

THE WINDOW TO EUROPE:
IS YANUKOVYCH CLOSING
IT FOR UKRAINE?

ANOTHER POLITICAL REFUGEE: AN EXCLUSIVE
INTERVIEW WITH EX-DEFENCE MINISTER
VALERIY IVASHCHENKO

WILL UKRAINE
SURRENDER ITS GAS
TRANSIT SYSTEM TO RUSSIA?

Тижень

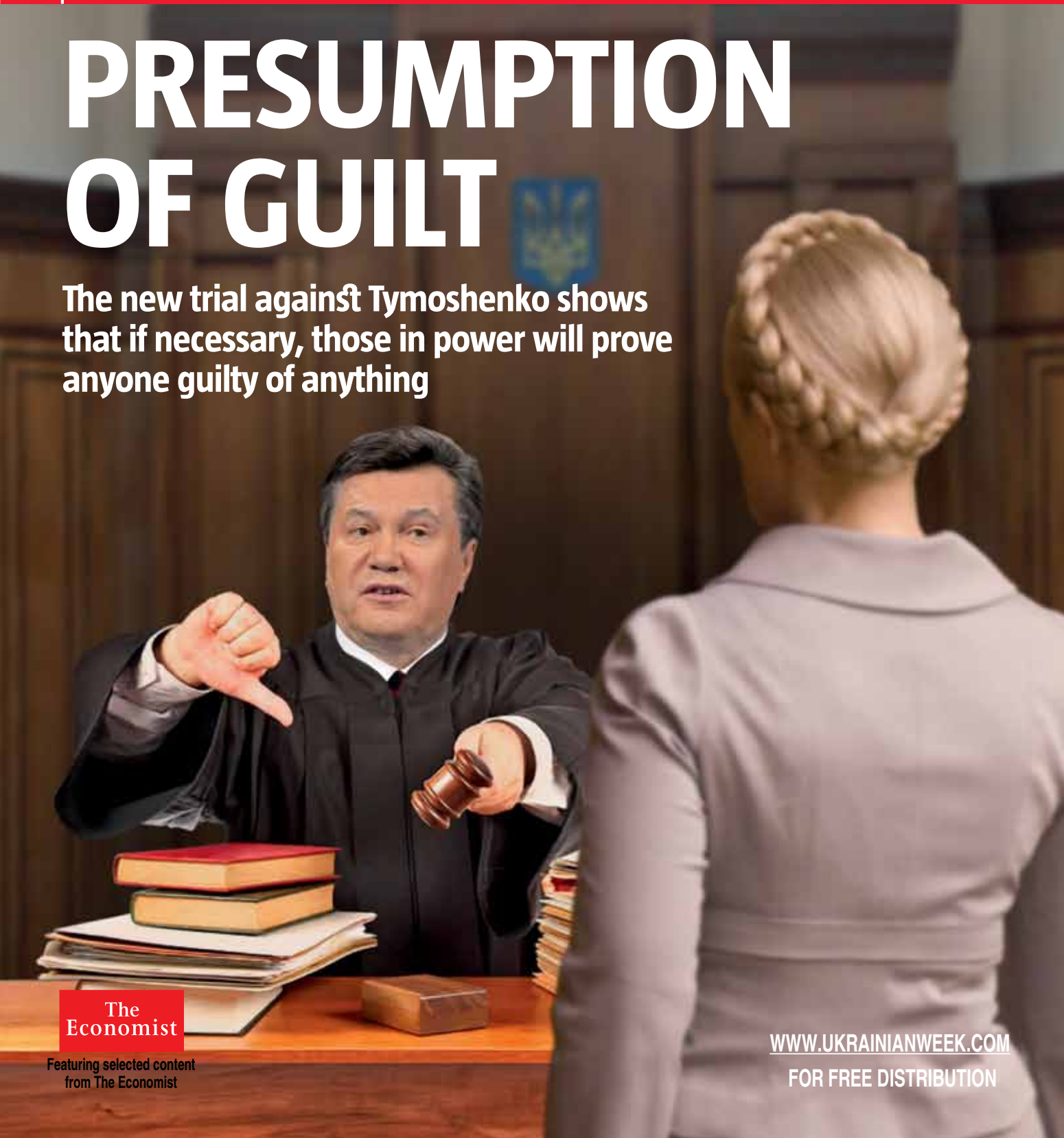
international edition

The Ukrainian Week

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PRESUMPTION OF GUILT

The new trial against Tymoshenko shows
that if necessary, those in power will prove
anyone guilty of anything



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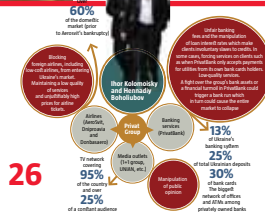


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The International Intellectual Property Alliance recommends listing Ukraine as a priority copyright pirate



The Prosecutor's Office launches a case on the kidnapping of Russian opposition activist Leonid Razvozhayev in October 2012



The police search the counseling office of Batkivshchyna's Arsen Avakov and the Batkivshchyna office in Kharkiv

Game of Endurance

The Party of Regions' attempts to intimidate the opposition with early elections or responsibility for the breakdown of European integration have not given the desired result so far, so an escalation of resistance can be expected in the near future



Authors:
Milan Lelich,
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One way or another, the blocking of the Verkhovna Rada by opposition forces, demanding that MPs vote exclusively in person, is drawing to an end. Representatives of Batkivshchyna and Svoboda have joined UDAR, which has blocked the rostrum since 5 February, in expectation of its forceful unblocking. Moreover, the leader of the United Opposition, Arseniy Yatseniuk, has decided to attack and in response to the threat made by PR representatives of early elections using only the first-past-the-post system, stated that Batkivshchyna will also demand a new parliamentary election, but under an exclusively proportional system, with open lists as well as a simultaneous presidential election, in order to get out of the political situation, using the 1994 election as an example. Yatseniuk's words can be seen as a bluff, since

it's doubtful that Batkivshchyna has the financial resources to cover an expensive election campaign. Also, the prospects of changing the election law in its favour is no greater than for the PR. It is also obvious that the main addressee of Yatseniuk's radical declarations is the opposition voter, after all, until now TV channels have only shown UDAR MPs, blocking the rostrum.

However, facts are facts: the opposition's recent behaviour style signals that it has completely taken the initiative in parliament into its own hands, and the loss of control in parliament by the Presidential Administration. The opposition is now also forcing the PR to back-track on the issue of an early election. After the PR publicly threatened an early election, its inability to bring the situation to an electoral race has only once more confirmed that the government is not sure that

it can improve its results, or even repeat existing ones. The very fact that a re-election is being held because of the government's inability to control parliament would be a signal for politicians and society that the political process, which, since Yanukovich's coming to power, has consistently led to him strengthening his own power, is now beginning to move in the opposite direction. Ultimately, this could end with the removal of the current regime. In such a situation, even with a mixed election system, but under conditions of a coordinated approach by the opposition at first-past-the-post constituencies, they could win a majority in the future parliament. Large-scale falsifications during a possible early election could provoke social mobilization, which until now was not expected until the presidential election in 2015. Instead, the Family

The month in history

15 February 1919

16 February 1813

19 February 1954

The Ukrainian National Council of ZUNR, the West Ukrainian People's Republic, passes a law to use the Ukrainian language in public institutions



Semen Hulak-Artemovskyy, singer and composer of *Zaporozhets za Dunayem*, The Zaporozhian (Cossack) Beyond the Danube, the first Ukrainian opera, is born

ЗАКОН
О передаче Крымской области из состава РСФСР в состав Украинской ССР
Президент Верховного Совета СССР и Верховный Совет Украинской ССР

The USSR Verkhovna Rada passes an act to transfer Crimean Oblast to the Ukrainian SSR



A wall of the Chernobyl nuclear power plant near Reactor 4 collapses after heavy snowfall



Hearings on the Shcherban Case kick off in Kyiv. There are clashes between MPs and special police units

The Chernihiv Court of Appeal rejects Yuriy Lutsenko's petition for release due to ill health

Berkut violently disrupts and arrests activists and MPs protecting Hoštynnyi Dvir, a historical building in the Podil district of Kyiv



will have significantly less preparation time.

In this context, the passivity of rank-and-file PR MPs is noteworthy. The desire of PR leaders to efficiently collect all available bayonets in parliament, initially for the forcible unblocking of the rostrum, and then – as an ace in trading with the opposition, has come across a lack of understanding and sometimes even blatant ignorance on the part of the PR's "infantry". They say that the leader of the faction, Oleksandr Yefremov has long assembled his MPs, either for discussions on storming the rostrum or directly for conducting such a storm, but has been unable to gather together an adequate number of warriors. As confirmed by sources in the PR, the reason for this is that the master of agreements and convictions, Andriy Klyuev, the Secretary of the National Security and Defence Council of Ukraine has distanced himself completely from the election race, having passed on this role to Family member Serhiy Arbutov. But few of the PR rank-and-file take the latter seriously. Some deputies do not attend meetings for various reasons – and most of them were elected in first-past-the-post constituencies. Indeed, the PR has fallen into a trap, which they themselves created with the mixed election system. Now, these MPs, for the most part businessmen who covered the cost of their election themselves – have no burning desire to swing their fists near the rostrum. According to the information of *The Ukrainian Week*, in an effort to win the loyalty of its MPs, PR leaders have promised to listen to their requests and applications, which are to be collected by the heads of seven informal groups in

the PR faction and pass them on to the top.

In any case, PR MPs who have long insisted that they would not allow themselves to be spoken to in the language of ultimatums, have been forced to sit down at the negotiation table, which has resulted in the preparation of a "draft unblocking law". It provides for the following changes to the Parliamentary Regulations: the cards of MPs that have not been registered prior to the beginning of the session should be blocked, and they themselves will be prevented from participating in several sessions: the same applies to MPs who vote on behalf of their absentee colleagues. Based on information obtained by *The Ukrainian Week*, the renewed work of parliament will be conducted in accordance with the following scenario: the ceremonial opening of the session, voting on the inclusion of the "draft unblocking law" to the agenda by means of the raising of hands, a break for its examination in the committee (which will hypothetically last no more than 20 minutes), voting for the draft law in its first reading and as a whole – also by the raising of hands. On the same day, the draft law is signed by Volodymyr Rybak, the Speaker and President Viktor Yanukovich. On the following day, it is published in *Holos Ukrainy* (The Voice of Ukraine), and comes into effect. Parliament then begins its work in full volume.

However, on the evening of 20 February, at a joint press conference of opposition leaders, Arseniy Yatseniuk stated that "as of 14:00 the text of changes to the Regulations had been agreed between the government and the opposition, but as of 17:00, the PR had refused to support it". One of the reasons

for the change in this position was the arrival in parliament of Andriy Klyuev, who began "intrigues, directed towards dividing the opposition camp". The negotiations reached a dead-end: for the first time since the beginning of the political crisis, the faction's leaders did not coordinate even the time and month of the next meeting. The most likely reason: the PR has decided that it is the one that has now driven the opposition into a dead-end. On 20 February, the Parli-



PR MPS WHO INSISTED THAT THEY WOULD NOT ALLOW THEMSELVES TO BE SPOKEN TO IN THE LANGUAGE OF ULTIMATUMS, HAVE BEEN FORCED TO SIT DOWN AT THE NEGOTIATION TABLE

mentary Committee for European Integration approved a draft parliamentary declaration "On the Realization of Ukraine's European Integration Aspirations and the Conclusion of an Association Agreement between Ukraine and the EU", which the opposition has insisted on for a long time. Clearly, logic dictates that it should be approved prior to the summit, on 25 February. Thus, the PR is counting on the fact that either the opposition will be forced to unblock parliament in order to vote for this declaration, or it will undertake not to approve it.

One way or another, the surrender of their position on the issue of personal voting has once more demonstrated the hopelessness of the opposition in counteracting the Yanukovich regime's offensive, which could have catastrophic consequences for its future.

COLLAGE BY ANDRIY CHERNYSH (PHOTO: UNIAN)

21 February 1993



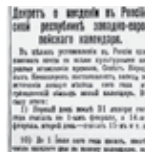
Athlete Serhiy Bubka sets a world record in indoor pole vaulting at a height of 6.15m

23 February 1944



The Soviet expulsion of the Chechen and Ingush people: nearly 500,000 people are taken to Siberia, Kyrgyzstan and Kazakhstan

25 February 1918



The Tsentralna Rada, the Central Council, announces the introduction of the Gregorian calendar in Ukraine

25 February 1871

Lesya Ukrainka, poet, writer, civil and political activist, is born

Phantoms From the 90s

The Shcherban Case trial against Tymoshenko shows yet again that, just like in Soviet times, the government is ready to prove anyone guilty of anything, if necessary

Authors:

Oleksandr Mykhelson,
Milan Lelich,
Andriy Kovalenko

The trial against Yulia Tymoshenko – this time over the murder of Yevhen Shcherban (see **The Characters**) – is likely to further discredit the judiciary and law enforcement within the Family model of authoritarian state. The actual court sessions, the arguments of the Prosecutor General's Office, the conduct of people involved as witnesses, and their chaotic testimony – often contradicting and absurd – against the backdrop of the prosecutor's confident statements that everything confirms Tymoshenko's involvement in the murder as charged by the Prosecutor General and those in power earlier, proves that the whole show is essentially being adjusted to a predetermined verdict.

The prosecution has used every opportunity the new Code of Criminal Proceedings has to offer, accepting testimony that refers to third persons, which in the Shcherban case, include dead people and migrants who had left Ukraine. This leaves the impression that the provision about

“third persons” was specifically drafted to put Tymoshenko in jail for life. Meanwhile, witnesses can barely hide their links with law enforcement authorities, whose scenario they back up with their testimony. Some act as if they were afraid of meeting with the defendant in person. After Tymoshenko asked to be present at the session to hear testimony from Volodymyr Shcherban, the Head of Donetsk Oblast State Administration (see **The Characters**) in the 1990s, he suddenly fell ill.

THE DEAD TALKING BACK?

The first witness to speak was Ihor Mar'yinkov (see **The Char-**

acters). He did not hide his intent to leave Ukraine “for business matters” as soon as the interrogation was over. His recollections, however, sounded a lot like an improvisation by an amateur actor. He had not said a word about Tymoshenko's involvement in the murder for almost 17 years, and now he has suddenly recollected everything, even though his recollections are quite bizarre. Mar'yinkov mentioned a dozen people who had said something 16 or 17 years ago, thus giving him the grounds to talk about Tymoshenko's guilt. At this stage, most of them are dead or missing. Moreover, Mar'yinkov was al-





ready a witness in the case in 2003 when the living members of the “Kushnir gang” that arranged the murder were sentenced. He made no mention of Tymoshenko back then.

Now, he has a different explanation as to why he did not speak of her during that process. On 13 February, Mar’yinkov said that he had given testimony proving Tymoshenko’s involvement back in 2002, yet prosecutors hushed that up. “Perhaps, this was because someone had tea with the president,” Mar’yinkov said ironically. The testimony is confusing as the legend of Tymoshenko’s “tea drinking” with the then Presi-

dent Leonid Kuchma, which reportedly helped her get through the troubles with her patron Pavlo Lazarenko unharmed, refers to 1999. In 2002, she faced several criminal cases and escaped the arrest narrowly (the judge who released her himself immediately faced a criminal case), while many people from her close circle remained under arrest. On 14 February 2013, Mar’yinkov hinted that he had been afraid to give testimony against Tymoshenko back then.

Mar’yinkov then mentioned that the late Milchenko and Kushnir (see **The Characters**), both suspected in arranging the murder of Shcherban for Ty-

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moshenko, “had a nice little chat” on the date he mentioned as “late fall”. If the prosecutors really wanted to investigate the case, they would have looked for other witnesses of their chat, including the staff of the hotel they were at. But then they would also have to explain why the locations of the chat he mentioned at different times over the two days of interrogation varied from “near the restaurant on the third floor” to “near the elevator” or the hotel reception desk in the hallway. Indeed, it is hard to remember every detail after fifteen years, yet Mar’yinkov’s memory proves surprisingly good with regard to other details.

When asked by her lawyers what Tymoshenko was wearing that day, Mar’yinkov says confidently: “Tymoshenko had a Chanel purse. No... it was a Gucci but her perfume was Chanel. And she was wearing Louis Vuitton.” How observant of him, especially given that the first line of Louis Vuitton – the brand Tymoshenko preferred during her first term as premier – came out two years after the events he mentioned in the testimony. In

the 1990s, meanwhile, Tymoshenko wore black baggy blazers – at least she did on all her photos from those years. Mar’yinkov’s maths is also confusing. At the two interrogation sessions in court, he mentioned three different sums that Tymoshenko/Lazarenko supposedly paid to have Shcherban murdered. One was USD 3mn, the other two were USD 1.8mn and USD 2mn. When asked to clarify the statement by Tymoshenko’s lawyer Oleksandr Plakhotniuk, the witness said: “This is all around three million – both 1.8 and 2.”

Despite obvious flaws in the testimony, the prosecution insists on the charges. “The lawyers tried to put pressure on the witness by repeating questions that the witness had answered earlier,” Prosecutor Oleh Pushkar interpreted bizarre testimony at the court session. “This does not change things as the witness explained where from he knows about the events that took place in 1996 and the role of the suspect in them; he clearly determined Tymoshenko as the person responsible for the payment to arrange the murder of Shcherban,” he added.

THIRD PERSONS

At one point, Deputy Prosecutor General, Rinat Kuzmin, lamented publicly about the hard time the US officials had given him in the process of investigating the Shcherban case, i.e. in getting testimony from Petro Kyrychenko, Pavlo Lazarenko’s partner in the 1990s. After he failed to get the testimony from Kyrychenko, the



THE PROSECUTION USES ALL THE BENEFITS OF THE NEW CRIMINAL CODE THAT ALLOWS THIRD PARTY TESTIMONY

Prosecutor General’s Office replaced him with the new witness for the court session, Serhiy Zaitsev, related to Kyrychenko through his wife. He told the prosecution about his wife’s birthday party in California where Kyrychenko, “in a state of deep alcoholic intoxication”, bragged about how much he had once done for Lazarenko, mentioning the Shcherban case in the conversation. According to Zaitsev, Kyrychenko told him that it had been he who had “cleverly arranged” the murder of Shcherban and

THE CHARACTERS

Who is who in the Shcherban case and what they did in 1996



Yevhen Shcherban
Co-founder of the Donbas Industrial Union and the Liberal Party of Ukraine. Counsel to Premier Yevhen Marchuk (March 1995-May 1996). CEO of the Anton Corporation. Assassinated at the Donetsk airport on 3 October 1996, with three other people including his wife. Law enforcers launch a series of inspections at Anton shortly after his death, resulting in the suspension of its operations.

investigators had not found all those involved in it, but did not mention any names. In April 2012, he said for the first time that Yulia Tymoshenko was also involved in ordering the assassination. He claimed that he had handed documentary evidence of her



Ruslan Shcherban
Yevhen Shcherban’s son. In 1996, he witnessed the assassination of his father. At the 2003 trial, he insisted that Pavlo Lazarenko had ordered the murder. Later he said that the in-

volvement to the prosecution, but failed to show any of them to the press. The prosecution has yet to do so.



Pavlo Lazarenko Premier in 1996-1997. According to investigators, he demanded that Ukrainian enterprises only bought gas from YeESU. Then, the corporation transferred up to 50% of income to the offshore accounts of Lazarenko’s companies. After local businessmen and Volodymyr Shcherban, Head of Donetsk Oblast

involved to the prosecution, but failed to show any of them to the press. The prosecution has yet to do so.

mentioned a “filly” (the word in Russian indicates that it was a woman) whom he “cheated out of a three”. Apparently, he concluded that Tymoshenko had paid for the murder of Shcherban from two conversations with a drunk Kyrychenko who, according to Zaitsev, had been a hard core drug user from the late 1980s until the mid-1990s, and got his whole family involved in it.

The first attack of Tymoshenko’s lawyers focused on questions about who transferred the money for the murder and when, to whom it was paid and the amount. Zaitsev specified that Kyrychenko had first told him “we paid”, evidently meaning himself and Lazarenko; then he said that the “filly” paid the “three”. However, he could not explain where another million had come from. In the end, Zaitsev got completely confused and started pulling nervously at his watch. The lawyers switched to Kyrychenko and his drug addiction. The witness realized that saying “deep alcoholic intoxication” was too much and started insisting that they had only had one bottle of wine with Kyrychenko.

The lawyers tried to find out whether Zaitsev had been involved in any other criminal cases, yet the witness refused to answer that until the judge told him to do so. He said that he had been a witness in the case on the murder of businessman Yesikov in 2003-2004, which is still pending. This led one of Tymoshenko’s lawyers, Serhiy Vlasenko, to the conclusion that witnesses in Ukraine can easily turn into suspects, which is why Zaitsev is dependent on the prosecutor’s office. “With whom did you

clearly sounded more convincing. Arguments against Tymoshenko came from people with questionable reputations, who referred to something they had heard from one-time criminals and drug addicts. But the key trend is obvious: although the first sessions are completely bizarre, so far there is no chance of Tymoshenko’s acquittal.

NO PROOF?

What data on the Shcherban-Tymoshenko case is ultimately available to the public? The prosecution is evidently promoting just one of several scenarios suggested by the media, experts and lawyers. Yet, apart from the scenario where Pavlo Lazarenko and Yulia Tymoshenko remove a rival who had supposedly been a serious obstacle to YeESU (United Energy Systems of Ukraine) becoming a gas supplier for the Donbas plants, there is a number of alternative scenarios with different possible participants ranging from the current Donbas team of those in power and oligarchs, to the close circle of the then President Leonid Kuchma, and more. Moreover, the proof seems to boil down to the testimony of witnesses that can hardly

ALTHOUGH COURT SESSIONS ARE COMPLETELY ABSURD, SO FAR TYMOSHENKO HAS NO CHANCE OF ACQUITTAL

come to this session?” Vlasenko asked his final question. “Stepan Bohdanovych brought me here,” Zaitsev muttered. “Who is he?” the lawyer asked. “Stepan Bohdanovych Bozhylo,” the witness spelled out the name of the investigator from the Prosecutor General’s Office who in charge of the Shcherban case.

After the interrogation of the first two witnesses, the defence

State Administration, founded the Donbas Industrial Union, which supplied fuels bought by Ihor Bakai’s Respublika company in Russia to Ukrainian plants, Lazarenko supposedly ordered the assassination of the Donbas Industrial Union founders, including Yevhen Shcherban and Oleksandr Momot. He was arrested in 1999 in the US and sentenced for money laundering. He was released on 1 November 2012.



Petro Kyrychenko

Opened accounts and created shell companies to transfer the income of Lazarenko’s businesses abroad. Moved to the USA after Lazarenko left the premier’s office and worked with US

investigators after he was arrested there. In the fall of 2011, his wife was arrested in Ukraine and spent three months in a detention centre. Over that time, her husband told Ukrainian investigators that he had transferred the money to the killers of Yevhen Shcherban as instructed by Lazarenko through Oleksandr Milchenko known as Matros (Sailor). Thereafter, Kyrychenko’s wife was released and the

seizure of his property was lifted. The court closed the case on his assistance to Lazarenko.



Oleksandr Milchenko (Matros, Sailor)

Was sentenced to 12 years in jail in 1986 but returned to Dnipropetrovsk in 1995 and soon became a crime boss. According to investigators, he was instrumental

in organizing the assassination and was paid a portion of the sum in cash by Kyrychenko. On 22 November 1997, Milchenko tried to leave Ukraine but died suddenly on the border. In May 2012, his body was exhumated and examined for poison but the outcome has not been announced.

Yulia Tymoshenko was CEO of United Energy Systems of Ukraine (YeESU) when Yevhen Shcherban was assassinated. According to the Prosecu-



tor General’s Office, Lazarenko ordered the assassination because Shcherban had posed a threat to Tymoshenko’s life. The corporation ultimately failed to enter the Donetsk Oblast gas market. On 18 January 2013, Tymoshenko faced official charges of ordering the assassination.



Yevhen Kushnir

moved to Israel in 1993. On his return to Ukraine, he founded a gang with Anatoliy Ribabin and Mahomed Aliev. Vadim Bolotskikh (imprisoned for life for the assassina-

tion of Shcherban), a professional killer from Russia, later joined the gang. In the late 1990s, Kushnir’s gang organized the scandalous murder of FC Shakhtar’s President Akhat Bragin known as Alik Grek. Gang members were also accused of murdering Yevhen Shcherban in 1996 and NBU Chairman Vadym Hetman in 1998. In March 1998, Kushnir was wounded and died five weeks later from an “allergic reaction” to medicines at the hospital.

be viewed as independent. This should be taken into account by the court, investigators, and most importantly by the prosecution.

Another signal came from the notorious Major Melnychenko and his reaction to Leonid Kuchma's words in Davos. The latter said that Yulia Tymoshenko was not viewed as the one involved in the murder of Shcherban when he was president. Melnychenko rushed to state that he had heard Kuchma mention something like "Lazarenko... Tymoshenko... Shcherban" many times. Therefore, a plausible scenario is for the prosecution to involve Melnychenko (also on the prosecution's hook due to the criminal case over the illegal wiretapping and recording of Kuchma's conversations) as a witness.

A wild yet possible scenario is for the "Lazarenko... Tymoshenko... Shcherban" fragments to suddenly appear on the Melnychenko tape, and for the Constitutional Court to decide that the tape is perfectly legitimate as opposed to its earlier decision, and therefore perfectly fine as evidence.

Other than that, the prosecution seems to have nothing else to provide as physical evidence. There are the "invoices" provided by

Shcherban's son Ruslan in spring 2012 after 16 years of keeping mum about them. Perhaps, in the eyes of the prosecution, a transfer from one offshore entity's accounts to another's confirms that the money was for a gang of killers. Then, however, the purpose of the transfer should directly state: "For the murder of Yevhen Shcherban". Otherwise, this could have merely been a routine business transac-

kovich's people in the eyes of the independent audience in Ukraine and abroad for a number of other reasons. Firstly, the prosecution has no access to Pavlo Lazarenko, whom it lists as the main client of the killers because he is in the US. Secondly, all executors of the murder are dead. As a result, the testimony of third parties seems insufficient to find Tymoshenko guilty of ordering the murder. Meanwhile, ex-General Oleksiy Pukach, alive and jailed for the murder of journalist Georgiy Gongadze, mentioned Leonid Kuchma and Volodymyr Lytvyn as those who had ordered the murder in the closing court session. Given the prosecution's reasoning in Shcherbangate, doesn't this prove that they are guilty?

Ukrainian criminal justice stands on the two pillars of misinterpreting the law and the selective use of false testimony as evidence, and it looks like the public has no question about this. The law itself has been designed by those in power as a collection of "open texts", comprised entirely of obscure definitions and interpretations. Only someone totally honest would not use this for his benefit, and such people do not work at the Ukrainian Prosecutor's Office. ■



UKRAINIAN CRIMINAL JUSTICE STANDS ON THE TWO PILLARS OF MISINTERPRETING THE LAW AND THE SELECTIVE USE OF FALSE TESTIMONY AS EVIDENCE

GOOD JOB!
RODION KIREYEV, the judge who sentenced Tymoshenko in the gas case, was promoted to Deputy Chief Judge of Pechersk Court in Kyiv, one of the most profitable ones in Ukraine

TETIANA SHYROVAN, the judge who will consider the appeal against the verdict to Yuriy Lutsenko, got an apartment worth UAH 800,000 from the state

tion, or a bribe that had nothing to do with the murder.

Meanwhile, Petro Kyrychenko reportedly mentioned settlement in "black cash", i.e. unreported and untaxed, in his testimony. What can then confirm that the settlement did take place, other than the arrest of the person who paid it on the spot with marked bills? So far, nothing has been reported of any such operation.

Shcherbangate risks turning into a case orchestrated by Yanu-



Vadim Bolotskikh Siberian-born professional killer. On October 3, 1996, he shot Yevhen Shcherban and his wife, while his companion Hennadiy Zangelidi started shooting randomly from a machine gun. Zangelidi, now dead, killed two airport employees, while Bolotskikh was injured on the shoulder. In 2003, the Luhansk Court sentenced Bolotskikh to life in prison. Nothing is known about his possible testimony regarding Tymoshenko's involvement.

Ihor Mar'yinkov spoke in court on 13-14 February 2013, as a witness in the Shcherban case. Running his own business in the mid-1990s, he personally knew Milchenko, Kushnir and the leaders of the Kushnir gang, and said in court that he was on friendly terms with

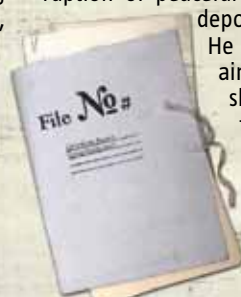
them. According to journalist Tetiana Chornovil, he co-owned a business with Yuriy Vandin, Yuriy Zemliansky and Petro Shatkovsky, all generals in the police now and SBU deputy chairmen at different times. According to The Ukrainian Week's sources, Mar'yinkov was the police's informant in the Kushnir gang when the assassination took place. When the criminals discovered this, the police staged his arrest and a verdict for illegal arms trafficking to save his life, but Mar'yinkov never went behind bars.

Serhiy Zaitsev spoke as a witness after Mar'yinkov. His late wife Svitlana Novakovska was the sister of Petro Kyrychenko's wife. In 1991-1995, Zaitsev chaired the Dnipropetrovsk-based AgroPromZbut. Other founders with equal stakes in the company were his wife, and the Kyrychenko couple. According to the prosecution, this company was the first source of windfall profits for Lazarenko as its beneficial owner.

Volodymyr Shcherban headed Donetsk Oblast State Council in 1994-1996 and Donetsk Oblast State Administration in 1995-1996. He had been friends with Yevhen Shcherban (the two share one family name but were not family) and headed his Liberal Party.



In 2002, Volodymyr Shcherban was elected to parliament as part of the Nasha Ukrayina (Our Ukraine) list but switched to the pro-presidential majority and was appointed Head of the Sumy Oblast State Administration. After the Orange Revolution, he fled to the USA after he faced a criminal case for abuse of office and the illegal disruption of peaceful assemblies, but was deported back in 2006. He was arrested at the airport but released shortly thereafter with three Party of Regions' MPs acting as his sureties.





Another Former Official Finds Asylum Abroad

The Danish government is granting political asylum to former Defence Minister Valeriy Ivashchenko. In an exclusive interview for *The Ukrainian Week*, Mr. Ivashchenko talks about renewed pressure from Ukrainian prosecution and fear for his family as his motivation for leaving Ukraine

Author:
Johannes Wamberg Andersen,
Copenhagen

About the author:
Based in Kyiv, the Danish National Johannes Wamberg Andersen has been an observer of politics and state building in Ukraine since the days of Leonid Kuchma

Valeriy Ivashchenko's asylum status follows the UNHCR Refugee Convention. The Danish Foreign Ministry has restricted its comments in the case to a laconic confirmation. Denmark however is notorious for long waiting times for asylum seekers sometimes putting their lives on hold for years. The speed of which Ivashchenko's application was processed therefore suggest that it was a clear cut case for the Immigration Authority in Denmark. Thus the decision cannot but be perceived as a clear sign of mistrust of the official Ukrainian line that there is no politics in the trials against officials from the former Tymoshenko Cabinet. Asylum for Ivashchenko is yet another blow for Ukraine's reputation and comes at a time when EU leaders have issued a string of statements

that Ukraine needs to end its arbitrary and selective misuse of the justice system and other state institutions. The EU links the progress on the FTA and Association Agreements with Ukraine to the latter's progress in implementing the reforms to which it has committed – and that progress is barely visible. Many in Ukraine see this as too little, too late. This view, however, does not take into account the fact that the EU's tactics represent an unprecedented interconnection of criteria and sanctions, essentially sending the following message to Ukrainian decision-makers and industrialists: "Forget about selling more of your steel pipes to us unless you stop ruling the law and accept the rule of law instead." This asymmetric response shows crystal clear that the EU is well aware that the trials against former offi-

cial are merely the tip of the iceberg, and Western investors might also suffer from the jungle law environment in Ukraine.

In his interview with *The Ukrainian Week* Ivashchenko suggests that statements by Western and EU leaders and members of the Council of Europe Parliamentary Assembly (PACE) resolutions have carried weight in granting him asylum. In particular, PACE Resolution 1862 adopted in early 2012 points out that the conduct of his particular trial was unfair but also labels "unacceptable" its very foundation, namely the parts of the Criminal Code of Ukraine used against Ivashchenko, Tymoshenko and others for being broad enough to allow for the post factum criminalization of what is considered normal decision-making by state officials. »

TURNING POLITICAL

Born in Zaporizhia, Valeriy Ivashchenko had a military career testing Soviet ICBMs. He was an officer in the Armed Forces of the Soviet Union and later in independent Ukraine. In contrast to Tymoshenko or Lutsenko, Ivashchenko was never a politician. Even working as a Cabinet Minister he was mostly preoccupied with managing the Ukrainian military: developing weaponry and military technology, reforming the command structure, fighting corruption and developing international cooperation.

But two years of a show trial has turned Ivashchenko strikingly political: “I love, respect and value my Fatherland and my fellow countrymen. But I hate the scoundrels who run the state now. They are hostile to Ukraine and view people as slaves, as servants who ought to fear them. It is a mafia state.”

Ivashchenko calls upon people in Ukraine to “help each other to stand up! Fight back against bandit behaviour of the authorities together”. He paraphrases a famous quote from the German anti-Nazi Martin Niemöller: “When they came for the Jews, I didn’t react because I wasn’t a Jew. When they came for the Communists I also thought, well – they are not coming after me. When they came for the Social Democrats I again thought it none of my business. But when they came and took me, there was nobody left to defend me! This is what Ukrainians need to understand!”

Ivashchenko not only calls on Ukrainians to unite, but refutes the argument of Ukraine’s situation as an excuse of the last resort: “The world has seen this kind of problem before – in different forms. The almost unrestrained power of the prosecutors and SBU (Special Services of Ukraine – Ed.) in Ukraine increasingly recalls the modus operation of Securitate in Romania under Ceausescu. Unfortunately Ukrainians are less politically active than Romanians,” Ivashchenko says slamming the shortsightedness, widespread atomization, the Ukrainians’ avoidance of political involvement, and the “my house is far away” type of thinking: “I have learned the

hard way that if you don’t deal with politics, then politics will ultimately “deal” with you! There is no hiding. The problem is that civil society is underdeveloped in Ukraine. We have numerous civic organizations; each might be important in their own field – but they hardly influence society. We need big and broad public movements! Individually, one by one, you are easy meat, they will break you,” Ivashchenko says, “We need to learn from developed countries; every single citizen has to feel that he can influence the life of his country, influence political decision making. That is what European values mean to me.”

Should Europe do more to help Ukraine? “You can only help somebody who is actually trying to achieve something. How can you help a person lying on a sofa? You can only lie next to him, to make him feel better about his own lying there!” he replies.

REVENGE

Despite not being a public figure, Ivashchenko was one of the first former officials to be detained in a wave of arrests after Yanukovich became president in 2010.

“First the prosecutors asked me for compromising testimony against Tymoshenko and Turchynov. I was to state that they had given me illegal orders. But they didn’t, so I couldn’t. I am a man of honour.”

The prosecutors were not happy that Ivashchenko refused to help them nail his former bosses. And so they went after him, apparently helped along by a revenge-driven former deputy minister of defence, Ihor Montrezor, whom Ivashchenko kicked out of the Defence Ministry for being “a person fixing dirty corrupt deals in the upper echelons of power.” Montrezor showed his “gratitude” by making accusations of corruption against Ivashchenko to the new president Yanukovich and his timing proved spot on.

Ivashchenko was taken into custody in August 2010 and eventually spent almost two years of his five-year sentence in jail, convicted of alleged wrongdoing by giving the formal go ahead for restructuring a Defence Ministry-owned ship repair plant in Crimea. In August 2012, the

“After my release they offered me a deal – drop the cassation to the Supreme Court and we won’t touch you. I rejected that”



“FIRST THE PROSECUTORS ASKED ME FOR COMPROMISING TESTIMONY AGAINST TYMOSHENKO AND TURCHYNOV. I WAS TO STATE THAT THEY HAD GIVEN ME ILLEGAL ORDERS. BUT THEY DIDN’T, SO I COULDN’T”

“The problem is that civil society is underdeveloped in Ukraine. We have numerous civic organizations; each might be important in their own field – but they hardly influence society. We need big and broad public movements!”

“Prosecutors in Ukraine are even proud that they have managed to keep their institution intact since the Soviet Union!”

Court of Appeal softened the sentence to suspended, and he was released.

Ivashchenko makes a humble but dignified impression even in his temporary home in a refugee centre on the outskirts of Copenhagen: “Throughout my career I stood out and was considered a black sheep, because I never took bribes. There were only a few of us like that at the top of the Ukrainian military. I was offered money several times, but I told those people to forget about it and to get lost.”

Sick and tired after two years of imprisonment, a show trial and

serious illnesses including spinal problems that went untreated during jail time and are still unhealed, Ivashchenko is in no mood to discuss the core of the accusations against him: “That factory was really a minor issue. However, if you read the documents of the trial, one gets the impression that that was all I did – conspire to sell off that factory. On the contrary, in 2009 I had a full-scale military to run!”

To confirm this, Ivashchenko shows pictures on a small laptop computer: “Look, this is our military cargo aircraft landing at the Danish Station Nord.” Ivashchenko is seemingly proud of his deeds for his country and – talking to a Dane – proud of his role in Ukrainian assistance to the Danish Air Force, providing airlift capacity to a remote base in North Eastern Greenland. The operation began in 2009 and the contrast from bright, sunny, snowy Greenland to Kyiv’s dirty and dark detention centre just a year later could have cracked any man.

Ivashchenko, however, is not a broken man: “My military training helped me survive the horrors of Ukrainian prisons.”

After his release he even managed to restore his health almost too full strength and throw aside the cane he needed during his time in jail.

THE PROSECUTORS

Ivashchenko claims that he went after several corrupt high ranking officials as minister. Maybe this was why he had to serve two years in jail and flee his country? But shouldn't he had stayed and fought back? "I had to consider the safety and well being of my family," he explains. Ivashchenko did have one option left – to play ball with the prosecutors: "After my release they offered me a deal – drop the case to the Supreme Court and we won't touch you. I rejected that." Accepting the deal meant consenting to the verdict. Even so, the prosecutors could have held the sword of Damocles of releasing the full sentence in jail over him, if Ivashchenko did not behave as they wished – making accusations for political ends.

Ivashchenko's rejecting the game meant that he was out of options. "They went after me again, wanting to put me again bars; the case is due in March. Now I can talk freely and as such I am more useful to my country. I'd like to return to Ukraine, but for the moment I can't. It is ruled by a few who act as if they had inherited rights to the country and its wealth."

After his encounter with the prosecutor-dominated justice in Ukraine, Ivashchenko says is it rather naive to think that the General Prosecutor's Office can be reformed. The GPO is a state within the state crudely misusing its extensive authorities to watch the operation of other government bodies and even private contracts. "I am not saying it was any good as a Soviet institution. But now the GPO is even freed of Soviet Party control, the checks and balances exercised at that time. Prosecutors in Ukraine are even proud that they have managed to keep their institution intact since the Soviet Union!" Ivashchenko shakes his head in utter disbelief, bitterly stressing that, even in its Soviet design, this key institution was not meant to operate without any outside oversight. ■

ESCAPING THE REGIME

Despite official rejection of political persecution, Ukrainian opposition politicians, activists and business owners are fleeing abroad to escape persecution at the hands of government.



Viktor Romaniuk A United Opposition's candidate in the parliamentary election, Viktor Romaniuk is the main rival of the pro-government Tetiana Zasukha in district No94 where re-election is supposed to take place. He was forced to leave Ukraine under pressure.

Arkadia Kornatsky Batkivshchyna's candidate in first-past-the-post district No132 in Mykolayiv Oblast — one of the re-election districts — left Ukraine on October 1 until the election campaign ends. Kornatsky's lawyers learned about his scheduled arrest after he had received two interrogation notifications from the Kyiv Oblast Prosecutor and Pervomaisk County Unit of the Interior Ministry in Mykolayiv Oblast.



Andriy Shkil did not get into the parliament under the Batkivshchyna party list and lost his MP immunity. In December 2012, he said he was in the Czech Republic and would probably ask for political asylum there. Shkil said political persecution against him never stopped, and the case for the Ukraine Without Kuchma campaign of March 9, 2001, was still open. Also, Shkil confirmed that some of his property in Kyiv was seized.

Bohdan Danylyshyn The ex-minister of economy was granted political asylum in the Czech Republic in January 2011. The charges against him were based on a crime qualified as "abuse of power or office" in the Criminal Code linked to public procurements. The Prague court deemed Ukrainian justice politically motivated, meaning Czech officials believe he cannot expect fair trial in his country. Danylyshyn currently lives in Prague and is involved in lecturing, academic work and civil activities.



Oleksandr Tymoshenko is the husband of ex-premier Yulia Tymoshenko who was sentenced to seven years in jail. He applied for and was granted political asylum in the Czech Republic in January 2012. According to Batkivshchyna, this comes from pressure exerted on Yulia Tymoshenko's family members.

Mykhailo Pozhyvanov The former deputy minister of economy was put on a wanted list by the Prosecutor General on January 31, 2011; he was accused of stealing nearly UAH 35bn from the budget. He left Ukraine for Austria where he currently lives and works.

Denys Oleynikov After persecution for making T-shirts with the anti-president "Thank you, people of Donbas..." slogan and accusations of using the Euro 2012 logo unlawfully, the owner of the ProstoPrint company that made the T-shirts, Denys Oleynikov, and his family were granted political asylum in Croatia in early December 2012.





As the Kyiv mayoral and city council elections draw closer, the government is searching for political tactics to offset its poor ratings in the capital

Author:
Andriy Skumin

The term of the current Kyiv Council, elected in 2008, ends in spring. The decision to hold an extraordinary mayoral election has not been taken yet, although the term of the previous Mayor, Leonid Chernovetsky, expired in summer 2012. However, those in power will have no more excuses for delaying the mayoral election in 2013. Just a year ago, time seemed to play into the hands of the Party of Regions (PR), apparently encouraging it to keep postponing the extraordinary election. Widespread expert opinion was that Oleksandr Popov, appointed Head of Kyiv City State Administration by President Yanukovich, was thus given time to create a positive image for himself and that the election would take place when his rating was high enough to win. However, the parliamentary election on 28 October, 2012, ended with a bitter defeat for the PR in Kyiv: three opposition parties gained a majority of nearly 74% with 31% voting for Batkivshchyna, 25.5% for UDAR and 17.3% for Svoboda, compared to the PR's discouraging 12.6%. This makes the party in power's support in Kyiv only slightly higher than that in Western Ukraine, a conventionally anti-PR region. Based on a poll by Active Group held on 10-13 January 2013, only 14% of voters in Kyiv were prepared to support Oleksandr Popov. 34.3% would vote for Vitaliy Klitschko. Even Petro Poroshenko with his mayoral ambitions would end up with 12%. The

Party of Regions could hardly expect the situation to change dramatically over the past few months. This means that it will now have to seek alternative ways to keep power in Kyiv.

Given these circumstances, the government has apparently put crisis scenarios to solve the "Kyiv issue" into practice, or so signal its latest initiatives. Kyiv Council Secretary and Deputy Mayor, Halyna Hereha, announced that the city council election should be held under the first-past-the-post system, i.e. with individual candidates rather than using party lists. According to some sources, the plan is to hold the election in July when most proactive Kyivites are likely to leave town for vacation and pensioners will prevail in the remaining electorate – many of which are easy to persuade and bribe. They were the ones who helped Chernovetsky and his team to win the previous elections, and are likely to vote for Popov and the Party of Regions candidates in the upcoming one. It also looks like the PR is preparing a scenario whereby mayoral elections will not take place at all in Kyiv – a series of Does Kyiv Need a Mayor? campaigns have been conducted by pro-PR NGOs.

BEHEADING KYIV

Not once does the Ukrainian Constitution mention the term "Kyiv city head" or "city head of Kyiv", in other words, mayor. According to Article 141 of the Constitution, "territorial communities... elect the village, town or city head by secret

FIRST BLOOD: The battle for Kyiv kicked off with the government's attempt to create a pocket Public Council. It appears that those in power are using the "Kyiv Community" to legitimize decisions that will help them to gain control over Kyiv after the 2013 municipal election. On 29 January, the opposition tried to disrupt the sham founding meeting of the Public Council as part of the Kyiv City State Administration where it was supposed to elect a pro-government board. Still, the meeting took place with phantom NGOs while most actual ones were kept out of the process

voting", but the same Constitution states in Article 140 that "special laws of Ukraine define the nature of local self-governance in Kyiv and Sevastopol."

This equips the party in power with a simple solution to the mayoral election issue: it can merely eliminate the position as such. The scheme is simple: a group of PR and Communist Party MPs apply to the Constitutional Court requesting an interpretation of the Constitution's provisions on whether the office of Kyiv mayor is even an integral element of the capital's self-governance system. Chaired by the Makiyivka-born judge Anatoliy Holovin, the Constitutional Court can issue an opinion whereby Kyiv's self-governance can be such, that is recognized by a special law on the capital. Then, the parliamentary majority of the PR, the Communist Party and crossovers approves, and Yanukovich signs, a new version of the Law on the Capital of Ukraine, the Hero City Kyiv, that eliminates the office of mayor, leaving only the Kyiv Council, the executive body of which is the Kyiv City State Administration, headed by a person appointed by the president.

POROSHENKO AS THE GOLDEN MEAN

According to The Ukrainian Week's sources, the PR is currently busy discussing the Kyiv without a mayor scenario. However, it is not the only crisis scenario. The other appears more honest: it leaves the prospect for the mayoral election in place.





PHOTO: UNIAN

However, if administrative leverage proves futile in bringing the desired victory to the PR, and Kyivites ultimately elect an opposition mayor, the PR-controlled parliament could rule to hold another extraordinary mayoral election, thus cancelling the outcome of the previous one. Another option is to cut the majority of the mayor's powers and hand them over to the Head of the Kyiv City State Administration, who is, of course, appointed by the president.

Yet another relatively honest plan to get around the voters in Kyiv is purely tactical: those in power could "disperse" their votes in the mayoral election. Under the current procedure, the Kyiv mayor is elected with a relative majority in one round. Unless the opposition nominates a single candidate, those in power will have the opportunity to win the campaign with a minority of votes, just like Chernovetsky did in two previous mayoral elections with 32% and 37%.

The lack of a single candidate from the opposition will also pave the way for Ukrainian political heavyweight, Petro Poroshenko, to run for mayor. This will give Yanukovich & Co the chance to replay a Chernovetsky-type scenario in Kyiv, especially given that the car and chocolate tycoon and ex-Minister of Economy in Azarov's Cabinet is likely to enjoy open or hidden support from opposition leaders as well, or so signals the nomination of his son Oleksiy in his election to the Vinnytsia Oblast Council as a Batkivshchyna candidate.

NO CITY COUNCIL – NO POWER

Still, virtually all administrative and manipulative scenarios to prevent fair voting in the Kyiv mayoral election do not guarantee complete power in the capital for the government if the Kyiv Council is in opposition to it and a pro-PR mayor, since it is the Kyiv Council that approves the budget, development programmes, privatization and the allocation of land plots.

In addition, party elections to the Kyiv City Council do not bode well for the PR. Its popularity in Kyiv is almost as low as in Western Ukraine. For this reason, few were surprised by Halyna Hereha's statement, circulated by the Kyiv City Council's press-service (her husband Oleksandr Hereha is a PR MP – Ed.) that a "first-past-the-post system proved more effective" in municipal elections – needless to say, from the regime's perspective – so it makes sense to use it for the upcoming Kyiv City Council election. Moreover, this is a good way of bringing more crossovers into the Council, running as opposition candidates, who will later join the pro-PR group to form a majority.

The PR could take into account another lesson it learned from the 2012 failure, when most "against-all" voters ultimately supported the opposition, particularly Svoboda, after this option was removed from the ballot. Now, those in power may try to bring it back in the municipal election, thus undermining support for opposition candidates.

Some could be skeptical about the PR's plans, especially after opposition first-past-the-post candidates won the latest parliamentary election, running against multimillionaires. Halyna Hereha herself lost a constituency in Kyiv to an opposition rival. Yet, *The Ukrainian Week's* sources from the PR claim that preparations for the Kyiv elections are currently on a huge scale. Therefore, much will depend on the ability of Batkivshchyna, UDAR and Svoboda to ultimately gain control over Kyiv before the decisive presidential campaign, rather than go looking for compromise candidates that could end up playing into the regime's hands. The opposition should not simply agree on a single candidate, who is not the consequence of a compromise with the government, such as Petro Poroshenko, and prepare to prevent parliament passing special laws to eliminate the office of Kyiv mayor, but more importantly to agree on opposition candidates in all first-past-the-post constituencies where, according to valid legislation, 50% of the Kyiv Council will be elected. According to *The Ukrainian Week's* sources, three opposition parties seem to have agreed on a single candidate in the mayoral election. Obviously, this will not be Vitaliy Klitschko, who may have decided that the pre-presidential election period is not the best timing for him to run for mayor, and not Petro Poroshenko, albeit such rumours have recently been circulating backstage in parliament. ■

CHERNOVETSKY'S TACTICS TO BRIBE PENSIONERS DON'T WORK

The ratings of key potential candidates in the upcoming Kyiv mayor election

Vitaliy Klitschko

34.3%

Oleksandr Popov

14%

Petro Poroshenko

12%

Source: A survey conducted on 10-13 January 2013 by Active Group in Kyiv

Andrew Wilson:

European politicians feel that Ukrainian authorities are mucking them about

Interviewer:
Bohdan
Tsiupyn, UK

"Things are so bad now that even a *pro forma* meeting with photographs and handshakes would be progress," says Andrew Wilson, British analyst of Ukrainian history and modern politics, as we talk about the visit of President Yanukovich to the February 25 summit in Brussels.

EU Commissioner for Enlargement and European Neighbourhood Policy Stefan Füle visited Ukraine on February 7-8 to discuss the agenda for the Ukraine-EU summit. He tried to persuade Kyiv that it is running out of time to meet Ukraine's commitments. *The Ukrainian Week* talks to Mr. Wilson about the summit and Yanukovich's tactics in negotiations with Brussels.

UW: Do the latest developments in Ukraine, including the new case against Yulia Tymoshenko, give you an impression that Kyiv is doing everything to undermine the Ukraine-EU summit?

Yes. In fact, one Ukrainian newspaper even drew up a table of previous Ukraine's meetings and how the Ukrainian side had tried to sabotage virtually every one of them. Perhaps not everyone in the Ukrainian government does so, just a faction. But we have recently seen new charges against Tymoshenko. She is accused of being involved in the murder of Yevhen Shcherban which is an extra factor that places the upcoming summit in doubt. But I don't think that anybody in Brussels is looking forward to that meeting. The other big factor, however, is that Ukraine is one of the six states in the Eastern Partnership programme. There is a storm of criticism of Georgia at the moment: ironically, the Ivanishvili government is accused of "ukrain-

ization", i.e. the use of politically motivated persecution as in Ukraine, although whether this is fair is a big question. Moldova is making a great progress but there is a big question as to whether Moldova can sign, finalize or put into practice the Association and FTA Agreements without Transnistria. What I mean is that while progress is not possible with Georgia and Moldova, the EU may be a bit more forgiving with Ukraine.

UW: Do you think Brussels has found itself in a situation where it has no choice?

European politicians want a success story. They want at least one out of the six Eastern Partnership programme countries to be making progress they could mark at the Vilnius summit in November this year. But, clearly, they feel that Ukrainian authorities are mucking them about.

UW: Do you see Yanukovich as a really smart and skillful manipulator? Or does his policy concerning European integration look like he is not really doing anything in that direction?

A lot of the irritation on the EU side comes from broken promises. Yanukovich gave various signals of compromise at different points but never delivered the result. So, there is a personal sense of frustration among the leading EU politicians.

UW: Why is he doing that, in your opinion? Does he want to spoil his reputation in Brussels?

No, he just doesn't understand how the EU works. He thinks that everything will be decided by realpolitik, while the EU is just making a lot of noise about Tymoshenko and other human rights cases but doesn't really believe in it. He thinks realpolitik is all that matters, but



actually the EU does believe in some of these things. So, his *modus operandi* pushes him the other way.

UW: What is realpolitik for Yanukovich in this situation?

Yanukovich's calculation seems to be that he can play a kind of classic neo-Titoist bouncing game and the EU will ultimately let him have the Agreement because it will buy the argument that he will make a deal with Russia instead. In fact, however, he is showing that Ukraine is isolated and corrupt, while oligarchs do not really want to work with either side.

UW: Let me suggest another scenario: what if Yanukovich is not manipulating or balancing,



but just is not interested in European integration? So, he is putting Ukraine on the path to total dependence on Russia but does not say anything about it in public. Those who believe in this scenario point at the fact that Yanukovich understands Russia and Russian politics, and does not understand European politics, and is surrounded by many Russians or people directly linked to Moscow in his government.

Well, I never said that he was a good manipulator. Moreover, on the personal level, some European politicians have grown very annoyed with his tactics. Still, despite of what you said, I think Yanukovich needs Europe, even if not the EU. He needs another anchor in negotiations

with Russia. Otherwise, he gets very bad deals from Russia. It is true that there are a lot of people, especially in top law enforcement offices, that are linked to Russia. On the other hand, though, some Ukrainian oligarchs also have strong links with Russia as their businesses depend on it. Yanukovich has to pretend at least that he looks after the interests of the national oligarchy. No Ukrainian oligarch wants to be swallowed up by a Russian counterpart.

UW: That is a widespread opinion. Yet, almost all Ukrainian oligarch are openly anti-Ukrainian as they earn their windfall profits using Russian fuels. Do you actually believe that they care about national interests?

No, they care about themselves. Clearly, the cultural background may be a factor. But if you look at trade patterns, they are one third for the EU, one third with Russia, and one third with other countries, roughly speaking. Despite of what you say about cheap gas and so on, Ukrainian oligarchs should remember that two thirds are more than one third if they look at their own long-term interests. If signed, the Association and FTA Agreements will boost Ukraine's trade with the EU, and it may then sell more processed food for instance to Egypt provided that it's got the EU certification.

That is not to say that the oligarchs know their own interests. And, although some of them run charitable initiatives, they are not charitable individuals, just following their own interests. Yet they are not as pro-Russian as you would think.

UW: Who do you think decides on Ukraine's course? Is it politicians who are public to some extent at least or oligarchs of whom we never hear, and never know what they think or do?

Indeed, the lack of transparency in ownership, corporate governance and governance itself is a big problem. Ukrainian audience is familiar with the Family and "familyzation". I think there are many signs of tension between the Family and

old oligarchs. There are many whose interests are threatened by the Family's expansion, but of course no one wants to be the first and protest against it. Valeriy Khoroshkovsky has just got into trouble and sold his TV channel. But at least we know who the Family literally are, and we can draw a map of the current

SOME EUROPEAN POLITICIANS HAVE GROWN VERY ANNOYED WITH YANUKOVYCH'S TACTICS

government with the key power seemingly in the hands of the Family and the opaque circle around it, with only Akhmetov's people as sort of the key oligarchic group. So, the old oligarchs may be losing power to this shadowy miasmatic group. But the fact that we know so little of them is part of the problem.

BIO

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*.

UW: To what extent are officials in Brussels ready to compromise with Yanukovich? What can we expect of the February 25 summit?

The first steps for the EU would be to get more precise on what its conditions were. The way the key condition regarding the progress on selective prosecution is phrased leaves some room for compromise. But the opinion in the EU is that the Ukrainian side should demonstrate substantive change.

UW: The Brussels summit could be just a formality, a very important one, but a formality still...

I think you are right: both sides are now too far apart. But things are so bad now that even a pro forma meeting with photographs and handshakes would be progress. Actually, the summit is not a real deadline, just an attempt to channel things towards something substantive before the Vilnius summit. That's the key objective everybody wants. But the art of diplomacy is to make every deadline not really a final one, to adjust the goal posts in many ways. But the EU-Ukraine summit is clearly the key event by which people want to see progress. ■

Taking a Break as a Strategy

Yanukovich is trying to provoke the EU into not signing the Association Agreement



Authors:
Oles
Oleksiyenko,
Milan Lelich

The 25 February Ukraine-EU Summit in Brussels is highly anticipated as the event which will indicate, among other things, the likelihood of the signing of the Association and FTA Agreement this year. However, hopes of it bringing about a thaw in relations between Kyiv and EU member-states could be misplaced.

Yanukovich has not done anything in terms of the earlier politically motivated trials against Tymoshenko, Lutsenko and other opposition members. On the contrary, he has authorized wider political persecution of the opposition: in addition to the new case against Yulia Tymoshenko that could end with a life sentence, her lawyer Serhiy Vlasenko, Batkivshchyna's key international mouthpiece Hryhoriy Nemyria, and a number of current and for-

mer opposition MPs and their families have faced criminal charges. Deputy Prosecutor General, Renat Kuzmin, as the main executor in the opposition persecution campaign accused Europe and the USA of the obstruction of justice and pressure on Ukrainian judges who "merely want to find the truth" and "do justice". Meanwhile, no one has yet fully investigated violations by those in power during the parliamentary campaign and election, and re-elections in five constituencies where the original election was ruled invalid have not yet been announced, and the prospect of holding them ultimately remains dim. Ukrainian law enforcers blatantly and systematically violate citizens' rights, while Interior Minister, Vitaliy Zakharchenko, is now publicly justifying Berkut and Gryphon, spe-

cial-purpose police units, for beating up protesters, including opposition MPs who are guaranteed immunity by the Constitution.

A FRIENDLY GESTURE

Despite the aggravating situation with democracy and human rights in Ukraine, in early December 2012, the EU relaxed its stance somewhat on Ukraine and the Yanukovich regime as it agreed to hold the Ukraine-EU Summit in February. Widespread opinion is that this move was spurred by the Russian factor that intensified at the end of 2012, threatening to drag Ukraine into the Customs Union. Despite new charges against Tymoshenko, the European Parliament's Foreign Affairs Committee unanimously supported the 23 July 2012 amendments to the agreement on

Ukraine-EU visa facilitation for some categories of citizens on 22 January. Finally, the recent visit of the European Commissioner for Enlargement and European Neighbourhood Policy, Štefan Füle, to Ukraine proved that the EU is ready to be flexible in negotiating the most acute issues.

During the visit, the public learned about the 19 criteria the EU will use to evaluate Ukraine's progress on its requirements as a precondition for signing the Association Agreement. The list leaked to the media shows that they are the extended version of what were previously three criteria. This may be an attempt to downplay the link between the prospect of signing the Association Agreement and progress on the "immediate solution of politically motivated verdicts" requirement as one of the 19, not three criteria as it used to be earlier. This boosts the chances of seeing "further progress" similar to what Füle saw: "Certain, but quite limited progress has been achieved in important areas compared to my previous visit to Ukraine five months ago."

EU advocates of Ukraine's European integration have been trying to make sure that the Ukrainian government understands the crucial role of the steps the EU expects from it and warn it of the risk of the "window of opportunities" that involves signing the Association Agreement, shutting down for a long time in November 2013 unless Ukraine takes these steps. This was Štefan Füle's message during his latest visit, as well as that of Poland's President Bronisław Komorowski during Yanukovich's visit to Poland before the Brussels summit.

WHO WILL PULL UKRAINE'S CHESTNUTS OUT OF THE FIRE?

The public will soon find out how persuasive this was. Still, chances are high that the Yanukovich regime is not ready to duly react to the EU's stance. The government has already passed a decision to fulfill only 10 of the 19 criteria. They do not include a number of crucial criteria, including the drafting of the Election Code; the provision of clear rules for the media to give election participants equal access to the media; and the requirement to take measures in

the cases against Yulia Tymoshenko, Yuriy Lutsenko and Valeriy Ivashchenko.

"Don't think that one country was teaching the other. We expressed our views about the European Commission in turn," Premier Mykola Azarov wrote on his Facebook page after the meeting with Füle. Shortly before the summit, Ukraine's Ambassador to the EU, Kostiantyn Yelisiiev, lamented that the EU's requirements for Ukraine were as if for a potential member-state. Ever since Leonid Kozhara, the newly-appointed Minister of Foreign Affairs, visited Davos at the end of January, he has been making efforts to promote the somewhat forgotten concept of "the progress towards Europe together with Russia" based on Vladimir Putin's "Europe from Lisbon to Vladivostok" concept, that excludes US influence and allows Moscow to take the lead. The Yanukovich regime is interested in this structure and not for economic reasons alone: it would offer looser requirements regarding compliance with democratic and human rights standards, in contrast to current talks with the EU.

As they turn away from European integration, Ukrainian authorities are trying to blame the possible failure of the bilateral summit and Ukraine's fading chances to sign the Association Agreement on the opposition that is blocking parliament and demanding that all MPs stick to the constitutional procedure of personal voting, and on Europeans who "do not get Ukraine's unique situation". The opposition's reluctance to unblock parliament was declared as the key obstacle to voting for the declaration to support Ukraine's European integration and sign the Association Agreement in the near future. However, the opposition suggested passing it with MPs' signatures on the document rather than voting, which would be a perfectly legitimate signal of parliament's support for the declaration.

GETTING OUT OF THE SWAMP

Staying in the grey zone between the EU and Russia, with no strong pressure on the personal interests of Yanukovich and his circle, is a completely favourable status quo for the expansion of the Family in

an authoritarian state. European integration has never been a real priority for Yanukovich, but he could not afford to say that in public in the 2009-2010 presidential campaign. The Yanukovich regime is not likely to fulfill most requirements, yet this does not mean that the EU should stop integration projects with Ukraine.

Continued negotiations and the signed and ratified Association Agreement will give the EU much more leverage in influencing the situation in Ukraine than the refusal to sign it and half-frozen relations with it. The latter will make Ukraine much more vulnerable to Russia's authoritarian influence. In contrast to widespread opinion, Yanukovich will not resist



CHANCES ARE HIGH THAT THE YANUKOVICH REGIME IS NOT READY TO DULY REACT TO THE EU'S STANCE

Ukraine's excessive dependence on Russia. He sees Ukraine merely as a territory to squeeze for profits for his family. If offered an attractive scheme to keep and increase his assets, he would allow Russia to swallow Ukraine politically or economically. Thus, Russia remains a threat to Ukraine's sovereignty, and the risks of Russian neo-imperialism for Europe aggravate.

Therefore, it is critical to separate the Yanukovich regime and instruments used to influence it from the Ukrainian people and the strategic objective of reinforcing Ukraine's European focus and integration. Firstly, the signed Association Agreement may put an end to debates about Ukraine's integration into the Customs Union. Secondly, the Association and FTA Agreements are a symbolic, yet crucial signal of Ukraine being part of the European economic and geopolitical area that can become a fully-fledged EU member when it meets the necessary criteria. Therefore, it is important to encourage European-oriented forces in Ukraine and stop the "nobody wants us there" talk. Finally, the Ukraine-EU FTA Agreement is an instrument to reinforce the links between Ukrainian and European economies and boost the crucial process of Ukraine's economic integration with the EU. ■

James Sherr:

Personal, political and clan interests of those in power have always been more important to them than the national interest of the country

Interviewer:
Nataliya Gumenyuk

An expert in energy relations of Ukraine, Russia and the EU, as well as EU and NATO enlargement and security in the post-Communist territory, James Sherr claims that Ukraine's choice today is between national and clan interests rather than between Russia and the West.

UW: The Yanukovich administration has put itself in a dead end in relations with the West after the backside on democracy. How can this affect Ukraine's long-term prospects?

Let me put this in context. During President Kuchma's first term, Ukraine's progress in accomplishing its goals, establishing an independent state and all the institutions, including some out of nothing, exceeded in almost every respect the Western expectations. In 1994, British Prime Minister John Major described Ukraine as the pivot of Europe's security. Ukraine became the third largest recipient of USAID because people had a very positive impression of what was being done here. But the point is that the West's response to Ukraine is always a reflection of what Ukraine does for itself. The most important issue for all Western countries is the demonstration of seriousness of the commitments Ukrainian authorities have made to the country and to others.

Unfortunately, regardless of who was in power, there has been a huge gap between declared aims and documents put on paper and actual implementation. It's clear not only to most experts and professional people in Ukraine, but to most Western governments, that the gap has always existed

for a reason: personal, political and clan interests of those in power have been more important to them than the national interest of the country. As long as that is the case, the West will go no further. It has said, and will say: Enough! The whole negotiation process for the Association Agreement was conducted with great thoroughness and seriousness both on our side, and the Ukrainian side. The EU has said the following - and I don't think this will change: as soon as we see that Ukrainian authorities have the real commitment to implementing these principles, the EU will sign the document and submit it for ratification. Until that point, we will not. The view inside the EU - and I think it is also Angela Merkel's view which she mentioned at the meeting with Vitaliy Klitschko - is that signing the this (the Association Agreement - Ed.) without this demonstration on Ukraine's part will not help Ukraine. It will make things worse by rewarding the cynicism of its political authorities. For this reason, Europe will not go further until Ukraine does.

UW: How serious are Ukrainian authorities about European integration intentions?

I don't think that the choice lies between Ukraine meeting these conditions and moving closer to Europe or re-integrating with Russia in the eyes of President Yanukovich and his government. There is no interest among the businesses Yanukovich depends on to re-integrate with Russia, because they would then be subordinate to another power that they cannot dominate or control, whereas today they are part of the system that they influence profoundly and dominate in some spheres - and they do not want to give this up. This is not



BIO:
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because the businesses here have European values and believe in the EU-approach based approach to doing business. It is because they wish to preserve their own dominance, and they know that, if they re-integrate with Russia, this will be taken away from them.

Ukraine has been very effective for 20 years in not being part of one or the other, and I think Ukraine can continue this way. This is not to say that this is necessarily good for the country, but this is sustainable. The unfortunate consequence of not moving closer to the EU is not re-integration with Russia, but the continued maturation of this extremely unfavourable and unbalanced system in the country.

UW: What is the role of energy security in this context?

It is a different discourse in relations between Ukraine and Europe. Framework agreements for gas exploration have been concluded with Chevron and Shell. Ukraine is a member of the



EU's Energy Community. These channels of communication are open; nothing is blocked here. So, a distinction should be drawn between issues connected with the Association Agreement and FTA on the one hand, and energy supply, transit and security on the other. Europe is capable of doing this – and is doing this – because there are very important interests involved on both sides. Nobody is saying, until you let Yulia Tymoshenko and Yuriy Lutsenko out of jail, we will block all assistance programmes and discourage investment. But there is conditionality: if you want more investment, and if you want the European Bank for Reconstruction and Development, as well as a number of other institutions to assist you with the modernization of infrastructure and so on, it has to be absolutely clear that contracts are honoured and honest regulatory system is in place – that the law applies and investors have confidence. It's the key point which I think is not understood enough in Ukraine. If what hap-

pened to Vanco when Yulia Tymoshenko was in power happens to any of these big energy companies, the entire investor community will walk away from Ukraine – not out of principle but because it is not rational for them to make investments worth millions of dollars, and more in some cases, that will not generate profits for 8-10 years, if there is no security of the investment and confidence that the agreements will be upheld and the profits will go to them. Here, progress is possible and there has already been some, but there are also some very worrying signs.

The interest that Ukraine has in developing its huge energy potential is enormous. But the question for Kyiv today is whether this national interest can overcome all this personal and corporate interests I mentioned. Since 1995, Western energy companies have been presenting plans to Ukrainian authorities which, if implemented, would have brought Ukraine substantial energy independence from Russia in 5 years and complete independence in 15. And nothing has been done. Under Kuchma the projects were shelved. Under Yushchenko, I don't think they even understood it. They did nothing. The people in power today are at least beginning to do something and pretending to do more, but we'll see.

UW: Russian energy giant Gazprom has finally launched the construction of South Stream bypassing Ukraine. Many see it as a threat to Ukraine's energy security. What consequences can this have for Ukraine?

The South Stream construction began with this very ostenta-

situation where the US became a large exporter of coal and LNG. As a result, the South Stream, even if built, will be finished at a time when Europe is emancipating itself from this long-term dependence gas from Russia. Regardless of whether the project is completed or not, in my view, it represents a colossal mistake for Russia and European partners engaged in it because they will end up paying much more than they need to to meet their energy requirements and bound into arrangements that do not suit them by the time they come into effect. The International Energy Agency has come to the conclusion that Russia must replace 80% of its productive resources to maintain the position it has now, and do this by 2035. In today's money, it would cost almost USD 800bn. Russia does not have these resources. South Stream is a costly diversion which does not address the issue. The reason why most experts still think that South Stream will not be built is that Russia cannot identify gas fields that can supply it or an interior pipeline that will go from the fields to the pipeline itself. This is a very costly and complex undertaking, irrelevant to Russia's actual energy needs which are to increase productive resources and efficiency.

In 2008, Russia consumed as much energy per year as the United Kingdom, Italy, Japan and India put together. Today, the situation is slightly better. The scary thing is that Ukraine is only half as energy efficient as Russia is, so imagine how grotesquely dysfunctional and damaging its current system of energy supply is. Imagine how much of Ukraine's own resources could be released if it had an efficient energy system. Then ask yourself why nothing has been done over 20 years – and you'll understand it all: because it is not in the interest of people in power to lose the fundamental resource for their economic and political power. That's why nothing has happened. It is a clear case of the damage from the choice between personal and corporate interest on the one hand, and national interest on the other. The EU can only point this out. We can't come to Ukraine and do it. And we can't take Ukraine seriously until it starts to do it. ■



IMAGINE HOW MUCH OF UKRAINE'S OWN RESOURCES COULD BE RELEASED IF IT HAD AN EFFICIENT ENERGY SYSTEM

tious ceremony of simply sticking two pieces of pipe together. Exactly at the point where there was a substantial decrease of the quantities of pipeline gas imported from Russia by Europe and increase of LNG and shale gas extraction in the US, Canada and the UK. This has created a

A Pipe of Discord

Instead of ending total dependence on Russian gas, the Yanukovych regime appears to be ready to give the Kremlin Ukraine's gas transit system in exchange for a share in RosUkrEnerg-2

Author:
Oleksandr
Kramar

The Ukrainian government's declarations regarding the "end of Gazprom's domination in Ukraine" give the impression of unsubstantiated bravado. While the neighbouring Poland, which is no less dependent on Russian gas than Ukraine is, has expressed its intent to invest EUR 1bn in the construction of branch lines from the LNG-terminal on the Baltic coast, which will be put into operation as early as next

year, the Ukrainian government gives ever more grounds to suppose that it is deliberately delaying already started projects for the diversification of gas supplies. The most likely scenario appears to be an agreement to create a joint venture (JV) with Gazprom to manage the Ukrainian gas transportation system (GTS) in exchange for the possibility of transporting theoretically cheap gas from Turkmenistan or other Central Asian coun-

tries via the Russian pipeline. This is proven by the campaign from the lobbyists of this decision in the Ukrainian mass media. Even Russian opposition member Boris Nemtsov came to Ukraine to convince Ukrainians that the GTS must be given to Russia, otherwise it will die.

The Russian party has often sent signals that Ukraine has to take some fundamental concessions in exchange for a reduction in the price of gas. Firstly,



Ukraine should reject its obligations under the Energy Cooperation with the EU regarding the Third Energy Package. Secondly, it should transfer the management of the Ukrainian GTS (this should occur without the EU involved given the latest statements of the Russian Ambassador, Mikhail Zurabov) to Gazprom. Thirdly, it should drop the idea of importing gas from alternative sources, since this reduces the volumes of Russian fuel sold in Ukraine.

In the last month, highly placed Ukrainian officials, from President Yanukovich to Eduard Stavitsky, the Minister of Energy, have also sent out signals – one way or another, Kyiv is ready to fulfil all three demands. Viktor Yanukovich has criticized the European Energy Community for its lack of support in the conflict with Gazprom. Europe immediately responded to this by saying that no one had even applied for assistance. Moreover, in a letter to Yanukovich, Janez Kopac, Director of the Energy Community Secretariat, complained that to this day, Ukraine has not invited it to participate in negotiations with Gazprom. The impression is that it was not invited intentionally, and is now being blamed, so there are grounds for Ukraine to refuse to meet the obligations undertaken when it was accepted into the Community. Mykola Azarov has found a potential excuse to slow down the construction of the Southern LNG-terminal, saying that “Turkey is not readily considering the prospects of tankers with liquefied petroleum gas passing through its straits”. However, based on the reaction of Vladyslav Kaskiv, the Head of the State Agency for Investments and Management of National Projects and most importantly, the Ukrainian ambassador in Turkey, it became clear that the problem of the reluctance to come to an agreement lies with the Ukrainian government, rather than Ankara. The Energy Minister, Eduard Stavitsky, virtually confirmed the readiness to reject the purchase of gas elsewhere, if only Russia offers Ukraine a favourable price, saying “negotiations are underway regarding a price reduction. The volume will depend on this, because we are conducting negotiations re-

garding diversification at the same time”.

FAMILY-OWNED ROSUKRENERGO?

Meanwhile, information has leaked to the media that agreements can be reached regarding the establishment of a Russian-Ukrainian JV to run the Ukrainian GTS in exchange for a reduced price of Russian gas or permission to transport gas from Central Asia. Yanukovich's visit to Turkmenistan at this time, where a document on cooperation was signed, could be a certain confirmation that this subject is being addressed in negotiations with Russia. The Memorandum signed between Naftogaz and Turkengaz in Ashkhabad provides for a renewal of gas supplies to Ukraine and European countries.

Azarov has already authorized officials to draft documents for the implementation of Yanukovich's agreements with Turkmenistan. There is no point in doing this if there are no agreements with Russia. This is so obvious, that such actions cannot be viewed as a means to put pressure on Gazprom, as could have been the case with the LNG-terminal. The only alternative corridor for Turkmen gas could only be the route along the Caspian seabed, via Azerbaijan, Georgia and then via the Black Sea or via pipeline on its seabed to Ukraine. But since the current Ukrainian government cannot even complete a significantly smaller project for the construction of a gas terminal, such a global project is unlikely.

Thus, the issue is the readiness to come to an agreement with Russia on a short-lived “exchange of transit capacities”, which, however is extremely unfair: Ukraine has to literally give up its GTS to a JV with Gazprom as a stakeholder, but without the participation of the EU, while Russia will give Ukraine the right to transport fuel from Central Asia via its pipelines. In this case, Ukraine will most likely be represented by a kind of reincarnation of RosUkrEnerg, but it's very likely that Dmytro Firtash, without whom such schemes were impossible until recently, will have a significantly lower

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to 84.2bn m³, and Ukraine's gas purchase – by

24.5%

to 32.9bn m³, while next year, it could fall by at least another 5-6bn m³

share, if any at all. The key element will be the interest of the Family.

This will likely be presented to the Ukrainian public as a “brilliant mutually-beneficial cooperation scheme”, with which Yanukovich will lead Ukraine out of the slavery of the 2009 gas agreements and rescue Ukraine from multi-million penalties for gas shortages. Behind this hide the “minor factors”, such as the corrupt interests of highly placed officials in each cubic metre of gas, the intensification and cementing of Ukraine's gas dependence on Gazprom, the refusal to liberalize and transition to European competition standards on the energy market, which will also lead to complications in Ukraine's integration into the EU as a whole, and finally, the continued energy ineffectiveness of the Ukrainian economy. These “minor factors” are the ones that will shape Ukraine's prospects as a sovereign state, as well as the actual upgrade of its economy. This is likely to take place even though the realistic benefits from a reduction in the price of imported Russian gas in exchange for the GTS will be extremely short-lived and very insignificant given the current de-

THE POTENTIAL EXCHANGE OF TRANSIT CAPACITIES WITH RUSSIA WILL BE EXTREMELY UNFAIR

velopments on the European and world markets – a global reduction in gas prices in view of the shale gas revolution.

THE SOUTH STREAM BLUFF

Russia's occasional bullying over its rejection of the Ukrainian GTS is a bluff, while the pressure from Ukraine's intent to reduce the amount of gas purchased from Russia, in view of Gazprom's share on the European market falling down to almost that of Norway, is a real threat to the Russian monopolist. All Ukraine needs here is to be consistent in bringing this to a logical conclusion. The transit of Russian gas via the Ukrainian GTS in 2012 fell by 19.1% to 84.2bn m³, and Ukraine's gas purchase – by 24.5% to 32.9bn m³, while next

year, it could fall by at least another 5-6bn m³. However, even a reduction in the transit volume via the Ukrainian pipeline in 2012 is, first and foremost, related to significant reductions in the volume of Russian supplies to the EU (by 12bn m³, or almost 10%), not switching to bypassing routes.

Currently, the demand for gas in Northern Germany, where the North Stream is laid, is insufficient to use even half of the pipeline's capacity, while the Ukrainian GTS is generally used to transit gas to Southern and South Eastern Germany, as well as Southern Europe. Thus, Gazprom is counting on various transfers, such as from the GAZELLE gas pipeline in the Czech Republic, which connected the German OPAL gas pipeline (a branch line of North Stream) and the MEGAL pipeline, via which Russian gas is transported via Ukraine and Austria to Southern Germany and France. This is an original surrogate substitute for South Stream, since the latter is too expensive a luxury. It was recently made known that the cost of the project, together with inlet pipelines along the territory of Russia alone, is estimated at USD 37-38bn (according to estimates, the expansion of the Russian GTS for additional volumes alone will cost at least USD 17bn). This is for the potential maximum flow capacity of all South Stream branch lines at 63 bn m³ which is half the available capacity of the Ukrainian GTS.

However, even the full capacity of North and South Streams will not allow Russia to reject the Ukrainian GTS completely. The prime cost of the transit of Russian fuel to the EU will increase significantly as a result of the construction of the new and expensive gas pipelines. The prime cost of Russian gas supplies will be of ever greater significance, since the era of never-ending increases in gas prices as well as demand for it on the world market, is coming to an end. Even taking transportation costs into account, European consumers still pay less for Russian gas than Ukraine does, but continue to demand further price reductions. Recently, the French GDF Suez, the Austrian Econgaz, as well as the German Wingas and Winter-

shall Erdgas Handelshaus (WIEH) sent Gazprom letters, demanding a revision of gas prices, with a view to reducing them as of 2013.

THE GLOBAL GAS REVOLUTION

First of all, this is facilitated by the shale gas revolution, which led to the United States rejecting the import, and in the short term, a transfer to the export of LPG. This could shortly be followed by a methane hydrate revolution. Towards the end of this January, the Ministry of Economy, Trade and Industry of the largest importer of gas – Japan – announced the start of gas exploratory extraction from marine methane hydrates. Scholars insist that improved technology and today's high fuel prices are capable of turning what was once an unprofitable matter, into an efficient one that will grow to the industrial level within 5 years. In the long-term, there will be sufficient methane hydrate reserves for Japan to stop importing fuel, and possibly start to export it to neighbouring countries in the Far East - the market Gazprom had intended to expand.

Secondly, the exports of traditional gas through both LNG-terminals from Africa or Qatar, and pipelines from Norway and, most importantly, from post-Soviet countries that were formerly subordinate to Russia, will increase. The fact that the Ukrainian leadership proves helpless in taking the opportunity does not prevent others from taking them, including some of the biggest consumers of Russian gas. Italy, the second largest importer of Russian gas in the EU, (17bn m³ versus Germany's 34bn m³ in 2012), has signed an agreement with Greece and Albania to build the Trans Adriatic Pipeline (TAP), which is designed to transport 10 bn m³ of Caspian gas (with a possible expansion to 20 bn m³). Currently there is talk about transporting fuel from Azerbaijani Shah Deniz-2, however, in the long-term it could transit fuel from other countries located around the Caspian Sea. Even 10bn m³ is more than half the current volume of Russian gas imported by Italy. One of the main shareholders of the consortium is Gazprom's main competitor on the

European market, the Norwegian Statoil holding 42.5% of shares. It is currently squeezing out Russian fuel by simply offering a more flexible pricing policy.

Russia's closest competitor on the European gas market, Norway, will have greater opportunities in the battle for consumers if the high prices for Russian gas and Gazprom's uncompromising behaviour continue. According to Eurostat data, in 2012 alone, Norway expanded its presence on the European market by 16% (to 107.6bn m³, which is almost the same level as Russia's). In contrast, Gazprom supplied almost 145bn m³ to Europe, including Ukraine but not Turkey, last year, so, overall, it has lost the opportunity to sell at least 25bn m³ of gas on the expensive EU and Ukrainian markets in the last sev-



THE BENEFIT FROM A REDUCTION IN THE PRICE OF RUSSIAN GAS WILL BE INSIGNIFICANT IN THE CONTEXT OF THE GLOBAL FALL IN GAS PRICES RESULTING FROM THE LPG REVOLUTION

eral years. As a result, the Russian monopolist is increasing the share of gas it sells on far less favourable domestic and Belarusian markets. As a result, the company's performance is plummeting by 15% in 2012 alone.

In any case, all of Russia's concessions to the Yanukovich regime will only be short-term. Russia is implementing a programme of the annual increase in domestic gas prices until they reach world level. According to earlier forecasts, it should have been completed by 2015-2016. Even if deadline is delayed, it will hardly change anything much. Therefore, even if a Russian-Ukrainian JV is set up to run the GTS, gas prices for Ukraine will not be lower than those for Russian consumers. So already within 2-4 years, any price concessions and reductions could be minimized, if not completely wiped out. As a result, the increase of prices for Ukraine will be completely opposite to the global trend of a steep fall in gas prices. ■

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Phoney Currency Wars

The world should welcome the monetary assertiveness of Japan and America

Officials from the world's biggest economies meet on February 15th-16th in Moscow on a mission to avert war. Not one with bombs and bullets, but a "currency war". Finance ministers and central bankers worry that their peers in the G20 will devalue their currencies to boost exports and grow their economies at their neighbours' expense.

Emerging economies, led by Brazil, first accused America of instigating a currency war in 2010 when the Federal Reserve bought heaps of bonds with newly created money. That "quantitative easing" (QE) made investors flood into emerging markets in search of better returns, lifting their exchange rates. Now those charges are being levelled at Japan. Shinzo Abe, the new prime minister, has promised bold stimulus to restart growth and vanquish deflation. He has also called for a weaker yen to bolster exports; it has duly fallen by 16% against the dollar and 19% against the euro since the end of September (when it was clear that Mr. Abe was heading for power).

The complaints, however, are overdone. Rather than condemning the actions of America and Japan, the rest of the world should praise them—and the euro zone would do well to follow their example.

TURNING SWORDS INTO PRINTING PRESSES

The war rhetoric implies that America and Japan are directly suppressing their currencies to boost exports and suppress imports. That would be a zero-sum game which could degenerate into protectionism and a



collapse in trade. But this is not what they are doing. When central banks have lowered their short-term interest rate to near zero and thus exhausted their conventional monetary methods, they turn to unconventional means such as QE or convincing people that inflation will

much as 0.3%. The dollar did weaken, but that became a motivation for Japan's stepped-up assault on deflation. The combined monetary boost on opposite sides of the Pacific has been a powerful elixir for global investor confidence.

European officials, fearful that their countries' exports are caught in the crossfire, have entertained loopy ideas such as directly managing the value of the euro. Instead, the euro zone should stop grumbling and start emulating Japan: the European Central Bank should ease monetary policy, if necessary through QE. This would both blunt the euro's rise and combat recession in the zone's periphery.

That option may not be available to emerging markets, such as Brazil, where inflation remains a problem. In their case, limited capital controls may be a sensible short-term defence against destabilising inflows of hot money.

Should Japan's attack on the yen move beyond rhetoric to actual intervention in the markets to drive its value down, then the rest of the world would be right to condemn it. Until that happens, other countries should avoid groundless fearmongering about currency wars. Finance ministers and central banks should be fighting stagnation, not each other. ■

FINANCE MINISTERS AND CENTRAL BANKS SHOULD BE FIGHTING STAGNATION, NOT EACH OTHER

rise. Both actions should lower real (inflation-adjusted) interest rates. This may now be happening in Japan.

The principal goal of this policy is to stimulate domestic spending and investment. As a by-product, lower real rates usually weaken the currency as well, and that in turn tends to depress imports. But if the policy is successful in reviving domestic demand, it will eventually lead to higher imports.

Aggressive monetary expansion in a big economy suffering from weak demand and subdued inflation is good for the rest of the world, not bad. The International Monetary Fund concluded that America's first rounds of monetary laxity boosted its trading partners' output by as

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Colossi With Feet of Clay

Ukrainian oligarchic conglomerates dictate their own rules of the game to the country, but they could collapse at any time, causing unpredictable consequences for Ukraine's economy and the country as a whole

Recent events surrounding AeroSvit airlines and media reports about possible problems faced by PrivatBank have once again drawn attention to the fact that Ukraine's economy is dependent on a handful of oligarchic groups. On the one hand, the essential monopolization of a series of markets by several structures causes serious problems for consumers and constantly manifests itself in the low quality of goods and services, high prices, delayed modernization and industries falling short of European standards. In this way, Ukraine's oligarchic economy creates problems for Ukrainians even today. On the other hand, fights over assets between various oligarchic groups threaten to destabilize entire sectors and cause major problems for consumers and, on top of this, pose a threat to the economic and even political stability of the country as a whole. Thus, oligarchs' problems may quickly turn into problems for most Ukrainians. This abnormal and excessive dependence of the country and its multimillion population on what happens to a handful of families, leads to the conclusion that the oligarchic model itself is the number one problem. If this problem is not solved, the steady and sustained development of Ukraine and its economy is impossible.

THE RIGHT OF THE POWERFUL

The Antimonopoly Committee recognizes a mere 7.2 per cent of Ukraine's markets as being monopolized. The Deputy Head of the Antimonopoly Committee, Rafael Kuzmin, said at one point that there were no monopolists among the oligarchs close to the government. In their official statements, major players reject the honorary title of a monopolist and admit to controlling 35% of the market. This is precisely the threshold for declaring a company a monopolist. Such companies

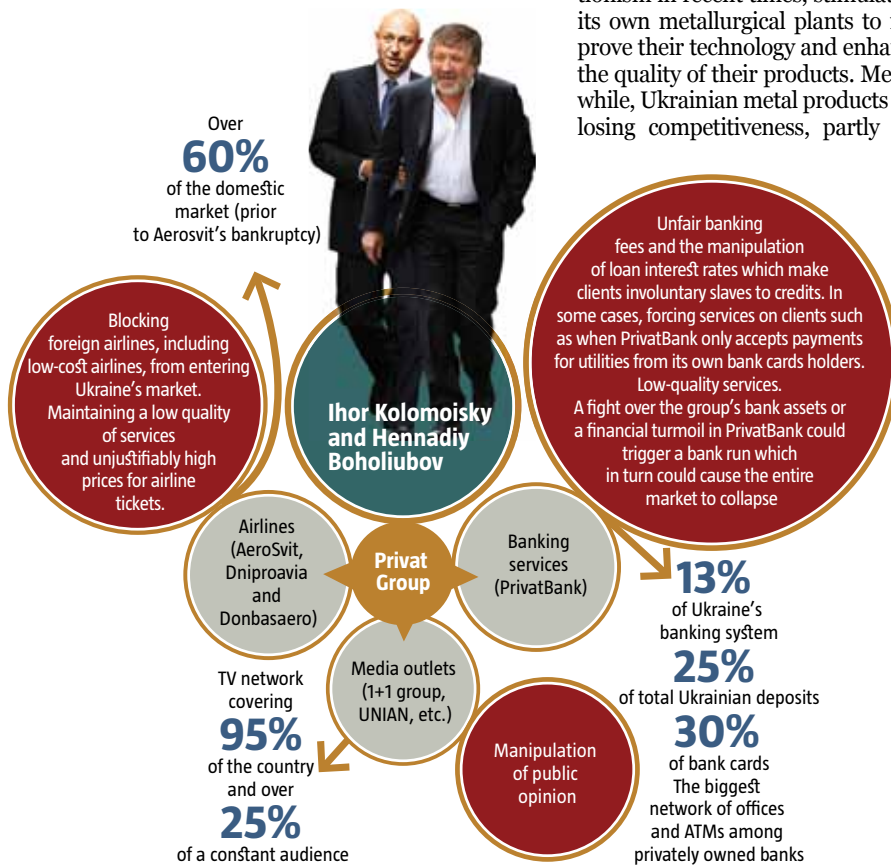
Author:
Maria Zaslavska

hide their other assets behind associated people or offshore structures or simply omit them from their books entirely – Ukraine still does not have a register of monopolists. However, playing hide and seek does nothing to change the real situation – the markets suffer from the high concentration of assets in the hands of oligarchs, which jeopardizes the interests of both citizens and the national economy.

According to the State Statistics Committee, Ukraine's nominal GDP was UAH 1.4 trillion or USD 175bn in 2012. In comparison, according to public sources, the assets of the top ten Ukrainian oligarchs are valued at USD 33bn. Rinat Akhmetov alone, is worth USD 15.3bn. The core assets of local oligarchs are

concentrated in strategic sectors of the economy. And they continue to amass assets. For example, Dmytro Firtash has been actively buying regional gas distribution companies as he seeks to build up his gas supply empire. Akhmetov is pursuing a similar strategy with regional power distribution companies.

The dominant players, equipped with administrative resources and gradually devouring their competitors, do not have the key characteristic of progressive businessmen – the tendency to develop and modernize. For example, countries in the Middle and Far East, particularly China, are among the biggest consumers of Ukrainian metal products. However, China has been engaged in active protectionism in recent times, stimulating its own metallurgical plants to improve their technology and enhance the quality of their products. Meanwhile, Ukrainian metal products are losing competitiveness, partly be-



cause of the limited modernization of production facilities. Comparing how much oligarchs spend on bureaucracy, bribes, paid-for rallies, etc. with what they could usefully invest in enhancing the production efficiency of Ukrainian plants, the sad conclusion is that it is cheaper for them to invest in politics than in modernization.

Oligarchs have monopolized markets and have enough leverage to affect government decision-making. Therefore, they block higher quality standards, as was the case with the scheduled transition to Euro-4 and Euro-5 fuel in mid-2012: the transition was postponed indefinitely. Naftogaz Ukrainy and the Privat Group, which control a large share of oil processing facilities in Ukraine, have benefited from this situation, while car owners and enterprises that are forced to buy either expensive foreign fuel or Ukrainian-made products of dubious quality, have suffered.

On the poultry market, monopolism has led, above all, to higher end prices and smaller players being pushed out of the market. Yuriy Kosiuk, owner of the Myronivskyi Khiboproduct Holding, controls

about 35% of Ukraine's poultry market. His main competitor is Yevhen Sihal, owner of Agromax (Havrylivski Kurchata) and Party of Regions MP. The "chicken tycoons" try to establish their dominance on the poultry market in every possible way, such as pushing out independent players and having government regulations changed to gain an advantage. However, the share of imported chicken is growing. According to the Ukrainian Agrarian Association, its share grew from 8% in January-November 2011 to 15% over the same period in 2012. Chicken meat comes largely from the USA and Brazil. The situation with pricing is more than confusing: Brazilian chicken costs about the same as that produced in Ukraine, despite the additional cost of transportation from halfway across the planet.

Another example of the monopolistic influence is roaming tariffs which remain high for Ukrainian consumers in comparison to the EU, where the so-called maximum European tariff is fixed at EUR 0.29 but is actually EUR 0.13 (UAH 1.3 per minute) in most European countries. Ukrainian subscribers pay many times more per minute.

However, one of the most striking examples of joint lobbying by mobile operators is the delay in the number of practices that have been adopted in developed countries to stimulate competition. The issue of transferring phone numbers across mobile carriers was fixed in telecommunication legislation back in 2009, but this service remains inaccessible to Ukrainians, evidently because it was blocked by the mobile operators themselves.

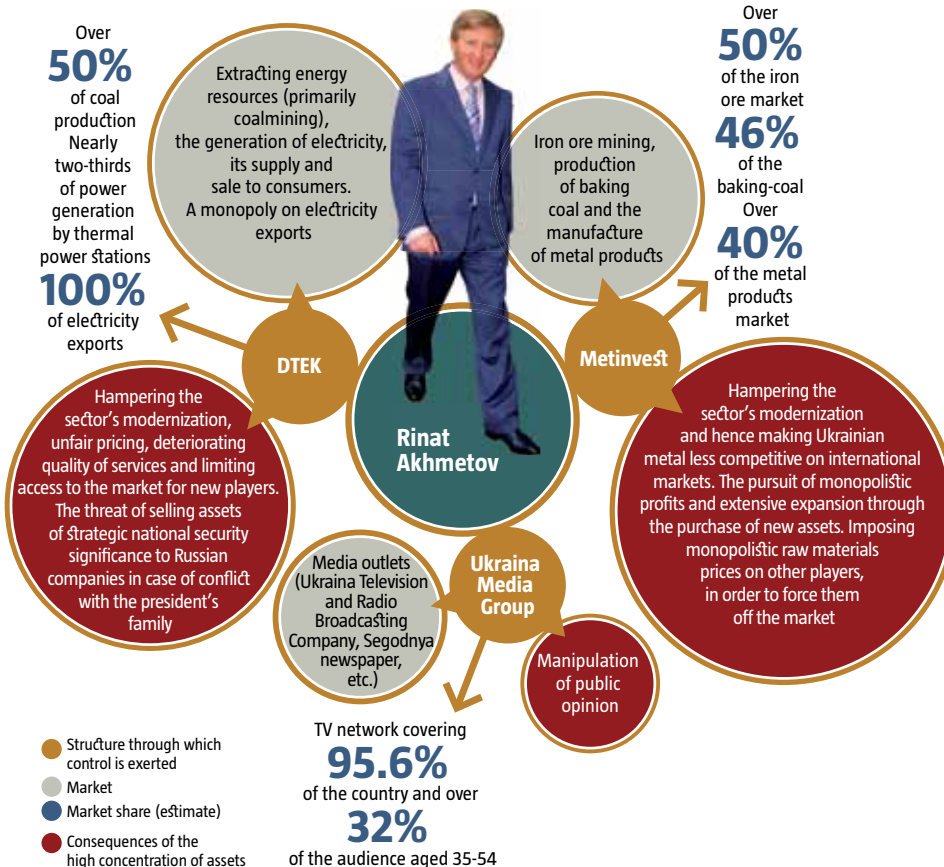
From time to time, PrivatBank plays nasty tricks on the financial market by exploiting its leverage. For example, in 2011, Ukrainians who had mortgages and were eligible for a tax rebate were shocked to learn that PrivatBank charged about UAH 500 for papers confirming their debt to the bank.

In 2011, Firtash's company, which had monopolized the fertilizers market, began to unjustifiably raise prices on ammonium nitrate, while farmers had no option but to buy it.

Another illustration of consumer-unfriendly methods used by monopolist companies is the price hike of natural gas for public institutions, which forced them to shell out USD 750-1,100 per m³.

IN A PRECARIOUS POSITION

The fate of large business empires is very closely linked to the lives of millions of citizens and the national economy as a whole. Currently, companies owned by oligarchs are at the centre of foreign-currency flows to Ukraine, sales of Ukrainian goods on foreign markets, pricing, the development of a number of crucial large enterprises and entire sectors in several regions, etc. The main trait of most Ukrainian owners is their desire to concentrate the management of business processes. Asset concentration has reached such a scale that an ownership change can lead to the operations of an enterprise being suspended, goods and financial supply chains being broken, etc. The precarious situation of one monopoly or another will affect the welfare of the country. For example, recent events have shown that when a representative of the president's Family wants to get a share of a strategic asset owned by an oligarch, an entire sector may be jeopardized. In the future, the stability of the national currency and thousands of jobs may all be at risk.



In hostile corporate takeovers, there are two main scenarios. In the best-case scenario, the new owner takes over strategic assets without significant resistance from the previous owner, who does not have the ability or desire to fight. In a more critical case, he puts up resistance, including through bankruptcy proceedings, the non-payment of salaries and stopping production facilities.

Bankruptcy proceedings launched against AeroSvit airlines in late 2012 stranded thousands of Ukrainians in Ukraine and abroad and exposed the dangers inherent in oligarchs' fights over assets. Thousands of citizens found themselves at a dead end and a lack of proper reaction caused panic among passengers. Therefore, the redistribution of oligarch-owned property, first and foremost, hurts ordinary citizens and employees who are no longer being paid.

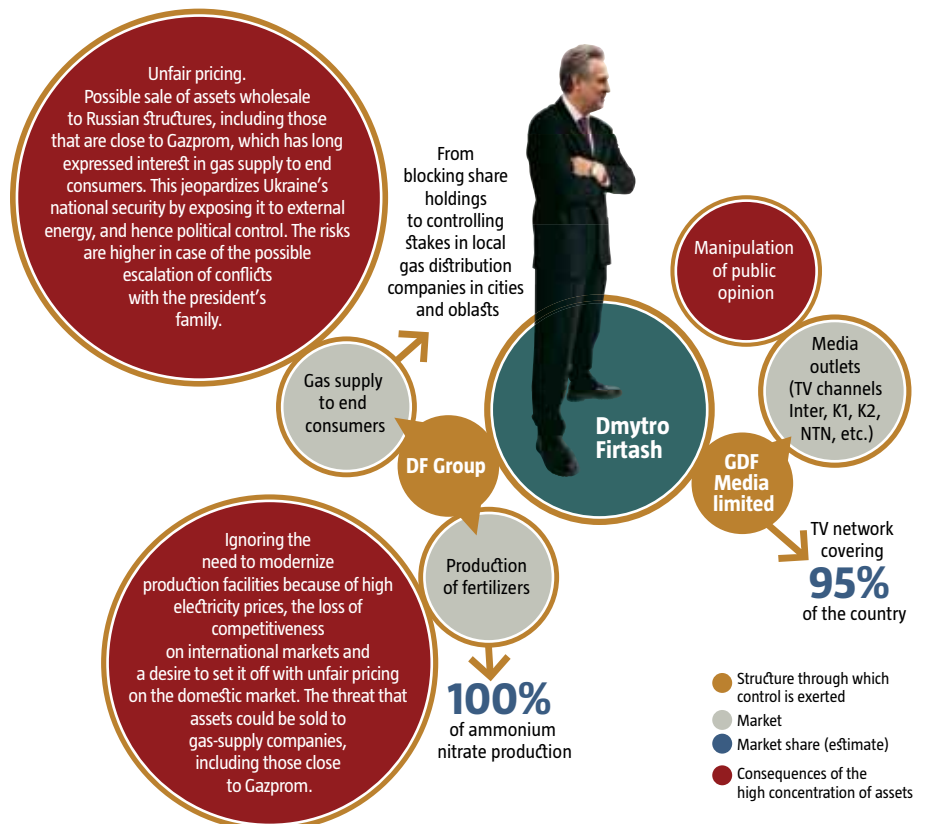
However, there are also examples when asset wars hurt entire sectors. In the spring of 2008, the fight over Volodymyr Matvienko's assets greatly precipitated the bank crisis. At the time, his Prominvestbank was among the biggest banks in the National Bank classification. Private individuals kept more than UAH 11.9bn on his accounts. In October 2008, the bank began to experience financial difficulties after being targeted by a smear campaign. Almost simultaneously with the onset of the liquidity crisis on the financial market, the National Bank put temporary administration in Prominvestbank, and a chain reaction ensued – problems in other banking institutions, a moratorium on deposit withdrawal, etc. In time, Prominvestbank was sold to the Russian Vnesheconombank.

The elementary fear of losing their assets removes any desire oligarchs may have to develop their businesses, most of which flowed into their hands after the first redistribution of property in the late 1990s. Ukrainian oligarchs do not have any confidence that they will keep their assets in Ukraine in 2-3 years, much less so in 10-20 years. Under conditions of political instability, a ruling class has been formed in Ukraine, which acts on the "grab and run" principle. Thus, money is not being invested in strategic projects, which perpetuate primitive economic models with a low level of competitiveness. Oligarchs invest

primarily in sectors which promise quick returns – raw material markets, financial and trade sectors, services, etc.

At first glance, owners who wish to develop their businesses could sell stakes to foreign investors, for example through an IPO, as one of the strategies to protect assets. For example, Kostiantyn Zhevago held an IPO of Ferrexpo (a Poltava-based mining and processing works) on the London Stock Exchange. However, companies close to the Privat Group began to purchase the company's shares, which triggered a nasty corporate conflict. Fortunately for Zhevago, Ihor Kolomoisky pulled out of Ferrexpo almost immediately after the 2010 presidential election. The lesson is that even an IPO is no guarantee against corporate takeover attempts.

The AeroSvit story has shown that when the president's Family and figures close to it try to enter any large financial-industrial groups as owners or co-owners or even simply put pressure on them, it may well paralyze one or more economic sectors. To protect their assets, owners resort to direct blackmail, even though it adversely affects consumers or employees.



Those who control a large part of a market are able to paralyze it.

Therefore, a situation like Aero-Svit's bankruptcy, could well recur on any market controlled by a Ukrainian oligarch. For example, oligarchs can destabilize the energy market, which they control, as a way to protect themselves. This will have much more catastrophic consequences than the temporary collapse of an airline. The Privat Group controls a large share of the retail oil product market. Akhmetov's DTEK now secures the generation of more than one-third of electrical energy and over half of charcoal in Ukraine. Firtash's structures control natural gas distribution in a large part of Ukraine. Chaos in any of these sectors, which are critically important to the normal functioning of the country, could have extremely grave consequences.

The destabilization of Akhmetov's metallurgical business or Firtash's chemical business could significantly decrease exports and cut the flow of foreign currency to Ukraine, which could send the hryvnia reeling (the currency crisis of 2008 proves this point.). Equally

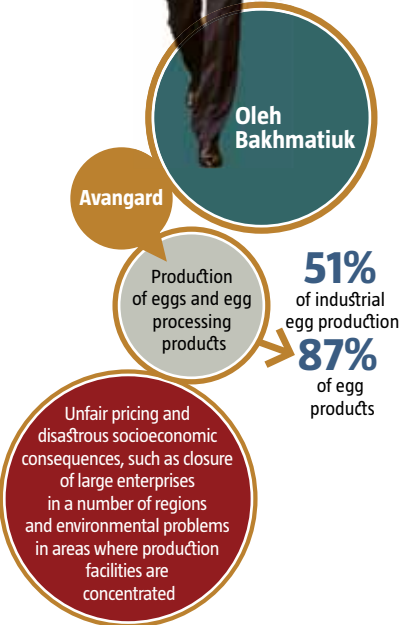
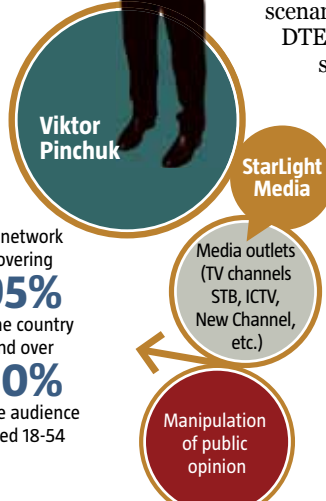
evident, is the possible collapse of the financial sector if PrivatBank, which accounts for 13% of Ukraine's entire banking system, runs into problems.

However, one of the biggest risks is that strategic assets, currently controlled by oligarchs, could go to Russian structures under certain political conditions. The latter have been collecting large assets from less successful Ukrainian oligarchs: the Industrial Union of the Donbas (formerly owned by Serhiy Taruta and Vitaliy Haiduk), Prominvestbank, and others. One of the key reasons why Russian capital dominates among foreign capital in Ukraine is the mental and geopolitical factor: Western investors cannot get accustomed to doing business Ukrainian-style. Thus, it is clear that if Ukrainian oligarchs sense their imminent defeat in the competition with their species, they will be able to sell their assets at any moment but only to Russian structures, which have enough skills and clout to keep and protect them in the realities of a post-Soviet Ukraine.

However, the sale of assets to Russian oligarchs, who already have monopolies in a number of strategic sectors of Ukraine's economy, will not only mean a loss of economic sovereignty but will also put preconditions in place for them to be used as beachheads from which Russians can work to get other attractive Ukrainian assets under their control and boost the Kremlin's political influence on Kyiv. For example, Gazprom is interested in gaining access to gas distribution markets (namely the ability to supply gas directly to consumers) as much as or even more than to the transit gas pipeline. For Ukraine, this would mean cementing its gas dependence on Russia and a much greater risk of political blackmail. The Kremlin can

reach this objective by purchasing Firtash's assets. If the oil processing facilities owned by the Privat Group also go to Russian companies, the latter will gradually monopolize this market and exploit it to reap super-high profits and engage in political blackmail. A no lesser threat to national security is a scenario under which Akhmetov's DTEK is purchased by the Russians. This would essentially mean buying Ukraine's electrical energy and the coalmining industries at wholesale prices, and these are perhaps the last types of energy for which Ukraine does not have total dependence on Russia.

It is quite feasible to minimize these risks. For one thing, it requires that antimonopoly legislation and the Antimonopoly Committee finally begin functioning. In developed countries, monopolists are, at the very least, fined. This restricts their plans to conquer markets and forces them to invest in innovative technology and venture projects. The influence of dominating companies can be overcome through market liberalization, real control over pricing, improving the business climate, splitting monopolies where possible and having foreign investors buy stakes in monopolies. In any case, the necessary prerequisite for dynamic and sustained economic growth is the fragmentation of oligarchic conglomerates, the liquidation of artificial monopolies and strict government regulation (or even the nationalization) of all natural monopolies. This process should start with the de-oligarchization of political life, the self-organization of the Ukrainian majority into political forces of a new kind - ones that would not depend on oligarchs. They need to be based on diversified financing from such sources as membership fees and the donations of small and medium businesses. ■



A Human Life: Priceless No More

Mimi Chakarova:
“The fastest way to
crush the human
spirit is to sell a
person into
slavery”

Interviewer:
Hanna Trehub



BIO

Mimi (Miroslava) Chakarova is a photographer and documentary filmmaker with experience in military conflict zones. For 10 years, Chakarova has been lecturing at the Berkeley Graduate School of Journalism. She is the recipient of the 2003 Dorothea Lange Fellowship for outstanding work in documentary photography. In 2005, she received the Magnum Photos Inge Morath Award for her documentary photography focusing on slave trafficking in Eastern Europe. Chakarova has directed several documentary films, including *Tread Softly: Kashmir* and *The Price of Sex*.

The Price of Sex, a documentary by Bulgarian-born American journalist Mimi Chakarova, is based on a decade-long investigation of human trafficking and forced prostitution in Eastern Europe. Prolonged exhaustive efforts, including the undercover infiltration of human trafficking and illegal sex industries resulted in this shocking film.

UW.: What difficulties did you face while investigating the people involved in this underground business, including pimps and victims of coerced prostitution? How much of a challenge was it to get the information you wanted?

– Sometimes I thought it was next to impossible to get the information I needed for my investigation. Initially, I had to act without having any idea about how difficult it would be to find the victims of human trafficking and sex exploitation. This sort of investigation deals with an underground, shadowy business. Often, people are not willing to talk about the issue. The girls don't like to tell people what they have been through. Those who sold and supervised them refuse to talk about what they do. Whenever you ask about the trafficking of women, you have to realize that the criminals transporting and selling people are also involved in other businesses, such

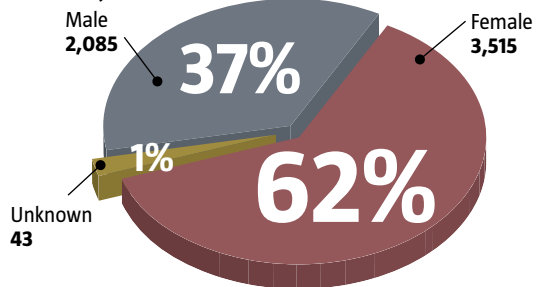
as drug and arms trafficking. Drugs, weapons, people – you can buy and sell it all. It's not just women. Men are also sold as slave labour. All information about this business and everything that surrounds it is well hidden.

Remember, this involves huge sums of money. The local officials who benefit from the trafficking of women in one way or another also prefer to keep their mouths shut for as long as possible. The victims of coerced prostitution are often psychologically crushed when they realize they will have to work as prostitutes, not as cleaning ladies, waitresses or plant employees as they were promised. Pimps take photos or videos of them, sometimes being gang raped, to control and blackmail the women, promising to send the photos or videos to their families if they try to run away. So videotaping was not always the best way to collect the material: as soon as I took my camera out, most girls refused to continue the conversation. I realized that I would never manage to take any photos that way. When I started asking for permission to take pictures, the answer depended on how painful the girls' individual experience was.

I asked the victims many times why they did not go to the police for help. But the police often turn out to be working with the criminals despite their duty to protect

Human trafficking victims

assisted by IOM



Source: Counter Trafficking and Assistance to Vulnerable Migrants, IOM's Annual Report of Activities 2011

the victims, so they are not willing to speak either. In fact, police officers themselves often rape trafficked girls. And the girls often saw permanent clients of local brothels at police stations. They called the pimps to come and get the runaway girls back.

The media rarely cover all this. If you asked me what journalistic investigations I would do if I had the time and money, my priority would be corruption within the NGOs that deal with trafficked women. My second priority would be to show how weapons, drugs, women and men are trafficked to destination countries as forced labourers. This is the labour slavery of the 21st century.

UW.: What is the common public opinion of human trafficking and sex slavery in the Eastern

HELP PUT HUMAN TRAFFICKERS OUT OF WORK

Author: Jed Barton, USAID Mission Director to Ukraine, Moldova and Belarus

Imagine that you have a new job but quickly, albeit too late, realize that it is not what you have expected. And now imagine that your employer is not going to let you go and has even taken your passport to prevent you from running away. You are not being paid money – only given some food, while you have to do hard physical labour or, even worse, provide sexual services, and many of those around you are children forced to beg for money.

Every year, thousands of men, women and children across the world fall prey to traffickers in their countries and abroad. No country in the world has been spared this evil – all of them are source, destination or transit countries for human slaves.

The United States Agency for International Development (USAID) jointly with the International Organization for Migration (IOM) are cooperating with the government of Ukraine to combat human trafficking and rehabilitate its victims. The USAID anti-trafficking initiative is part of wider efforts by the U.S. government to fight this crime. Our goal is to inform those who are

most likely to become victim of human traffickers, provide assistance to law enforcement agencies and give them tools that will help find optimal ways to combat this type of crime, as well as to foster social reintegration of victims through counseling, professional training and teaching specialist skills.

Ukraine has traditionally been a country of origin and transit, but lately it is increasingly a destination country for trafficked men, women and children. A survey on human trafficking in Ukraine carried out several years ago showed that over 110,000 persons who sought employment abroad since 1991 experienced a certain type of slavery. An estimated 70% of them were women, who were coerced into sexual exploitation and/or forced labour. Most victims identified by IOM in 2011 were trafficked to Russia or Poland. Construction, agriculture and industry remain the main areas of worker exploitation. With the cooperation of USAID and IOM, the government of Ukraine has launched a national victim referral mechanism which makes it possible to monitor their condition and assess their

need for assistance and facilitates their reintegration.

It has recently been reported that the number of victims trafficked for sexual exploitation has dropped in Ukraine. USAID hopes that this information is true and that our continued efforts to inform risk groups about this danger will be directly instrumental in a further decrease of sexual exploitation.

Every year on December 2, the Network of Ukrainian Women's NGOs together with IOM and USAID mark International Day for the Abolition of Slavery with a 16-day campaign to draw public attention to the problem of trafficking in persons.

Human trafficking is the type of crime that will exist as long as there are people who are willing to take risks, because they are unaware of the danger involved and do not know how to avoid it. One who cannot or is unwilling to recognize these risks can fall victim to criminals. Therefore, learning as much as possible about risks and dangers is a crucial effort in helping put human traffickers out of work.

European states you covered in your investigation? How intolerant are people toward the victims – especially female - of the illegal sex industry?

I've noticed negative stereotypes about women who were in slave trafficking or coercive prostitution. They are often scolded as whores after they return home. Sometimes girls feel pressure from neighbours or even parents for not earning any income while prostitution seems like something that can make them somewhat more helpful. I've seen this many times. I can't tell you how relatives insult these girls and how they treat them. Do you think this attitude encourages them to stay at home?

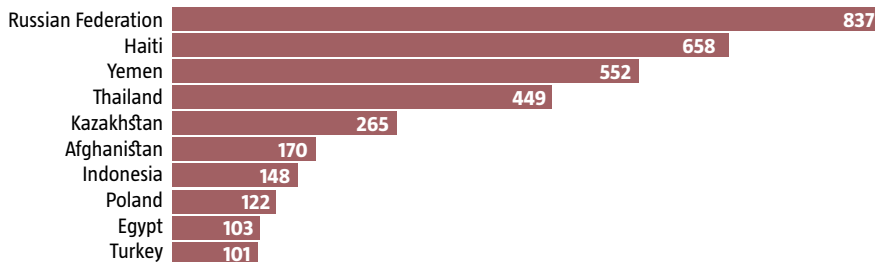
Human trafficking is mostly the case in a corrupt judiciary where slave traffickers can bribe judges, get out of jail quickly and continue their dirty business. As a result, the girls end up stuck in the system; they have nowhere to run or hide.

UW.: What does it mean to be sold into slavery today? How difficult is it for the victims of labour and sex slavery to return to normal lives in society?

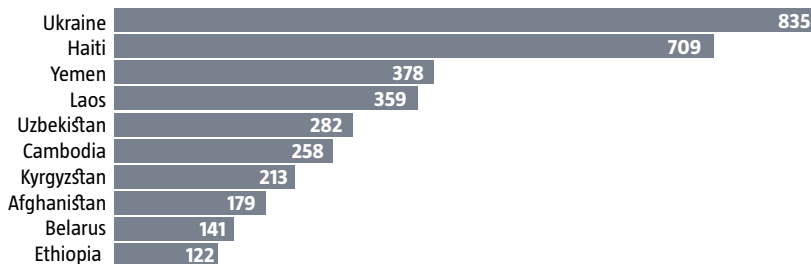
– The fastest way to crush the human spirit is to sell a person into slavery. It destroys the identity and undermines every value the person used to have and believe in. This is especially true with girls. Say, a girl is sold at the age of 12, and she is 23-24 now. Prostitution is all she knows. So, what kind of relationship can she build with the world and the people surrounding her? Her entire life experience is that of a slave. Deprived of freedom, girls become psychological wrecks. Watching them means seeing how they are coerced into doing things on a daily basis as if this is something as normal as making your bed in the morning. Prostitution is devastating. Some think the victims can be rehabilitated but that's just another stereotype. The more time people spend in conditions of slavery, physical and mental abuse and coercive labour, the more difficult it is for them to return to normal lives.

UW.: Could you expand on human trafficking and sexual slavery crimes?

Top 10 countries of destination, 2011



Top 10 nationalities assisted, 2011



The numbers cover human trafficking victims assisted by IOM in 2011
Source: Counter-Trafficking and Assistance to Vulnerable Migrants, IOM's Annual Report of Activities 2011

– Slave trafficking from one country to another is an intricate system built on corruption, stigma, embarrassment, fear and abuse. Unfortunately, most people have no idea how much psychological damage this causes in societies. The system is designed to make the victims look like dirty laundry repulsive to anyone. A related problem is the lack of accountability in NGOs and funds dealing with the issue, and there is plenty of corruption there too, just like in border patrols and other authorities in victim destination countries. They all want to wash their hands, just get rid of the victims and send them home. But the saddest part is that this is not the end. The women coerced into the sex industry are often killed, found dead at landfills or in uninhabited areas, and a week later five or six more women end up as sex slaves in the countries where brothels are in high demand.

UW.: NGOs helping the victims of human trafficking to rehabilitate and return to social life receive significant international funding. However, reports of non-transparent allocation of funds are frequent, signalling possible corruption. What is the scale of corruption in reality?

NGOs dealing with the victims have certain agendas for the

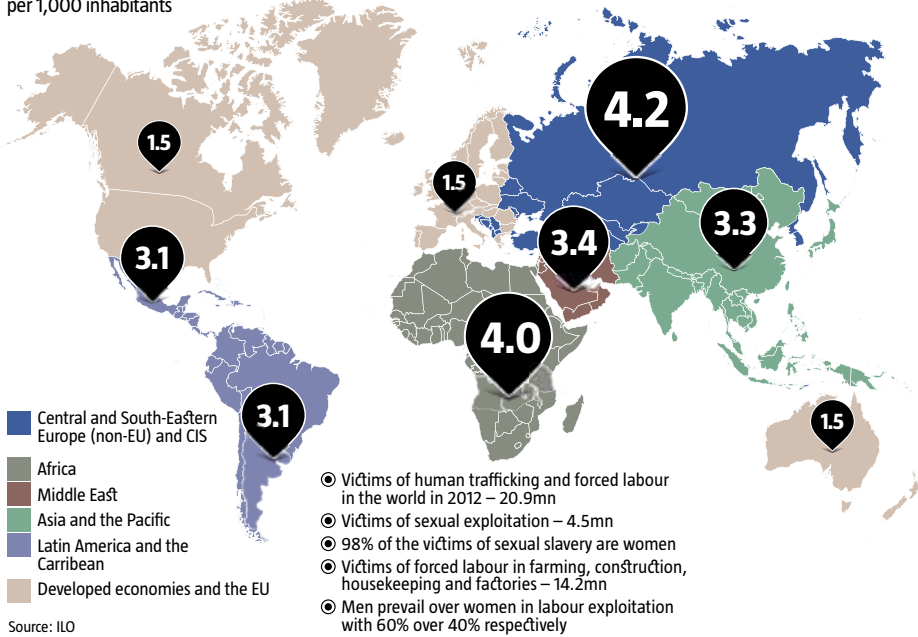
funding. The figures they report that we as journalists rely on are often exaggerated. Yet, the more we mention them in our articles, the more funding they receive. And reports of 20,000 women sold into slavery will get them more feedback than reports of 10,000. However, no one really checks the statistics. If worse comes to worst, they may be asked how many cities their figures cover. I want to give you an example of an NGO involved in fundraising from the US, Sweden, Norway and other countries that dedicate a lot of efforts to the anti-human trafficking campaign. I was once invited to a reception at the NGO president's house. He had heated floors, 30 people waiting on us and drivers taking the guests home. Just think about how much that party cost. The contrast to what I saw at the NGO's shelter centres was striking. They looked underfunded; the women lived in really poor conditions, while the man running the NGO was throwing costly and extravagant parties.

UW.: An investigation like your Price of Sex typically draws a lot of attention and often leads to repercussions, including criminal prosecution. What was the reaction to the film in different countries?

Organized groups involved in human trafficking earn an annual income of nearly
USD 532bn

Over
120,000
Ukrainian men, women, and children have become victims of human trafficking since 1991, according to estimates by the International Organization of Migration office in Ukraine

Persons in forced labour
per 1,000 inhabitants



- Victims of human trafficking and forced labour in the world in 2012 – 20.9mn
- Victims of sexual exploitation – 4.5mn
- 98% of the victims of sexual slavery are women
- Victims of forced labour in farming, construction, housekeeping and factories – 14.2mn
- Men prevail over women in labour exploitation with 60% over 40% respectively

Very different. The reaction in Washington where we presented the film after London really surprised me. People from the US State Department came to the screening; they wanted to talk to me. One woman I had talked to earlier about getting approval from US embassies to show the film all over the world told me that it had helped them to change laws regarding human trafficking and slavery in Greece. So, something did change. What matters to me is not just to make the film, but to reach out to decision makers who can change a given country's policies on human rights, including human trafficking. Another important issue is to change social stereotypes and attitudes toward human trafficking and sexual exploitation. I am presenting my film in Eastern Europe, including Ukraine, to help people get over the social stigma surrounding sexual slavery. Another important objective is to reveal corruption, one of the most difficult issues for a journalist to report on. I'm doing my best to show people as much as possible about how the system operates and raise public awareness on related issues. My number one priority is to change the way people perceive the problem.

UW.: The issue of sexual slavery you cover is shocking. What is

your preferred target audience? Should it be policy makers, civil activists, or the general public in order to achieve the greatest results with this investigation?

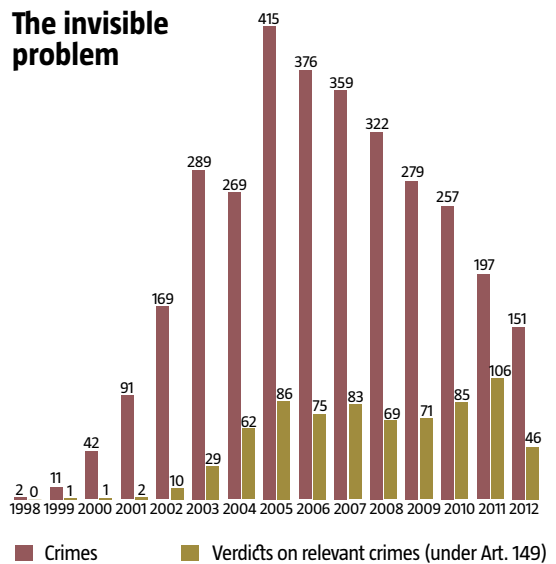
Apart from Eastern European countries as suppliers of slaves, destination countries should see it, too. I mentioned earlier that Greece was among the first destination countries to admit responsibility and take at least some steps to solve the issues of sexual exploitation and slave trafficking. Two other countries that The Price of Sex focuses on are Turkey and the United Arab Emirates. Unfortunately, I've been put on the black list in the UAE and my film was even banned from the relevant festivals there. I failed to show it at the annual Human Rights Film Festival in Abu Dhabi, too, and I faced the same attitude in Turkey. My film did not get into a single festival or special screening there.

UKRAINIAN SLAVES FOR EXPORT

According to estimates by the International Organization for Migration, over 120,000 Ukrainian men, women, and children have been victims of human trafficking since 1991. This makes Ukraine one of the leading suppliers in Eastern Europe, yet it is used as a transit or destination

country more and more often in recent years. Domestic human trafficking has also been increasing as the victims are coerced into prostitution, farming, begging and other labour. The number of foreigners as victims has grown, too. The Rome Statute of the International Criminal Court qualifies human trafficking as a crime against humanity. Ukraine ratified the UN Convention Against Transnational Organized Crime and the Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children, supplementing the Convention. This was followed by the ratification of the Council of Europe Convention on Action against Trafficking in Human Beings in 2011. Ukraine's laws define human trafficking as a grave crime. According to Art. 149 of the Ukrainian Criminal Code, the penalty for human trafficking-related crimes carries a jail sentence of 3 to 15 years (see The Invisible Problem). On September 20, 2011, the Verkhovna Rada passed the Law on Counteraction of Human Trafficking. In 2012, a series of laws was passed to set up a comprehensive public system of interaction and assistance involving government authorities, NGOs and international organizations. ■

The invisible problem



The number of registered crimes and criminal cases with verdicts by Ukrainian courts under the Criminal Code provisions on human trafficking and illegal deals regarding humans. Source: IOM report on human trafficking counteraction in Ukraine, September 30, 2012



One Flew Over the Cuckoo's Nest

Doctors admit that in view of a critical shortage of funds, proper aid is “not an option” at Ukrainian psychiatric hospitals

Author:
Valeria Burlakova

"Over the cuckoo's nest" means nowhere - cuckoos do not build nests. Yet this is exactly where many Ukrainians with mental disorders find themselves - between non-existing proper hospitals and the real life that their illness no longer makes available to them.

Schizophrenia, paranoia or manic-depressive disorder, now known under the more politically correct term, "bipolar affective disorder", is the worst news - or a death sentence - for at least three out of 100 Ukrainians. Fortunately, others only see it in books or movies.

IN THE MIDDLE OF NOWHERE

"This is the end," says a man diagnosed with schizophrenia. Unlike many others with a similar diagnosis, he realizes that he is sick. "Whoever says that it will be fine and that this can be treated is lying. You can't prevent, stop or even slow down the progress of schizophrenia. So if diagnosed, a person is doomed."

Others claim that they have managed to "almost return" to normal life after several months in a hospital and a year of intense treatment. Still, they live in terror between each exacerbation of their condition, often turning to faith and prayers for escape. More often, being aware of the symptoms of the illness, they learn to control themselves. One way is to try to suppress the voices and "stupid ideas" in their head and focus on real sounds instead. Some adjust their medicine dosage themselves. All this, just to stay out of hospital, even during the worst periods.

Ukrainian "yellow buildings", a colloquialism for psychiatric hospitals, are steeped in terrifying stories. Given the lack of supervision from the staff, just like in prison, the patients split up into groups; the cool guys, the losers and those that will do just about anything for a cookie, candy or cigarette. Punching, slapping and abuse become routine. In addition to cigarettes, inmates often have access to alcohol and weed. At some places, lice or scabies are common.

In addition to the choir of voices in their own heads, inmates get to hear another choir of real people

screaming, moaning, crying and roaring with laughter. "Their hands tremble. They keep walking to and fro," says an inmate. "I've seen a man with a bitten-off ear. The whole ear was gone; he just had an open hole in his head. I've seen 50-year old men that have never been with a woman. Some were digging in their own excrement for food."

However, an environment that can drive anyone crazy is not the worst thing about psychiatric hospitals. Hopelessness is more terrifying, as patients only expect to eventually degrade into a vegetative state. "Much hospitalization, no hope," another frequent patient of Pavlivka, a psychiatric hospital in Kyiv, describes his life laconically. "But there are people around who suffer much more than I do. I knew a 17-year old boy - a really nice, pure person. The illness finished him off in just three months. Over the course of one autumn! No one in Ukraine's free mental healthcare system made any real effort to save him. And that's in Kyiv! I dread to think about what is happening in provincial hospitals."

IMPROVEMENTS TODAY

Doctors are well aware of this. The horrific state of psychiatry in Ukraine stems from a shortage of funding - a common issue in virtually every aspect of the Ukrainian reality.

"The healthcare system is underfunded," says Andriy Karachevsky, a psychiatrist, candidate of medical sciences and lecturer at the Psychiatry and Substance Abuse Treatment Faculty of the Bohomolets Medical University in Kyiv. "Unfortunately, the available funding (3.4% of GDP - **Ed.**), rules out any proper treatment." According to the estimates of the World Health Organization (WHO), governments must allocate at least 6% of their GDP to support their healthcare systems effectively.

"Take the UK: a day at a psychiatric hospital costs the government GBP 600 (USD 935.90)," says Prof. Karachevsky. "In Ukraine, daily funding is nearly UAH 17 (USD 2.13) to feed the patients, and UAH 4.5 (about USD 0.5) for medicine. How can a hospital operate under such conditions?"

The government has strange means for "improving" the situation. Over the past few years, it has reduced the number of beds in psychi-

INFO

According to the latest official statistics from the Health Care Ministry, collected at year-end 2009, 1.133mn or 2.5% of Ukrainians needed psychiatric help

Schizophrenia is a psychotic disorder that is characterized by a worsening perception of reality and social dysfunction. The first symptoms typically occur between the ages of 16 and 30, manifesting themselves as auditory hallucinations, disorganized thinking and speech as well as paranoid delusions. Famous people who suffered from schizophrenia include Edgar Allan Poe, Friedrich Nietzsche, Nobel Prize winner John Forbes Nash, Nikolai Gogol, and Vincent Van Gogh. Haloperidol is an antipsychotic drug, which was developed in 1957. Soviet dissidents, including professional physicians, reported that haloperidol was used in penitentiaries in the crackdown on dissenters, since its side effects were bad enough to crack the will of inmates, and it was one of the few psychotropic drugs produced in sufficient amounts in the Soviet Union

atric hospitals by 30%. As a result, patients only are hospitalized in extreme cases. Meanwhile, doctors say that the beds at in-patient hospitals are important for both patients who need and want treatment, and for compulsory hospital admission, which can in no way be avoided. "The risk of suicide and threat to the life and health of other people," Borys Khersonsky, therapist and psychiatrist, names just a few of the reasons for forced hospital admission. "I would also add the patient's inability to take care of him-/herself to the extent that such state threatens his/her life or health."

NO MONEY, NO WORK

Another aggravating factor is carelessness. "Meager pay and zero support from colleagues or patients burn people out, resulting in a 'we work as well as we are paid' attitude," Prof. Karachevsky explains.

In these conditions, the idea to make some extra cash is only natural. "Doctors start to expect a reward from the patient," Prof. Karachevsky expands. "This ruins the doctor."

Some psychiatrists go for more. "I think psychiatric repression in Ukraine today has nothing to do with politics, not like in soviet times," says Borys Khersonsky. "For the most part, the abuse of office by doctors concerns assets, primarily real estate. I know such cases. Doctors and notaries make deals with a patient's unscrupulous relatives to steal his/her property, albeit rarely."

Patients' relatives are not the only inventive fraudsters - the apartment of a person with no family will tempt anyone. Semen Hluzman, Chairman of the Psychiatrists of Ukraine Association, describes the practice of taking property from people with mental illness as "dreadful" and "pandemic". Meanwhile, he stresses that notaries and the police contribute to it more than doctors do.

Another problem is that the qualifications of medical employees in Ukraine are not what they used to be. "This also applies to other post-soviet states," Borys Khersonsky points out. One reason is that doctors are no longer motivated to continue studying, given that the quality of work is not reflected in salaries. As a result, professionals lack skills and knowledge. "Private practice helps to preserve the professional



potential, at least to some extent,” Andriy Karachevsky believes. But private practice does not thrive in Ukraine either. According to Prof. Karachevsky, treatment at the Vydybychi Rehabilitation Centre which, among other services, provides psychiatric care is fairly costly. He admits that “I can’t think of it becoming profitable in the foreseeable future. That’s why we’re trying to work transparently and fairly. Taxes, rental fee... It’s really difficult.”

BAD HABITS

State clinics face different material problems. According to Khersonsky, inhuman conditions in many hospitals; the state of the premises, many of which were built over a hundred years ago and have not been renovated in decades; poor nutrition, are just a few.

Poor nutrition costs the taxpayer three times more than the treatment, UAH 17 and UAH 4.5 respectively. This means that medicine is an unimaginable luxury at state psychiatric hospitals which often lack the basics, let alone the luxury of chemicals to reveal substance overdose or the like.

As for modern medication, state hospitals have none, unless the pa-

KEEP QUIET!
An environment that can drive anyone crazy is not the worst thing about psychiatric hospitals. Hopelessness is more terrifying

tients’ relatives are willing to buy them. “Doctors are forced to treat patients based on what the latter can afford, not on what they need,” Prof. Karachevsky notes.

Elementary “traditional” medicines, used many years ago, are available. “They are not always bad! Sometimes, haloperidol or Aminazine (a local name for chlorpromazine known elsewhere as Thorazine or Largactil – Ed.) work, too,” he says. “But there are more innovative medicines now. Take antipsychotic drugs – they boost the patients’ chances of adjusting to society.”



SCHIZOPHRENIA, PARANOIA OR MANIC-DEPRESSIVE DISORDER IS THE WORST NEWS – OR A DEATH SENTENCE – FOR AT LEAST THREE OUT OF 100 UKRAINIANS

This is crucial as this often gives a patient the opportunity to live, rather than exist in a vegetative state.

Because of inadequate funding, hospitals still use insulin shock or insulin coma therapy. Invented in

1933, this treatment puts a patient into a coma using an insulin overdose. The civilized world abolished it almost 60 years ago. In Ukraine, it is still used sometimes, says Borys Khersonsky, albeit not as often as before.

The patients see all this, and they can’t but understand what is going on. “People just stop believing that they have a chance to get proper help at a state hospital,” concludes Prof. Karachevsky.

People are learning to survive on their own. Quite often, not only sick Ukrainians, but also healthy ones fail. “Mental health? Ukraine’s infant and teenage suicide rate is one of the highest in the world. The rates for adults are not much better. What health are we talking about?” Borys Khersonsky comments bitterly.

Meanwhile, patients share stories about hospitals abroad: there, doctors talk to patients every day, the food is good and the staff treats people with respect. They even take the patients’ preferences into account when prescribing treatment. “When I first saw One Flew over the Cuckoo’s Nest, I thought it was a health resort,” a patient creeps into the conversation. ■

Political Madness

Dutch Sovietologist Robert van Voren speaks about Soviet repressive psychiatry and its surviving offshoots

Equal to the cruelty of Nazi euthanasia programmes, Soviet psychiatric terror targeted the most vulnerable members of society: the mentally ill. Placement in a psychiatric hospital was as effective a punishment as imprisonment in Mordovian concentration camps in breaking people both physically and psychologically. Thousands of healthy individuals who disagreed with the official Marxist-Leninist ideology and spoke out against the policies of the Communist Party were given fictitious psychiatric diagnoses such as “sluggish schizophrenia” and forced to undergo “treatment” in Soviet mental hospitals. Petro Hryhorenko and Leonid Pliushch are two high-profile victims, but the real numbers of “politically mad” in the USSR were much higher.

Secretary General of the Global Initiative on Psychiatry Robert van Voren is convinced that recent Soviet history should become public knowledge in order to immunize society against possible recurrences of the Soviet practice of politically motivated psychiatric abuse. This problem remains highly relevant, as vividly illustrated by the attempt of Russian authorities to “hide away” Col. Budanov in a psychiatric hospital.

U.W.: What was the role of psychiatry and the mentally ill in the repressive arsenal used by the communist regime? Was it an invention of the Soviet special services, or was psychiatry politically abused earlier?

The first individual case was registered soon after the “October Revolution” of 1917 when Maria Spiridonova ended up in a psychiatric hospital. There were also several other people whom the Bolsheviks did not like too well. In the 1930s, most patients in Kazan were political cases, but the idea was totally different. It was something similar

Interviewer:
Hanna Trehub

BIO Robert van Voren is a Dutch Sovietologist, human rights advocate and political writer. In the 1970s and the 1980s, he actively collected information about Soviet dissidents who had been forcefully placed in mental hospitals. He has authored more than one hundred publications in the Western European press focused on the political abuse of psychiatry in the USSR, and is the Secretary General of the Global Initiative on Psychiatry. His book *On Dissidents and Madness: From the Soviet Union of Leonid Brezhnev to the “Soviet Union” of Vladimir Putin* has recently been translated into Ukrainian

to the situation in Poland in 1981 when, under martial law, dissidents were kept in psychiatric hospitals to keep them away from camps. In the USSR, the situation changed after 1948 when political abuse of psychiatry was initiated. For example, Estonia’s first president, Konstantin Pats, spent time in a prison mental hospital in Kazan. The number of victims constantly grew. However, researchers generally agree that this method was first systemically adopted by Yuri Andropov when he became the KGB chief. His first task was to break the dissident movement, and he evidently decided that psychiatry was just the right thing for this purpose.

In the early 1990s, a number of interesting documents became available, including a report written by KGB General Smorodinsky from Krasnodarsk Krai and signed by Andropov. The report stated that there were about 13,000 especially dangerous individuals that would have to be put in mental hospitals, but there were only 3,000 free beds in the existing facilities. So Smorodinsky’s proposal was to build new mental hospitals. His report explained why those persons were so dangerous: they wanted to flee the country, communicated with foreigners and disseminated propaganda materials. Andropov indicated in his report that this was not the only such region and that more mental institutions had to be built in other parts of the USSR. Buildings were added to most Soviet psychiatric hospitals in 1974-76 or brand new institutions were constructed which were, in essence, prison mental hospitals. There were 16 special mental hospitals in the USSR, such as in Blahoveshchenk and Volgograd. Many of them are now closed. Dissidents were put there for short periods, 2-3 months, for purposes of intimidation or after a long stay in special mental hospitals prior to release. According to

our calculations, about one-third of all dissidents spent time in mental hospitals and another one-third ended up in Soviet camps. I found some very interesting information when I was working in the archive of the Stasi service, which used to actively cooperate with the KGB and hold joint annual meetings to figure out the best ways to fight enemies of the socialist order. For example, Filip Bobkov, director of the KGB’s 5th Department that dealt with dissidents, essentially stated that half of those arrested were mentally ill. In summer 1989, when Germany’s unification was in full swing, Bobkov came to Berlin and told Stasi Director Erich Mielke that it was the work of the mentally ill. Mielke was furious and said that those were antisocialist elements but clearly not mad people.

We spent a long time trying to find the criteria according to which some dissidents were sent to camps, while others were put in mental hospitals. The calculation seems to have been that those who were too strong for camps were assigned to mental hospitals.

U.W.: What was Soviet psychiatry like after Stalin, under Khrushchev and later? Why did Soviet psychiatrists cooperate with the KGB so easily? Did they realize what they were doing?

This is the key question. After the 1950s Soviet psychiatry detached itself from world psychiatry. One infamous meeting of the Academy of Sciences and the Academy of Medical Sciences declared the Pavlovian school of Academician Andrei Snezhnevsky the main one and the only correct one. After that, the USSR almost completely halted the publication of Western psychiatric literature. What happened in foreign psychiatry was known only to the nomenklatura people (about 10 individuals) who were able to travel abroad. Most psychiatrists in the

USSR either cooperated directly with the KGB or were its secret informants, such as academicians Georgiy Morozov, Nikolai Zharikov and Marat Vartanyan.

Ordinary psychiatrists who were trained in the USSR knew only the theory of the Moscow School. An important part of its theory and practice was so-called “sluggish schizophrenia”, a diagnosis used against dissidents. In fact, it is a very serious and perfidious mental illness that begins to develop slowly and inconspicuously. A person believes that he is healthy, and the people around him do not notice a thing, either. The main symptoms are an obsessive search for the truth, insistence, a desire of reform, self-assurance, etc. Such symptoms were very convenient in declaring dissidents mentally ill.

A narrow circle of notable Soviet psychiatrists who were able to freely travel abroad were perfectly aware of what they were doing, but I am certain that 99 per cent of Soviet psychiatrists either did not understand or were sincerely convinced that dissidents were indeed mad. Or they understood that something fishy was going on but wanted to live and thus forced themselves into cooperation with the regime. The entire Soviet Union lived like that, and psychiatrists were people just like anyone else.

U.W.: What was the situation with the rights of the mentally ill in the USSR? In what way was it different from the Western model?

The conditions in Soviet mental hospitals were very similar to those in the West in the 1920s and the 1930s. I first saw an ordinary Soviet psychiatric department in summer 1991 in Pavlovka. Its smell is unforgettable, and it was frightening. I have almost never seen anything like that in all my practice in Africa and Asia.

Soviet mental patients did not have rights or protection. The treatment was very cruel – large doses of haloperidol, aminazine, maetil, shock therapy by insulin and sulfozinum. In the early days of Ukraine’s independence, people died of diabetes mellitus for lack of insulin, while mental hospitals had an ample supply of the drug to be used for shock therapy.

U.W.: Where and how is political abuse of psychiatry being practiced



today? Is there evidence that this repressive practice has recurred in modern Russia and Belarus?

Modern Russia is a KGB-ruled country. The only difference is that the KGB used to be boosted by the power of the Communist Party, while today the Federal Security Service is a pro-government party that rules the country. Vladimir Putin is one of them. They are well aware that the world has changed and that there are new technological possibilities, but they have found their purely Russian solution. There are still cases of abuse of psychiatry in Russia, but it is not part of government policy.

Pure cases of Soviet-type psychiatry can now be observed in Vietnam. The leaders of Vietnamese psychiatry speak fluent Russian and have studied in Moscow under the Snezhnevsky school.

The case of China is an interesting topic in its own right. Chinese society is divided into countless strata. Those who are closest to the Ministry of Security and the police continue to abuse psychiatry today almost in the same way as in the USSR or even worse. However, the Chinese psychiatrists who work under the Ministry of Public Health are completely pro-Western and do not want to have anything to do

with what the Chinese power structures desire to dictate.

The situation with psychiatry is very bad in Asia and Africa. However, it is a matter of poverty, not intentional repression. In Colombo, Sri Lanka, we have been able to completely overhaul the forensic psychiatric department, upgrade it and create adequate conditions for patients. Believe me, it does not take millions of dollars to do that.

U.W.: In the 1970s and the 1980s, you came to the USSR on many occasions and collected information about patients in places of forced imprisonment. How was that possible?

It all began with reading Solzhenitsyn's GULAG Archipelago. Then I made friends with Vladimir Bukovsky who had his own plans for me. He wanted me to become a correspondent in Moscow so that I could be a "postbox" for Soviet dissidents. He introduced me to Peter Redway, a London-based professor who organized a mission of couriers to the USSR to provide humanitarian aid and collect information. I first came to the USSR in February 1980, to Leningrad and Moscow, precisely at the time when dissidents began to be arrested one after another. I met some of them and collected the necessary information. Most of them were arrested several weeks after we met. My biggest personal blow was the imprisonment of Mart Niklus, an Estonian human rights advocate and political prisoner. He came from Tartu to Moscow in order to deliver a letter to the Politburo in which he demanded to have the Molotov-Ribbentrop Pact annulled and Estonia's right to self-determination restored. He was well aware of what was going to happen next. When he returned to Tartu, he faced imprisonment and 15 years of exile. It seemed to me that I could not live as a normal human being as long as he was in a concentration camp and that I had to help others like him. Niklus served time until 1987. The USSR was my home and space, even though it was not my Fatherland. Since I was most interested in dissidents that were thrown into mental hospitals by the regime, I familiarized myself with psychiatry as such. I am not a doctor. I am a Sovietologist, but after 35 years of dealing with psychiatry you understand that it is a complex phenomenon.

U.W.: You were one of the key organizers and leaders of numerous campaigns in the West to support the release of Soviet dissidents from prisons and condemn repressive psychiatric practices used against them. How much awareness and interest in these things did the West have in the 1970s and the 1980s?

Everything you are asking about was familiar to the West. Interest emerged in the late 1960s, largely caused by Western journalists stationed in Moscow. There was a very interesting case: when Andrei Sakharov wrote his first essay in 1968, a Dutch journalist was the first to get his hands on the manuscript. He translated it into Dutch and then dictated it over the telephone to his editor in Amsterdam. Of course, KGB men were listening in, but they did not have an interpreter on hand, so they failed to grasp what the message was. This is how this text was leaked to the West and was published in a number of the world's leading newspapers. Curiously, human rights were a very important part of Western policies. Politicians of all stripes were constantly talking about dissidents and prisoners in the USSR.

By comparison, their attitude toward modern Russia and China is completely different. In the case of the latter, [a critical stance] is virtually impossible, because no one wants to invest their money in solving the issue of repressive psychiatry in a country that is a big economic partner. The situation is the same with Russia. Now the Russian opposition cannot expect the kind of support the West lent in Soviet times. Precise calculation and pragmatism rules today. Support for Soviet dissidents was part of the anti-Soviet policy.

In 1988, Eduard Shevarnadze, a former Interior Ministry general, decided that the USSR should put an end to the political abuse of psychiatry. The Americans told him then that they knew the Soviet Union wanted to hold a prestigious conference on human rights in Moscow, but as long as psychiatric repression continued, it would not happen. And then at a Politburo meeting, Shevarnadze insisted on abandoning the political persecution of dissidents.

U.W.: In 1980, you were one of the founders of an international

organization for countering political abuse of psychiatry and became its Secretary General in 1986. What impact has your organization had, and what methods has it used to support Soviet dissidents who were put in mental hospitals?

The Global Initiative on Psychiatry indeed emerged in the early 1980s. Initially, it was a committee that coordinated actions aimed against the political abuse of psychiatry in the USSR. The main goal at the time was to organize a campaign to expel Soviet psychiatrists from the World Psychiatric Organization. We were successful in doing so. The organization acquired its present shape step by step. After the dissolution of the USSR, we decided to refocus our efforts on creating humane psychiatry, first in the former Soviet countries of Eastern Europe. Now we are active in 36 countries worldwide.

The topic of Soviet political abuse of psychiatry has had a huge impact of world psychiatry and the development of its ethics. This question was first put on the agenda of the WPA Congress in Mexico City in 1971. At the time, Vartanyan was a member of the WPA's Executive Committee, and they refused to raise this topic altogether. This was not only because of Vartanyan; there was another reason: a world-famous psychiatrist from Argentina who was very close to dictator Jorge Videla was also present at the congress. In Latin America, psychiatrists were not accustomed to putting dissidents in prison. Rather, they were asked to suggest the best ways to torture victims. These psychiatrists were perfectly aware that if they started discussing Soviet psychiatry, Argentine psychiatry would soon become a target, too. South Africans had the same understanding. Vartanyan managed to play on these feelings.

Later, the Declaration of Hawaii was finally adopted. After that, all normal psychiatric associations have had codes of ethics that specify, among other things, the kind of money psychiatrists may accept from pharmaceutical companies, etc. We may not have been the force that ended the abuse of psychiatry in the USSR, but the very effort to do so humanized contemporary psychiatry. ■

The Right to Criticise

Since its inception, the press has performed an important social mission and undergone a long evolutionary process along the path to freedom of expression

Author:
Oleksandr Pahiria

To understand the role the press plays in modern social and political life, one must study the history of the earliest printed periodicals – newspapers. Since the time of the first published newspapers, authorities have been very wary of them, trying to keep them under strict control. However, after a long and difficult fight the press eventually won its place in the sun and asserted its fundamental right to free and independent coverage of events, criticism of the government and discussion of burning social issues. At the same time, it has become associated with a special kind of social responsibility and acquired the functions of the “Fourth Estate.” But what did the dawn of the newspaper era look like?

FROM ACTA DIURNA TO NEWSPAPERS

Humankind was disseminating news long before it learned to write letters. However, with the arrival of writing, news reports became more objective, assuming an official form in more developed societies such as the Roman Acta Diurna or the Chinese Tipao—daily government reports inscribed on stone or metal slabs in public places. Before the emergence of the printing press in Western Europe in the Middle Ages, merchants made frequent use of handwritten information bulletins which had applied significance. They featured news about wars, economic conditions, market prices, social customs, weather, etc. Gutenberg’s invention paved the way for the first types of printed mass media in the mid-15th century – news books, pamphlets, booklets, bro-

chures, ballads and news digests called relations. Both the written and oral culture of citizens played an equal part in news dissemination, which is why the genre of ballads gained popularity. Despite their varied coverage, these earliest printed media cannot be qualified as the first newspapers: they were published sporadically and covered individual topics without distancing themselves in any way from the stories they told.

Newspapers in the contemporary sense of the word are a European invention. Their predecessors were the abovementioned handwritten news reports widely circulated in Venice in the 16th



BENJAMIN ROBERT HAYDON, WAITING FOR THE TIMES, 1851

Chronology of the first newspapers in the world



1605
Relation
(Strasbourg, France)
The world's first printed weekly in the world



1609
Avisa Relation oder Zeitung
(Wolfenbüttel, Germany)



1621
Corante
(London, England)



1631
La Gazette
(Paris, France)



1645
Post-och Inrikes Tidningar
(Stockholm, Sweden)



1650
Einkommenden Zeitungen
(Leipzig, Germany)
The world's first daily



1656
Weeckelycke Courante van Europa
(Haarlem, Netherlands)



century. This Italian city was not only one of the world's biggest trade centres but also an information centre. Its local news reports, known as avvisi or gazette, were published regularly starting from 1566 and sometimes even reached London. The term gazette derives its name from a Venetian coin which was used to pay for one copy of a news report. Most Western European countries, however, used the Dutch name corantos for quite a long time. The English newspaper came onto the historical stage in the 1670s.

The journalistic style of these first precursors to newspapers was quite primitive: a summary

of brief news communicated from individual cities with headlines and dates of submission. The format and regularity characteristic of Venetian avvisi led to the development of the contemporary mass media. The oldest newspapers were weeklies and were first published in German lands in the early 17th century, later spreading to all of Europe (see the **Chronology of the first newspapers in the world**).

Unlike avvisi, the first printed magazines were published at regular intervals, typically weekly or monthly, and had an illustrated cover and an overall publication date. In order to avoid persecution by the authorities (which distrusted the first printed mass media), early newspapers generally did not identify the city of publication. Some periodicals of the day did not even have an established name. For example, the first English newspaper had the rather cumbersome title *Corante, or weekly newes from Italy, Germany, Hungary, Poland, Bohemia, France and the Low Countreys*. The publishers took great effort to fill the pages with fresh news every week. Some found it to be a challenge, and newspapers came out late. In some cases, publishers would simply write: "News reports from Italy have not arrived yet." This phrase was even used for the headline of one early English newspaper. Unverified rumours and subjective relations of travellers and merchants were often published as news. However, a continuous struggle for fresh and objective information stimulated the development of the newspaper industry. The flow of news

gradually "adjusted" to the weekly format and later to daily editions. Reports that arrived from various cities were edited in a fairly crude fashion. There were cases when a single edition published the news of a city's siege and its capture side by side. The early system of journalism was convenient for editors but highly inconvenient for readers. One of the earliest attempts to change this system and present reports as more readable narratives was made in England. Only a small audience of subscribers read these first newspapers as the press was delivered exclusively by mail at the time.

FIGHTING FOR FREEDOM OF EXPRESSION



The bulk of early newspapers largely reported news from Europe, rarely from America or

ENGLISH NEWSPAPERS WERE THE FIRST IN THE WORLD TO FREE THEMSELVES FROM THE CONTROL OF THE GOVERNMENT AND CARRY OUT AN IMPORTANT EXPERIMENT: "THE FREE PRESS"

Asia. However, apart from a handful of exceptions (notably, Dutch newspapers), they never reported domestic news. The market of published media in Europe was strictly regulated at the time: in most countries, periodicals had to have special government licenses for publication and could be quickly shut down if they were critical of the authorities. Therefore, most newspapers focused on foreign news cover-

The first newspapers were printed in two formats: the Dutch corantos (2-4 pages) and the German zeitung (8-24 newspaper columns)



1661
La Gaceta de Madrid
(Madrid, Spain)



1661
Merkuriusz Polski Ordynaryjny
(Krakow, Poland)



1664
Gazzetta di Mantova
(Mantua, Italy)



1665
The Oxford Gazette
(The London Gazette)
(London, England)



1690
Public Occurrences
(Boston, USA)



1702
Vedomosti
(Saint Petersburg, Russia)



1703
Wiener Zeitung
(Vienna, Austria)

age, while keeping mum on domestic affairs.

British newspapers were the first to challenge this status quo when they smelled freedom during the English Civil Wars in the mid-17th century. Understanding their responsibility before society, the newspapers dared cover domestic political affairs. The first newspaper to take this portentous step was a periodical with a fairly conservative title, *The Heads of Severall Proceedings in This Present Parliament*, which emerged in November 1641. Later, numerous competitors crowded the scene. Summing up the about-face of the English periodicals, one editor wrote: "And now, after the strange perturbations and changes of our time, the only thing we are talking about is what is happening in England..."

English newspapers were the first in the world to free themselves from the control of the government and carry out an important experiment called "the free press". This was an incentive for the printed media to develop as a separate industry. According to British historian Joseph Frank, British newspaper publishers were among the first to start using headlines and article titles, publish advertisements and illustrate stories with prints. They also set up a network of correspondents and started selling copies in the streets. Newspapers were quickly emerging as victors in the competition with more archaic forms of mass media – news books and ballads, which were quite popular among the population in covering various sensational news, such as bloody



REINHOLD VOLKEL, CAFE GRIENSTEIDL IN VIENNA, 1898

In 1904, the world's first school of journalism was opened in the University of Missouri (USA). In 1923, the American Association of Newspaper Editors compiled the Code of Ethics or Canons of Journalism which laid down the foundations of the profession

murders. It was the English press that had the privilege, in January 1649, to inform the public about a momentous event in national history – the execution of King Charles I.

After these changes, newspapers became more reliable and were published at shorter intervals. In 1650, the first daily, *Einkommende Zeitung*, was published in Leipzig. Its first English counterpart, *The Daily Courant*, was launched in 1702. Daily newspapers played an important role in commerce thanks to published advertisements, price lists and market reports. In the early 18th century, according to historian Stanley Morison, the English newspaper gained "a hold on London's commercial classes which it never lost".

The fight of North American newspapers for their freedom continued alongside growing de-

mands for independence in American colonies. After it was imported from England at the turn of the 18th century, printed mass media quickly turned from typical colonial editions into centres of opposition and government criticism. They were subjected to a major test by the Stamp Act of 1765 which the British parliament used to impose a special tax on newspaper printing, driving up retail prices and shrinking audiences. In response, American publishers "rebelled" against this law, fiercely condemning it in their newspapers and forcing Great Britain to annul it.

As tensions grew between North American colonies and London, local newspapers became increasingly critical of the British administration and joined new protests, including the *Boston Tea Party*. Curiously, the very idea of this protest was



1711
The Spectator
(London, England)
The world's first opinion magazine



1767
Adresseavisen
(Trondheim, Norway)



1776
Gazette de Leopold
(Lviv)
The first newspaper published in the territory of Ukraine



1785
The Times
(London, England)



1811
Gazeta Lwowska
(Lviv)
The oldest periodical in Ukraine



1825
Diario de Pernambuco
(Recife, Brazil)



1826
Le Figaro
(Paris, France)

voiced in the building of the editor in chief of the local Boston Gazette. At the time, engravings were published with increasing frequency in American periodicals to criticize the colonial authorities, and these turned into caricatures. Although not all magazines sided with the anti-British “sons of freedom and democracy”, the local press accomplished an unprecedented feat in the late 18th century by uniting Americans within a new political community. Many historians believe that the revolution in the New World would not have gained so much support without published mass media. Finally, the American Congress, following the French Declaration of the Rights of Man and of the Citizen, declared freedom of expression and freedom of the press in its first amendment to the Constitution as one of the foundations of democracy. Together with nine other amendments, this formed the core of the 1789 Bill of Rights. Despite certain attempts to limit it in the early days of the independent United States, the country of Jefferson and Washington has successfully demonstrated that the free press can quite comfortably co-exist with a democratic government.

BIG BUSINESS

The newspaper industry enjoyed extremely rapid growth in 19th-century America, overtaking Europe in the number of periodicals and advertisement volumes. In the early 19th century, the USA had some 200 newspapers, including 20 dailies, and more than half of all periodicals in large cities had “advertiser”, “commercial” or “trade” in their names. By

contrast, the total number grew to almost 7,000 by the 1880s.

Next to pricy commercial periodicals, America saw the arrival of a series of cheap popular penny papers in the 1830s, which later also appeared in Europe. These small (up to four pages) publications were filled with various “real life”, sensational and police stories and became immensely popular, with daily sales reaching tens of thousands of copies in large cities. Increasingly large print runs prompted publishers to switch from mechanical to steam-powered printing presses which were able to churn out 18,000 copies an hour rather than 125. Most penny papers espoused egalitarian notions and were thus most popular with workers and immigrants. Their key contribution was in changing the economic status of their publishers as a result of larger scale and volume. Newspapers became big business in developed countries.

SPEED, SPEED ABOVE ALL

In the 19th century, journalism and reporting underwent fundamental changes. The editors of the first newspapers obtained reports from afar through travellers, merchants, sailors and foreign newspapers. News took at least several months to travel from Europe to America in the 18th and early 19th centuries. The constant waiting which was a hallmark of printed media at the time gave rise to doubts that in turn led to rumours. Rumours were used to fill the vacuum, so newspaper reports were often false. In order to overcome these difficulties, editors set up networks of correspondents in other



TAYLOR ADAMS, THE NEWSBOY



The image of the gutter press in the early 20th century

cities and abroad. However, the most revolutionary changes in the speed, distance and reliability of information transmission came about with the invention of the electric telegraph by Samuel Morse in 1837. Newspapers became the main clients of the first telegraphic companies, and the development of wire transmission led to the formation of the first information agencies, such as the world-famous Associated Press, which was founded in 1846 as a corporate non-profit enterprise for the exchange of information among New York newspapers. After the transatlantic telegraph connection was set up in 1866, American newspapers were able to publish European news without delay.

However, the 20th century pitted the press against several competitors: first, the radio, then television and now the Internet. Newspaper print runs plummeted during this period, and advertisement revenue dropped. At the same time, individual periodicals came to be replaced by large media corporations that own entire networks of mass me-

THE PRESS ACCOMPLISHED AN UNPRECEDENTED FEAT IN THE LATE 18th CENTURY BY UNITING AMERICANS WITHIN A NEW POLITICAL COMMUNITY

dia outlets in several countries. However, the free press still remains an indispensable attribute of modern life as it performs an important social mission. Experts say that newspapers have every reason to look to the future optimistically. ■



1846
The Associated Press
(New York, USA)
The world's first information agency



1848
«Зоря Галицька»
(Lviv)
The first Ukrainian-language newspaper



1851
The New York Times
(New York, USA)



1861
Osnova
(Saint Petersburg, Russia)
The first Ukrainian magazine in the Russian Empire



1877
The Washington Post
(Washington, USA)



1893
Lidove Noviny
(Brno, Bohemia)



1903
Daily Mirror
(London, Great Britain)
The world's first tabloid

The Press as a Mirror of National Consciousness

The Ukrainian press of the early 20th century survived only thanks to a handful of subscribers and funding from selfless donors

THE FATHERS OF THE NATIONAL REVIVAL
The authors and publishers of *Kievskaja starina* on its 15th anniversary



Author:
Ihor Hyrych

Why did Ukrainians lose the liberation struggle of 1917-1921? One key reason was the weak propagation of national consciousness within Ukrainian society. One indicator of this is the number of subscribers that the national press had at the turn of the century.

SMALL PRINT RUNS

The Finns did not gain national independence by accident – according to Olherd Bochkovsky, 83 periodicals were published in Helsinki alone and 168 across the state by 1898—in other words, one periodical per 13,000 residents. At the turn of the century, the Finns had 20 dailies, 21 tri-weeklies, 32 bi-weeklies and just as many weeklies. Newspapers in the capital had circulations of 12,000 copies and provincial papers had 7,000-8,000 copies.

In the part of Ukraine that was under Russia, the first daily newspaper, *Rada* (Council), was launched as late as 1906 and had 2,000-3,000 subscribers, while Ukraine's population was 10 times bigger than that of Finland. Viacheslav Lypynsky may have had a point when he wrote in his famous *Lysty do bratuv-khliborobiv* (Letters to Brothers-Agrarians) that, in fact, 30 million Ukrainians in Russian-dominated Ukraine was a fiction. The real number was the 2,000-3,000 who subscribed to *Rada*.

From 1905-1914, a mere 40 Ukrainian-language periodicals were published in Russian-ruled Ukraine. Of these only about a dozen lasted for more than a year. The majority were flashes in the pan that disappeared after only a few issues. The reason for this was simple: a lack of subscribers.

True, the tsarist authorities put pressure on Ukrainian read-

ers, used the gendarmerie to keep them in check and threatened them with persecution. However, similar problems were faced by the Finns and Poles, Baltic and Caucasian peoples. And they all understood the need to support the national press because as long as it existed, their nations could be said to exist.

The print runs of the Ukrainian periodicals of the time were extremely small. Remarkably, even *Kievskaja starina* (Kyiv Antiquity) – deservedly called the “encyclopaedia of Ukrainian life”, which published not only historical research and documents, but also works by all classics of Ukrainian literature – had a circulation of just 300 copies in 1901, according to Serhiy Yefremov's memoirs. By 1907, when it was closed, it boasted 700 subscribers thanks to a bigger share of political writing and belles-lettres. Nearly all Ukrainian magazines

had similarly small print runs. *Nova hromada* (New Society) had 400 subscribers in 1906. *Ukrainskaia zhyzn* (Ukrainian Life), a newspaper for Russian-speaking Ukrainians edited by Symon Petliura and Oleksandr Salikovskyy and published in Moscow, had a mere 800 subscribers and, despite the Ukrainian intelligentsia being conversant in Russian, it teetered on the brink of bankruptcy throughout its existence. Ukrainian intellectuals were too few to be able to support the periodical. Meanwhile, the Russian-speaking audience that the magazine actually targeted was not the least bit interested in the Ukrainian question. *Literaturno-naukovyi visnyk* (LNV, The Literary-Academic Herald) performed somewhat better because it was considered an all-Ukrainian periodical published in both Russian-ruled and Austrian-ruled Ukraine. While it was published in Kyiv, it had up to 1,500 subscribers, mostly Galicians, and a mere 700 subscribers in the Russian-ruled part of Ukraine.

The subscribing audience was so narrow that several periodicals could not co-exist as they shared the same readership. When Mykhailo Hrushevskyy moved LNV to Kyiv, *Nova hromada* and *Kievskaya starina* had to close. All of these magazines were subsidized, and were it not for the sponsorship of Ukrainian industrialist Vasyl Symyrenko, *Kievskaya starina* would have closed shop back in the 1880s. Every year he had to inject up to 15,000 roubles into its budget to cover expenses not defrayed by subscription revenue.

DONORS TO THE PRESS

When the Ems Ukaz of 1876 was annulled following the first Russian revolution (1905-1907), Yevhen Chykalenko took over the role of the altruistic patron of the Ukrainian daily press. Prior to the October 1905 manifesto of Tsar Nicholas II, Ukrainians relished bright prospects. Activists of the Ukrainian movement believed that all social problems were rooted in the repressive policies of the tsarist regime, and as soon as they ended, Ukrainians would rush to subscribe to the long-awaited Ukrainian press. They had hoped that *Hromadska dumka* (Public Opinion) would

have 100,000 subscribers and would stand on its own feet. However, the reality turned out to be less optimistic. In the first half of 1906, the periodical had 4,093 subscribers, and this number dropped to 1,509 by year's end. Most people subscribed for one to three months, and a mere 500 for the entire year.

Chykalenko found himself in a stalemate. He was the initiator of a periodical that stood no chance of survival supported by subscription only. The newspaper created huge deficits throughout its existence under both the first title and the second, when it was published as *Rada* in 1906-1914. Its budget was around 30,000 roubles a year. Subscription covered a third, while the rest had to come from someone's pocket. The periodical would have been fine if it had managed to maintain 3,000-5,000 constant subscribers a year. But even this minute quantity was missing in a nation of 30-million scattered from the Zbruch River to Malynov Klin in the Far East.

Western Ukraine was not part of that equation. It had its own daily, *Dilo* (The Deed), which had been published since 1880 and had 3,000 subscribers. It was supported by Western Ukrainian society, though it was quite costly. Chykalenko wrote in his diary that *Dilo* was the world's most expensive newspaper because its subscription price was 18 guildens, much more than *Rada's* 6 roubles. There was no way the price could have increased because its readership was comprised of peasants. Unprecedented bonuses for readers – Mykola Arkas's *Istoria Ukrainy* (A History of Ukraine)—a book worth 1.5 roubles, i.e. one-fourth of *Rada's* entire subscription fee – did not help, either. In its later years, *Rada* offered a bonus in the form of Taras Shevchenko's *Kobzar*. But such moves did almost nothing to boost readership. Chykalenko appealed to the leaders of the Ukrainian movement in Galicia to organize subscription to *Rada* through the reading halls of the Prosvita society branches in Western Ukraine, but they recruited a mere 70 new readers. Chykalenko sadly stated that a similar Galician newspaper would not gain even that number of readers in Russian-ruled Ukraine.

Donors to the Ukrainian press at the turn of the century



Vasyl Symyrenko, 1835-1915



Yevhen Chykalenko, 1861-1929

AN INDICATOR OF NATIONAL CONSCIOUSNESS

Meanwhile, the same stratum – peasants – subscribed to *Dilo* in Galicia, but they did so under the propaganda of the local Greek Catholic priests and Prosvita societies – they had the Polish press supported by Polish society as an example. Perhaps that was one of the reasons why Western Ukrainians were more successful in their liberation struggle. Town and countryside showed examples of self-organization, and Bolshevik radicalism did not muddle peasants' thinking. Galicia did not experience anarchy and Cossack Otaman rule; its cities did not become centres of anti-Ukrainian ideas as was the case in Russian-ruled Ukraine. Galicia's own national press taught Western Ukrainians to engage in public life, self-organize and understand the social value of the national factor.

To the very end, Chykalenko showed unbreakable faith in one guiding conviction: a nation that did not have at least one daily newspaper does not deserve to be called a nation. In a letter to Petro Stebnytsky he wrote, with good reason, that when peasants got accustomed to reading the Russian-language press, the Ukrainian cause would be lost forever. Every year he would sell a piece of his land near the village of Pereshory in the Kherson region to receive the 10,000 roubles needed to cover the newspaper's expenses. Symyrenko

THE SUBSCRIBING AUDIENCE OF UKRAINIAN NEWSPAPERS WAS SO NARROW THAT SEVERAL PERIODICALS COULD NOT CO-EXIST AS THEY SHARED THE SAME READERSHIP

chipped in another 10,000 from his own pocket. In 1911, the ice seemingly broke up, and *Rada's* subscribing readership exceeded the magical number 3,000. It was only in the sixth year of its existence that the only Ukrainian-language newspaper in Russian-dominated Ukraine reached 3,500 subscribers.

The first year of *Rada's* publication demolished the stereotype of the absolute value of democracy ▶



The first Ukrainian daily, *Hromadska dumka* (later Rada) in Russian-ruled Ukraine was launched as late as 1906 and had a mere 2,000-3,000 subscribers

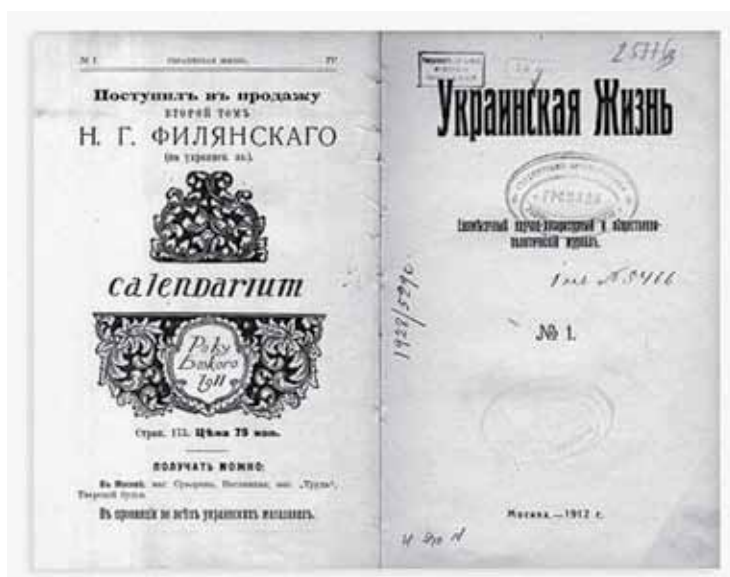
in the sense of poverty over wealth. It proved the commonplace truth that the people who need culture are not so much peasants and workers, demoralized by poverty and destitution, as the stratum which has freed itself from the burden of earning to survive, i.e. the so-called middle class.

If a person rises above the illiterate masses thanks to his industriousness and education, he alone will value and buy national periodicals, because this money does not have to be spent to feed himself and his family. Meanwhile, the leaders of the Ukrainian national movement pinned their hopes on poor peasants, playing to their desire to take away land from the wealthy. Chykalenko wrote to Stebnytsky on this account: "By targeting peasants, the poor, we have fixed a low price for the newspaper and adopted such a tenor that we set all well-off strata against ourselves. Meanwhile, the peasants do not subscribe because they are illiterate, and even if literate, they are not mature enough to consider the national question... [The newspaper] has taken a sharply critical stance against bureaucracy, landlords and priests, and that is why the authorities are removing it from villages and punishing the subscribers, while priests do not let deacons and teachers subscribe to it. Landlords consider it revolutionary and equate the Ukrainian movement with the haidamakas while the peasants, i.e. the haidamakas, do not understand a thing in it..."

It was only in 1907-1908 that Chykalenko, Hrushevsky and

THE UKRAINIAN PRESS TAUGHT UKRAINIANS TO ENGAGE IN PUBLIC LIFE, SELF-ORGANIZE AND UNDERSTAND THE SOCIAL VALUE OF THE NATIONAL FACTOR

Volodymyr Leontovych adopted a view that urban bourgeoisie needed to be won over and that they would be the only source from which national consciousness would spread to the countryside. A decision was made to publish a newspaper not for the common folk but for the petit bourgeois intelligentsia: teachers,



FALLING ON DEAF EARS. *Ukrainskaia zhyzn*, a literary-academic and social-political monthly, was published in Moscow from 1912-17 in Russian, but the Russian audience expressed hardly any interest in the Ukrainian question



Khlіborob was the first Ukrainian-language newspaper in Russian-ruled Ukraine. It was published in Lubny in December 1905 and had a circulation of

5,000

copies. The empire's censors banned it after the first five issues

medical attendants, clerks, small bureaucrats, etc.

THE LONG-TERM EFFECT

Both illiterate, Ukrainian-speaking peasants and the intelligentsia had a hard time grasping the importance of Ukrainian printed media. Many well-off Ukrainians rejected the Ukrainian orthography prior to the revolution of 1917. For example, Rev. Maksym, a priest from the village of Kononivka in what is now Cherkasy Oblast, told how a 15-year-old boy taught him to read in Ukrainian, because he was initially unable to read the *Rada* newspaper properly and thought it was in Bulgarian or Slovak. When he was young, the priest used to read *Kobzar* with no problems of comprehension. But *Rada* got rid of the letter “ы” and he struggled with this change.

In a letter to Stebnytsky, Chykalenko complained that the “working masses” for which *Rada* was initially designed were almost indifferent to the newspaper: “They say that it was printed in a language that differs from the village vernacular and that Russian newspapers are easier to read.” It took time for readers to adjust to the literary language the newspaper was using. This was one of the reasons why its readership did not grow. Chykalenko wrote: “There are no geniuses of the written word who would fascinate readers to the point of making them forgive the language of publication. Our newspaper is published by mediocre people, and that is why the newspaper itself is mediocre. This would be acceptable in times when the language of publication

is not an issue and when the readers only demand fresh news. In contrast, we need to supply fresh news and in a language that is understandable, native and idiomatic. Meanwhile, the ‘native language’ is only good enough for telling stories and only those that focus on people’s everyday lives. The language of newspapers is broader and comes close to scientific language, which is alien, not ‘native’ to the public.”

Despite these difficulties, *Rada* made a great contribution to the awakening of national sentiment among Ukrainians. Chykalenko remembered how surprised Volodymyr Korolenko was to hear school supervisors in Poltava speak standard Ukrainian, rather than Russian, among themselves under the influence of *Rada*. This convinced Korolenko that the Ukrainian cause was not a figment of the intellectuals’ imagination but a deep popular desire. In the restaurant of the Continental Hotel in Kyiv, a Russian landlord asked a waiter about his nationality and the waiter replied that he was a Ukrainian – a conviction he developed by reading *Rada*.

The circumstances of its publication proved another axiom: a national newspaper can only exist in respectable society where conservative traditional values are upheld, where there is a well-off middle class and where citizens honour evolutionary development rather than revolutionary hysteria, looting, dumbing-down and expropriation. The will of the crowd and its demagogues cannot be placed above the rights of respect-

able peasants. It is their regard for private land ownership and healthy individualism that creates a society where the tone is set by decent producers rather than by plebeians guided by deceptive slogans of equality in poverty. The part of Ukraine that was under Russia did not have this kind of society at the time; it simply had not had time to develop. The March revolution of 1917 awakened dormant national forces. As many as three dailies sprang up in Kyiv in March and April. These were published by the three biggest political forces: *Nova Rada* (The New Council) by socialist federalists (former centralists, members of the Society of Ukrainian Progressives), *Robitnycha hazeta* (Workers’ Newspaper) by social democrats and *Narodna volia* (The People’s Will) by social revolutionaries. Their total circulation was up to 25,000, which was already an indication of the massive character of the Ukrainian national movement. However, there was still a long way to go. The *Kievlianin*, a monarchic, imperial periodical reflecting the values of the Black Hundred

DESPITE FINANCIAL DIFFICULTIES, RADA MADE A GREAT CONTRIBUTION TO AWAKENING NATIONAL SENTIMENTS AMONG UKRAINIANS IN RUSSIAN-RULED UKRAINE

movement, had as many subscribers as all of Kyiv’s combined Ukrainian dailies had readers. Liberal Russian magazines such as *Kievskaiia mysl*, had readerships of about the same size.

Are we in a position to throw stones at the Ukrainians who founded *Rada* a century ago? While reading the newspaper that Chykalenko lambasted for a lack of journalistic talent, primitive interpretations of important social problems, a lack of talented satire, etc., one is immediately tempted to draw a comparison with the conditions in which the periodical press in Ukraine finds itself today: the share of Ukrainian-language periodicals has plummeted in the past year from 50.4 to 28.7%. ■

A mere **40** Ukrainian-language periodicals were published in Russian-ruled Ukraine from 1905-1914

Singing Through Tears

Film director Tom Hooper talks about *Les Misérables* as a breakthrough in the musical genre

At the beginning, Tom Hooper's *Les Misérables* looked nothing like a typical box office hit. Based on a novel by Victor Hugo - and classics are not something big studios and massive audiences find appealing these days - it was made as a musical which is not among the top favourite genres. Paradoxically, it has so far earned USD 340mn and ended up with dozens of awards from different festivals and eight Oscar nominations.

The interest in the periods of revolution is in my blood. When I directed John Adams for HBO, which is about the American Revolution, I got very interested in the French Revolution as seen from that angle. I hadn't realised before that the two had such an explosive connection. In some ways, the American Revolution was the father of the French Revolution.

What really attracted me to Hugo's novel was the power of the piece. I think one of the reasons that *Les Misérables* has survived for 25 years is because it sends emotion into your body. Because of this people go back to see it over and over again. It offers the opportunity to re-experience this emotion with extraordinary consistency and predictability. It is able to give you the emotion you enjoyed the first time again.

I wanted to do a piece of work that was much about the heart, from the heart and very emotional. Also, I loved the idea of doing something utterly different as a genre after *The King's Speech*, and taking the opportunity that platform has given along with the risk, ambition and experiments in a new genre.

BIO: Tom Hooper started as a British television director filming episodes for the BBC *EastEnders* soap opera, ITV's *Cold Feet* comedy-drama and a number of mini-series. His debut feature film *Red Dust* came out in 2004. Later he directed the sports drama *The Damned United*, and the critically acclaimed historical drama *The King's Speech*

I've grown up in the mode of gritty cinematic realism. I thought what was interesting about this new project was a combination of my realistic approach to it with the opportunity to be a little bit more expressionistic with my choices because it's a musical; it is sung. I thought it was good for me as a filmmaker to cut away some of the bonds of a certain type of realist logic that has driven a lot of my work and enjoy that freedom.

I find with musicals on film that sometimes you don't quite believe in the reality of what you are watching. Is that because there is something artificial about singing on film inherently? Or is it, I wondered, something about miming to a playback that makes it feel unreal? My theory was that if it was live, there would be a huge shift in what the genre offers. This approach has made the film much more dra-

PHOTO & INTERVIEW PROVIDED BY UNIVERSAL PICTURES

Events

1 March, 10 p.m.

Pur:Pur
Tolstoy restaurant
(19, vul. Velyka Vasylkivska, Kyiv)

The Kharkiv-based indie-pop band will welcome the audience on the first day of spring with its new album, *Nevertheless*, as the product of its experimental endeavours. Pur:Pur has found a new sound in this album. This can be felt as soon as the band hits the first notes. The album has 9 cocktail tracks of electronic

and acoustic tunes intertwined with the singer's vibrant vocals. *Nevertheless* is the band's second fully-fledged album, following their debut record *Pure*, released in 2010 and several mini albums.



Until 3-March

From Inside

The Dream Museum
(55, vul. Chyhorina, Kyiv)

An unusual show of photographs made in the oil print technique, offers the viewer two series. One is *The Play Mirror* by Oleksiy Buištov, and the other one is *From the Kingdom of Hades* by Serhiy Yefanov. Both series are dynamic: From *the Kingdom of Hades* reflects the movement of images and powers ascending from the other world of darkness into that of people. *The Play Mirror* reaches beyond the boundaries of reality into the mirror world. The old archaic printing technique and strange images encourage people to look deeper into their minds.

6 March, 9 p.m.

Bebe

Crystal Hall
(1, Dniprotsky Uzviz, Kyiv)

The Latin Grammy Awards-winning singer Bebe will play her first gig in Ukraine. Her songs are an interesting combination of traditional Spanish folk music, contemporary rhythms, dance-pop, alternative Latin American music and flamenco. Her popularity came right after she recorded her debut album, *Pafuera Telarañas*, stirring controversial yet massive response. The second album called *Y punto* has gone gold in the USA, Italy, Argentina and Columbia.



matic because actors were free to make choices in the moment and good acting generally comes from being free in the moment rather than having to follow a song pre-recorded several months before. When they sing live, actors can change the tempo and the rhythm;

make subtle variations, so that they really live into the role making it very spontaneous and exciting.

Surprisingly, I could say that I owe my career of a film director to the musical. When

I was 11 or 12, we would put a musical at school once a year. I was in it for two years – once in the chorus, and doing a minor part the second time. This brought two great revelations to me: I discovered that I shouldn't be an actor, and that I loved directing.



7 March, 8 p.m.

Give Love

Crystal Hall (1, Dniprovsky Uzviz, Kyiv)

S.K.A.Y. will play its new acoustic show live for the first time, joined by O. Torvald for the Give Love festival. An explosive mix of improvisation and solos by the Ternopil-based S.K.A.Y. coupled with rock drive from O. Torvald will leave the audience with a dose of happy memories and excitement. Old hit songs will gain

a new sound, and new songs will become favourites. Musicians say that everyone in the audience will be happy, no matter whether it is fans or just the lovers of good music.



8 March, 3 p.m., 7 p.m.

Sukhishvili

Palats Sportu (Sports Palace) (1, Sportyvna Ploshcha, Kyiv)

The National Georgian Ballet Sukhishvili, managed by the third dynasty of its founders, includes 100 dancers and its own orchestra. They have been described as the eighth wonder of the world and a hurricane on stage. Their dances with swords have been banned, yet every concert was sold out. They have crashed stages. They got a gold medal from the Queen of England. The ballet travelled the 5 continents ten times over. La Scala called them back with a standing ovation 14 times after their performance in Milan. You can't miss it!

11-30 March

The Music of the Young

Lviv Oblast Philharmonic (7, vul. Tchaikovskoho, Lviv)

Lviv is about to host the 13th Annual International Forum, Music of the Young – for the first time as part of the Ukrainian Biennale of New Music. The programme offers 14 concerts covering over 70 pieces by Ukrainian and European composers, performed by Ukrainian and foreign musicians. The international music delegation

will include the French Le Balcon and Polish string quartet NeoQuartet. Ricochet and Constanty will represent Ukraine.



Borzhava: Beautiful and Treacherous

The gorges dividing the largest highland pastures of the Ukrainian Carpathians hide untold secrets

The winter Carpathians meet us with a heavy rain. “This is something we’ve never seen in January,” the taxi driver repeats, bewildered. Right after the first turn toward Pylypets, a village off the Volovets–Mizhhirya road in Transcarpathia, small hotels and green-tourism homesteads start popping up. Pylypets is quickly becoming a centre of mountain tourism, and Borzhava is the main factor driving this trend.

ALMOST THE ALPS

Curved like a dragon’s tail turned to stone, the Borzhava Ridge rises over the rest of the mountains like an island over the sea. Its peaks, including Velykyi Verkh, Gemba or Mahura, offer breathtaking views—but the scenery is just one of Borzhava’s attractions. The slopes of the largest highland pastures in the Ukrainian Carpathians lure extreme skiers and snowboarders in the winter, and fans of hiking and mountain biking in the summer.

The last time I went to Pylypets was over five years ago. This time, I was surprised to find the fancy new five-story Grand Hotel Pylypets. Over the past five years, a dozen smaller hotels and motels, as well as a few private cottages have emerged in the village. From afar, the scene is reminiscent of the Swiss Alps. Yet the main accomplishment of the past five years is the chair lift that stretches almost 1.5km. A new rope tow spans the lower part of the slope.

On the day we arrived none of

Author:
Oleksandr
Zinchenko

WHAT TO SEE

Take the chair lift to the top and a snowcat to the top of Gemba to see a breathtaking view. Remember that any winter tour should be authorized by a rescuer on duty. Make sure that you avoid avalanche zones.

them were operating. Clouds the colour of dead fish loomed over the mountains. We had to postpone our ski plans for the day and wait for clearer skies over Borzhava.

The weather in the mountains changes quickly, and the sun was shining through the clouds by the evening. Even when the lifts are not running, Pylypets’ surroundings offer plenty to do. Less than a kilometre from the hotel is the beautiful Shypit waterfall. Pylypets and the neighbouring Podobiv still have wooden churches built in the 17-18th centuries and many other authentic sights. The town of Svaliava and Lake Synevyr are located a bit farther away.

WINTER DANGERS

As soon as the mountains started looking friendlier we headed for one of Borzhava’s peaks. As we ascended, the wind carried in pockets of fog. They wrapped around spruce trees and haystacks, creating a living watercolour landscape.

The ascent to Velykyi Verkh in good weather takes just a few hours – even older people can make the hike. Along the ridge, the wind blows the snow off blueberry and bilberry patches. Dry and frozen mountain blueberries—or *yafyny* in the local dialect—do not taste good, but bilberries from under the snow at the end of January are something altogether different!

As our small group grazed on yet another berry patch, the wind

brought along the echo of human voices. Someone far away was calling for someone else. Then the wind changed direction and it was still again.

A group of exhausted people soon passed by – no one returned our greetings. The weather was getting worse and we turned to head back to the village. A few minutes later we caught up with a lonesome skier. He appeared out of nowhere, moving slowly along the plateau, bending occasionally and sticking spruce branches into the ski track. We soon found out that a rescue campaign had been on for several days here. We had heard in the news that two young snowboarders had lost their way on the ridge. It turned out that the rescuers had already found them, and even saved one. An avalanche had killed the other one almost immediately. This time, the rescuers were after two experienced alpinists – one 70, and the other 50. Both had climbed many mountains before, including peaks in the Himalayas. “Have you seen any tracks from the gorge? Or any gear?” Unfortunately, we hadn’t.

The questions made us uncomfortable: the mountain pastures always appeared so peaceful. As we descended, the skier’s advice repeated in our minds over and over again: when on a hike, stick to the watershed; keep within

the plateau and snowfields, and descend as quickly as possible if you risk ending up in fog or darkness. Make sure that you have a navigation device and a compass with you. The latter is the only thing that can help you find your way in foggy weather: civilization lies to the northeast; in all other directions are impassable wind-fallen trees.

POTATO PANCAKES FROM ANYA

Our plans for the evening were entirely gastronomic. Transcarpathian cuisine is a mix of Ukrainian, Hungarian and Slovak traditions. Local restaurants, known as *kolybas*, all offer *tokan*, a Transcarpathian dish made of cornmeal cooked in sour cream and butter, and topped with brynza (a salty cheese similar to feta) or cracklings; its Hutsul variant, *banosh*; or *deruny*, potato pancakes traditionally served with sour cream or mushroom sauce.

For the last five years, I have wanted to try the *deruny* made by Anya at Pid Vodospadom (Under the Waterfall), a local resort. Coming from Central Ukraine, I think of *deruny* as the size of silver dollars. Anya's *deruny* are the size of a skillet! The recipe mixes grated potatoes, eggs and flour. When the pancake is crispy and brown on both sides, our friendly hostess tops it with fried wild mushrooms, chopped sausage and bits of fried meat. Then she folds the *derun* and tops it with sauce and cheese that melts over this simple golden delight.

As we approach the hotel, a blond woman is seeing off the rescuers. "Are you Anya?" I ask. Her

face has barely changed, but five years ago she was a brunette. My guess was right, and Anya looks very surprised, even moved, when I tell her that I had remembered her *deruny* all these years.

While the hostess is busy cooking, her husband Viktor offers us some wine with a slightly bitter taste and strawberry flavour, and we talk about the two lost mountaineers. The older one, Viktor Hryshchenko, had a house in Pylypets and everyone in the neighbourhood knew him. The name rang a bell even to me although I am as far from alpinism as one can be. Viktor Hryshchenko ascended the killer Ushba peak in the Caucasian Mountains and climbed summits in Pamir, Peru and New Zealand dozens of times. Mount McKinley was also on his list. Nobody around could believe that he had lost his way here at Borzhava, his homeland. Some told us about his dog that had returned home. Others said his wife got a text message saying "We're on our way back". There was still hope but the last time someone heard from the climbers was four days ago.

DECEPTIVE BEAUTY

The following day was the first one forecasted to be clear and sunny. Indeed, everything was shining in the morning, revealing Borzhava in all its beauty.

There were also more people in blue uniforms in Pylypets that day as more emergency service workers arrived. Some were saying that the

HOW TO GET THERE

A taxi from the Volovets railway station to any hotel in Pylypets is the best way to get to the place. A one-way trip will cost you around UAH 120.



rescuers were finally going to go looking for the lost mountaineers in a helicopter.

Riding in the chair lift we glimpsed a miracle: the world was dressed in all shades of white glittering in pink, light blue, grey and gold. The sun was coming out from behind the white, greyish and rainbow-coloured clouds, only to hide once again. For a moment, this fairy tale view overshadowed the sad news of the climbers.

The routes marked for tourists are perfectly safe. I even wished there had been more snow in some places. But further lies a snowy Devil's Triangle in the gorges between Gemba and Velykyi Verkh that buries everything and everyone under its avalanches. And it looks amazing and bright from afar, the treacherous beauty of Borzhava.

A few days later, the two lost climbers were found buried under snow in a gorge. Their friends believe that they had walked along a snowy ledge in the darkness or fog, and it collapsed.

Borzhava is a fantastically beautiful and friendly place. But just like any mount, it does not forgive mistakes. No one is allowed to break its rules. ▮



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