



**INTERNAL POLITICS,
REFORMS AND SOCIAL ISSUES**

Launch of Anti-Corruption Program, Fight Against Organized Crime

Mar. 1997... At the President's request, Justice Minister Serhiy Holovaty launched a national anti-corruption program. The draft 'Clean Hands' program includes analysis of the crime situation in the country and points to the factors influencing the level of crime. It also lists measures for fighting corruption,

identifies entities involved in corruption, establishes a mechanism for implementing the law, and proposes compulsory income declaration by state officials and reform of law enforcement bodies. A number of Ministers and heads of departments have been fired.

In another aspect of fighting organized crime, Ukrainian law enforcement officers have signed cooperation protocols with neighbouring countries, including Poland, Belarus, and Slovakia, to join forces and coordinate efforts aimed at combatting trans-border organized crime, illegal migration, illegal drug trade and automobile theft. Plans are underway to begin a similar dialogue with Russia and Hungary. As well, the U.S. Federal Bureau of Investigation (FBI) opened an office at the U.S. Embassy in Kyiv, and will be developing a cooperative crime-prevention

program with Ukraine. The FBI pledged further U.S. assistance in creating an effective law enforcement system in Ukraine.

Ukraine's Population Stressed, Sick and Shrinking

Jan.-Feb. 1997... Ukraine's Statistics Ministry reported that the country's population on Jan 1. 1997 was 50,853,000, dipping from 51,093,000 in 1996. Urban inhabitants totalled 34,490,000, rural - 16,363,000.

Health Minister Dr. Andriy Serdiuk reported that the death rate in Ukraine has exceeded the birth rate by 1.2 mln. persons over the past six years. Every third child in Ukraine has physical or psychological abnormalities, while among adults, only one in three is in good health. Pointing to a society undergoing traumatic stress, Serdiuk said that over 6 mln. Ukrainians suffer from heart diseases, 1.2 mln. from mental diseases, 740,000 from cancer, 720,000 - alcoholism, 600,000 - tuberculosis, 56,000 - drug addiction, and 8.5 mln. suffer from infectious diseases. Due to chronic underfunding, the government is unable to pay for many basic Western medical services.



EFREM LUKATSKY/CANAPRESS

Oblivious to Danger

As Canada's Parliament, provincial health ministries and other Western governments strengthen legislation to prevent youngsters and adolescents from starting to smoke, Ukraine has also launched its own nascent anti-smoking campaign. The scope of the problem is visible in the photo above, which shows 8-year-olds lighting up on a downtown Kyiv street, oblivious to an anti-smoking poster behind them. The Ukrainian Health Ministry says 5% of children under the age of 11 smoke. The poster reads "You don't need to smoke."

Seeking Foreign Investors

Mar. 1997... Ukrainian PM Pavlo Lazarenko announced a government program to attract \$3.7-4.0 billion of foreign investment. Investor tax burden is to be reduced, and the state's share in privatized enterprises is not to exceed 26% (except for strategic facilities, of which the government will retain 51% ownership).

To-date Ukraine has managed to attract only \$1.4 billion in direct foreign investment since independence. According to the Ministry of Statistics, it received US\$450 million in foreign investment in 1996, an increase of 11% over 1995. In addition, nine credit lines totalling \$2.5 billion have been opened under international and intergovernmental agreements, states a report by the Ukrainian National Agency for Reconstruction and Development (UNARD). Credits worth \$600 million are expected in 1997.

Recently a UN Economic Commission reported that total direct foreign investment in the former Soviet bloc topped US\$46 billion from late 1989 to mid-1996. About 70% of the total went to Hungary, the Czech Republic, Poland, Slovenia and Slovakia. With a population of over 50 million, Ukraine ranked last on a per capita basis with only \$17 of direct foreign investment per person.