interests of the United States, so thank you for this opportunity and I ask that my remarks be entered into the record.

Mr. Chairman, since the breakup of the Soviet Union, the former Soviet Republics have moved at various speeds and paces in terms of democratic reform, processes, and values. Some are on the right trajectory, others are not. Today, my testimony will focus on two areas that we think are very much in the wrong trajectory, those are Belarus and Ukraine and two that we think generally are on the right track, Moldova and Georgia.

In Belarus since 1994, Alexander Lukashenka, the last dictator in Europe, has ruled Belarus with an iron fist, using tactics common under Soviet rule, a large state security apparatus, harassment, arrests, beatings, and in some case, murder. The fraudulent December 2010 Presidential election, the brutal crackdown initiated after it, against those who dared to oppose the regime, and the unfair post-election trials follow the pattern of repression that has characterized Lukashenka's 17 years of rule.

Lukashenka's post-election plan was to further discourage the opposition by holding trials and to continue to incarcerate oppositionists. This plan is not succeeding. During the month of June, people have gathered in what are now known as silent protests. People gather and clapping has become a popular way of expressing discontent and a desire for change. Soon the authorities began arresting anyone who clapped. So it's becoming increasingly clear to the authorities that they can no longer control the silent protests which are expanding throughout the country.

The question remains, what is the U.S. position with regard to the regime and toward the opposition? The U.S. House has passed the Belarus Democracy Act. The U.S. Government has extended economic sanctions on Belarus for another year. However, Mr. Chairman, we don't feel that that's enough. U.S. assistance should be directed toward increasing the effectiveness and capacity of democratic political parties and activists inside the country. They are the ones who constitute the alternative to Lukashenka's regime. They are the ones in a position to provide economic and social reform. The political opposition needs increased technical and commodities assistance.

In Ukraine, many international organizations have criticized Ukraine's current trajectory on democratization. In the year since Yanukovych became President, Freedom House has downgraded Ukraine from being free to partly free. The Ukraine Government

has begun to closely monitor NGOs and their activities including the IRI. A cabinet of ministers' decree makes it easier to deregister civil society organizations. IRI has received a written request from Parliament demanding information on IRI's activities in Ukraine since 1991. The request is unprecedented in nature and scope for the IRI's long history in Ukraine.

In spite of numerous European and U.S. Government statements of concern about the application of selective justice, the Ukrainian Government continues to prosecute and incarcerate leading opposition figures. The U.S. has consistently supported Ukraine's Euro-Atlantic aspirations. The U.S. must be very direct with its Ukrainian colleagues. It should tell the Ukrainian authorities frankly when their actions, whether involving elections, civil society, rule of law, or media are in contradiction with Western standards.

In Georgia, Mr. Chairman, the government continues to build democratic institutions and in the past several years, we feel there's been areas of notable progress. The position of Tbilisi Mayor has become an elected position. Georgia has undertaken constitutional reform, is now working on a new election code in an attempt to ensure that elections scheduled for 2012 and 2013 meet international standards. The U.S. has consistently supported Georgia's sovereignty and territorial integrity and should continue to do so. In the meantime, the U.S. should continue to support Georgia's efforts to build democratic institutions.

And finally, in Moldova, after years of political stagnation since achieving independence from the Soviet Union, Moldova has reached a historic and transformative point in its democratic development. In 2009, voters ended 8 years of Communist Party rule and elected a coalition of reform-minded pro-Western deputies. Since then, the government has made impressive progress in implementing democratic reforms, showing greater respect for human rights and moving toward its ultimate goal of European integration.

Moldova's economy would substantially benefit from greater access to global markets including the U.S. The Moldovan Government is committed to expanding the international markets for its country's products. The Jackson-Vanik amendment hinders the government's ability to do so.

Finally, Mr. Chairman, let me close with an observation. The Assistance for Europe, Eurasia, and Central Asia Act which was formerly known as the Freedom Support Act and the Support for Eastern European Democracy, or SEED Act, and the programs that these pieces of legislation created have provided essential support for those struggling to promote democracy throughout Eastern Europe and the former Soviet Union. It's important that support continue from the United States to help those countries which are seeking to consolidate democratic institutions and practices such as Georgia and Moldova as well as those continuing to struggle in places like Belarus and Ukraine to finally establish a path to a democratic future.

Again, thank you for this opportunity and I would like to commend you on a personal note, Mr. Chairman, for coming to Vilnius and seeing with your own eyes what the Community of Democracy's Parliamentarian Forum is trying to do. And you should know

that they're having a follow-up event in Washington which I hope you'll be able to attend. Thank you.

[The prepared statement of Mr. Nix follows:]

TESTIMONY OF STEPHEN B. NIX, ESQ.
DIRECTOR, EURASIA DIVISION
INTERNATIONAL REPUBLICAN INSTITUTE
HOUSE COMMITTEE ON FOREIGN AFFAIRS
SUBCOMMITTEE ON EUROPE AND EURASIA
JULY 26, 2011

Chairman Burton, Ranking Member Meeks, I wish to thank you and the Members of the Committee for conducting this hearing and for inviting me to testify on an extremely important part of the world. We are all cognizant of the fact that much attention is currently placed on North Africa and sections of the Middle East. However, Europe and Eurasia remain of great strategic importance for the United States, and developments, particularly in the area of democracy, are critical to the United States' interests globally.

Again, thank you for this opportunity and I request that my remarks be entered into the record.

The democratic record in Eastern Europe and Eurasia is a mixed one – in the Baltic states and in most of Eastern Europe, there is democratic consolidation. In Turkey, despite having made significant progress in a number of areas, in particular with regard to electoral politics, the country continues to face challenges with media freedom, judicial reform, and civil-military relations. In the Balkans the record is similarly uneven. While in a number of countries political parties are able to run sophisticated, modern campaigns, the institutions of democracy remain weak. Constitutions are in need of revision; judicial systems perform unevenly; and the rights of ethnic minorities are often ignored. Among the former Soviet Republics, since their independence, some have moved forward in developing democratic institutions, processes and values, while others still struggle. My testimony today will focus on four specific countries: two -- Belarus and Ukraine -- from the category of countries where democratic practices are either absent or under siege, and two countries -- Georgia and Moldova -- where notable strides in developing democratic societies are occurring.

BELARUS

While many of the countries of the former Soviet Union have made steps toward democracy since gaining independence, Belarus has experienced complete stagnation under the dictatorship of President Aleksander Lukashenka. Since 1994, "Europe's last dictator" has ruled Belarus with an iron fist, using tactics common under the Soviet rule – a large state security apparatus, harassment, arrests, beatings and, in some cases, murders of regime opponents.

According to the Freedom House's 2011 Report *Freedom in the World*, basic political rights do not exist in Belarus and basic civil liberties are widely and systematically denied.[1] The state of democracy and freedom in Belarus continues to deteriorate. The government of Belarus has a track record of denying its people their fundamental right to have their voices heard through the ballot box, and the December 19, 2010 presidential election proved this point. President Lukashenka "won" a new term with an astonishing 80 percent of the vote. International and

[1] Freedom House Report *"Freedom in the World 2011."* http://www.freedomhouse.org/images/File/fiw/FIW_2011_Booklet.pdf

domestic observers called the election "flawed." On the night between December 19 and 20, when protesters filled the streets of Minsk to demonstrate against the falsified presidential election, Lukashenka ordered a massive police crackdown, sneering that "there will be no more mindless democracy in this country."[2] Police and security forces launched violent attacks against protesters, causing severe injuries to hundreds. More than 700 opposition demonstrators, political and civil society activists, and prominent journalists were arrested. Among those arrested were the seven opposition leaders who challenged Lukashenka in the presidential election. Officers of the intelligence agency ("KGB") and police raided party headquarters and activists' homes, seizing office equipment, personal computers and campaign materials. Since the crackdown, a total of 45 opposition leaders and activists have been sentenced to jail during post-election trials that have been deemed unfair. Thirty-three political prisoners are still held in jail. The fraudulent December 2010 presidential election, the brutal crackdown initiated by Lukashenka against those who dared to oppose the regime, and the unfair post-election trials follow the pattern of repression that has characterized Lukashenka's 17-year rule.

A subway bombing that occurred in Minsk on April 11, 2011, killing at least 14 people and injuring more than 200, set off another round of harassment and intimidation of opposition and civic activists. Opposition leaders and activists, human rights organizations and journalists were subjected to searches and investigations. Regardless of who was responsible for the attack, the authorities used the event to further instill fear in society in an effort to keep order, prevent possible uprisings and further clamp down on opposition leaders, activists and organizations. The Prosecutor's Office launched a criminal investigation. Two suspects arrested few days later confessed to the bombing according to a statement by Lukashenka. A common response heard in Minsk after the metro explosion was '*Y nas v strane est terrorist odin*' (there is *one* terrorist in the country).

Economic Situation

Belarus is facing a debilitating economic crisis. Currency problems over the last five months and the sharp devaluation of the Belarusian Ruble (60 percent loss in value in May alone) have been felt nationwide, touching all sectors of the economy and leaving no one unaffected. The severe trade imbalance and reduced capital flow from Russia has led to a lack of foreign currency which negatively affected the entire Belarusian economy, as businesses no longer have access to foreign capital. Printing excess Rubles before the election to artificially raise salaries and benefits also contributed to the currency's devaluation, and a run on all consumer goods and foodstuffs, leaving store shelves empty. These economic missteps have hastened the shortage of foreign currency and diminished the country's gold reserves. In a recent survey, 78 percent of Belarusians polled stated that their country was suffering from an economic crisis.

The populist tactics Lukashenka used prior to the presidential elections -- raising salaries and pensions -- may have helped maintain short-term support for him, but his promise of raising the average salary to $500 per person is no longer possible. The average salary in Belarus is $300 per month by official exchange rates and $230-250 per month by black market rates. The country stands in need of a bailout worth billions of dollars. Belarus must make fundamental, systemic economic reforms if it is to recover from its current situation. The regime now faces a

[2] Id.

dilemma: to recover economically, the government has to dramatically change its current economic model, which is the foundation of its political control over the country. Economic reform would mean giving up political control. Without complete control, Lukashenka and his cronies cannot remain in power. The economic crisis may force the Belarus government to sell many state-owned enterprises, most likely to Russian interests, as Lukashenka has shown no willingness to work with the West productively. Lukashenka has no interest in transparency, establishing markets or creating a society based on the rule of law. This helps to explain why much of the so-called privatization will most likely occur with Russia. Lukashenka and others can take funds they have stolen and hide them from Western sanctions, and still maintain some control and leverage over future business deals. It is expected that the ruling structures – *nomenklatura*, the security forces known as *siloviki*, presidential administration and high ranking apparatchiks will make off with billions during privatization. Some money will be pumped back into the economy, but without serious implementation of market reforms it will serve to only temporarily stabilize the economy without addressing the underlying problems. Belarus has already received $800 million in stabilization funding from the Russia-led Eurasian Economic Community, but Moscow has tied additional support to Minsk's willingness to privatize nearly $8 billion in state-held assets.

"Silent" Protests: A Democratic Opposition Survives

Lukashenka's post-election plan was to discourage further political activity on the opposition front and the general population from becoming active through trials against opposition leaders and activists. This plan is not succeeding. During the months of June and July, thousands of people have expressed discontent with the economic situation in Belarus and Lukashenka's policies through "silent protests". The protests are based upon an online campaign, "Revolution through Social Networks," which encourages people to come to their localities' central squares every Wednesday as a way to express discontent with Lukashenka's regime and support for change. Participants are urged not to chant any slogans or display any banners, but express solidarity and unity by coming together at the same time and place to show that the people want change in the country. The first anti-government protest was held in Minsk on June 8. Protests continued on June 15, June 22, June 29, July 6, July 13 and July 20. Thousands of people gathered in Minsk and other cities around the country. Clapping became a popular way of expressing a desire for change. Soon the authorities blocked off town squares and arrested anyone who clapped, demonstrating that fear, paranoia and anxiety are driving the authorities' actions. As a result, approximately 1,800 opposition activists, journalists and ordinary people were arrested – dozens of those who were arrested were merely passersby. Police and security forces continue to arrest youth activists and journalists on a weekly basis. Courts in Belarus have begun hearing cases and imposing short jail sentences and fines against some of the hundreds of people who were detained during these peaceful demonstrations. The average jail sentence ranges from five to 15 days. Despite the government's reaction, it is increasingly clear to the authorities that they can no longer control the "silent" protests, which are expanding throughout the country.

The State of the Media

Immediately following the December 2010 presidential election, the government's desire to suppress the free flow of information became even more evident. The authorities also launched "Distributed Denial of Service" (DDOS) attacks on opposition websites which extensively covered the demonstrations. The main social media website targeted is the Russian social network *Vkontakte* that is hosting the "Movement for the Future - Revolution through Social Network" group, where public actions and protests are announced, reported and commented on. Security services in Belarus are very aggressive in targeting this group. The government created "mirror" websites to divert users from accessing independent news sources. On June 22, an announcement was posted on the web site informing users that the group page was infected by a virus which is collecting information about their identity. On July 4, the group's main page was closed for all visitors by the administration of *Vkontakte*, supposedly for violations of the rules by the group. As a result, the group's page was then reopened with 10 times fewer viewers. During the July 13 "silent" protest, access to the *Vkontakte* website was blocked for several hours before and during the protest action. The website of the United Pro-Democratic Forces - UDF.BY, Charter 97 and European Radio for Belarus were attacked as well, with the Charter 97 website being redirected to the Belarusian president's webpage. Suppression of freedom of speech continues, especially against any group which seeks to mobilize support for any opinion other than approved by the regime.

IRI Work in Belarus

IRI has assisted pro-democratic forces in Belarus in their struggle for democratic change since 1997 through political party strengthening, coalition building and youth leadership development programming. These programs are the foundation of IRI's mission to support democratic organizations and help their leaders and activists prepare for public policy roles in a future democratic Belarus. In 2010, IRI assisted pro-democratic forces in their preparations for the pre-election campaign period through message development and dissemination, and voter's issue-identification. IRI consulted and trained individual campaigns, political parties, and non-governmental organizations on campaign messaging, strategies and plans. Prior to the country's 2010 presidential election, the pro-democratic opposition forces developed a message that reflected the attitudes of the voters, campaigned arduously and gained the support of public, even at great personal risk. Immediately following the government crackdown on the opposition in December 2010, IRI, with its longstanding relationships with political opposition groups/parties, shifted its focus to the humanitarian support of imprisoned opposition activists and their families in obtaining legal services. IRI supports the needs of political opposition parties through training activities as well as commodities assistance in order to supplement the losses suffered due to large scale government confiscation of equipment and other property. IRI will continue to monitor the limited democratic space in Belarus and work with the opposition to find ways to continue their struggle for democratic change in Belarus.

Next Steps

The political, economic and human rights situation in Belarus has significantly deteriorated. Politically-motivated harassment, arrests, detentions and unfair trials of representatives of the

democratic opposition and civil society continue. The entire series of events over the last seven months, starting with the post-election crackdown, the metro station bombing, the onset of the financial and currency crisis, the authorities' inability to respond to it, and the ongoing "silent" protests in Belarus, have captured the attention of the international community. These events clearly demonstrate a regime which is required to change and reform but is incapable of doing so. However, with the onset of the crisis we are seeing segments of the entire population becoming active and protesting, not just the political opposition. Such levels of activism have not been witnessed since the early 1990s. More and more people are finding the courage to stand up to the regime.

We think it is abundantly clear there is no more gray area, only black and white, when dealing with a Lukashenka-led Belarus. The Lukashenka regime has shown no serious interest in cooperating with the West despite the country's European heritage. Further it does not espouse democratic values, has repeatedly rebuffed U.S. and European Union efforts at engagement, does not respect the rights and freedoms of its citizens, and has not held an internationally recognized free and fair election since 1995. The government's crackdown and harassment on opposition groups, youth activists and independent media must not be forgiven. The people of Belarus deserve better.

The European Union has expanded asset freezes and travel bans on Belarusians linked to President Lukashenka's regime. For the first time, the 27 European Union foreign ministers decided to impose economic sanctions against Belarusian companies (the arms maker Beltechexport, telecoms provider BT Telecommunications, and gambling company *Sport-Pari*) which belong to the country's second-richest man and economic adviser to Lukashenka, Vladimir Peftiev. Four people, including Peftiev, were added to the blacklist of Belarusian individuals targeted by the EU over Minsk's crackdown on government opponents. The list has been updated on numerous occasions throughout 2011 as a direct response to Minsk's post-election crackdown.

The question remains: What is the U.S. position with regard to the Lukashenka regime and towards the opposition? The U.S. House of Representatives approved the Belarus Democracy and Human Rights Act of 2011, which calls for the immediate and unconditional release of all political prisoners in Belarus, including those detained in the post-election crackdown, and refuses to recognize the results of the flawed recent elections. The U.S. government has condemned human rights abuses in Belarus and has extended economic sanctions on Belarus for another year.

The economic situation in Belarus is critical. For this reason, the U.S., the European Union and international financial organizations must continue to completely isolate Lukashenka's regime. The U.S. and the European Union must no longer deal with the last dictator in Europe and should continue with existing sanctions, as well as impose new sanctions that bolster the Belarus democratic opposition.

More importantly, the U.S. and the European Union must think strategically about Belarus post-Lukashenka, when the people of Belarus are finally able to establish a democratic society based on principles of free-market economy. U.S. assistance should be directed toward increasing the

effectiveness and capacity of democratic political parties and activists inside the country first and foremost. They are the ones who constitute the alternative to Lukashenka and are capable of bringing about needed economic and social reforms. The political opposition needs both technical and commodities assistance. Freedom and democracy should be the common cause uniting the EU and U.S. with those inside Belarus who are fighting for a better future and more democratic country. It is clearly time for a change in Belarus.

UKRAINE

This year marks the twentieth anniversary of Ukraine's independence. The last twenty years exemplify the difficulty most post-Soviet countries face in building democratic institutions. In its first decade of independence, Ukraine evolved into a corrupt, semi-authoritarian state. The 2004 Orange Revolution, a public protest against fraudulent presidential elections, suspended Ukraine's progression toward autocracy. The Ukrainian people elected Viktor Yuschenko as President in elections recognized as meeting international standards. His government sought to institutionalize the pillars of democracy, including respect for a free press and greater protection of human rights.

However, constant political in-fighting thwarted significant economic and political reforms. It was in this context that Viktor Yanukovych was elected president in February 2010. Yanukovych ran on a platform of economic reform after Ukraine had lost 15 percent of its GDP in the 2009 economic crisis. Although government officials continue to prioritize the economy and claim a return to stability, many international organizations have questioned whether Ukraine's economy is moving in the right direction. In its 2011 Economic Freedom Index, the Heritage Foundation ranked Ukraine 164, two positions down from the previous year.[3] In the Global Competitiveness Report by the World Economic Forum, Ukraine dropped seven spots, down to 89, from its ranking of 82 the previous year.[4]

In addition to undertaking economic reforms, the Yanukovych government also states that it is in the process of unprecedented governmental and institutional reforms. However, many international organizations have not positively assessed these reforms, and have even criticized Ukraine's current trajectory on democratization. In the year since Yanukovych became president, Freedom House, in its annual report, downgraded Ukraine from being "free" to being "partly free." In addition, Freedom House published a report at the one year anniversary of Yanukovych's government, in which it stated that "Ukraine has experienced a disturbing decline in democratic practices and human rights that, if unchecked, threatens a return to the authoritarianism of the country's pre-Orange Revolution period."[5] In the report, the authors say Ukraine is characterized by:

> "…consolidation of power, with a narrow ruling group under Yanukovych intent on restoring political order and implementing policy using a more intrusive and visible SBU presence as well as an increasingly malleable judicial system; a ruling group that is equally interested in dividing spoils and protecting its own (though egregious corrupt behavior has also been

[3] Heritage Foundation; *Economic Freedom Index*, http://www.heritage.org/index/Ranking
[4] World Economic Forum, Global *Competitiveness Report*. http://www3.weforum.org/docs/WEF_GlobalCompetitivenessReport_2010-11.pdf
[5] Freedom House Special Report; *Sounding the Alarm: Protecting Democracy in Ukraine 2011*. http://freedomhouse.org/uploads/special_report/98.pdf

associated with prior governments); lingering resentment over the failure of the Orange Revolution leaders, in power from 2005 through 2009, and the continued fragmentation of the political opposition; the effects of the financial crisis, the International Monetary Fund (IMF) bailout, and ensuing economic reforms; and enervated civil society groups and independent media that are increasingly under pressure from government authorities, including the security services, with particularly difficult conditions in the regions."[6]

In May 2011, Transparency International released its National Integrity System (NIS) report, a comprehensive independent assessment of thirteen key pillars of Ukrainian society responsible for good governance and counteracting corruption. The report determined that all thirteen governance institutions -- Legislature, Executive, Judiciary, Public Sector, Law Enforcement Agencies, Electoral Management Body, Ombudsman, Supreme Audit Institution, Anti-Corruption Agencies, Political Parties, Media, Civil Society Organizations, and Business -- are exceedingly weak in Ukraine.[7]

In its annual press freedom index, Reporters without Borders evaluated that Ukraine had dropped 42 points in press freedom to number 131 out of 178 countries.[8]

On October 31, 2010, Ukraine held nationwide local elections, which international and domestic observers widely recognized as failing to meet international standards. A controversial local election law led to a problematic campaign environment, in which one of the major opposition parties was not allowed to compete in two regions. The United States government released an official statement noting that Ukraine failed to meet the international democratic standards which had been met in the 2010 presidential election. In addition to having held flawed elections, Ukraine is experiencing a curtailment of media freedoms, increased pressure on civil society, and targeted political prosecution of the opposition.

The State of Media

One of the preeminent legacies of the Orange Revolution was a free and vibrant media. Very soon after assuming the presidency in 2010, Yanukovych's government directly and indirectly pressured the media to limit critical coverage and report more positively on the government. In addition, the current head of the Security Services of Ukraine (SBU) is the owner of the largest media conglomerate in Ukraine, Inter.

In a July 2011 visit to Ukraine, United States Deputy Assistant Secretary of State Thomas Melia gave an interview to the *Zerkalo Nedeli* weekly in which he described increasing pressure on opposition media. "It is obvious that pressure on the opposition and independently-tuned mass media has increased. And this also stirs particular worries because, indisputably, narrows the space for political debates and the voters' chances to see the whole spectrum of political views."

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[6] Freedom House; *Sounding the Alarm: Protecting Democracy in Ukraine 2011*, page 1 (April 2011) http://www.freedomhouse.org/uploads/special_report/98.pdf

[7] Data from the 2010 Transparency International National Integrity System Report; http://www.transparency.org/news_room/in_focus/2011/ukraine_nis_2011

[8] Reporters Without Borders; *Press Freedo Index 2011*, http://en.rsf.org/press-freedom-index-2010,1034.html

According to a June 2011 Ukrainian Press Academy news report, 74 percent of the leading seven television channels in Ukraine cover government authorities, 20 percent cover the opposition, and six percent other. Coverage on the First National Channel was 94 percent on governmental officials and four percent on the opposition and other.[9]

A weather forecaster for Ukrainian state radio Lyudmyla Savchenko was taken off the air after telling listeners in May that warm spring days and blooming flowers were a compensation "for the disorder, lawlessness and injustice that are taking place in our country."[10] Consequently, a decision was taken to pre-tape weather forecasts in the future.

In sum, the media freedoms enjoyed during the Yuschenko administration are now under serious threat.

Civil Society Organizations

The Ukrainian government has begun to more closely monitor and regulate NGO activities, including those of IRI. A Cabinet of Ministers decree signed on January 19, 2011 amends the registration regulations in Ukraine, making it easier to deregister international civil society organizations (CSOs) and placing much higher reporting requirements on sub-grantees. SBU officials have also started to intimidate and exert pressure directly on more independent CSOs. Most recently, members of Parliament from the Party of Regions have suggested legislation which would ban foreign funding of CSOs. In June 2011, IRI received a written request from a member of parliament for a detailed account of IRI activities in Ukraine from 1991 to be submitted within ten days. The request is unprecedented in nature and scope for IRI's long history in Ukraine.

The national security doctrine of Ukraine adopted by the National Security and Defense Council was updated in March 2011 to declare as a national security threat "any international or domestic organization which provides financial or moral support to political parties or non-governmental organizations whose goal it is to discredit the government of Ukraine." This statement could be interpreted to apply to any number of organizations working in Ukraine.

Marginalization of the Opposition

The government and its allies apply economic and/or political pressure to coerce members of opposition parties to join the government on local, regional, and national levels. Ukrainian authorities have also targeted those who do not join the government or government-aligned parties with criminal prosecution. As a result, many of the most viable figures in the democratic Ukrainian opposition are currently under investigation or imprisoned. In spite of numerous European and U.S. government statements of concern about the application of selective justice in Ukraine, the Ukrainian government continues to prosecute and incarcerate the leading opposition figures.

[9] Ukrainian Press Academy June 2011; http://www.mediaosvita.com.ua/material/2919
[10] Ukrainian state radio weather forecaster remarks: http://www.youtube.com/watch?v=Ycdmrpvf7o4&feature=player_embedded

As of today, the following opposition figures are under arrest and/or investigation in Ukraine:

- Yuriy Lutsenko – former Interior Minister, Leader of People's Self Defense Party.
- Volodymyr Ivashenko – former Acting Minister of Defense.
- Ihor Didenko – Deputy Head of Naftogas Ukrainian Energy Company.
- Mariya Kushnir – Chief Accountant at Naftogaz.
- Tatyana Grytsun- Deputy Head of State Treasury.

The following cases against opposition figures are currently being tried in courts:

- Yulia Tymoshenko – former Prime Minister, head of leading opposition party, "Batkyvshchyna." On June 24, 2011, a Kyiv Court began hearing on a criminal case against Yulia Tymoshenko for allegedly signing a disadvantageous gas agreement with Russia in 2009. The international community has criticized the proceedings. While Tymoshenko's trial continues, SBU officials opened another case against her related to her involvement in the gas industry prior to her tenure as prime minister.
- Grigoriy Filipchuk – former Minister of Environmental Protection.
- Eugene Korniychuk – former Deputy Minister of Justice and head of the Social Democratic Party.
- Anatoliy Makarenko – former Head of Customs Service. He was being held in prison until July when he was released under a strict travel ban.
- Victor Bondar – former head of the Dnipropetrovsk State Administration, supported Tymoshenko in the 2010 presidential elections.
- Oleksandr Davydov - former Deputy Minister of Transportation and Communication.

The following opposition figures are on a "wanted list":

- Bogdan Danylyshyn – former Minister of Economy. Danylyshyn was put on the state and international wanted list in August 2010. In October, he was detained in the Czech Republic and in January, was granted political asylum there.
- Tetyana Sluz - former head of the State Treasury.
- Mykhaylo Pozhyvanov – former head of the State Reserve.

In summary, there is a clear trend of prosecuting political opposition leaders and activists.

IRI Work in Ukraine

Since 1994, IRI has actively supported the promotion of democracy in Ukraine. To address the aforementioned challenges and respond to Ukraine's rapidly deteriorating political environment, IRI is working to strengthen political parties, foster mechanisms for good governance, support the next generation of political activists, and develop a more transparent electoral system.

In order to ensure Ukraine has vibrant, democratic parties which reflect the needs of citizens, IRI trains parties on how to improve their structures and organization, coalesce, and recruit new members. Recently, IRI launched an innovative program to enhance communication between political parties and local CSOs.

To encourage Ukraine's elected officials to be responsive to citizens, IRI provides training to local elected officials on communications, constituent service, management and other skills necessary for effective and transparent governance.

One means to encourage government accountability is IRI's public hearing program, which enables Ukrainian civil society, particularly in Crimea, to bridge the gap between citizens and elected officials. By selecting a local problem and addressing it through the mechanism of a public hearing, citizens are able to participate in the decision-making process.

To ensure democracy has a strong and stable future, IRI has been supporting four youth-oriented CSOs, which established Youth Political Leadership Schools in Ukraine to teach political activism, particularly in Eastern Ukraine and Crimea. More than 920 students have graduated from these schools and more than 70 percent of whom have entered into some form of public service.

To assist in the development of Ukraine's electoral processes, IRI has conducted international election observation missions, observing every parliamentary and presidential election since Ukraine became independent in 1991. IRI also participated in a joint expert assessment team for the October 31, 2010 local elections.

In addition to observing elections, IRI has been assisting the country with electoral reform. In July, prior to the October 31 local elections, the parliament adopted an election law which IRI and many other international and domestic organizations criticized for falling short of international democratic standards. Consequently, IRI and the National Democratic Institute (NDI) drafted a detailed election law analysis in August, which pointed out certain undemocratic aspects of the law and the non-transparent manner in which the law was adopted. As a result, the president ordered parliament to revise the election code. However, even though the law was slightly amended, international and domestic observers labeled the October 31, 2010 elections as not meeting international standards. In response to widespread international criticism, Ukraine's president created a working group tasked with developing recommendations for new elections laws. IRI was a member of the working group until March, when it suspended its membership, after IRI made the determination that it was not being allowed to substantively contribute to the process.

Next Steps

The current Ukrainian government has stated deeper and closer ties to Europe, with aspirations of eventual EU membership as a foreign policy priority. At present, the Ukrainian government is in the process of negotiating a deep and comprehensive free trade agreement with the European Union.

The United States has consistently supported Ukraine's Euro-Atlantic aspirations. In order to most effectively further these aspirations, Congress should be very direct with its Ukrainian colleagues. It should tell the Ukrainian authorities frankly when their actions, whether involving elections, civil society, rule of law or media, are in contradiction of Western standards. The implementation of a more balanced policy will be essential in the run-up to the 2012 parliamentary elections.

GEORGIA

The government of Georgia continues to build democratic institutions and in the past several years, there have been areas of notable progress. In 2010, the position of Tbilisi mayor became an elected position. Since the mayor has become answerable to the people, rather than reliant on appointment, the mayor's office has been increasingly responsive to citizens' needs. The mayor's office has been very progressive in using social media for this purpose, with Facebook forums as well as using an interactive website (www.chemikucha.ge) where citizens can publicly complain about poor infrastructure and the mayor's office will send repair crews and publicly post the results online.

Georgia has undertaken constitutional reform, drafting and approving a document which will realign the system of governance toward a more parliamentary model and away from the current strong presidential system. These constitutional reforms will take effect following the presidential election in 2013. In preparation for this, the government and opposition parties again began meeting in November 2010 to discuss further reforms to the Election Code to insure that elections, scheduled for 2012 and 2013, would continue to meet international standards. Before negotiations started, eight opposition parties (called the Opposition 8) came together to act as one voice during the negotiations.

The 2012 parliamentary election will provide a great opportunity for Georgian democratic development. Opposition parties, no longer boycotting elections as they did in the past, are now engaged in the political process and eager to contest Parliamentary seats. While shortcomings in Georgian governance exist, there is room for political parties to criticize and openly discuss divergent ideologies. But this space will only increase with effort, by political parties and activists exercising their rights and spreading their messages among Georgian society. In this way, the Georgian public will face real political choices and will be given the opportunity to see varying visions of their country's future.

Georgia also continues to progress in the integration of minority populations. A recent International Crisis Group report cited several areas of success in integrating the ethnic Armenian region of Samtskhe-Javakheti in the socio-political life of the country. Traditionally the region has been less developed than the rest of the country and the residents have not been involved in civil society processes. As this is changing, the marketplace of ideas in Georgia widens and the nation supports the diversity of its multicultural society. Ethnic diversity was further supported in July 2011 when Parliament adopted law officially recognizing organized religions with historical connections to Georgia, including the Roman Catholic, Evangelical Baptist, and Armenian Apostolic churches, Islam, and Judaism. Previously, only Georgian Orthodoxy had been recognized by the state, making it the *de facto* state religion, while other religions were registered as NGOs. The recognition of these religions contributes to the idea that Georgia is a multi-ethnic, multi-faith state in the tradition of Europe and the United States, rather than a single-faith nation.

The government and ruling party continue to enjoy very strong approval numbers, and the president Mikheil Saakashvili remains the most popular politician in the country. Another

political figure with strong approval rating is Giorgi Targamadze, the leader of the Christian Democratic Movement ("CDM") and a possible candidate for president in 2013. The CDM also greatly increased its nationwide support since it was first formed in February 2008, and is now the second-most popular party in Georgia by a wide margin. It is clear that their gains have been a result of their focus on issues and constituent needs instead of anti-government protests.

According to IRI's own polling data from April 2011[11], it is noteworthy that 71 percent of the population is against further street protests. However, it is particularly important for the government to continue its focus on economic and social reforms. Unemployment and economic issues were mentioned by 70 percent of respondents as the issue of most importance to them, and 77 percent named it as one of the top three reform priorities of the government. The same number also named economic/social conditions as the primary reason for which they would go to the streets in protest.

Political party platforms need to be based on political ideologies and coherent views of how society and the economy should be managed. Party platforms should not be rooted in the whims and caprices of a particular personality. Many Georgian opposition parties have yet to escape the post-Soviet trend of leader-based parties, rather than philosophically-based parties. As some parties begin to emerge from this common trap, such as the CDM or the Georgian Republican Party, they are seeing results in increased interest in party positions, as well as, in increased membership. Overall, this increased interest in political parties, the growing focus on ideology rather than personalities, discussion and negotiation on the part of the government, all signal great opportunities for the 2012 election. For this reason, the freedom and fairness of the campaign and electoral system is vital for this forward momentum to continue.

While public trust in government institutions such as police and the army remain strong, trust in the Central Election Commission and political parties has been low. Georgia has made vast improvements in its elections systems, but it has failed to convince citizens that these improvements contribute to political change and progress. Continued strengthening of elections not only encourages voter participation, but strengthens participating parties by forcing them to define their message and reach out broadly to Georgian society.

Concern over human rights continues to be an issue after incidents such as the dispersal of the May 26 protests in Tbilisi. While Georgia's human rights record represents a substantial improvement from its past, several issues such as police abuse, treatment of prisoners, and aspects of freedom of speech remain. These issues will improve with increased strengthening of watchdog journalism and of civil society and advocacy groups. As local CSOs become more independent and capable, they have taken over more of the role traditionally played by the international community.

IRI Work in Georgia

Political party development has been the main focus of IRI's work in Georgia since it began operations in Tbilisi in 1999. Political parties should act as a bridge between citizens and their government, as well as advocates for specific ideologies and representatives of citizens that

[11] IRI Georgia National Survey, April 2011

support those philosophies. IRI has trained parties to develop more positive, issue-based campaigns, while also developing the skills to represent needs more effectively by engaging citizens. IRI trainings focus on building congruent party platforms and communicating them to the public, rather than a centralized leader-focused party which serves a small cohort of personalities rather than the larger polity. In particular, IRI has encouraged political actors to think strategically and stop acting reactively. IRI training programs also strive to provide a format where activists could learn and experience the intricacies and technical aspects of working in a democratic political environment. A key component of IRI's programming in Georgia is to teach local political parties about the importance of "messaging." IRI assists the local parties as they develop messages that will actually resonate with the electorate, including encouraging them to use polling as they attempt to discern what is of interest to voters and what motivates voters.

All of IRI's political party training and message development is heavily informed by a robust public opinion polling program. IRI has been conducting and publishing semi-annual public opinion polls since May 2003, prior to the Rose Revolution. This wealth of historical data on issues, trends, and popularity and a reputation for fairness and impartiality has enabled IRI to deal credibly with parties from across the political spectrum. The political arena in Georgia has traditionally marginalized women, youth, and minorities. IRI has been working with women and youth wings of political parties to bring them into the political process. In 2010 IRI began several multi-party youth projects such as a televised debate competition which encouraged pluralism, recruiting, and motivated youth to join in the political process. In many instances, these youth leadership projects have yielded more results than projects with party leadership. Parties are also strongly encouraged to reach out to minority regions, listening to their concerns, as well as involving them in the political process.

Next Steps

The United States Congress has consistently supported Georgia's sovereignty and territorial integrity, and should continue to do so. In the meantime, the United States should continue to support Georgia's efforts to build democratic institutions.

MOLDOVA

After years of political stagnation since achieving independence from the Soviet Union in 1991, Moldova has reached a historic and transformative point in its democratic development. In July 2009, voters ended eight years of Communist Party rule and elected a coalition of reform-minded, pro-Western parties to a parliamentary majority. Since then, the new government has made impressive progress in implementing democratic reforms, showing greater respect for human rights and moving towards its ultimate goal of European integration. While the government has solicited help from organizations like IRI, the Millennium Challenge Corporation (MCC) and partners in Europe, the United States government has also been a valuable partner in helping the new government achieve its objectives. With additional U.S. support, Moldova has great potential to move in a more prosperous and democratic direction.

Gradual Transition

Moldova's initial transition out of the Soviet Union has been difficult for its largely agrarian population. The initial economic liberalization and reforms in the early 1990s disproportionately benefitted Moldova's urban population and a handful of well-connected elites who took control of state assets and were able to substantially increase their wealth. The young Moldovan state also experienced an armed conflict with the breakaway region of Transnistria, which contains most of Moldova's industry and manufacturing. A ceasefire was declared in 1992, but Moldova has lost effective control over this territory, which is now ruled by an unrecognized de-facto government supported by Russia.

Enduring poverty in Moldova's largely agricultural society, rising social inequality and the inability of early Moldovan governments to deliver basic services resulted in a popular backlash against the reformist parties and a groundswell of support for the Communist Party. During the parliamentary elections of 2001, the Communists won control of the parliament and presidency.

The Communist Party dominated Moldova's political sphere from 2001 to 2009. Despite election promises to fight for the people, the Communist leadership largely sought to protect their own interests while in power and Moldova's democratic progress stagnated. Under President Vladimir Voronin, Moldova faced criticism and condemnation both at home and abroad for human rights abuses, including torturing prisoners and unfair detentions. The government maintained control over much of the nation's media and interfered with the free speech of its critics.

The quality of elections also declined during the Communist Party's time in power. International observers of the 2001 parliamentary elections claimed that they did not reach the standards set in previous years, and each subsequent election elicited slightly more negative assessments. According to observer reports, the same problems plagued each election – heavily biased media coverage, problems with voter lists, and coercion and intimidation of opposition campaigners and voters. The Communists sought to cement their hold on power by erecting barriers to the opposition gaining office, including raising the threshold for parties to enter parliament.

The Moldovan public grew increasingly frustrated with the government's lack of progress in reforming the country, with most people seeing no change in their lives under the Communist regime. Despite government attempts to limit political competition and silence critics, this time period saw an explosion of grassroots activism throughout the country.

The development of a credible opposition in the country gave voters convincing alternatives to the ruling party. Starting with parliamentary elections in 2005, the electoral trends began to shift, showing the ruling Communists slowly losing popular support. During local elections in 2007, the liberal opposition parties were able to gain control in 23 out of 32 regions, as well as winning the coveted mayor's office of Chisinau, Moldova's capital. These gains were significant, as the Communists had previously held 31 out of 32 regions. The Communists responded to the opposition's victory by clamping down further on media coverage and cutting funding for some regions held by opposition figures. As the 2009 parliamentary elections approached, the political environment became increasingly volatile.

Historic Elections in 2009

Parliamentary elections were held on April 5, 2009, with the Communist Party winning a majority of seats. However, reports of extensive and systematic fraud with voter lists soon surfaced, and the days after the election saw mounting dissatisfaction among voters, especially youth. On April 6, a massive demonstration against the Communist's victory began, drawing up to 20,000 youth, and continuing throughout the week.

These protests rapidly turned violent, with protestors breaking into the presidential and parliamentary buildings, smashing windows, looting and setting fires. The Communist government blamed the opposition parties for this event, while the opposition parties blamed Communist provocateurs. The police later regained the buildings and arrested about 200 people. Additional arrests of Moldovan citizens, including journalists and school directors, followed, and some of those detained claimed to have been tortured by the police. Four deaths were linked to the election-related violence.

The government's brutal crackdown on protestors drew criticism from around the world. The European Parliament adopted a resolution condemning the government's conduct during April's parliamentary elections and post-election period. Members of the European Parliament specifically condemned the massive campaign of harassment, grave violations of human rights and all other illegal actions carried out by the Moldovan Government. In parliament, the opposition parties protested by refusing to vote for the Communist's choice for president. Falling short of the majority necessary to elect a president, the Communist leadership was forced to dissolve parliament and call for a snap parliamentary election on July 29, 2009.

The July 2009 parliamentary election dramatically altered the Moldovan political landscape, ending almost a decade of Communist Party rule and sweeping new, reform-minded parties into power. Angered by the human rights abuses and violence committed by the government in April, and attracted to the opposition's united call for reform, voters granted the opposition coalition a slim majority in parliament. This coalition called itself the Alliance for European Integration, as they shared a commitment to move Moldova closer to Europe and the West and to eventually achieve full accession to the European Union. Since gaining power, the Alliance has moved rapidly to implement democratic reforms and has steadily gained the support of the electorate.

Political/Economic Crisis

The July 2011 election results clearly demonstrated Moldovan voters' desire for dramatic change, and one of the Alliance's first actions was to produce a detailed plan for tackling the numerous problems facing Moldova. Specifically, the Alliance promised to curb state corruption, further liberalize the economy and accelerate Moldova's progress towards EU membership. Unfortunately, reforming Moldova is a daunting challenge. The poorest country in Europe, Moldova's infrastructure ranks as one of the world's worst, and large swathes of the population have little access to clean water or sanitation. The economic crisis has battered Moldova's fragile economy, which depends heavily on remittances from abroad and the volatile

agricultural sector. Diversifying Moldova's markets and encouraging business investment and job creation are urgent priorities, but addressing these issues has proven extraordinarily difficult. Rampant corruption, poor infrastructure and red tape repel business investment, and there is only a dwindling pool of skilled workers as Moldovan youth leave in droves to pursue better opportunities elsewhere. Having inherited a budget deficit and tangled, bloated bureaucracy, the government has struggled to provide even basic services to its aging population and lack the funds to undertake dramatic economic reforms or invest in infrastructure projects.

In addition, momentum on many of the Alliance's reform initiatives was delayed when parliament again failed to elect a president and secure a four-year mandate. Moldova's constitution requires that if parliament fails to elect a president, it dissolves itself and new elections are held. After the Alliance's narrow July 2009 victory, the Communist Party boycotted the presidential votes, depriving the ruling coalition of the additional votes necessary to elect a president. This forced the Alliance to delay much of their reform agenda, as they concentrated on electing a president and achieving the political stability necessary to make such reform plausible. After months of heated political wrangling, the Alliance proposed a constitutional referendum that would allow for direct elections of the president by the people, to be held on September 5, 2010.

With polling data indicating that a substantial majority of the public supported direct presidential elections, the Alliance leaders felt confident that the measure would pass. As the referendum date approached, the Alliance parties neglected to run a campaign in its support, opting instead to publically squabble over potential presidential candidates. Meanwhile, the Communist Party ran a determined campaign against the referendum, calling on its supporters to boycott the measure. On September 5th, the constitutional referendum failed to meet the turnout threshold of 33 percent, delivering a blow to the ruling Alliance and shattering their hopes of finally finding a way to elect a president. Acting President Mihai Ghimpu had no choice but to dissolve parliament and call for a fresh election to be held on November 28, 2010. The election itself posed a significant challenge for Moldova, further disrupting reform efforts as parties shifted concentration to the election campaign.

In the November parliamentary elections, the Alliance parties were again able to increase their share of seats to 59, though this was still short of the majority needed to elect a president. The Alliance needed the cooperation of two Communist MPs to formally elect their candidate for president, but failed to convince any to do so. Intending to force an early election, the Communist Party asked the Constitutional Court to impose a term in which a new president must be elected. In early February, the Court refused to decide the case, claiming the matter fell under the jurisdiction of the Parliament. This was significant because the Court was acknowledging that the current situation is not addressed in Moldova's Constitution, and the government is therefore not constitutionally obligated to elect a president within any set time frame. This provides a modicum of stability for the ruling Alliance, as their candidate, Marian Lupu, may now technically serve as acting president for the full four-year term. Meanwhile, the Alliance is considering holding another referendum on direct election of the president, an initiative that continues to enjoy the support of a majority of the Moldovan population.

The resolution of the presidential crisis has allowed the Alliance to focus on its electoral promises of economic reform and closer relations with the European Union. During the next four years, they should be able to make substantial progress and they have a clear mandate for change from the population. IRI's surveys have consistently shown growing public trust and support for the Alliance leadership, and more importantly, for their ideas.

Moldova's Road to Reform

The Alliance leadership has expressed a genuine commitment to democratic reform and the adoption of Western values. Despite facing many challenges during their short time in power, the government has brought about noticeable differences in the country in terms of freedom and respect for human rights. The 2010 State Department Human Rights Report has noted some of these changes, including the decline in police violence, more free and fair elections and less pressure and control of the national media. The most important areas of reform for the Alliance are as follows:

European Integration

European integration has been one of the most cherished goals of the ruling Alliance coalition, and they have already taken significant steps to bring the country closer to Europe. IRI has helped in this regard, conducting legislative exchanges in Lithuania to aid Moldova's parliamentarians in the implementation and development of EU accession-related legislation. Despite progress in building relationships with key European allies and moving forward on important reforms, the Moldovan government still faces many challenges ahead as it works to bring itself in line with European values.

Political Freedoms

One of the Alliance's most immediate actions was to reverse discriminatory measures in the Electoral Code that reduced competition and disenfranchised voters, and to support the further development of an independent media. The two elections held under Alliance leadership – the November 2010 parliamentary elections and the June 2011 local elections, were notable for the absence of government-sponsored intimidation of rival political parties and the relative freedom of the media in reporting on the elections.

As the 2010 Human Rights Report points out, biased media coverage has been an enduring problem in Moldova, especially during election cycles. Election coverage in 2009 was infamous for the lack of objectivity in news reporting, selective coverage and failures to fact-check negative or sensational reports on the opposition. However, since the Alliance came to power, two new independent television stations have opened and reports of government harassment of reporters and news stations have dramatically declined. In 2009, Reporters without Borders ranked Moldova a dismal 114th in its world press freedom index. In 2010, Moldova has leaped to a more respectable 75th. These trends are encouraging and have allowed many Moldovan voters increased exposure to a more diverse array of coverage and opinions, leaving them better informed of party positions and issues affecting their country.

Economic Liberalization

Moldovans, particularly in rural areas, lag behind their neighbors in measures of quality of life and suffer from underdevelopment of infrastructure, a lack of jobs, and a rampant culture of corruption. Burdensome business regulations and red tape shield the few elite businesses from competition and discourage investment in the country. With a lack of jobs, young Moldovans leave the country to find work, leaving behind broken households and desolate empty villages. Remittances account for about 30 percent of Moldova's GDP and the large shadow economy loses the government tax revenues. Attracting business investment, job creation and building an atmosphere for growth are key for the government to improve the lives of its citizens.

Corruption is pervasive in the Moldovan government and society. Public servants often solicit bribes from citizens, and corrupt officials in law enforcement and the judiciary are free to violate citizen rights with impunity. This government has vowed to change the culture of corruption, and one of its first steps has been to investigate and prosecute those involved in the April 2009 violence. The government has also committed to a series of transparency measures to try to reduce corruption in state agencies, including an e-governance program currently in the works.

Russia dominates Moldova's export market and also controls Moldova's access to energy and gas supplies. Russia has used strategic tactics in the past such as placing bans on Moldovan products and cutting off gas in order to manipulate government actions or retaliate against Moldova over policy disagreements. Reducing Moldova's dependency on Russia is a key priority for the Moldovan government, and gaining a foothold in other markets around the world is an important step.

The Moldovan government has sought to create jobs and attract business investment by slashing burdensome regulations, improving vital business infrastructure and simplifying procedures for business registration by making an electronic "one-stop-shop" policy. The government has already committed significant resources to infrastructure investment, securing money from a wide array of sources to improve Moldovan roads, sewers and other vital public works.

IRI Work in Moldova

Moldovan political parties have historically suffered from many functional weaknesses – an inability to communicate effectively and mobilize voters, a lack of coordination between national and regional branches and poor campaign management techniques. IRI established an office in Moldova in 2003 and started implementing a political party strengthening program designed to address these problems.

IRI has conducted message development and door-to-door campaign training programs, quantitative public opinion research, informational election law seminars, training workshops targeted at women's political party activists, political and governance communications training for locally-elected officials, election monitoring and poll-watcher training and message-based media training. As a result of IRI's efforts, hundreds of political party activists are better equipped to communicate well-developed and substantive solutions to the challenges facing

Moldovan citizens. Additionally, several parties that have worked with IRI to build their party organizations have now achieved leadership positions in the national government.

In July 2009, a coalition of liberal opposition parties won a slight majority in parliament. IRI had cultivated close relationships with these new leaders throughout the years through its party development program. For instance, IRI has worked closely with Vlad Filat in building and improving his Liberal Democratic Party ever since its formation in 2008. Now facing new challenges as a leader in the national government, Prime Minister Filat requested IRI's assistance in helping the new coalition achieve its reform agenda and effectively address the needs of Moldova's citizens.

In April 2010, IRI began its first governance program in the country. The focus has been on helping the national government create more efficient internal structures so that the various ministries can function properly and communicate effectively. IRI also sought to increase the government's accountability to the public through quarterly polling, to keep government officials aware of the public mood and important issues facing citizens. IRI has also assisted the Moldovan parliament in the development and implementation of EU-standard legislation through a parliamentary exchange in Lithuania, funded through a separate NED grant.

IRI Moldova's current governance focus is the reform of Moldova's public institutions, which have long failed to adequately serve Moldovan citizens. IRI conducted a public opinion survey, targeted focus groups and a detailed analysis on the failings of vital public institutions and is putting together a training program to address these issues.

Next Steps

The U.S. has made a commitment to support fledgling democracies and promoting greater freedom and human rights for people throughout the world. Moldova's Western-oriented, reform-minded government enjoys broad popular support and has an ambitious plan to truly transform the country and the lives of its citizens. The U.S. has a rare opportunity to help the government complete its transition to a full democracy by supporting Moldova's EU aspirations.

Visits to Moldova by high-ranking members of the U.S. government enhance the legitimacy of the ruling Alliance and demonstrates to Moldovan citizens that the Alliance is serious in its commitment to bring Moldova closer to the West. Vice President Joe Biden and Senator John McCain visited the country in 2011. Moldova could benefit from more exposure to top U.S. officials.

Moldova's economy would substantially benefit from greater access to global markets, including the U.S. The Moldovan government is committed to expanding the international market for its country's products, including world-class wine and cognac. The Jackson-Vanik Amendment hinders the government's ability to do so.

The breakaway region of Transnistria has been an enduring problem for Moldova. The unrecognized Transnistrian government presides over extensive illegal activity, including trafficking of weapons and people. Russia maintains a large troop presence in the territory and

the authorities regularly violate the human rights of the people living there. A ceasefire has been in place for almost two decades, and the Moldovan government has been unable to exert control over the territory or help its citizens, and repeated attempts at negotiations to resolve the issue have gone nowhere. The resolution of this territorial dispute is critical as a continuation of the *status quo* will prevent Moldova from full European accession. The U.S. could take a more proactive role in the 5+1 talks, especially in pressuring Russia. Also, attention on human rights violations in Transnistria could help bring more pressure from the international community to the issue.

In the past several years, the Moldovan people have used democratic elections to turn a grim situation into a hopeful future. Moldova has the potential to be one of the brightest success stories in the Eastern European neighborhood. With the support of the United States, Moldova can continue to build on its momentum toward a more prosperous and democratic future.

CLOSING OBSERVATION

Finally, Mr. Chairman, let me close with an observation: the Assistance for Europe, Eurasia and Central Asia (AEECA) Act[12], formerly known as Freedom Support Act and the Support for East European Democracy (SEED) Act[13] and the programs these pieces of legislation created, have provided essential support to those struggling to promote more free and democratic societies throughout Eastern Europe and the former Soviet Union. It is important that support continue from the United States to help those countries which are seeking to consolidate democratic institutions and practices, such as the citizens of Georgia and Moldova, as well as those continuing to struggle in places like Belarus and Ukraine to finally establish a path to a democratic future.

Again, thank you for this opportunity to appear before the Committee.

[12] The Freedom Support Act of 1992 (Freedom for Russia and Emerging Eurasia Democracies and Open Partners Act, H.R. 4547 (1992)
[13] Support for East European Democracy Act of 1989.

Mr. BURTON. Thank you very much, Mr. Nix. I really appreciate that comment. I will be at that conference. And the thing that was unusual about the conference in Vilnius is their legislative branch was in session and they left me in charge of the whole conference. And I didn't know what was going on.

Mr. NIX. I was in the audience and I thought you did an outstanding job.

Mr. BURTON. Would you call my wife? She doesn't appreciate me and I'd like for her to know that.

Mr. Kramer.

STATEMENT OF THE HONORABLE DAVID KRAMER, PRESIDENT, FREEDOM HOUSE

Mr. KRAMER. Chairman Burton, Member Meeks, members of the subcommittee, it's an honor to appear before you here today and also an honor to be on this panel with my friends, Steve Nix and Nadia Diuk, and also my friend and former Freedom House colleague, Tom Melia. I also want to commend you on the timing of today's hearing, Mr. Chairman, because it allows me to shamelessly plug two publications from my organization, Freedom House: Nations in Transit 2011, which describes trends in East and Central Europe and Eurasia, and Sounding the Alarm: Protecting Democracy in Ukraine. I recommend both.

Mr. BURTON. Can we get copies of those?

Mr. KRAMER. With pleasure, sir. Thank you very much.

Mr. BURTON. Thank you.

Mr. KRAMER. Mr. Chairman, the state of democracy and freedom in East and Central Europe is fairly strong and resilient albeit with some exceptions, but in Eurasia I would argue the picture is much more bleak. The countries closest to the European Union, and by the extension to the trans-Atlantic community, are at a pivotal point in their development. Belarus, as Steve and Nadia have explained, is pushing the limits of repression as Europe's last dictatorship, even if a breakthrough there in Lukashenka's demise may come about before too long.

Ukraine, arguably the most strategically important country along the EU's borders, is also moving in the wrong direction when we look at things in a democratic perspective. And trends there, if left unchecked, threaten to steer Ukraine in a direction of greater centralization and consolidation of power, even authoritarianism and kleptocracy.

As we look at the Caucasus, only Georgia has really shown signs of progress, whereas in Azerbaijan, there has been backsliding. Moldova, as Steve has indicated, is in contrast to these other countries, moving in the right direction and earning the greatest net improvement in our scores in the Nations in Transit Report. We hope that that progress will continue.

For the West and its interest in seeing these countries become more democratic, policy should involve deeper engagement with these countries, not less. And pushback on abuses, not silence. This will not be easy given competing demands elsewhere in the world, but if the majority of countries in Eurasia continue to veer off the democratic path, the challenge for the West will only grow.

There are some common features as we look at the countries in Eurasia in particular, and that's where I want to focus, Mr. Chairman. A number of these consolidated authoritarian systems do not permit real political competition and instead hold stage-managed elections in a desperate bid for legitimacy. Governments in the region, just as those in the Middle East, systematically deny space for moderate, political expression and alternative viewpoints, driving these viewpoints into greater extremist directions.

Rampant corruption and lawlessness hobble economic opportunity and reform, and in many cases, the opaque regimes in the region tend to treat the national wealth as their own wealth. This is part of the broader pattern of narrow regime interest taking precedence over public good.

None of the consolidated authoritarian regimes in question have signaled a willingness or capacity to undertake genuine reforms. Instead, the prevailing strategy seems to be just as it was with regimes in the Middle East, to tighten the screws and hope for the best. That is not a wise or effective strategy.

Mr. Chairman, my colleagues have covered a number of countries in the region. Some of them are covered in our reports. I want to cover Russia in my remaining time. And let me cut right to the chase by saying that Russia's leaders show no respect for human rights, accountability, or independent institutions and refuse to allow a viable opposition to take root. This disrespect for human rights and lack of accountability extends to past abuses as well. Lithuania has sought cooperation from Russian legal authorities in its pursuit of accountability and justice for the killings of 14 people on January 13, 1991. This is included in the Lithuanian authority's requests for the extradition of Mikhail Golovatov, commander of the Alpha KBG Unit at that time, who had briefly been detained in Austria but has been inexplicably released.

Looking ahead with Presidential elections coming up in Russia, I don't see a reason to be optimistic or hopeful about the situation there. Prime Minister Putin continues to out poll President Medvedev, although not by huge margins, and the support for both leaders has been declining. A return by Putin as President, I think, would be a depressing blow for those hoping for an end to the authoritarian rut that Russia has been in for the past decade.

Sovereign democracy, the term that has been used to try to pretend that Russia is pursuing a democratic path in its own way, is something that I think none of us want to see extended for 6 more years at least, should Putin return, and the Presidential term has been extended from 4 to 6 years.

Many Western observers favor Medvedev over Putin, viewing the former as a more liberal, Western-oriented reform leader. But even if Medvedev remains President, I frankly don't see many signs or much reason to be hopeful that Russia will move in a more democratic direction despite Medvedev's lofty rhetoric about modernization and rooting out legal nihilism. Russia, after more than 3 years under his presidency, has really shown no improvement on democracy and human rights issues, and in many respects it is as bad as it was under the 8 years with Vladimir Putin as President.

Opposition forces continue to be harassed and excluded from the political process. Journalists and bloggers are beaten or inves-

tigated for their reporting and their activities. Critics like Mikhail Khodorkovsky, as you asked Tom Melia before, Mr. Chairman, suffer the punishment of authorities because they step out of line and are victims of the judicial system as Russian leaders choose to use it. The North Caucasus, while less violent than it was a decade or a decade and a half ago, continues to remain a mess when it comes to human rights, and Chechen leader Kadyrov is pointed at as responsible for many abuses himself.

Overall, the lack of accountability for human rights abuses and the grossly politicized legal system create an environment wherein such abuses are not only condoned but expected, almost as a demonstration of loyalty to the regime.

Mr. Chairman, there are a number of activists, lawyers, and journalists who have been killed over the years in Russia with no resolution to their cases: Natalya Estemirova, Aleksandr Litvinenko, Anna Politkovskaya, Paul Klebnikov, and Sergei Magnitsky, just to name a few. In the Magnitsky case you had asked Tom Melia about before, I would strongly encourage, Mr. Chairman, and I know I'm over my time, support by the U.S. House of Representatives, along with the U.S. Senate for the Justice for Sergei Magnitsky Bill in the interest of trying to hold Russian officials accountable for gross human rights violations, not only in the case of Magnitsky and his murder—and I do call it a murder since he was denied medical treatment and allowed to die in prison—but for other similar gross human rights abuses. I would strongly urge the subcommittee and the full committee and the chamber itself to get behind this bill. This bill, I would argue, Mr. Chairman, is what has moved Russian officials to do anything. In the past, before legislation was being considered by U.S. or European parliamentarians, the Russians not only ignored this case, but they rewarded and promoted officials who were involved in the Magnitsky case. That has come to an end and I hope, Mr. Chairman, that this subcommittee will get behind this legislation. Thank you.

[The prepared statement of Mr. Kramer follows:]

Testimony of David J. Kramer
President of Freedom House

before the

House Committee on Foreign Affairs
Subcommittee on Europe and Eurasia

"Eastern Europe: The State of Democracy and Freedom"

July 26, 2011

Mr. Chairman, Members of the Subcommittee, it is an honor to appear before you for today's important hearing on the state of democracy and freedom in Eastern Europe. I have followed this region for more than two decades both inside and out of government. In my current capacity as president of Freedom House, I am pleased to highlight the extensive work that my organization does on this very topic. I also am pleased to appear today with my friend, Tom Melia, former deputy executive director at Freedom House and currently a deputy assistant secretary of state in the bureau I ran at the end of the Bush Administration, the Bureau for Democracy, Human Rights and Labor. Tom has done terrific work on freedom and human rights issues in Eurasia, and I want to salute his excellent service to the country. It's also a pleasure to appear with Stephen Nix and Nadia Diuk, friends and highly respected experts on the region.

Just last month, Freedom House issued *Nations in Transit 2011*, an annual survey of democratic development in Central and Eastern Europe and Eurasia. This year's report, subtitled "The Authoritarian Dead End in the Former Soviet Union," reflects disturbing trends we see in many countries in the region which are adversely affecting human rights and democratic development. I plan to borrow liberally from *Nations in Transit* in today's testimony and, in doing so, want to acknowledge the excellent work done by my colleagues Christopher Walker and Sylvana Habdank-Kolaczkowska. I also want to note a special study Freedom House produced this spring on the situation in Ukraine entitled *Sounding the Alarm: Protecting Democracy in Ukraine*, timed to coincide roughly with the one-year anniversary of President Viktor Yanukovych's election victory. It, too, is useful reading for those interested in an in-depth assessment of the situation in Ukraine.

Mr. Chairman, let me start by saying that I appreciate how you've titled today's hearing: "Eastern Europe: The State of Democracy and Freedom." I say this because I don't care for the term "Former Soviet Union." Twenty years after the collapse of the USSR, we should be calling Russia, Ukraine, Belarus, Moldova, Georgia, Armenia, and Azerbaijan by their names today, not by what they used to be. For shorthand purposes of this testimony and hearing, however, I'll use the term "Eurasia" when describing the region as a whole.

That said, a number of the countries in the region still have not overcome the tremendously damaging legacy of the Soviet era that, in some cases, lasted 70-plus years. That explains in part why nine of the twelve states in the region, according to the findings of *Nations in Transit 2011*, were either consolidated or semi-consolidated authoritarian regimes during the calendar 2010 coverage period. Only three—Georgia, Moldova, and Ukraine—were listed as transitional or hybrid regimes. Viewed another way, about 225 million people, or 80 percent of the region's population, were living in authoritarian settings in 2010. Little in the way of events so far this year leads me to think our assessment for 2012 will be much different.

Indeed, the democracy scores recorded by *Nations in Transit* show that all nine countries in the authoritarian categories have grown more repressive over the past decade, and the region's

autocrats seem determined to retain their monopolies on power. Their average tenure (counting Central Asia) is just over 12 years. If not for Moldova and Ukraine, where opposition parties took power through elections within the last two years, and Kyrgyzstan, where the authoritarian president was ousted in an April 2010 revolution, the average would be even higher. Even in some countries where we have seen new leaders, those transitions were the result of inside deals that left voters with little choice: in Russia in 1999-2000 when Boris Yeltsin selected Vladimir Putin to succeed him, and then again in 2008 when Putin tapped Dmitri Medvedev to replace him as president (though Putin remains the power behind the throne and may even return to the presidency next year), and in Azerbaijan, when Haidar Aliyev yielded the reins of power to his son, Ilham, in 2003.

In Belarus, Alyaksandr Lukashenka's brutal crackdown after last December's fraudulent election demonstrated that he remains Europe's last dictator. Trends in Ukraine, if left unchecked, threaten to lead that country down a path toward authoritarianism and kleptocracy. With the exception of Moldova, we see strong presidential systems in place in most countries of the region, and these systems often stunt democratic development, independent institutions, and real opposition and criticism. Countries in Eurasia suffer from many institutional weaknesses, including shoddy governance, and the corrupt concentration of economic power in the hands of presidential families and their associates. As stated in *Nations in Transit*, there are common problems confronting the region:

- A number of these consolidated authoritarian systems do not permit real political competition and instead hold stage-managed elections in a desperate bid for legitimacy. This risks political stagnation and frustration among the population.
- Governments in the region, like those in the Middle East, systematically deny space for moderate political voices that could offer a viable alternative to existing policies and leaders. Our analysis shows declines in media freedom scores in seven countries (including the Balkans and East/Central Europe): Belarus, Bosnia and Herzegovina, Hungary, Kosovo, Macedonia, Montenegro, and Ukraine. This marginalization can set societies on a dangerous cycle of extremism among government opponents and violent crackdowns by the authorities. In some cases, authoritarian leaders even tacitly encourage extremism, either to combat and discredit moderates or to make a case for their own indispensability.
- Rampant corruption and lawlessness hobble economic opportunity and reform. The leaders of these opaque regimes tend to treat national wealth as their own, part of the broader pattern of narrow regime interests taking precedence over the public good. In Russia, for example, ongoing capital flight and shrinking levels of foreign direct investment are a testament to the arbitrary nature of business regulation and property rights in that country. According to Russian government figures recently cited in *Time* magazine, some 1.25 million Russians have emigrated, most of them young businesspeople and members of the so-called middle class, more than fled the country

during the first few years after the collapse of the Soviet Union. The main reason: corruption.

- None of the consolidated authoritarian regimes in question has signaled a willingness or capacity to undertake the kind of reforms that would ameliorate festering problems and enable more positive outcomes for governance and development. Instead, it seems that the prevailing strategy is to tighten the screws and hope for the best, an approach fraught with obvious shortcomings given the recent experience of the Middle East and North Africa.

As in the Arab world, in Eurasia we see a concentration of entrenched, nondemocratic leaders. But as events in Egypt and Tunisia showed, authoritarian regimes seem stable…until they're not. Are scenarios similar to what we witnessed in Cairo and Tunis possible in Moscow, Minsk, and elsewhere in Eurasia? While we have seen a growing number of protests in Russia, for example, these demonstrations are driven more by economic grievances and frustration with corruption, less about the authoritarian nature of the regime. In Belarus, the motivations of the thousands of brave demonstrators against Lukashenka stem from a combination of political and economic reasons. As my colleagues note in the introduction to the *Nations in Transit* report:

> While the collapse of the authoritarian regimes of the former Soviet Union may not be imminent, it is clear that they suffer from many of the same fatal flaws that led to the Arab revolts of 2011. These governments have suppressed legitimate opposition, hobbled the development of civil society, and otherwise monopolized political and economic life. Critically, they have also undermined the viability of independent news media, which is a keystone for the development of a democratic society.
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> Lacking established succession mechanisms and leaning heavily on informal, personality-based patronage networks with presidential families at their core, the region's autocracies are inherently unstable and pose risks similar to those of the former regimes in Egypt and Tunisia. Ultimately, the former Soviet states that are currently languishing under despotic rule must confront, or be confronted by, the myriad problems they have left unresolved. Any further delay will only impose a heavier burden on those who inherit the authoritarian legacy.

Mr. Chairman, to illustrate some of the challenges, I want to single out three key countries in the region—Russia, Belarus and Ukraine.

Russia

Russia, in our *Freedom in the World* and *Freedom of the Press* surveys, is ranked Not Free, and Russia's democracy score declined in *Nations in Transit* due to deepening pressures on the judiciary and federal encroachments on local governance, as regional and local executives who once came to office through elections were replaced by appointed officials. Despite the ongoing pressures and obstacles imposed by the authorities, the nongovernmental sector persisted, at great risk, in organizing rallies to oppose local officials in Kaliningrad, defend the Khimki

forest outside Moscow from development, and assert the constitutional right to freedom of assembly. In response to these efforts, police raided many organizations, confiscating computers and documents, and broke up a number of demonstrations with excessive force. Essentially, Russian leaders show no respect for human rights, accountability, or independent institutions, and refuse to allow a viable opposition to take root.

With presidential elections in Russia scheduled for next March, Prime Minister Putin continues to outpoll President Dmitri Medvedev, though not by huge margins, and the support for both leaders has been declining. A return by Putin as president would be a depressing blow to those hoping that Russia will emerge from its authoritarian rut. "Sovereign democracy," the term coined to pretend that the system under Putin during his eight years as president and four as prime minister has been democratic in a Russian kind of way, would be extended in such a scenario at least six more years since the presidential term has been lengthened from four to six years. In reality, Russian voters are unlikely to have a choice between Putin and Medvedev; instead, the candidacy of one or the other will be decided by a small elite circle, just as it was in 2007-2008 and in 1999-2000, with Putin being the first among equals in that decision-making process.

Many Western observers favor Medvedev over Putin, viewing the former as a more liberal, reform-minded leader. But even if Medvedev remains president, there is little reason to hope that better, more democratic days are ahead. Despite Medvedev's lofty rhetoric about modernization and rooting out legal nihilism, Russia after more than three years under his presidency has shown no real improvement on democracy and human rights issues and, in many respects, is as bad as under the eight years of Putin's presidency. Opposition forces still get harassed and excluded from the political process, as evidenced by the recent denial of registration to PARNAS, the opposition party of Boris Nemtsov, Mikhail Kasyanov, Vladimir Milov, and Vladimir Ryzhkov. Journalists and bloggers such as Oleg Kashin and Alexei Navalny are beaten and/or investigated for critical analysis and probing reporting. Critics like Mikhail Khodorkovskiy bear the brunt of a rigged legal system that authorities use to even political scores. And the North Caucasus, while less violent than ten years ago, remains a human rights mess, and many allege that Chechen leader Ramzan Kadyrov (a Putin favorite) is personally responsible for major abuses. Speaking out against Kadyrov's abuses is a risky endeavor—Umar Israilov was killed in the streets of Vienna in 2009 for doing just that. Overall, the lack of accountability for human rights abuses and the grossly politicized legal system create an environment wherein such abuses are not only condoned but expected, almost as a demonstration of loyalty to the regime.

July 15 marked the second anniversary of the murder of human rights defender and journalist Natalya Estemirova in the North Caucasus region of Russia. Estemirova devoted her career to raising awareness and pressing for accountability for human rights abuses, particularly in Chechnya. Two years have passed since her tragic death, and nobody responsible for her horrible murder has been brought to justice. And yet her situation, sadly, is all too common, as we see in the unresolved murder cases of government critics, journalists, and lawyers like

Alexander Litvinenko, Anna Politkovskaya, Paul Klebnikov, Anastasia Baburova, Stanislav Markelov, and Sergei Magnitsky, to name just a few.

The Magnitsky case, in particular, has become a cause célèbre in the U.S. Congress and among many European parliamentarians because it exemplifies what is rotten in Russia. Jailed unjustly after alleging officers of Russia's Interior Ministry took part in a $230 million tax fraud against his client, Hermitage Capital, Magnitsky was essentially murdered in jail by being denied medical treatment despite endless pleas for help. House and Senate versions of the "Justice for Sergei Magnitsky" bill would impose a visa ban and asset freeze against Russian officials suspected of involvement in Magnitsky's murder; the Senate version, which enjoys strong bipartisan support, looks to extend such measures to other human rights abuse cases in Russia as well.

Like no other initiative in memory, this legislative push in both the U.S. Congress and in Europe (the Dutch parliament in late June unanimously endorsed a Magnitsky-like effort and the European parliament has done the same) has struck a chord in Moscow and forced Russian authorities to reopen the Magnitsky case to further investigation. Absent this legislative push, there likely would be zero movement on the Magnitsky case. Recall last year that several Ministry of Interior officials accused of fraud by Magnitsky were not only given awards but were promoted, including on the eve of the anniversary of Magnitsky's murder; the Ministry also concluded that it was Magnitsky himself who was guilty of the fraud, not any Russian officials.

These days we hear a rather different tune coming out of Moscow on the case. Several prison officials where Magnitsky had been held are the focus of investigations, and Medvedev has called for justice in his case (as a caution, similar calls by Medvedev in this and other cases have never led anywhere). In the absence of accountability and rule of law in Russia, American and European parliamentarians have made it clear that if Russian officials engage in major human rights abuses, they and their immediate families cannot enjoy the privilege—not right, but privilege—of traveling to or living or studying in the West, or doing their banking in Western financial institutions. This matter demonstrates that the West, including the U.S. Congress, does have leverage over Russia, if we choose to exercise it.

The recent Russian moves on the Magnitsky case are undoubtedly designed to preempt the legislative momentum, to get parliamentarians here and in Europe to conclude that the Russians are finally doing something and thus decide that no further legislative action is necessary. On the contrary, the only way to have serious investigations and prosecutions in the Magnitsky or other cases—and to go beyond prison officials but to include Ministry of Interior officials who were responsible for Magnitsky's incarceration in the first place—is to keep the pressure on and pass the bill.

Claims by Obama Administration officials that the legislation is unnecessary because the State Department has already banned certain Russian officials implicated in the Magnitsky case

are not sufficient. The administration must also place these officials on an asset freeze list, which would be publicly announced; the names of those on a visa ban list are not made public because of visa confidentiality rules. The point is to make clear to Russian officials that if you don't murder journalists, lawyers, and opponents or engage in other gross human rights abuses, then you have nothing to fear from the bill. In the absence of accountability in Russia, this draft bill has already done more for the cause of human rights there than anything done by the Obama administration (or by the Bush Administration in which I served).

The other concern raised by Russian officials and apparently shared by some in the U.S. is that passage of the Magnitsky legislation would sink the reset policy and end cooperation on issues like Iran, North Korea, and Afghanistan. If that's the case, then the reset is extremely shallow and on its last legs, its successes grossly oversold. Russia presumably is cooperating with us on these strategic challenges because it's in their interests to do so, not because they're being nice to us and doing us favors. If they stop this cooperation because of the Magnitsky bill, then we really need to reexamine the relationship and the sustainability of the bilateral relationship. Moreover, the U.S. and Europeans should push back firmly against such threats and remind Russian officials that if they ended human rights abuses and held accountable those who committed them, such legislation wouldn't be necessary at all. If Russia wants to be treated like a partner, then it needs to abide by the rules and norms required of a member of the Council of Europe and the Organization for Security and Cooperation in Europe. In addition, the Russian Duma has proposed retaliatory legislation that would blacklist foreign bureaucrats and public officials who have allegedly violated the rights of Russian citizens located abroad (e.g., the Viktor Bout case). This proposal is seen as a joke in both Russia and the West, and this administration should not lend it any credence but instead reject insulting comparisons between Sergei Magnitsky and arms dealer Viktor Bout.

Finally, the Administration has made a top priority in its relationship with Russia the lifting of the Jackson-Vanik amendment. Designed to penalize countries for restricting Jewish emigration in the 1970s, this legislation served its purpose and no longer really need exist. But lifting it for Russia in the absence of substitute legislation that addresses contemporary human rights problems, especially given the dreadful human rights situation in Russia, is simply unimaginable. I support graduating Russia from Jackson-Vanik and have for years, but I also strongly support the Magnitsky bill and urge this Committee and the Congress to pass it quickly.

Americans should stand with those in Russia who defend their right to be heard and who continue to believe that they deserve a government that is accountable to the people. Those are our real allies in Russia.

Belarus

Mr. Chairman, I appeared before a joint HFAC subcommittee hearing on Belarus back in April and since that time I'd like to commend you, Congressman Smith and other members of the

Committee for recently securing passage by the U.S. House of Representatives of the Belarus Democracy and Human Rights Act of 2011. This is an extremely important bill that will reinforce efforts of the Administration to pressure the Lukashenka regime and support Belarusian opposition forces and civil society. It shows solidarity with those who are trying to bring about democratic change and an end to Europe's last dictatorship. Alyaksandr Lukashenka is unquestionably on the thinnest ice of his political life, and we may be celebrating his departure from power—hopefully, sooner rather than later.

Just as Egypt and Tunisia never had the possibility of becoming democratic as long as Mubarak and Ben Ali ruled those countries, Belarus has no democratic future as long as Lukashenka remains in power. Since the December 2010 presidential election, when tens of thousands protested Lukashenka's rigged reelection and hundreds were beaten up and arrested, including a number of presidential candidates, protests have been occurring on a regular basis. Most recently, in the capital Minsk and around the country, thousands of people have turned out on the streets and engaged in the simple act of clapping in public. The security services continue their brutal methods for dealing with such protests—more than 700 people were detained during the elections, 1800 were arrested in the past month's street protests—and yet the protestors are not deterred.

Lukashenka is under growing domestic and international pressure because of his gross human rights abuses and responsibility for his country's worst economic crisis since gaining independence 20 years ago. Lukashenka's reckless economic policies—he raised the average monthly wage by one third ahead of last year's election, increases the country could ill afford—have caused massive shortages, long lines, serious inflation, sinking hard currency reserves, and a significantly devalued currency. The hardships Belarusians are now experiencing are leading many of them to take to the streets in protest, despite risk of injury and imprisonment. This growing dissent and empowerment of the people around the country, not just in Minsk, reflects that Belarusians have decided to not be intimidated by fear any longer.

The result of all this is a serious decline in Lukashenka's support, recently dropping below 30 percent for the first time since he came to power in 1994. The European Union and United States have also responded by imposing a visa ban and asset freeze against Belarusian officials responsible for election-related fraud and violence and have imposed economic sanctions as the human rights abuses have continued unabated. With the economy in freefall, Lukashenka is desperately pinning his hopes on an International Monetary Fund bailout after an IMF delegation visited Belarus last month. Both the EU and U.S. should also make clear that they will not support any loans to Belarus from the IMF until political prisoners are released unconditionally, at a minimum.

For the United States and Europe, the outcome in Belarus matters greatly. A brutal dictatorship on the doorstep of the EU is unacceptable and contrary to the decades-long vision of

a Europe "whole, free, and at peace." Should Lukashenka attempt to extend his rule by selling the country's valuable economic assets to Moscow, he would weaken Belarus' independence and stability. That is why, while ratcheting up pressure against the regime, the West also needs to prepare a package of economic and political assistance should Lukashenka flee or be removed from power one way or another. Those around Lukashenka need to know that a brighter future lies ahead after Lukashenka is gone. Unconditional release of all political prisoners, elimination of repressive security measures, support for independent media and civil society, respect for rule of law, and free and competitive elections are essential for Belarus to take its rightful position as a European nation-state.

Ukraine

Freedom House's two reports—*Nations in Transit* and *Sounding the Alarm*—describe a disturbing deterioration of democracy and human rights in Ukraine since President Viktor Yanukovych's election in early 2010. Yanukovych and his Party of Regions inherited a polity suffering from infighting, a lack of effective governance, and widespread corruption. Now, Yanukovych and his team are systematically centralizing authority with the stated goals of bringing order to this chaotic situation, implementing difficult reforms, and advancing national aspirations to join the EU.

Whatever the government's motivations, the process under way in Ukraine today is eroding its democracy, and there is no question that Yanukovych has consolidated power at the expense of democratic development. There are no clear limits to the push for centralization. In fact, the effort has led to policies that have degraded the capacity of civil society and the political opposition to enforce such limits. The result is a weakening of checks and balances in Kyiv and the signaling of a permissive environment for the pursuit of local political agendas in the regions. Moreover, history shows that undermining institutional checks and balances inevitably leads to less transparency, more corruption, and a greater risk of authoritarianism, a trend seen in most of the region.

Casualties of the Yanukovych administration have included a more restrictive environment for the media, selective prosecution of opposition figures (most egregiously in the cases of former Prime Minister Yuliya Tymoshenko and former Interior Minister Yuri Lutsenko), worrisome instances of intrusiveness by the Security Service of Ukraine (SBU), widely criticized local elections in October 2010, a pliant parliament (Verkhovna Rada), and an erosion of basic freedoms of assembly and speech.

Alas, there is significant room for the situation to get even worse. While civil society remains rather vibrant, it is also dispirited, depressed after the letdown by the Orange Revolution's leaders, and despondent over the current government's direction. The formal opposition offers little hope, as longtime political figures fail to inspire much public confidence. A draft law on NGO registration (which is actually currently quite progressive, in that it

simplifies the procedures and makes it easier for NGOs to become financially self-sufficient) may be amended to restrict foreign funding and training of activists/journalists. This would stymie future growth and democratic development in the country. Troubles exist on the media front, too, beyond self-censorship. Smaller independent regional media outlets have encountered increasing difficulty renewing their registration. Moreover, the digitalization of the media landscape for parliamentary elections in the fall of 2012 could lead to further centralization/monopolization.

Left unchecked, the trends set by Ukraine's current leadership will move the country toward greater centralization and consolidation of power—that is, toward authoritarianism and kleptocracy. The checks, if they come, must be both domestic and foreign in origin. This dynamic places even more pressure and responsibility on the West to deepen its engagement, both with the Yanukovych government and with Ukrainian society, by encouraging and rewarding good performance, reminding Ukraine of its commitments, and pushing aggressively against backsliding on democracy.

In conclusion, Mr. Chairman, the state of democracy and freedom in Eastern and Central Europe is fairly strong and resilient (albeit with some exceptions) but in Eurasia, the picture is rather bleak. The countries closest to the European Union (and by extension to the transatlantic community) are at a pivotal point in their development. Belarus is pushing the limits of repression as Europe's last dictatorship, even if a breakthrough there, with all of its implications, is not far off. Ukraine, arguably the most strategically critical country along the EU's borders, is moving in the wrong direction. I have already covered in detail the disturbing situation in Russia, which borders the EU through the Kaliningrad region. Of the three states in the Caucasus, only Georgia showed signs of progress, while Azerbaijan revealed more backsliding. Moldova, by contrast, is clearly moving in the right direction and earned the greatest net improvement in its democracy score of all *Nations in Transit* countries, with upgrades on electoral process, civil society, independent media, national democratic governance, and judicial framework.

For the West and its interest in seeing these countries become more democratic, policy should involve deeper engagement, not less, and pushback on abuses, not silence. This will not be easy given competing demands elsewhere in the world, but if the majority of countries in Eurasia continue to veer off the democratic path, the challenges for the West will only grow.

Mr. Chairman, there is, of course, much more that can be said, and I welcome an opportunity to do so during the Q&A. Thank you again for the opportunity to appear before you.

Mr. BURTON. Thank you very much. I just mentioned to my right hand here that we'll take a hard look at that and see if we can get on that bill.

One of the things that you mentioned about Belarus was Lukashenka and his iron fist and iron hand over there. They're building a nuclear facility very close to the border near Vilnius in Lithuania.

Do any of you have any comment about that or any suggestions on how we can—I'm not sure we can—dissuade Russia from going ahead with that or Belarus? And let me also just expand that and say, how strong is the control or influence that Russia has over Belarus?

Mr. KRAMER. Mr. Chairman, the relationship, I would argue, between Russia and Belarus is quite strained. I don't think it's a secret to say that Prime Minister Putin and President Medvedev cannot stand President Lukashenka. They seem to be enjoying the current plight that Lukashenka is in and want to try to exploit it so that Russia can buy up assets inside Belarus. Belarus is being squeezed from all sides. Lukashenka, I should say, is being squeezed from all sides. And I think that's a good thing because he deserves to be for the gross human rights abuses he's committed.

Mr. BURTON. It's surprising that Russia is building that nuclear power plant. They're so close to Vilnius.

Mr. KRAMER. Commercial interests, Mr. Chairman, sometimes strongly outweigh other interests that we see in the region, including safety and security for those living along the border.

Mr. BURTON. We were in Moscow just a couple of weeks ago and we met with the opposition. And we share your concern about the lack of I guess chance that they have of having any kind of an impact on the upcoming elections. And I believe that if I were a betting man that whoever Putin decides is going to be the next President, whether it's Medvedev or himself will be the President because of the conversations we've had with business and political leaders over there.

Let me see what else I had here I wanted to ask you about. Georgia. We were in Georgia and one of the things that you neglected to mention was the invasion of Georgia by Russia and the occupation and the building of barracks and actually small town, if you will, right on the border there between Georgia and Russia. Do any of you have any prospects or thoughts on—or any evaluation on what can be done to get Russia to relent and move out of that area?

Mr. NIX. I would just say this, Mr. Chairman. The Georgian concern is that on the other side of the border, the unrecognized border, Russian forces continue to build up there and there's a great concern and the Georgian Government is looking to purchase defensive weapons to defend itself and that is a very, very important issue to the Georgian Government.

Mr. BURTON. We went down to a city that they're building which is in close proximity to the occupation. We went down there with the President of Georgia. And they're doing that to show the positive impact that the free society is having in that area to try to dissuade the kind of things you're talking about. I was not aware until

just now. You say they're building up forces on the Russian side for potential invasion further into Georgia?

Mr. NIX. I don't want to speculate the aims, but according to the Georgian Government, there is a build up on the border area, yes.

Mr. BURTON. I wasn't aware of that when I was there just a few short weeks ago. I was aware of the occupation, but not of any additional military.

Mr. NIX. I think it's more of a construction in nature than anything else.

Mr. BURTON. I think you're right there. They're permanently building structures for their troops and their families. You mentioned Moldova and Jackson-Vanik. You think we ought to change our attitude on Jackson-Vanik with Moldova?

Mr. KRAMER. Mr. Chairman, on Moldova, I think absolutely. On Jackson-Vanik, to be perfectly honest, Mr. Chairman, I think Jackson-Vanik should be lifted for Moldova, for Russia as well. Jackson-Vanik was a piece of legislation that served its purpose very effectively. It came about in the 1970s and the emigration of Soviet Jews is obviously no longer an issue in light of the collapse of the Soviet Union.

In the case of Moldova, I would lift Jackson-Vanik without any additional steps. In the case of Russia, I would lift Jackson-Vanik and then substitute it for a Magnitsky kind of bill so that there is legislation in place that applies to Russia's abuses today, rather than abuses that the Soviet Union committed in the past.

Mr. BURTON. Do you think a Jackson-Vanik repeal would be something that would convince the Russians to take a different track on issues like that?

Mr. KRAMER. No, I don't. But my interest——

Mr. BURTON. I think so.

Mr. KRAMER. My interest, Mr. Chairman, is Jackson-Vanik really doesn't play.

Mr. BURTON. It's outlived its usefulness.

Mr. KRAMER. And moreover, if we were to graduate Russia from Jackson-Vanik, we would disarm them from one of the political weapons they like to use against us and hit us over the head: You still have this old piece of legislation that you hold against us.

Mr. BURTON. I think you make a very valid point.

Mr. Meeks?

Mr. MEEKS. Just on that, following the chairman, what about Russia's interest in entering into the WTO? Do you think that will cause them to at least do some more—abide by some of the rules and regulations there?

Mr. KRAMER. Mr. Meeks, in an ideal world, I would say yes, but I am not convinced that Russia really wants to join the WTO. Just in the past 10 days, we've seen Prime Minister Putin talk about the automobile industry in Russia and making sure that WTO membership would not adversely affect that in Russia.

President Medvedev just the other day talked about maintaining agricultural subsidies in Russia. There are indications that there are splits within the Russian leadership on joining WTO. My hunch is that Russia would prefer to point the finger and blame Georgia for blocking Russia's joining the WTO than it actually would joining WTO itself. And so we have to be careful not to want WTO

membership for Russia more than Russia does. And I fear that that's where we've wound up.

Mr. MEEKS. Let me go back to what we were talking about earlier and thank you for that. It seemed to me that one of the driving attractions for some of the developing nations like Moldova, for example, and then to a degree the other extreme would be the Ukraine, is entrance into the EU and now that the EU seems to be saying that they're not going to expand any more, the question is what—do you think there's any other motivations that one will have to inspire progress in strengthening those democracies? Moldova is on the right path from what I'm hearing from everyone. But they know if the EU is not going to open up, do they continue? Do they go back? Would it be an incentive for the Ukrainians if they thought they did the right thing, they could get access into the EU?

Give me your thoughts, Dr. Diuk?

Ms. DIUK. Ukraine's foreign policy in the first few months of Yanukovych actually was veering a little toward Russia, so they weren't too interested in the EU, but it seems to have veered back again now and there are some active talks taking place on association status for Ukraine.

Ukraine is very sensitive about its international image and even if EU membership itself may be a little way off, I think the current government does like to put itself forward as a European state and they have made claims that, "Oh, we will make sure that all of the European standards are adhered to within our country, even if we are not admitted to the actual union in the very near future."

However, we should look at these statements with a little bit of skepticism, but I think the EU is a very disciplining element and we should keep up with making sure that the EU does look at this positively.

Mr. MEEKS. Mr. Nix?

Mr. NIX. Yes, Mr. Meeks, with regard to Moldova, I would say that Moldova has taken great steps in terms of reform and they are dedicated to European integration. In fact, the alliance, AEI stands for the Alliance for European Integration. And first and foremost, they're all about becoming part of the Euro-Atlantic Alliance and taking great steps, as I said, to do so.

In turn, the European Union is negotiating a free trade agreement and other agreements, instruments with Moldova. And I think the two sides are moving together. I think also our polling data indicates that the Moldovan people, although they're supportive of EU membership, know that it will take some time for that to actually take place. So I think the level of expectation is not that great in terms of the number of years it might take for Moldova to integrate.

Mr. MEEKS. I wanted to mention the fact that the EU has concluded its trade agreement with Moldova, but yet here in the United States we don't even have a PMTR with Moldova. Do you think that that's something we should begin to institute working with Moldova in short order?

Mr. NIX. I really do. One of the basic concerns of Moldova is that it receives scant attention and for a country which is the same size as all the Baltic States, it receives very little attention. To be able

to come together and unite the political opposition as they did in the 2009 election and defeat the last popularly elected Communist government in Europe was an outstanding feat that largely went unnoticed. So it struggles for attention. One of my recommendations in my written testimony is that, Mr. Chairman, you and the members of the subcommittee travel to Moldova and see exactly what this government is trying to achieve. See the reforms that they're instituting. They are young, reform-minded, Western-oriented leaders and it would be critical, I think, for you to go.

I applaud Vice President Biden who went in the past year and our chairman, Senator McCain also visited. I would really encourage the subcommittee to go out and see for yourselves.

Mr. KRAMER. Mr. Meeks, if I could just very quickly, I would add to that I think there really is no reason not to grant PNTR to Moldova and graduate it from Jackson-Vanik. The challenge has always been finding the legislative vehicle by which to do it, and if there could be more focus on that, I think that would be a very significant move. Thank you.

Mr. MEEKS. Let me ask this question because in light of the Arab Spring and the connection to the Internet and people fighting for democracy, I was wondering in Russia the effectiveness of groups like the Blue Bucketeers or what is it, the Khimki Forest people or the now Article Sanction 31 protest, whether or not any one of you could talk about the influence of these groups who are trying to utilize the Internet as a light on government corruption and some of the things that are taking place now, trying to stand up. Are they starting to take hold? Is it something that can mushroom or what's your viewpoint? What are your thoughts?

Ms. DIUK. One of the things that we've noticed, particularly with information coming from our partners in Russia, is that these protests are increasing now, whether it's the Khimki Forest, whether it's the 31 Protest or protesting against the restrictions on freedom of association. However, the difficulty for all of these protests are that they are out on the street. They find it very difficult with the other restrictions in terms of political organization to channel those ideas and demands into any sort of institution in Russia that will pay any attention.

You mentioned the Internet. Yes, of course, it has been a very useful tool for informing people. There is a whole sort of virtual independent Russia out there on the Internet, but I would like to mention also that the Russian authorities are very aware of this and they have also flooded the Internet with their own sort of pro-government and anti-democratic Web sites that are manipulated very effectively by the Russian Government.

I don't see for the future how these protest movements can actually feed into the political system.

Mr. KRAMER. Mr. Meeks, I think to the extent that these movements exist, they're very nascent, and they are driven largely by frustration with corruption as we saw in the removal of the governor of Kaliningrad. Even the Blue Bucket movement was driven by abuse of blue lights by officials who weren't entitled to use such blue lights on their cars and caused a number of fatal accidents.

In some cases they are fed by economic reasons, as we saw out in the Far East when there were protests over the decision to im-

pose duties on the imports of foreign cars. We haven't really seen a movement driven by resentment, frustration, or unhappiness with the anti-democratic direction that the Russian leadership has taken the country over the past 10-plus years. I'm not saying it is impossible to happen, but there aren't very strong roots yet in Russia for it to take shape.

Mr. MEEKS. If I may, last question. Everybody is getting frustrated and I try to figure out with what's going on in Belarus and with the fact that, and you know, how do we increase freedom and democracy there given who we have there, and the fact that the United States Government, the EU, or I don't believe any of your NGOs are allowed to operate freely in Belarus.

So I'm just hoping, I'm just trying to figure this out. What strategies can we utilize to try to increase freedom and democracy in Belarus?

Mr. NIX. Yes, sir. I'd like to answer that directly. As I stated in my testimony, we feel that now is the time to really add pressure to the regime which is under pressure. As David pointed out, Lukashenka is under tremendous economic pressure, social pressure. Now is the time for change. There was a movement in the past 2 years on both of the—on the part of the EU and the United States to try to do some sort of rapprochement with this regime. And so there was an attempt to do soft projects, education, environment, business development that they thought would bring Belarus closer into Europe.

The events of December 19th, the brutal crackdown demonstrated that there's no more gray areas. It's only black and white and these types of projects don't work. The only thing that we think works is the hard projects where you are actually training people to be politically active, civil society to be active, and to try to promote change from within the country.

As you correctly point out, those of us who are in the business of doing more of the hard projects are prohibited from entering. My people just applied and we were rejected for visas and just simply can't get into the country. We operate from Vilnius, Lithuania. Our colleagues at NDI operate from Kiev, Ukraine, and we think that that's the most appropriate way for our organizations to work in the country, to do it offshore and that's what we'd like to continue to do.

Ms. DIUK. I'd just like to add to that. At the National Endowment for Democracy because we work with small amounts of funding, we have provided considerable amounts of funding to Belarus and independent activists and they accept this funding and work with this funding at huge risk to themselves, but it is possible to do. We've been doing it for many years now and also assisting both IRI and NDI to convert their programs in the country and we would hope for further support to be able to do that.

Mr. BURTON. Thank you, Mr. Meeks.

Mr. Sires?

Mr. SIRES. Thank you, Mr. Chairman. As I listen to your comments, are we—I'm talking about America—too distracted in not devoting sufficient attention to this area with all of the things that we have going on in this country? Are we too distracted? I mean, you know——

Mr. NIX. I would just say this, Congressman, that we understand why there is focus on other parts of the world right now. But it's my opinion and I think my two colleagues join me in this and Mr. Melia as well, what happens in this region has tremendous impact far beyond the region. And so this region remains of critical strategic interest to the United States. So additional focus is necessary. It may be difficult for all that's going on, as you pointed out, but again, we think that attention, assistance, involvement, engagement is critical in Eurasia.

Mr. SIRES. I just wonder how you feel.

Mr. KRAMER. Congressman, it has been a several decades long goal to see a Europe whole, free, and at peace. And that vision has not yet been realized. There is a lot of work still to be done. There are challenges in the region. In the case of Russia, not only is it not moving in a democratic direction internally, but it even poses a challenge to other countries that look to move in a more democratic direction to try to block those countries' integration into Euro-Atlantic institutions.

As Steve said, and I agree with him, it is completely understandable that a lot of attention on the part of the U.S. Government and European Governments is on the Middle East and events happening there. But we cannot take our eye off the ball in Eastern Europe and Eurasia. It is critically important what happens there. We do want to see that vision come true of Europe, whole, free, and at peace.

Ms. DIUK. I might as well add my bit here, too. I echo everything that my two colleagues have said and I can understand why there's been a lot of excitement about the events in the Middle East, but we have to remember that there was similar excitement 20 years ago about this region of the world and we still haven't managed to get it right in that region yet. So I think that all goes for greater attention, possibly more attention than is being given right now. And as well, not just to single out one country, but to look at the region as a whole and see how inter-connected it is, how these civic activists work on a regional basis. We should be helping them on a regional basis and not to just work with one country and possibly downplay some others because of budgetary or other attention deficit issues that we might have.

Mr. SIRES. You know, as a follow up of my colleague's questions, one of the tactics that we could use would probably be to block loans, IMF loans, to some of these countries and other international loans. Have we ever applied that tactic against Lukashenka?

Mr. KRAMER. Congressman Sires, the IMF extended a loan to Lukashenka after he released the political prisoners in 2008 and extended that loan in 2009. Lukashenka broke his promise to the IMF by grossly inflating state spending by increasing salaries to state employees right before last December's Presidential election, obviously designed to buy votes, quite literally.

So there are very good economic reasons not to move forward with any additional International Financial Institution support to Lukashenka. There are also political reasons not to do so, and I know the IMF does not like to get involved in politics, but I would argue in the current circumstances, as long as there are some 40

plus political prisoners languishing in Belarusian jail cells, there should be absolutely no consideration given to an IMF loan. In fact, if the IMF won't announce it, it won't even consider an IMF loan, a Belarus working group that some of us are involved in has recommended that Secretary Geithner and EU finance ministers come out and state very clearly that the U.S. and EU will not support any IMF loans to Belarus.

Lukashenka is holding out for the hope that the IMF will bail him out. And not only should the IMF not bail him out, we need to send two signals. One to him that the IMF is not going to come to his rescue, but we also need to send a signal to the opposition and civil society in Belarus to let them know that the IMF is not going to undercut their efforts to bring about change there.

Mr. NIX. Again, I would just—yes, this is a critical point. Lukashenka is desperate for cash. He cannot continue to fund a state-run economy the way he has been. Russian pressure has been placed on the economy. Subsidies on gas and oil have been reduced. So he really is in a desperate spot. Now is the time to really turn up the pressure on this regime, both economically and politically.

Mr. BURTON. If the gentleman would yield, I want to thank the Assistant Secretary for sticking around. I guess he didn't hear me. Thank you very much for staying around for the second panel. I appreciate that very much. Thank you.

Go ahead.

Mr. SIRES. I really have no other questions.

Mr. BURTON. Let me just end by making a couple of comments. First of all, you folks, as well as the State Department have real insights into the problems facing Europe and Eurasia. We're going to be going on our next codel to Turkey, Greece, and Cyprus to try to address those issues. We may even stop by Azerbaijan during that trip. But if there are things that you think need immediate attention or attention in the not too distant future for a congressional delegation to focus on, we'll be glad to try to do that.

There are some parts that you talked about today where we have not been with Moldova, as an example. And we want to make sure we do whatever is necessary over the next couple of years to make sure that we help as much as possible to stabilize that entire region, especially in view of the fact that right now they're having severe difficulties financially in the European Union with Greece and Italy and Ireland and Portugal and Spain. And so anything we can do to assist in that whole region, we'd like to.

So you have the expertise. If you have any suggestions if you would contact my ranking member, Mr. Meeks or myself, or any member of the committee and we'll see if we can't work that into our schedule in the future.

Do any of you have any last minute comments on things we may have omitted? Any other comments? Thank you very much. We really appreciate your testimony. We stand adjourned.

[Whereupon, at 4:16 p.m., the subcommittee was adjourned.]

APPENDIX

Material Submitted for the Hearing Record

SUBCOMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515-0128

Subcommittee on Europe and Eurasia
Dan Burton (R-IN), Chairman

July 19, 2011

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs' Subcommittee on Europe and Eurasia, to be held in **Room 2172 Rayburn House Office Building (and available live, via the WEBCAST link on the Committee website at http://www.hcfa.house.gov):**

DATE: Tuesday, July 26, 2011

TIME: 2:00 PM

SUBJECT: Eastern Europe: The State of Democracy and Freedom

WITNESSES: Panel I

Mr. Thomas O. Melia
Deputy Assistant Secretary
Bureau of Democracy, Human Rights, and Labor
U.S. Department of State

Panel II

The Honorable David Kramer
President
Freedom House

Mr. Stephen Nix
Regional Director, Eurasia
International Republican Institute

Nadia Diuk, Ph.D.
Vice President, Programs
National Endowment for Democracy

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF SUBCOMMITTEE ON *Europe and Eurasia* HEARING

Day *Tuesday* Date *July 26th, 2011* Room *2172*

Starting Time *2:30 pm* Ending Time *4:16 pm*

Recesses [ ] (____ to ____) (____ to ____) (____ to ____) (____ to ____) (____ to ____) (____ to ____)

Presiding Member(s)

Dan Burton

Check all of the following that apply:

Open Session [✓]
Executive (closed) Session [ ]
Televised [✓]

Electronically Recorded (taped) [✓]
Stenographic Record [✓]

TITLE OF HEARING:

"Eastern Europe: the State of Democracy and Freedom"

SUBCOMMITTEE MEMBERS PRESENT:

Gregory Meeks, Ted Poe, Jean Schmidt, Albio Sires

NON-SUBCOMMITTEE MEMBERS PRESENT: *(Mark with an * if they are not members of full committee.)*

HEARING WITNESSES: Same as meeting notice attached? Yes [✓] **No** [ ]
(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: *(List any statements submitted for the record.)*

Dan Burton: Prepared Statement
Thomas Melia: Prepared Statement
Nadia Diuk: Prepared Statement
Stephen Nix: Prepared Statement
David Kramer: Prepared Statement

TIME SCHEDULED TO RECONVENE _____
or
TIME ADJOURNED *4:16*

Subcommittee ~~Staff Director~~
Professional Staff Member