

CALLS IN THE OPPOSITION FOR GREATER  
COORDINATION COULD COLLAPSE  
IN INTERNECINE WARFARE

JANUSZ BUGAJSKI ON RUSSIAN-GERMAN  
STRATEGIC COMPETITION

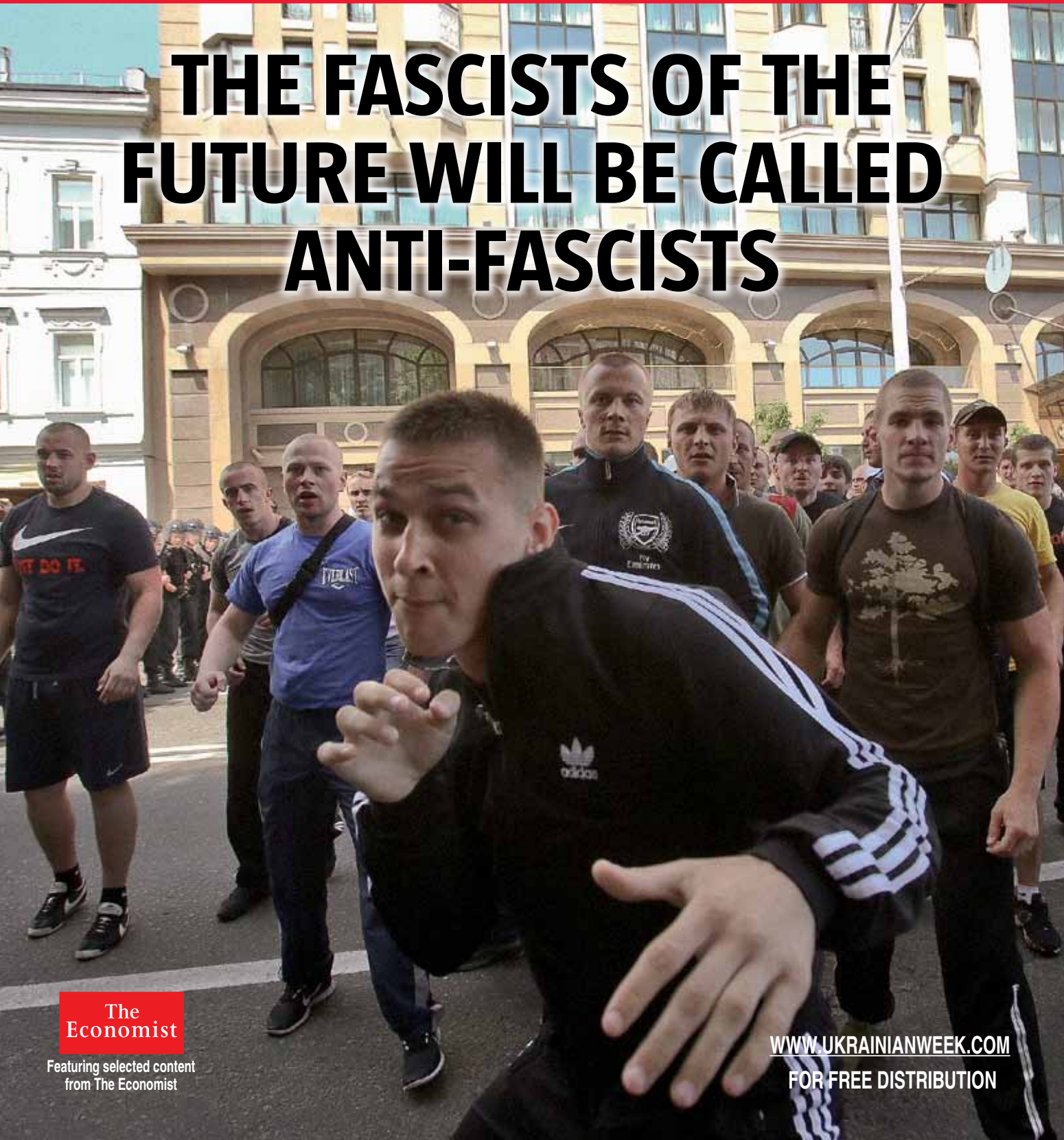
HETMAN PAVLO SKOROPADSKY  
AND PROJECT UKRAINE

international edition

# The Ukrainian Week

№ 10 (52) JUNE 2013

## THE FASCISTS OF THE FUTURE WILL BE CALLED ANTI-FASCISTS



The  
Economist

Featuring selected content  
from The Economist

[WWW.UKRAINIANWEEK.COM](http://WWW.UKRAINIANWEEK.COM)

FOR FREE DISTRIBUTION



Choose the Kharkiv Palace Premier Hotel  
as the setting for any event and take advantages  
of VIP service to suit your every need



STATE-OF-THE-ART CONFERENCE FACILITIES COVERING MORE  
THAN 1500 M<sup>2</sup>

STATELY BALLROOM CAPABLE OF HOSTING UP TO 500 PEOPLE

OWN IN-HOUSE SIMULTANEOUS TRANSLATION SYSTEM

BUSINESS CENTRE

180 MODERN ROOMS

FIVE RESTAURANTS

LUXURIOUS SPA-CENTRE



WWW.KHARKIV-PALACE.COM

*Premier Hotels*

RESERVATION DEPARTMENT:  
+38 057 766 44 45  
reservation@kharkiv-palace.com

CONFERENCE & BANQUETING DEPARTMENT:  
+38 057 766 49 04  
sc@kharkiv-palace.com

**BRIEFING**



**The Thousand and One Integrations:** The consequences of the latest agreements between Yanukovych and Putin

4

**FOCUS**

**Anti-Fascism and the Yanukovych Regime:** The government is imposing bandit rules under the guise of a struggle against fascism

6



**POLITICS**

**The Primaries Kick Off:** How the opposition's declaration of deeper coordination could collapse into internecine warfare

12

**Thugs for Hire:** An army of street fighters is being established under the supervision of law enforcement agencies

10



**SECURITY**

**NATO's Dirk Brengelmann** on cooperation with Ukraine as a non-aligned state, Smart Defence and the impact of financial crises on defence policies

16



**Ukraine Incognita:** Ukrainian politicians use the European platform to suit their own narrow personal interests

14

**NEIGHBOURS**

**New Old Rivalry:** Janusz Bugajski on Russian-German strategic competition and its impact on the continent

18



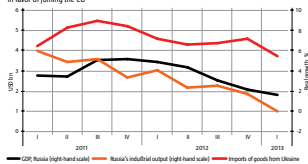
**The Kremlin Plot Thickens:** A spy scandal that points to rising anti-Americanism in Russia

20



**ECONOMICS**

**United against whom?** Exports to Russia fell despite a positive trend of the Russian economy and arguments in favor of joining the CU



**Good News, Bad News, New News:** Exports to the EU, the Customs Union and, surprisingly, Africa

22



**Anders Aslund:** Yanukovych's presidency is essentially finished in terms of reforms. It is now a matter of muddling through and survival

24

**HISTORY**

**Pavlo Skoropadsky:** A Ukrainian hetman torn between two loyalties

26



**The Hetmanate:** Accomplishments and failures of the 1918 reforms

28



**CULTURE & ARTS**

**Esthetic Education:** Musician, photographer and film director Louis Franck talks about his experience as a foreigner in Ukraine and the limitless talent possessed by all human beings

30



International edition  
**The Ukrainian Week**

**The Ukrainian Week** № 10 (52) June 2013

**Founder** ECEM Media GmbH

**Publisher** ECEM Media GmbH

**Address** Austria, Am Gestade,1, 1010 Vienna

State registration certificate KB № 19823-9623ПР 19.03.2013

**Head of editorial board** Roman Tsupryk

**Editors** Anna Korbut, Natalia Romanec, Shaun Williams

**E-mail** office@tyzhden.ua

**Tel.** (044) 351-13-87

**www.ukrainianweek.com**

**Editors address** 37 Mashynobudivna str., Kyiv, 03067, Ukraine

**Print** Novy Druk LLC, 1 Mahnitohorska str., Kyiv, 03056, Ukraine

Ordering number **13-6522** . Sent to print on 30 May 2013

**Print run** 15 000. **Free distribution**

**Our partner**





**Lviv imposes a complete ban on any advertising of alcohol**



**Journalists are injured in clashes between participants of the opposition's Rise Ukraine! rally and the anti-fascist march.** The police does not intervene (see p. 6)



**The Czech Republic starts issuing multiple entry Schengen visas to Ukrainians who travel there as tourists or for recreational purposes**

# The Thousand and One Integrations

**Author: Oleksandr Kramar**

The government continues to boast about the President's successful foreign policy strategy leading to "westward and eastward successes". The "accomplishments" in European integration advertised in mid-May were followed by those in cooperation with the Customs Union and Eurasian Economic Community (EurAsEC) last week. On May 26, Yanukovich and Putin had a secret meeting in Sochi. Ukraine's President then participated in the Supreme Eurasian Economic Council meeting in Astana on May 29, where the presidents of Russia, Kazakhstan and Belarus approved the project for transforming the current integration entities – the Customs Union first and foremost – into the new Eurasian Economic Union (EEU) as of January 1, 2015. It entails deeper economic integration, similar to that in the EU. In post-Soviet reality, this is yet another step towards the reincarnation of the Soviet Union. The result of Yanukovich's official visit with respect to Ukraine, is observer status at the Eurasian Economic Commission (EEC), a standing body of EurAsEC within which the Customs Union formally operates. Political agreements have been reached and it was announced

that the signing of the relevant memorandum will take place at the CIS leaders' summit on May 31 in Minsk, along with the declaration of Ukraine's intent to join the EEU, once established, as an observer.

Similar to the CIS FTZ Agreement signed eighteen months ago, this ritual move will have no practical consequences. After Ukraine signed the CIS FTZ Agreement which was supposed to have facilitated bilateral trade, Ukrainian exports to Russia shrank by USD 2.2bn (read more in **Good News, Bad News, New News on p. 22**). Its only possible impact is to serve as a transition to the further dragging of Ukraine into the Eurasian Union. Sergei Glaziev, post-Soviet integration advisor to the Russian president, confirmed this right after the meeting in Astana: "It is important for the Ukrainian public to realize that signing the Association Agreement with the EU and participating in the Customs Union simultaneously is impossible... the fact that we agreed to provide Ukraine with observer status in the Eurasian Economic Union which is currently being formed, signals Ukraine's intent to join the EEU, since observer status is only granted to states that want to join our integration entities."

Current arrangements do not bind anyone to anything though. Their present status does not suit Moscow's interests, therefore they will not protect Ukrainian producers from obstacles in the export of their products to Russia and other Customs Union member-states without further concessions to Russia on the part of Ukraine.

Meanwhile, another crucial aspect of Ukraine-Russia relations is being kept a deep secret. Four years into his presidency, Yanukovich has made zero progress in solving the gas problem. Naftogaz's financial difficulties have been hidden by buying hardly any gas in the last few months. It has now returned to the idea of buying gas on credit from Gazprom. Energy and Coal Industry Minister, Eduard Stavtyskiy, stated that he is expecting an advance payment from Gazprom for the transit of its gas through Ukraine to Europe in 2013, and gas purchase will be resumed with this money. According to the mass media, at their May 26 meeting, Yanukovich and Putin talked about the transfer of control over the main gas pipelines in Ukraine to Russia, and the transfer of control over distribution pipelines to one or several companies close to the Ukrainian government – for instance, to Dmytro Firtash or Serhiy Kurchenko's VETEK (sources link him to the Family). Legislation is already being drafted to implement this. Draft law 2937 from April 26, entails amendments to a number of laws and allow the privatization of Naftogaz and its subsidiaries. On May 27, Eduard Stavtyskiy stated that Ukraine's gas transit system (GTS) had been

## The future of the GTS

A survey by the Razumkov Centre in May 2013 revealed public opinion on what Ukraine should do if Russia commits to give Ukraine a gas discount in exchange for its GTS

**59.9%**

GTS should remain state-owned

**15.2%**

GTS should be transferred to a consortium of Ukraine, Russia and EU

**12.3%**

GTS should be leased or transferred to Russia

**9.8%**

No answer

**2.7%**

GTS should be privatized

**0.2%**

Other options

## The month in history

**15 May 1873**

Hetman Pavlo Skoropadsky is born (see p. 26)



**23 May 1948**

Stalin's regime deports 40,000 family members of the anti-communist resistance movement participants in Lithuania in operation Spring



**26 May 1953**

The Norilsk uprising of political inmates, most of them Ukrainians, begins. It lasts until 4 August





**The Vatican's Financial Information Authority releases its first annual financial report**



**Vladimir Andreyev, the Russian Consul General in Crimea, resigns after the scandal caused by his discriminating statement against Crimean Tatars (see p. 32)**



**Lithuania's Minister of Foreign Affairs, Linas Linkevičius, states that the EU is not ready to sign the Association Agreement with Ukraine at the present time**



evaluated by Baker Tilly, and the results would be published once the reform of Naftogaz Ukraine is completed. Meanwhile, some media have already launched propaganda campaigns to persuade the public that the Ukrainian gas transit system (GTS) might end up idling if it is not transferred to Russia. Meanwhile, a scenario has been discussed since winter, whereby for a period of three to four years, Russia will cut the gas price for Ukraine to USD 260 per 1,000 cu m in exchange for a 50% share of the GTS.

The surrender of the GTS for a temporary discount from a rate that was clearly artificially overpriced to begin with, also illustrates the reasoning of the current government in other sectors: After us the deluge. This move will not make gas cheaper for domestic consumers, but business entities

close to those in power will benefit from the surrender of the GTS. On May 23, the Cabinet of Ministers approved the projected balance of the supply of natural gas to Ukraine and its distribution in 2013. It is planning to import 27.3bn cu m overall, including 18bn bought by Naftogaz and 8bn by Dmytro Firtash's Ostchem – both from Gazprom. There are plans for RWE Supply & Trading to supply another 1.3bn, but rumour has it that entities close to the Family already have their eye on this niche.

After all, even if Ukraine stopped transiting Russian gas altogether, this would strategically be less painful than giving up the GTS. With the transit of Russian gas stopped and Ukraine's energy sources diversified, the interdependence between the two countries inherited from Soviet times

would plummet, contributing to the economic decolonization of Ukraine. Instead, with the GTS handed over to Russia, the latter will gain even more influence and power to drag Ukraine into its Russo-centric project. The surrender of the GTS will end projects to diversify the gas supply, which will be economically redundant, thus increasing Ukraine's energy dependence on Russia.

The Ukrainian GTS includes several main pipelines, gas storage facilities, and distribution pipelines. If worse came to worst, Ukraine could lease or sell one or two main pipelines, not the whole GTS. This would leave some options for Ukraine, such as the construction of additional branches to import gas from alternative sources or the transit of non-Russian gas, and shale gas in the future. The complete surrender of the GTS will leave Ukraine with minimal opportunity to use it for its own benefit in the future, while Russia will end up with extra leverage to block Ukraine's energy diversification efforts. Gazprom's control over the GTS is a move towards the revival of the common "union gas transit system", probably followed by that of a common economic complex through the Eurasian Economic Union, and the reincarnation of the empire in the future.

Valeriy Yazev, President of the Russian Gas Society, recently admitted that Gazprom would be forced to cut the gas price in order not to lose the effective contract with Ukraine, should the need arise. This should urge the government to look at alternative options in revising gas deals. But this should be a government capable of achieving real rather than imitated success. ■

**The Ukrainian GTS includes several main pipelines, gas storage facilities, and distribution pipelines. If worse came to worst, Ukraine could lease or sell one or two main pipelines, not the whole GTS. This would leave some options for Ukraine, such as the construction of additional branches to import gas from alternative sources or the transit of non-Russian gas, and shale gas in the future. The complete surrender of the GTS will leave Ukraine with minimal opportunity to use it for its own benefit in the future**

PHOTO: UKRAINFORM

**1 June 1903**



**Vasyl Velychkovsky, the martyr bishop of the Ukrainian Greek Catholic Church and one of the leaders of the Greek Catholic catacomb church in the 1950-60s, is born**

**3 June 1863**



**Yevhen Petrushevych, the President of the West Ukrainian People's Republic, ZUNR, is born**

**4 June 1775**



**Catherine the Great's army destroys the Cossacks' Zaporizhian Sich**

# Anti-Fascism & the Yanukovich Regime

The government is establishing bandit rules under the guise of the struggle against “fascism”

**V**iktor Yanukovich's term in office is coming to an end, with 65% of Ukrainians opposing his regime. His chances of maintaining control over the vast electorate with “bread” only, are close to zero, as the Party of Regions has failed to fulfill its key election promise – to ensure “improvement today”. On the contrary, the welfare of average Ukrainians continues to worsen. Thus, those in power must have decided that the time of “circuses” and force has come. Apparently, favourable retirement scenarios are not an option for those in power – too much is at stake after what has happened, and will apparently happen in Ukraine before Yanukovich's presidency ends. Nobody is willing to be held responsible for abuse of legislation and state institutions, not to mention the brazen misappropriation of budget funds. In this situation, the government's spin doctors have obviously decided to focus on dividing Ukrainian society into “neo-Nazi fascists and their supporters” and “anti-fascists” expecting this to play into their hands. They probably expect to fuel mass panic in the face of a “Banderite fascist threat”, thus diverting the attention of at least their core voters from everyday problems.

Overall, May 18 revealed several trends: the government showed that it will not allow a Maidan-2; anyone who is not with it will be considered a fascist; bandit rules are being imposed in Ukraine under the guise of an anti-fascist campaign; and the government is coalescing with criminals.

## THE MAIDAN SYNDROME

The expectations of the Party of Regions' spin doctors have failed. The “anti-fascism” concept proved secondary for Ukrainians who are primarily concerned with the problems caused by the regime, such as increasing hidden unemployment, the shutdown of SMEs, plummeting disposable income against a backdrop of official talks of deflation, soaring corruption and the insolence of officials, police and judges who are growing used to their impunity while carrying out the regime's instructions. Public reaction to this, strongly present in social networks and surveys, proves that the government's attempts to fuel anti-fascist sentiments with orchestrated Soviet-style rallies, such as its May 18 anti-fascist march, have discredited the initiative in the eyes of most Ukrainians and irritated public sector employees, who were forced to participate in the rally.

Another purpose of the government's May 18 anti-fascist rally was to offset the effect of the opposition's Rise Ukraine! protest. It was probably supposed to show how massive the “anti-fascist” movement is compared to the poor support of the opposition. The Party of Regions' 1.4 million members – or so state its official documents – would have been helpful. Instead, the party in power used totalitarian tools: the estimated 20,000 to 30,000 participants of its rally were mostly public sector employees brought to the venue by their employers, students and drifters. On the day of the rally, a large number of them blocked streets, demanding the UAH 100



they were promised. Others left behind piles of garbage, broken benches and lampposts. Meanwhile, opposition supporters who were coming to the Rise Ukraine! rally from various regions, were removed from the trains; trains arrived late; and the police did not allow buses into Kyiv. Reports came in of young men attacking cars and vans carrying opposition supporters trying to get to Kyiv. The police stopped a car in which Yulia Tymoshenko's aunt was travelling to Kyiv, while men from another car that stopped nearby punctured the wheels of her car. The police did not interfere. Still, an estimated 20,000-30,000 opposition supporters made it to Sofiyska Ploshcha, St. Sophia Square, in downtown Kyiv. This was the opposition's largest rally in the past year, while the government's efforts to prevent people from going signaled its fear of the opposition, even as inefficient as it is now.

## INTIMIDATE AND DERAIL

The government's numerous anti-fascist declarations do not match its actions. While the Party of Re-



gions called on society to rise against “neo-fascism”, with its intolerance, violence and discrimination, it hired people who actually demonstrated all of these traits. The regime used fighters to assault its opponents and the journalists who provided uncensored reports of developments in Kyiv. On May 14, four days before the rally, several opposition activists were attacked by men with brass knuckles. One of the victims, Volodymyr Karas, has a broken jaw, cut face, and is missing several teeth. He thinks that the assailants beat him by mistake, taking him for his brother, an activist in street rallies. Yevhen Matsko has concussion and a suspected skull fracture. Svoboda activist Volodymyr Nazarenko was severely beaten ten days earlier. Another activist, Andriy Medvedko, managed to fend off an attack, caught one assailant and photographed another. It is now known that at least one of the assailants – the one who beat opposition activists with brass knuckles – is a former police officer. Activists from previous rallies were also attacked and beaten after they had been

The police did not respond at all to the anti-fascist assault against journalists and activists

summoned to police stations. “Stay away from rallies,” the assailants warned.

The beating of journalists and the rearguard of the rally on May 18 ultimately discredited the “anti-fascist show” orchestrated by those in power. The athletes involved became the symbolic face of Yanukovich’s “anti-fascism” and a warning of the mayhem that could become the norm in Ukraine if the regime continues to reinforce itself. The official reason for the conflict was the blocking of an armored vehicle that “suddenly” appeared in the street next to Sofiyska Ploshcha where the opposition rally was taking place. According to *The Ukrainian Week*’s sources, this was a provocation against Arseniy Yatseniuk orchestrated by spin doctor Volodymyr Petrov, who is known for political mudslinging. When Svoboda activists blocked the vehicle, a group of “athletes” was sent to help the crew. They started beating activists and the journalists who were trying to record the assault. Indeed, there was reason for the “athletes” to be concerned – all the video recordings and photos would force

the police to take note of the illegal actions of the most aggressive “anti-fascist” representatives. First, the fighters attacked peaceful protesters, spat in the faces of journalists and insulted them. Then, Vadym Titushko, an athlete from Bila Tserkva, a town near Kyiv, beat up Olha Snisartchuk, a Channel 5 journalist, and Vlad Sodel, a press photographer from the *Kommerstant* newspaper. Later, reports surfaced of another injured press photographer.

It’s no wonder that government representatives immediately tried to distance themselves from the clashes, even blaming them on the opposition. According to Interior Minister Vitaliy Zakharchenko and MP Hanna Herman, it was the opposition that “hired the fighters.” Vadym Titushko read out this version in his public video interview following the incident. It appears that the Party of Regions’ anti-fascists drew their inspiration from a quote by Joseph Goebbels: If you tell a lie big enough and keep repeating it, people will eventually come to believe it. But their excuses sounded absurd, especially with the videos, photos and evidence of eye-witnesses proving that the journalists were beaten by people hired by the organizers of the anti-fascist rally and covered up by the police.

### THE GANGS AND THE PARTY ARE ONE

Photos and videos of the clashes revealed that most “anti-fascists” in sweatsuits were athletes from sports clubs in Bila Tserkva, Kyiv and Kharkiv. Nina Moskalenko, a Kyiv-born school teacher whose family owns a house in one of Kyiv’s most expensive downtown areas and has long suffered raider attacks for the land where her home stands, recognized some of the fighters. The numerous photos of eye-witnesses, showed that other athletes involved in the assault had been standing by the stage of the anti-fascist march several hours before the incident. One of them, Arsen Kapanskyi, wore an administrator’s badge. He is actually a member of the Young Regions wing of the Party of Regions. He is also mentioned as the one in charge of the raider attacks against Nina Moskalenko and her family. Another man noticed in the assaults looked very

much like Vasyly Boyko, head of the Bila Tserkva Young Regions wing. While denying this in a subsequent interview, he tried to avoid facing the camera at the same angle as the one shown on the videos and photos.

On the video from Mykhailivska Ploshcha, St. Michael Square, where the fighters gathered after the assault, and VR Vice Speaker, Svoboda's Ruslan Koshulynskyi tries to calm them down, the athletes clearly state that their actions were in response to the blocking of the armoured vehicle by Svoboda activists. Ultimately, the fact that the athletes were beating people with Svoboda, UDAR and Batkivshchyna flags and called them "banderites" on camera, makes subsequent claims that they were hired by the opposition appear completely absurd. One of the athletes involved in the assault finally admitted in an interview for *The Ukrainian Week* that the Party of Regions had hired them and that they had been promised UAH 400 for half a day's work.

The coalescence of the government and street fighters, including former criminals, was one of the elements of Nazism, fascism and the extremist russocentric and xenophobic movement known as the Black Hundreds. In the 1990s, Serbian authoritarian national-socialist dictator Slobodan Milosevic turned to criminals, essentially making bandits the backbone of



his rule, while they gained control of shadow business and trade.

The latest events signal that Yanukovich's "anti-fascist" regime is testing this model. Proof lies in the way the police behaved during the incidents. Numerous photos and videos show that it did not react to the anti-fascists' assault against opposition activists and journalists. Later, a blogger posted a photo of the anti-fascist athletes in the middle of a friendly chat with the officers of Berkut, a special-forces police unit, at Mariyivskyi Park in downtown Kyiv. Other eye-witnesses saw Berkut escort them to the funicular and let them go. Shortly thereafter, a photo surfaced on the web where a man, looking very much like the Interior Minister, was observing the clashes from the rooftop of the Intercontinental hotel, located on the street where they took place. Last but not least, most of those in-

Slobodan Milosevic, Serbian social-nationalist dictator of the 1990s, also built a bandit hierarchy, getting former athletes and criminals onto his side

involved in the assault against opposition activists and journalists have not been arrested yet, while Vadym Titushko was released on a UAH 23,000 bail.

### THE OPPOSITE EFFECT

After police watched the beating of journalists or even contributed to provocations, the Interior Minister and Chief of Kyiv Interior Minister Headquarters should have resigned, while the police officers who allowed the armoured vehicle to drive through the downtown pedestrian area should have been fired. The President, whose constitutional role is to guarantee the protection of the rights and freedoms of his citizens should have interfered. The Party of Regions should have issued a public apology for the actions of the people it hired for the "anti-fascist" rally.

Instead, law enforcers are pretending to investigate police inac-

#### How it works

## "The Regions set us up really badly"

**T**he *Ukrainian Week* talks to one of the athletes, who earn their living at rallies and in raider attacks, about May 18 and how the fighters end up in politics

### UW: How do the clients find and hire athletes to take part in rallies?

Nobody looks for anyone. All athletes know one another – we meet at competitions and are constantly in touch. We know others, even if not personally. When clients hire us, nobody really knows where they are going until right before the actual event. We're told how many people they need, and how much money we'll be paid. On May 18, they paid us USD 50 to work until 2 p.m.

### UW: Who are your usual clients?

We have one person in charge of all rallies, and he calls one of us.

### UW: You worked for a pro-government candidate in constituency 223 (one of the five disputed constituencies in the October 2012 parliamentary election – Ed.)?

I worked with people there who hired us to create sort of a crowd. These people were members of the Party of Regions. But none of us signed up for serious fights – our job was to divert attention during possible vote rigging.

### UW: The police cover up for you. How do you negotiate this?

The MPs who hire us negotiate with the police. Yes, they do cover for us.

### UW: What caused the May 18 clash with Svoboda activists? Who gave the order?

That was a spontaneous fight. Nobody was really going to fight, we hadn't been warned of this! This wasn't our first time at rallies, and we'd never had such unexpected situations before. We could sometimes do a little pushing and shoving with our opponents to make a show for the client. But this was unexpected and real. We had been mending the stage at this so-called anti-fascist rally until 2 p.m., making sure that nobody got to the artists performing on stage or threw bottles at them... Then we were told to go to the Intercontinental Hotel to get our pay. Svoboda activists were there. A clash started. I don't know who started it, or why. I was in the middle of the crowd. We didn't expect it. Half of our guys turned to



tivity on May 18, backpedalling on proceedings against Vadym Titushko and not bringing charges against other “anti-fascist” fighters involved in the clashes. Meanwhile, a campaign to stifle protests is escalating, with the violation of people’s rights by law enforcers and the intimidation and assault of opposition activists.

On May 25, the police once again covered up the actions of “athletes” beating activists and journalists at a protest against construction in a park in Brovary, a town near Kyiv. The developer is linked to Serhiy Fedorenko, a pro-government candidate running in the latest parliamentary election, known locally as “Azarov’s masseur”. The police once again ignored requests to arrest the criminals, while arresting two activists who tried to catch the fighters.

On the very same day, Yevhen Parfionov, an activist in the campaign to protect Hostynnyi Dvir in Podil, who called the police when a fire started there in February 2013, was severely beaten in the street by six “athletes” who approached him when he was speaking on the phone in Ukrainian, and said “Now what, cool nationalist?” Yevhen has two skull fractures, concussion, a broken jaw, cut arm and cannot see through his left eye. Another Hostynnyi Dvir activist, Tamara Shevchuk, received a warning after visiting Yevhen in hospital. A piece of paper saying

“You’ll get what’s coming to you” was scotch-taped to her door. Activist Onysia Harai found a piece of paper listing her personal data and party allegiance by her apartment door.

The fact that assailants have activists’ personal data and use modern equipment to track them down signals that the Interior Ministry, or even the SBU, could be helping them. Other facts raise suspicions as well. When protesters threw snowballs at several Party of Regions’ MPs in April this year, the police found cell-phone numbers of all the people present at the venue within one day, then summoned them for interrogations. Meanwhile, they did not rush to arrest the thugs involved in

them, while the police and prosecution turn a blind eye to what looks like a planned operation.

The legislative amendments passed last year, have essentially blocked any institutional means to resist the arbitrary conduct of the Yanukovich regime. Constitutional and judiciary “reform” has resulted in neither parliament nor the courts being able to restrain it. Street protests are now the only way to resist, vent frustration and send signals to the government about public sentiment. Now, it seems that the Party of Regions will try to block this way of expressing public dissent as well, as they rightly see it as a growing threat in the face of the upcoming presidential election. Until recently, they were pushing through a law on peaceful assemblies, drafted to suit them, through legislature. It appears that the time has come for more decisive action through intimidation and assaults.

A popular saying in Soviet times was “Anything but war.” Perhaps those in power are now trying to make people appreciate “anything but instability” as frustration with their economic and social failures mounts before the election. However, intimidation, violence and the police assisting pro-government fighters in rallies will push people to choose more radical street resistance over reasonable parliamentary means of struggle. ■

## THE GOVERNMENT IS PROBABLY TRYING TO INTIMIDATE PROTESTERS AND JOURNALISTS, LEAVING THEM RELUCTANT TO GO TO RALLIES

the May 18 clashes, although eyewitnesses provided plenty of photo and video evidence. Assaults against opposition and civil rights activists result in a similar lack of reaction from the police. Since the beginning of May, a dozen incidents have been reported of athletes waiting for activists near their homes, beating and intimidating



**JACK OF ALL TRADES:** Politics and business are not the only places where athletes are hired to help clients. Average people get to meet with them as well. One is Nina Moskalenko, the Kyiv-born school teacher who refuses to give up her house in downtown Kyiv to raiders

run away, no-one intended to join the clash – we had no idea what was going on. I think the Regions (Party of Regions – Ed.) set us up really badly.

**UW: Can you comment on Vadym Titushko’s interview, in which he said that he worked for the opposition?**

I think his interview was arranged by the organizers, the clients from the Party of Regions. They will bail him out in the end – I guess they’ve already promised him this. He’ll get a suspended sentence – although he may be in jail for a while, until the media buzz abates.

**UW: Some claim that you took part in the raider attack of the home of teacher Nina Moskalenko...**

I wasn’t there, but yes, the same people are used everywhere. They do what they are told to do. But there is sort of a hierarchy. If something takes place in Kyiv – say the Regions pay to take Nina Moskalenko’s house from her – the athletes come from elsewhere, Bila Tserkva for instance. If UDAR has business interests in Bila Tserkva and has paid to take over a hotel, they hire athletes from some other town. You don’t sh..t, beg your pardon, where you live. Overall, this is a huge pyramid.

Interviewer: Valeria Burlakova

# THUGS FOR HIRE

In Ukraine, an army of street fighters is being established under the supervision of law enforcers

**Authors:**  
**Oleksandr Mykhelson,**  
**Ruslana Velychko**

The assault against Channel 5 journalist Olha Snisartchuk by a security guard at an “anti-fascist” rally on May 18 caused a great political scandal that came as a bitter surprise for the Party of Regions. Its members, including Interior Minister Vitaliy Zakharchenko issued clumsy excuses that further confirmed that the attack – if in fact planned by the Party of Regions – was a political provocation gone wrong.

Meanwhile, Svoboda party activists blocked an armoured vehicle transporting anti-Yatseniuk provocateurs in front of the Interior Ministry headquarters in Kyiv, and were then attacked by “anti-fascist” fighters. The clashes highlighted the role and place of youth subcultures and criminals in Ukrainian politics.

Two alarming facts emerged from these events. First, these “anti-fascist” skinhead thugs are conducting raids against the political opposition and others who oppose the government’s initiatives on an increasingly regular basis. In the latest parliamentary election in October 2012, the young men, pretending to be journalists, disrupted elections and vote counts in constituencies where the opposition was winning the vote. Demand for their services remained high after the

DIRECTOR AT WORK? In this photo published on the Internet, a person resembling Internal Affairs chief Vitaliy Zakharchenko watches from the roof of a hotel for an attack by “anti-fascist athletes” against opposition rally participants and journalists



UNDER PROTECTION. “Berkut” police forces detain a gang of street fighters for the cameras. According to eyewitnesses, they then led the thugs to the Kyiv Funicular and released them

election. On May 8, similar groups attacked a march in Dnipropetrovsk initiated by a group of locals to commemorate WWII victims as an alternative to the Victory Day celebration. Similar to the events of May 18, police were present during the incident but stood idly and did nothing to end the violence.

Second, these thugs receive police protection in exchange for their services (**see the interview with one of the fighters involved in the May 18 assault on p. 8**) and are often members of neo-fascist and neo-Nazi organizations. Thus, it turns out that the government is actually supports racist groups, masking this as an “anti-fascist” campaign aimed at its political opponents.

## A SECRET NOMENCLATURE

According to experienced street clash participants, police records in Kyiv alone list nearly 5,000 young men involved in various “fight clubs”. Some are also members of football hooligan groups, and others belong to ideological movements. Many are members of entities officially known as “security agencies” or sports clubs funded by big business that essentially serve as combat units when called upon.

The youngest participants in such fights are called “bonas”. The group as a whole is referred to as “meat”, while the elite are known as “warriors”. The groups are run by “cores” comprised of leaders and ideologues.

Street fighting is not simply business; for some, it is a life philosophy. “Before simple clashes are carried out between different groups for training, the ‘cores’ arrive at the venue in advance to check for police patrols, video cameras and to determine the distance to police stations in the area,” one group member stated off-record. “Sometimes, these clashes take place in the middle of the day or at a lunch break. The purpose is to demonstrate strength. The guys are all trained fighters; the clashes are a test of their endurance and strength. Nobody takes pity on others, even inside their own group. The clash continues until blood is shed or a bone is broken.”

## SERVING BUSINESS AND POLITICS

Ideally, the core runs everything. The groups live off of their own membership fees (generally around UAH 50 paid weekly to a sort of trade union treasury) and orders from clients. Even when orders are available, membership fees are still

The fighters interviewed by *The Ukrainian Week* claim that law enforcers control all informal fight clubs in one way or another

## SOCIAL DEJA VU?

During Stalin's reign, punitive authorities distinguished between "normal" and political criminals. Law enforcers could remain in contact and cooperate with the former, using them against the latter as the regime's political opponents.

The fighters interviewed by *The Ukrainian Week* claim that law enforcers control all informal fight clubs in one way or another. They turn a blind eye to some crimes of their "subjects" (including assaults against representatives of ethnic minorities), while the fighters execute some orders in exchange.

It is difficult to say how close the police and the criminals are ideologically.

## MAY 18 CLASHES IN FRONT OF THE INTERIOR MINISTRY HEADQUARTERS IN KYIV HIGHLIGHTED THE ROLE AND PLACE OF CRIMINALS IN UKRAINIAN POLITICS

PHOTO: ARTHEM SUIPACHUK



paid, although the orders are the main source of income.

Orders vary depending on the clients that place them. Many groups take part in showcase fights for Ukrainian VIPs. These shows normally pay well. Still, nobody fights to the death simply to entertain oligarchs, sources claim.

Business projects are a different matter. Sometimes, business owners order assaults against their competitors. This is not contract killing, our sources insist. However, the fighters may intimidate, injure or kidnap the victim. Very often, their task is to exert psychological pressure. Each scenario involves thorough preparation: the fighters track the "target", learning his contacts and routes, etc. This is a well-paid business. The core gets the money and distributes it to those involved in the deal. Sometimes, the reward is the raided company itself.

Rumour has it that there is even a female group of fighters in Kyiv – it is easier for women to get the victim to the chosen spot. Meanwhile, members of the average male groups often racketeer small businesses or market kiosks, while also taking part in raider attacks against larger enterprises.

In politics, the thug-for-hire business also varies from client to client. Some groups have specific

ideologies that determine their political preferences or lead them to work for a specific party. Some are average athletes training in sports clubs with no specific ideology. They often serve opposite political parties. For instance, the Party of Regions and UDAR are known to have used the same people as security guards at their events.

The core is the only one who knows every detail of the political orders. The down payment is normally 60%, and the rest is wired after the work is done. The groups work with familiar clients and discuss scenarios in detail in advance. "Of course, some act on their own – say, kill someone when he's drunk in a bar", a fighter shares. "But the core is not responsible for this, and nobody will negotiate softer verdicts for the fighters unless they're working for law enforcement authorities. It's the SBU, not the police, that deals with individual cases."

On election day, the fighters that disrupted work at polling places were paid UAH 500 each. Even the "bonas" and "meat" were involved for crowd effect. Security services at the Party of Regions' assembly paid UAH 1,000 per fighter. They admit that this is fairly little compared to "commercial orders" – slang for raider attacks – but the job is easy.

logically. For example, the investigator who questioned journalist Olha Snisarchuk following her assault asked her whether she shares "Banderite" ideas (i.e. those of Stepan Bandera, one of the leaders of the Ukrainian national movement – Ed.). This may be an effort to show that Snisarchuk attended the rally as a participant rather than a journalist so that the prosecution can qualify the assault as hooliganism.

"Most mobs (mobs include several cores and are often run by more than one person) in Ukraine are essentially fascist", *The Ukrainian Week's* source claims. The fighters, he states, no longer wear specific clothing to show their status. Earlier, white shoelaces identified a fighter who had killed a person, while white suspenders stood for a dozen murders. Now, only ignorant fighters and show-offs dress that way. Small waist bags are still a popular accessory though – the fighter can quickly pull out a knife if necessary.

Nobody knows how many of these fighters are average mobsters, and how many are actual fascists. "We are destroying the system in which whites work for ethnic minorities," one young man claims. Clearly, some of them do have a goal. ■

# THE PRIMARIES KICK OFF

**O**n 18 May, Kyiv hosted the rally that was initially announced as the final, then simply as a significant part of the Rise Ukraine! campaign. It brought together the biggest number of participants ranging from 20,000 to 30,000 people under different estimates despite efforts of the police and local authorities to prevent protesters from going to Kyiv from the regions. However, the expectations of opposition-minded citizens were not met.

A brief summary is as follows: Arseniy Yatseniuk, Vitaliy Klitschko and Oleh Tyahnybok signed a declaration On the Coordination of Actions in the Battle against the Yanukovych Regime.

They agreed to coordinate actions at all levels of the presidential campaign and established that should the current procedure for the presidential election remain, each of their three political forces will support the candidate from their parties that makes it to the second round. And if the government manages to amend the legislation to hold the election in just one round, then UDAR, Batkivshchyna and Svoboda will decide on a single candidate. "The opposition will announce a single candidate when the election begins" in order to ensure that "there is no threat," Turchynov tried to wriggle out of this later, and added that Batkivshchyna will insist on a single candidate,

regardless of whether there is one round or two.

It is possibly easier for him to say this in the current situation than for his colleagues; if Tymoshenko is not freed from jail by the election, her political party will simply not have a candidate that could make it to the top post. The question now is whether Yatseniuk shares this opinion. So far, he and his Front Zmin (Front of Change) have not integrated into Batkivshchyna in full, because according to sources he is demanding support for his candidacy in the presidential election if he decides on full integration, and preparing to join Batkivshchyna as its leader. This will convert at least some of the party's rating



into his own. Both Klitschko and Tyahnybok have stated on several occasions that if it is not absolutely necessary, they do not intend to withdraw from running in the first round of the election. In truth, the recent rapid increase in Klitschko's rating may well have urged him and his entourage to hope that he could become the single candidate, particularly if the current electoral trend continues. Even his rhetoric has changed after May 18. "I am confident that these are the first steps and the time will come, so that by spring of next year, we will be able to nominate a single presidential candidate from the opposition forces in the first round," stated Klitschko.

In any case, a decision to nominate a single candidate at the right time, as well as signs of the escalating war for popularity in the media (possibly provoked

by pro-government spin doctors) signal the start of the "big primaries" among the three leaders of the current parliamentary opposition. It would be a shame if, in the near future, this were to transform into a backstage battle to destroy opposition partners. If all three go too far in this conflict, the chances of any of them to win the second round could plummet. This is because society is still sick and tired of the bickering in the opposition from the Orange Revolution. But these may not be the only problems for the opposition. According to The Ukrainian Week's sources, opposition representatives asked Yulia Tymoshenko to record an address to the rally participants on the eve of the May 18 meeting, which she ostensibly refused to do. She may suspect that her comrades-in-arms have already "written her off" and are merely imitating a battle. If the cooling of relations between her and the current opposition triumvirate goes too far, and the confrontation between her and Yatseniuk's supporters deepens, the government could conceivably risk releasing her from prison closer to the start of the presidential election campaign. Should this be the case, reaching an agreement between what will then be four leaders, will be much more complex and could become the prologue to a savage internal battle. This will create a favourable foundation for the party in power to have another victory in the election – whether for Yanukovich or any other member. Eventually, Yuriy Lutsenko could come out of the shadows closer to the onset of the presidential race, taking advantage of the novelty effect. Something similar was seen in 2009, when, having begun his presidential campaign, Serhiy Tihipko soon nullified the "new face" effect of Yatseniuk. As a result, he overtook Yatseniuk and landed third after Yanukovich and Tymoshenko. Meanwhile, Lutsenko is already criticizing the current parliamentary opposition, duly noting that their priority should be the presentation of a programme of "clear actions, based on a well thought-out joint plan", rather than multiple declarations or the determination of single candidates. ■



PHOTO: UNIAN



## World press at Ye Bookstores



**AD**  
ARCHITECTURAL DIGEST

**COSMOPOLITAN**

**DER SPIEGEL**

**FINANCIAL TIMES**

**Forbes**

Herald Tribune

**LE MONDE**  
diplomatique

**Newsweek**

**The Economist**

THE TIMES

THE WALL STREET JOURNAL

**Kyiv**

**vul. Lysenka 3**  
**tel: (044) 235-88-54**

**vul. Spaska 5**  
**tel: (044) 351-13-38**

**Lviv**

**7, Prospekt Svobody**  
**tel: (032) 235-73-68**

# Ukraine Incognita

A poor understanding of the domestic situation in Ukraine prevents the EU from developing an efficient policy regarding official Kyiv. The numerous events dedicated to Ukraine that are taking place in Europe do not help

Authors:  
Milan Lelich,  
Alla Lazareva,  
Brussels



On May 15, the European Commission approved a draft EU Council resolution on signing the Association Agreement with Ukraine, but specified that the signing should not be expected unless Ukraine fulfills the necessary political preconditions. During his latest visit to Brussels, *The Ukrainian Week's* reporter found that there are fewer supporters and more skeptics regarding Ukraine in the European community. European officials often avoid talking about Ukraine, even in private conversations. In fact, only Poland and Lithuania are currently ongoing promoters of Ukraine's European integration, even if Kyiv fails to comply with the EU's requirements. The opinion in Poland is that the signing of the Association Agreement can prevent Ukraine from being dragged into Russian integration projects, since the latter could well result in Moscow's increased influence on Warsaw. Lithuania, as the host of the Vilnius Summit would like to see a positive outcome of the summit.

Other member-states are keeping mum, hoping to push Yanukovich into fulfilling as many requirements as possible. "So far, we can say for sure that Ukraine's current steps are not sufficient to ensure a positive decision on the part of the EU," an EC official commented, noting the long-awaited release of Yuriy Lutsenko as one of the most important steps that Ukraine has already taken. If Lutsenko had remained in prison, there could have been a risk that the EU would not sign the Association Agreement. Meanwhile, the list of requirements remains unchanged. According to officials interviewed in Brussels, a clear list was necessary to make sure that the Ukrainian government cannot pretend to misunderstand the EU's demands. It also ensures that the EU member-states, critical of Ukraine, do not bring forth additional requirements at the last moment. The current formula, put simply, is "No Association Agreement as long as Tymoshenko is in jail", but even if this is fulfilled, it is still no guarantee that the Agreement will be signed, although Tymoshenko's release

will make the signing much more likely. "Tymoshenko in jail is a vivid and visible manifestation of selective justice in Ukraine," comments an EC official who among other things, deals with Ukrainian issues. "We do not demand her release because she is Tymoshenko or because we like her. You are a sovereign state. If she is accused of anything, by all means try her, but in a fair and honest court."

Still, it seems that the EU does not have a clear understanding of the actual situation in Ukraine. Numerous events on Ukraine held in Europe and involving Ukrainian and European politicians and experts should solve this problem, but they don't. The Ukraine Day seminar organized by the ALDE Group on the day when the EC approved the EU Council's draft resolution regarding the Association Agreement proved this. It confirmed that various workshops, conferences and panel discussions on Ukraine and Europe of this kind are important, but that the existing ones are largely inefficient, often used only to promote Ukrainian politicians seeking a more European image for themselves.

The speeches at Ukraine Day, for instance, varied from inspirational to proactive, biased and self-promoting. Political analyst Olga Shumylo-Tapiola focused on the disparities between Ukrainian and European political practices, fueling the opinion that Kyiv is not ready to draw closer to the EU. Ukrainian MP Mykola Katerynchuk presented himself as the major promoter of the European idea in Ukraine and made the audience laugh, saying that his "European Party is the only Ukrainian party that influences the policy of the European Parliament through its Liberal faction". "That's some influence - 85 of 754 MPs!" a French journalist commented. Apparently, Katerynchuk's formal partners in Europe (his party is a member of ALDE, the Alliance of Liberals and Democrats for Europe - Ed.) appear not to oppose these statements by the politician, who sees himself as the next Kyiv Mayor and, rumour has it, is supported by the Family.

The organizers apparently consider writer Andriy Kurkov to be an expert on the reality of Ukraine and its relations with Europe, since he was chosen to represent the Ukrainian intelligentsia. "Europe has Ukraine to thank for two worldviews - anarchism and masochism. That's why you don't always like what we are constantly doing in politics," he said. Unfortunately, this was arguably the key phrase in his speech.

The obvious shortcoming of such events is that they do not involve the true opinion leaders in Ukraine who actually know what the local problems are and can explain to Europe what Ukrainians need at this time (see *The Ukrainian Week 8/2013*).

Instead, both pro-government and opposition politicians often use - and finance - European conferences, debates and seminars on Ukraine, to fit their own narrow personal interests. Poor understanding in Europe of the situation in Ukraine helps them in this. For instance, Natalia Korolevska visited Europe before the October 2012 parliamentary election, presenting



## UKRAINIAN POLITICIANS USE EUROPEAN PLATFORMS TO FIT THEIR NARROW PERSONAL INTERESTS

herself as an opposition politician. She was actually acting per instructions from the Presidential Administration, as proven by her appointment as a minister in Azarov's Cabinet immediately after the election. Petro Poroshenko's foundation often arranges similar events in Europe as well. The experts it invites and their cliché statements leave the impression that the opportunist oligarch uses these events for his personal political and business interests only. This overshadows Ukraine's actual problems, including the unfinished process of establishing a national state, the oligarch-controlled economy, Russian influence, discrimination against the majority of Ukrainians, and the fake "fascist" rhetoric, to name but a few, and prevents the accurate understanding thereof. ■

# DIRK BRENGELMANN:

“The key thing is to maintain the level of interoperability which we have reached between NATO and Ukraine”

**Interviewer:**  
**Hanna Trehub**

**T**he fact that Ukrainian peacekeepers participate in virtually all NATO missions and operations in global hot spots has contributed to Ukraine’s positive image in the world. Yet, Ukrainian top pro-government politicians and diplomats view the declaration of Ukraine’s non-aligned status as one of the key foreign policy events in the two decades of independence. *The Ukrainian Week* talks to Dirk Brengelmann, NATO’s Assistant Secretary General for Political Affairs and Security Policy, about present and future NATO-Ukraine relations after the recent working group meeting in Kyiv.

**UW: What was the goal of your visit to Ukraine and how do you assess the results?**

There are three main reasons for my visit to Ukraine. I have been

engaged in NATO-Ukraine cooperation for 13 years. I worked in the office of Lord George Robertson, who was the Secretary General from 1999 to 2003, and even then I was already working on NATO-Ukraine relations. Now in my present function, I visit yearly for political consultations with the government. And there is one more particular reason – we are currently engaged in a defence reform programme with the Ukrainians. We had a meeting of defence ministers in February, and the Joint Working Group on Defence Reform recently where we have discussed how we can support Ukrainian efforts in this area.

**UW: Ukraine was not engaged in the last three NATO summits. Does this mean that NATO-Ukraine relations are becoming,**

**as James Sherr said, “more technical and formal” and “lack spirit, warmth and persuasion”? How would you assess the present state of NATO-Ukraine relations?**

There was no meeting of the NATO-Ukraine Commission at the last summit in Chicago, but your president was there like many other heads of state and governments, and he attended the meeting of the International Security Assistance Force (ISAF) because Ukraine is a long-standing and important contributor to that operation.

In February, we had a meeting of defence ministers in the NATO-Ukraine Commission. A little while ago, in April 2011, we had a meeting of foreign ministers in Berlin. So, as you see, there is a constant level of engagement.





Maybe there have been more meetings in the past, but let me also say that we have established Annual National Programme, a regular work programme with Ukraine. It lays out a wide range of activities. I should stress that our cooperation with Ukraine in areas like defence reform, military cooperation, and political dialogue on regional security issues and the progress of democratic reforms in Ukraine are more intensive than with practically any other partner nation. Ukraine participates in almost all NATO led missions and operations, so there is a lot of activity going on. I do not think it would be fair to describe these relations as cool.

**UW: How can Ukraine use the Alliance's new Smart Defence strategy, which envisions the future development of international cooperation in the security sphere and the USA as a regional security systems' multiplier, rather than a "global policeman"?**

We have been working on two major initiatives in NATO since the Chicago Summit. One of them is smart defence. It envisions multinational cooperation of allies and partners to rebalance the financial burden of security spending between the USA and Europe. We also have what we call the Connected Forces Initiative. This is about training and conducting exercises together, so that we stay in close contact with each other. The key thing here is to maintain the level of interoperability which we have reached between NATO and Ukraine, but not just Ukraine.

**UW: Some Ukrainian experts call the reforms within the Ukrainian defence sector "the self destruction of the National Armed Forces". How, in your opinion, does reducing the Ukrainian army — which is being done without ensuring any appropriate conditions for its transfer to a contract army service — correspond to modern concepts of armed forces reforms?**

Nations approach that in different ways. Some still keep large armies with conscripts, and that is a national decision. But it is also true to say that most countries moved to a professional army. Given my German background

**BIO** **Dirk Brengelmann** has served as NATO's Assistant Secretary General for Political Affairs and Security Policy since 2010. He is responsible for advising the Secretary General on political issues affecting the security of the Alliance, including NATO's partnership relations and its interaction with other international organisations; chairing the meetings of Senior Political Advisers of the Allied Delegations at NATO Headquarters; and directing the Political Affairs and Security Policy Division of the NATO International Staff. Ambassador Brengelmann entered the German Foreign Service in 1984. From 2000 to 2003, he served as Deputy Director in the Private Office of NATO Secretary General Lord Robertson. After serving as Director and Head of the Defence and Security Policy Division at the Federal Foreign Office, he returned to Brussels in 2008 as Minister Plenipotentiary in the German Delegation to NATO.

and the fact that Germany has just done this itself, I can tell you that you need to spend some money, time and energy to pull through the defence reform in the beginning.

When we discuss our support for defence reform with our Ukrainian colleagues, it also has to do with the difficult consequences of things like retraining military personnel. We have extended an existing trust fund that helps to retrain retired servicemen, providing them with professional skills they can use in the civilian job market.

**UW: Most post-Soviet states joined NATO first, and the EU later. Ukraine has chosen a different way. Is the concept of the Euro-Atlantic integration still in line with the realities of the post-Soviet bloc states? What is NATO's role in promoting Ukraine's European development vector today?**

There is no one rule. In the past, the experience was indeed that most countries in Eastern Europe first joined NATO and later on became members of the EU. That has been the common way. But we also have seen other examples like Sweden, Finland and Austria. They have become members of the EU, but not yet joined NATO. The bottom line is that we have 28 member states, and 21 out of those member states in NATO are also member states of the EU. I think that gives you a picture of the closeness of these two processes.

Let me give you one example. There are many aspects in the Annual National Programme we have with Ukraine that are not just on defence reform, but on political reforms as well. At first glance, you might ask why would a military organization be concerned with such things? But you know that we are not just a military organization, we are also a political organization - and there are issues of importance to us like the rule of law, democracy, freedom of the media, and so on. So, the political dialogue we are having with Ukraine is also about these issues. Take a look at the NATO Chicago statement and you'll see all of that in it. The EU also helps our work in these areas and vice versa.

**UW: Regulation of the frozen conflict in Transnistria is one of Ukraine's priorities as chair of the OSCE. Can this area see a clash of Ukrainian and NATO interests?**

We have been engaged in some political dialogue on that with our Ukrainian friends. It's true that it is an ongoing situation, we call it a protracted conflict. And so far we haven't seen any light at the end of the tunnel, so in this sense, actually, I think we would like to see more progress. Ukraine, now in particular as chair of the OSCE, but even before, has always taken a strong interest in this issue. We have had meetings in Brussels, where the 28 member-states had a chance to discuss the issue with Ukrainian representatives. We have the feeling Ukraine is engaged in this process. But the truth is that at the end of the day it needs the Moldovans, the Transnistrians, the Russians and everybody to agree. Ukraine cannot single-handedly solve this process. This is a 5+2 dialogue, as we see. We have a dialogue on that with Ukraine, as I mentioned, as well as with Moldova and Russia. And, again, I would have preferred to see more progress on that front by now.

**UW: How are the economic crisis and cutbacks in NATO members' defence expenditures influencing the architecture of Western security?**

There have been two or three things coming in at the same time. One is the budget crisis you just referred to, which has hit most countries in Europe. So, we now have the smart defence programme envisioning working together on an aircraft, a ship, etc. It is not everybody for himself. That may be one way.

The other thing is that the Americans took the Libya situation and told the Europeans: "You can't always rely on us to take the first front line role, you need to be in a position to do more things from the European side."

All of that is happening at the same time. The Europeans need to increase their role within all security and defence policies of Europeans within NATO, while having to deal with budget problems. I don't expect there to be negative consequences in the end, because we have smart defence. ■

# New Old Rivalry

The emerging strategic competition between Germany and Russia will be based on contrasting principles of governance, rule of law, human rights, and economic discipline that will impact on the entire continent

**T**he justification for NATO's creation was once formulated as "keeping the Germans down, the Russians out, and the Americans in." Given the dramatic geostrategic shifts over the past two decades, Europe's new reality sees the Germans rising, the Russians infiltrating, and the Americans leaving. In this changing context, the German-Russian relationship will remain pivotal for Europe's future.

## STRATEGIC DEVOLUTION

The banking crisis in Cyprus took the lid of the simmering disputes between Berlin and Moscow. A rising Germany and an assertive Russia in the midst of increasing EU paralysis and steady U.S. withdrawal from Europe foreshadows a coming decade of competition. However, this will not be a contest for the conquest of territory but a struggle for the expansion of state influence.

Russia's relations with the EU have deteriorated following Vladimir Putin's return to the Kremlin last year. Putin once possessed three prominent friends in the Union: German Chancellor Gerhard Schröder, Italian Prime Minister Silvio Berlusconi, and French President Jacques Chirac. His personal relations with current EU leaders, especially with Chancellor Angela Merkel, are poor and the formerly "special relationship" with Germany looks increasingly vulnerable.

Putin's visit to Germany in early April took place against a background of rising bilateral political tensions. Although German-Russian trade reached a new record last year and energy ties are likely to deepen with the planned expansion of the North Stream natural gas pipeline under the Baltic Sea, political tensions are mounting. Indeed, Chancellor Merkel used the meeting with Pu-

tin to highlight Russia's abysmal failings in respecting human rights and developing a democracy.

There are several drivers of escalating Russo-German frictions, evident in both the political and economic realms. Underpinning them is the resurfacing of a historic strategic rivalry for pre-eminence on the European mainland.

## EUROPE'S HOUSE CLEANING

The Cyprus banking crisis raised the specter of an economic war between Berlin and Moscow. While EU officials are frustrated with the export of Russian corruption and how this infects a number of member states, officials in Moscow accuse the EU of outright theft in its handling of depositors accounts in Cyprus. The German-led bailout, to prevent the country's bankruptcy, resulted in heavy losses for foreign depositors. The majority are Russians, estimated to have held around €30 billion. About \$4 billion will be appropriated and the remaining deposits subject to rigorous capital controls. Much of this money is believed to be illicit revenue laundered through Cyprus.

Russian officials asserted that they might punish the EU for the Cyprus deal, for which Berlin is considered to be primarily responsible. Some Kremlin advisors wanted the assets of German companies operating in Russia, including Audi, BMW, Mercedes, Siemens, and Bosch, to be frozen or new taxes introduced on their assets. The German business lobby has been a keen supporter of rapprochement with Moscow; if the government puts any squeeze on their operations bilateral trade and investment will suffer and further undermine political ties.

Although the conditions of the Cyprus bailout were heavily criticized in Russia, analysts believe

**Author:**  
**Janusz Bugajski**

that key Russian oligarchs and top executives of state enterprises were able to withdraw their funds in time and transfer them to other safer tax havens. Harder hit were Russian medium and small businesses that had set up accounts in Cyprus because of deep uncertainty over Russia's financial system.

Beyond its financial bonanza for wealthy Russians, Cyprus has played a useful geo-political role for Moscow. The island has been a middleman for numerous Russian arms deals to countries such as Syria, Lebanon, and Iran, and during disputes with other EU countries the Kremlin was always able to rely on Nikosia's support.



One of Germany's aims, and that of other EU governments, in bringing Cyprus into line financially was to prevent Russia from expanding its strategic influences in the Eastern Mediterranean. During the course of negotiations on a banking bailout, the Cypriot government offered the Kremlin the use of a military base in the port of Limassol as well as a major stake in developing recently discovered offshore gas fields and participation in constructing a natural gas terminal. If realized, the former would increase Moscow's military capabilities, while the latter could significantly increase its role in Europe's energy sector.

In addition to cleaning Cyprus and other countries from Russian financial maleficence, Berlin is currently supporting investigations of Gazprom by the EU Commission for stifling competition in European markets. Gazprom's use of energy as a tool of political influence and potential blackmail is no longer tolerated in Berlin. Its monopolistic control of supply and transportation of gas into Europe is increasingly challenged by EU officials. This has angered Putin and his business oligarchs who

continue to view energy supplies as a major tool of Russia's expansionist foreign policy.

### HUMAN RIGHTS AND FOREIGN AGENTS

Berlin has also become more outspoken about Russia's deteriorating human rights record. German officials and parliamentarians, together with several German NGOs, supported the anti-Putin protest movement that emerged in Russia during 2012. In retaliation, Russian police have targeted German NGOs promoting democracy inside Russia for allegedly endangering the country's sovereignty. Two German political NGOs were recently raided in Moscow and St. Petersburg, and their operations paralyzed, prompting German Foreign Minister Guido Westerwelle to issue a strong protest with the Russian authorities.

A Russian law passed last July obliges foreign-funded NGOs involved in political activity to register as "foreign agents." Failure to comply is punishable by heavy fines or a prison sentence. Both the Konrad Adenauer Foundation and the Friedrich Ebert Foundation are now under police investi-

gation. The former is closely linked to Chancellor Merkel's Christian Democrats (CDU), while the latter is related to Germany's opposition Social Democrats.

CDU general secretary Hermann Groeche responded that



## GERMANY'S PROMINENCE WILL DIRECTLY CHALLENGE RUSSIAN AMBITIONS TOWARD EUROPE

"Germany's political foundations are making an important contribution to the development of democratic structures, the building of a state based on law and the encouragement of civil society." German diplomats have warned that hampering the activities of German foundations could inflict lasting damage on bilateral relations with Russia.

Subsequent steps are very much dependent on the September Bundestag elections. The candidate for Chancellor for the Social Democrats, Peer Steinbrück, is a more traditional appeaser of Moscow and is expected to support steady ties with Russia regardless of its behavior. In recent interviews, Steinbrück claimed that Western democratic standards could not be applied to Russia, echoing the position of former Putin accomplice and Nord Stream chairman Gerhard Schröder. It is too early to predict the election winner, but Chancellor Merkel has the opportunity to outline a coherent strategic vision of Germany's role in Europe to help retain power.

### GERMAN SELF-ASSERTION

Several factors are raising Germany's stature and self-confidence in a Europe that has been devoid of leadership for many years. These revolve around a reasonably consistent economic performance despite the EU-wide recession; political fractures within the Union that raise German authority as a decision-maker; U.S. military downsizing and its diplomatic focus outside of Europe; and a more assertive German national identity that will become more competitive with Russia.



Russia and Germany traded at around EU

80bn in 2012,

including Russia's EUR 42bn with raw materials accounting for 70% of exports, and Germany's EUR 38bn. This is expected to increase 10% in 2013

PHOTO: AP

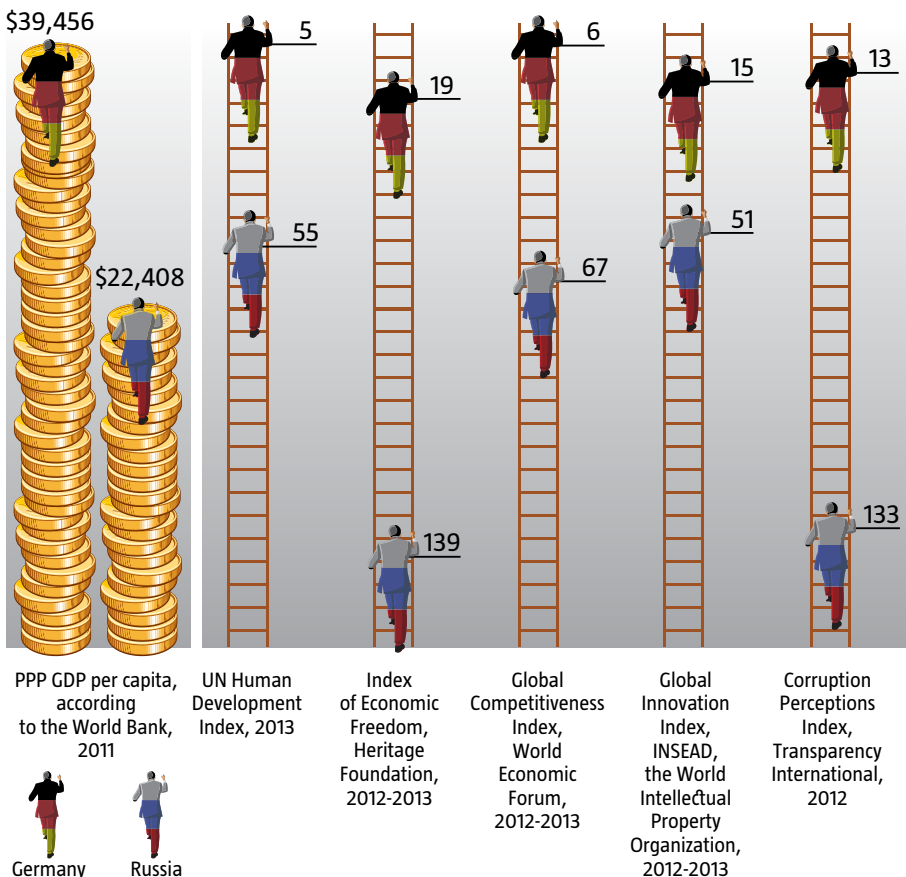
One of the key objectives in building Europe-wide institutions after World War Two was to subdue German nationalism. But in the midst of Europe's financial crisis and economic slowdown, German society appears to be turning against the EU project. A recent opinion poll conducted by the ZDF television network indicates that 65% of Germans think the euro currency damages the country, and 49% think that Germany would be better off outside the EU altogether. One in four Germans may be willing to vote for a party that wants to quit the euro as anger with the costs of the financial crisis is escalating.

A poll conducted for the weekly Focus magazine indicates that 26% of citizens may back a political party that would take Germany out of the eurozone. Tapping into growing Euro-opposition, a new movement styled as Alternative for Germany (AfD) recently held its founding convention in Berlin. AfD demands German withdrawal from the euro and return to the Deutschmark, or the creation of a separate currency with Holland, Austria, Finland, and other financially stable economies.

Germany's mainstream parties remain pro-euro and pro-EU, despite some internal protests over bailouts for southern European states such as Greece and Portugal. Chancellor Merkel has tried to reassure her voting base by insisting that heavily indebted countries must impose harsh austerity measures and pay back their debts. Her position has increased anti-German sentiments across Europe and raised charges of German chauvinism. The Social Democrats and Greens have backed Merkel's approach in dealing with Europe's financial problems, but the AfD is waiting for a significant boost if a new financial crisis materializes in the coming months.

Inconclusive election results in Italy have given fresh ammunition to AfD, with indications that the next government in Rome may backtrack on its austerity pledges. AfD leader Bernd Lucke has asserted that threats to default on Italy's external debt has demolished claims that Germany's rescue pledges will not be wasted. Similarly, the leftist Syriza movement in Greece,

## Ready, steady...



which has been polling ahead of other parties, also asserts that it will refuse to pay back Athens' debts if it achieves power. As a result, the AfD sounds increasingly credible when it declares that "whether countries can and will pay back their debts is dependent on the unpredictable voting choices of their peoples." A combination of exasperation by German taxpayers and public resentment against anti-Germanism within the EU could start to push the country beyond the confines of the Union.

### NEW ERA OF COMPETITION

German self-assertion combined with escalating economic and political divisions between northern and southern Europe can lead to the emergence of a stronger sub-European core led by Berlin and a subordinate EU periphery. Germany's prominence will also directly challenge Russian ambitions toward Europe. Moscow seeks pliant governments that will support its

strategic interests or will remain neutral.

The international arena will witness more frequent political battles between Berlin and Moscow. Conflicting interests in the Middle East, where Germany has lined up fully behind the U.S., has already been a major factor of tension. German officials resent Russia's support of authoritarian regimes and may become increasingly critical of Moscow's attempts to establish a Eurasian Union among the states of Eastern Europe, the Caucasus, and Central Asia. Unlike the EU, such an alliance will be based on economic opaqueness, arbitrary government, and Russian oversight.

The emerging strategic competition between Germany and Russia will not be based on ideologies of ethnic exclusivity or imperial expansion as during WWII, but on contrasting principles of governance, rule of law, human rights, and economic discipline that will impact on the entire continent. ■

# The Kremlin Plot Thickens

A spy scandal that points to rising anti-Americanism

**A**T FIRST sight it seemed a triumph for Russia's spy-catchers and a humiliation for America's CIA. A junior diplomat at the embassy in Moscow, Ryan Fogle, was caught red-handed and yellow-wigged trying to recruit a Russian official dealing with the troubled north Caucasus region. The young American was wrestled to the ground, filmed with his toys—wads of cash, a compass, knife, even a map of Moscow—and then handed over, plus a stern rebuke, to American officials summoned late at night to the headquarters of the FSB, Russia's internal-security service.

The official Russian line is that this exemplifies American duplicity and incompetence. The administration claims to want better relations. Russia has co-operated with the investigation into Chechen links to the Boston bombings. And in return—a bumbling spy trying to bribe his way to state secrets. A letter to “a dear friend” purportedly carried by Mr Fogle offered “up to USD 1mn a year for long-term co-operation” and instructions on how to open a Gmail account. A tapped telephone call released to the media gave more details. A Russian official spoke of a “serious crime” at a time when “the presidents of two countries are trying to find ways of improving the relationship”.

American officialdom has quietly shrugged off the episode. But its gleeful reporting—which coincided to the minute with a Q&A session on Twitter by the American ambassador—is fodder for the Kremlin's servile media. And it also raises questions. Intelligence officers caught abroad are usually ushered out of the country quietly; any negotiations then take place behind closed doors. A prelude to the latest scandal came in 2006, when the FSB exposed a fake rock



containing transmitting equipment used by the British intelligence service. (It was later confirmed by a former British official.) President Vladimir Putin played that scandal as a joke, even though he also used it to link non-governmental organisations with foreign spies.

This time the instruments are more primitive, the message more overt—and the implications more sinister. Public humiliations of hapless foreign spies were a staple of the Soviet propaganda machine—but have been rare since the 1980s. Why did Russia choose to make such a big deal of Mr. Fogle's arrest—and did it perhaps stage a sting operation to humiliate America's intelligence service? One answer may be the big reverses experienced by Russia's intelligence services in recent years, including the recruitment by America of a senior spook who gave away the identities of a slew of prized “sleeper” agents in Eu-

rope and America. America has released videos of their activities—ranging from clandestine encounters with colleagues with embarrassing conversations to FBI agents.

But another answer may lie in Russian politics. As economic growth and support for Mr. Putin have both declined, anti-Americanism has been ratcheted up. The spy story coincides with a search for enemies within, including the arrests of protesters, raids on opposition politicians and unprecedented pressure on civil organisations such as Memorial, a human-rights group dealing with the Stalinist past, to register as “foreign agents”. On television, news reports about Mr. Fogle were followed by talk shows attacking opposition leaders as traitors and calling Russian protests an American operation, organised with the help of Georgian intermediaries. Mr. Putin's Russia may not be the Soviet Union of the 1930s but its choice of style is still alarming. ■

© 2013 The Economist Newspaper Limited. All rights reserved

# Good News, Bad News, New News

Customs Union? Thanks, but no thanks. Free Trade Area with the EU? Yes, but not only.

**S**ometimes it just happens that the essence of a problem really is on the surface. To see it doesn't require you to bury yourself in details, let alone to be a specialist of some kind. This is particularly true of the choice between the Customs Union (CU) with Russia and the Free Trade Area (FTA) with the European Union. At least that's what a simple look at the dynamics of exports from Ukraine to the member countries of these two unions would suggest.

## SURPRISING NEWS FROM THE EU

The EU dove into the second wave of its crisis back in 2010, but at that point, the problems were strictly financial because they involved the public debt of certain countries and the banks that were holding it. At that point, the EU crisis had little impact on Ukraine, and what impact it did have was very indirect. Ukrainian exports to EU countries continued to recover, albeit slowly.

When the trouble in the financial sector began to spread to trade markets and began to cause industrial output to slow down and then to affect the entire economy of a united Europe, demand for Ukrainian commodities began to fall as well (**see Integration, indeed**). This is in line with the theory that a reduction in business activity led to a reduction in incomes, which in turn caused imports to go down. And Ukraine, as a partner of the European Union, was no exception. By 2012, its exports to EU countries had shrunk by US \$900 million or 5%, compared to the previous year, leaving them 10% down from the pre-crisis and early crisis years, 2008-2009.

**Author:**  
**Lyubomyr Shavalyuk**

Still, at the beginning of Q2' 2013, the situation is looking somewhat different. Although industrial output has continued to fall in the European Union six quarters in a row now, and recession has continued to dampen its economies four quarters in a row, imports from Ukraine to the EU continue to rise for the second quarter. Moreover, the biggest rise can be seen in those countries that are leading in GDP decline in Europe. For instance, in Q1'2013, Ukrainian imports to Greece, Italy and Spain grew 91%, 42% and 8%, while their GDPs declined 5.3%, 2.3% and 2.0%

This is the most obvious evidence of economic integration that, as it turns out, can even take place during a crisis and does not depend on politics, because it reflects the common interests of the two sides. Indeed, during Q1'2013, total exports of goods from Ukraine to the EU grew 19% compared to the same period of 2012, and services grew 26%. In short, Europeans are importing more and more from Ukraine as money gets tighter for them—without even the need of a signed and sealed Deep Free Trade Agreement. How much more might exports then rise, once the crisis is over?

## DIMINISHING PROSPECTS IN RUSSIA

Russia's economy, where 80% of all Ukrainian exports to the Customs Union go, continued to grow after the crisis of 2008-2009. The benefit to Ukraine was clear: in 2011, exports of goods hit US \$19.8bn, which was 26% more than prior to the crisis—and the first time in more than a decade that it surpassed total exports to the EU. At that point, arguments in favor of joining the CU seemed

to have the upper edge. Except that last year, exports to Russia fell by US \$2.2bn or 11%, although the Russian economy continued to show a positive trend, albeit slower than before (**see United against whom?**) If the Russian market is saturated with Ukrainian goods, that means the minute Russia goes into recession, then the volume of trade with Ukraine could fall further and faster, something that joining the CU will not help.

The shutdown of the Ly-sychansk petroleum processing plant in Luhansk Oblast, which processed petroleum for the Russian market, and the Odesa petroleum processing plant idling since 2010 – both originally in Russian ownership (Lukoil recently sold Odesa plant to Kharkiv's newest tycoon, Serhiy Kurchenko, who is considered part of the Yanukovych Family) reveals a disturbing trend: The Russian government, together with Russian owners of Ukrainian enterprises, can leave 33% of the country's petroleum processing industry unemployed at the snap of their fingers and is more than happy to do so. This means the fate of Ukrainian exports to the Russian market is very insecure and the prospects for Ukrainian assets in the hands of Russian owners equally so. These two examples clearly demonstrate that Ukrainian commodities do not have a reliable market in Russia, something that joining the CU is unlikely to improve.

Russia long ago chose a policy of setting up as many verticalized production cycles on its own territory as possible. In the last 10-15 years, it has established capacities that allow it to almost entirely satisfy domestic

demand for piping, for freight and passenger rail cars, for certain kinds of military hardware, and for heavy machinery for the power engineering sector. Although the quality of the products being manufactured at these new factories is often lower than that produced by their Ukrainian counterparts, domestic buyers in Russia prefer the domestic product on a forced-voluntary basis.

The freight car market offers a clear example of this: at the end of 2012, the share of Russian rail car builders on the CIS market grew, despite declining investment in a restricted market. As a result, Ukrainian exports in the category “railway locomotives” shrank by nearly US \$500mn by the end of 2012. Clearly, Russia plans to strategically increase its own economic independence, meaning that Ukrainian exports to that country will continue to see this kind of performance, especially as Russia’s economic cycle slows down.

Another example is the “cheese wars” between Ukraine and Russia, with the latter selectively banning the import of Ukrainian cheeses, ostensibly because of poor quality. Ukraine’s losses from such wars in the overall economic picture are not huge, at about US \$87mn in the category “Milk and dairy products, poultry eggs; natural honey” in 2012—although the losses to cheese makers themselves are estimated at around US \$300mn. But the very fact that Russia as a state is turning entire branches of the economy of one of its main trading partners upside down shows that

politics of the worst kind is a major factor determining the volumes of Ukrainian export on the Russian market. This brings with it overly-high risks for the development of Ukraine’s export industries and makes it strategically pointless to integrate with the Customs Union.

The result of such policies has already led to considerable losses of exports to Russia, and not only in 2012. Exports to Russia continued to fall in Q1’2013 at a growing pace. If industrial growth begins to slow down in Russia, then the problems with the Russian market will become serious for Ukraine’s exporters. Nor will Belarus and Kazakhstan be of any help because their share of CU trade with Ukraine grew only from 16% to 21% in 2012 and remained at this relatively modest level in Q1’2013.

**A THIRD WAY IN AFRICA?**

While exports of Ukrainian commodities to both the EU and the CU declined in 2012, volumes traded with Africa grew US \$2.3bn and completely covered the gaps created in the CU and EU. Not surprisingly, African countries are mostly interested in Ukrainian grains, fats and oils, which overall add up to more than half of their imports from Ukraine.

But that’s not the most interesting point.

Firstly, the expansion of Ukraine’s agro-industrial complex (AIC) has opened the door into Africa, where the potential for selling foodstuffs and raw materials is the greatest. For Ukraine, this is a very strategic direction to expand its foreign

trade in. Secondly, Ukrainian companies took good advantage of the Arab Spring in order to enter North African markets in Egypt, Algeria, Libya, Morocco, and Tunis, who are now the country’s main trading partners in Africa. With expanding trade relations, Ukraine was able to move beyond foodstuffs into selling metal products in these countries. This can become the launching pad for deeper cooperation with African markets in other product categories.

Seasonal factors caused exports in Q1’2013 to decline 16%, but “have grain, will trade” with the continent. This means that the gradual, steady growth of the



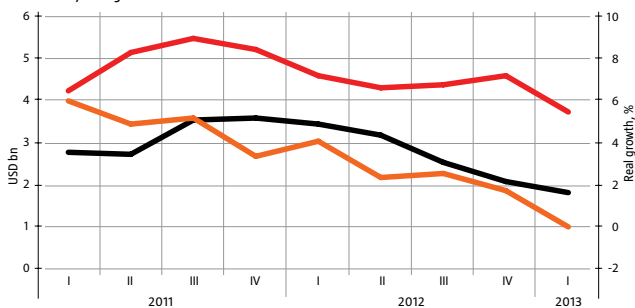
**WHILE EXPORTS OF UKRAINIAN COMMODITIES TO BOTH THE EU AND THE CU DECLINED IN 2012, VOLUMES TRADED WITH AFRICA GREW US \$2.3BN**

farm sector in Ukraine is the only factor necessary for the gateway to Africa to remain open.

In short, Ukrainian business should not get hung up on the DFTA agreement with the EU, which is clearly much more convenient for the development of the country’s economy than joining the more political than economic Customs Union, where Russia intends to keep playing first fiddle. While the numbers clearly show the advantage of European integration over Eurasian integration, the sun does not rise and set in Europe. Diversified markets have always proved to have a positive effect. ■

**United against whom?**

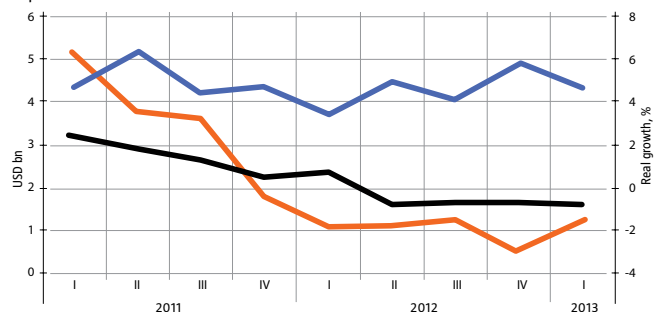
Exports to Russia fall despite a positive trend of the Russian economy and arguments in favor of joining the CU



Sources: State Statistics committees of Ukraine and Russia

**Integration, indeed**

While industrial output has continued to fall in the EU, and recession dampens its economies, imports from Ukraine to the EU continue to rise



Sources: State Statistics committee of Ukraine, Eurostat

# Anders Aslund:

“Yanukovych’s presidency is essentially finished in terms of reforms. It is now a matter of muddling through and survival”

**Interviewer:**  
**Oleksandr**  
**Pahiria**

**S**wedish economist and a senior fellow at the Washington-based Peterson Institute for International Economics, Andres Aslund believes that the time of financial crisis is the best time for Ukraine to implement economic reforms. Scandinavian states did this in the early 1990s. Eventually, they grew into some of the most developed and socially-oriented countries in the world. However, the Yankovych regime has exhausted its potential for reforms, Mr. Aslund suggests. At his lecture at the Shevchenko University in Kyiv arranged by the Embassy of Sweden and The Ukrainian Week, Mr. Aslund shared his solutions to the problems of Ukrainian economy.

**UW:** Ukrainian economy is growing less and less competitive, and Ukraine is





**losing financial stability. Meanwhile, the government prefers Soviet command tools to control the situation. What are the biggest challenges for Ukraine's economy today?**

If you take the general challenges, corruption is the biggest one. The current system is working for the enrichment of the narrow elite rather than the country. More specifically, we now see economic stagnation and any growth is unlikely. In this situation, Ukraine risks facing a new economic crisis. The fundamental problem is that Ukraine has high current account deficit. It was 8% of GDP last year, and will probably be the same this year; limited reserves at barely USD 25bn, and that is falling, and pegged exchange rate. So, Ukraine can experience steep domestic devaluation because its currency market is totally illiquid. The government's response to this has been through very high interest rates which, on the one hand, keep money in the country and inflation down, while minimizing investment on the other hand. Another tool is increasing currency regulation.

This results in the currency market drying up. There are two weaknesses in this situation. One is that Ukraine may be hit by an external shock. The price of steel, an important element of Ukraine's exports, can fall sharply. This is quite likely to happen. The other is that bond yields, now 7.5%, can soar because Ukraine has no confidence in the market. Then, Ukraine will lose its reserves more quickly and can eventually end up in a financial crisis. This looks pretty bad and nobody expects any reforms now. Yanukovich's presidency is essentially finished in terms of reforms. It is now a matter of muddling through and survival. And the government's only goal is to stay in power – it has no higher goals.

**UW: How could the signing of the Association Agreement and FTA in November change this?**

This is a very important agreement. It is also a big one,

comprised of one thousand pages, and it took four years to negotiate. If signed, it would give Ukraine four big things. One is the access to a vast European market for Ukraine, and that is what got Eastern European countries that joined the EU lately going. Secondly, it entails many legislative changes to adopt the good parts of the common European legislation. This would really transform Ukrainian state institutions. The third aspect of the package is substantial assistance, particularly in terms of the state reform. The fourth element is extensive education exchange allowing tens of thousands of Ukrainians to study at the EU universities. This could really become the pivot that could change Ukraine. The only reason to say no to this is that President Yanukovich prefers to keep Yulia Tymoshenko in prison. As long as he insists on that, the EU will hardly sign the Association Agreement.

**UW: How has Ukraine's oligarch system transformed after the Family rose? How competitive is this model in the current economic environment?**

The oligarchy is a consequence of late liberalization of foreign trade that offered extraordinary privileges in the foreign trade with gas and steel to just a few people. Ideally, an oligarchy should include more and more big businessmen until it becomes a normal market economy and democracy. However, an opposite trend was first seen in Russia, and is now seen in Ukraine. More and more power and assets are consolidated in the hands of the ruling families who do not want to share them.

If we compare the situation in Ukraine and Russia under President Putin today, we can see that the concentration of power and property in the hands of the ruling family is moving much faster in Ukraine compared to Russia. It appears that Ukraine's President is ousting disloyal oligarchs one after another, and we see them leaving the country. The former oligarchic model is going. Yanukovich's capitalism in one family is reminiscent of what Karl Marx called oriental despotism, only that his power is too

**BIO**

**Andres Aslund** is a senior fellow at the Washington-based Peterson Institute for International Economics focusing on market reforms and post-communist transformations in Ukraine, Russia and other Eastern European countries. He was the founding director of the Stockholm Institute of East European Economic. In the 1990s, Mr. Aslund served as economic advisor for the governments of Russia, Ukraine and Kyrgyzstan, and as Swedish diplomat in Kuwait, Poland, Switzerland and Russia. He wrote a number of books, including *The Last Shall Be the First: The East European Financial Crisis* in 2010, *How Ukraine Became a Market Economy and Democracy* in 2009, *Russia's Capitalist Revolution: Why Market Reform Succeeded and Democracy Failed* in 2007, *Building Capitalism: The Transformation of the Former Soviet Bloc* in 2001 and more.

limited for that as yet. It is outright retrograde, with a severe destruction of rule of law and property rights. Institutionally Ukraine seems to have reversed to 1993.

We see that national wealth is concentrated in one hands, and those who are on friendlier terms with the government pay less taxes. Privatization was very selective with most economically attractive objects privatized at peanuts. Corruption has flooded many sectors of the national economy.

**UW: Are the oligarchs close to the government interested in the signing of the Association Agreement and FTA? Don't these**

**UKRAINE RISKS FACING A NEW ECONOMIC CRISIS**

**documents contradict their "rules" in doing business?**

This has two sides to it. In the short-term prospect, they are interested in getting more assets. However, they are also interested in obtaining market access. These two goals contradict each other.

**UW: What could Ukraine borrow from the Nordic economic model?**

This first thing to learn is the experience of state institutions. Nordic countries do not have the problem of corruption, their state institutions function effectively. But if you go down to details, Ukraine could learn much from their deregulation, privatization, pension reform, public service reform, and more. The EU would also have a very positive impact on reforms in Ukraine. ■

# Pavlo Skoropadskyi: Torn Between Dual Loyalties

Becoming Ukrainian was as difficult and controversial for Pavlo Skoropadskyi as it was for the Ukrainian nation

**P**avlo Skoropadskyi, Ukraine's hetman in 1918 and descendant of an 18<sup>th</sup> century Cossack hetman, was a controversial figure in his own lifetime. The historical debate between supporters and opponents of Skoropadskyi and his policies continues to this day. He built the Ukrainian state while simultaneously destroying it through various risky and unreasonable moves. He supported the establishment of the agrarian class promoted by historian and politician Vyacheslav Lypynskyi (the ideologue of Ukrainian conservatism and the founder of the Ukrainian Democratic-Agrarian Party) but failed to protect it from inevitable requisitions by Ukraine's Austro-German allies. Skoropadskyi tried to preserve social stability in Ukraine, yet the fear of radical land reforms fuelled tension in rural Ukraine, increasing the impact of Bolshevik "land to the peasants!" propaganda. Skoropadskyi was a Ukrainian hetman and a Russian general close to Nicholas II. He represented a Ukrainian aristocracy that had long considered itself to be part of the pan-empire elite. He contributed to the development of a national state while failing to overcome pro-Russian sentiments, at least during his brief reign from 1918-1920.

As a military officer who fought in the Russo-Japanese War and WWI, Skoropadskyi was eager to address the many issues neglected by the doctrinal and profoundly demagogic Tsentralna Rada (Central Council). This included the creation of an efficient Ukrainian army with professional officers—he did not share the pacifism of UNR (Ukrainian People's Republic) leaders who often did not think beyond their desks or home libraries. While the Central Council had long debated the fate of Crimea, Sevastopol

**Author:**  
**Ihor Losev**

and the Black Sea fleet, Skoropadskyi swiftly declared Crimea to be part of the Ukrainian State and began negotiations to integrate it with its local government led by General Suleyman Sulkiewicz. Skoropadskyi helped transform the Black Sea fleet into a part of Ukraine's military force. In doing so, he proved wiser and more efficient than Ukrainian President Leonid Kravchuk in 1991.

The hetman realized that the Central Council's enchanting slogans were not enough to keep the state running properly. It needed a government, thousands of professional officials, and dozens of institutions and facilities – so he worked to develop these. However, he had too few patriotic professional state-builders since the tsarist administration made sure that such people were kept out of civil service, and those hired eventually shed any views that might stand in the way of career success. As a result, Skoropadskyi had to work under a harsh deficit of man-



**SKOROPADSKYI SUPPORTED THE ESTABLISHMENT OF THE NATIONAL STATE WHILE FAILING TO OVERCOME HIS PRO-RUSSIAN SENTIMENTS**

agers. "Where are the Ukrainians? Give them to me! The ones I need, the ones I can talk to and work with. Where are they?" he lamented desperately. These would have been people loyal to a patriotic ideology, yet pragmatic enough to actually do their work, achieve specific objectives, and take charge of their respective tasks. Unfortunately, most Ukrainians fit a very different profile at that time: all they could do was lament Ukraine's misfortune, sing

folk songs and complain about current problems.

It took Skoropadskyi himself much time and effort to become Ukrainian. Seven and a half months in power was obviously not enough time given his upbringing in a Russian aristocratic environment, his life in the tsarist establishment and service in the emperor's army. At the time, very few Ukrainians were politically conscious. In fact, there was not even agreement on what to call Ukrainians—the term "Ukrainian"





had not yet become widespread. Mykhailo Hrushevskiy, Ukrainian historian, academic and intellectual, shared Skoropadskyi's illusions of an autonomous Ukraine within a federative Russia, even though the two belonged to opposing political enclaves. When, in 1917, a rallying crowd approached the Central Council building on Volodymyr the Great St. in Kyiv and greeted Hrushevskiy with "Long live independent Ukraine!", the national leader replied with "Long live federative Rus-

**WAR GENERAL:** Lieutenant General Pavlo Skoropadskyi as Commander of the 34<sup>th</sup> Army Corps, which later became the 1<sup>st</sup> Ukrainian Corps

sia!" Even the Fourth Universal declaring Ukraine's complete independence was a move forced by political and military circumstances: at that time, Hrushevskiy, Vynnychenko and other socialist leaders still believed that Ukraine could be independent and remain part of the Russian federation at the same time. Some thought otherwise, but Hrushevskiy, Skoropadskyi and others with pro-Russian illusions represented the mainstream ideology.

Skoropadskyi was forced to invite Russian and pro-Russian officials to serve administrative roles in the Ukrainian state – much like the Bolsheviks who appointed former tsar's officers as commanders in the Red Army, with a red commissar supervising each of them. Skoropadskyi did not have pro-Ukrainian professionals to appoint as such "commissars". This resulted in the domination of Russian chauvinist officials in the Ukrainian government and as officers in the hetman's army.

Skoropadskyi should have been more cautious with the military. In his eyes, the Russian commanders in his army were just good professionals and his brothers-in-arms from WWI. Meanwhile, he turned a blind eye to their powerful anti-Ukrainian views. This caused animosity among patriotic Ukrainian officers who often faced chauvinist bullying from their peers. They were not the only ones who were frustrated. To please his pro-Russian officers, Skoropadskyi issued a decree on Ukraine's federation with non-Bolshevik Russia on November 14, 1918. Ukrainian patriots denounced this as treason.

As a result, many Ukrainian officers left the hetman's army for that of the UNR and contributed to the anti-hetman coup of the UNR Directorate. The idea of a federation with Russia was a utopian fantasy. Virtually all White Movement leaders supported the revival of the "single undivided Russia", i.e. a unitary centralized state with no flirtation with "nationals". General Denikin stated in public that the first man he would hang after the victory over the Bolsheviks was the "treacherous" Finnish military leader Carl Mannerheim. Admiral Kolchak rejected Finland's independence, while General Nikolai Yudenich whose army dislocated at the Baltic territory refused to acknowledge independence of the Es-

tonian Republic despite its significant contribution to his military accomplishments. Officer Pyotr Vrangl refused to negotiate an alliance with Poland and the UNR against the Bolsheviks. How could Ukrainian political leaders have expected to create a federation with unwilling partners? According to some historians, White general and Ataman of the Don Cossack Host Petro Krasnov supported the idea, but he was known as a Cossack separatist in the White Movement, therefore he did not represent overall sentiments.

Some wonder whether Skoropadskyi could have become a Ukrainian Mannerheim if luck had been on his side. However, it is hardly possible to compare the two. Mannerheim belonged to a different political culture based on deep Western traditions (Russia's influence on the Finnish mindset was strongly countered by Sweden and Germany). Unlike many Ukrainian leaders, he had no pro-Russian illusions, although like Skoropadskyi, he had been a loyal servant of the Russian Empire, fighting against the Japanese and the army of the German Kaiser. Finland also had Russian officers in its army in 1918-1920, yet Mannerheim did not agree with them, especially when it came to matters of principle. Even if not a Finn ethnically, Mannerheim followed Finland's national interests in his every move. When Russian generals who stayed in personal contact with him demanded that the Finnish army go to Petrograd to help revive the Russian Empire, Mannerheim found a polite yet harsh way to put them in their place.

Mannerheim became a Finn faster than Skoropadskyi became a Ukrainian. It took the hetman many years in exile to finally break his ties with the Russian Empire, but it finally happened, and in recent years he has assumed his place Ukraine's history as a patriot and statesman without geopolitical prejudice. The fact that in 1944 Skoropadskyi used his many connections to facilitate the release of Bandera, Mel'nyk and Stets'ko from Nazi concentration camps shows that at least these people were not entirely alien to him in the ideological sense. Thus, Skoropadskyi's path to becoming Ukrainian was as difficult and controversial as that of the entire Ukrainian nation. ■

# Accomplishments and Failures

Author: Dmytro Kalynchuk

## Army

**Accomplishments:** The Military Ministry, General Headquarters and the Separate Border Guard Corps were established under the hetman's rule. He saved the Central Council's Zaporizhia Division and the Division of Sirozhupannyky (Greycoats) from dissolution, and established the hetman's Serdiutskiy Life Guard division. Also, he established eight corps of the regular army, launched the enrolment of commanders, and provided them with uniforms and weapons. The first conscription was scheduled to begin on November 15, 1918.

**Failures:** The Military Ministry's human resources policy was ineffective. Commanders were enrolled based on their professional skills without taking into account their political preferences. As a result, the hetman army ended up with many adherents of socialists and one undivided Russia. In hard times, the former switched to Vynnychenko and Petliura, while the latter jumped ship to Denikin.

## Government structure

**Accomplishments:** Local government branches ruined under the Central Council were restored from old Russian bureaucrats with province offices reporting to Skoropadskiy's headquarters. The State Guard (police) and the Special Department of Hetman Headquarters (security service) were established. Security Hundreds operated locally. Law enforcement authorities struggled with criminals, bandits, anti-state activities of Bolsheviks, anarchists and Russian chauvinists. Even Skoropadskiy's opponents admitted that local administration of the hetmanate were effective.

**Failures:** Discipline was weak at the law enforcement units. Reports of Security Hundreds were controversial. Socialists accused them of terror against peasants, while memoirists loyal to the hetman wrote that they either exaggerated the scale of the terror or did not take into account the situation in that time. Local administrations were operated by old tsarist bureaucrats. Many of them were opponents of the Ukrainian state.

## Industry and finance

**Accomplishments:** Private ownership of facilities and equipment, commodities exchanges and free market were restored. The state brought several major segments of industry back to life. Tax collection and customs service resumed operation, and state monopoly on sugar and wine making were introduced. Coupled with railways, they brought the most revenues to the state. Ukraine exited the ruble zone and national currency – karbovanets and hryvnia – became the only way of settlement. Ukrainian Public Bank was founded and the first national budget established.

**Failures:** Social initiatives of the Central Council, including an eight-hour workday and the right to strike, were abolished in the Hetmanate, infuriating the workers. Tax collection was ineffective in 1918 as the population found ways to massively evade paying taxes.

## Science and education

**Accomplishments:** Education process was resumed and Ukrainization thereof began. 150 Ukrainian gymnasiums and many real schools were opened; two Ukrainian universities were founded in Kyiv and Kamianets-Podilsky, as well as the Ukrainian Academy of Sciences.

**Failures:** Since cities had large shares of Russian and Russian-speaking population and Skoropadskiy was forced to hire many officials of non-Ukrainian origin due to the lack of qualified civil servants, the choice of the language of education was delegated to local councils. As a result, education remained in Russian in all big cities.

## Social sphere

**Accomplishments:** In 1918, Skoropadskyi's government faced soaring unemployment (up to 500,000 of the officially registered unemployed), unorganized demobilization of soldiers and officers of the Russian army, massive return of servicemen from German and Austrian captivity, and a flood of refugees from the Bolshevik Russia. To employ all these people, the Council of Ministers took efforts to develop production, arrange public works, and plan the development of infrastructure, including floodgates, channels, and hydroelectric power plants at the Dnipro and Bug Rivers. The expansion of armed forces was expected to push unemployment down significantly. The families of those killed in the war and injured during the Bolshevik assault received benefits from local councils.

**Failures:** The government had no time to apply all possible tools to eliminate unemployment. The jobless joined mobs of anarchists and Bolsheviks. Meanwhile, people grew more and more frustrated with the impudence of German requisition units and Hetman's Security Hundreds in villages, while workers refused to work for 12 hours as set by the government.

## Agriculture

**Accomplishments:** Private ownership of land was restored and the Central Council's "socialization" provisions allowing people to take land arbitrarily were abolished. Land plots ended up in free trade. The Land Bank was established to issue loans to buy the plots and carry out related transactions. Despite huge resistance from land owners and part of the government, the Hetman prepared an agrarian reform restricting land ownership to a certain size and allowing the excess to be bought and re-sold to peasants. The reform was supposed to lay the foundation for the class of middle land owners – a rural social pillar for the Hetman's regime and a driver of farming.

**Failures:** Restoration of land ownership was accompanied by pressure on peasants to force them return land patches grabbed during the revolution to their previous owners and reimburse their losses. The Hetman's government did not have enough time to complete the agrarian reform.

## Culture and arts

**Accomplishments:** Over seven and a half months with Skoropadskyi in power, the Public Drama School and Mykola Lysenko Public Music and Drama Institute were opened; the National Opera House, Ukrainian Public Choir, National Symphony Orchestra, First and Second National Choirs, the School of Kobzars, the First Bandura Ensemble, Ukrainian National Theatre, National Gallery of Images, Ukrainian Public Art Academy, National Archive, National Library, Historical Museum and more were founded.

**Failures:** The Hetman lacked qualified patriotic staff to implement his wide-scale ideas in terms of culture.

## Foreign policy

**Accomplishments:** Skoropadskyi found a fairly favourable form of cooperation with Germany and Austria-Hungary. Ukraine was linked with both by the Treaty of Brest-Litovsk signed by the Central Council with both. 30 countries all over the world acknowledged the Ukrainian State. It had permanent embassies in 24. Skoropadskyi established links with the Oblast of the Don Cossack Host and Ukraine supplied it with weapons and volunteers to fight against Bolsheviks (to prevent them from reaching Ukraine and Ukrainians from having to fight with them). Plans were negotiated with the Cuban People's Republic to be annexed to Ukraine as a federative republic. Negotiations continued on the annexation of Chelm Land and Podlachia to the Ukrainian State. As a result of customs and diplomatic war in October 1918, deals were reached to annex Crimea to Ukraine as an autonomous republic. A number of facts prove that the Hetman was preparing to provide military assistance to ZUNR, West Ukrainian People's Republic. For this purpose, the Konovalts unit of Sich Riflemen was established. It was supposed to leave for Halychyna. It switched to the UNR (Ukrainian People's Republic) Directory when the anti-hetman coup broke out.

**Failures:** The population was barely informed of the Hetman's accomplishments in foreign policy. People considered him to be Germany's man. The declaration of the Federative Decree with Russia on November 14, 1918 (a forced move demanded by the Triple Entente according to some sources) triggered the anti-hetman coup that ended Skoropadskyi's rule.

# Esthetic Education

A well-educated musician from an artistic family, Louis Franck came to Ukraine to become part of its culture. Split between the Western world and the local realm, he became a multicultural hybrid

Interviewer: **Bohdan Butkevych**

**T**he former lead singer of Esthetic Education is currently working on a new music project titled Atlántida. Even backstage, he is a storm of emotions energizing everyone around him. In his interview with *The Ukrainian Week*, he talks about his experience in Ukraine as an artist and a foreigner, and the limitless talent possessed by all human beings.

**It used to be more difficult to come to Ukraine.** I would get in trouble all the time. The road police would stop me and demand bribes. They often insulted me when they saw that I'm a foreigner. Freaks and alcoholics picked on me; even old ladies seemed to swear at me on the subway. But as soon as I freed my mind of all my Western stereotypes and negative ideas, everything changed instantly. Now I keep telling myself, "stop being paranoid!"

**Kyiv is one of the greatest spiritual centres in the world.** You can really feel that Slavic and Eastern European culture were born here. Ukrainians are a special people. There is something mythical about them – in a good way. Of course, Ukraine, and the whole world, are in chaos right now. People just don't have time to realize it. By contrast, Moscow is a huge shopping mall or fair like Las Vegas or Dubai.

**Being a musician in Ukraine is not much more difficult than being a musician in the UK.** Life slaps you in the face at every turn. When I told British musicians about Esthetic Education's commercial accomplishments in Ukraine – and we didn't earn much – they were jealous. Competition is enormous there. As a result, most British

musicians work as waiters all their lives and play just four or five gigs in a lifetime. It's also really difficult there, although their problems are different.

**Ukrainian artists have no success in the West because they don't know how to work in a competitive environment.** Every artist there knows that he will only be interesting as long as he keeps growing professionally. If he stops for a moment, all of his previous accomplishments are gone for good. Look at Alla Pugacheva [an iconic Soviet/Russian singer-songwriter whose career peaked in the 1970-80s] and her huge popularity in post-Soviet countries. She composed her best songs back in the 1980s, and they still inspire me. Here in Ukraine, their effect will last forever. Meanwhile, Robert Plant is nearly 70, yet he remains a god of music because he continues to make music and stay in shape as an artist.

**Ukraine lacks good promotion.** The population and government have no idea how to promote themselves. Every country today – even the US – invests huge amounts of money into telling the world, "We're interesting, visit us!" You won't find anything like that about Ukraine anywhere, even though the country has a lot to offer.

**I'm used to working on many different projects at the same time.** I direct films, play music, write books, work as a photographer and producer. And I feel comfortable in all of these roles. It's just that I'm short on time; I wish I had five lives. The only place where I feel bad is a business office, harsh and cynical.

**I grew up in a family of photographers.** My uncle is Henry Cartier-Bresson, a genius

photographer. His wife was Martine Franck, another genius photographer. I got into photography when I was 18. Martine showed my photographs to her husband. He looked at them and said that they were awful and sucked. He told me to forget about photography. I'm grateful for his criticism because I eventually grew into a good photographer. Actually, if you want to achieve something, you can't think of yourself as genius or loser; just be as light and authentic as you can be, like a cat or a dog – they don't think why they are what they are. It's the same in any art: you have to lose yourself in it and just be.

**Being on stage is like being a shaman.** You have to be different from what you are in real life, switch to a different reality, feel your band and know what you want to say, and constantly win the audience over. It's like boxing – you dance around and hit people in the heart. I think Freddie Mercury was the best at it. The most important thing is to always remember that the audience is the best ever. A German film director friend of mine once told me, "Louis, you're a fool if you talk to someone and think that he's a fool". He was right. Every person and every audience has some gold inside that you can bring out.

**Everyone is talented. Everyone is born as talented as, say, Picasso.** In theory, everyone can learn anything until social stereotypes get to their brain. Then, people hear "no", "that's bad", "you can't do it", "stop", and start limiting their unlimited talents with social frameworks. This leads to a kind of schizophrenia: some people get into self-humiliation repeating "I'm bad" over and over again, while others put their ego in the forefront and try to show the whole world how cool

**ALBUMS**



Face Reading, 2004



Leave Us Alone/ Machine, 2005



Live At Ring, 2006



Werewolf, 2007



Basket Case as Johnny Bardo, 2008



Sirenyvye sny (Lilac Dreams), 2013

## BIO

**Louis Franck** is a Swiss-born musician, film director, actor, photographer, screenwriter and singer. Born in Zürich in 1971, Louis studied acting at Moscow Art Theatre and directing at Carnegie Mellon in Pittsburgh. He composed music for Ensemble Sauvage Public, a group he gathered with friends, worked as an actor and director in Moscow theatres for three years, and directed a number of short films. After he shot a video for Okean Elzy, he founded a band called Esthetic Education with ex-Okean Elzy pianist Dmytro Shurov and guitarist Yuriy Khushtochka in 2004. The band played until 2010. In 2012, Louis started his own music project, Atlantida.

they are. Instead, you have to be open to everything like a young child.

**It's what you are trying to say that matters, not what you do.** Your personal stance, your vision and the desire to share it are important. It no longer matters where you're from, what education you have or how rich your parents are. If you're a breakthrough, even born in a tiny village, you'll get noticed.

**The world today lacks responsibility.** Radiohead's drummer once told me that they still play only for the audience. They have plenty of money and fame now, but they feel that millions of people all over the world love them and are waiting for them, so they have no right to betray their fans. That's what politicians—other

than Barack Obama perhaps—are lacking.

Just look at him: he has lost weight and grown older because he has been taking responsibility. Now, new computer technologies provide endless opportunities for creative artists. They can paint, make films or music without leaving their chair. The only limits that exist are the ones within us. But few dare to take a firm stance and take responsibility for their actions. Now my personal responsibility is my music project Atlantida. Esthetic Education represents just a small part of what I have yet to accomplish. ■

# The History of One People

**O**n May 17, *Haytarma*, a film directed by Akhtem Seytablayev, premiered with a scandal in Simferopol. Seytablayev was first to show the tragic mass deportation of Crimean Tatars under Stalin's 1944 order on the big screen.

The film is based on a widely-known historical fact, officially confirmed and acknowledged. However, the Kremlin seems to deny it, interpreting it as the twisting of historical truth. Two hours before the premiere, the Russian Consul General in Crimea, Vladimir Andreyev recommended nine war veterans and colleagues of the main character, pilot Ametkhan Sultan, not to attend the premiere. The film "distorts the history of the Great Patriotic War," he commented in a subsequent interview for the ATR channel, and suggested that Crimean Tatars should not conceal the theme of treason. "All I said is absolutely official," Andreyev noted. "You can record it and play it to any Crimean Tatar. My word and the word of Russia should be said, should be known – including my interview – so that the truth is told about the Great Patriotic War... This is precisely the theme of treason."

*Haytarma* stands out from the mostly mediocre films shot in Ukraine lately. The script is written by screenwriter Mykola Rybalka. The project had private investment in the amount of USD 1.5mn. The cast included some of the best-known actors in Ukraine, such as Oleksiy Horbunov, Andriy Saminin, Yuriy Tsurilo and Dmytro Surzhykov. Akhtem Seytablayev, who is a Crimean Tatar himself, directed the film. For him, this project was as significant as *Schindler's List* was to Steven Spielberg or *Katyn* to Andrzej Wajda. Akhtem succeeded in bringing his large-scale idea to life: In the film, featuring a few days in the life of the brilliant pilot, Ametkhan Sultan, everything is in its right place; the war history is clear and well-thought-out; the dramatic moments of the hero's time with his friends, family and the woman he loves are emotional; and all this comes to a powerful visual culmination. This is Akhtem's undeniable victory as a director, especially after *Backstreet Champions*, the weak film he directed previously.

*Haytarma*, the Crimean Tatar word for a folk dance symbolizing return, is based on actual facts: On May 18-20, 1944, all Crimean Ta-



## Events

1 June, 7 p.m.

### Green Grey

**Stereo Plaza  
(17, vul. Kikvidze, Kyiv)**

One of Ukraine's brightest and most talented rock bands will celebrate its 20<sup>th</sup> birthday with a major gig in Kyiv. Green Grey is referred to as a culture and a social movement. At the peak of their career, the band changed the format and perception of music in Ukraine through experiments with different genres and styles. Guest stars will include some of the most popular bands in Ukraine, including Gortchitza, TNMK, Skriabin, Awesomatic, S.K.A.Y., Diversanty and Four Phonica.



Until 7 June

### Beautiful People

**ArtPRYCHAL Gallery  
(Berth No2 at vul. Naberezhno-Khreshchatytska, Kyiv)**

Beautiful People is a series of photographs by Slovak photographer Šymon Kliman who has already won many European awards. Kyivites will soon have the opportunity to see it for themselves. The show will present twenty photographs in which the artist offers his interpretation of Gypsies and dispels stereotypes about their lifestyle and culture. In contrast to the usual images of their poverty and misery, Kliman invents a new way to reflect the life of these nomadic people, bringing them closer to Slovak society through his artistic vision.



8-9 June, 2 p.m.

### Old City

**Ukraine Stadium  
(5, vul. Stusa, Lviv)**

Stare Miasto or Old City is an annual rock festival held in Lviv since 2007. For the first time in six years, it will last two days. Music lovers will have the chance to enjoy electrifying gigs from the top rock bands of Eastern Europe and eighteen hours of live shows. Participants include Goran Bregovic, DDT, IAMX, The Subways, Leningrad Cowboys, Che Sudaka, Feeder's Green, Liapis Trubetskoy, Kaiser Chiefs, Archive and many more. The warm-up part will feature new bands selected in a competition. Hopefully, the June

weekend will add some good weather to the good music so that the guests could walk around and actually see the old city before they hear it.



# The Revelation of Nikifor

tars, classified as traitors and adherents of fascists by the Soviet authorities, were kicked out of their homes, put on trains and taken to Kazakhstan, Uzbekistan and the Ural. Almost 250,000 people were deported. 46% of them died of starvation and disease. This is four times more than the number of Crimean Tatars killed in WWII. 30,000 of the Crimean Tatars that returned home after fighting in the Red Army were also deported after the war ended. This is all official data recognized by the Soviet Union's parliament back in 1989.

Currently, *Haytarma* is only playing in one movie theatre in the country, the one in Simferopol. Large distributors in Kyiv have refused to play it because of the low box-office receipts generated by such films. Even the movie theatre in Simferopol where the premiere was scheduled, tried to cancel in the last minute. And while the film is expecting its debut on nation-wide big screens, pro-government politicians are asking the State Film Agency, which certified *Haytarma* for distribution, whether it could fuel ethnic animosity.



The exhibition is open through June 30

The repatriation of artists of Ukrainian origin who lived and worked abroad has been very much in this spring. First, the National Art Museum opened a huge exhibition of Jacques Chapiro, a representative of the School of Paris, educated in Kyiv and Kharkiv. Now, the National Museum of Folk Decorative Arts is exhibiting one hundred paintings by primitivist Epifaniusz Drowniak better known as Nikifor. A modest self-taught painter of Lemko origin, he won the hearts of the Paris artistic elite in the early years of his career: In 1932, Roman Turyn, a Lviv-based painter, took Nikifor's paintings to the Leon Marseille gallery. Since then, Nikifor has been recognized as one of the greatest "naïve" painters in the world.

The exact number of Nikifor's works is unknown. He painted day and night, and according to his own estimates, painted nearly 30,000 canvases by the end of his life. Ukraine has very few of his paintings. Some are exhibited at the National Museum in Lviv, and some are in private collections. Nikifor lived all his life in a Polish resort town, Krynica. It is now home to the Nikifor Museum, which has the largest collection of his works in the world. Part of this collection will be brought to Kyiv.

Nikifor lost his parents at an early age. He was almost illiterate, but worked on what he was talented at – watercolour and graphic art. Art experts describe his works as sophisticated and innovative, even though painted with the cheapest paints on scrap paper. The artist lived in poverty and could not afford better materials. Most of the symbols and messages in his paintings have yet to be deciphered. Nikifor believed that creative work, including his own, was a sacred mission, thus an artist was someone chosen by God, sometimes even equal to the apostles. His given name, Epifaniusz, translates from Greek as "revealed". His paintings are transcendental – a transmission rather than verbal expression. Religious motifs, coupled with naïve realism as his painting technique, leave the impression of an existential grotesque. Nikifor's style was continued in a more superficial form by the Polish avant-garde painters of the late 20<sup>th</sup> century.

Until 11 June

## Restoration of Memory

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

The project, which is part of the Visions international festival of visual culture, features photographs of Kyiv from the 1970s and 1980s and videos made in the same places and same angles today. Thanks to the artists who worked on this project, Oleksandr Ranchukov and Igor Belsky, the audience can travel in time from the places where they live in today, to the same places in old Kyiv. Twenty vintage images of the old city and twenty multimedia videos – will we recognize the places

depicted in the photos? The gallery is open from 2 to 8 p.m. on Wed., Thu., and Fri., and from 1 to 5 p.m. on the weekend.



13 June, 7 p.m.

## IL DIVO

### Ukrayina Palace of Arts (105, vul. Velyka Vasylykivska, Kyiv)

Listed as one of the most acclaimed international operatic pop-project, Il Divo is a quartet made up of Spanish baritone Carlos Marin, Swiss tenor Urs Buhler, French singer Sébastien Izambard and American tenor David Miller. This will be the first time that Il Divo will be performing in Ukraine with its *The Greatest Hits* show. Their debut album was released in 2004 and made No 1 on many national charts almost overnight. Since that breakthrough, the quartet has recorded seven more albums that were equally successful. So far, they have sold more than 26 million albums worldwide. Il Divo sings in Spanish, English, Italian, French and Latin.



13 - 16 June, 7.30 p.m.

## Alfa Jazz Fešt 2013

### Khmelnysky Park, Ploshcha Rynok, Ploshcha Palatsu Pototskykh (downtown Lviv)

The Lviv summer festival season continues with the grand Alfa Jazz Fešt 2013 festival. For three days, Lviv will vibrate with jazz, played on three open-air stages in the downtown part of the city. Headliners include American vocalist, conductor and ten-time Grammy award winner Bobby McFerrin; Israeli jazz bassist Avishai Cohen; one of the most popular jazz musicians of our time, Charlie Haden, and the Dirty Dozen Brass Band with

its fiery cocktail of funk, bebop and traditional New Orleans jazz. Also on the agenda are experiments from virtuoso musicians, wild improvisations and the flavour of Lviv chocolate and coffee in the breaks.

# Trapped in Red

The Pinchuk Art Centre is opening a new exhibition called *China China* created by a group of Chinese artists specifically for this space. The Communist Party of China spent a decade in the 1960s and 1970s instilling its ideology in society, and physically destroying the resisting intelligentsia. The campaign, which resulted in the death of at least 1 million people, was later called the “cultural

revolution”. Ukrainians shared a similar experience in their homeland. Today, the installations by eleven Chinese artists of different generations reflect the parallels between Ukraine and China, the impact of the cultural traumas of the past on the present, and the doubt-ridden choice of the future.

The exhibition begins outside the art centre with a broken statue of an officer.

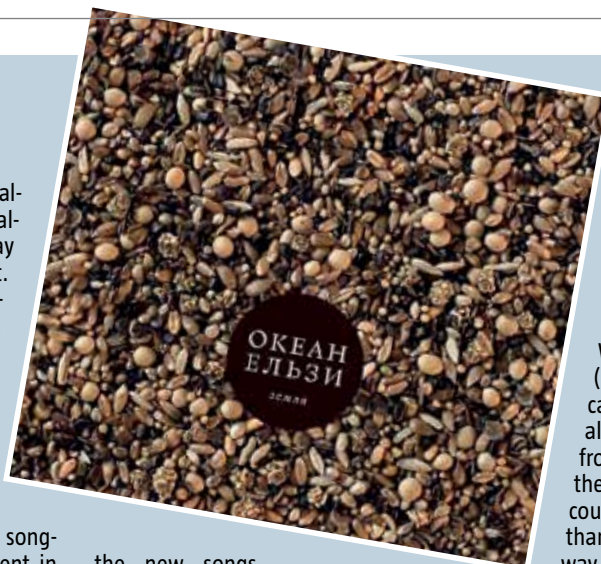
The first thing that comes to mind is an overthrown dictatorship. But the sculptor, Zhao Zhao, says that this is the self-portrait of an artist, helpless in a confrontation with the government. Ai Weiwei’s *Rooted Out* and *Fairytale* installations depict broken ideas and senses. The opposition artist brought 32 tree trunks from various provinces of China as an incarnation of a population deprived of its historical and cultural traditions. The photo portraits surrounding the installation speak about the illusions of our time. As part of his artistic experiment, Ai Weiwei brought a thousand of his compatriots to live in a fairytale castle in Germany. After two weeks, they realized that the European fairytale is alien to them. Thus, yet another dream has died. Ai Weiwei’s installations virtually scream the tragedy of crushed identity. Some artists search for a solution to this. Yang Fudong seeks cultural tradition through his video version of the *Seven Sages of the Bamboo Grove*, who did not wish to tolerate the insolence of their rulers and fled to a bamboo forest. There, they gained freedom of speech, but realized that they no longer needed it. Zhang Huan reconsiders relations between governments and traditional religion through a series of portraits of Communist leaders, made of the ashes of incense burned in shrines. Each project in the *China China* exhibition shows a truly humane story of the act of creation. The Ukrainian audience will find this show very familiar: the historical trap that both nations found themselves at one time makes their dialogue possible today. ■



## The Earth

Okean Elzy has released a new album. The record is of great quality although many OE fans say that it has too much pop music in it. After its many transformations, partying with old musicians and new ones joining in, OE has grown into a good professional band. It has lost the naïve romantic mood it had nineteen years back when it first came together and started to perform.

Zemlia or The Earth does have some flaws that can be faulted. Sviatoslav Vakarchuk, lead singer and songwriter, uses an irritating English accent in songs sung in Ukrainian. By now, he could have evolved into a better lyricist and learned a few new keys to sing in so that



the new songs do not sound so similar to the old ones. Still, the record has preserved the band’s good old rock’n’roll spirit. And the

quality of sound and arrangements is impeccable.

It is hard to say how long the hits from this album will survive – only time will tell. The first two, *Z neyu* (With Her) and *Stina* (The Wall) are a great start. *Nezalezhnist* (Independence) sounds almost identical to Queen’s early ballads. Actually, almost every song borrows something from the classics – the Rolling Stones, the Beatles... and early Okean Elzy, of course. But OE’s new songs are better than the old ones they are similar to. The way the album ends with subtle semitones and semiaccents reveals mature and experienced musicians who have good taste.



atmosfera  
restaurant

*New Season at our rooftop restaurant, Atmosfera!*

Here's what we have,  
just for you —

- an open aquarium with live imperial crabs, lobsters, oysters and crawfish
- innovative culinary technology
- your favorite dishes from our Jospes menu
- live music and lounge DJ sets
- a breathtaking panorama and the warmest atmosphere

Come and taste the atmosphere  
of the most brilliant gastronomic  
experience in town!

**Launch: April 2013**

Open daily from 14:00 through 02:00


**Reserve your favorite spot at +380 (44) 244 13 04**

Premier Palace Hotel

5-7/29 T. Shevchenka Blvd. / Pushkinska Str., Kyiv

[www.premier-palace.com](http://www.premier-palace.com)

Like us on Facebook at

 [facebook.com/AtmosferaRestaurant](https://facebook.com/AtmosferaRestaurant)



BOOKS IN UKRAINIAN  
AND OTHER LANGUAGES  
GIFT EDITIONS AND ALBUMS  
MAPS, ATLASES, GUIDEBOOKS  
CHILDREN'S SECTION  
OPEN 09:00AM-09:00PM DAILY  
PLACES FOR READING  
CD/DVD SECTION  
MUSIC, FILMS, AUDIO BOOKS  
FREE WI-FI  
LITERARY EVENTS

ONLINE BOOKSTORE: [WWW.BOOK-YE.COM.UA/SHOP](http://WWW.BOOK-YE.COM.UA/SHOP), WEBSITE: [WWW.BOOK-YE.COM.UA](http://WWW.BOOK-YE.COM.UA)



B O O K S T O R E S

**KYIV**

3, vul. Lysenka tel: (044) 235-88-54; 5, vul. Spaska tel: (044) 351-13-38,  
33/2, Povitroflotskiy Prospekt tel: (044) 275-67-42

**LVIV**

7, Prospekt Svobody tel: (032) 235-73-68

**VINNYTSIA**

89, Soborna tel: (0432) 52-9341

**TERNOPII**

7-9, vul. Valova tel: (0352) 25-4459

**KHARKIV**

3, vul. Sumska tel: (057) 731-5949

**IVANO-FRANKIVSK**

31, vul. Nezalezhnosti tel: (0342) 72-2502

**VOLODYMYR-VOLYNSKIY**

6, vul. Kovelska tel: (03342) 2-1957

[www.book-ye.com.ua](http://www.book-ye.com.ua)

O N L I N E B O O K S H O P

[WWW.BOOK-YE.COM.UA/SHOP](http://WWW.BOOK-YE.COM.UA/SHOP)