

YURIY LUTSENKO TAKES
UP A NEW PROJECT IN POLITICS - WILL
HE REPEAT OLD MISTAKES?

A MASSIVE LEAK OF OFFSHORE DOCUMENTS
REVEALS THE DARK SIDE OF THE ECONOMY
AND THE SECRETS OF UKRAINIAN OLIGARCHS

JANUSZ BUGAJSKI ON HOW THE TURMOIL
IN EASTERN EUROPE FAVOURS MOSCOW'S
PRESSURES AND INTRIGUES

Тиждіні

international edition

The Ukrainian Week

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The government's **SOFT AUTHORITARIANISM**

RISKS AND OPPORTUNITIES FOR UKRAINE



The
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This hotel's unique location in the heart of Kyiv's historic Podil district offers guests convenient access to this picturesque and ancient Ukrainian city. Podil's tree-lined streets with their enticing boutiques and quaint cafes are wonder to take a stroll around, and the pedestrian-friendly neighbourhood is a great place to discover on foot. The hotel's location also offers excellent access to the city's extensive public transport system.

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Kyiv Boryspil International Airport (KBP) - 37 km

ROOMS

The hotel boasts 164 comfortable rooms & suites, including 138 Standard Rooms, 2 Rooms for disabled guests, 15 Business Class Rooms, 4 Junior Suites Rooms, 4 Suites and one Presidential Suite. With first class amenities and sumptuously comfortable bed linen, both business and leisure guests can be assured of a quiet and relaxing evening followed by a good night's sleep in preparation for the next day.

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17-19, Bratska Street, Podil, Kyiv 04070, Ukraine
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Natalia Romanec, Shaun Williams, Editors;
Anna Korbut, Translator

Mailing address: PO Box 2, Kyiv, 03067

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Bohdan Andriytsiev, Director, ECEM Media Ukraine LLC

Serhiy Lytvynenko, Editor-in-Chief, The Ukrainian Week



Vladimir Putin orders a large-scale naval exercise in the Black Sea, calling the unexpected move a test of the battle readiness of Black Sea Fleet



The Verkhovna Rada votes against holding Kyiv mayor and city council elections on June 2, 2013



Arseni Yatseniuk and his colleagues stop policemen following the opposition in Chernivtsi and face criminal charges for interference with the work of law enforcement

People's Self-Defence 2.0

Yuriy Lutsenko is going to create a new political project. The question is whether he will make the same mistakes as were made during the launch of People's Self-Defence and whether the new organization will be constructed to serve the interests of Petro Poroshenko

Author:
Oleksandr Mykhelson

No sooner did Yuriy Lutsenko, former Minister of the Interior and a “field commander” of the Orange Revolution, leave the Menska Penal Colony, than he assured the press that he had no intention of leaving politics. This remark generated a storm of comments, forecasts and plain speculation. There were two main questions. First, to what extent will his release change the current political landscape? Second, how will it affect the prospects of the opposition forces which have so far failed to convince the majority of Ukrainians of their ability to implement radical transformations after coming to power, or even their ability to successfully oppose the Yanukovych regime.

About two weeks prior to his release, Lutsenko met with other former leaders of the Orange Revolution: Roman Bezsmertny, Volodymyr Filenko and Taras Stetskiv. All these political veterans found themselves closed out of parliament, having failed to secure the support of any of the three opposition forces. Rumours that the “field commanders” were preparing a new political project began to circulate soon after their get-together. Express, a western Ukrainian newspaper, even published an interview with Stetskiv, entitled “Lutsenko is Creating a New Radical

Party”. But Stetskiv himself has assured *The Ukrainian Week* that the title was a journalist’s mistake. A new party is not on the agenda. Lutsenko also says that it is too early to speak about a new party being created for him to lead. However, a certain organization with the status of a civic movement is indeed in the pipeline.

“By autumn 2014 we have to form a powerful popular movement involving millions... The opposition will only gain million-strong support in the streets if it has a plan for achieving positive changes for the entire country and for every Ukrainian. I call it the Plan of the Third Ukrainian Republic,” Lutsenko wrote in a speech, which he was not permitted to read in court on 3 April. On his release, when speaking on television, he said that during his recuperation, questions about the new movement should be addressed to Bezsmertny. Lutsenko thus outlined a certain “hierarchy” of the yet to be formalized structure. In his commentary for *The Ukrainian Week*, Bezsmertny emphasized several times that the ideology of the “people’s movement for the third republic” (a working name which Bezsmertny recommends not to capitalize as yet) will be based on the key points in the speech Lutsenko had intended to read in court.

The main point is that removing Yanukovych from office or even replacing the regime in its entirety is not enough.

The priorities for the public at large should be, first, European integration (as Bezsmertny put it, “at any price”) and second, the fundamental reform of the government. At the same time, the “field commanders” emphasize that the new movement will not be an alternative to existing opposition forces. On the contrary, its purpose will be to support their useful initiatives, including through the pressure of street protests which will only be of a peaceful nature.

It is clear that potential disagreements between the current opposition and Lutsenko & Co. do exist, the main one being the natural reluctance of opposition leaders to see Lutsenko as another political figure who is popular with the pro-opposition electorate. Moreover, even now the organizers of the “third republic” are criticizing some of the actions of the parliamentary opposition in private. For example, the opposition has let the issue of the Kyiv mayoral elections slide and is not actively working on European integration. According to information obtained by *The Ukrainian Week*, Lutsenko has not met Arseniy Yatseniuk or Vitaliy Klitschko in person since his release, even though he has been in “constant” contact with them by phone. Perhaps the sides do not yet see a mutually beneficial political subject to warrant such a meeting.

Overall, the new initiative of the leaders of the Orange Revolution is

The month
in history

4 April 1953



Kvitka Cisyk, an American singer of Ukrainian origin and the voice of the Ford Motor Company promotion campaign, is born

10 April 1864



The first professional theatre in Ukraine called the Rus Conversation opens in Lviv

12 April 1911



Plast, the largest and oldest national Scouts organization of Ukraine, is founded in Lviv. It is still active in Ukraine and abroad



The parliamentary majority holds a session outside the parliament building. The opposition calls it the "April Coup"



A new wave of vandalism in Western Ukraine: several monuments of national liberation struggle figures are destroyed. The police blame this on the weather



The court dismisses Lutsenko's appeal in the second case against him just a few days after he is pardoned



Just like cooperation with David Zhvania, rapprochement with Petro Poroshenko, a political timeserver, will be a huge mistake for Lutsenko

reminiscent of the beginnings of Lutsenko's Narodna Samooborona (People's Self-Defence). Today, Lutsenko emphasizes that this party does not exist – it has merged with Batkivshchyna (Fatherland), although, by the way, there have been no reports about his party holding a congress to pass a decision to this effect. There was only Lutsenko's letter written in a pre-trial detention facility in which he mentioned the merger. This letter was read at his party's congress before the election. Lutsenko specifically created People's Self-Defence in January 2007 as a "broad public movement". Its declared

purpose was to secure an early parliamentary election and remove the Yanukovych government that was formed in September 2006.

The new organization may show its worth during the election in Kyiv which will in all likelihood take place at the same time as the local elections across the country in 2014. Incidentally, Lutsenko did not deny the possibility of his participation in these elections. The "third republic" could also try to run for some seats in local elections in other regions. However, it is better done in the form of a party. Stetskiy did not deny such likelihood in his commentary for

The Ukrainian Week but stressed that a transformation into a party, should it ever take place, has to occur closer to the election date. In conjunction with this, it is worth noting that People's Self-Defence followed this scenario six years ago, turned into a party, merging with the Vpered, Ukraino! (Forwards, Ukraine! – it is not linked to Natalia Korolevska's Ukraine, Forward! party running in the latest parliamentary election – Ed.) party formed in 1999 to do so. The party made it into parliament as part of the bloc headed by Viktor Yushchenko's Nasha Ukraina (Our Ukraine), and Lutsenko was given the top spot on the election list in exchange. None other than David Zhvania donated to People's Self-Defence. He became one of the key MPs who switched sides under pressure from the Party of Regions in 2010 and has possibly been involved in the current process of winning over Fatherland's MPs who were put on the election list by his business partner Mykola Martynenko.

In the Ukrainian reality, a more or less powerful party cannot be created today without significant financing, which can only be obtained through either access to the state budget, or one or more donors from among big businessmen. Tellingly, Lutsenko has shown signs of rapprochement with Petro Poroshenko and Fatherland MPs who are linked to him, such as Yuriy Stets. This forced one to remember that the fate of People's Self-Defence and many other similar projects in the past years reflects the fallibility of this course. At present, the new initiative of Lutsenko and his brothers-in-arms is in its infancy. In any case, the movement's official registration will only begin after Lutsenko is discharged from hospital: on 9 April, doctors recommended that he take a full medical checkup as an in-patient, which will probably be followed by the treatment of illnesses that were aggravated while he was in prison. ■

PHOTO: UNIAN

15 April 1919

The All-Russian Central Executive Committee (VTsIK) issues the Forced Labour Camp Decree providing for setting up one camp for every 300 people in the administrative centre of each province



16 April 1922

The Weimar Republic and Soviet Russia sign the Treaty of Rapallo renouncing territorial and financial claims and pledging to co-operate in the spirit of mutual goodwill



17 April 1991

The Verkhovna Rada of the Ukrainian SSR passes a law to rehabilitate victims of political repression



Soft Authoritarianism

The Yanukovych regime will continue the tactics of the creeping usurpation of power, trying to avoid decisive battles and unjustified image losses

Author:
Oles Oleksiyenko,
Sviatoslav Pototsky

The Yanukovych regime is counting on soft authoritarianism as proven by the latest developments in and around political circles prove this. By choosing this tactic it can maintain contact with the West and argue that it is capable of concessions if the West continues to turn a blind eye to the Family model of state being built in Ukraine. Moreover, soft authoritarianism permits the application of “boiling frog” technology regarding the Ukrainian opposition and society in general. If a frog is thrown into boiling water, it will immediately jump out, but if it is placed in cool water which is then slowly heated up, the frog will be boiled to death, sooner or later.

“HIS GRACE” AND A COUP

On 7 April, Yanukovych issued a decree to pardon the victims of selective justice – Yuriy Lutsenko and Heorhiy Filipchuk, something the West has long demanded (see p. 4). The next day, the Ministry of the Interior reported that it had already met nine conditions on which the signing of the Association Agreement with the EU depends. On the one hand, Lutsenko’s release has been expected since the Ukraine-EU summit in February, when Yanukovych supposedly promised this to the Europeans. On the other, after the court dismissed Lutsenko’s cassation appeal, this kind of rapid development crowned with his release came as quite a surprise. However, it was evident that the authorities were in a hurry: in Lutsenko’s case, the pardon was announced several days after the cassation appeal.

The likely explanation is the intensification of the political



confrontation in early April, which led to the opposition blocking parliament, the start of preparations for a referendum on constitutional amendments and finally, what was essentially an attempted coup by Party of Regions MPs. Add to this the reaction both in Ukraine and in the West. On 4 April, a minority of MPs loyal to the president, headed by Speaker Volodymyr Rybak, barricaded themselves up in a building of parliamentary committees on Bankova Street, i.e., outside the session hall of the Verkhovna Rada, which is on Hrushevsky Street, and started passing laws on behalf of the entire parliament. These “meetings” not only violated the law on parliamentary procedures, according to which, draft laws can only be voted on within the walls

of the parliamentary session hall, and a different venue must first be approved by a decision made on the premises of the VR. It was clear that the “separatists” lacked a quorum: they did not let in opposition members who were on the counting commission. Video recordings clearly show that many seats were empty in a room which seats 250 people and which was used for the proceedings. Information has been leaked that a mere 169 MPs were present instead of the required 226 or the 244 declared by the Party of Regions MPs. Furthermore, the organizers flatly refused to give opposition members

the signatures of the participating MPs, which would have permitted a real count. It was later confirmed that at least several MPs officially declared as having been present on Bankova Street were, in fact, abroad or in the session hall on Hrushevsky Street.

Under the cover of Lutsenko's pardon and the possibility of similar concessions in the future, Yanukovych may count on a more subdued build-up of his authori-



A number of decisions issued by the Central Election Commission dated 2 April suggest that a national plebiscite is being prepared. Various aspects have already been approved: the procedure for purchasing goods, works and services for its preparation and execution; the procedure for providing buildings and equipment for constituency and district election commissions; the submission procedure for setting up regular, special and foreign electoral districts; transferring ballots to district commissions in districts located abroad and so on. Moreover, the design and description of seals to be used by constituency commissions and various ID forms for participants of the referendum process have been approved. Oblast and regional administrations have received instructions telling them to start preparing for a referendum. According to Oleh Tyahnybok, there is a demand to select "reliable" people to work in commissions of all levels.

BOILING A FROG TO DEATH

The tactic used by the Yanukovych regime since he became president, is to take small but consistent steps to wear out the opposition. After the government failed to push through its candidates in the so-called problematic districts, it stopped twisting the arms of Central Election Commission members in an effort to score victories in those districts where it stood at least a minimal chance of victory. However, repeat elections were not arranged, and the five potential seats that the opposition could have, remain vacant. (This is another question for its leaders: Why don't they demand repeat elections in these districts?) The issue has been pushed to the back burner, and the result may take a long time; until snap parliamentary elections, held under new regulations. Similarly, the government met the opposition half-way in dividing seats in the committees and the presidium of the Verkhovna Rada, obviously in order to play certain opposition members against one other, which was particularly noticeable in the struggle for committees. However, Party of Regions MPs later initiated a revision of prior

tarianism. For example, he can use a referendum as a totally democratic mechanism to suit his purposes. A plebiscite could be used to strip MPs of their immunity and replace the current election system with one that would let the president form a loyal constitutional majority in parliament. In its turn, this opens the way for fully dependent MPs to make amendments to the Constitution that would otherwise never find support, even with a well-orchestrated national referendum. Such amendments could include presidential elections held in only one round, a president elected by parliament, the retroactive extension of the president's term in office to seven years, etc.

agreements as they sought to strengthen their positions in the more important committees and again put up for auction the seat of the "opposition Vice Speaker", now held by Svoboda MP, Ruslan Koshulynsky. This was a way to instigate conflict in the opposition. An even more vivid example is the new wave of renegades among opposition MPs. The party in power appears keeping loyal MPs in the opposition, then pulling them out when it finds fit. One possible reason for this is to divert public attention away from some of the opposition's initiatives.

As long as the government did not sense an urgent need in the work of the Verkhovna Rada, it could allow its permanent blockade for as long as it lasted. In cases when this could pose the threat of early elections in conflict with the scenario it had devised, Party of Regions MPs would "concede" to the opposition, only to disregard the promises or even the documentary obligations shortly after. A vivid example of this was the button pushing at the first sessions of the newly-un-

THE TACTIC USED BY THE YANUKOVYCH REGIME SINCE HE BECAME PRESIDENT, IS TO TAKE SMALL BUT CONSISTENT STEPS TO WEAR OUT THE OPPosition

blocked VR. While conducting a "session" of the higher legislative body in the committee building at Bankova Street instead of the VR premises at Hrushevsky Street, as designated by the Parliamentary Regulation, the government proved that it is ready to take extreme action against the opposition, in spite of the rules, if necessary.

Notably, just as in the case of the decision not to appoint the Kyiv mayoral election, the government also did not allow the opposition to mobilize people against blatant usurpation in the "parliamentary coup" situation. After the "session", which lasted several hours, and almost unanimous manual voting, the participants of the gathering dispersed. ■

While the opposition was conducting an anti-usurpation rally in Kyiv announced as a new Maidan almost (a reference to protest actions such as the Orange Revolution – Ed.), Speaker Rybak and the president did not sign a single decision passed at the “alternative session” of the VR. This blurred the cause of the opposition’s protest once again, while the government got a chance to take one step back in order to take two steps forward when necessary.

However, this step back proved unnecessary. As in the case with the protests for mayoral and city council elections on 2 April, it appears that the regime was waiting to see how many people would come out onto the streets on the call of the opposition against the alternative parliamentary session on April 7th, in order to understand whether any concessions are worthwhile. When yet another rally proved to be a poorly attended protest rather than a harbinger of a new Maidan – at least of a scale of 2010 tax protests, the government realized that it is very safe at this stage. Party of Regions spoke openly on national TV that all decisions approved at their alternative session would be signed by the speaker and the president, and would become valid laws of Ukraine. This is how the government actually brought the issue to an end: it can keep bullying the opposition with the prospect of passing decisions it needs at sessions that are closed to the opposition should the latter meddle with them in parliament.

BATKIVSHCHYNA WILL GO FIRST

Meanwhile, the sole prospect of a referendum to change the election system to first-past-the-post one and reduce the number of MPs, has in itself already become a powerful instrument of pressure on those numerous opposition MPs who came to parliament to resolve their own issues, or at least to have realistic chances for success in the near future. Clearly, the consolidation of the regime, which the opposition is currently unable (or reluctant) to resist, makes staying in the latter’s ranks futile for such MPs, and compels cooperation with the

regime. If the “referendum coup” proves successful, such opposition MPs will have fewer opportunities to benefit from a change of government in 2015. At the same time, they risk losing their mandates and never getting them back, let alone their personal security and that of their businesses, should this parliament be dissolved and a new one elected.

The government has clearly decided to start the process of excluding the opposition with the biggest, yet the weakest link in the current parliamentary opposition – Batkivshchyna, a conglomerate of different political forces and competing politicians. It emerged thanks to the ambitions of Arseniy Yatseniuk to become the only presidential candidate of the united opposition, the absence of a charismatic leader in the headless Batkivshchyna and the desire of politicians, who did not have a chance to cross the 5% threshold independently, including Hrytsenko, Kyrylenko, Katernitychuk and others. Immedi-

ately potential turncoats among Batkivshchyna deputies recommended by him or Mykola Martynenko, the closest allies of Arseniy Yatseniuk. These supposedly include Leonid Serhiyenko, Andriy Pavlenko, Denys Dzenderziy and Serhiy Fayermark. In truth, several have already denied suspicion of future betrayal, however potential turncoats have never announced their intentions to leave a party in advance earlier. Notably, turncoats have lately justified their switch by high morals or opposition to Batkivshchyna’s leader. Anatoliy Hrytsenko, be it consciously or not, started the trend, followed by Oleh Kanivets, who left the united opposition faction, saying that he was no longer able to tolerate the voluntarism of the Batkivshchyna leader and the way the opinions of party members were ignored. Soon, others picked up this rhetoric: Andriy Tabalov promised to return to Batkivshchyna if Arseniy Yatseniuk leaves parliament, and Nemilostiviy offered Yatseniuk to quit his MP mandate, and then he would quit his. Both have gotten into the parliament under Yatseniuk’s quota.

The trolling of Yatseniuk is gaining momentum and is objectively very convenient for the interests of the government. The goal is clear: to provoke his resignation from the post of head of the faction, or to crush any motivation to remain in the Batkivshchyna ranks and give a nudge towards the establishment of his own factions and the reanimation of the Front of Change political project. In this context, it’s worth remembering that last year, when the Front of Change and Batkivshchyna finally united, government representatives did not hide their surprise or their irritation, since until that time, they had considered that Yatseniuk would not take such a step, and that the opposition would once again prove unable to come to an agreement. This is why it is now so important for the government to prove that there are no prospects in any consolidation of the opposition and that it is harmful to their participants – therefore, fragmentation is all but natural, although it makes their exclusion from the political process inevitable.

A SPLIT IN BATKIVSHCHYNA WILL OPEN WAYS TO ATTACK VITALIY KLITCHKO’S UDAR – WHICH THE GOVERNMENT HAS NOT YET TRIED TO CRUSH OR MARGINALIZE

ately after the conclusion of the parliamentary campaign, the expanded Batkivshchyna proved unable to become the driving force of the opposition movement, let alone aspire to the role of a mainstream party, capable of radical transformations in Ukraine, should it come to power. Immediately after the election, Arseniy Yatseniuk faced strong resistance in the ranks of his new comrades-in-arms, who actually refused to guarantee him support in the presidential race.

Now, some in Batkivshchyna MPs are increasingly critical about Yatseniuk. This is not without grounds. According to *The Ukrainian Week*’s sources, all five of the currently known turncoats (father and son Tabalov, Vitaliy Nemilostiviy, Ihor Skosar and Roman Stadniychuk), got into the parliament under Yatseniuk’s quota. There are also sev-

OPINION

ON THE RUINS

For the time being, most of the faction's MPs still support Yatseniuk. He has already asked the faction of confidence for him twice immediately after the turncoats appeared – and the majority gave him a vote of confidence both times. Until now, only Hrytsenko has consistently voted against him. However, it appears that Arseniy Yatseniuk is preparing a backup plan. Numerous Front of Change flags and people, dressed in the green uniforms of his old party brand in the April 2 and 7 protests confirm the assumption. The intrigue is that he himself may have a hard time creating his own faction in parliament (he needs at least 32 MPs for this) if the current crossover trend among MPs who got into parliament under Yatseniuk's quota evolves. According to *The Ukrainian Week*'s sources, Vyacheslav Kyrylenko's group, made up of himself, Oleh Medunetsya, Kseniya Lyapina and Ivan Stoyko, may help Yatseniuk in this.

Should the Front of Change, Anatoliy Hrytsenko and other minority deputies leave the united opposition, the remaining deputies in Batkivshchyna could decrease to less than 50. Most of them are BYuT faction MPs in the last convocation. According to information provided by *The Ukrainian Week*'s sources, if this scenario is played out, Andriy Kozhemyakin could become head of BYuT, since Oleksandr Turchynov "is often sick" in recent times. However, rumours have long circulated about his possible ties with the Party of Regions, particularly Andriy Kliuyev. This sheds new light on Arseniy Yatseniuk's words about Kliuyev's intrigues, mentioned during the first blocking of parliament when it demanded personal voting. In winter, the very day after Kliuyev visited the VR, parliament was unblocked and he started participating more actively in parliamentary processes.

The problem of the new-old Batkivshchyna in this case will be that neither Kozhemyakin, nor Turchynov, nor any of its "remaining" members, can claim the role of an independent, recognized and popular leader, which is a natural consequence of the excessive personalization of Tymoshenko's political project – as well as other parties that lack firm ideology. A leaderless Batkivshchyna will face the threat of collapse or the continuation of squabbles between individual groups of influence, providing crossovers for the pro-government majority. In the best-case scenario, they will cross over to other opposition political forces – Svoboda (Leonid Kaniets has already expressed this intent), UDAR, or Poroshenko's possible project, which will most likely position itself as a constructive opposition.

GOAL: SCATTER AND EXCLUDE

This Party of Regions' tactic suggests that the Yanukovich regime could be counting on further aggravating existing conflicts within the three-headed opposition (Mykhailo Chechetov recently mentioned this) by releasing Yuriy Lutsenko. Indeed, Lutsenko has already announced a new political project – similar in many aspects, to the old People's Self-Defense. Only this time, Petro Poroshenko, who financed the 2004 Orange team, may act as its main sponsor rather than Davyd Zhvania in 2006-2007. Shortly after his release, Lutsenko and Poroshenko's

The Lutsenko Pardon: Enough to Appease the EU?

On Sunday, President Yanukovych pardoned Yuriy Lutsenko and Heorhiy Filipchuk, two of Ukraine's highest profile 'selective prosecutions', who were respectively Interior Minister and Environment Minister during the last Tymoshenko government (2007-10). This is just in time for the looming May deadline, when the EU has promised it will review Ukraine's progress towards meeting the conditions Brussels has outlined for getting the Association and DCFTA agreements back on track in time for the Vilnius Eastern partnership summit in November.

Is the pardon enough to do so? In itself, clearly not. The EU has rightly been stepping back from conditions that are too ad hominem. The case against Lutsenko was weaker than most.

But will the pardon lead to progress elsewhere? It should not be forgotten that Lutsenko's final court appearance last month was held in such shabby conditions – in a rather obvious reminder of where power lies. Even more importantly, Yanukovych also stressed that he would not issue a pardon until all legal options had been exhausted. The new charges laid against Yulia Tymoshenko in January therefore seem deliberately designed to stretch her process out until the next presidential election due in 2015. It will take a long time before all her process are 'exhausted', even if a European Court on Human Rights ruling comes before 2015.

The authorities in Kyiv are almost certainly calculating that the pardon of Lutsenko on its own will be enough to sow divisions within the EU. As long as 'progress' can be demonstrated, Brussels will allow the goalposts to shift. Particularly because there is political crisis in Moldova, and Georgia, rightly or wrongly, is accused of heading down the same road as Ukraine towards 'selective prosecution'; and the EU will need a success story for the November summit.

But a few voices urging compromise will probably not be enough. Precisely because the original case against Lutsenko was always so absurdly weak, the EU should stand firm. Initial statements by Catherine Ashton and Štefan Füle have rightly said they 'look forward to Ukraine addressing without further delay the outstanding case[s] of selective justice'. If Ukraine is serious, it will show willing in other areas. A fig-leaf 'success' in November negotiated for tokenistic reasons and proclaimed for PR purposes is unlikely to stick. ■



Autor:
Andrew Wilson

Andrew Wilson is a British political analyst, Senior Policy Fellow at the European Council on Foreign Relations, and formerly a Reader in Ukrainian Studies at the School of Slavonic and East European Studies at University College London. His fields of interest include comparative analysis of democracy, corruption and political tactics in post-Soviet states. Mr. Wilson published a number of books: *Ukraine's Orange Revolution in 2005*; *Virtual Politics: Faking Democracy in the Post-Soviet World in 2005*; *The Ukrainians: Unexpected Nation* in 2000 and 2002; and *Ukrainian Nationalism in the 1990s: A Minority Faith*.

wife became godparents to the daughter of Yuriy Stets, a former top manager at Poroshenko's Channel 5 and current Batkivshchyna MP. If this evolves, the "Third Ukrainian Republic Movement" of Lutsenko and other "field commanders" of the Maidan (see p. 4) may well turn into one of the instruments – or even the key instrument – to reinforce Petro Poroshenko's position in Ukrainian politics, something he has long strived for.

New opportunities for splitting Batkivshchyna into groups of crossovers could be the prologue of a campaign to set up a pro-presidential majority that will not depend on Communist in the new parliament. If true, this will make all PR allies – both crossovers and the Communists – more flexible. Eventually, those in power will even have the opportunity to crush some groups of influence within the PR that currently dare to dissent. Moreover, a split in Batkivshchyna will open ways to attack Vitaliy Klitchko's UDAR – which the government has not yet tried to crush or marginalize. Compared to Batkivshchyna, UDAR is a better disciplined political party, from the very beginning designed for a specific leader and his prospect of running in the 2015 presidential election. However, this solidity is relative. If necessary, the government can make this political party look the way it sees fit. As long as Klitchko's personal ratings and chances of beating Yanukovych in the second round of a presidential election are higher than those of other opposition leaders, persuading UDAR MPs to cross over will be challenging. But as soon as chances for shifts in government in the next two years decrease for any reasons (such as a change in the constitutional system, based on a referendum), this political project may quickly collapse and lose popularity with the protest-oriented electorate. Experience dictates that just like Batkivshchyna, UDAR has no firm ideology that would unite the majority of Ukrainian voters, and the leader's influence can be easily ruined in Ukrainian circumstances.

If the opposition ends up scattered and fragmented, the government will have much better chances to implement a sce-

nario that could play into its hands – Oleh Tyahnybok as Yanukovych's sparring partner in the second round of the presidential election, thus terrorize voters with the prospect of the "brown plague" flooding the country if Tyahnybok wins. Similar tactics tested earlier in Ukraine, Europe and Russia proves that most voters prefer a bad yet moderate government to a radical one. Combined with the government's potentially stronger position, resulting from the referendum to amend the Constitution and the possible re-election of parliament under the first-past-the-post system, this could boost Yanukovych's chances of staying in power after 2015 without extreme scenarios, such as a one-round

not pose a serious enough threat to it to make it play hard because it is weak, so the regime does not need tough usurpation. It might, however, if it faces a strong alternative force, something that society desires, since 70% of Ukrainians hate the current government. Regardless of whether this alternative force emerges from the current opposition (which is unlikely) or comes as a totally new political force, it should be truly independent from oligarchs, have real rather than a paid-for national network of effective party organizations, and most importantly, a clear programme for dramatic reforms that the majority of voters will view as an action plan.

Thus, the creeping usurpation by the Yanukovych regime, using soft authoritarian tools, brings forth both threats and opportunities. On the one hand, the complete exclusion of the opposition and the weakening of parliament will further strengthen the Family, remove barriers for socio-economic experiments that are beneficial to the businesses close to the government, wipe out what remains of political and civil freedoms, and more. As a result, Ukraine could continue to walk away from the European model towards that of Russia, Belarus or Central Asia. This may boost the threat of Ukraine being swallowed up by Russia in the future. Even if Yanukovych fails to complete his family model, the struggle for its heritage is likely to involve several groups from the current conglomerate in power that will take shape later, following the Kuchma heritage scenario.

Under this scenario, the remains of the current opposition risks being almost entirely excluded from the new political reality. However, the great demand of Ukrainian voters for profound changes will not disappear. The regime's anti-Ukrainian policy will only fuel it, particularly as generations change. Therefore, there will still be a chance for the emergence of an entirely new opposition in time. It will be more effective, and mature enough to duly represent the interests of the Ukrainian majority and to implement the crucial transformations the latter expects. This could be the last chance for the Ukrainian nation. ■

THE OPPOSITION, SUCH AS IT IS, CANNOT POSE A SERIOUS ENOUGH THREAT TO THE REGIME OR MAKE IT PLAY HARD BECAUSE IT IS WEAK, SO THE REGIME DOES NOT NEED TOUGH USURPATION. IT MIGHT, HOWEVER, IF IT FACES A STRONG ALTERNATIVE FORCE

presidential election, large-scale election rigging and the like. Thus, the instruments of soft authoritarianism and the maintenance of a façade of democracy will be enough to maintain his minimal legitimacy in the eyes of the West.

WHAT NEXT?

The current opposition has failed to demonstrate its ability to resist the Yanukovych regime – even with its soft authoritarian policy. So why does the latter have to use tough radical scenarios that will further stain its image and aggravate relations with the West which are already tense. Moreover, those in power are reluctant to break completely with the West: they still have accounts in Swiss banks, businesses in Europe, real estate in London, children at European universities, treatment in Western hospitals and other benefits. This is not to say that there will not be any tough scenarios, or that the regime is unprepared for them. The opposition, such as it is, can-

Political Prisoners: Big and Small

Ukraine does have political prisoners. This fact is acknowledged by everyone today except for supporters of the Party of Regions, the Communists and the most inveterate ideologues of the "everyone-in-politics-is-bad" position. Some were forced to flee Ukraine seeking political asylum because they would end up in jail otherwise. These political prisoners are known both in Ukraine and abroad, to foreign journalists and government officials. The latter are demanding, at a very high level, the release of political prisoners and a stop to the persecution of members of the opposition, in other words, abandoning the practice of selective justice. But here is a problem: does anyone have any idea how many there are? The names of Tymoshenko and Lutsenko have been on everyone's lips both in Ukraine and abroad for a long time. And many who have sought asylum are also well-known, including Arsen Avakov, Bohdan Danylyshyn and Yulia Tymoshenko's husband, Oleksandr Tymoshenko. Avakov has been elected to parliament and has now returned to Ukraine legally, making it now much harder to put him in prison. Lutsenko has been released, Tymoshenko may follow and her husband may be given guarantees... Does this mean that the problem of selective justice in Ukraine and the issue of political prisoners will disappear on their own?

I am afraid they will not. To the contrary, there is every reason to expect things will

become even worse. The essence of the current regime will not change dramatically because of a few magnanimous gestures on its part. Moreover, mass protests against government policies are continuing and will continue throughout the country and as usual, they will crescendo with the approach of the presidential election. And how else can these be thwarted if not by targeted attacks on local activists?

Even today after the government has amnestied Lutsenko, are not the regime's political opponents under continued pressure? Are there not more political prisoners behind bars, both convicted and those who are only getting ready to face the "fair" Ukrainian court?

Journalist and MP Mykola Kniazhynsky has written in his blog about one such prisoner, Liudmyla Nikitina. She was arrested on 24 July 2012 — that is, before the election. She worked as the deputy head of the election headquarters of the United Opposition in Pervomaisk, Mykolaiv Oblast. She was charged, of course, with criminal, rather than political, wrongdoings which she allegedly committed as the financial director of the Kornatsky farm business. Arkadiy Kornatsky ran for a parliament seat in the region, and his company is still the target of a very powerful Donetsk-based group. (I will

not call any names, because any mention of this family's surname may lead to imprisonment. However, all the relevant information can be found on the Internet.) "Her entire guilt was that she cooperated with Arkadiy Kornatsky, a candidate MP, whose victory was illegitimately stolen by the authorities," Kniazhynsky stresses. "Pat Cox and Alexander Kwasniewski do not mention the political prisoner Nikitina. Unfortunately, we are not doing much to help this courageous and educated woman who is suffering in the Lukianivska pre-trial detention unit without adequate medical assistance either. She may have more right than anyone else in Ukraine to be called a prisoner of conscience."

But is Nikitina the only one we must remember? Who else can be categorized as a political prisoner? The "Vasyliv terrorysts", the men who disfigured the Lenin monument in Kyiv, the people who were convinced in Sumy for graffiti which resembled Viktor Yanukovych with a red bullet mark on his forehead? These are cases that require, at the very least, serious attention and a professional assessment from the human rights community and the mass media. So far, only the Kharkiv Human Rights Group seems to be monitoring other recent political repression. The group opened a section on its website titled "Political repression in modern Ukraine." But this is clearly

not enough. Civic society activists and true opposition politicians should remember the experience of Soviet-era dissidents and draw up a similar list of all political prisoners and politically repressed citizens to share with Western journalists and politicians at every opportunity. This is what the renowned Andrei Sakharov did: look at his Nobel Prize speech — it includes the names of many, many repressed dissidents, a number of whom were Ukrainians. Sakharov's work produced a certain result in his time, and a similar approach will work today. We need to be saving courageous people who have become victims of the regime. And we need to do it, not by currying favour with the authorities, but by forcing them to make concessions under pressure from the Ukrainian and international community.

Incidentally, the Moscow-based magazine The New Times has brought back the "Chronicle of current affairs" which records events related to political repression on a daily basis. Similar, type-written chronicles were circulated in samizdat editions by dissidents in 1968-83. I pray that we will not have to publish such chronicles, but we must exert every effort now to free all political prisoners without exception, both "big" and "small". ■



Author:
**Serhiy
Hrabovsky**

**WHEN FOREIGN JOURNALISTS
AND OFFICIALS SPEAK ABOUT
UKRAINE HAVING POLITICAL
PRISONERS, DO THEY HAVE
ANY IDEA HOW MANY THERE
ACTUALLY ARE?**

Vulnerable to Pressure

Economic hardship and political uncertainty in post-Soviet European states makes them susceptible to Moscow's pressures and intrigues

Author:
Janusz Bugajski, USA

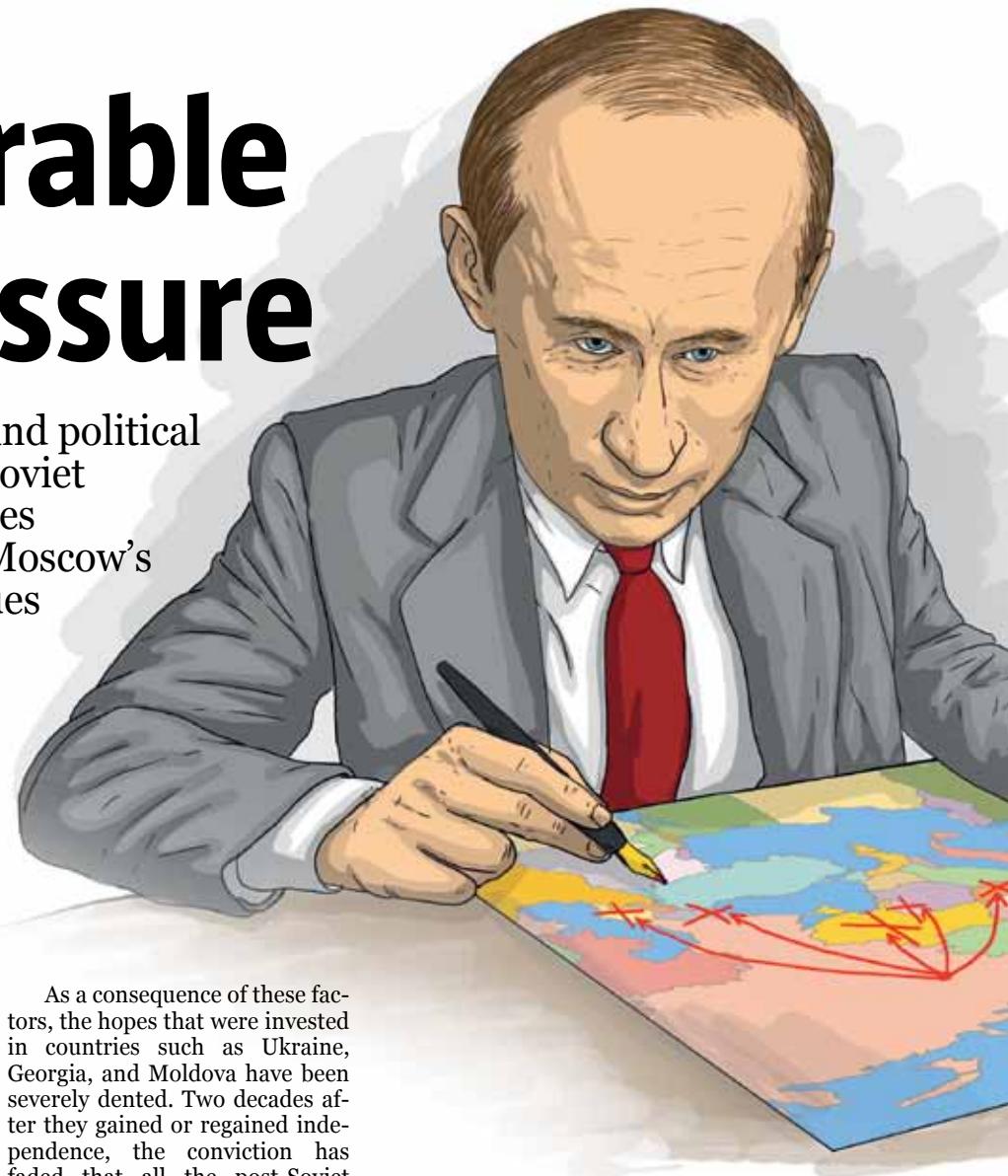
Economic hardship, social disquiet, political uncertainty, and international isolation are generating instability among many of the post-Soviet European states. As these factors show no sign of abating, the political scene will become increasingly fractious, volatile, and susceptible to Moscow's pressures and intrigues. Although Kremlin attention has been focused on Ukraine and Belarus in recent years, new opportunities have been germinating in other neighboring countries and even among several EU member states.

NEGATIVE FACTORS

The Europe-wide economic recession has affected the entire East European region as investment is scarcer, trade is slower, and loans are more difficult to obtain. Incomplete structural reforms in several countries contribute to the material malaise, downpress living standards, and limit job creation. As unemployment rises, social frustrations with the political elites escalate. General elections become vehicles for removing parties from power rather than providing viable alternative policy alternatives. Such conditions undermine reformist and pro-Western movements and encourage various forms of populism and authoritarianism, and in some cases tear at the fabric of national unity.

As a consequence of these factors, the hopes that were invested in countries such as Ukraine, Georgia, and Moldova have been severely dented. Two decades after they gained or regained independence, the conviction has faded that all the post-Soviet states would become consolidated democracies, open market economies, and credible candidates for EU membership. Instead, the Kremlin is taking advantage of neighbourhood turmoil to position itself as a political model to be emulated and the leader of multi-national organizations to be joined.

Former Soviet republics are under increasing pressure to participate in Moscow's integrationist initiatives. The Kremlin's objective is to exert a growing influence over the foreign and security policies of immediate neighbors so they will either remain neutral and stay out of Western institutions or actively support Russia's agenda. The ultimate aim is assimilation based on tighter economic links and culminating in a political pact, styled as the Eurasia Union.



Ukraine is the most glaring example of a faltering democratic transformation with an incomplete program of reforms that assists Moscow's targets. The political battles among the former Orange Revolution leaders left the terrain open to a more authoritarian, anti-reformist, and internationally neutral government that has stifled Ukraine's Western progress. The Kremlin continues to entice and pressure President Viktor Yanukovych to embrace the Russia-centered Customs Union and other "Eurasian" institutions, while revoking Kyiv's European and trans-Atlantic aspirations.

With Belarus, Russia already possesses a "joint state" agreement and a Customs Union and is pushing President Alyaksandr Lukashenka to open up the state-controlled economy to Russian

oligarchs linked with the Kremlin. Lukashenka is trying to balance West with East, as he neither wants to surrender his political or economic powers. But he has become increasingly isolated in confronting intense Russian blackmail. With its two key western "borderlands" better secured and distanced from NATO and the EU, Moscow has turned its attention to Moldova, the South Caucasus, and even the eastern zones of the European Union.

CAUCASIAN NIGHTMARES

Following the election of Prime Minister Bidzina Ivanishvili last October, Georgia has been gradually backtracking on its pro-Western commitments and is more inclined to enter into agreements



with Russia. Suspicions persist that Ivanishvili upholds business connections with Kremlin officials or is beholden to Putin to maintain his fortune. Whatever the reason, Tbilisi is toning down its ambitions to join NATO and the EU and may be more inclined to compromise with Russia over its occupied territories in Abkhazia and South Ossetia.

Some analysts have called the emerging Georgian system as one of state capture or even one-man rule, whereby financial resources are leveraged into political power by Ivanishvili. Within the governing six-party Georgian Dream coalition, five have small social bases and remain almost fully dependent on Ivanishvili for funding. Ivanishvili is the coalition leader, head of the dominant party, as well as prime minister. He deter-

mines the composition of the government and will select the coalition candidate for the presidential elections in October. He has also appointed his own employees to control law enforcement bodies.

In an indication of a growing concentration of power with restricted checks and balances, Defense Minister Irakli Alasania was recently removed from the position of deputy prime minister. Ivanishvili claimed that he was punishing him for his ambition to run for president without consulting the premier. Since the October elections, Georgia's modernization, institution building, and Euro-Atlantic integration appear to be slowing down. At the same time, Moscow is increasing its presence through various "soft power" tools, especially in trade, diplomacy, the mass media, and cultural exchanges designed to pull Georgia away from its Western orientation.

Although the Georgian parliament adopted a resolution on March 7 affirming its commitment to a pro-Western foreign policy, deeds will prove more important than words. And despite a landmark meeting between President Mikheil Saakashvili and premier Ivanishvili, the two sides remain deeply divided on key questions, including proposed constitutional amendments limiting presidential powers. Opposition members in parliament accuse the government of systematic political persecution, rolling back the reform process,

THE KREMLIN IS TAKING ADVANTAGE OF NEIGHBOURHOOD TURMOIL TO POSITION ITSELF AS A POLITICAL MODEL TO BE EMULATED AND THE LEADER OF MULTI-NATIONAL ORGANIZATIONS TO BE JOINED

and undermining the priority of NATO and EU membership.

In his last months in office, Saakashvili continues to issue warnings about Russia's regional plans. Having been essentially correct about Moscow's ambitions toward Abkhazia and South Ossetia, his statements following a re-

cent visit to Azerbaijan sparked furor in Moscow and fear in Baku. He claimed that Azerbaijan and Georgia faced similar dangers of destabilization by Russia. In his words, "Georgia faces disintegration while Azerbaijan fears Russian-sponsored regime change."

Saakashvili claimed that the Kremlin is backing a new Azerbaijani lobbying group led by Soyun Sadikhov, a Moscow-based billionaire. Its purpose is to meddle in Azerbaijan's internal and external affairs. For instance, it reportedly seeks to undermine relations between Baku and Tbilisi by supporting autonomy for Azeris inside Georgia. Most controversially, the Georgian President claimed that the billionaire Vagit Alekperov, the president of Lukoil, is planning a regime change scenario in Azerbaijan similar to the Georgian example. The main goal of the new lobbying outfit is to apply pressure on Baku and eventually replace the current President, Ilham Aliyev.

Over the past two years relations between Russia and Azerbaijan have seriously deteriorated. Moscow did not renew its lease on the Gabala radar station and thereby lost its military presence in Azerbaijan. Aliyev has also asserted that Baku has no interest in joining the Eurasian Economic Union, while the stalemate over the Armenian occupied territory of Nagorno-Karabakh adds to the tensions. Russia manipulates its "soft power" tools through the media and non-governmental organizations to pressure Baku into following Kremlin policy especially in the energy sphere, as Moscow is desperate to retain a dominant position in its natural gas supplies to Europe.

MOLDOVAN REVERSALS

Moldova appears to be the most recent success story for Moscow, where the pro-European government favoured by the EU has been ousted following a vote of no confidence against the cabinet of Prime Minister Vlad Filat. The opposition Communists led the attack on the grounds that most Moldovans were dissatisfied with economic conditions and the pervasiveness of official corruption. At the same time, the ruling coalition, the Alliance for European Integration, has de-

generated into bitter political battles much like the former Orange coalition in Ukraine.

The fall of the Moldovan government demonstrates the tentative nature of democracy, the weakness of political parties, and the continuing strength of anti-reformist elements. The latest corruption scandals have decimated public support for the administration and a shadowy billionaire who was nominated as deputy speaker of parliament, Vlad Plahotniuc, is under financial investigations in several EU countries. While the Communists have links with Moscow, Plahotniuc has business assets in Russia that evidently can be manipulated by the Kremlin to promote political conflict or compliance with its agenda.

With Moldova veering away from the EU path, the entire Eastern Partnership program devised in Brussels for the post-Soviet states and intended to encourage reform and harmonization with European norms, is unraveling. While Brussels has no real appetite for eastern enlargement, the East Europeans have evidently exhausted their commitments to EU reforms. Equally worrisome, the Central and South East European countries already inside the EU are also not immune from internal turmoil and negative Russian influences.

CENTRAL EUROPE UNCERTAINTIES

The threat of political upheaval and radicalization is growing in the former Soviet bloc and constitutes a danger to domestic and regional stability. Western policy makers concluded that democratic consolidation was completed in the region two decades after the collapse of communism. However, several countries that are both NATO and the EU members are under scrutiny for undermining their democratic gains and veering toward populism and nationalism, including Hungary, Bulgaria, and Romania. Even Poland, the largest and most strategically significant state in the region, is challenged by nationalist and anti-EU forces. Their popular appeal and political ambitions at a time of economic uncertainty will have a corrosive impact on the wider region.

ABOUT THE AUTHOR



Janusz Bugajski is senior associate in the Europe Program at the Centre for Strategic and International Studies (CSIS). He has served as a consultant for various U.S. organisations and government agencies and testifies regularly before the U.S. Congress. He chairs the South-Central Europe area studies program at the Foreign Service Institute of the U.S. Department of State. Bugajski is a regular contributor to various U.S. and European newspapers and journals. His recent books include *America's New European Allies* (2009); *Expanding Eurasia: Russia's European Ambitions* (2008); *Atlantic Bridges: America's New European Allies*, with Ilona Teleki (2007), *Cold Peace: Russia's New Imperialism* (2004), and *Political Parties of Eastern Europe: A Guide to Politics in the Post-Communist Era* (2002).

Aspiring populists exploit two issues that have significant public appeal: social justice and ethnic nationalism. The absence of social justice and economic opportunity is a major concern in several post-communist countries. Sectors of the population can be mobilized against the alleged ravages of crony capitalism that include pervasive official corruption, growing economic disparities, stagnant living standards, and the ostentatious wealth of new entrepreneurs. Anti-elitist populist rhetoric resonates among sectors of the population whose economic expectations have been unfulfilled, and this can be transformed into radical opposition to existing political institutions.

Some governments or opposition parties focus on the restoration of national pride and protecting the country from unwanted foreign influences in order to capture public opinion. During harsh economic conditions, political leaders may mobilize voters by scapegoating ethnic minorities or immigrants and claiming that national independence and economic prosperity are threatened by their presence. Greece is a pertinent example of this process. Ethno-nationalism may also have an external component by generating regional disputes. For example, by extending citizenship and voting rights on the basis of ethnic identity to Hungarians in neighboring countries, Hungary may be moving away from a civic state where political rights derive from citizenship, but one where citizenship derives from ethnic status.

In several states, ultra-nationalists have gained parliamentary seats or sizable opposition parties have

adopted nationalist themes. In Hungary the xenophobic and irredentist Jobbik party gained over 12% of the national vote and 47 seats in the 2010 general elections. The party appeals to alienated young voters and is adept at using the social media to promote its message. A present danger throughout the region is economic stagnation pushing the major parties to appropriate the policies of the national radicals in order to secure votes.

A prolonged EU-wide economic recession and extensive austerity measures will generate negative social reactions with a direct impact on political and institutional stability in Central and South Eastern Europe. Rising unemployment among young people can trigger serious unrest. Joblessness induces restlessness, decimates trust in democratic institutions, undermines specific governments, and challenges the legitimacy of political systems.

Fourteen million people under the age of 30 are unemployed in the EU, with the percentage in some countries exceeding 40% of the population. With living standards static or declining and life expectations unfulfilled, tensions will continue to rise. Youths alienated from the democratic process will gravitate toward extremist political movements that offer a sense of identity and a clear call for action.

Countries such as Bulgaria and Romania are experiencing intensive political battles that undermine the political structures and open the terrain to radical elements. The recent collapse of the Bulgarian government has brought new populists to the surface for the next elections. Such developments are mouth watering for the Kremlin, as it seeks to capitalize on political turmoil to expand its regional ambitions and will support politicians that favor or acquiesce to its strategic and business interests. In this context, economic stagnation, democratic regression, and populist politics anywhere in Eastern Europe will favor Russia's regional objectives by corroding national institutions, engendering divisions in the European Union, undermining NATO's effectiveness, and distancing the United States from its European allies. ■

Dual Citizenship and Split Identity

As neighbouring states actively offer passports to Ukrainian citizens, the Verkhovna Rada is set to consider a draft law on dual citizenship. The potential threats to Ukraine's national security are obvious



Authors:
Vasyl Ilnytsky,
Andriy Skumin

MP Lev Myrymsky, leader of the Soyuz (Union) party, registered draft law No. 2308 in the Verkhovna Rada under which Ukrainians would be granted the right to obtain foreign citizenship while keeping their Ukrainian passports. In his words, 5-10% of Ukrainians already have foreign citizenship and "some five million are migrant workers abroad. Many of them receive citizenship there and are forced to renounce their Ukrainian citizenship. Why should the country lose its citizens?" His actions fit into the wider context of operations by pro-Russian forces in Ukraine. For example, the idea of dual citizenship was promoted by Viktor Medvedchuk in January. This came amidst Russian efforts to simplify the natu-

ralization procedure for "fellow countrymen" who are moving to Russia under its settlement programme. The State Duma passed a draft law in its first reading that no longer requires migrants to remain in Russia for five years before they can apply for citizenship. Meanwhile, the settlement programme is being gradually implemented anyway: over 63,000 people officially moved to Russia in 2012—as many as in the last six years combined. No accurate estimate exists for the proportion of Ukrainian citizens with dual citizenship today. Informed sources that have spoken with *The Ukrainian Week* point out that the number of people with dual Ukrainian and Russian citizenship in Ukraine is exaggerated, amounting to 70,000-80,000 at most. The pri-

mary reason for this is that the Russian bureaucracy is reluctant to recognize dual citizenship. One of the requirements for obtaining a Russian passport is the renunciation of Ukrainian citizenship.

INDIVIDUAL INTEGRATION WITH EUROPE

In addition to the Kremlin and pro-Russian forces in Ukraine that have traditionally exploited dual citizenship as an instrument of imperial coercion, Ukraine's western neighbours have shown increasing readiness to hand out passports to their "former citizens". These are countries that used to control some Ukrainian lands, incorporated largely as a result of annexation. *The Ukrainian Week* has written that this strategy permits some

Romanian and Hungarian politicians to actively play the card of "a great ethnic space" and parasitize the phantom pains of their nationalist-minded electorates. For example, a book about a war with Ukraine recently became a best-seller in Romania, even though this country failed to protect even the Moldovans, its "fellow countrymen", in Transnistria. The issue of Hungarians residing in foreign territories that were part of Hungary prior to 1918 remains extremely popular in Hungary. The legislation of these countries includes regulations permitting the naturalization of Ukrainians who lived there under occupation in the interwar period and their descendants. Romania formalized this opportunity back in 1991. In order to acquire Romanian citizenship, a person has to have parents or grandparents who were born or lived in the Romanian territory between 1918 and 1940.

On 26 May 2010, the Hungarian parliament passed the "Law on Citizenship" which simplified the naturalization procedure for Hungarians living in neighbouring countries. Most of them reside in Romania, Serbia, Slovakia and Ukraine's Transcarpathia Oblast (12% of the oblast's total population). When the law began to be implemented in 2011, Hungary's relations with its neighbours grew tenser. Slovakia's reaction was the sharpest. Robert Fico, Slovakia's Prime Minister at the time, even initiated a decision to strip Slovaks officially deemed 'foreign Hungarians' of their Slovakian citizenship.



CONCEALED EXPANSION.
The conditions for issuing a Russian passport usually include the renunciation of Ukrainian citizenship

Today, up to 80,000-90,000 Ukrainians have received Hungarian passports and another 80,000 have been naturalized as Romanian citizens. This is a fairly large number, considering that they are concentrated in only two regions of Ukraine, Transcarpathia and Chernivtsi oblasts, with a total population of less than 2.2 million.

The Polish authorities do not typically grant citizenship to Ukrainians on a massive scale. Instead, they have been issuing the "Polish Card" to meet the desires of foreigners of Polish background to acquire Polish citizenship. Theoretically, 30,000-32,000 Ukrainians can now claim Polish citizenship, but this number is based primarily on migrant Ukrainian workers legally employed in Poland. In September

2012, a new law took effect that simplified the Polish naturalization procedure and recognized the right to multiple citizenship, including for Ukrainians. Under the new regulations, foreigners who have legally lived in Poland for three years, have stable income and are proficient in Polish are eligible for Polish citizenship.

In Slovakia, the Fico government decided to make it simpler to obtain the status of a foreign Slovak, which opened the door to Slovak citizenship. It initiated an amendment to Law No. 474/2005 regulating the activities of government agencies in supporting Slovaks residing abroad. Under the current revision, a birth certificate of a person or his relatives issued in the Czechoslovakian territory between

OPINION

The dangers of dual citizenship: erosion of the nation's common values and setting the stage for international conflicts

According to their attitudes toward dual citizenship, modern European states can be divided into those in which it is fully permitted (such as Spain and France, countries maintaining links with the populations of their former colonies), permitted under certain conditions (Armenia, Lithuania, Romania, Hungary, Finland and Sweden, where this status is granted largely on an ethnic basis under the conception of a "mother state") and not recognized (Austria, Denmark, Germany, Belarus, Poland and others). In past decades, some European countries included clauses in their national legislation for the non-recognition of dual citizenship, meaning the non-recognition of its legal consequences. In the case of Central European countries, positions on dual citizenship are determined by policies to support ethnic fellow countrymen. For example, Slovakia sharply reacted to a new version (adopted in 2010) of the Hungarian law on citizenship and amended its own legislation in

May 2010 under which Slovaks are fined and stripped of their Slovak citizenship for the concealment of dual citizenship. At the same time, it launched a campaign to expand the rights of foreign Slovaks in 2012, which is perceived as a step towards liberalizing legislation on Slovak citizenship. Thus, because every state determines its own citizenship regulations, it is nearly impossible to avoid clashes between national legislative norms.

In Ukraine, citizenship is legislatively regulated by the law on citizenship, dated 18 January 2001. It was amended in line with the European Convention on Nationality that was signed by Ukraine on 1 July 2003 (except for Chapter VII which concerns military obligations in cases of multiple nationality) and ratified on 20 September 2006. Even though this document fixes the principle of "one nationality", it does not rule out cases of multiple nationality. According to Ukrainian law, if a person has acquired foreign

citizenship, he is recognized only as a citizen of that foreign country in his legal relations with Ukraine. In this way, dual citizenship is not forbidden at present but is merely not recognized: if a Ukrainian has any foreign citizenship, Ukrainian laws are equally applicable to him as to all other Ukrainian citizens.

In Ukraine, political and expert circles voice different, often contradictory opinions on multiple citizenship. Its supporters point to European integration. To achieve this goal, Ukraine needs to be tolerant towards multiple citizenship held by Ukrainians, increase their protection abroad and create legal stimuli to attract migrant workers from other countries. Opponents point to dangers such as the erosion of the nation's common values, tax evasion, shirking military obligations, evading criminal liability, and preconditions for international conflicts—in particular between neighbouring countries. The presence of national minorities in Ukraine's territory

1918 and 1938 is sufficient grounds for granting the said status. The older generation of residents in Transcarpathia and the parents of the majority of natives in this area were born precisely in this period. This means that hundreds – not tens – of thousands of Transcarpathian Ukrainians are eligible for the status of “foreign Slovak” with the prospect of obtaining full-fledged Slovak citizenship. Slovak NGOs working through representatives of the Slovak minority in Ukraine have started disseminating letters in which Transcarpathian Ukrainians are urged to send their proposals to the Directorate for Foreign Slovaks. Slovak diplomats have also become extremely loyal to Ukrainian citizens and issued 6,000 multiple-entry visas in January 2013, which is almost twice as many as in December 2012. This pleasant metamorphosis in the attitude toward Ukrainians is absolutely surprising because the migration and visa policies of Slovak consulates regarding Ukrainians were, to put it mildly, very restrictive even in late 2012. The paper processing procedure involved a maddening amount of red tape, for good reason, and essentially sabotaged the practical implementation of intergovernmental agreements on small cross-border movement in Transcarpathia Oblast.

If Ukrainians continue to acquire dual citizenship in neighbouring countries, this will clearly threaten Ukraine's national security. Especially dangerous are countries that not only actively support their

“fellow countrymen” but also cast doubts on Ukraine's territorial integrity or demand territorial autonomy for areas densely populated with their minorities. Therefore, it is important for the Ukrainian government to work out an official position on these realities. It should involve realistic algorithms for government bodies to follow. For example, a radical way to solve the issue of dual citizenship would be to introduce a clear mechanism for revoking Ukrainian passports in cases of citizens becoming naturalized in a foreign country. This is essentially envisaged by Article 19 of the Law “On Ukrainian Citizenship”, but is the government capable of realizing this policy? Not likely. First, foreign authorities do not provide information about naturalized citizens, citing confidentiality of personal data. Second, Ukraine's Security Service would have to employ immense resources to identify the thousands of Ukrainians who apply for naturalization abroad. A more realistic scenario in this context would be to require the acquisition of foreign citizenship to be reported to authorities. This means that a Ukrainian who has been naturalized abroad would have to inform a certain Ukrainian government agency. Failure to do so (concealment of foreign citizenship) would entail consequences only in cases determined by law.

First, the law on public service (including law enforcement) should require that only citizens of Ukraine who do not have any foreign citizenship are eligible. This demand must be accompanied by criminal liability

and, conversely, Ukrainian ethnic groups in neighbouring countries are factors contributing to Ukraine's potential rapprochement with several Central and Eastern European countries and the strengthening of international partnerships. However, Ukraine must react to the citizenship policies pursued by its neighbours. Ukraine is faced with addressing the phenomenon of its citizens adopting dual-citizenship in neighbouring states that serve as “ethnic metropolises”, providing active support for their fellow countrymen abroad. In semi-official statements, these nations have also suggested establishing territorial autonomy in neighbouring countries. Ukraine lacks a coherent policy on multiple citizenship or an evaluation of this issue in its relations with neighbouring countries that calls for a more detailed examination of European experience in regulating such issues. Considering that the institution of dual citizenship is not regulated in Ukraine and that the European Convention on Nationality with its lib-

eral norms extends to its territory, it is advisable to do the following:

- define in Ukraine's legislation the essence of the concept of dual (multiple) citizenship and the state's position on it so that regulating agencies have an unambiguous understanding of the issue;
- specify a procedure for confirming the acquisition of foreign citizenship;
- start a political dialogue with the governments of Ukraine's neighbours to identify attitudes toward multiple citizenship, initiate bilateral and multilateral international treaties with states whose citizenship some Ukrainians are known to have already acquired and regulate the obligations of citizens before their states;
- accelerate the implementation of the Action Plan for a Visa-Free Regime and a political decision of Ukraine and the EU to this effect, which will potentially reduce the number of citizens wishing to acquire foreign citizenship because the main motivation in some cases is the desire to freely travel in the Schengen Area.

for persons concealing foreign citizenship while holding office in a national or local self-government body. Those who have obtained access to state secrets as a result of such concealment must be punished for committing high treason. Second, Ukrainians with foreign citizenship should be legislatively

UKRAINE'S WESTERN NEIGHBOURS THAT ONCE CONTROLLED CERTAIN UKRAINIAN TERRITORIES HAVE ALSO STEPPED UP THEIR ISSUING OF PASSPORTS TO “FORMER CITIZENS”

SYMBOLIC PUNISHMENT

Under current law, if a Ukrainian citizen is found to have dual citizenship, he has to pay a fine

**10-30 times the tax-exempt limit
(UAH 170-510)**

forbidden from running for president or parliament. Again, a violation of this norm must be criminally punishable. Third, a mechanism should be introduced for stripping persons with foreign citizenship of titles to agricultural land through government buyouts. If the owner of a plot of land fails to inform the Ukrainian authorities about having foreign citizenship within a certain term (say, two months), he should be fined and the land confiscated.

Finally, a system of fines for pensioners who receive Ukrainian pensions but have multiple citizenship should be introduced. Therefore, it would be absolutely reasonable for both oppositional and pro-government MPs to jointly sponsor a draft law to react to situations of this kind. ■

Of course, a higher standard of living in border regions and better employment opportunities with commensurate pay across Ukraine would definitely help to reduce the number of applicants for foreign citizenship. At the same time, Ukraine's relations with its Central European partners involve a number of issues that require discussion, particularly at the level of public dialogue. These have to do with “foreign citizen” status and dual citizenship, education in the languages of ethnic minorities, development of national culture and ethnic civil society structures, labour, and illegal migration across Ukraine's western border.

**Svitlana Mitriaieva,
Director, Uzhhorod Regional Branch of the National Institute for Strategic Research,**

**Myroslava Lendel, PhD in Political Science,
Director, Research on Central Europe,
Uzhhorod National University**



*Repression
of the Muslims is a sign
of weakness, the posters
says

Encouraging a Pan-Islamic Caliphate in Crimea?

As those in power fuel ethnic and religious conflicts in Crimea, they are helping radical Islam spread over the peninsula and trigger destabilization

Author:
Ihor Losev

When General Anatoliy Mohyliov was still Chief of the Crimean Police several years ago, he was known for his radical statements about Crimean Tatars. Apart from verbal confrontations, Mohyliov shut down shops owned by Crimean Tatars at Ai-Petri, a panoramic peak and a tourist attraction. This made General Mohyliov one of the most notorious political figures in Ukraine in the eyes of Crimean Tatars.

Later, few were surprised when the Party of Regions (PR) promoted Mohyliov to Crimean Premier despite his confrontations with the locals.

LEGAL OBSTRUCTION OF MEJLIS

Recently, the Crimean Premier again declared publicly that he does not recognize the Mejlis—the most respected Crimean Tatar representative body—claiming that it is beyond Ukraine's jurisdiction. He instead offered to communicate with Mejlis leaders Mustafa Dzhemilev and Refat Chubarov as individual Crimean Tatars rather than Mejlis representatives.

Indeed, in twenty years of Ukraine's independence the Mejlis has never been recognized as a legitimate *de jure* representative of Crimean Tatars, yet it has always been treated as one *de facto*. Being

the permanent body of the Kurultai, the national council or assembly of Crimean Tatar representatives, the Mejlis is a unique exemplar of a people's democratic self-representation. Every village, town and city in Crimea has regular democratic elections of people entitled to protect the interests of Crimean Tatars. Meanwhile, the entity known as the Council of the Crimean Tatar People under the President of Ukraine is comprised of officials preferred and appointed by the current central government. Absurdly, Mejlis members are a minority in this council despite being supported by most Crimean Tatars.

Kyiv prefers to communicate with convenient officials often representing only themselves or micro-organizations. By ignoring the Mejlis, which represents pro-European and pro-Ukrainian factions of Crimean Tatars, the government is left with few people to work with, such as Vasvi Abduraimov, the leader of Milli Firqa, a marginal Crimean Tatar party. Notably, Abduraimov sent an open letter to Russian leaders during the 2008 Russia-Georgia War asking them to bring Russian troops into Crimea to "protect national minorities from Ukrainian nationalists".

RADICAL POLICY WILL LEAD TO CHAOS

As Mohyliov defiantly obstructs and ignores the Mejlis, the confrontation between Crimean Tatars and the government will aggravate both in Crimea and outside of the peninsula. This may weaken the Mejlis with its democratic and European traditions of non-violent struggle for the rights of Crimean Tatars while reinforcing radical Islamic groups, especially as more and more Crimean Tatars believe that the current government is hostile to their people.

It is no surprise that the Crimean pro-Russian activists that continually raise the question of the Mejlis' formal illegitimacy are tied to the very same organizations that are working tirelessly to disrupt Ukraine's territorial integrity. Their hope is that no one legitimately entitled to represent the Crimean Tatar people will be left when the time comes. Meanwhile, most Crimean Tatars rely on the Mejlis to help solve their problems in a civilized way. Once this hope is lost, the preferences of many Crimean Tatars—youth first and foremost—are likely to tilt towards radical Islamists. Such a shift could open the door for foreign interests to intensify internal destabilization in Ukraine. A boycott of the Mejlis by the central government might push Crimean Tatars toward radicalization and the traditionally secular national movement could turn into political Islamism. The protests of thousands of locals yelling Allahu Akbar in protest against the notorious film *Innocence of Muslims* in fall 2012 in Simferopol – the first such rally in twenty years of

Ukraine's independence – confirms this suggestion.

Moderate Islam has dominated in Crimea since the time of the Crimean Khanate and the Ottoman Empire, when it became firmly entrenched in the national culture and traditions. Every ethnic group had its own status respected by the government in the Crimean Khanate. Mosques stood next to Orthodox and Catholic churches, Jewish synagogues and Karaite kenesas. Until now, no religious wars have been recorded in the history of Crimea. Prior to any important political or military campaign, Crimean khans often burned candles in Christian churches. Medieval court records from Crimea show that a Christian woman would sue her Muslim brother, or a Muslim nephew would take his Christian uncle to court for heritage. This means that there were mixed families. This religious tolerance is a unique and valuable heritage of Crimean society. Testing it with clumsy unprofessional policy is a bad idea.

TIME BOMB

Meanwhile, the official government is being surprisingly tolerant of the efforts of obscure foreign religious and political organizations. Some foreign citizens of Islamic countries have launched religious campaigns in Crimea, interfering with the religious life of Crimean Tatars and preaching aggressive fundamentalist interpretations of Islam. Mustafa Dzhemilev, Refat Chubarov and other Mejlis leaders have tried many times to draw the attention of respective authorities and the government to these dangerous processes, but with little success.

For instance, Hizb ut-Tahrir, a political organization banned in some Muslim countries as extremist, is operating freely in Crimea. The Hizbs, as they are called by locals, support an Islamist revolution, the abolition of state borders and the establishment of a unified caliphate ruled by Islamic law.

If anyone were seriously concerned about this problem, they would have many opportunities to pose some tough questions to those struggling to dominate the minds and souls of Crimean Tatars. For instance, how can peoples that are completely different

in terms of language, culture and origin be unified into one Islamic nation? How can major branches of Islam, such as Sunni (including Crimean Tatars) and Shia, be united after many centuries of bloody confrontation?

Apparently, there is no one among those in power in Ukraine to ask these questions. Meanwhile, young Crimean Tatars are being indoctrinated with passionate speeches about the wondrous Caliphate where all problems will be solved and general welfare guaranteed. While the government remains inert, a hidden religious struggle is unfold-

MORE AND MORE CRIMEAN TATARS ARE REALIZING THAT THE CURRENT UKRAINIAN GOVERNMENT IS HOSTILE TOWARDS THEIR PEOPLE

ing in Crimea. Fundamentalist activists are trying to oust imams out of mosques as bearers of tolerant Islam. Even some reports of physical coercion have surfaced. The conflict between generations is intensifying as young people insist that the traditional tolerant Crimean version of Islam is "wrong" and propose more political versions instead. The Crimean Muftiat, spiritual leadership of Crimean Muslims, has recently requested that the Education and Science Ministry of Ukraine does not close down religious Muslim schools on the peninsula, which is in the interests of both Crimean Tatars and Ukraine overall.

A much better scenario for Ukraine is for Crimean Islamic clergy to be educated in Ukraine, within the religious and cultural traditions of Crimean Tatars, rather than in Pakistan or Egypt, which is likely to have other consequences. However, some may prefer the political version of Islam to spread over the peninsula, as it could later be used to disrupt Ukrainian statehood.

Crimea has potentially explosive political and socio-cultural "ammunition". Thus, ignoring the democratic and pro-Ukrainian Mejlis means planting a time bomb under Crimea and Ukraine. ■

Not Yet Quiet in Baghdad

Life in Iraq ten years after the overthrow of Saddam Hussein

The Iraq War is arguably among the most significant international events of the past decade, impacting the diplomatic landscape not only in the Middle East but the entire world. It involved multibillion-dollar defence spending that weakened the US economy, civilian casualties, and prisoner abuse scandals (including Abu Ghraib). The military campaign a decade ago had an impact on the lives of 30 million Iraqis, many of them initially welcoming the overthrow of Saddam Hussein, one of the most powerful contemporary authoritarian leaders.

Today, there is no shooting or kidnapping on the streets of the Iraqi capital. If it weren't for the

Author:
Natalia
Gumenyuk,
*Baghdad-Erbil-
Halabja-Kyiv*

military checkpoints every hundred metres and the fortified Green Zone in the downtown area that encircles government buildings and embassies, life in the city of seven million would appear common, almost vibrant.

However, neither security guards – a must for local politicians who are a primary terrorist target – nor the military, ubiquitous in the downtown area yet barely present in poorer districts, can safeguard average Iraqis from a terrorist attack. Meanwhile, the Iraqis have developed their own identification system: if a bomb is planted somewhere, the pro-Hussein Ba'athists are to blame; if a suicide bomber attacks, Al-Qaeda is the culprit.

LIBERATION OR OCCUPATION?

"Killings in terrorist attacks are very tricky. We've often seen family and friends rushing to help the injured, and the second bomb would go off," sighs Abu Fatma, Mohhammed's uncle. "Over these years, around sixty people have been killed in my block alone which is home to a thousand families. They were all neighbours whom I knew personally." Abu Fatma's unpretentious two-room home with a dovecote in the backyard sits in Sadr City – formerly Saddam City – one of the most populated districts. This Baghdad suburb is considered to be the outpost of Muqtadā al-Sadr, a radical Shia leader. From 2005 through

SADR CITY, one of the most populated districts in Baghdad and the heart of exhaustive fights until 2008





Going to work

2008, it had been the heart of an exhaustive fight against US troops and the Iraqi Army. White-haired Abu Fatma claims that Sadr City has its ill fame only because it was inhabited by the oppressed poor both under Saddam and now. "Good people live here. I could easily walk you around in the middle of the night," he comments. "Most of us are Shia Muslims, but Sunni families live next to us. The problems are between politicians, and because of Al-Qaeda for which no one is innocent." Abu Fatma's family lives on USD \$320 a month – the pensions of two 1980-1988 Persian Gulf War veterans in the family. "Back then, in 2003, we did welcome the Americans, looking forward to liberation from Saddam who oppressed the Shias. But the way the occupational government treated civilians was unexpected. So was the fact that the Iraqi government began to work for personal enrichment rather than for the people. Everyone betrayed us."

Virtually all of the Iraqis I met – whether the poor inhabitants of Sadr City or the Sunni in Al Anbar Governorate where anti-discrimination protests have been going on for three months now, or progressive young people or politicians – seem to miss the Saddam Hussein era. Still, regardless of their social status, religion or ethnic origin, they say the overthrow of the regime and the beginning of the campaign were very different from the later actions of the U.S. military.

"Any occupation is unacceptable. We agreed to help from co-

Iraq's per capita GDP (PPP) is USD
\$3,864
Source: World Bank

In 2012, Iraq was 169th in Transparency International's Corruption Perceptions Index
Source: Transparency International

alition forces, but then everything went wrong. The UN Security Council legitimized the US action in Iraq, and liberators turned into occupiers," says Laibid Abbawi, Chief Advisor and Deputy Minister of Foreign Affairs of Iraq. "Paul Bremer, the chief executive of the American occupational administration, did not know the region and set rules that provoked a slew of problems. The army and security service were disbanded. Hundreds of thousands of armed men ended up in the streets jobless. The process of removing mostly Sunni members of Ba'ath, the only party under Saddam, from the public domain ran counter to the idea of national reconciliation.

tion. Forced principles of governance have deepened and reinforced ethnic division. Unsurprisingly, people turned away from America," he says.

"I was 13 years old when the assault began," recalls Ali, a 23-year old Iraqi Culture Ministry employee. "As a teenager, I thought that Baghdad would turn into Los Angeles once Saddam was ousted. What did I know about the US? We had no cell phones, or Internet, or satellite TV. It was fun at first: we practiced our English with US troops, played football and chess with them. But everything changed after the Americans blew up the first civilian car. They started to behave like masters after Saddam was captured. The insult was painful."

WEAPONS OF MASS DESTRUCTION, CORRUPTION AND OIL

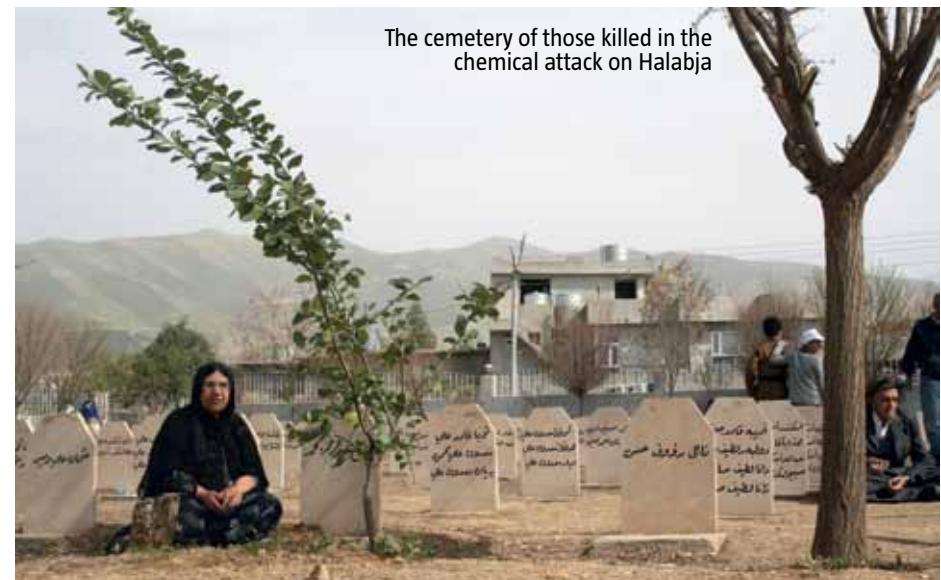
When we talk about the legitimacy of the military campaign, the locals mention that the weapons of mass destruction – the cause for the invasion – were never found, while the CIA intelligence reports George W. Bush referred to were incorrect. On the other hand, in Iraqi Kurdistan, they recall Halabja, a town on the Iranian border where Saddam Hussein used chemical weapons against local Kurds 25 years ago in spring 1988. It was the biggest gas attack in history, killing 5,000 people and injuring 20,000.



"I survived because the tobacco plant I worked at was in the suburbs," Amina Ahmad, 80, recalls. "All survivors fled to the mountains and Iran. People died inhaling gas fumes that smelled like apples." "Where was the international community? Where were the Arab leaders when Saddam was killing us – not just Kurds, but all Iraqis? International law is only remembered when someone can benefit from it," Halabja locals add. A no-fly zone was introduced over Iraqi Kurdistan after the war in 1990-1991 and Baghdad stopped controlling three autonomous provinces. This also meant no more state funding for them.

"True, I didn't go to school because there was none in this area when Saddam was in power. Now, life is better compared to the time when we had nothing and were absolutely poor," says Jamal, yet another Halabja local pointing at restored streets. Kurdish human rights advocate Husha'ar Salam Malow recalls his visit to Estonia and wonders why Estonians were so unhappy with the Soviet Union after it had built most local buildings and roads. Then, he says: "The current parliament building was built under Hussein but does it really matter after he killed people? When my father went to work, we said goodbye as if we wouldn't see each other again."

Today, Iraqi politicians can freely ask questions about discrimination by the once pro-government Sunni minority, concentration of power in the hands of Premier Nuri al-Maliki, torture in



prisons and police stations, impunity of law violators, the lack of guaranteed security, and rampant corruption.

According to international organizations, Iraq was one of the top ten most corrupt countries in the world. "Once, I was taking a local Al-Qaeda leader to hand him over to the Iraqi court," says a former Iraqi-born soldier who served in the US special forces. "He offered me USD \$40,000 for letting him escape, insisting that he would be released anyway. 'How much did you pay them?' I asked him when the terrorist called me three days later as he promised. He said he gave them USD \$10,000."

Meanwhile, Iraq owns some of the richest oil and gas deposits on

the planet. Iraqi Kurdistan, a home to 6.5 million or 17% of Iraq's population, sits on one of the richest oil deposits in the world, although these had barely been exploited before 2003 due to international sanctions. Now, oil giants like Exxon Mobile are transferring production northward and dropping contracts in the south despite Baghdad's disapproval because it has become too expensive to protect their facilities there. "Once, a Western country sent its Foreign Affairs Ministry delegation. The armed escort from the airport to the Green Zone (in Baghdad – Ed.) cost them USD \$7,500 for three hours," says Hemin Hawrami, member of the Kurdistan Democratic Party (headed by the autonomous governorate Prime Minister) in charge of international relations.

Iraqi Kurdistan offers oil companies convenient working conditions, including the right to compensation for the exploration of new fields. The prospect of finding oil is 70%. Overall, China is one of Iraq's biggest trade partners. The economic and cultural presence of the Far East is plain to see: cars on the streets are mostly Japanese and South Korean; the locals watch South Korean and Indian soap operas.

Despite the heavy imprint of the war and permanent threat of terrorist attacks, civilized life is gradually being revived in Iraq a decade after the overthrow of Saddam Hussein. There is still a long way to go, however, to stable peace. ■



Haven Sent

The effects of Cyprus on other tax havens



IN AN industry survey last year Cyprus was tipped to grow in importance as an offshore financial centre (OFC) by 2017, catching up with Bermuda and snapping at Jersey's heels. Now many wonder if it has any future as a tax haven.

The island's Russocentric banking model is badly fractured. Large depositors will doubtless look to move what's left of their money as soon as they can. It is hard to imagine banks attracting new foreign customers. This is bad news not only for lenders, but also for the dozens of Cypriot law firms and service providers that cater to the post-Soviet market.

Less clear is the likely impact on Cyprus's other offshore specialty: holding companies used as tax-avoidance conduits. Many Russians and east Europeans have used these for the "tax-efficient" shuffling of shareholdings and profits, making creative use of Cyprus's network of tax treaties and its non-taxation of dividend payments or capital gains (except on property). These vehicles are also used for "round-tripping": moving funds abroad and then back home disguised as foreign investment that is eligible for tax breaks. It remains to be seen if the reputational

damage from the banking crisis affects the holding-company business. The head of a large incorporation firm expects some clients to redomicile to Malta or somewhere offering the same benefits as Cyprus (EU access, tax treaties aplenty).

Nicholas Shaxson, a tax campaigner, argues that Cyprus is a classic example of the damage wrought when a small jurisdiction is captured by the finance industry: he is hopeful that the debacle will undermine other OFCs. But Jason Sharman, of Griffith University in Australia, points out that tax havens generally benefit from turmoil.

Greeks, for example, have become great customers for OFCs; presumably Cypriots will, too. Other places are already rolling out the welcome mat for Russian users of services in Cyprus. Banks in Switzerland, Singapore, Dubai, Latvia and Andorra are reportedly trying to poach clients, some even flying in representatives to woo them in person. "If there's instability in one holiday destination, people don't stop going on holiday. They just choose another island. It's the same with banking," says Mr Sharman.

Still, the Cypriot saga has highlighted broader problems. One is a disconnect between anti-money-laundering (AML) controls on paper and in practice. Cyprus scores better than Germany in an index produced by the Basel Institute on Governance (see chart), but that is almost certainly because it turns a blind eye to informal practices that circumvent the law. The Financial Action Task Force, which polices global AML standards, has started to pay as much attention to enforcement as to what's on the statute books.

Large countries may also use Cyprus as an excuse to accelerate recent moves, led by America, to force tax havens to exchange client information with other countries' tax authorities on an automatic basis. Andrew Morris, an offshore expert at the University of Alabama, thinks this could lead to a welter of rules that raise costs and reduce transactions in OFCs. If he is right, Russians will not be alone in bemoaning the island's implosion. ■

Who are you calling dodgy?

10=highest risk of money laundering/terrorist financing



Source: Basel AML index 2012

Offshore Leaks

The biggest ever leak of information about the offshore accounts of global companies reveal the dark side of the global economy. The lists also include Ukraine's richest oligarchs

Author:
Bohdan Tsiupyn, UK

Built almost entirely of glass, the seven-storied apartment building on Hyde Park Street in the heart of London, looks like an alien spaceship that has landed between historical, largely brick buildings. Average Earthmen almost never get to see the aliens, just like in Hollywood sci-fi movies, so they take incredible efforts to satisfy their curiosity and find out what creatures live there.

Reportedly, the invisible residents include the richest Ukrainian, Rinat Akhmetov, although the USD 215.9mn paid for the two apartments that were merged into one, did not come from the oligarch's personal accounts. His official company, System Capital Management (SCM), previously admitted to the purchase of the real estate, reporting it as part of its investment portfolio. According to the British registration act, the property belongs to Water Property Holdings LTD, an offshore company in the British Virgin Islands. In this, Akhmetov does not differ from most of the other owners of luxurious apartments at 1, Hyde Park.

76 of 80 apartments (86 in the original plan) were sold by January 2013. Only 12 apartments are registered to private individuals. Offshore companies with unfamiliar names own most of the other luxury apartments.

David Leigh, The Guardian's investigations executive editor, explains that there are at least two reasons why the residents of the most expensive apartments in

the world prefer to stay behind the scenes. One is very simple: buying real estate through offshore companies helps foreigners to avoid a slew of British taxes, although people this wealthy should be able to afford to spend a pretty penny on the right cause. The second reason is more serious: buyers in this category prefer to keep their business completely secret.

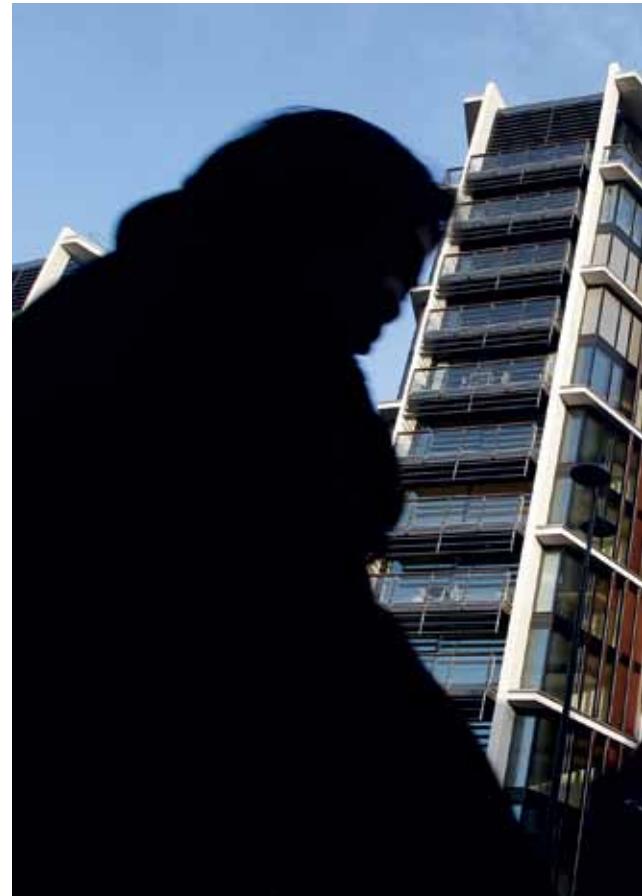
WHO IS SARAH PETRE-MEARS?

The Washington-based International Consortium of Investigative Journalists (ICIJ) offers the opportunity to peek into the mystic offshore world that has been revealed to be much bigger than outsiders previously thought. James Henry, former senior economist at McKinsey, believes that nearly USD 32 trillion is hidden in offshore zones. This exceeds the combined total GDPs of the USA and Japan.

This month, the ICIJ leaked another portion of data with the names of thousands of companies and hundreds of people hiding their assets in offshore companies. Ukrainian oligarch Dmytro Firtash, the owner of Group DF Limited registered in the British Virgin Islands, a holding company for his interests in energy, chemical and real estate, has landed on the list.

New Ukrainian names linked to offshore activity may surface in time: so far, over eighty journalists and ICIJ experts have processed only 20% of the 260 GB of data from an anonymous source.

David Leigh and other ICIJ members note that the very fact of a person's involvement in an offshore company or the owner-

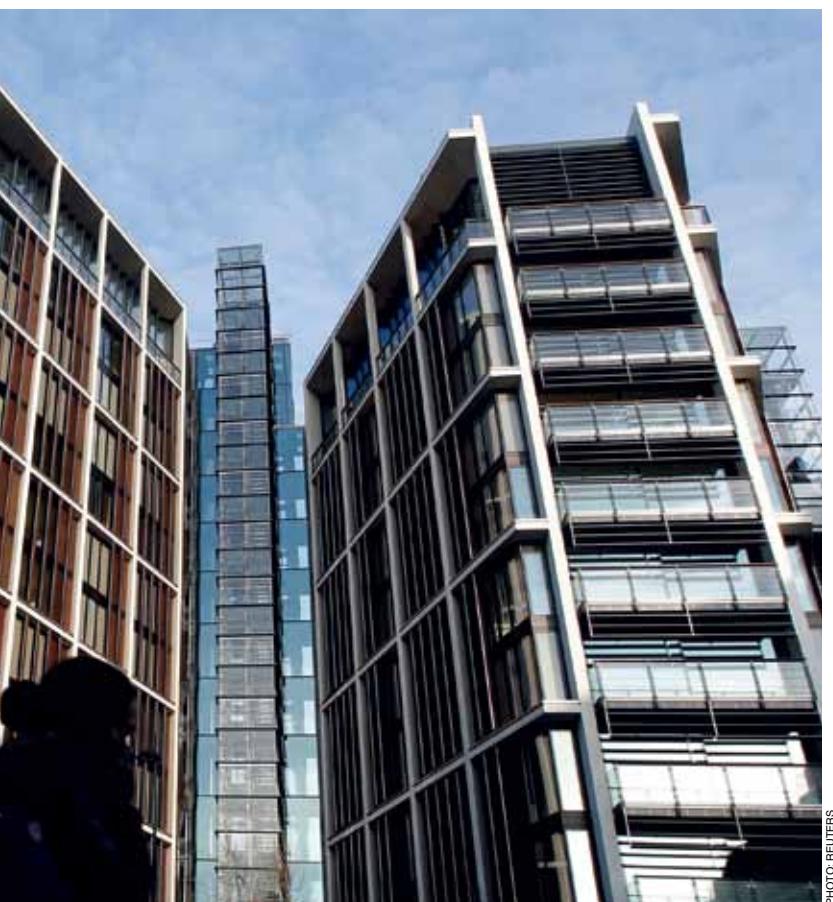


A SHELTER FOR TAX OPTIMIZERS:
The most expensive apartments at Hyde Park in London are owned by billionaires while registered with offshore companies

ship of accounts in tax havens "is not necessarily something bad". In most cases, they do everything according to the law. But the basic rule of offshore business for a certain category of clients is secrecy. The key question to people employing tax havens is why they do it? Why, and from whom do they hide their assets?

ICIJ's investigation found that the Greeks comprise one of the big groups of clients preferring offshore secrecy. Citizens of the now bankrupt EU member-state own at least 107 companies in the British Virgin Islands, ICIJ journalists claim. A comparison of this data with the records of tax authorities in Athens showed that only four have submitted tax declarations.

The long list of tax haven users disclosed so far includes the family of the Azerbaijani President: Ilham Aliyev and his wife Mehriban were listed as directors of Rosamund International Ltd (2003) registered in the British Virgin Islands; his daughter Arzu Aliyeva as director and stakeholder of Arbor Investments



Nearly USD
32 trillion
is hidden in the world's tax havens.
This exceeds the combined GDPs of the US and Japan



Ukrainian origin, presented her new book *Plutocrats. The Rise of the New Global Super-Rich* in London, she said that many oligarchs think they are unfairly deprived of what they should have. They complain that too many people envy them and do not appreciate the contribution of wealthy people to society. Yet, Freeland points at a difference between those who got rich by “inventing the iPhone” and those who built their business by convincing the government of their country to hand over a quarter of national oil exports to their control.

Offshore leaks confirm that many big money people rush to exploit the benefits of globalization and shuffle their money around in such a way as to hide from the taxpayers of the countries that made them rich. Politicians and top officials who with

ICIJ'S INVESTIGATIONS PEEK INTO THE SECRET OFFSHORE WORLD THAT TURNED OUT TO BE MUCH BIGGER THAN OUTSIDERS ENVISAGED

their entire families, become filthy rich without lifting a finger, deserve harsher criticism.

A global system, in which deft and sometimes light-fingered fraudsters can hide their money, will always raise suspicion, while governments will be under pressure to fill the loopholes.

Meanwhile, the building at Hyde Park remains standing like an alien spaceship, or a slice of the distant British Virgin Islands, in the heart of London. The residents clearly that their building has bulletproof windows, the best security guards, all mail is X-rayed before delivery and a number of apartments are equipped with cameras, in which residents can hide if the building comes under attack.

This alien slice has become a reality not only due to oil dollars from Arab countries – Sheikh Hamad bin Khalifa Al Thani from Qatar owns the most luxurious apartments on three floors – but also due to the money earned on asset-grabbing in post-Soviet countries, including Ukraine. ■

The international media received
2.5mn
files of electronic correspondence and other documents concerning over
120,000
companies registered in British Virgin Islands offshore zones and the citizens of over
170
countries. They deal with the financial shams of the past 30 years

(2008) also registered in the BVI; his other daughter, Leyla, is director and stakeholder at La-Bellza Holdings Ltd. (2008) and Harvard Management Ltd. (2008), both in the BVI.

Georgia's new Prime Minister Bidzina Ivanishvili, the wife of former Russian First Vice Premier Igor Shuvalov – Olga, Deputy Director of the Board of Gazprom and Putin's close ally Valeriy Golubev, and many others, have also made it onto the list.

The registration of shell companies and the trade in the names of nominal company directors is another massive and even more obscure branch of the offshore industry. An investigation by The Guardian found that 38-year old Sarah Petre-Mears was the head of a global network of over 1,200 firms. Her main responsibility was to sign their official documents from her remote island residence in the Caribbean. Hiding behind her name, anyone can do business – even people with a criminal past who have been banned from conducting any fi-

nancial activity. Shell companies with virtual offices and nominal directors have also stolen some of the spotlight in Ukraine. One was the obscure public tender to purchase ridiculously overpriced oil rigs known as “Boyko platforms” in 2010.

Gerard Ryle, Director of the ICIJ's headquarters staff in Washington, suggested in a recent interview that “...Britain and the US do not want to close offshore zones because a lot of money comes to the UK through them. Most are former British colonies. So, all that money goes to the City; it doesn't stay in the Virgin Islands or Singapore.”

Critics of offshore zones like the British Virgin Islands, where business owners, politicians and people with questionable reputations and covert businesses hide their affairs, point out that a real struggle against this can only be successful if it is launched in London.

NEW PLUTOCRACY

When Chrystia Freeland, a Canadian-American journalist of

Investment Ultimatum

In the early 2013, the European Bank for Reconstruction and Development (EBRD), one of Ukraine's major lenders put forth an investment ultimatum of sorts: it requires Ukraine to improve its business environment. Otherwise, EBRD will reduce the amount of lending – currently over EUR1bn annually. Earlier, EBRD considered investing into the upgrade of Ukrainian gas transit system hoping to sign the relevant agreement this year. This stance describes the relations between the government and foreign investors. Massive corruption and the lack of proper response to their problems oust them out of the country.

According to recent news, Sevki Acuner will take over as EBRD's Director for

Interviewer:
**Marharyta
Ormotsadze**

Ukraine on June 1 from André Küüsvek, Director since 2008 who will be promoted to Director for Local Currency and Capital Development. In his interview for *The Ukrainian Week*, Mr. Küüsvek talks about the main factors that make investors leave Ukraine and investment proposals to the current government which, if ignored, may force the EBRD to reduce lending.

UW.: Last year, almost all FDI growth in Ukraine came from Cyprus. Why are investors leaving Ukraine? Was it the crisis in the world or the investment climate aggravated by the government policies?

Investment climate depends on many criteria,



including the country's potential, macroeconomic and financial stability, and day-to-day operations. Ukraine has the potential: it's a big country with good opportunities in, say, steel industry and agriculture. But it lacks macroeconomic stability which puts it in an unfavourable position compared to many other countries of similar size or potential. Ukraine went up 9 points in the World Bank's Doing Business 2012, but still remains in the league of African and Asian countries. The fact that it did a little better was mostly thanks to the reforms implemented in 2011. 2012 was a lost year. I would be surprised if Ukraine went up on the 2013 rating. Bureaucracy and pressure on business and entrepreneurs, corruption and complex laws do not encourage people to come and do business here. Last year, investment environment was bad enough to persuade the EBRD invest into just one project in Ukraine. It was a USD 10mn investment into UBC Promo, a Kharkiv-based producer of promotion and advertising materials. Just think about it! Ukraine has 45 million people, massive economy and huge territory. Yet, the number of investors willing to bring their money here is plummeting. Growing corruption is one of the reasons.

UW.: During his recent visit to Ukraine, EBRD President Suma Chakrabarti warned that EBRD might reduce lending for Ukraine unless its business climate improves and mentioned a number of recommendations. Has the government taken them into account? Has anything changed ever since?

We are in the process of negotiations on this with the relevant ministries, authorities and non-government institutions. Hopefully, we will have some results to share at the Council of Domestic and Foreign Investors under the President in mid-June.

UW.: What is the purpose of the business ombudsman institution in Ukraine initiated by the EBRD, among others?

We believe it will be helpful to businesses, and even executive branches, the state, because it provides a consolidated platform for

handling problems of individual companies and make the whole economy more transparent. Such functions are already in place in a number of countries, including Russia, South Africa, Australia and others. Hopefully, such institution in Ukraine will help enhance its investment climate and increase private investor confidence in it. We have been discussing this with a global expert who is the President of the Basel Governance Institute. He is coming to Ukraine in April to advise the Ukrainian authorities and business community, as well as international financial institutions on how to set this up. Based on his fact finding mission, he will propose a model to set up the business ombudsman function and specific actions to fight corruption and prepare to sign the anticorruption memorandum. We expect the business ombudsman function to be set up and start working in 2014. And we hope to put the memorandum setting the principles for it with the Ukrainian government by summer.

UW.: What determines the EBRD's investment into Ukraine this year?

It depends on macroeconomic stability first of all. But take my forecast as a speculation, not a promise. We can continue investing at the level of the past four years. i.e. EUR 1bn or more, provided that macroeconomic factors are favourable. If we fail to reach a consensus on anticorruption efforts and other initiatives the EBRD recommended to the Ukrainian authorities, and macroeconomic situation does not improve, the amount of investment will be questionable. The signing of the IMF Stand-By Arrangement with Kyiv will be another important external factor that can revive investor interest in Ukraine. This may boost the EBRD's lending to the private sector.

UW.: At what stage is the New Safe Confinement project for Chornobyl now? It is one of the EBRD's biggest projects in Ukraine...

In November last year, we started jacking the Arch, the core element of the confinement. It's one of the projects that will keep

us interested in Ukraine despite unfavourable investment conditions. The EBRD administers donor funding for the Chornobyl Shelter Fund and Nuclear Safety Account, and acts as donor itself. The funding is provided as grants. The EBRD is one of the major donors for these projects, contributing the total of over EUR 325mn.

UW.: Why is long-term lending not developing in Ukraine? What solutions do you see to this problem?

We believe that pillar two of the pension reform, i.e. mandatory accumulation system, should be implemented in 2014. It will allow people to accumulate their funds on private accounts and may facilitate the development of long-term lending in Ukraine. Kazakhstan, for instance, was the first former Soviet Union country to start a pension reform in 1998. Today, its pension funds hold the equivalent of around USD 25bn. This is the long-term resources the country's financial system can rely on.

UW.: The EBRD has virtually stopped microloans to SMEs in Ukraine. Why have these projects been hampered in the past years?

Our lending programmes for businesses went as credit lines through commercial banks. Ukrainian banks lent money out to Ukrainian SMEs. In 2009, the NBU essentially banned lending in foreign currency to unhedged borrowers, and most SMEs are unhedged. One reason for the lack of long-term lending resources on the market is the fact that institutions like ours cannot provide it in the local currency. Thus, we have unfortunately been doing less microlending in Ukraine over the past four years compared to the pre-2008 levels.

UW.: The EBRD has been waiting to get the right to lend in the local currency from the Cabinet of Ministers for a few years now. Is the decision being backpedalled by the Ukrainian side?

I don't think there are specific entities that oppose the idea of allowing the EBRD lend in hryvnia. Lending in the local currency is our common practice in 16 countries, and we have been issuing national currency-denominated

loans in many states, such as Russia, Poland, Turkey, Georgia, Armenia, Azerbaijan and more. That is provided that their central banks allow us to operate accounts in the local currency freely. This has not been possible in Ukraine so far. The EBRD President visited Ukraine in February. We had meetings with the President and Premier, and highlighted the prospect of lending in the local currency and issuing hryvnia-denominated bonds as some of the key priorities in Ukraine.

UW.: How do you assess the NBU's monetary policy?

Different times require different policies. Surely, there have been reasons to keep the exchange rate steady in the past. But our view is that Ukraine would do better in the long run with a more relaxed monetary policy, floating exchange rate and inflation targeting. We believe Ukraine would benefit from relaxing exchange rate control in the long-term prospect.

BUREAUCRACY AND PRESSURE ON BUSINESS AND ENTREPRENEURS, CORRUPTION AND COMPLEX LAWS DO NOT ENCOURAGE PEOPLE TO COME AND DO BUSINESS HERE

UW.: The EBRD has downgraded its economic predictions for Ukraine for 2013. You expect its GDP growth at less than 1%. What was this based on?

This comes from the steep slowdown of industrial production growth in Q4'2012, hampering of reforms, including those on gas or the division of NAK NaftoGaz Ukraine into different companies, among others. Energy reform in Ukraine depends on the choice between the association with the EU and joining the Customs Union – and it has not been made yet.

In addition to that, the worsening of the global financial markets, mostly euro zone, has an impact. As an export-dependent country, Ukraine has its main trade partners that buy its goods in Europe. Obviously, the slowdown in Europe echoed in Ukraine. ■

Mission Unaccomplished

Many circumstances have contributed to transnational corporations failing to become the driving forces of Ukraine's economy. How could this change?



The *Ukrainian Week* continues its series of panel discussions with politicians and experts. The first two focused on the oligarch-controlled economy and Ukraine's monetary security. Participants in the latest one, including representatives of big business associations, shared their opinions on trans-

national companies, what should be done to encourage transnational companies to bring innovations to the markets and develop manufacturing for domestic consumers and exports. Today, most transnational companies operating in Ukraine predominantly import finished goods, export raw materials, and provide financial and intermediary services. They do not create any additional value for the country. Some attempt to monopolize certain markets to earn windfall profits. Some, such as Gazprom, then exploit them for geopolitical purposes. Needless to say, this does not contribute to the development of the national economy.

PROS

Yaroslav Voitko of the US Chamber of Commerce noted justly that large transnational corporations (TNCs) now generate most FDI into Ukraine, 80% of which was generated by US Chamber of Commerce members alone. The latter have also created over 1mn jobs of the total 10mn, a number that includes a large portion of public sector employees, funded by taxpayers. Volodymyr Lanovyi, President of the Centre for Market Reforms, says that the mass arrival of TNCs in Ukraine, an underdeveloped country with a cheap labour force, would have a positive impact on its economy at this point. It would enhance business culture by bringing in international standards, creating many new jobs for the 7-8mn currently unemployed Ukrainians, and relocate the manufacturing of some goods that are currently imported, to Ukraine, thus decreasing the BoP and budget deficit. Svitlana Mykhailovska from the

European Business Association (EBA) claims that 11 of the top 20 tax payers in Ukraine are foreign TNCs. ArcelorMittal is the leader, although Rinat Akhmetov's steelworks holding is No. 1 in terms of output. Mykhailovska also says that TNCs facilitate the rapid development of export-oriented software production in Ukraine. Ildar Gazizullin, Senior Economic Analyst at the International Centre for Policy Studies (ICPS), notes that TNCs invest in human resource development and for the most part, pay official wages, thus contributing to the career growth of the very best employees, unlike many Ukrainian companies, especially state-owned ones, where promotion often depends on bribes. Still, Yaroslav Voitko says that the Ukrainian government is not interested in the problems of corporate social responsibility and has no incentives or requirements for it.

UNDISCOVERED POTENTIAL

However, TNCs in Ukraine are still not playing the positive role they could play. "The question is who needs whom more. Global corporations are already operating in Russia and Poland; there are quite a few in Georgia; but few in Ukraine," says Sven Henninger, Board Member at the German Economic Club in Ukraine. Svitlana Mykhailovska illustrates this with the fact that less than 1% of all TNCs in the world operate in Ukraine – this is only several hundred companies, while neighbouring countries, even tiny Moldova, have thousands.

According to Ildar Gazizullin, for the most part, TNC's activities in Ukraine are directed towards the domestic market, selling im-

ported goods or producing (significantly less so – Ed.) goods for the Ukrainian market. Very few of them are involved in export-oriented production. Volodymyr Lanovyi explains that this is because TNCs view Ukraine as a third-world country, not exacting about quality and with low consumer demand. He also criticizes the sale of existing enterprises to TNCs because this does not create new production facilities, thus it has little effect on the country's economic development. In his opinion, efforts should be made to encourage TNCs to establish new production facilities in Ukraine.

TNCs vs OLIGARCHS

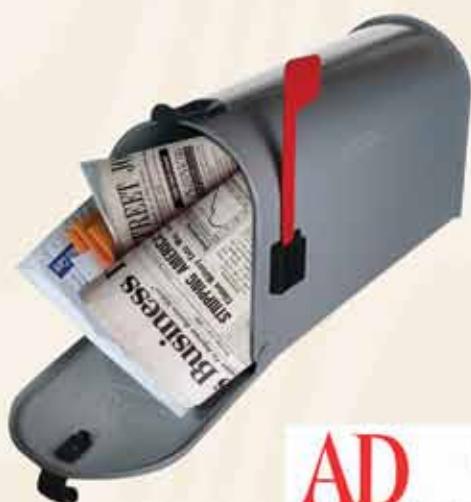
Experts do not agree on the potential impact of TNCs on the oligarch-controlled economy. Sven Henniger believes that TNCs will change the local business culture and environment because they have a long-term strategy, play by the rules and pay their taxes in full. According to Svitlana Mykhailovska, TNCs pose a big challenge to domestic (predominantly oligarch-owned – Ed.) business because they increase competition and promote higher stan-

dards. She mentions the lobbying of legislation to enhance fuel quality standard to Euro 4 and Euro 5 by the TNCs that are in the EBA's fuel and energy committee as an example. However, there is great resistance from the Ukrainian companies dominating the market, which are reluctant or unable to adjust their production to meet the higher criteria. Even Svoboda's Yuriy Levchenko who expressed the most criticism on TNCs as entities willing to maximize their profits at any cost – even if the host country suffers, admits that the transnational corporations currently operating in Ukraine are definitely better than the existing oligarch conglomerates.

Expert opinions vary on the prospects for new TNCs to enter Ukraine under the current government and their ability to change the oligarchic nature of the local economy. According to Mykhailo Honchar, Energy Programme Director at the NOMOS think-tank, Ukrainian oligarchs will face inevitable defeat if face with competition from transnational capital. This does ▶



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not mean, however, that oligarchic structures will automatically disappear once TNCs enter the market – they will adapt to the new environment in order to survive. Ildar Gazizullin gives a telling example: ArcelorMittal has introduced relatively high corporate standards in the Ukrainian steelwork industry, but still failed to break the domination of several domestic financial and industrial groups in the sector.

Seeing clear rival threats to their businesses, influential oligarchs make every effort to prevent or restrict TNCs from entering most sectors of Ukraine's economy. According to Volodymyr Lanovyi, normal TNCs are not possible in a country with an oligarch-controlled economy and capitalism, because oligarchs simply do not let anyone in, hold back licenses and so on. Existing TNCs entered the market before the Yanukovych regime came to power. Yaroslav Voitko sees this as "economic nationalism" (or "Family isolationism" – Ed.) of sorts, restricting access to the Ukrainian market for both Western and Russian companies.

Yuriy Levchenko notes that the oligarchs will let in some TNCs, but only those that will pay kickbacks for entrance and stay away from their business. The industries where TNCs do not cause them trouble include many import-dependent markets. Still, the arrival of TNCs under the current government will contribute to the preservation of the status quo. They will adjust to the existing system and cooperate with financial and industrial groups without competing with oligarchs because they realize that they will be immediately ousted if they do. This blurs the clear line between TNCs and Ukrainian oligarch-controlled financial and industrial groups.

THE DANGER POSED BY TNCs
The key motivation of any TNC, just like any other business, is to gain maximum profits, says Ildar Gazizullin. If entering a country with a cheap labour force or weak environmental regulations allows them to earn more, transnational corporations will definitely take a chance. Ukrainian labour and environmental laws

can be effective, but state institutions are relatively weak. In a situation like this, TNCs, as well as any other big companies, can press the government to establish conditions that will harm society. Therefore, rules should be created to force the TNC's compliance with their social or tax liabilities before "opening the door" for them, says Yurii

Levchenko, and this requires a change of government.

European integration and the implementation of European legislation in Ukraine should play a crucial role in the process as well. Mykhailo Honchar claims that Ukraine has paid a price for its "multivector" policy as TNCs now use ambiguities in legislation to their benefit. In his opinion, implementing European legislation is a better way because many



ACCESS TO THE UKRAINIAN MARKET SHOULD BE RESTRICTED FOR TNCs WHOSE KEY GOAL IS TO EXPLOIT NATURAL AND FARMING RESOURCES

TNCs are already familiar with it, while Ildar Gazizullin suggests delegating some antimonopoly control functions to European entities.

Another important aspect is the restriction of access to the domestic market for authoritarian countries that use outdated tech-

EXPERT OPINION



Ildar Gazizullin, Senior Economic Analyst at ICPS

Ukraine's economy cannot escape the influence of TNCs but the government can regulate their presence. Ukraine already has some global and regional corporations, such as KPMG, Cersanit, Ciklum and GfK, but the role of TNCs in its economy should not be exaggerated. Mostly oriented at selling imported goods or producing goods, largely for the domestic market, very few TNCs have entered the Ukrainian market to produce export-oriented goods. Neighbouring countries offer better production terms, thanks to a more favourable business environment. The flawed local business environment weakens the competitiveness of the domestic business and prevents many TNCs from locating production facilities in Ukraine. Still, their presence offers many benefits. TNCs import effective production technologies, which ensure good quality and affordable consumer goods and services produced domestically according to modern standards.



nologies, such as China or Russia, which unlike TNCs founded by innovation-oriented managers, tend to pose a threat. Volodymyr Lanovyi points out the risks from corporations that prefer to benefit from leasing or monopolist privileges. Russian oil companies and Gazprom are an example of this in the energy sector. Gazprom is open about its intent to gain a monopoly over the gas transit system, oil companies seek control over oil refineries and retail networks to subsequently manipulate prices and terms of supply. These companies generally depress the production of goods similar to theirs in Ukraine in order to make domestic markets more dependent on them and expand the market for their own goods. In practice, Russian oil monopolies bought oil refineries in Ukraine only to shut down their operation. They strive to join gas extraction projects to hamper them. Other Russian companies, such as RUSAL, an aluminum giant, bought Zaporizhia Aluminum Plant just to remove

its Ukrainian competitor from the market. Mykhailo Honchar notes that the government should be cautious with the New Seven Sisters-type companies in the energy sector. These are powerful corporations based on state capital or funded by state banks, i.e. Gazprom, Rosneft, China National Petroleum Corporation, Petrobras ... Experts also say that in the future, access to the Ukrainian market should be restricted

THE CURRENT REGIME WILL ONLY ALLOW THOSE TNCs INTO UKRAINE, THAT WILL PAY KICKBACKS AND STAY AWAY FROM THE OLIGarchs' BUSINESS

for TNCs whose key goal is to exploit natural and farming resources, a strategy that Chinese state corporations are now pursuing in Africa. Their arrival does not create new jobs or added value, does not increase GDP, improve the balance of trade or enhance competition. ■

They can also have an impact on the country's legislation. As big companies, such as Shell and Chevron, enter Ukraine's strategic energy sector, authorities should introduce tools to protect the country's interests. European environmental directives (environmental assessment, for instance) and energy market rules (the Third Energy Package) could serve as such tools. In the future, Kyiv could delegate some antimonopoly supervision functions to a supranational European authority.

**Mykhailo Honchar,
Energy Programme
Director
at the NOMOS
think-tank**

We already feel that we have paid a price for our "multivector" policy. Having failed to focus on the implementation of European legislation in a timely manner, we will now have more problems because serious TNCs will definitely use ambiguities in the law to their benefit, regardless of the industry they operate in. Business is cynical and prag-

matic: maximum income is the key goal, and if this can be achieved in a transparent and compliant enough manner, without formally violating legislation, this is how it will be done. Therefore, the arrival of big companies to Ukraine should push it to the acceleration of European integration. To do so, however, the government has to become aware of its statist mission and the fact that it does not need a corrupt apparatus of officials, used to gaining wealth under the table. Other useful aspects in this context include public discussions and parliamentary hearings to establish some limits on the expansion of TNCs in Ukraine. There is no need to invent a bicycle for that. All we need is to implement European legislation because many corporations, including Shell, are already familiar with it. Expecting many TNCs to behave like pirates is probably a mistake, because they are accustomed to operating in a certain legal framework. Stable rules of the game are what will matter. However, this concerns typical Anglo-Saxon Western-type TNCs where private capital dominates. Chinese-type companies, such as the New Seven Sisters, based on state capital or funded by state banks, are quite different and should be treated with caution.



**Sven Henniger,
Board Member of
the German Eco-
nomic Club in
Ukraine**

Clearly, many TNCs are interested in coming to the Ukrainian market with its 45 million potential consumers. In choosing a country to enter, TNCs are guided by potential income rather than the intent to bring good quality products and services to the local citizens. The question is, however, who needs whom: do TNCs need Ukraine or does Ukraine need TNCs? Global corporations are already operating in Russia, Poland and Georgia, but there are only a few in Ukraine. Based on my conversations with representatives of foreign, especially German and Austrian companies, I can say that all of them will be here as soon as positive changes are made to the rules on the Ukrainian market. Personally, I believe that they are necessary. They will enhance the local business culture and entrepreneurship because their entry onto the market is accompanied by long-term strategies. The fact that they play by the rules is very important. And most of them pay all taxes. The key issue now is to create relevant legislation and its subsequent enforcement.

Speak to Me

A social movement organized through Facebook encourages businesses to respect Ukrainian-speaking consumers and use Ukrainian when they operate in Ukraine

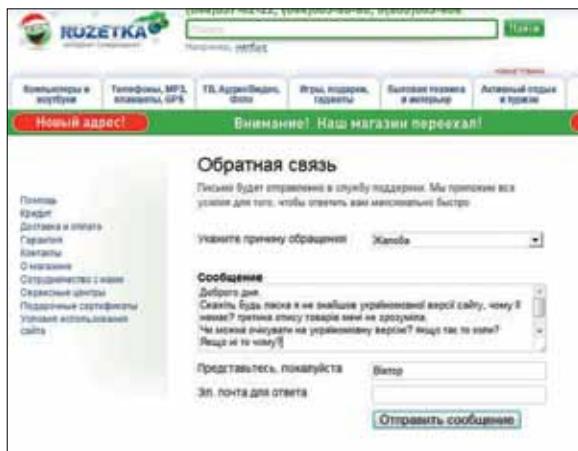
Author:
Maria
Zaslavska

Lviv resident Sviatoslav Litynsky has sued Samsung Electronics over the fact that its washing machine does not have labels in Ukrainian. He bought a Samsung washer from an online retailer. When it arrived, he saw that the labels on the control panel were only in Russian. He

corporation, Roshen had replaced Ukrainian-language labels on its packaged sweets with Russian ones, citing economic concerns: it exported its products to the Russian Federation, so why not use a language understandable in both countries. However, Russian-language labels triggered a storm of

BOYCOTTING AS A COUNTERMEASURE

"I have been ignoring products without Ukrainian-language labels as well as restaurants without a Ukrainian-language menu for nearly three years now," says Dmytro Dyvnych, a private Kyiv-based entrepreneur. He is an activist of



FEEDBACK:
Activists email companies requesting them to respect the rights of Ukrainian-speaking consumers. Many accept the demands eventually

sent the washer back to the store and sued Samsung for UAH 105. "I spent five hryvnias on the trip to return my purchase, and the remaining 100 hryvnias is moral damages. The very fact that they violate legislation and don't make labels in Ukrainian should prompt the public to take a closer look at how international brands and corporations treat the Ukrainian language," Litynsky says. The trial is scheduled for March and is set to become a precedent that will force businesses to give the matter some thought.

Litynsky's lawsuit is a vivid example of what ordinary Ukrainians are doing to defend their linguistic rights. Another effective method is voting with the hryvnia, and it is being practiced by many citizens. For example, in autumn 2012, a victory was scored over the Roshen

outrage in social networks and an information campaign against Roshen. In November 2012, Ukrainian-language labelling was partly restored.

Another example is the language of service in restaurants, cafés, and eateries. In January 2013, the Tanuki restaurant came under scorching criticism: its waiters spoke only Russian, which triggered a scandal of nearly international dimensions. Members of the "Don't Be Indifferent" movement raised alarm after the staff of a Tanuki restaurant rudely refused to speak Ukrainian to a female client. The Internet community urged for a boycott of the restaurant. In late February, a reporter for *The Ukrainian Week* went to Tanuki and found that despite the menu still being only in Russian, the waiter spoke Ukrainian as he accepted the order.



the "They'll Get it Anyway!" movement on Facebook which will soon be marking its first anniversary. Its members send appeals, letters and complaints demanding that businesses respect the interests of Ukrainian-language consumers and use Ukrainian when they operate in Ukraine.

In addition to restaurant service and product labelling, other problematic areas are the Internet and software. "My observations show that Ukrainian is most often ignored in retail chains, Internet businesses and delivery services. None of the dranks represented in Ukraine whose products involve the use of software can be considered fully oriented towards Ukrainian consumers," Dyvnych says. Most software companies whose products are present on the Ukrainian market have Ukrainian-lan-

guage versions. However, Ukrainian is often not available on electronic gadgets, even if they have officially registered IMEI numbers. For example, Kyiv resident Andriy Svitly bought an HTC desire X but decided not to keep it because the smartphone did not have Ukrainian as one of its supported languages. The Internet store where the purchase had been made agreed to take it back or replace with another smartphone. When Andriy called the Ukrainian office of HTC, he was told that the language package of this model did not include Ukrainian and advised him to try and tinker with the gadget himself. The official explanations of IT businesses boiled down to the claim that they did not have the ability to dynamically introduce Ukrainian in all models or on websites.



group that sells its cars in Ukraine target the entire Russian-speaking space? Its cars will not, in any case, be purchased in Belarus or Tatarstan because these countries have their own offices for the same brand!" Matys offers businesses an argument that debunks the myth about Ukrainian-language marketing being inefficient: "The most money is spent on TV commercials. When I ask why spend so much on supposedly inefficient Ukrainian-language commercials, I usually draw a blank."

However, after the so-called law on languages was passed, the situation changed for the worse. Article 26 of the law specifies that "advertisement statements, messages or other forms of audio and visual advertisement products are executed in the state language or in another language of the advertiser's choice."



Moreover, many corporations lack Ukrainian-language versions of their websites or communicate in Russian online. The blacklist of the "They'll Get it Anyway!" movement has a category entitled "Facebook page not in Ukrainian" which includes around 90 international and Ukrainian companies many of which are notable brands that have been on the Ukrainian market for a long time. These include, among others, ASUS Ukraine, Becherovka Ukraine, Brocard, Chrysler Ukraine, Dove Ukraine, Honda Ukraine, JEEP Ukraine, KIA.UA, Lancome Ukraine, Levi's Ukraine, Mercedes-Benz Ukraine and Nokia UA. According to activists, some business representatives have reacted positively. For example, about 20 of them (FIAT Ukraine, Toyota Ukraine, Hyundai Ukraine, Philips UA, PocketBook and oth-

ers) have accepted the demands. The category of companies that do not have a Ukrainian version of their websites also includes dozens of businesses, such as the Rozetka online appliance store, the Foxtrot chain, Sportlife, Oriflame, Faberlic, Citroën, Semki and Air France. Members of social movements who engage in active correspondence with these enterprises note that some of them have promised to fix things by the end of the year, while others flatly refuse to introduce Ukrainian in their online resources. Tellingly, a Hewlett Packard representative replied that the company was not planning to open a Ukrainian-language version of its website and cited the fact that Russian had been raised to the status of a regional language. Outraged consumers launched a protest on Facebook, urging others to boycott

HP products, and were finally heard by the company, which promised to take their position into account.

ECONOMIC ARGUMENTS

Marketing expert Roman Matys, who founded the "They'll Get it Anyway!" movement, believes that most brands represented in Ukraine have Russian-language website start pages because of a stereotype: "For some reason, businesses doubt the purchasing power of Ukrainian-language consumers. Moreover, market specialists assure that the website of a brand which operates in Ukraine will be readable in the entire territory where Russian is used. This evidently has an effect on decision makers, so marketing budgets are being spent inefficiently. If you look at it through the eyes of a consumer, why would an auto

PAY ATTENTION.
On its Internet page, the "They'll Get it Anyway!" movement posts visual proof of the rights of Ukrainian-speaking consumers being violated

"Unfortunately, this law prompts [advertisers] to turn a blind eye to the language of advertisement and install billboards with Russian texts. Therefore, this situation leaves only one way to influence players who ignore language – refuse to buy their products that are not labelled in Ukrainian," Artem Zeleny, CEO of GreenPR, says.

Representatives of the "They'll Get it Anyway!" movement have tried to calculate the effect of consumer protection of the Ukrainian language. According to Matys' estimates, brands that ignore Ukrainian-speaking consumers are losing up to five per cent of their sales volumes even now. "When this level rises to 30%, many businesses will begin to pay attention to the interests of people who want to live in a Ukrainian-language environment," he sums up. ■

Wikipedia as a School Project

Oleksandr Zheliba, lecturer at Nizhyn University in Chernihiv Oblast, encourages his students to write Wikipedia articles instead of reports and projects

Based on March 2013 results, the popularity of Ukrainian Wikipedia grew the fastest out of all biggest Wikipedias in the world, says Yuri Perohanych, Executive Director at the Association of IT Companies in Ukraine and Wikimedia Ukraine. It is currently 14th by the number of articles. And it hit another record in March getting to place 18 out of 285 Wikipedias in different languages by the number of pages viewed.

Author:
Liubomyr Krupnytsky

University curricula demand that students be given creative individual assignments. These largely take the form of "reports" which students often copy from their predecessors or download from the Internet. Assistant Professor Oleksandr Zheliba of the Mykola Hohol Nizhyn State University does not forbid his students from writing reports but offers them an alternative: for the third year now, students can create (or edit) articles in Wikipedia. In addition to the obvious advantages for the Ukrainian-language segment of this online reference resource, this approach has other benefits. Young people develop a better understanding of the topics they are working on and also acquire technical skills. Most importantly though, it changes their attitude towards studies, because the results of their work are not just seen by their professor, but also by thousands of online users.

U.W.: Your experience forces a person to look at Wikipedia from a different perspective – it transforms from a source of information

into a teaching tool. What led you to this idea?

About eight years ago, the Ministry of Education introduced a mandatory course in modern information technology. This course is taken by fifth-year students at every higher education institution. Specialists specifically came to our university with a training programme for teachers. Among other things, it included tasks that would teach students to implement the results of their work in the form of presentations, web-sites and booklets. I liked the idea, but when I started working with students, most of them fell short of the necessary standard. I also taught history and needed to search for a lot of professional information, finding it in large amounts in Wikipedia. When I saw that something was incorrect, I submitted my corrections. This is when I thought of involving students in this type of activity. So I suggested that they edit Wikipedia as an alternative to doing projects. If they edited Wikipedia articles, they, no doubt, learned to search, select, save and sort information.

U.W.: How does this method differ from others that are usually used by high school and university teachers? What are its advantages?

At a meeting of graduates in my high school, I came across an album displayed on a stand in the literature room. It contained essays that we wrote as pupils. I was so happy that they had been preserved. How else can you show a young person that his or her work is important? Following the established methods of teaching, if you give a task to a pupil (for example, making a knight out of plasticine), you have to put it



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on display for everyone to see so that the child can also see the results of his/her work and is encouraged to continue to work diligently. In Wikipedia, everything is in front of the teacher, who can check the work done by a student. Let's see, the article was edited by someone: it used to look like this and these are the changes after editing. You can see the progress: what was done, who did the work, on what days and even at what time. In other words,



PHOTO: AMAKHAI/WIKIMEDIA COMMONS

Wikipedia permits the monitoring of both the process and the end result. Another benefit is that this is not the writing of reports "for the desk drawer". In some cases, they become the starting point for term papers, but for the most part, they gather dust somewhere on, in or under the teacher's desk.

U.W.: I guess that everyone knows the value of a student's report these days..

It is really unfortunate that all of this information (no matter how it is written) goes down the drain. This does not only pertain to reports. There was a period at our university, when students made presentations on a certain topic. But what were these presentations in reality? They took pieces of information from Wikipedia and other sources... It was not clear who the real author was. So the benefit was dubious. One pedagogical rule says: for a person to have the desire to work, he/she needs to see the point of it. It is important for everyone to understand that the result of their work can be useful to someone and that their efforts have not been in vain. Another advantage is a better understanding of the substance of the material. Confucius once said: "I hear and I forget; I see and I remember; I do and I understand".

U.W.: How do students react to your innovation?

It depends. There were those who simply wanted to get the highest grade with a minimum amount of work, but they soon got drawn into it. A student created an article; I made a few comments and suggested revising some things. Later, I saw that he was more eager to write the next article and made fewer mistakes. Then he tackled another article. Students work on reports in their freshman year. They have archive and regional ethnology practical work – these are essentially tiny research projects, and their results are quite suitable for publication in Wikipedia. In my opinion, this is much more efficient than having this information gather dust until it is eventually sent to an archive or thrown out as scrap paper. Many questions arise during the process. A little two-part handbook would be good to have. One part would contain the rules for editing Wikipedia articles and a collection of templates needed for a certain branch of knowledge. The second part would offer tips on writing articles on history or other subjects.

U.W.: When students work on Wikipedia articles to fulfil a teacher's task, doesn't it contradict the spirit of this electronic encyclopedia, which is created on a completely voluntary basis?

Not at all. Each student chooses his/her own form of work and his/her own area in laboratory classes.

If students can write excellent articles for Wikipedia, let them continue to hone this skill. But if it is not their cup of tea, then they shouldn't tackle it. There are other options. In the first year of studies, history students are taught specialized disciplines. One of the tasks includes drawing their family tree. Some do it and forget about it, while others dig deeper. If in their freshman year, students realize that this is something interesting and become "hooked" on this work, they could then suggest to the teacher that they would like to edit this segment of Wikipedia, which will be counted as their individual work

U.W.: How did the university administration react to your initiative? Are any of your colleagues following your example?

Types of individual work are proposed by a teacher, and are simply approved at staff meetings. As far as the attitude of the administration is concerned, there is no objection, just understanding. I know for a fact that there are teachers who edit Wikipedia articles themselves, but it is hard for me to say whether they propose this kind of work to their students. Many come to this idea on their own. Some of my colleagues may want to work along these lines, but are afraid to admit that they lack competence in something. Not only before their students but also before each other. The above-mentioned handbook on editing Wikipedia is not as important for students, as it is for teachers.

U.W.: In this case, the community is more virtual than real. Does this type of work give a sense of community?

To some, it may be their first experience of unpaid public work that nevertheless, brought satisfaction. Creating Wikipedia articles may sometimes hurt youthful maximalism, because you may be corrected, but a person has to go through this. I think a sense of community comes later, when a person takes a more conscientious approach. Also, editing conflicts can arise as you work with other colleagues. You then begin to interact more closely and learn about the other people working on the same topic. You have one vision, he/she has another, and you need to find arguments and present them clearly. This is also something that has to be learned. ■

The Army and Independence

Why the Baltic States succeeded in defending their states in 1917-20 while Ukraine failed

Author:
Andriy
Rukkas

Lenin once wrote that “only the revolution that is able to defend itself is worth anything”. Regardless of what you think of Lenin, these words are undeniably true. The experienced practicing revolutionary knew what he was saying. Unfortunately, the Ukrainian Revolution of 1917-21 was unable to defend itself. What caused its failure? Among all the negative factors and phenomena,

fighting against the central Russian authorities to achieve their moderate demands. This is the root of the antimilitarist line adopted by the socialist leaders of the UCR who essentially rejected the idea of a national army. Deputy Head of the Central Rada Volodymyr Vynnychenko wrote: “It is not our own army that we Social Democrats and all genuine democrats need but the destruction of all regular armies.”

ple, the contemporary Swiss army is formed on this principle), but the guarantee of their success is a patriotic population ready to come to the defence of its state. In this area, UCR leaders failed and exhibited immaturity and shortsightedness. They went with the flow, and were unable to handle the rapidly changing situations they encountered and did not direct popular masses but



PHOTO FROM THE COLLECTION "FOR STATEHOOD"

LOST OPPORTUNITIES.
The leaders of Ukraine's liberation struggle realized that a national regular army had to be created only when it was too late and there was no longer enough time, effort or opportunity to accomplish the feat

a key role was played by the reckless, ruinous military policy of the then leaders of Ukraine.

SLOGANS INSTEAD OF WEAPONS

Advocates of independence had a dominant place in the Ukrainian military movement since its inception. However, the leaders of the Ukrainian Central Rada (UCR) and leaders of the most powerful Ukrainian parties (Social Democrats, Socialist Revolutionaries and Socialist Federalists) preferred autonomy for Ukraine and consequently did not pay sufficient attention to building Ukraine's own armed forces. They viewed the Ukrainian military movement as a trump card in

These utopian views were reflected in the Fourth Universal which proclaimed the independence of the Ukrainian National Republic. “Disband the army altogether and later form a popular militia instead of a regular army so that a military force would serve to defend the working people rather than the desires of the ruling strata,” read the document authored, again, by Vynnychenko. These calls dealt a dangerous blow to the Ukrainian military movement. It was stripped of the very goal to which it aspired – building a regular national army.

Militias which UCR leaders advocated were not a poor format in and of themselves (for exam-

rather acted under their influence. But this kind of inertness, combined with polite words and a theatrical stance, brought certain dividends to UCR officials in their debate with the conservative Russian Provisional Government. The Russians believed the UCR because it had the sympathy of the Ukrainian population. But when power in Petrograd was seized by the Bolsheviks, the situation was completely changed, and because of their political naiveté and lack of resolution, the Ukrainian leaders lost the decisive battle for the minds of the soldiers.

The Bolshevik agitators used skilfully crafted propaganda built on populist slogans, rather than

rifles and guns, to pull a large number of soldiers in Ukrainianized units out from under the ideological influence of moderate Ukrainian parties. Weary with battle fatigue, the soldiers wanted to go back home as soon as they could in order to divide up the landowners' land. In this situation, according to Vynnychenko, UCR officials sadly watched "regiments named after various hetmans which so consciously, orderly and resolutely entered the capital of Ukraine to defend and protect it, which cheered up every Ukrainian heart with their national awareness, sincerity, blue-and-yellow flags and Ukrainian songs and which so loudly shouted 'Glory!' to the Ukrainian authorities. These regiments strangely

Bolshevik troops had both a numerical and qualitative advantage. This was especially true in the way they organized the military, using money, terror and propaganda to reach their objectives. In fact, the Bolshevik party itself had the nature of a paramilitary organization with strict centralism and discipline. Moreover, the Ukrainian authorities lacked mobilization resources to replenish their army. Its main reserve, the peasants, had already been exhausted by the First World War, both physically and morally. The UCR failed to win over the industrial proletariat, which was relieved of military service during the war and was "fresh" in that regard. Russianized workers treated the

sional military man without any socialist illusions about militias, so he set about forming a regular army. First of all, he had to overcome the resistance of the Ger-

THROUGH THEIR SOCIALIST SLOGANS, UKRAINIAN LEADERS STRIPPED THE UKRAINIAN MILITARY MOVEMENT OF ITS GOAL – CREATING A REGULAR NATIONAL ARMY

mans who told him: "Why do you need an army? We are here and will not permit anything bad to happen to your government inside the country. And you shouldn't worry about your



lost their zeal after a few weeks, then fell into apathy, 'neutrality' to the Bolsheviks and then... turned, together with the Bolsheviks, their Ukrainian bayonets against us."

The numbers of troops loyal to the UCR was rapidly falling. In late autumn 1917, the UCR had about 300,000 loyal soldiers on territories it controlled, while a mere 2,000 rose to defend Kyiv against a 30,000-strong Bolshevik force in January 1918. Most of these Ukrainian soldiers fought inside the city, squashing the insurgency at the Arsenal plant, while the last reserve – patriotic youth – was sent into battle to defend the eastern approaches to Kyiv.

Ukrainian cause with hostility and gladly teamed up with the Bolsheviks.

ENCHANTED WITH "REGULARITY"

The troops of the Ukrainian Central Rada failed to contain the enemy, but the Bolsheviks did not rule for very long, either. They were driven out by the Germans and Austrians who entered Ukraine after the Treaty of Brest-Litovsk. When it returned to Kyiv, the UCR did not have its former authority or support and was disbanded following a bloodless coup in late April 1918. General Pavlo Skoropadsky became the new leader of Ukraine and was elected hetman. He was a profes-

The Zaporozka Sich 2nd Rifle Division of the UNR's army led by Otaman Yukhym Bozhko, 1919

northern border: we will not let the Bolsheviks in. Form a small unit of 2,000 men to maintain order in Kyiv and for your personal protection." Eventually Skoropadsky convinced the Germans, and they let him form eight army corps. The army grew to 60,000 men and was to reach 300,000 by spring 1919.

However, the new authorities made a mistake in their enchantment with a "regular" army. The people who were responsible for army formation thought in outdated terms and failed to grasp the special demands of revolutionary times. They took a methodical approach to forming the army, starting with administration. They saw their main task in



Estonian high military command, 1920



developing the staff lists for various military units in the smallest detail and drawing up budgets for them. Such methods were completely out of touch with the realities of the time. As a result, they did not have enough time, money or energy to form an army.

Another problem faced by the builders of the hetman's armed forces was a lack of social loyalty, among both civilians and the military. Almost the entire commanding staff consisted of officers of the former tsarist army. Most officers were not supportive of the Ukrainian cause and viewed it as a way to make it through tough times. At the same time, wide masses of the population did not have a developed sense of national identity and easily fell under the influence of socialist and communist propaganda. Slogans of land reform and nationalization of industry hit their marks.

The majority of the population did not support the hetman's conservative regime which relied on German and Austrian invaders. Consequently, the opposition did not have much difficulty stirring up an insurgency in autumn 1918. And this meant the end of Skoropadsky's rule.

AVENGERS OF THE WRONGED PEOPLE

During the insurgency, a bigger part of the hetman's army switched to the Directory of the UNR. Together with the units of insurgent otamans, the Directory's troops had about 100,000 men after mobilization in Left-Bank Ukraine in early 1919. Born

in the whirlwind of popular resistance, these armed forces proved to be neither battleworthy or organized. Anarchy was on the rise and discipline in decline. Various otamans pursued their own policies, failed to comply with the higher command and eventually had the upper hand. Professor Taras Hunchak aptly said that this army was "an avenger of a wronged people rather than a builder of a new life."

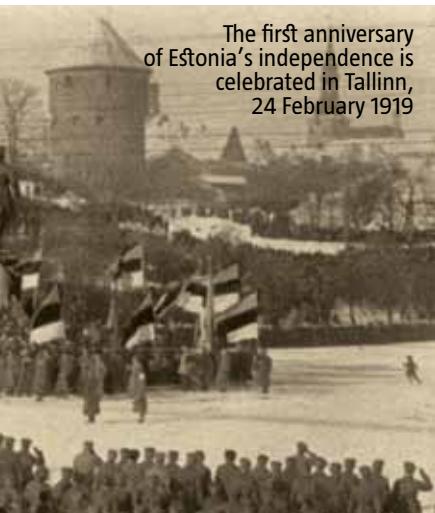
In order to put it in place, the unanimous political will of the leaders and firm state power were needed. But these were, in fact, exactly the things that were lacking. The Ukrainian parties were splitting into competing factions; yesterday's allies and like-minded political forces were turning into archenemies; governments replaced each other in a kaleidoscopic fashion; the state could not decide on either its domestic or foreign policy. Every politician viewed himself as the only saviour of Ukraine. They actively involved the army in their intrigues, which led to its further degradation. The army command was constantly restructuring military units, which contributed to their decline. Against the backdrop of political division and internal corruption within the army, the Bolsheviks captured Left-Bank Ukraine, approached Kyiv for the second time and took a larger part of Right-Bank Ukraine. The Poles were approaching Ukraine from the west, and the Entente troops had landed in the south. Ukraine found itself encircled by enemies and alone, without any allies.

The Baltic political elite understood that a national army is a safeguard of independence

The political maturity and pragmatism of the Baltic leaders and the united and patriotic population enabled the three Baltic states to form battleworthy national armies and draw the attention of European powers to their struggle

The situation improved in the summer of 1919. Power was concentrated in the hands of Symon Petliura, the head of the Directory. His political opponents became discouraged and, as Isak Mazepa put it, "lost their heads and left the battlefield", i.e., went abroad. The rule of otamans in the army was ended. Several coups were put down, and order and discipline restored. Special inspectors with wide authority were introduced, similar to Bolshevik commissars. The army grew as 35,000 soldiers of central Ukraine were joined by 50,000 Galicians. Having this force, the army of the UNR launched a successful raid on Kyiv and Odesa in August 1919. It seemed that military fortune was again with Ukrainians. But instead of Bolsheviks they had a new enemy, General Denikin's White Guard. Denikin did not recognize Ukraine's existence as a state as he strove to restore the "one and indivisible" Russian Empire. A new military conflict erupted, and Ukrainians were defeated – not by White Guard generals but by an epidemic of spotted fever which swept through the army. In this war, the UNR government lost the territories it controlled, while the surviving military units ended up in Volhynia and, being surrounded by the White Guard, Bolsheviks and Poles, switched to guerrilla warfare. The Ukrainian government essentially left the political stage as an independent player by the end of 1919.

Any further success required having a powerful ally. In April 1920, Ukraine found one in Po-



The first anniversary of Estonia's independence is celebrated in Tallinn, 24 February 1919



Latvian troops in Riga, 1919

"Brothers,
hurry to join
the national
army"



An Estonian
mobilization
leaflet, 1918

land by signing an agreement on joint actions against the Bolsheviks. However, despite promises, the Poles never allowed Ukrainians to build their own army, limiting it to 10,000-20,000 men. In October 1920, Warsaw signed a separate peace treaty with the Bolsheviks and refused to maintain its alliance with the Ukrainians, which enabled the UNR government to carry out a mobilization campaign in Podillia, increasing the army to 40,000 men. However, it was too late: the Ukrainian army suffered its final defeat at the hands of the Reds the following month. Its remaining parts were interned by the Poles. The military struggle of regular units was over.

BALTIC PRAGMATISM

Just like many other peoples in the former Russian empire, Ukrainians were unable to defend their independence. Only the Poles, Finns, Lithuanians, Latvians and Estonians formed their own states. The Baltic peoples found themselves almost in the same situation as the Ukrainians at the time, which is why their experience is of the highest instructional value. All of them were stateless peoples for a long time, and their interests were not taken into account during the First World War by the big powers. The rapid national renaissance in the Baltic region began only after tsarism was overthrown in Russia. Initially, their political leaders also favoured autonomy and were in no hurry to declare independence: Lithuanians did so on 16 February, Estonians on 24

February and Latvians on 18 November 1918. All three countries experienced German occupation and the arrival of the Reds who quickly turned off people with their terror. At the same time, the Baltic national leaders offered a clear programme for solving political and socioeconomic issues in a democratic way, without socialist utopia or radicalism. This had a positive effect on all areas of statehood building, including the military: universal military conscription was introduced and was followed by a successful mobilization campaign. One efficient stimulus was a decision by the Estonian government to grant plots of land, free of charge, to all heroes of the war for freedom, as well as to wounded soldiers and family members of the deceased. These measures very quickly bore fruit. In early January 1919, the Estonian army had fewer than 5,000 men, but its numbers grew to 23,000 by the end of the month and to 80,000 in May. The Latvian army grew to 76,000 men and the Lithuanian forces to 60,000 by the end of 1919. Around 5,000 Estonians, 4,500 Lithuanians and 3,000 Latvian soldiers were killed in action as they fought for the independence of their countries. These are significant numbers for such small nations.

An important factor of victory was foreign aid to the Baltic states. After the demise of the Russian Empire, Lithuania, Latvia and Estonia found themselves in the British sphere of influence. Britain directed its efforts not only at beating the

Bolsheviks, but also at weakening Russia by splitting off "nation states" from it. (Ukraine found itself in the French sphere of influence, but France's interest was the opposite, namely restoring the Russian Empire.) London helped the Baltic governments with arms, ammunition and loans to purchase military equipment. British warships supported the actions of the Estonian and Latvian armies and British instructors worked in their armies. One was Field Marshal Harold Alexander, who would later defeat the Germans in the Battle of El Alamein. Several thousand Finnish, Swedish and Danish volunteers came to help Estonia. Polish and German troops were temporary allies of the Baltic states. However, after their common enemy was defeated, Estonians and Latvians began to fight against the Germans, who wanted to create their own puppet state in the region, while a Polish-Lithuanian conflict erupted in October 1920. The political maturity and pragmatism of the Baltic leaders and the united and patriotic population enabled the three Baltic states to form battleworthy national armies, draw the attention of European powers to their struggle and receive significant aid from them. As a result, the Baltic republics defended their independence and achieved international recognition, while Ukraine lost its sovereignty and was occupied by foreign powers due to the shortsightedness of its politicians among a number of other factors. ■

Smile: The Jolly Roger Is Here

Surges in maritime piracy were always a downside of economic growth, increasing trade and weakly structures societies

Autor:
Oleksiy
Sokyrko

Piracy seems to have lost its historic menacing status, turning into an adventure story for kids in the contemporary world. Yet, the ever more frequent pirate attacks in water and air indicate the opposite. This reincarnation comes from the social nature and roots of piracy, a phenomenon that is over three thousand years old.

AT THE DAWN OF CIVILIZATION

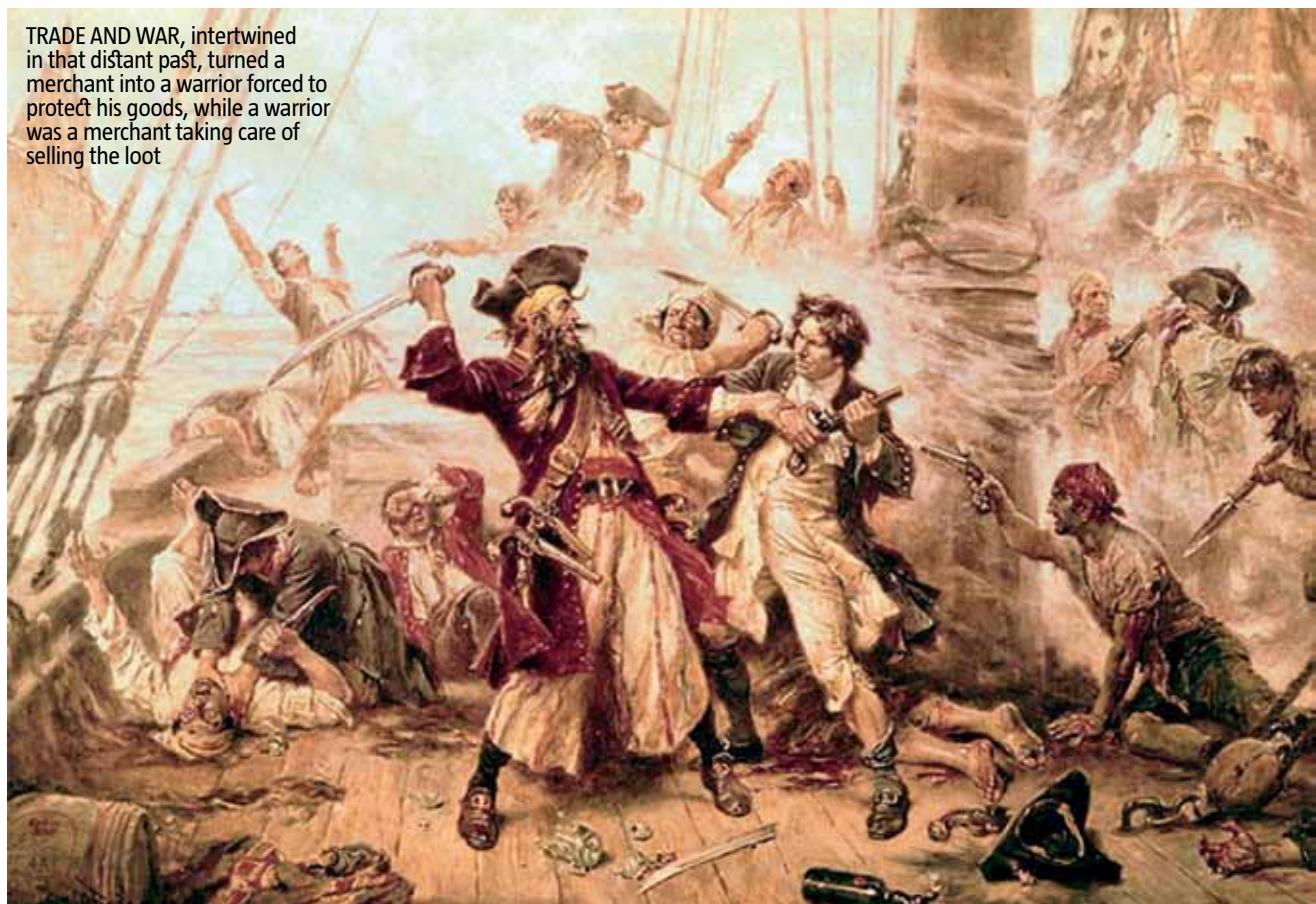
Pirates were the main characters in one of the first pieces of literature



TRADE AND WAR, intertwined in that distant past, turned a merchant into a warrior forced to protect his goods, while a warrior was a merchant taking care of selling the loot

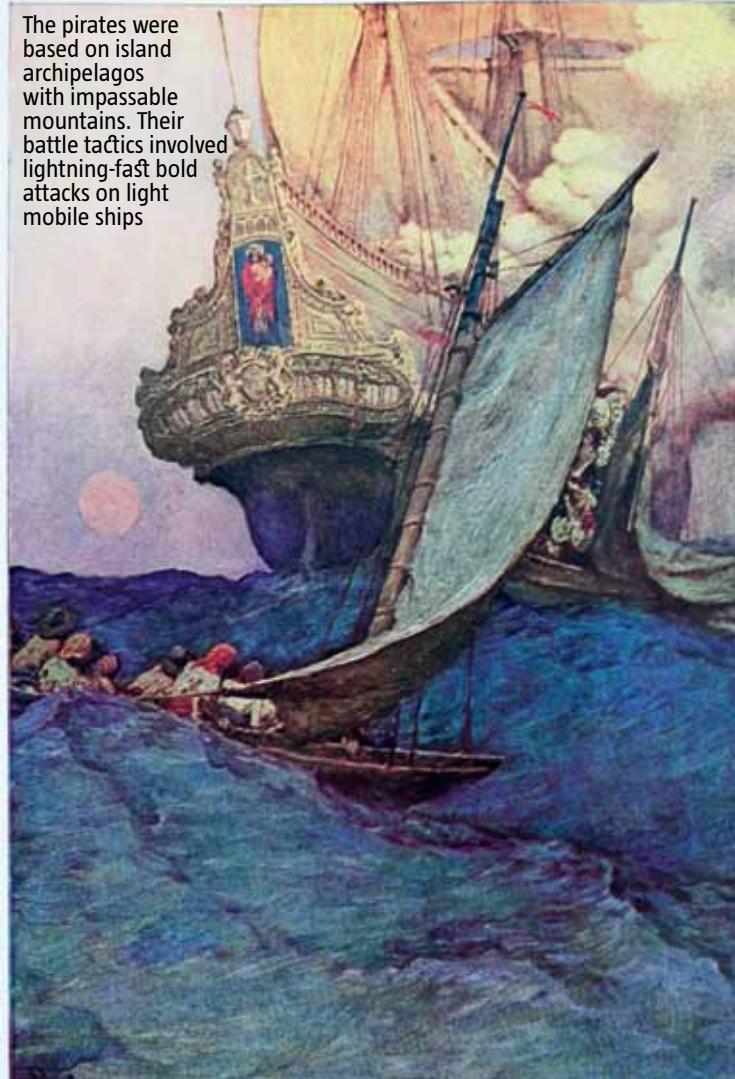
ever written. Certainly, Homer sent Odysseus and his good guys on noble exploits rather than robberies. Yet, their likeliest prototypes were Greek colonists sailing across the Mediterranean in search of a better life. Interestingly, the word "pirate", *pirata* in Latin, comes from the Greek πειράω – to test. Trade and war, intertwined in that distant past, turned a merchant into a warrior forced to protect his goods, while a warrior was a merchant taking care of selling the loot.

By the early 1st century, the Peloponnese no longer had enough natural resources to feed their growing population, sending the Greeks exploring and settling in new lands beyond their small Greece. The great colonization movement that covered the entire Mediterranean, later spreading to the Black Sea and the Sea of Azov, was far from peaceful, accompanied by clashes with Barbarians and those between colonists. As soon as the newly-built colony cities started churning windfall prof-



PIRATES ATTACK A SPANISH SHIP BY HOWARD PYLE, 1905

The pirates were based on island archipelagos with impassable mountains. Their battle tactics involved lightning-fast bold attacks on light mobile ships



CAPTURE OF THE PIRATE BLACKBEARD BY JEAN LEON GEROME FERRIS, 1778

its from transit trade in deficit goods, slaves and food, they immediately fell under the control of sea bandits who controlled sea routes.

Piracy soon swelled and developed its internal structure and specialization. Some of its features are present to this day. The pirates were based on island archipelagos with impassable mountains. Their battle tactics involved lightning-fast bold attacks on light mobile ships.

Reluctant to cast the shadow of infamy on his compatriots, Homer mostly talks about Phoenician pirates, the Greeks' neighbours, although Greek pirates were equally notorious. They were only crushed in the 5th century BC. Black Sea piracy, remote from the hearts of the ancient civilization, not only fed on well-off merchant towns but acted as the military

ally of local rulers. Mithridates VI of Pontes (121-63 years BC) made a deal with several pirate gangs to loot the cities and fleets of ancient Rome.

MASTERS OF THE SEAS AND OCEANS

Overall, the history of piracy leans towards Europe, although it reached much farther than that. Sea raids always flourished alongside economic and trade growth and complicated society structures. A classic example are the Wokou, Japanese and Taiwanese pirates that raided the Southern Chinese and Korean coasts in the 9th-16th centuries. Asian pirate fleets were made up of impoverished fishermen, craftsmen and dropout samurais. They raided wealthy cities and merchant ships, occasionally taking regular tributes from fishing villages.

Another notable example of piracy were the Vikings. A mix of Northern peoples from poor countries, the Vikings raided the coastlines of Europe, Anatolia and North Africa. The lack of stable and well-governed states in the early medieval Old World made them convenient and extremely vulnerable to Viking raids. They started off with the coastline and gradually moved deeper into the continent via rivers. However, this piracy was not all about primitive robbery. As Viking chieftains levied regular tributes in some areas, they gradually organized permanent garrisons, laws and judicaries there. The first dynasties of Varangians – the name given to them by the Greeks and Eastern, emerged from them. Some of them eventually became the rulers of great states, such as Kyiv (Kievan) Rus. The echo of Norman exploits was still heard in the late Middle Ages, when Europe was on the verge of the Age of Exploration: several gangs from Friesland, i.e. Scandinavian and Dutch, pirates led by Pier Gerlofs Donia

GREY ZONES, I.E. SEA AND OCEAN AREAS UNDER WEAK CONTROL OF RESPECTIVE JURISDICTIONS, ARE THE MOST COMMON ENVIRONMENTS FOR PIRACY



best known as Grutte Pier or Big Pier, successfully fought against Emperor Charles V, seizing 28 vessels.

European pirates were not only of English, Spanish or French descent as we commonly think, inspired by pirate adventure novels. Mauritanian pirates – mostly Arabs and Berbers based in Crete and the Balearic Islands – were equally bold and violent, most often raiding Rome (they even looted the Vatican in 911) and the Republic of Venice. With their control over virtually the entire Western Mediterranean, Barbary corsairs dominated the area until as late as the 19th century. The key to their success was the political protectorate of Middle Eastern countries, including the Ottoman Empire, to which pirates supplied slaves. According to various estimates, they sold between 1 and



ZAPORIZHIAN COSSACKS AT SEA:
One of the first mentions of Cossacks is of their attack on an Ottoman vessel

THE BATTLE OF OSSACKS WITH TURKISH PIRATES AT THE BLACK SEA BY HRYHORIY HABARIN

- INTERESTING FACTS IN THE HISTORY OF PIRACY**
- 75 BC — Cilicia pirates kidnap Julius Caesar
 - 642 — Illyria pirates start regular raids on Italy
 - 789 — the Vikings attack South-Western England for the first time
 - 1318 — Novgorod Ushkuiniks plunder the city of Abo in Finland
 - 1523 — pirates seize Spanish vessels carrying Aztec treasures
 - 1615 — the Zaporizhian fleet raids Istanbul
 - 1631 — Barbary pirates raid Baltimore
 - 1671 — Henry Morgan's pirates attack Panama
 - 1762 — pirates seize HMS Hermione, setting a record in the history of piracy
 - 1804 — Chinese pirates establish a coalition
 - 1812 — Jean Lafitte's pirates fight in the Battle of New Orleans as part of the American army
 - 1848 — the Spanish fleet crushes Muslim pirates off the coast of the Philippines

1.25mn slaves from the 16th to the 19th centuries. At the same time, Barbary pirates were also a kind of shield against fleets from Christian countries.

The Slavs did not lag far behind in the piracy business. Illyrian robbers, who settled in the cozy bays of what is now Montenegro and Dalmatia, often plagued Italian cities since the 9th century. Later, these pirates turned not only into the worst enemies of Italian merchants, but a menace to Dubrovnik as the biggest trading city. In the late 11th century, a Slavonic version of the Vikings, called the *ushkuiniks* (from Russian *oskui*, *ushkui* — a type of flat-bottom medieval Finnish river vessel) emerged in Northern Rus. Armed squadrons of *ushkuiniks*, enjoying the financial patronage of Novgorod boyars and merchants, initially robbed and traded on the Volga and Kama rivers. They later went on to raid Northern Sweden and Finland. In the 14th century, *ushkuinik* expeditions reached as far as Western Siberia and were a serious threat to ambitious Moscow rulers.

THE GOLDEN AGE

The image of a pirate from novels and movies is a collective portrait of sea bandits from the Golden Age of 1500-1750, the era following the discovery of colonies and the stabilization of sea routes that opened the door to transoceanic piracy. Since then, piracy had become omnipresent, multinational and probably the most vivid and flamboyant cultural phenomenon. However, its economic and social essence has barely changed. Ini-

tially, the key purpose of sea piracy was to gain expensive colonial goods, including precious metals and slaves — and to a lesser extent — spices, cotton, rubber, ebony and drugs. Later, the purpose changed to robbery or the taxation of coastal cities, trading colonies, industrial factory and plantation owners. The Caribbean Basin became the intersection of pirate communications, where the controversies and conflicts of rival European states regarding the ex-

INFO

Pirate slang, a mix of English, Spanish and Indian languages, left a legacy of words that are often used today, including hurricane, hammock and canoe. The Jolly Roger, a black pirate flag with a skull and crossed thigh bones (crossbones) or knives was not the only version of the flag. It came into use relatively late, sometime on the verge of the 17th and 18th centuries. More commonly, pirates used red flags, indicating high alarm and threat in the language of naval symbols. Images on the flags varied from the patron saints of the vessels to Cabala symbols.



AMAZONS OF THE SEA

Ships were not a place for women, but pirates obviously had their own opinions on this. The most famous female pirates that left their mark on history were Mary Read (1685-1721) and Anne Bonny (1700-1782). Mary spent a large part of her career dressed as a man. Anne was famous for charming the battle-seasoned pirate captain John Rackham, commonly known as "Calico Jack". Eventually, all three ended up on one ship.



Chinese-born Ching Shih (1785-1844) was another prominent female pirate who commanded a highly disciplined fleet of over 80,000 Asian pirates.

pansion of their borders and trade were intertwined.

Economically, sea robbery was indeed worth the risk. The biggest trophies — seized vessels and cargos, not counting ransoms for crew and passengers — could reach GBP 16,000 to 150,000, enormous wealth in the 17-18th centuries. So it's no wonder that gentlemen of fortune never switched to peaceful work, such as hunting or farming, which the Caribbean pirates tried to practice in Haiti.

However, not everyone could manage their money well. It is known for a fact that only several pirates had modest real estate and even fewer invested in trade expeditions after leaving their risky business. Moreover, running any business required support from at least some form of government, thus relative legitimacy. When the notorious English pirate, Edward Teach, better known as Blackbeard, seized a big cargo of sugar and cocoa beans in 1718, he could only gain from his trophy after sharing it with the governor of North Carolina. Legends of pirates' treasure, freely written about by novelists, were in fact an element of pirate folklore, where a good catch was the attribute of a lucky captain, which he had to share generously with his team.

We don't know much about the real everyday life of sea bandits: most of the information we have comes from official documents, court verdicts and investigation records. Thus, modern knowledge of even the most well-known pirate captains is chaotic, and interspersed with stories made up by 18th century writers,

who were the first to mould the infernal image of pirates. According to historians, there were up to 40,000 pirates in the Atlantic between the 16th and 17th centuries. Most were sailors or regular boys under the age of 25 from port cities and fishing villages.

COSSACK PIRATES

Sea raids were common in the Black Sea as well. Evidently, the Rus people had been joining multiethnic Black Sea gangs since the times of the princes. They later passed on the baton to Ukrainian Cossacks.

Of all the knights of the steppes, the Zaporizhian Cossacks were the most prone to sea exploits: the locations they chose to settle in and the traditional activities that included semi-nomadic cattle breeding and expeditions to the steppes to hunt, fish and gather honey, fit in with archaic economic models where trade and robbery walked hand in hand. One of the first mentions of Cossacks dates back to their raid of a Turkish vessel in 1492. In subsequent centuries, Cossacks sailed far beyond the Dnipro and Dniester, to the most remote corners of the Black Sea coast, including Istanbul, the capital of the Ottoman Empire.

For the Polish-Lithuanian Commonwealth, Cossack raids on Turkish fortresses and cities were an analogue of a privateer war, used as convenient tools for blackmailing the Ottoman Empire in diplomatic negotiations. Cossacks did not hide their motivation, which was more about rich trophies than patriotic goals of freeing slaves and protecting their country.

PIRATES IN LAW

Piracy was recognized as a criminal activity and social disease back in ancient times. The first large expedition against pirates was sent from the Roman Empire in the 1st century BC. It involved 500 vessels. Coastguards emerged in Europe in the late Middle Ages, and later in its colonies. They worked on the sea and on land, catching smugglers, vagrants and bandits. Maritime laws were established at the same time. As the military techniques and economic components of wars developed, monarchs realized that illegal mari-

time exploits could become legal if they served the interests of a state rather than those of bandit gangs. This saw the emergence of privateers – pirate entrepreneurship, organized and protected by legitimate governments during wars. It was based on the then legal concepts of the “right to attack all enemies of a kingdom during a war” and the “right to revenge by robbing enemies”. Privateers had special licenses guaranteeing the legitimacy of their actions, as well as the support of civilian and military authorities. Pirates in law were either former pirates seeking a pardon, or adventurous merchants hoping to improve their situation during a war.

COSSACKS DID NOT HIDE THEIR MOTIVATION, WHICH WAS MORE ABOUT RICH TROPHIES THAN PATRIOTIC GOALS OF FREEING SLAVES AND PROTECTING THEIR COUNTRY

LETTER OF MARQUE AND REPRISAL, a government license making the actions of privateers legitimate

Privateering has always been controversial in international law and public opinion. Possibly the best-known example of the reinterpretation of privateering as a war crime was the CSS Alabama, which was constructed by the Southern States in the United Kingdom and manned with an international crew during the Amer-



ican Civil War. By seizing and sinking 69 vessels of the Northern States in the Atlantic and Indian Oceans in 1862–1864, it essentially paralyzed the North's international trade and passenger traffic. This privateering campaign was reinterpreted as a war crime.

TO BE CONTINUED?

Grey zones, i.e. sea and ocean areas under the weak control of respective jurisdictions, are the most common environments for piracy. It was there that raids took place, trophies were shared and nautical Robin Hoods found shelter. The farther the presence of legitimate governments extended, the fewer the chances of survival. In the early 19th century, coastal governments joined the efforts to oust then eliminate piracy in the Caribbean and the Atlantic. Great Britain was particularly uncompromising in the anti-piracy campaign, putting piracy on a par with slave trafficking and declaring it to be mutually-related to international crimes. This made persecution more consistent and crushed economic grounds for the revival of privateering. Advancing war technologies, such as steam fleets, on-board deck artillery and new navigation and reconnaissance systems that were largely accessible to navies, deprived pirates of the chance to resist in this long-term conflict. In the late 19th century, what piracy remained was crashed in the most remote corners of the Indian and Pacific Oceans where its rudiments survived the longest.

However, hopes of peace were futile. Piracy is becoming reincarnated in modern times, although it is completely different from what it was in the past. Today, cruisers equipped with sophisticated satellite navigation, modern weapons, own networks of agents, legal and financial intermediaries make their “business” a major threat to the security of the globalized world. The UN now conducts anti-piracy training almost every year, often involving the Ukrainian navy. However, while struggling with the consequences, it is necessary to remember the cause of the problem: criminal business always goes hand-in-hand with the poverty and military conflicts that torment the “peripheral” regions of the civilized world. ■

The Myth of Kvitka

How a Ukrainian-American singer became the “golden voice of Ukraine”

In early April, the world remembers Kvitka “Kasey” Cisyk (b. 4 April 1953) who died tragically at age 44 in 1998. As she explained in the liner notes on her album *Two Colors*, she devoted her life to “weaving joyful notes into the frayed fabric on which the life of our people is embroidered”. She

Author:
Olena
Korchova,
musicologist

is often called “the heavenly voice of Ukraine”.

Her voice is the secret to her magical effect on listeners. Despite a shortage of official information, indifference on the state level, absence of legally produced disks in stores and the silence of the media (which was broken only recently),

her name is often on the lips of ordinary Ukrainian listeners. An online search reveals the depth of listeners’ adoration: their comments are deeply emotional, replete with lofty words that have sadly become hackneyed and hence insincere in official discourse. But these words could not be more heartfelt and genuine coming from Cisyk’s listeners: “You can’t listen to her without crying”; “If you hear her voice once, you will never forget it”; “She makes us remember that we are Ukrainians.”

Thus, we have, in a way, “a myth of Kvitka” in which, according to semiotic laws, reality is mingled with fantasy, the private is mixed with the social and an individual life becomes a symbol of the history of the Ukrainian people. Cisyk came from a family of “third wave” post-war Ukrainian immigrants and was born in the United States. She lived in modern New York but spoke Ukrainian with an old-fashioned, “Galician” accent. At first glance, she was just another Ukrainian émigré in Manhattan that refused to forget who she was and what her roots were. At the peak of a successful and purely American singing ca-



reer, she took the unusual step of paying out of her pocket to record highly professional non-commercial albums of Ukrainian folk songs. They were later recognized as the quintessence of Ukrainian vocal art and spread miraculously fast in Ukraine during the late 1980s and early 1990s, a time when Ukraine was still Soviet and did not have a cultural voice of its own.

The primary reason for this beautiful "myth of Kvitka" was her wondrous name (literally "flower"), which emanated powerful artistic energy. We do not know what made her parents give this name to their younger daughter; no one else in their family could boast such an exotic name – neither her older sister Maria nor her parents Volodymyr and Ivanna. Researchers write: "Not everyone knows that Kvitka also had another name, the English artistic pseudonym Kasey, drawn from the initials of her Ukrainian name. This second name ideally complemented the image of a studio singer whose repertoire included jingles, demo versions of songs by beginning composers, various background vocals for prominent performers and vocal soundtracks to films. These forms of music may seem routine in comparison to her recordings of Ukrainian songs, but they made up the bulk of Kvitka's professional output, her "vocal business".

Kvitka's myth would not have been possible without its other part, namely Kvitka's united musical

family, something Ukrainian culture abounds in (think about, for example, the Sokalsky, Lysenko and Stetsenko families). The Cisyk family was widely known and acclaimed in the professional world of music even before it left Lviv. Kvitka's father was a virtuoso violinist and her sister an excellent pianist, so the very atmosphere of their home determined Kvitka's future. However, she later departed from the family tradition by choosing the profession of a popular, rather than academic, performer. She became a high-calibre and versatile musician, a singer of virtually unlimited capacity ranging from country or jazz to operatic coloratura soprano. Kvitka's musical family circle also included both of her husbands: composer and arranger Jack Cortner, and later Ed Rakowicz, sound engineer and owner of the Clinton Recording Studio. Tellingly, both Kvitka's husbands and sister Maria were directly involved in her family's main cause: recording Kvitka's solo albums of Ukrainian songs.

Kvitka's intensive professional life as a studio vocalist was highly successful, partly because of her intelligent choice of specialization. Kvitka did not aspire to large-scale solo activity but worked with many large corporations and was the only "official" voice of Ford Motors for 25 years, from 1982 until the final months of her life. In this business area, she made remarkable achievements: according to statistics, her voice was played in the world media space no less than 22 billion times, which is the absolute record in the jingles industry. The video version of her first jingle for Ford Motors "Have You Driven a Ford Lately?" became a true classic of the genre and showed Kvitka to the world the way she really was – a natural, slender woman with an incredible vocal timbre which had a special, ringing overtone found only in a coloratura soprano. Her relatives remember that in everyday life Kvitka loved "sporty living" and was fond of fast cars.

Her commercial career earned Kvitka the title of "Jingle Diva" – a tribute to her exceptional professional status and proof that America not only recognized but came to love her as its own. But the nation betrayed her with equal ease in the typically American story of a "stolen" Oscar. In 1977, Kvitka recorded a soundtrack to the film *You Light*

ALBUMS



Kvitka. Songs of Ukraine
(1980)



Two Colours
(1989)

Up My Life (directed by Joseph Brooks) in which she also played a small character part. The film's title song by the same name won an Academy Award for Best Music, Original Song. However, singer Debby Boone, apparently unconcerned about professional ethics, presented the song at the Oscar awards ceremony and thus came to "own" it. Kvitka did not sue. Her husband Ed Rakowicz later explained that she did not want to destroy her internal harmony.

The material foundation for the myth of Kvitka consists of the two solo albums she had time to record: *Kvitka. Songs of Ukraine* (1980) and *Two colours* (1989). Both were nominated for Grammy awards for Best Contemporary Folk Album. In her only video interview, recorded in a New York studio in 1992 by Oleksandr Hornostai, now the director of the National Symphony Orchestra of Ukraine, Kvitka explained in great detail her motivation to record the albums. In response to her endless stories about Ukraine and its unique singing culture, her colleagues often asked her to "show them something Ukrainian", but there were no records worthy of being shown. Thus she came upon the idea for a solo studio project of the highest professional standards, which pertained, above all, to the quality of the arrangements and backing musicians. The overall sum spent on recording was US \$200,000, a fortune in the 1980s. As a result, Ukrainian culture received truly invaluable artistic capital in the form of melodies and texts. With these albums, Kvitka created a kind of "orchard of song" representing the world of Ukrainian vocal art: ancient lullabies, folk masterpieces of the Cossack era (*I Sing to the Hills*), 19th-century lyrical romances (*A Song to the Moon*), modern hits (*Chernemshyna*) and songs that have become musical archetypes of Ukraine (*Two Colours*). Ringing over this orchard is a song by Volodymyr Ivasiuk, *I Will Go to the Distant Hills*. It is impossible to put into words all of the things that Kvitka expresses through this song – the life of the Ukrainian people, frayed and torn between the Carpathian Mountains and New York, lost between the past and modernity. And it speaks to us with an angelic voice, the voice of Kvitka Cisyk. ■

The Dark Side of Austria



Events

18 April, 7 p.m.

Lord of the Dance

Ukrayina Palace
(103, vul. Velyka Vasylkivska,
Kyiv)

One of the greatest modern dance shows is coming to Ukraine. Inspired by a famous Irish legend, Michael Flatley brought it to life in dance form. The show involves about 50 professional dancers whose invigorating energy is palpable from the first minutes until the very end. Lord of the Dance is based on Irish folk dances, especially tap dancing. This makes the performance even more alluring for fans of the art of choreography.



From 18 April

Isidro Ferrer Exhibit

Shcherbenko Art Centre
(22B, vul. Mykhailivska, Kyiv)

Attention, art lovers! The first exhibit of the great modern Spanish designer and illustrator is opening in Ukraine. He will be present at the opening, and will give a lecture about his artistic career and methods at the Kyiv Polytechnic Institute. Isidro Ferrer discovered his calling for graphic art after a trauma that made him quit his acting career. The new career overwhelmed the artist enough for him to dedicate the rest of his life to it. Isidro Ferrer uses a wild variety of things and textures, from wood, glass and steel to paper bags and faux fur, to portray the world as he sees it. Hopefully, the artist will share some of his secrets with the Kyiv audience very soon.



Agentic Iced Etcetera

PinchukArtCentre
(1/3-2, vul. Velyka Vasylkivska/
Baseyna, Kyiv)

This is the first time that American artist Tony Oursler has had a personal exhibition in Ukraine, and the first large presentation of his artwork in Eastern Europe. The show features Oursler's diverse pieces of art, created especially for this particular project. One of the most impressive ones is the installation that speaks Ukrainian. The key theme of Oursler's art is emotions and the way they are reflected on a human face. As to materials, the artist uses a wide range of textures, from glass to steel and rubber.

WORTH SEEING

**The Fantastic Flying Books of Mr. Morris Lessmore (2011)**

14 minutes of pure aesthetic joy: the musical, poetic, skillful and inventive animated film by William Joyce, a US writer, illustrator and film director, deservedly won a prize in the Austrian festival Ars Electronica last year.

Die Wand (2012)

A psychological drama by Julian Pösl, the film portrays an invisible transparent barrier (like in *All Flesh Is Grass* by Clifford Simak) that encloses a hut in the Alps, and a woman who happens to live there, alone with a dog, kittens and a cow. As the fantasy barrier grows between her and civilization, the drama gets realistic and painful.

**21 April, 7 p.m.****26 April, 7.30 p.m.****Until 3 May****SUN SAY**

**Small Opera House
(5, vul. Dehtiarivska, Kyiv)**

Ukrainian funk-reggae band SUN SAY has prepared a special gift for its fans. It will be bringing a collection of its greatest hits to the Kyiv stage. Music fans have loved the band since it first appeared. Founded in 2007 by a member of the 5'nizza band, a popular Kharkiv-based acoustic duo, SUN SAY offers deep, often intricate lyrics and talented vocal improvisations. Its charismatic lead singer/songwriter turns the songs into meditation, while concerts leave the audience ecstatic. Make sure to come to the upcoming performance for your portion of soft reggae, funky groove and spring sun.

**Jamala**

**Zhovtnevyi Palats (October Palace)
(1, vul. Instytutska, Kyiv)**

Kyiv will soon have another opportunity to see the new Jamala in action, full of new inspiration and new songs. The talented young jazz singer will present her latest album, All or Nothing, which was released this year. New songs make up over 70% of the record. Compared to her previous album, clearly inspired by American soul from the 60-70s, this album features the influences of British bands from the last two decades, a young generation of soul musicians and the newest electronic music. In addition to new songs, Jamala will present her new band.

**The Third Easter Egg Festival**

Downtown (Lviv)

Artists from all over Ukraine are invited to take part in the festival. They are free to use any ornaments they like, or make an Easter egg of original materials like wood, glass, paper or chocolate. An Easter Egg Hunt will be a new feature of this year's festival. Those willing to take part will have to find over two hundred Easter eggs, marked with a special code and hidden in different places all over downtown Lviv, then send a relevant text message. The winners will get surprise gifts.

Everyone is welcome to visit a variety of exciting workshops and art master classes.

Defenceless Fortresses

Home to abundant vegetation and ghosts in military uniforms, the half-ruined walls of now little-known and neglected forts - unique pieces of defence architecture - once withstood the attacks of Cossacks and Tatars

Author:
Oleh
Apostolov

Ukraine's castles and fortresses, which for many years were little known to the public at large, have recently become an integral part of many tourist routes, through the efforts of journalists, regional ethnologists and enthusiasts. However, there are several architectural treasures that are traditionally promoted by those

historical monument, it hides countless, almost cinematographic episodes of its past: bloody wars and assaults, intrigues, rebellions and legends. Bohdan Khmelnytsky's Cossack and Tatar units refused to storm the fortress during the national liberation struggle in 1654, and a big Turkish army failed to take it in 1672. Rumour has it that a for-

ryskis, who were Polish magnates. It was during this time that the owners left the formerly formidable fortification to its fate and ultimate decline. In 1809, Izabela Czartoryska gave the castle as a gift to her grandsons, the Potocki magnates, who used it for household needs. It is known that the last owner, Alfred Potocki, set up a brewery

①



who popularize Ukrainian history. For example, the fortress in Kamianets-Podilsky, as well as the Pidhoretsky and Olesko castles have blinded tourists to other, no less deserving architectural attractions. The Ukrainian Week highlights several less photogenic but equally notable ancient fortifications in Ukraine.

THE OLD VILLAGE CASTLE

The fortress at Stare Selo (Old Village), some 20 km southeast of Lviv, is a unique construction despite its neglected condition. It is not only Galicia's biggest fortress in terms of territory (around two hectares) but also one of the biggest in Ukraine. This giant castle, which has seen better times, is truly worth seeing, if only because of its size. Moreover, just like any other his-

tunate occurrence helped drive away the invincible Turkish army: one of the defenders shot dead a Turkish military commander, which the invaders took as an ill omen.

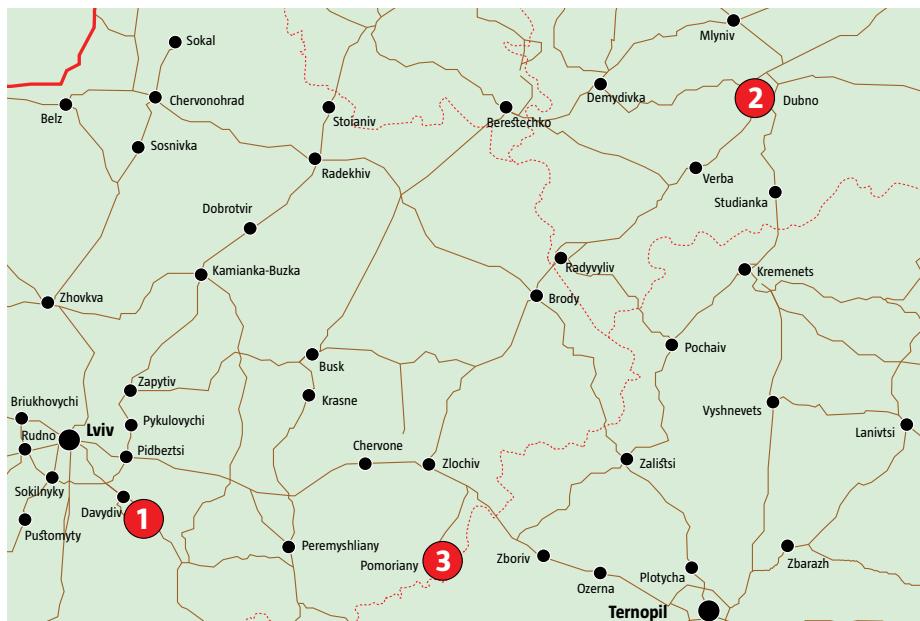
The exact construction date of the fortress is not known. Most researchers believe it was built in 1584-89 on the commission of the Ostrozky princes, under the management of Italian architect Ambrosiy Prykhlyny. The latter went on to construct the Bernardine Church and Monastery, one of Lviv's most remarkable architectural monuments. According to this version, the castle was renovated in 1642, while an alternative view is that this is the actual year of construction, rather than reconstruction. In 1731, Stare Selo became the property of the Czarto-

there and left it for good in September 1939.

This treasure of defensive architecture in Stare Selo is now in a state of bad repair. In 2010, a concession to use it for 49 years was issued, and the concessionaire pledged to repair the castle by 2012. Ideally, it was to have accommodated a tourist-arts centre. However, the project is still on paper only and no actual work has been done.

THE TARAKANIV FORT

In recent years, the half-ruined Tarakaniv Fort (**photo 2**) in Rivne Oblast has become known throughout Ukraine. One after another, tourists who dared to spend the night in this rather creepy place, asserted that the bleak dungeons and numerous labyrinths of the fortification lit-



erally came alive, becoming filled with semi-transparent figures dressed in military uniforms. Moreover, researchers confirmed the existence of a powerful energetic force coming from some unknown source in the fort. Electrical appliances often break down in the underground premises.

But let us leave these reports for those who love all things psychic. We are interested in the history of the fort, rather than in mystical stories. In the late 18th century, after another division of Poland, the border between the Austrian and Russian empires was drawn to cut through these lands. In the mid-19th century, the tsarist government decided to fortify its western frontiers and launched the construction of a system of defence fortifications



which was also to include the Tarakaniv Fort.

Vast sums were spent on the project over several decades, but the fort did not prove to be efficient as a military facility and was already outdated prior to the completion of construction in 1890. It was first tested in the First World War. Initially, the Russian Army surrendered it without a fight and the fort remained intact. It suffered damage later, during the Brusilov offensive, when Russian units drove the Austrians out of the fortification, with both sides suffering heavy casualties. During the Second World War, the fort with its numerous buildings was used for storage by both the German and the Russian army. The fort finally became deserted after the war.



Local old-timers tell many interesting things about the final chapter of the fort's history. Supposedly all of the locals are familiar with the story of two dozen NKVD officers who disappeared without a trace in the fort. Following the incident, the Soviet command ordered the lowest levels of the fortification to be sealed with a 1.5m thick layer of concrete. Two daredevils recently decided to examine the dark labyrinths of the fort's dungeons after which they ended up in a psychiatric hospital.

However, these things that you would expect to scare off tourists had the opposite effect: the fort became a true Mecca for those who love extreme forms of recreation and the rush of adrenaline.

THE POMORIANY CASTLE

Looking at this building – neglected, but nonetheless elegant – which is living out its last years, it is hard to believe that it used to accommodate what was probably the biggest collection of European art in Galicia, including works by Leonardo da Vinci and

Rembrandt. For centuries, this building, the Pomoriany Castle (**photo 3**), has maintained the status of a cult object for Poles and was once the favourite residence of Polish King John III Sobieski, and its walls were considered the strongest and the most reliable in the state.

When arriving at the village of Pomoriany, the few travellers who venture to travel the poor roads to reach this corner of Ukraine will not find anything that is reminiscent of the old days, when the Galician town was in its prime.

It all began in the mid-14th century when a wooden fortification was constructed on a hill overlooking the Zolota Lypa River, on the orders of a local voivode (a governor in ancient Russia or a military commander). It was later turned into an outpost, which protected the locals from Turkish and Tatar attacks. After their raids, the new owners of the castle, the Sienieński family, had it restored and fortified. In spite of its widely reported unassailability,

the castle was damaged many times. Jerzy Potocki was the last owner, leaving these lands in 1939 when the Soviets moved into Galicia.

The current condition of the castle is dreadful. In 2011, a wall fell down, and the locals literally took it apart. In 2010, the brick wall and the iron gate disappeared. Lviv Oblast officials have said on many occasions that a concession needs to be granted to this monument, but the story of the Stare Selo Fortress proves that this is not a solution to the problem.

This monument is worth seeing, while there is still something to see. No legend, story or historical chronicle can create the true effect of presence, only an artificial and emotionless one. Such places need to be experienced in the here-and-now fashion, preferably at the end of the day, when twilight begins to descend on the ancient walls. At these moments, it is possible to feel the physical presence of time, as it flows through us and quietly enters the dark corridors of the castle. ■



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