



**Testimony of David J. Kramer  
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**before the**

**House Committee on Foreign Affairs  
Subcommittee on Europe and Eurasia**

**“Eastern Europe: The State of Democracy and Freedom”**

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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-Kolaczowska. 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 Yanukovich'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.

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 Yanukovich’s election in early 2010. Yanukovich and his Party of Regions inherited a polity suffering from infighting, a lack of effective governance, and widespread corruption. Now, Yanukovich 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 Yanukovich 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 Yanukovich 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 Yanukovich 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.