



Ukraine's public relations are probably the most catastrophic in the world. It's a decent society that's not about to collapse. It's much safer in Ukraine than in most Russian cities. Despite absolutely everything, people carry on. It's actually interesting because the people have now learned not to depend on the state for anything. That's part of the reason for their reactions -- "300% price increase? -- 500% price increase? Who cares! We'll find our own way!" Until about 2 years ago, the Ministry of Foreign Affairs had only 6 or 7 people working for it. I remember when the President's office didn't have a FAX machine, let alone someone who knew how to work it. Two years ago the Ministry of Finance had only two people who knew English. It was a massive problem when the World Bank, the IMF, and the EEC came at the same time. We were literally scurrying around Kyiv looking for anyone who knew any English.

There was tremendous difficulty in establishing even a skeleton diplomatic presence. The fact is that Russia took over every single diplomatic building that there was. And then to actually find diplomats - this function had always been monopolized by Moscow. One of the things which we are going to tackle is communication: how to prepare a decision. What kind of information does the state communicate? Ukraine went from total secrecy to the point where now Cabinet meetings are conducted in the presence of journalists! This makes for real solidarity and confidentiality!

QUES: Given their long lack of experience with democracy, and the lack of success with economic reform, how do the people feel about democracy? Is there something that makes Ukraine more receptive than some of the other republics?

Ukraine is much more receptive than the other republics and this stems from the fact that there was always a weak state tradition. The society has lived through a colossal trauma and it shows all the symptoms of someone coming out of huge stress and shock. The old generation finds it the hardest. Everything, all the coordinates, have changed. They are so poor now that the state is burying people for free because no one can afford funerals. But it is an entirely different situation with younger people. There was

an opinion poll done in Kyiv on what people would be willing to fight for. One answer was the violation of civil rights, and the other was independence, with human rights coming substantially higher than independence. The question now is, how do you operationalize that concept of bureaucracy? It cannot be an anarchy, a free-for-all. The breakdown of law and order, the rise in crime, and the arbitrary decision-making in Ukraine now is terrible. The institutionalization of democracy is a very big task. But it is incredible how quickly democracy became rooted. Now the people take it for granted, but they won't surrender it. It's simply inconceivable to imagine it going back to a totalitarian system at this point.

QUES: How do the Communist or hard-line leaders interpret the experience of China?

Our Communists use China as an example all the time because there you have Communists in power and a flourishing economy. But Ukraine isn't China. The Chinese secret is that 85% of the population is peasant and didn't live in huge collective farms. The Communists are not supported by any large sector of the population. In the public opinion polls, the Communists are supported by 2% or 3% at most, and mostly by people in the older generation. But they engage vigorously in populace demagoguery. I don't think that they pose a serious threat. All the smart Communists went into business, and that cured their Communism. The former head of the Communist Party of Ukraine drives around in a Mercedes and is in a joint venture. The current head of the Communist Party is poor and drives around in a beat up Zhiguli.

QUES: In Canada, we have a problem with the black market. Does a similar problem exist in Ukraine?

You could say that in Ukraine the entire market is a black market. The Minister of Finance has stated that it is easier to make a list of businesses which actually pay taxes.

QUES: What is the situation with inflation in Ukraine today?

The number one problem in Ukraine today is inflation and the collapse of the

monetary system. When enterprises are in deficit, people only understand one thing: give us cheap credits and money to cover our deficit. That's why you will continue to have 100% and 150% inflation rates. It's not a question of technique; it is a political decision that will finally have to be made. In fact, it ought to have been made a year ago. It's not for lack of discussion on monetary reform, I assure you. This is the most literate population now on the functions of the Central Bank: everyone discusses whether the Bank should be part of Parliament or under the Cabinet of Ministers, or should it be like the Bundesbank? You'd be amazed how many babushkas in the queue discuss these matters. But there has to be a political decision to cut back free credit to state enterprises. That means you are asking the current political elite to smash its political base, a hard thing to do.

QUES: How much of a barrier is language?

Language training is crucial. Language is a very important Canadian resource, and the need for it is growing in Ukraine. Canada could actually play a very special role here. We are one of the few countries that has to teach things in two languages, in French and in English. So we have a highly specialized vocabulary. Neither the Goethe Institute, the British Council, nor Alliance Française have this kind of vocabulary expertise. This is a very marketable thing that one should be selling in training packages. We have people in the Central Bank who know English very well, but they need a very specific terminology. There are very few training packages that you can get off the shelf. (NOTE: CCMD is working with the University of Manitoba to producing a dictionary of Public Service and related terminology.) ■