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Тиждень  
України

international monthly edition

# The Ukrainian Week

№ 1 (24) JANUARY 2012

# ON THE EVE OF THE ICE AGE



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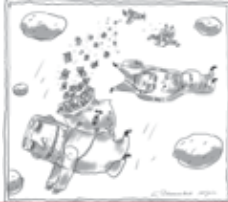


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**1 December**

**A protest called the "Stock-taking of the Government" takes place in several cities in Ukraine**



**2 December**

**As a result of the Euro 2012 draw, Ukraine's competitors in its group include the UK, France and Sweden**



**11 December**

**Donetsk Chornobyl liquidators stop their protest. Local authorities promise to pay them UAH 1mn**



**QUOTES**

**JERZY BUZEK is critical**

The President of the European Parliament has serious doubts about the independence of the judiciary and the multi-party system in Ukraine



**OLEKSANDR LAVRYNOVYCH rides a stolen car?**

PoR's Valeriy Konovaliuk claims that the Mercedes used by the Justice Minister was stolen and smuggled into Ukraine



**YEVHEN KORNIYCHUK doesn't want amnesty**

Ex-First Deputy Minister of Justice is against being released under amnesty, since he believes that he is not guilty of abuse of office



**VLADIMIR PUTIN gets the "made in China" award**

The Russian Premier receives the Confucius Peace Award, which China initiated as an "alternative" to the Nobel Prize



# PACE Draft Resolution on

**Oleh Bilorus**, Chairman of the VR Committee for Foreign Affairs and BYuT MP



Judges should be elected, not appointed. Any appointment of a judge, no matter by whom, has a political undertone to it. It leads to political corruption. Articles 364 and 365 of the Criminal Code are a heritage from soviet times, totalitarianism and repression. They cause huge damage to Ukraine, especially to our integration into European systems and structure. The Kyiv Summit proved that Ukraine's further integration into the EU without these two articles being removed is impossible. I believe this will be done in the first half of 2012. Otherwise, the Association Agreement won't be signed, let alone ratified. The process could be terminated after the initialing. At the Ukraine-EU Summit in Kyiv, Ukraine undertook a commitment to bring its legislation in order and ensure democratic elections.

**Serhiy Sobolev**, leader of the Reforms and Order Party and Deputy Head of the BYuT faction



I was pleasantly surprised by how well-prepared and comprehensive the document offered for the consideration of the Council of Europe on behalf of PACE Rapporteurs and the Monitoring Committee is. I think they have accurately captured the sources of evil in Ukraine. These include the completely dependent judiciary, the repressive nature of the Supreme Council of Justice, political persecution, and prosecutorial authorities, which have a dominant position in the country.

**Volodymyr Horbach**, political analyst at the Institute for Euro-Atlantic Cooperation



The legal approach of the Resolution's authors is totally relevant, however it did not take into account the socio-political context of the changes and reforms we are being offered. Take the recommendation to cancel some articles of the Criminal Code. It has its purpose, yet misses the initial problem, i.e. the incorrect application of these articles by Ukrainian courts. It's not the articles that are to blame for our problems, it's those who apply them. Judiciary reform which would be useful for society cannot be implemented by the very people who openly mock the law. However, there is no mention of this in the PACE Resolution, because such conclusions would be regarded as interference in internal affairs.

**The month in history**

**2 December 1015**



**Yaroslav Mudryy (the Wise) comes to the throne as the Grand Prince of Kyiv**

**3 December 1932**



**The authorities ban meat trade in those oblasts of the Ukrainian SSR that evade the provision plan. This is one of the causes for the Famine**

**12 December 1674**



**The first short history of Ukraine titled "The Synopsis" is published at the Kyiv-Pechersk Lavra printing house**



14 December



**The Miners' Trade Union warns the government of a possible revolt** as a result of salary delays

15 December



**The new law on parliamentary elections comes into effect.** Signed by the President on December 8, the law can facilitate falsifications

20 December



**Yanukovich and Azarov participate in negotiations with their colleagues in Moscow.** The price for gas is still unknown

23 December

**The Court of Appeal leaves the 7-year verdict to Tymoshenko in effect**

NUMBERS

According to the Rating sociological group, **45% of Ukrainians** say freedom of speech has been downgrading in Ukraine since the last presidential election

According to rabota.ua, a job search website, **70% of Ukrainians** want to work abroad

According to NBU estimates, Ukrainians keep **US \$50-70bn** cash savings in foreign currencies

The Government sets the gas price at **US \$416 per 1 cu m** in the 2012 Budget

**90% of protests** are banned by the Ukrainian courts, says the Verkhovna Rada Ombudsman

More than **1mn Ukrainians** get Russian citizenship in 2002-2010, says the Russian Census and the Union of Ukrainians in Russia

**62% of young Ukrainian** consider themselves to be patriots, according to the Yaremko Institute for Social Surveys

According to the Central Election Committee, the 2012 parliamentary election will cost **UAH 1.2bn**

# Ukraine: An Opinion Poll\*



**Taras Chornovil**, First Deputy Head of the VR Committee for Foreign Affairs and member of the Reform for the Future group of MPs

The most important thing in the Draft Resolution is contained in its last two provisions, Nos. 13 and 14, which state that the CoE has the right to demand that Ukraine meets its commitments. We undertook these commitments when we joined the CoE and we must comply with them. We've been reminded very specifically that it's been 17 years since we joined the CoE, but we have yet to fulfill our obligations. In my opinion, this is the essence of the Resolution.

**Viacheslav Kyrylenko**, leader of the For Ukraine political party, Our Ukraine-National Self-Defense faction

Regarding PACE's comments on the procedure for appointing judges by the Verkhovna Rada: changing something is unrealistic at this point. Currently, the judiciary is being adjusted to the political needs of the government. Any reform will turn into a manipulation by those who are trying to pass some political decisions. So, it is difficult to talk about changes to the Constitution. Political problems are extremely urgent today. Although without doubt, these are valid recommendations, and European practice will eventually take root in Ukraine as well. I think the public should control the process of appointing judges. Right now, there is absolutely no public control.



**Oleksiy Plotnikov**, member of the Permanent Delegation of Ukraine in PACE and Party of the Regions faction

Obviously, the Resolution contains some remarks about Ukraine's judiciary and legal aspects. But that's a usual procedure when PACE Rapporteurs offer their comments or remarks. I see nothing outstanding in this. In fact, the Monitoring Committee has developed a traditional attitude towards Ukraine. They're always tough. Therefore, I'm not disturbed by the Resolution. I will go to Strasburg in January. I already know how the voting on the document will go.



\*Read more on the Draft Resolution in PACE is Concerned. What's Next? on **page 10**

17 December 1991



**The International Renaissance Foundation, the Ukrainian branch of the Soros Foundation network, is registered in Kyiv**

26 December 1991



**The USSR Council of Republics holds its last congress** where it terminates the existence of the Soviet Union

27 December 1945



**28 States sign a treaty on the establishment of the IMF** in New York

29 December 1991

**Mykola Strazhesko**, a well-known Ukrainian physician and the founder of the Institute of Clinical Medicine, is born in Odesa

# European Hide-and-Seek

Following the Ukraine – EU summit, the Ukrainian government was alone in seeing “hidden membership prospects” being offered to Kyiv. The EU, instead, will reserve judgement until after the 2012 parliamentary election



**Authors:**  
Alina  
Paštukhova,  
Zhanna  
Bezpiatchuk

Can a rock be lifted from the floor of the sea? It depends on how deep it is, but it will take some effort. It is easier to simply pick up a rock on the beach and claim it came from the deep. This is pretty much what talk about Ukraine’s European integration resembles. Can Ukraine in its present condition really expect to sign and later ratify the Association Agreement with the EU? Are its membership prospects realistic? Pulling this off would require either reaching down to the sea floor or jumping higher than a man’s head. Of course, one could just claim that the formula “European identity” contained in the joint summit statement and which is to be included in the preamble to the Association Agreement is a “hidden membership prospect.” And this is exactly what Ukraine’s Foreign Ministry did as it reported on its success.

## ONE-SIDED OPTIMISM

President Viktor Yanukovich and representatives of Ukraine’s Foreign Ministry tried hard to exude optimism on the sunny day of December 19, but the negotiation process with the EU delegation and statements made by European Council President Herman Van Rompuy and European Commission President José Manuel Barroso suggested the polar opposite. As had been expected, the Association Agreement was not initiated at the summit. The sides merely announced that the negotiations had now been completed. The Ukraine-EU summit joint statement speaks of mutual understanding: “The leaders noted with satisfaction that chief negotiators had reached a common understanding on the full text of the Association Agreement which will establish the future contractual basis of EU-Ukraine relations. The way

is now open for technical completion of the final consolidated version of the Agreement, including its Deep and Comprehensive Free Trade Area, with a view to initialing it as soon as possible.”

“I believe that today we can set common long-term goals for ourselves and draw Ukraine closer to Europe along specific lines from the standpoint of citizens, the economies, businesses and intergovernmental relations,” Barroso said addressing journalists. But this was the end of exchanging pleasantries.

“We have completed the political part of the negotiations on the Association Agreement. When all technical details are ready, it can be initialed. The next step is signing and ratifying the agreement,” Van Rompuy said. However, “realization of the agreement depends on Ukraine honoring the rule of law and all other fundamental values,” he stressed. The European

leaders again brought up the Yulia Tymoshenko case, which was called politically motivated. They did not forget to mention the 2012 parliamentary election which, according to Van Rompuy, will also be viewed in the context of honoring the principles of democracy.

Officials met for two hours longer than scheduled. When the EU representatives and Yanukovich finally appeared before journalists to speak about the results achieved, the Ukrainian president looked nervous and was unable to hold back his emotions until the end of the press conference.

Yanukovich let his European counterparts understand that he was not going to change his position on issues of domestic policies that are of concern to the EU. “Statements and comments from Europeans about certain problems with democracy are being given due attention,” the president emphasized. “But everything has to be decided in keeping with the rule of law and the independence of the judiciary branch of the government.”

And so Ukraine has received, for the umpteenth time, signals that EU representatives must be tired of sending by now: Europe will not make any concessions regarding Ukraine’s justice system, in particular with regard to criminal cases against Tymoshenko and other members of the opposition. Instead of a long-expected agreement on visa-free travel to EU member states, which Yanukovich promised to secure by the end of 2011, Ukraine was granted a simplified visa regime, which the EU called an intermediate stage to the ultimate goal. This simplified procedure will apply to students, NGO representatives and holders of official passports. Yanukovich expects the negotiations on visa-free travel to be completed by the end of 2014.

The head of the Presidential Administration, Serhiy Lovochkin, was the only one who truly succeeded in radiating optimism and confidence. He decided to talk to journalists informally to convince them that the negotiations were a success. Lovochkin hurried to hail the summit as a success for the Ukrainian side and assured that the former prime minister’s case would not be an impediment to closer cooperation with the EU. He argued that Ukraine’s European integration was irreversible and the Asso-

### BACKSTAGE

Chances were that the summit would not take place. Some in Berlin wondered whether it had been canceled. Poland which supported the idea of holding the summit won the diplomatic war

According to the official statement, Ukraine shares “a common history” with the EU. Does this mean the current government is ready to share European perspective on World War II and the crimes of Communism?

Questions asked at the summit backstage were whether gas negotiations with Russia could end with Ukraine’s exit from the Energy Community and could this be the end of its European integration

ciation Agreement could be signed within the next several months: “It can happen in December, January or February. It all depends on the bureaucratic machine and how quickly it can prepare the text. They say that we are working successfully. You can ask them yourselves,” he told journalists.

However, Europe does not seem to share Lovochkin’s optimism, even though it says closer relations with Ukraine are one of its priorities. “We in the EU hope to be able to greatly improve our relations with Ukraine. In 2011, Ukraine marked the 20th anniversary of its independence. And we all have a hope that the next 20 years will show that Ukraine can fully accept the values which our agreement is based on. This is also a key to progress in our relations,” Barroso said.

It was more of a challenge to talk to Yanukovich. It appeared that, anticipating the outcome of the negotiations, the president’s aides took steps in advance to shield the distraught president from too many questions. A member of his press service immediately told journalists that only four questions would be asked – two from Ukrainian and two from foreign media. She added that the two Ukrainian questions had already been agreed upon before the meeting started and asked the foreign media to quickly submit their own.

### THE THIRD SECTOR

While the Presidential Administration forced journalists to go through three lines of security, there was no security whatsoever at 22 Hru-

shchinsky Str., where Barroso and Van Rompuy were to meet with representatives of civil society. That is, if you discount the Ukrainian policemen by the entrance to the building who were driving all passers-by away from the sidewalk even when there was no one inside except for Ukrainian experts and organizers. “Cross the street to the other side,” they said as they gestured authoritatively to direct pedestrians.

The event, which involved public activists, was called “2011 Ukraine-EU Summit: Civic Dimension.” It was initiated by the Ukrainian National Platform for the Eastern Partnership Civil Society Forum. Incidentally, all skeptics who said that the partnership was turning into a “political corpse” should know that a dead program could not bring Ukrainian public lobbyists for European integration and two leading EU figures – President of the European Council and President of the European Commission together under one roof to sit around one table.

Ukrainian Foreign Minister Kostiantyn Hryshchenko promised to attend the meeting on behalf of the Ukrainian government but never showed up. No one offered any explanation about what urgent matters kept him away. “Is he not coming today or is he never coming?” someone asked rhetorically from the audience. Other invited guests, Van Rompuy and Barroso, came, even at the cost of delaying their departure from Kyiv. They were prepared to move their flight to a later time.

The dominant mood in the audience could be best expressed by the words of a well-known Ukrainian folk song – “I am sad, so sad.” As people waited for Van Rompuy and Barroso, the Ukrainian expert community tried to rationalize everything that was taking place in Ukraine and search for constructive points of view. “If we wanted it really badly, the text of the Association Agreement would have been initialed at the summit. There could have been a symbolic initialing. As of September 2011, Ukraine was approaching this point. But today it is already a lost chance. Who found it more important to keep someone in prison instead of having this agreement on the table? Everyone must answer this question himself,” Oleksandr Sushko, Research Director at the Institute for Euro-Atlantic Cooperation, argued. “The prevalent position in the EU is that an agreement on political association can only be signed with a country that is on the right track,” he added. “Today some forces are playing to defeat the EU, to prevent European rules from coming to Ukraine,” energy expert Mykhailo Honchar continued.

The only government representative at this meeting was First Deputy Foreign Minister Pavlo Klimkin. His was the statement of the day: “In the joint summit statement, we

## THE INITIALING WOULD HAVE LOOKED LIKE SIGNING ON TV BUT THE EU DIDN'T GIVE MR. YANUKOVYCH THE HYPE

shevsky Str., where Barroso and Van Rompuy were to meet with representatives of civil society. That is, if you discount the Ukrainian policemen by the entrance to the building who were driving all passers-by away from the sidewalk even when there was no one inside except for Ukrainian experts and organizers. “Cross the street to the other side,” they said as they gestured authoritatively to direct pedestrians.

The event, which involved public activists, was called “2011 Uk-



PHOTO: UNIAN

speaking about Ukraine's European identity. Personally, I have had long discussions with the member countries in Brussels about the possibility of applying this formula to Ukraine. Believe me, it is not a banal formula. It is a very sophisticated formula which means a hidden prospect to our European colleagues." "And to some, it means an open European prospect," Klimkin added as he gained courage. In his opinion, the Association Agreement

AT LAST. Good news is that the summit occurred. Bad news is that Poland will not head the EU Council in the coming years. Apparently, Ukraine will now have to work on its European integration alone

will be completely ready to be initiated in a matter of weeks. "A hidden membership prospect" is an expression unknown not only to Ukrainian experts but, it appeared, to Van Rompuy and Barroso themselves as well, who did not say anything of the kind in their addresses.

Meanwhile, the EU leaders finally arrived at 22 Hrushevsky Str. where they heard the exact opposite of what they had listened to in the Presidential Administration. "The low level of social dialog on upgrading and Europeanization, a lack of proper political competition, selective application of criminal law, persecution of civil society activists, concentration of power around one political center, nontransparent public administration (particularly in government procurement), the curtailment of education reform, the rejection of university autonomy, and obscure rules of the game on the energy market," Ihor Kohut of the Agency for Legislative Initiatives said punctuating his words as he read from a document entitled "The Position of the Civil Society Forum: Common Values and a Common Future." Barroso listened and leafed through the English-language version of the documents with a smile of approval. Van Rompuy wore a serious face. Later, he noted among other things that civil society was a "key partner for the EU" in Ukraine. Barroso empha-

sized that the EU will be developing "inclusive" partnerships with its neighbor countries, and will maintain dialog not only with official authorities but also with civil society – and will listen hard to what the latter has to say.

## TWO SCENARIOS

At least two scenarios are likely after the summit. Under the optimistic one, the Association Agreement will be signed after the 2012 parliamentary election provided it meets the standard for free elections. Under the pessimistic one, Ukraine will be given 20 years to figure out its identity and see where its European membership aspirations lie. All other options fall between these two extremes. Meanwhile, Ukrainian authorities have congratulated themselves on initialing the agreement, which has not happened yet, and on an allegedly "hidden" membership prospect.

Meanwhile, the EU will place its bets on supporting the civic sector in Ukraine and thus reserve an alternative platform for dialog with our country should official Kyiv experience total political degradation and democracy risk being snuffed out. If Ukraine loses its European prospects and turns into a dictatorship increasingly entangled in the Kremlin's embrace, this would be a defeat for Europe and, above all, for Ukraine itself. ■

## WESTERN MEDIA ON UKRAINE – EU SUMMIT



European leaders are worried about the state of democracy in Ukraine. Just a few kilometers from the venue of the summit, former prime minister and opposition leader Yulia Tymoshenko is still serving a jail sentence. Demonstrators waving placards at the summit reminded the leaders of her fate.



The agreement is reportedly almost ready for signing at today's EU-Ukraine summit in Kiev. Yet although Ms Tymoshenko has appealed from her cell for the Europeans to go ahead, diplomats say that would look too much like "business as usual". The EU's credibility as a force for democratic change is, they reckon, on the line.

President Yanukovich said the project of the united Europe would remain incomplete without the Ukrainian nation. Will he now start scaring the West with turning towards Moscow?







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# PACE is Concerned. What's Next ?

The Draft PACE Resolution outlines the problems with democracy in Ukraine, but does not provide for any sanctions



PHOTO: UNIAN

**Interviewer:**  
**Alla Lazareva**

**O**n 15 December, the PACE Monitoring Committee unanimously approved a Draft Resolution entitled "The Functioning of Democratic Institutions in Ukraine" available at <http://ukrainianweek.com/Politics/38273> or [http://assembly.coe.int/Communication/16122011\\_UkraineInstitutions\\_E.pdf](http://assembly.coe.int/Communication/16122011_UkraineInstitutions_E.pdf). On 26

January, the Draft Resolution will be presented for approval at the Palace of Europe. In his interview for *The Ukrainian Week*, Hryhoriy Nemyryia, ex-Vice Premier of Ukraine for European Integration, talks about PACE's priorities.

**UW: Do you find the Draft Resolution well-balanced? Does**

**it reflect all the important aspects of our political life?**

– The PACE Resolution on the situation as pertains democracy in Ukraine is long overdue, in light of the catastrophic situation with respect to democratic values, human rights and rule of law principles, which were established in Ukraine after President Yanukovich came to power. In my opinion, PACE should have conducted an urgent debate on these matters a long time ago. Such a discussion in the Assembly last year or early this year, could have significantly influenced the situation and stopped clearly negative tendencies. Therefore, the consideration of this topic during the January session is obviously welcome. However, in my opinion, it should have been a comprehensive report on Ukraine honoring its obligations and commitments to the Council of Europe.

The Draft Resolution covers many extremely important issues of a political and legal nature. Its main flaw is the lack of effective instruments to force the current administration to implement this resolution after its adoption. In other words, there is no threat of sanctions, without which this resolution will remain another list of recommendations on reforms. Such recommendations were mentioned many times in previous PACE resolutions on Ukraine, which covered all the systemic problems which Ukraine is once more reminded of in the new document. Only the threat of sanctions and strict time limits for implementation can force the current Ukrainian authorities to make tangible changes. Otherwise the response will again be some other action plan, and that will be that. In October last year, the Assembly already passed a resolution with the same title – almost all of its provisions remained unheeded and the Assembly should strongly react to this.

**UW: Several paragraphs of the recommendations are dedicated to the prosecution of former government officials in Ukraine...**

– As to the prosecution of former government officials, in my opinion, the Draft Resolution

misses the fact that systemic legislative and practical shortcomings, which are indeed present in the Ukrainian legal system, are not the main reason for all the flagrant violations of the right to a fair trial and other human rights, which are evident in relevant cases. Legal shortcomings do not explain the lack of legal grounds for prosecuting Tymoshenko, Lutsenko, Ivashchenko, Korniychuk and others; do not explain the use of absolutely unjustified restrictive measures, including the repeated detention of a person who had already been imprisoned; do not explain the denial of proper medical assistance and treatment; do not explain the blatant violation of privacy in the form of the unauthorized publication of photos and videos of the person who has been detained; do not explain the violation of the presumption of innocence in statements made by the President and leaders of the Prosecutor's Office; and many other things. If the current, albeit imperfect Constitution and laws of Ukraine had been observed, this would not have happened. But all this is a result of the targeted terrorization of the opposition and its leaders. And this should be mentioned in the resolution. The opposition is an important institution in a democratic society and facts of its severe oppression should be debated in the Parliamentary Assembly.

**UW: The Draft Resolution suggests that the mechanisms and terms of detention are defined in laws, Ukraine resorts to the excessive use of detention on remand. Can relevant legislative changes be expected from the current parliament? What real mechanisms exist to change this practice, which runs counter to European standards?**

– The Draft Resolution mentions a number of flaws in the pre-trial detention system. The resolution of this systemic problem requires both legislative changes (in particular, a new Criminal Code) and the due enforcement of existing laws, as well as of the case-law of the European Court of Human Rights, the judgments of which, including in cases against Ukraine, set

clear requirements regarding the use of detention on remand. A lot can be done by training and raising awareness among judges and prosecutors. As to prosecutors, should the current leadership of the State and of the General Prosecutor's Office make use of at least a fraction of the efforts they direct towards suppressing the opposition to convey to prosecutors the need to use alternative restrictive measures or, let's say, to prosecute cases of torture or ill-treatment in police custody, these problems would have been partly solved without any legislative amendments. But they are simply not a priority for the political leadership and heads of law enforcement agencies – their main task is to retain the monopoly of the current regime's power by all possible means.

**UW: The Draft Resolution states that there is a lack of equality between the prosecution and defence in Ukrainian courts. What should be done to bring to life a genuine adversarial trial between the defence and the prosecution?**

– Changes must be made to procedural codes, but it is also necessary to ensure genuine guarantees of the independence of judges from prosecutors.

## PACE PASSED A RESOLUTION IN OCTOBER 2010. IT WAS NEVER FULFILLED

What independence can there be if the three chief prosecutors from the General Prosecutor's Office sit on the High Council of Justice and can at any time initiate disciplinary proceedings against judges who deliver independent decisions and do not follow directions from prosecutors? When a Deputy Prosecutor General announces at a press-conference that the whole chamber of the Supreme Court may be prosecuted for their illegal decisions? No matter how perfect the new Code of Criminal Procedure will be, there can be no adversarial trial in a system, where courts are dependent on prosecutors through disciplinary liability and from executive authorities - through lack of sufficient funding. ■

### COMMENTARY



**Volodymyr Tolstenko, Secretary of the Verkhovna Rada's Committee for Legal Policy, the Party of Regions:**

I'm in two minds about the Resolution that PACE has approved. It has a somewhat offensive and humiliating tone, particularly in the first items. It contains words like 'immediately' or 'flaws'. Even the most respected organization cannot talk to an independent country involved in European policy-making in such a manner. If it weren't for this tone, I would readily accept the recommendations and the evaluation of our actions. As a rule, in our country, people stay at temporary detention facilities during investigations until investigators forward their documents to the court. Sometimes, they take unreasonably long to do so. However, we are drafting a new Criminal Code, which has already been analyzed and discussed by NGOs, and have given a favorable response. The current practice with temporary detention centers has been in place since soviet times. The new Code will remove it. It entails significant amendments that comply with European standards, such as reasonable case analysis deadlines and emphasis on the presumption of innocence. As for the demands to cancel Articles 364 and 365 of the Criminal Code concerning the abuse of office and exceeding of powers, the Party of Regions believes that legal provisions cannot be changed to fit a specific individual, despite the harsh comments from the highly respected PACE. We will reform criminal justice in its entirety. We'll improve the work of law enforcement agencies and criminal justice. I'm sure political and criminal liabilities will be segregated. The issue of the Constitution and the proposal to summon the Constitutional Assembly to amend it, is very complex and sensitive. In many countries constitutions have remained unchanged for decades. We're trying to amend ours. However, it's better to wait with such issues rather than rush them, as the government did in 2004 under Western pressure. At that time, the Constitution was amended, fuelling conflicts between the President and the Premier. We will reform the Constitution. That's clear. But we need time. The new Constitution should not simply reflect the demands of the West. It shouldn't be amended to suit PACE alone.

Interviewer:  
Bohdan Tsiupyn, UK

Charles Tannock is a British MP at the European Parliament. A Conservative Party activist, Mr. Tannock is the speaker for the British conservatives in Brussels. In 2004, he was one of the leaders of the European Parliament's delegation to the presidential election in Ukraine. He is working on EU expansion issues and was one of the initiators of the recent European Parliamentary resolution on Ukraine\*.

**UW: Many people see the resolution as the desire of the EU to develop relations with Ukraine regardless of the much debated problems including the imprisonment of Yulia Tymoshenko. Are they right?**

– I think they're jumping ahead a little. This conclusion may not be correct. Certainly, there is a very strong desire to advance in the areas of the deep and comprehensive Free Trade Agreement and the Association Agreement, but at the moment we are only at the stage of concluding negotiations and their initialing by member states. At the moment, there is certainly a desire to initial them. Beyond that, which would be the final signature and ratification that needs to go through the European Parliament, I think we will be looking for some improvements in the human rights and democracy climate. But I can only speak based on what I've heard from government ministers and from what my own group is thinking. We certainly do not want to threaten any kind of veto at this stage by the European Parliament as to the FTA and Association Agreement, but at the moment we are not happy with the deteriorating situation in Ukraine, particularly with regards to the independence of the judiciary and the freedom of the media. There are serious concerns about the arrests of opposition leaders and politicians, particularly the Yulia Tymoshenko case.

**UW: Would it be correct to see the latest resolution as the European Parliament's desire to push ahead with these two agreements?**

– The European Parliament I think, particularly led by social-

# A Backup Plan

Association and Free Trade Agreements with the EU can be segregated



**EUROPEAN OPTIMIST:** Charles Tannock still hopes Ukraine will ultimately come to Europe

ists, is keen to get closer to Ukraine. We share common European space and values and we regard Ukraine as a European country. Because of that we probably expect higher standards. Ukraine itself is a member of the Council of Europe and Kyiv has expressed an interest in having European aspirations to join the EU one day. So, of course our expectations will be very demanding. When we see things that in our view are going into reverse, we are highly critical. But, of

particularly the FTA and the Association Agreement. It is a bit of a dilemma. On the one hand we want to get Kyiv closer to Brussels and for it not to fall under the authoritarian orbit of Moscow or join the Eurasian Union with Kazakhstan and Belarus. On the other hand, we don't want to be seen signing and ratifying agreements if democracy and human rights are deteriorating. This is a very complex decision. European leaders have to make calculations as to exactly how this proceeds in terms of the timetable. Thus, we're sending some of the carrots, namely the agreements will be initiated but the ratification process and final signature, as well as approval by the European Parliament may be delayed, pending improvements in the general climate of human rights and democracy in Ukraine.

**UW: How long does it usually take to ratify the agreements and complete the procedure?**

– There is still some dispute as to whether or not this is a

**WE ARE NOT HAPPY WITH THE DETERIORATING SITUATION IN UKRAINE, PARTICULARLY WITH REGARDS TO THE INDEPENDENCE OF THE JUDICIARY**

course, we are conscious of the fact that we need to bring Ukraine closer economically and politically to the West and the EU. The way to do this is by pushing forward on the various agreements,



mixed agreement or just a trade agreement. If it's the latter, it only requires an okay from the Council of Ministers and the European Parliament. If it's a mixed political and trade agreement, it requires the national parliaments of all 27 member-states to ratify it as well. My understanding from the officials I've spoken to is that it is deemed to be a simple trade agreement. Therefore, it does not require approval from the member-state parliaments. If that is the case, it could be done fairly quickly - in the first six months of the next year. If it requires a yes from all 27 member-state parliaments it can take one or two years.

**UW: Are we talking about both the FTA and the Association Agreement separately, or are they connected?**

– Obviously, they are connected since they are between the same parties but they are two separate documents. One of the sticking points with the Association Agreement is that replaces

\*Mr. Tannock was interviewed before the Ukraine-EU Summit on 19 December 2011

the old Partnership and Cooperation Agreement (PCA) that was a general model for former soviet countries. This is being upgraded to the Association Agreement which was the request of the European Parliament and the resolution about a year ago. Unfortunately, there is no mention of Ukraine's European aspirations under Art. 49 of the Treaty of the European Union, even though the European Parliament requested this in its previous resolutions. As far as I understand, the Ukrainian government is not happy about it. We have to watch very carefully that the perspective of Ukraine in the EU is included somewhere in the text. Otherwise, there could be a major problem for proceeding to the initialing and ratification.

**UW: Which of these two agreements is more important for Ukraine in your opinion? The FTA looks as if it's more important.**

– I think it's the most important, of course, because it's about prosperity to both sides. The Association Agreement is a replacement to the PCA. Obviously, that brings political cooperation in certain areas including parliamentary meetings. But the FTA also contains articles about democracy and human rights as fundamental prerequisites. So, free trade with guarantees of upholding certain fundamental values is the most important thing. The As-

some references to democracy and human rights. If Ukraine continues to arrest political leaders and putting them in prison, that could be seen as a violation of agreement terms.

**UW: Given your experience and attention to Ukrainian affairs, how different are the relations between the EU and Ukraine now, as opposed to what they were five years ago?**

– At the time of the Orange Revolution, expectations were extremely high. There was a lot of enthusiasm amongst EU parliamentarians from member-states about the possibility of making Ukraine into at least a potential candidate and possibly even a candidate. At the moment, though, Europe is focused on other things, including the Euro zone, the economic crisis, Western Balkans and so on. Ukraine has slightly lost its central position in the limelight of the news. In 2005, after the Orange Revolution, it was very much in the focus of opinion makers. But amidst the Arab spring and the Euro zone crisis, people have slightly forgotten about it. In the last year and a half since the presidential election when Yanukovich won, there has been a perception, rightly or wrongly, that Ukraine has deteriorated in terms of human rights and is seen to be leaning more towards Moscow once more.

**UW: Rightly or wrongly means that you are not sure?**

– I think the human rights situation has undoubtedly deteriorated in Ukraine. Whether it's leaning more towards Moscow - I'm not sure about that. Sometimes, there is a bit of a poker game going on: Ukrainians are saying "if you don't give us this, we will move in that direction". I'm not convinced that either the administration or big business oligarchs like Firtash and Akhmetov particularly want to be swallowed by the Russian economy or its oligarchs. I think they would like to maintain sovereign multi-polar foreign policy and trade policy for Ukraine, and have ready access to Western European markets. I think they would push strongly to maintain the westward looking direction of the Ukrainian economy. But it is a complicated game. ■

**THE FTA HAS SOME REFERENCES TO DEMOCRACY**

sociation Agreement is more about basic parameters of the relations between the two states. It is particularly important if it includes the Art. 49 European prospect reference, which gives some kind of a roadmap and hope that Ukraine will be considered an equivalent to say Balkan countries as a potential EU member-state.

**UW: Can one agreement be left aside, for instance, the Association Agreement as a more political and problematic one? Can the parties rather proceed with the FTA?**

– That's true but, as I said, the only problem is that the FTA has

# Take and Divide

The Government wants to sell almost all of its assets by 2014. The buyers are known in advance

Author:  
Maria Minska

The sale of KyivEnergo, yet another privatization tender, turned once again into a merely nominal transfer of an object from one pair of hands to another. The two competitors involved are both powerful players on the market. One is Rinat Akhmetov's DTEK and the other is PoltavaOblEnergo which is linked to Ihor Koloimoisky and Kostiantyn Hryhoryshyn. Initially, the second participant bid UAH 432.305mn (USD 54.038 mn) which was the start price for 25% of KyivEnergo shares. Then, DTEK actually bought the lot for UAH 432.5mn which was only just a little higher than the initial price set by the State Property Fund. This outcome was easy to foresee though. Before the tender, Rinat Akhmetov owned 46.82% of KyivEnergo shares and DTEK managers announced in late September 2011 that they would take part in the privatization of other energy supply assets. "We own shares in a group of companies,"

said Maksym Tymchenko, DTEK Director General, supposedly meaning ZakhidEnergy (WestEnergo), DniproEnergo, KyivEnergo and DonetskOblEnergo. "We are definitely interested in increasing our blocks."

## TACTICS & STRATEGY

On 25 November this year, DTEK was the only bidder standing in line to buy WestEnergo. It offered UAH 1.9321bn (nearly USD 241bn), which was only UAH 0.1mn more than the starting price. The Ukrtelecom privatization stirred no big rush either. As a result, the State Program for Privatization for 2011-2014, which was approved by the Government on 23 November and submitted to the Verkhovna Rada for consideration, raised many eyebrows. The 2011 tenders look like the first wave of infrastructure object sales.

"We would like to bring all state-owned assets into play," says Oleksandr Riabchenko, State Property Fund Chairman. "The objects we have right now are



standing idle. This is wrong. Everything must work; everything must have its investor." And President Viktor Yanukovich seems to like the idea. He claims the gov-

## COMMENT

# A Twist of the Wrist

Oleksandr Bondar, currently an MP and ex-Chairman of the State Property Fund, says the privatization program hardly affects anything



### UW: What is your first impression of the government's privatization program?

— The bill has just passed the committee and the Verkhovna Rada has not yet opened it at the session. But I will say that under the current privatization approach, no bills or programs are really meaningful. Most tenders actually have just one buyer. KyivEnergo is unique in this sense as it has as many as two competitors. What is the program good for under such circumstances?

### UW: What exactly is wrong with the Cabinet of Ministers' program?

— It has no clear list of objects or purposes of privatization. Many were surprised by the intention to sell all state-owned assets by 2014. Does this mean the start of a trivial enterprise

give-away to tycoons that liked the companies at some point? This could be an option if everything is settled with the President. But it is too early yet to draw conclusions based on the program's general statements.

### UW: This total approach hints at one other problem. Ukraine has state-owned companies that feed private structures. Which objects should be sold?

— Who needs to sell these objects? The government or tycoons? Forget state interest. These will hardly be taken into account.

### UW: What kind of a privatization would be reasonable under such circumstances?

— They need to sell everything but not to one buyer. Otherwise, we will change the



This is yours,  
that's mine

PHOTO: UNIAN

ernment should own a limited number of entities to ensure that the state performs its key functions and guarantees national and economic security. Under the

privatization program, the projected income from selling and running government-owned assets will amount to UAH 50-70bn or nearly USD 6.25-8.75bn. Mean-

while, the state-owned sector in the economy is supposed to shrink to 25-30% of GDP compared to 37% estimated by the State Property Fund for 2010.

One way to facilitate privatization is to simplify preparation procedures and ways to sell companies. The plan for unattractive stocks is to split them, remove the price floor and sell the stocks on a stock exchange with no set start price. The buyers that are going to purchase over 50% of stocks in strategic entities will face special requirements for the purchase procedure and the post-privatization exploitation of the entities. On the one hand, this seems like a reasonable approach. On the other hand though, it is one of the well-tested ways in Ukraine to kick out unwanted candidates at the stage when the tender is first announced. But the lack of competition leaves the country without a lot of budget revenues. Also, the government is expected to keep controlling stakes in strategic companies and sell the rest in small blocks on stock exchanges.

## 2012 LOTS

Which entities is the government going to put up for sale in 2012? This remains unknown. The Ministry of Economy is actually in charge of approving the final list. However, the only obvious thing now is that the real decisions will be made somewhere other than

government monopoly to a private one; although it has long been proven that the latter is worse. The establishment of industry holdings, like in Kazakhstan or China, has nothing in common with European practices or reason. I have no idea why people talk of a market here or go to a market yet fail to recognize the importance of competition. Private monopolies on which the economy of the whole country relies can be unpredictable in times of crisis. Therefore, politicians should take into account conceptual things, not commercial details.

### **UW: What is the market value of objects that can be put on sale in 2012?**

— We could have an idea of what the assets cost if we had competition. Today no expert in Ukraine or abroad can answer this question. And that's a big problem. Even oligarchs who gain something in the process cannot determine the value of these assets. Notably, even powerful foreign investors find themselves out of the game. For instance, the last time the Russians won a tender was

when they bought LuhanskTeplovov, a Luhansk-based locomotive plant. An Indian investor bought Kryvorizhstal earlier. Over the past 10 years, foreigners have made just two or three big scale purchases, and these were exceptions. Others buy entities yet rarely invest much or barely introduce innovative technologies in their newly-acquired businesses. The process looks like a vicious circle: everyone is fussing around, grabbing something from others, redistributing assets over and over again. This is terrible for the economy. The government should realize this! But nobody seems to be listening. Everyone will end up in the trap they're making, even those who seem to be churning good profits now.

### **UW: Which entities should not be sold at all?**

— The Ukrainian Railway for sure. Selling it would be insane! Of course, the government in Ukraine can hardly run anything but some things are too social to be transferred into private ownership — that's a risk! The biggest issues here are tariffs and the

terms of transportation. It's dangerous to sell some other objects as well, such as Naf togaz and aircraft or transport entities. But the railway must remain in state ownership. The UK once tried to privatize theirs but re-nationalized it later.

I don't support the idea that the market economy has exhausted itself and government interference and regulation are the future. Quite the contrary, some State Property Fund presidents have had a lot of leftist ideas over the past few years. Privatization should be transparent and timely. Let's take the land market. It's not to be blamed on the current government alone but the fact that the land market is being legalized after the land has been distributed speaks for itself. I'm not sure the State Property Fund will manage to privatize everything by 2014 but the government will surely no longer own a share in holdings, including national joint stock companies and the rest. The officials will deal with all that.

Iryna Khodorova



PHOTO: UNIAN

the Economy Ministry. In spring 2011, Oleksandr Riabchenko, whose power to affect the processes should not be overestimated, claimed the sale of the Kharkiv-based Turboatom, one of the largest turbine construction plants in the world, was not reasonable as the government owns 75% of it, many investors are interested in it, the plant is operating seamlessly, has a good client portfolio and sustainable markets. Thus, the sale did not take place.

Earlier, the government proposed a ban on the privatization of NAK Naftogaz Ukrayiny, DAK Tytan Ukrayiny, ChornomorNaftogaz, UkrTransNafta, UkrHydroEnergo, DAKhK Topaz, and a series of aircraft industry entities and railway equipment producers. Yet, a miracle happened on 1 November 2011. The Verkhovna Rada refused to consider the draft law. This made some experts claim that the real purpose behind the initiative was to build a platform from which to sell the assets, rather than keep them government-owned.

According to the data currently available, the first in line for privatization are Dnipro, Ternopil,

**SERVING THE PROPERTY OF UKRAINE.** State Property Fund Chairman Oleksandr Riabchenko says all state-owned assets should come into play

Vinnytsia, Donetsk, Zakarpattia, Cherkasy and Chernivtsi Oblast Energy Supply Companies, as well as KrymEnergo and DniproEnergo. As far as we understand, energy assets are within DTEK's interest range. Other objects, such as Odesa Port Plant, as well as nearly 50 city and oblast gas supply entities, also have one key potential buyer. His name is Dmytro Firtash. He has already consolidated a large portion of the fertilizer production industry in his hands. He needs Odesa Port Plant to take over the export arena and gain a monopoly over the market.

**IT LOOKS LIKELY THAT THE GOVERNMENT WILL NOT EVEN EARN HALF OF THEIR REAL PRICE EVEN IF IT SELLS ALL ASSETS**

Gas supply chains will allow him to build a large vertically integrated holding that will control the entire process from purchasing gas to selling it to the ultimate consumers. The stakes of city and oblast gas companies put on sale

range from 0.71% to 26.04%, yet they are unlikely to lure strategic investors. Moreover, the government was not going to sell these assets anytime soon, yet it can now go for it in order to write off unprofitable entities from Naftogaz's balance sheets.

**MONEY FOR THE SAKE OF MONEY**

Other candidates to buy the assets are banks which were nationalized during the crisis. On 7 December, the Verkhovna Rada passed a bill in its first reading that sets forth the procedure to sell stakes in statutory capitals of banks capitalized by the government. One of the key messages is to prevent former owners from purchasing these shares. "The entities that owned significant stakes in such banks during capitalization cannot be strategic investors," the bill says. In 2012, potential objects for sale might include UkrGazBank and Kyiv bank. Rodovid will be turned into a remedial bank for troubled assets, thus it will not be on the list in 2012. Since the government has no cash to keep rehabilitating such banks, selling the subsidized objects looks like a fairly reasonable idea. Yet, the transparency of cash flow distribution raises doubts, including the abovementioned refinancing for banks.

Maybe surprisingly the government has already over-fulfilled its 2011 privatization plan. The state-owned assets which have been sold have brought more than UAH 11bn; or 110% of the expected amount to the public budget over the past 10 months. In fact, though, the lion's share of revenues came from the sale of 92.79% of Ukrtelecom for UAH 10.575bn (USD 1.322bn). In 2012, the government expects to earn UAH 10bn (USD 1.25bn) on privatization, and once again spend the cash to cover the deficit, or in other words, it will all be eaten up. But, determining the real value of most large objects is a difficult task as their shares are not traded on the stock exchange. Therefore more indirect ways must be used to evaluate them. Another portion of state-owned assets are illiquid unattractive enterprises which hardly have any chance of luring buyers, especially in the current crisis. It looks likely that the government will not even earn half of their real price even if it sells all assets. ■



# Judicial Takeover

Those in power have removed all barriers from the path to a loyal Supreme Court



PHOTO: UNIAN

Author:  
Alina  
Paštukhova

The hysteria surrounding the election of the new Supreme Court Chief Justice is over. On 23 December, the Supreme Court Plenum chose Petro Pylypchuk as the next Chief Justice with only 6 judges out of the 47 registered at the plenum voting contra. It seems the Party of Regions has found ways to change the balance of power for its benefit and put a loyal person into the top office at the Supreme Court. Meanwhile, Vasyl Onopenko, the Chief Justice close to Tymoshenko's Bloc whose powers expired on 29 September, announced that he had changed his mind about nomination for a second term even though he enjoyed the support of most judges until recently.

Surprisingly, Mr. Onopenko dropped the issue of renewing his Chief Justice post right after the Pechersk District Court passed a verdict to release his son-in-law, Yevhen Korniychuk, from criminal liability under the amnesty law. Vasyl Onopenko denies any

connection between the verdict and amnesty for Mr. Korniychuk, yet this coincidence is not a new precedent.

Mr. Korniychuk served as Deputy Minister of Justice in Tymoshenko's Cabinet and went to jail in late 2010. Back then, the Prosecutor General opened a case against him under Article 365.3 of the Criminal Code, i.e. abuse of office causing significant damage. Mr. Korniychuk was charged with abusing his powers during public procurements. The prosecutor claimed the ex-deputy minister had signed a letter while in office authorizing a tender whereby just one subcontractor was chosen to provide legal support to Naftogaz Ukraine. On 30 December 2010, the Pechersk Court put Mr. Korniychuk under house arrest. The court later extended the term of arrest many times while rejecting all appeals from his lawyer. The day after Vasyl Onopenko met with Viktor Yanukovich and supported the judiciary reform offered by the President in February, his son-in-law was released on the condition that he remain in town.

The balance of power at the Supreme Court appears to have been altered by pressure placed on its judges as well. In November, the Supreme Justice Council initiated proceedings for the violation of judicial oaths of office by members of the Supreme Court's Chamber for Criminal Cases. They supposedly illegally revised the life sentence verdicts of 15 prisoners in 2009-2010, changing them to 15 years in jail. According to the Prosecutor General, decisions concerning people who have committed extremely dangerous crimes partly involved all justices from the aforementioned Chamber of the Supreme Court. The Prosecutor General also announced plans to open criminal cases against the judges. The latter denied all charges, claiming

the efforts were linked to the election of the new Chief Justice.

Mr. Onopenko is not the only candidate who quit the race. The Party of Regions' Serhiy Kivalov is no longer a nominee. His current priority is to replace Odesa mayor Oleksiy Kostusiev, who has frustrated many in the government and local business and is now hospitalized. Anatoliy Holovin, Chairman of the Constitutional Court and one of the most likely candidates for Mr. Onopenko's post, also denied plans to chair the Supreme Court. One of the plausible candidates was Ihor Samsin, a Supreme Court judge and Chair of the High Qualification Commission for Judges. Despite the efforts of Samsin's commission to block the election of the Chief Justice for the past few months, some new faces ended up on the candidate list.

Petro Pylypchuk is the Supreme Court judge who lost the Chief Justice election to Vasyl Onopenko in 2005. In October 2012, though, he will turn 65, the age limit for a Chief Justice by law. With this the Party of Regions subdues the turmoil surrounding the top Supreme Court post without "severely" violating the law, despite the fact that the Chief Justice should have been elected on 30 October by law. Perhaps, the government chose not to promote another Donetsk-born official to the Supreme Court in order to forestall further talk of its control over the judiciary. Instead, those in power could secure Mr. Pylypchuk's loyalty by agreeing to let him stay in office for the full five-year term. To achieve this, they would only need to amend the legal age limit for Chief Justice. President Yanukovich has already hinted at this scenario, asserting that judges should be allowed to work beyond age 65 as experienced professionals. ■

# The Presumption of Guilt



Thomas Hammarberg, the Commissioner for Human Rights at the Council of Europe, talks about his mission in Ukraine, the local judiciary system and the Tymoshenko case

Interviewer:  
Alina Paštukhova

**T**homas Hammarberg visited Ukraine to monitor the work of the courts and prison facilities, based on which, he will draft a report on the situation in Ukraine. He has also promised to focus on other issues, including the freedom of peaceful assembly. While monitoring the situation with human rights in Ukraine, Mr. Hammarberg talked to several officials. At a meeting arranged by *The Ukrainian Week* and Ye Bookstore, the Commissioner talked to NGOs and heard their complaints on human rights violations in Ukraine.

**I spent a week in Ukraine to get a better idea about how the judiciary system works.** I've met virtually all crucial parties to the process, including the Ministers of Justice and Foreign Affairs, the Prosecutor General, the Head of the SBU, security service of Ukraine; judges of the Constitutional Court, Supreme Court and High Special Court for Criminal Affairs, as well as MPs from the party in power

and opposition. I also talked to NGOs, the mass media and lawyers. My plan is as follows: my colleagues and I will go back to Strasbourg and start working on the report, based on what we've seen in Ukraine. It will be disclosed early next year.

**My report will largely focus on the role of the Prosecutor in the judiciary.** Its domination comes from the soviet model, I guess. The function of the Prosecutor's Office in Ukraine is still to supervise the system. This mechanism is totally obsolete and unacceptable in a democratic society. We've found that acquittals account for less than 1% of all verdicts in your country. In most other cases, the verdicts mostly correspond with the demands of the prosecutor. Needless to say, this is a big red flag: something's being done wrong.

The protection of the independent powers of judges is a fairly important priority in justice. This is the need for a strong barrier to separate politicians from judges. I've heard from many people I spoke to, that judges are under significant pressure from politicians. This will also be mentioned in my report.

The police, as a law enforcement agency, are the first link in the judicial chain. What I heard about this link from many, is associated with the continued brutal and inappropriate treatment of people that are arrested. I've heard many complaints about corrupt police officers. These problems must be solved as well.

**The presumption of innocence should be the principle guiding preliminary detention.** International standards are extremely strict in this respect: a person is deemed innocent as long as his or her guilt is not proven. Until that happens, a person cannot stay under arrest. Sometimes, a pre-trial investigation reveals the need for exceptions from the rule. However, these exceptions should be rare and applied in a very limited range of cases, when there are substantiated concerns that the suspect can escape, is likely to destroy evidence or exert pressure on witnesses. This is very important for the international commu-

nity in cases as important as those against Tymoshenko, Lutsenko and Ivashchenko. None of them contain circumstances that justify their detention until the court announces its verdict.

**The presumption of innocence also means that the conditions under which people are detained should be humane.** I discussed this with Nina Karpachova, the Ombudswoman, who had visited the biggest detention center before our meeting. She told me that the place was so overcrowded, that suspects had to take turns sleeping; they are simply short of beds. This is a big problem from the human rights perspective. People under preliminary detention also have the right to medical aid. All these problems with temporary detention centers are the reason for the increasing number of complaints filed to the European Court of Human Rights, which has ruled decisions on this many times.



## NGOs SAVE DEMOCRACY WHERE POLITICAL PARTIES FAIL

**Another important issue that has caused a lot of people to apply to the European Court, was the length of proceedings.** The judiciary must be both independent and objective. It should also work effectively. The non-enforcement of verdicts is another problem of the inefficiency of courts.

**I know that the government is in the process of drafting new laws aimed at improving the situation in Ukraine. One important aspect in legislation is how it will be enforced once in effect.** Some view this with cynicism. They say it doesn't matter whether the laws are good or bad, because they're never implemented anyway. I don't agree with this. I think it's important that laws meet international standards. This allows lawyers, NGOs and everyone involved in the implementation of democratic principles in Ukraine to rely on international standards in their work.

**I truly hope that all politicians will unite to support our recommendations when we submit them, and implement them through laws and the everyday work of courts and enforcement agencies.** Needless to say, I want to believe that they won't do this simply to please Brussels. I believe their true goal will be to set up the foundation for protecting the rights and freedoms of their nation. At our meetings, government representatives said they were looking forward to seeing our report as soon as possible.

**The EU will read our report on Ukraine. They will take our recommendations into account. This could affect relations between Kyiv and the EU.** I say this based on my experience in other countries. The value of the Council of Europe is in building our analysis out of real facts without tackling political aspects.

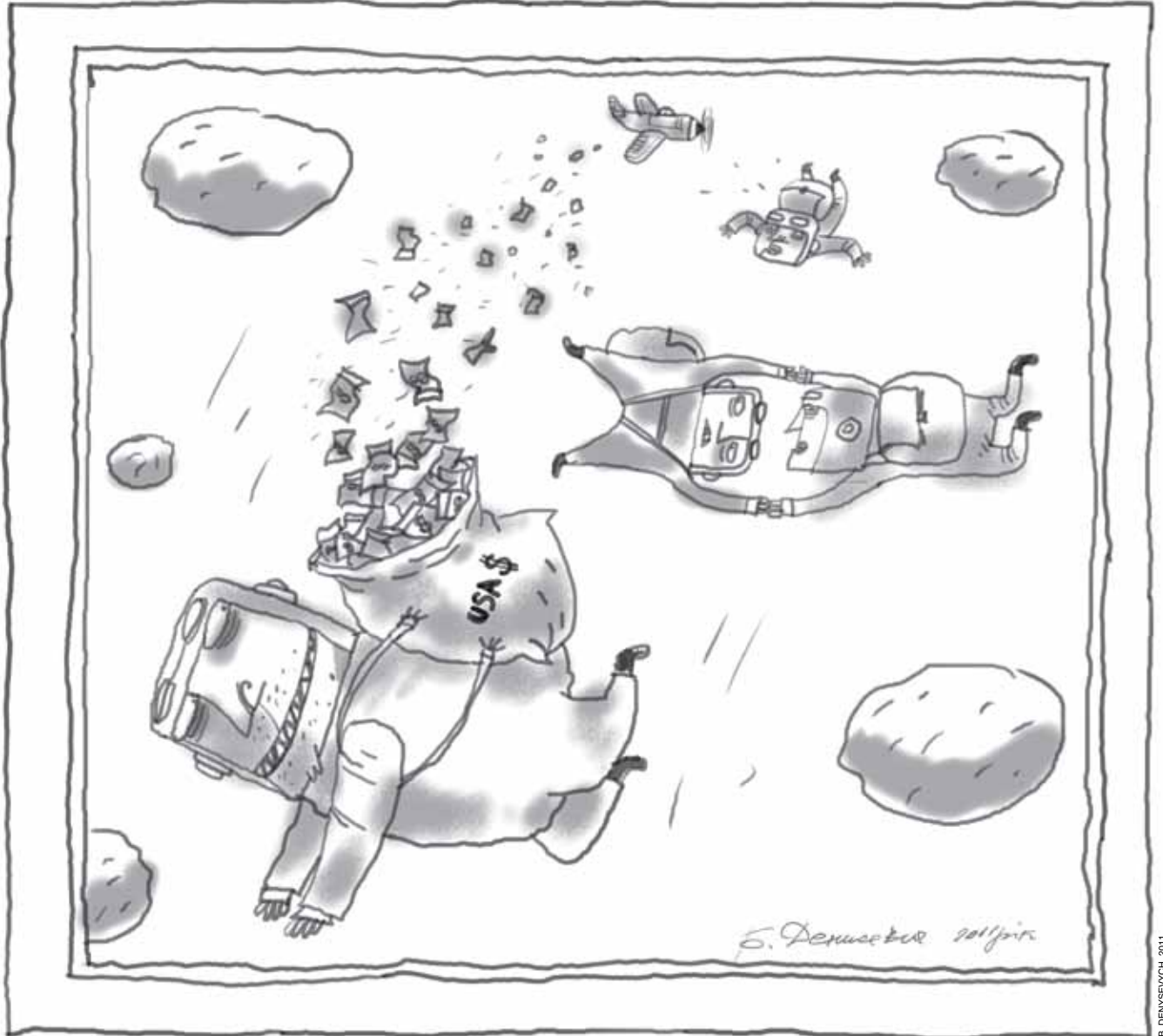
**Many NGOs in Ukraine complain about the pressure from the government, which interferes with their work.** Their right to peaceful assembly are violated. I don't want to give all the details of everything that will be written in my report, but we'll definitely focus on these problems.

Civil society plays a crucial role in any country, including Ukraine. I was impressed by the representatives I met from human rights NGOs. They act constructively; they know what to do to change the situation. Just like us, they are doing their best to avoid politicization. They campaign for what I do too, in other words, for authorities to listen more carefully to the recommendations of NGOs and get involved in an active dialogue with them. I think groups like these will save democracy where political parties fail.

**I feel there is a need to pass a very specific law to prevent corruption, with the real liability of ministers and top officials in law enforcement agencies.** We will provide recommendations on issues related to fighting corruption, particularly in the judiciary. ■

# Milking the Cash Cow

Unemployment does not decline as good currency issuance is channeled into bad assets



B. DENYSEVYCH, 2011

**Author:**  
Heorhiy  
Tereshchenko

International financial institutions have recently downgraded projections for the growth of the global economy. The World Bank decreased its earlier expectation by 6 p.p. to 3.2%. However, growth as a term seems misleading here; a slight revival of dynamics after the 2008-2009 nosedive would be a more appropriate de-

scription of the trend. Growing social tension is another typical trend, for developed countries first and foremost. And this one has been pointed out by the International Labor Organization, among others.

Economic trends in Ukraine on the whole, and the labour market in particular, are largely mir-

roring global trends. The local economy - especially heavy industry whose enterprises and related entities generate the lion's share of jobs in Ukraine - rely too heavily on the situation in global markets. Export activities affect hryvnia stability; which in turn affects the inflation rate, real income for households, their purchasing ca-

capacity and other aspects key to the labour market.

## GLOBAL CONTEXT

ILO experts underscore the fact that unemployment hit its historical record in 2010 at 200 million people. However, this number is more of an eye catcher as it shows the trend, rather than the reality because it does not take into account hidden unemployment in post-soviet countries, some African and Latin American specific aspects and other things. Yet, general analytical conclusions are quite accurate: employment rates in virtually all industries and economic sectors are unstable, while the 2011 anti-crisis measures have hardly improved the situation on the labour market or in the social sector. A myth favoured by employers whereby cutting salaries for employees allows them to preserve or create new jobs has been dispelled. In fact, this forces employees to work more, and harder, for the same or less money.

The criticism of the 2011 anti-crisis measures has come as no surprise. Essentially, they come down to trivial money printing coupled by government pledges to cut inefficient public spending, just like in earlier years. The Ukrainian Week has already written about key reasons for the global recession and two scenarios for further developments – the deflation variant and the money printing one. So far, the former has occasionally shown itself, while the latter deserves a closer look, just like its effect on the labour market, which is crucial: governments try to support output by printing more money to facilitate demand. They rarely succeed though. The US Federal Reserve, for instance, is printing dollars in piles while Americans are actually growing poorer. In 2010 alone, their average income shrank 2.3% year on year.

The Keynesian theory with its many adherents is not working. Increased budget spending, via multiplying sovereign debt among other ways, does not boost the income of the real sector. Money is not making money in the US, EU, Russia, Japan, Ukraine or elsewhere. Now, why is that?

Serhiy Eshians, Senior Economist at the investment firm 'ITinvest' accurately describes the

The number of the unemployed rises by **27mn** in developed countries and **80mn** in the world

background of the recession. In his opinion, increasing public spending generates a short-term economic impulse due to the support of consumption, either directly through public procurements or social programs, or indirectly through lending financial institutions. Meanwhile, money printing provokes price growth for basic goods, including food and fuels. This sort of inflation, which hits consumer expenditures, undermines consumer demand and more importantly decreases corporate income. As a result, companies must raise their wholesale prices and streamline their spending which includes spending on staff. This also kills demand. The trend seems like a vicious circle.

## DANCING WITH A RAKE

Both official and expert statistics show further boosting of output, which was earlier fed from lending by way of demand stimulation, is no longer possible.

Stephen Roach, a senior executive with Morgan Stanley in Asia, says the US Department of Commerce has downgraded its assessment of consumer spending growth over the past 14 quarters since the beginning of 2008 by almost twice, to 0.2%, including inflation back in June 2011. This means that the revival of consumption is currently slowest in the US which in turn makes it impossible for the country to exit the crisis quickly. EU states are facing an identical situation while China

is not rushing to stimulate domestic demand while waving off pleas to increase payroll spending.

What could this mean for the US and all other more or less developed states provided that they stop printing money? A default, spending cuts, a decrease in money supply, sharp fall of output, failed payments that could ruin trade chains and skyrocketing unemployment. This is the so-called deflation scenario based on Neokon consultancy's assessments.

What could further money printing mean for the US and all the rest? Postponed deflation in the context of overproduction, continuing trade wars with China, India and Brazil as the devaluation of national currencies through money printing reinforces national producers and weakens importers, and cheaper sovereign debts. Most importantly, though, currency issuance facilitates the unfolding of a global inflation of basic goods, i.e. fuels and food.

Thus, the key priority on the labour market is plain to see: American – Chinese trade wars with the value of currency units as the battlefield will sooner or later result in a situation where people will have to work for a plate of rice (which so far, is only a metaphor).

A survey conducted by Bloomberg LP in October caught the US Consumer Comfort Index falling to its lowest point since April 2009. 95% of Americans expect an economic downturn – at national, corporate and individual levels. As to the latter, the list of complaints from those polled is painfully familiar: difficulties with mortgage repayments, the slow rise of job numbers, and restricted salaries.

## UKRAINIAN STYLE

According to GfK Ukraine's October survey, the consumer confidence index grew by 3.9 p.p. to 78.6 in Ukraine compared to September. Yet, this trend hardly mirrors any positive changes on the domestic market as the factor behind this rise is the purchase of durables. Thus, Ukrainians are still buying imported goods, as in previous years, and supporting manufacturing in other countries. By contrast, the same survey shows that the index of expected

## ILO'S CONCERNS

**Based on its research, the International Labor Organization draws conclusions on the effect of the global recession:**

- no chance to provide more jobs to match the pre-crisis employment rate;
- 27 million-worth unemployment rise in developed countries and 80 million-worth increase in the world;
- a decline in the standard of living for most citizens in 69 countries in 2010 (the survey included 118 countries; 2010 was compared to 2006);
- mistrust of most of the population for national governments in 99 countries;
- frustration with the lack of appropriate jobs (50% of the population in developed countries and over 70% of those polled in Greece, Italy, Portugal, Slovenia and Spain);
- volatile food prices (the volatility doubled over 2006-2010).

The ILO survey includes a new point called social concern index. It shows public attitude to the situation on the labour market and distribution of the crisis burden among various social groups. This index has been continually growing in 45 countries for the past few years.

economic development in Ukraine has fallen by 0.4 p.p. to 70.3 in the course of the year compared to September. And Ukrainians expect unemployment dynamics to grow 10.3 p.p., pushing the relevant index up to 135.3.

In his article on worldcrisis.ru, Stephen Roach outlines priorities for export-oriented economies: according to him they should, “rely on internal demand.” This is a great piece of advice for Ukraine. Its chances of maintaining the current level of output and employment in 2012-2013 seem few, unless Ukrainian steelworks and chemical plants refocus on the needs of the domestic market, the infrastructure develops, the cooperation of various industries is revived and the NBU conducts an appropriate and transparent monetary policy. The labour market of 2008-2009 might look like a piece of cake when compared to the upcoming year of peak repayments of sovereign debt, both national and corporate.

Conversations with numerous investment analysts leave a firm impression that some Ukrainian oligarchs feel prepared for the global recession. One of the options they are considering is to switch to exporting iron ore to China which they hope will allow them to trudge through hard times. This approach partially responds to current challenges but does not look good as a national strategy.

Officials have nothing better to do than scratch their heads in this situation, a truly super-complicated one. Premier Mykola Azarov has been advertising the strategy to design a barrier to the second wave of the crisis within the state budget for 2012. However, financial promises have failed: budget revenues amounted to nearly UAH 337.6bn (plus 13% year on year) while spending hit UAH 361.6bn (plus 7-8% respectively). Having a budget deficit under a constantly declining balance of trade and total sovereign debt of Ukraine, including corporate debt exceeding USD 120bn, is something too expensive to afford. But that’s not the question. Even more shocking is the official expectation of GDP at 5.5% in Ukraine under the upcoming global recession of 2012. Clearly, supporting the government’s

Ukrainians expect unemployment dynamics to grow **10.3** p.p., pushing the relevant index up to **135.3**



## RUINING BUSINESS IN ORDER TO FILL UP THE STATE BUDGET IS CERTAINLY A ROAD TO NOWHERE

The assets of the 100 richest Ukrainians grew to USD **80-90bn** or **20-30%** year on year in 2010, the equivalent of two thirds of the country’s GDP

pledges to increase budget proceeds with the pressure on the real sector which was unseen before might seem too much. Even with such a priceless asset during crisis times as the government’s optimism regarding economic prospects, the policy aimed at ruining business in order to fill up the state budget is certainly a road to nowhere.

An important thing to realize is that while most powerful international players tilt in pursuit of the lesser evil between the deflation and money printing crisis scenarios, it makes sense to switch to correcting the distorted structure of production from the distribution of national revenues rather than grabble for internal reserves, which is exactly what the Ukrainian government is doing right now. Leading international researchers focus on these very aspects. Over 1952-1986, a relatively stable period, there was not a single year where 1% of the richest households in the US

would earn over 0.1% of gross national income. In the mid-80s, according to data from economists Thomas Piketty and Emmanuel Saez, the figure began to soar and hit an incredible 18.3% in 2007, right before the crisis. The last time a situation like this occurred was in 1929. The American Economic Association interpreted the signals of the growing social inequality as follows: technological progress boosted demand for highly-qualified employees, i.e. IT professionals, advanced PC users and so on. This interpretation was not groundless yet it was also not too convincing. Viktor Suslov, Chairman of Ukraine-Brazil Council for Economic Cooperation, gave a better explanation: “The crisis shows that the life of the entire business sector is an illusion; it is supported by money printing. Top managers of banks and corporations, auditors, consultants and some other professionals face challenges now, as they are spoiled by the ongoing operation of money printing ma-

chines. Obviously, the entire social classes have spent the last few years turning good, newly-printed currency into their bad assets.”

Vitaliy Melnychuk, ex-Chairman of the Audit Chamber of Ukraine, says that the assets of the 100 richest Ukrainians grew to USD 80-90bn or 20-30% year on year in 2010, the equivalent of two thirds of the country’s GDP. However, the expert claims, most oligarchs have not changed their strategies since the days they accumulated their initial capital by purchasing assets that churned quick profits. Most tycoons cannot yet boast long-term investment: their empires do not include businesses built from scratch or high-tech companies. Thus, current structural distortions in the economy are deteriorating rather than healing.

Redistribution of national wealth, an ever burning issue for experts, is now growing ever more acute. Raghuram Rajan, an economist at Chicago University, assumes in his latest book entitled ‘Fault Lines’, that the US mortgage boom, the emergence of Fannie Mae and Freddie Mac and their bankruptcy in May 2008, all considered to be the starting point of the crisis, resulted from political reaction to social stratification.

Apparently, some commercial structures circle all money printing centers. Whenever a print machine is launched, this means somebody needs it. In Ukraine, no one is even trying to hide the fact: ever since 2008, foreign currency-denominated liabilities of the corporate sector have been being turned into public liabilities. Surprisingly, the tycoons that had survived the tough times of USSR collapse and grabbing, seem to not see how wrong the rush for cash is in times of currency devaluation, and some vertically integrated holdings and banks risk ending up being totally useless in the global crisis of overproduction and a situation where feeding demand manually is no longer possible. Will the owners of entities close to the money print house door realize how important it is arrange vertical cash turnover within the available business systems at least or, what’s better, within social classes. ■

# An Extra Pair of Hands

The government should have embarked on modernizing the Ukrainian economy yesterday. Today, 46 million people are far too many for it. Tomorrow could be even worse

**Author:**  
**Liudmyla Shanhina,**  
**Director for Social Programs at the Ukrainian 'Razumkov' Centre for Economic and Political Studies**

The model of Ukraine's national economy is definitely one of a kind. It manages to stay competitive largely thanks to the country's cheap labour force. This economy needs no qualified professionals or new technological sectors at all! One would hardly risk describing it as industrial, let alone a more developed post-industrial one. No wonder that no employer will volunteer to properly raise salaries for his staff given the fact that its cheap labour force is the key advantage in Ukraine's economy. And this is perfectly fine with the government who was responsible for building and cementing this model and is still exploiting it today. The biggest profits here have always been churned into the industries that are technological outsiders, such as the iron and steel industry, petrochemistry, the mining industry and so on. Earlier, the 52-million population used to be just enough to service this sort of economy. Currently, it needs only 46 million. As the recession deepens, the number will go down to 35 million. All in all Ukraine has essentially ended up caught in a vicious circle of 30-50 families whose interests are protected by the government and most

of the population work for their benefit in one way or another.

The crisis we are currently experiencing is not the first one. Ukraine is a post-socialist European country where the post-transformational crisis lasted the longest, from 1991 through 1999, compared to all other FSU states where it ended around 1994-1996. Moreover, Ukraine's crisis was the deepest of all considering the country lost 65% of its GDP compared to 1990. No other European country had ever faced a GDP decline so sharp. Still, Ukraine has not yet learned its lesson. Ever since Ukraine's economic growth began in 2000, it has mostly been exploiting its plants, equipment and technologies inherited from the USSR, and of course the cheap labour force. 10 years should have been enough to give a quality upgrade to the Ukrainian economy, but those in power have wasted time. All the voters hear today is that the situation was better in 2010 compared to 2009 and growth continues in 2011. This might be true on paper, but what about in reality?

Competition for jobs allows employers to cap salaries or

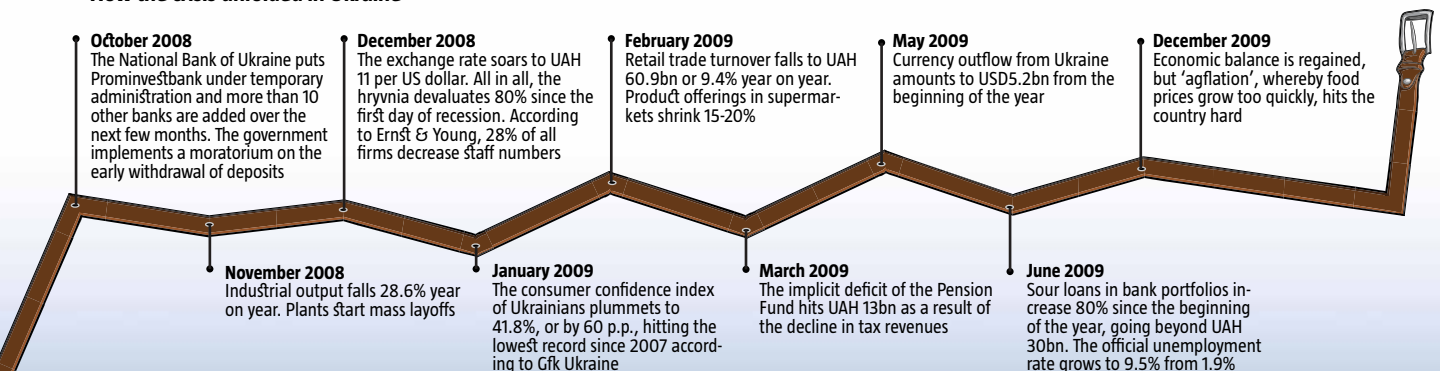
increase staff workloads, and not only in heavy industries. Meanwhile, a popular statement is that unemployment is low in Ukraine, i.e. under 9.5% according to the International Labour Organization, and official sources give an even lower figure. Yet, these numbers do not cover massive hidden unemployment, such as forced vacations, part-time jobs, unofficial work and so on. As a result, the statistics are good for nothing.

The Ukrainian labour force is virtually the cheapest in Europe and its real income is declining every year, while performance is five-six times lower than in Europe. People have no incentives to work effectively and employers are not encouraged to increase efficiency and upgrade equipment. Their priorities include windfall profits and friendly relations with useful officials. The share of payment for labour in the original cost of products is tiny, often below 1%, even for businesses that churn out multimillion dollar profits. This hampers the development of an effective domestic market in Ukraine.

Things are unlikely to change in 2012. ■

## THE BELT TIGHTENING CHRONICLES

### How the crisis unfolded in Ukraine



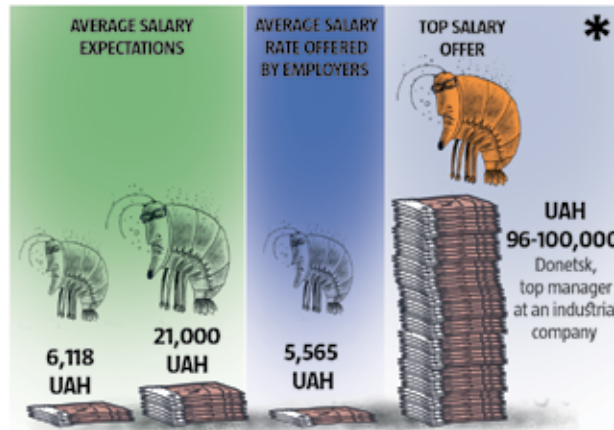
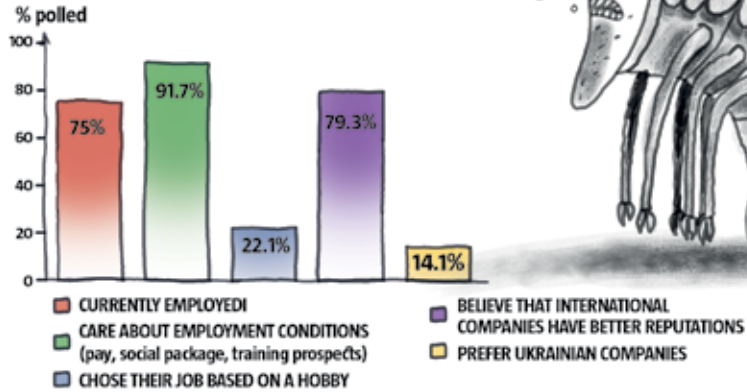
# An Employee's Nightmare

**75% of Ukraine's "office plankton" fear a new wave of crisis. One fifth of all managers would act unethically to keep their jobs**

Anxiety is a common sight within the offices of Ukrainian companies amid fears of an escalated financial crisis. The trend is reflected in surveys conducted in 2011 by HeadHunter (hh.ua), an international HR portal. The surveys focused on white-collar workers — colloquially dubbed "office plankton" — and their inherent fears, motivations, priorities, plans, attitudes toward urgent problems, and experience adjusting to the global recession. In autumn 2008, the crisis engulfed firms along with their masses of ill-qualified sales and marketing managers, as well as brokers and clerks at financial institutions. The work of these and a slew of other professionals faced a sharp decline in cost, with some jobs deemed unnecessary by employers. Based on a general assessment by HR agencies, nearly 500,000 Ukrainians lost their jobs between the beginning of the crisis and March 2009. By July 2009, the situation on the labor market stabilized again as the number of job openings in HR agency databases grew, yet the salary rates employers now offered were lower than those previously provided for similar positions. 2010 ended up being a fairly stable year. In autumn 2011, however, at least half of Ukraine's office plankton began to prepare for yet another wave of the crisis, according to HeadHunter.

## TYPE: OFFICE PLANKTON

Based on surveys conducted by HeadHunter from March to November 2011 among HH users that included top and mid-level managers from all over Ukraine. The number of those polled starts at 1,000 and varies based on the subject of the survey.



Note: Women largely receive salaries nearly 33% lower than men



\*The survey covered 12,467 job openings in 28 professional industries from September 1st to November 1st 2011

## TOP 10 BEST PAID JOBS IN UKRAINE (As of April 2011)



Only 20% of employers publish salary offers in Ukraine compared to 60% in Russia and 90% in the UK

## TOP 10 DEFICIT PROFESSIONS IN UKRAINE (As of April 2011)

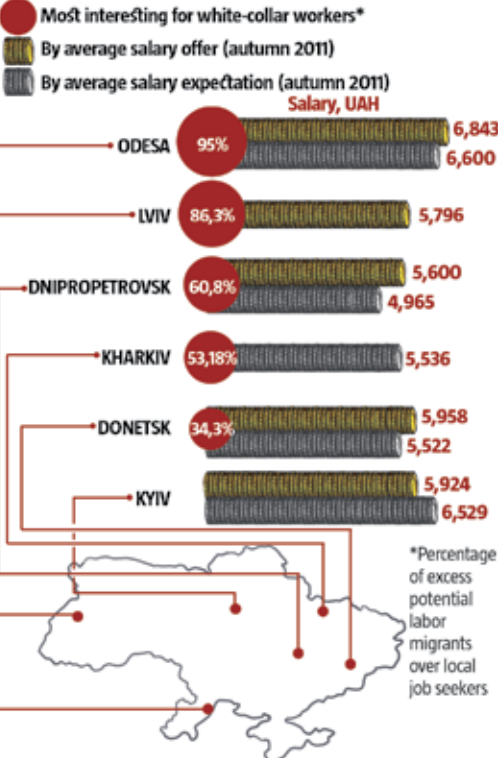
1 C++ (IT)	0.2
2 PHP (IT)	0.4
3 INSURANCE	1.1
4 SALES MANAGER	1.2
5 SEO	1.3
6 ENGINEER	2.1
7 CHIEF ACCOUNTANT	2.8
8 PHARMACIST	3.1
9 AUDITOR	3.6
10 ACCOUNTANT	3.6

HeadHunter index shows the ratio of posted CVs to posted vacancies

Note: Normally, less than one candidate is available for C++, PHP, Android and Java. There is great demand for pharmacists, who have a choice of three vacancies and an average salary offer of UAH 11,000. Yet only 4.13% of those polled consider pharmacy a prestigious profession.



**TOP 6 CITIES IN UKRAINE**



**2008 CRISIS AFFECTED**  
 83.4% of those polled including:  
 25% had salaries cut  
 8.4% changed qualification  
 4.2% had difficulty repaying loans etc.

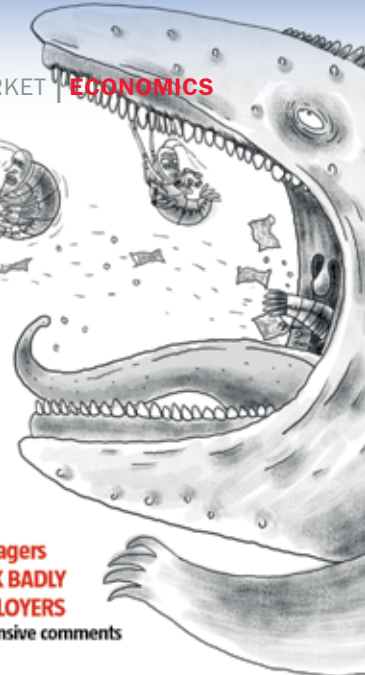
**POST-CRISIS RECOVERY WITHIN THREE YEARS**  
 41.2% fully recovered, 43.8% partially recovered

74.8% of those polled **FEAR A CRISIS**  
 48.2% of managers **ARE PREPARING FOR A CRISIS**  
 As of the end of October 2011



**VIRTUALLY ALL MANAGERS GOSSIP WITH THEIR COLLEAGUES**  
 53.6% of those polled think of gossip as commonplace; 42.7% as occasional  
 60.1% of survey participants say some of their colleagues distribute unconfirmed information;  
 23.6% think everyone spreads rumors. 23.3% of all managers mention lack of information as an  
 excuse for spreading rumors; 10.8% mention available free time as their excuse

**THE MOST POPULAR GOSSIP SUBJECTS**  
 Incompetent colleagues - 52.1%; private life - 32.08%; the brightest colleagues - 24.3%;  
 bosses - 19.1%.



**75.8% of managers DO NOT SPEAK BADLY OF THEIR EMPLOYERS**  
 22.9% leave offensive comments on the Internet

**39.5% OF MANAGERS WOULD NOT BEHAVE UNETHICALLY TO KEEP THEIR JOBS**

Note: 28.02% would unless their behavior harms others  
 16.4% would for revenge  
 12.91% do not know  
 2.5% would do anything to keep their job  
**66.6% of managers WOULD NOT BEHAVE UNETHICALLY for the sake of their career**  
 Note: 21.2% are ready to lie  
 8.5% would agree to intimate relations  
 8.2% would falsify documents  
 3.7% could replace their colleague

**TOP 10 CITIES BY INTENSITY OF JOB SEEKING**

As of April 2011

Average number of responses to a job opening

1	KYIV	35
2	DNIPROPETROVSK	19
3	DONETSK	9
4	KHARKIV	8
5	ZAPORIZHZHIA	6
6	LIVIV	6
7	ODESA	6
8	LUHANSK	5
9	LUTSK	5
10	MYKOLAYIV	5



**37.4% of managers DON'T WORK IN AREAS IN WHICH THEY HOLD A DEGREE**

(36.6% do and 25.7% of managers have jobs close to their degrees)

**37.8% of managers MENTIONED THEIR DIPLOMAS AT A JOB INTERVIEW.** 36.04% provided their diplomas for official registration at the work place; 25% were never asked about their degree; 22.7% of managers failed to get a job because of their degree.

**70.91% ARE READY TO GET A SECOND DEGREE**

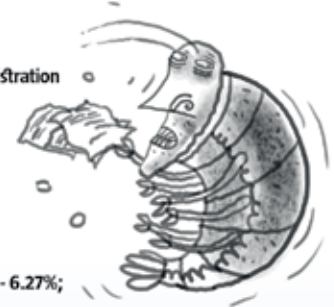
**54.5% WANT TO GET AN MBA OVER THE NEXT FIVE YEARS** and 25% of them are prepared to study in Europe.

Their motivations include:

gaining new skills - 39.9%      career prospects - 36.3%  
 higher salaries - 34.9%      status - 16.2%

**20% WOULD LIKE TO STUDY I.T.**

Interest in specific degrees: marketing and public relations - 10.03%; law - 7.96%; foreign languages - 7.81%; accounting and finance - 6.27%; HR - 5.94%. Over 99% of managers would never work as school teachers or insurance agents.



**IT specialists represent** the largest workforce deficit. According to hh.ua, five job openings were available for every C++ developer and two for every PHP developer in spring 2011. Ukrainian companies tend to outsource extra work to their branch offices in China, Indonesia and other Asian countries to cover the deficit. An average IT developer in Ukraine earns over UAH 12,000 per month. 44% of those working in Ukraine have no professional degree and describe themselves as self-educated. 85% have liked computers since early childhood while only 8% chose IT jobs for good wages and 7% do so because their parents insist on it. 50% describe the quality of IT education in Ukraine as average, nearly 33% as poor, and 17% as fairly good. 86% of candidates for IT, telecom, and Internet jobs are male. 79.4% of IT professionals read special literature in English and 88.6% have a college degree. 63.1% of Ukrainian software developers want to move to work abroad, compared to just 4.3% who completely oppose the idea. Potential migrants are motivated by the quality of life abroad (52.6%), social safety net (45.2%), high salaries (40%), and the opportunity to learn new skills (36.9%). IT professionals are most attracted to employment in Europe (33.4%) and the US (21.6%).



# Closing the Gap

Women have made huge progress in the workplace, but still get lower pay and far fewer top jobs than men. Barbara Beck asks why

**Author:**  
**Barbara Beck**

**W**hen Hilda Solis was at high school, a male career adviser told her mother that the girl was not college material; she should consider becoming a secretary. Hilda was furious. One of seven children born to working-class immigrant parents, she had high ambitions. She did go to college, became a lawmaker in California and is now secretary of labour, the first Latina to hold a cabinet post in America's federal government.

On Tarja Halonen's first day at work in the legal department of a trade union she answered the phone to a man who, hearing a female voice, asked to speak to one of the lawyers. She informed him that he was speaking to one. Things got better after that. Following her stint as a lawyer she served in Finland's parliament for over 20 years. Since 2000 she has been the country's president, the first female in the job.

Both these incidents happened in the 1970s. They would be much less likely today, partly because political correctness has made people more cautious (not least thanks to a series of high-profile sex-discrimination court cases) but mainly because attitudes really have changed. Josef Ackermann, the chief executive of Deutsche Bank, caused a storm earlier this year when he said that appointing women to the bank's executive board (which currently has none) would make it "prettier and more colourful". A German government minister, Ilse Aigner, advised Mr Ackermann to look for pretty and colourful things in a field of flowers or a museum.

There is a new drive on to change mindsets further. Organisations ranging from the United Nations to the OECD and the World Bank are paying more attention to women. Some European countries have already introduced quotas to get more of them on company boards and others may follow. Every self-respecting firm, bank, con-

sultancy and headhunter is launching initiatives, conducting studies and running conferences on how to make the most of female potential. Are these efforts still needed?

In many emerging markets women remain second-class citizens, lacking basic rights and suffering violence and many kinds of disadvantage. In the rich world most of the battles about legal and political rights have been won, and on the economic front too women have come a long way. It is easy to forget that even in developed countries they arrived in strength in the labour force only a few decades ago. Since 1970 the proportion of women of working age who have paid jobs across the rich world has risen from 48% to 64% (see chart). There are large variations from country to country: in parts of southern and eastern Europe only about half of them go out to work, whereas in most of the Nordic countries well over 70% have jobs, close to the figure for men. In America for a while early last year more women were working than men—until the recession caught up with them. But the broad trend in most countries is still slightly upwards.

Claudia Goldin, an economics professor at Harvard who has studied American women's employment history over the past century or so, calls the mass arrival of women in the workplace in the 1970s a "quiet revolution". Of course there have always been women who worked outside the home, but the numbers were much smaller. Until the 1920s working women were mostly young and single and had jobs in factories or as domestic servants that required little education. From the 1930s onwards many more girls went to high school and college and got jobs in offices where conditions were much more agreeable. In the 1950s large numbers of married women took up work as secretaries, teachers, nurses, social workers and so on, often part-time. By the 1970s their daughters, having watched their mothers go off

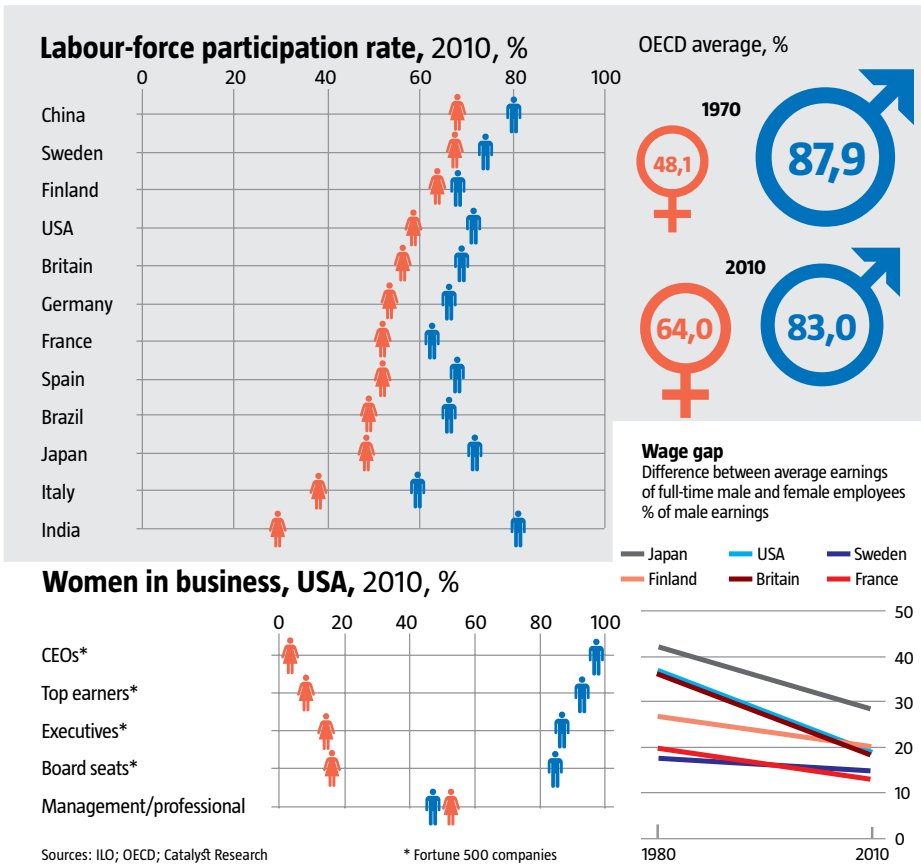
to work, took it for granted that they would do the same.

Many of them had also seen their parents get divorced, which made having an income of their own seem like a wise precaution. And they had the Pill, which for the first time in history provided them with reliable birth control. That allowed them to embark on a career first and leave marriage and children until later. It also made it worthwhile to invest more in their education. By 1980 American women were graduating from college in the same numbers as men and have since overtaken them by a significant margin. What happened in America was echoed, to a greater or lesser degree, in most other industrial countries. The dual-income couple was born.

This has been a great boon to all concerned. National economies benefited from the boost in growth provided by many extra workers acquired over a relatively short period without the trouble and expense of rearing them or the upheaval of importing them. Employers enjoyed a wider choice of employees who, despite equal-pay legislation, were often cheaper and more flexible than men. And women themselves gained the freedom to pursue a wide range of careers, financial independence and much greater control over their lives.

Back in the 1990s women in rich countries seemed to be heading towards a golden era. Now there is a palpable sense of frustration

These additional workers are spending money, paying taxes and making the economy go round. No wonder policymakers everywhere are trying to encourage even more women to take up paid work to boost output. A further reason to welcome them is that in many developed countries, as well as in China, falling birth rates have started to cause working populations to shrink and the number of elderly people to rise steeply, with ominous consequences for economies in general



almost any kind of career. If they wish (and can find a husband who will support them), they are still free to devote themselves to full-time child care and domestic duties—unlike men, who rarely have that choice. But these days most of them, for reasons ranging from money to the desire for self-fulfilment, want to work outside the home.

They have made great strides in all kinds of careers, but they still find it much harder than men to bag the most senior jobs. The picture is much the same everywhere: men and women fresh out of college or university are being recruited in roughly equal numbers; half-way up the ladder a lot of the women have already dropped out; and at the top there are hardly any left. The rate of attrition in the middle ranks has slowed a bit in recent years, but the most senior jobs remain almost exclusively male. Women make up just 3% of Fortune 500 CEOs.

And despite sheaves of equal-pay legislation, women get paid less than men for comparable work. That is partly because they often work in different fields, and many of them are part-timers with lower hourly rates. But even in identical jobs they earn slightly less than men from the beginning, and as time goes by the gap gets ever bigger. Across the OECD it now averages 18%. That is a lot less than what it was 40 years ago (see chart), but in recent years it has stopped narrowing.

Back in the 1990s women in rich countries seemed to be heading towards a golden era. They were continuing to move into the workforce in ever-increasing numbers, more opportunities were opening up for them and the pay gap with men was getting smaller. Now there is a palpable sense of frustration. Catching up with men, particularly at the top, seems to be taking much longer than expected. At the same time women in some of the richer emerging markets seem to be pushing ahead. In China the numbers in senior positions are rising across the board, and in India women are getting top jobs in the crucial IT industry.

This special report will explore the reasons why progress in the rich world seems to have stalled and what can be done about it. It will start by explaining what sort of work women do, and why that matters. ■

and pensions in particular. More working women could help offset the decline in the labour force.

**WOMENOMICS**

Perhaps surprisingly, there is little work on the macroeconomic effect of all the extra women who have entered the labour force over the past four decades, but McKinsey reckons that America's GDP is now about 25% higher than it would have been without them. Kevin Daly at Goldman Sachs, an investment bank, has calculated that eliminating the remaining gap between male and female employment rates could boost GDP in America by a total of 9%, in the euro zone by 13% and in Japan by as much as 16%. Since not even the equality-conscious Nordics have yet managed to get rid of the employment gap altogether, it seems unlikely that gains on this scale will be realised in the foreseeable future, if ever, but there is certainly scope for improvement in some rich countries and even more in emerging markets. In the BRICs and other fast-growing developing countries the gap is already narrowing.

Employers too have reason to be grateful for the boost to their la-

bour force from the extra women, not least because talented people are in short supply the world over. Since women make up half the talent pool (though their interests and preferences are often different from men's, of which more later), getting more of them into work should help alleviate the shortage, all the more so since there are now more university-educated women than men in most rich countries (and some emerging ones too).

A number of studies have shown that the presence of a critical mass of women in senior jobs is positively correlated with a company's performance and possibly with higher profits. None of them has demonstrated a causal link, but it is not implausible that companies will benefit from a more diverse workforce with a broader set of ideas. Many of their customers are probably female. In Europe and America women decide on 70-80% of all household purchases and strongly influence buying decisions even for items such as cars and computers that are generally seen as male preserves.

For women themselves it has been liberating to be able to choose

Eliminating the remaining gap between male and female employment rates could boost GDP in America by a total of **9%**, in the euro zone by **13%** and in Japan by as much as **16%**

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# Do the Russians Want War?

The government is consolidating the Russian nation to build up “the military power of the state”



PHOTO: UNIAN

**Author:**  
**Oleksandr**  
**Kramar**

**T**he prospect of US missile defense deployments in Europe has urged Russian President Medvedev to warn the West that Russian intercontinental ballistic missiles will be equipped with “modern offensive weapons systems, ensuring our ability to take out ... missile defense systems”. Moreover, Russia will discontinue the disarmament process and withdraw from the Strategic Arms Reduction Treaty (START-1). As a result, many observers now lament the “end of the reset” and propose the opening of discussions as to whether Russia can substantiate its bold statements with action and what all

this will mean for other countries, first and foremost, its neighbors.

Over 1994-2010, the share of military spending in the Russian budget shrank more than twofold from 28.2% to 12.5% while the 2010 global financial crisis forced the country to cut even nominal military expenditures. However, President Medvedev recently announced a significant increase in military spending in the nearest future, while parliament has already approved the relevant 2012 draft budget in the first reading.

The renewed priority of the military-industrial complex in the economy and the “surrounded fortress” rhetoric is completely in line

with Vladimir Putin’s nostalgia for the loss of the state as a result of what he considers to be the “greatest catastrophe of the 20th century”. Thus, it would be a reasonable component of the program for its revival.

The 2011 military budget was nearly USD 50bn (RUR 1.52trln), i.e. almost 1.5 times more than total expenditures on education, health care and utility service combined. In 2013, the total defense budget should, at the current rate, amount to USD 70bn, which is USD 500 per Russian. The government has promised the military a threefold salary raise as of 2012.

## IN PURSUIT OF ENEMIES

Due motivation of the nation by the government is required for a rapid increase in military expenditures. In Russia, the designation of an “external enemy” is on a high level. Over the past few years, it has been focusing on initiatives by its neighbors that seem more defensive than aggressive, such as the attempts of the Baltic States and Georgia to reinforce their security through integration with NATO and its program to build a system for protection against potential missile attacks.

Lately, Russian aircraft have flown much more often in Baltic airspace, each time escorted by NATO planes.

Georgia continues to be another irritant. The real purpose behind the Russian military assault against Georgia in 2008 and the establishment on its territory of the Abkhazia and South Ossetia “states”, recently recognized by Dmitri Medvedev, was to stop Georgia’s NATO integration. Any step Tbilisi takes towards Brussels is accompanied by hysterics on Russia’s part.

## THE POST-SOVIET FRONTLINE

In 2004, the Russian Defense Ministry started to revise its previous decisions regarding the future of Russian military units located abroad. Russia is no longer going to withdraw them. On the contrary, their number remains intact or declines marginally while the overall size of the military is shrinking. Moreover, they are reinforced with air battalions and other elite military units including precision-guided artillery, intelligence units and the like.

In 2010, the Kremlin managed to impose a deal to extend its military presence in Sevastopol, Ukraine, until 2042; currently it is negotiating the extension of Russian presence at the base in Gabala, Azerbaijan, until 2025 in exchange for Moscow’s support of the Nagorno-Karabakh issue, and is preparing to sign a contract to rent a military base in Tajikistan for 49 years. The integration of Russian and Kazakh missile defense systems is in full swing.

Since its August 2008 assault against Georgia, Russia has drawn its Collective Security Treaty Organization (CSTO) partners into a verbal confrontation with NATO.

The 2011 military budget was nearly

USD  
50bn

In 2013, the total defense budget should, amount to

USD  
70bn,  
which is  
USD 500  
per Russian

The declaration passed at the CSTO summit from September 5, 2008, supported “Russia’s proactive role in facilitating peace” in the CIS and called on “NATO states to take into account all the possible consequences of its expansion eastward and the dislocation of new missile defense facilities in territories bordering CSTO countries.” Six months later, on February 4, 2009, CSTO passed a resolution to create Collective Rapid Reaction Force (KSOR) to “repulse military aggression, conduct anti-terrorist operations”. All CSTO members had signed the treaty by October 20, 2009. The Central Asian regional force was the CSTO’s first combat brigade. Today, it is comprised of 10 battalions with nearly 4,000 troops, 10 planes and 14 helicopters at the Russian airbase in Kyrgyzstan. A specific feature of these units is the possibility, for example, to involve Belarussian and Armenian battalions in military operations far beyond their territories or national interests.

The powers of the CSTO are expanding, with the organization preparing amendments to its charter to move away from the consensus principle in the decision-making process. It is also a testing ground to find out how it can increase its membership with other countries, which are frustrated with NATO. On April 3, 2009, a CSTO Secretariat member said Iran could gain observer status in the future. This scenario is very possible, given the latest threats to review cooperation with Iran in response to the expansion of the missile defense system and the deepening of differences between the West and Teheran

## A COLOSSUS ON CLAY LEGS

Despite being in the top five armies, based on formal criteria, such as troops, numbering up to 1 mn, strategic assault weapons and space program, the Russian army is no longer able to dominate in the world, as it did during the Cold War.

An army’s combat capacity depends on the physical and psychological shape of its staff more than it does on weaponry. More than 200,000 potential troops avoided conscription, while the crime and suicide rate within the military continues to grow annually. Officers are now publicly showing

their frustration at unfulfilled promises. In 2002, Vladimir Putin made a public commitment, stating that the problem of housing for current officers and army veterans would be resolved by 2010, and reaffirmed it in 2007.

According to most experts, the reform launched by Defense Minister Anatoliy Serdiukov after the five-day war against Georgia in 2008 failed to solve most of the tasks set before it. On the contrary, mass layoffs in the army when 200,000 officers were fired and 140,000 warrant officers were forced to take early retirement, and the planned reduction of military academies from 70 to 10, led to strong opposition from members of the military, including the resignation of a number of top commanders.

It appears that the military-political confrontation with NATO is just a play to the gallery that the Kremlin is trying to use for the purpose of consolidating the nation around itself while fuelling the image of an “external enemy”, which is standard for the Russian collective mind. Yet, this strategy is hopeless. The experience of the Warsaw Pact, much more powerful and numerous compared to the Russia of today and the CSTO, showed its economic inability to oppose NATO. Yet, for Russia’s neighbors, Ukraine first and foremost, the former’s militarization programs implemented against the backdrop of stated revival ambitions (the establishment of a Eurasian Union “on the ruins of the USSR”) during Putin’s new term in office, will likely be a very realistic threat. The only way for Ukraine to protect itself from it, is by rejecting the illusionary non-aligned status and activating a course towards integration into the Euro-atlantic collective security system.

The Kremlin is clearly trying to solve yet another task through militarization. The purpose of increasing defense funding is to soothe the military, which is becoming ever more frustrated. Of late, this frustration has even been seen at the highest level of the General Staff. A conflict with the army is extremely dangerous for any dictatorship, particularly in a crisis where public frustration threatens to express itself in the form of open protests. ■

# MILITARIZATION THE AMBITIOUS ARMY

Russian military bases and facilities are located in virtually all CIS countries

## ① Ukraine

The **Russian Black Sea Fleet** is renting a base in Sevastopol, the term has been extended until 2042, as well as a series of other facilities. In all, close to 14,000 servicemen and over 30 warships and vessels are stationed here. Naval hospital No. 1472, anti aircraft guided missile regiment 1096, marine corps regiment 810 and arsenal 17 are also located in Sevastopol. The 12 Su-24M and Su-24MR supersonic aircrafts, an Antonov An-26 military transport aircraft, and 10 Ka-27 helicopters are based at the Kacha and Hvardiyske aerodromes. Vidradne village is host to the 219 radioelectronic warcraft regiment.

## ② Moldova

**Peacekeeping forces in Transnistria.** The largest arms depot in Europe is near Kovbasna, where the 14th Guards of the Soviet Army was located. 2,500 train cars would be needed to remove the weapons alone. In addition to weapons, the depot stores more than 100 tanks, nearly 50 APCs, more than 100 BTRs, over 200 air-aircraft guided missile systems, anti-tank guided missile launchers, "Grad" volley fire system units, artillery cannons, mortars, scout vehicles, nearly 35,000 vehicles, chassis, nearly 1,500 pieces of engineering equipment, 130 carriages of engineering supplies and 1,300 tons of engineering ammunition and 30,000 submachine guns, machine guns and guns. According to the 1999 OSCE Istanbul Declaration, Russia had to withdraw all its weapons and contingent from Transdnistria by 2001.

## ③ Belarus

**The Volga Radar Tracking System (Hancavichy).** Under contracts signed on January 6, 1995, all real estate and land plots required for the Volga system was rented to Russia for 25 years until 2020. Volga is part of the missile attack warning system. It was put on military alert on October 1, 2003. The system monitors missile launches in the North-Western area.

**43rd naval communications hub (Vileika)** provides ELF signals between Russian Navy headquarters and the nuclear submarines patrolling the Atlantic, Indian and part of the Pacific Oceans.

## ④ Armenia

The **Gyumri base** is host to nearly 5,000 servicemen. Set up in 1995, the base is on combat alert under the Joint CIS Air Defense System according to a 49-year long inter-state deal, which expires in 2044. Armenia does not charge Russia any fee. The base has a C-300 long-range air-to-surface missile system and Mig-29 jet fighter planes. In 2006-2007, the Headquarters of Russian Forces Group in the Transcaucasus was relocated to Gyumri from Georgia, along with some personnel and weapons, previously located in Georgia.

## ⑤ Georgia

In autumn 2007, Russia completed the withdrawal of its army from Russian military bases in Georgia, other than those in Abkhazia and South Ossetia but significantly increased its military presence on the territory of the two latter regions in 2008, the scale of which is unknown.

## ⑥ Azerbaijan

**Darial Radar Tracking System (Gabala)** is host to nearly 2,000 service personnel. The center is one of the eight top state-of-art missile attack warning systems in Russia. Its antenna range allows the military to cover areas for the potential launch of mobile medium-range missiles, determine their movement parameters and direction, and monitor spacecraft within the center's coverage area south of Russia.

## ⑦ Kazakhstan

Russia is renting the Baikonur Cosmodrome until 2050, the Sary Shagan anti-ballistic missile testing range, and other facilities covering a total area of 110,000 sq km. The rent fee is largely paid via barter, whereby Russia supplies Kazakhstan with weapons, upgrades its infrastructure and trains the military.



**THE EVOLUTION OF THE RUSSIAN MILITARY BUDGET**

Defense expenses, RUR bn



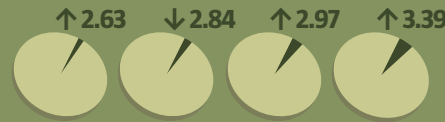
**DATA FOR COMPARISON**

Ukraine only spent UAH 9bn or 0.8% of GDP on defense in 2010 and UAH 13.6bn or nearly 1% of projected GDP in 2011

% of total spending



% of GDP



**THE RUSSIAN MILITARY**

150,000 officers    100,000 enlisted personnel    560,000 conscripts



The total number of troops designated by the Russian Federation is

**1,000,000**

**THE INCREASE IN THE ALLOCATION FOR SOME MILITARY EXPENDITURES IN THE 2011 BUDGET IS INDICATIVE OF RUSSIA'S OFFENSIVE PRIORITIES**

The military



Peacekeeping

**191.4** +43.8



Financial provision for military action

**166.6** +10.1



Nuclear weapons complex

**26.9** +43.8



Other national defense issues

**6.7** +44.8



Applied scientific research in the defense sector

**4.9** 0



Preparation for military action

**4.8** +17.8



Implementation of international treaties in the area of military and technical cooperation

**0.5** +5.8

Total military budget (RUR bn)

■ % by 2010

7 Kazakhstan

8 Uzbekistan

9 Kyrgyzstan

Tajikistan

**10 Tajikistan**

**201st Motor Rifle Division (Dushanbe, Kurgan Tube, Kulyab).**

The 201st military base is comprised of 5,500 personnel: three motor rifle units (the 92nd Dushanbe unit, 148th Kulyab unit and 191st Kurgan Tube unit), the 998th SP artillery regiment (Dushanbe) and the 1098th air defense regiment. The Tadjik capital also hosts the 670th air battalion with five Su-25 jets, while Kurgan Tube has a separate division of BM-21 Grad launchers which is shortly to see a significant reinforcement of its air component.

**The "Okno" optical-electronic complex ("Nurek" Electrooptical Node)**

is part of the space tracking station located 2,200 m above sea level in the Pamir Mountains. It is part of the Russian Space Forces. The complex detects and identifies space objects at a height of up to 40,000 km. It has been on test alert since July 18, 2002. In October 2004, an agreement was reached, whereby it was handed over to Russia, to cover Tajikistan's debt worth USD 242mn. Russia is renting the territory on which the complex is located for a period of 49 years.

**8 Uzbekistan**

**The Karshi-Khanabad Airbase**

in Qashqadaryo Province has been used by Russia since 2006 for rapid troop build-up and deployment in Central Asia.

**9 Kyrgyzstan**

**Kant Air Base.** In September 2003, Russia signed an agreement with Kyrgyzstan for the location of its air force unit in Kant, under the Collective Rapid Response Force of the Collective Security Treaty Organization.

**Marevo, the 338th naval communications hub (Prometheus Station)** provides ELF communication between Russian Navy headquarters and submarines on battle alert

# Invitation to Asiope

Russian politician and historian Yurii Afanasiev talks about the Russian System and the pressure it exerts on Ukraine



**Interviewer:**  
Olena Chekan

**Photos:**  
Andriy Lomakin

**Y**urii Afanasiev is a spin doctor behind the anti-communist movement in the USSR and a founder and co-leader of the Democratic Russia campaign. He is no longer in politics but continues to strongly and consistently expose the nature and the essence of Russian neo-totalitarianism.

## FROM CITIZENS TO SUBJECTS

**UW:** In your article “Qui prodest?” on the Kasparov.ru portal, you write that conciliation between Russia and Europe is impossible. Why is that?

– The reality in Russia clearly shows that there is no chance for conciliation or friendlier relations based on human values. There are no human values in what is going on here right now.

Life in Russia is currently shaped by neo-totalitarian trends. They are reflected in the economy, politics and finance. Essentially, we have reached a state, whereby a human being as an individual and a player who has proved to be totally unnecessary for Putin’s regime in the social system. Our government follows a different key principle,

which is to gain access to the country’s basic resources and profitable businesses destined only for the homeboys, while the rest only get the minimum necessary for survival and compensation for loyally serving this system. As a result, virtually all people of working age are locked in a social reservation of sorts. The ruling regime tries to keep them in such a state, to somehow protect and even keep them in this state of hopelessness, occasionally tossing them handouts, such as a miserable pension increase or pitiful welfare improvement.

This is how most of the Russian population lives. Thus, the game those in power play with material interests, looks bitter and insulting in a situation where most people barely survive. It looks like well-planned anti-humanism, which the government implements to eternally stay in power. Indeed, the Yeltsin-Putin government has been doing everything possible and impossible for the past 20 years to remove the competent public from free participation in economic, political and social life. This has been and continues to be done consistently, stubbornly and single-mindedly at all levels, in-

cluding legislative, executive and in the mass media, and even on the level of political and criminal actions, as well as corruption and raider attacks with the participation of top officials. Now that they have achieved their goal, they vie with each other endlessly in discussions on pension increases and focus on the social sector, simply to distract people from the lack of free competitive access to resources and politics.

**UW:** You often mention the “Russian System” in your articles? What do you mean by this?

– I mean the three components; the ruling system, the model of public and social life and world outlook. Together, they make up the “Russian System”. The term was coined by Russian historians Yurii Pivovarov and Andrey Fursov. I put the Ruling System first for a reason. This is not simply about an authoritarian government, it’s also about autocracy and absolutism. This is power as a thirsting will. It’s a unique phenomenon, a kind of absolute phenomenon. It’s more than authoritarianism or dictatorship.

The lifestyle is defined by one individual, even if symbolic, incar-



nating a mix of clans, that totally depresses the nation. Moreover, this individual kills all social variety that's natural for any normal developing society and eventually turns citizens into subjects. The government uses a short leash in the form of salaries and benefits to level everyone out.

World outlook embraces the entire system of myths, mystique and superstitions. They are essentially an irrational mirror of what is happening in the country, its mythology. All these components merge together to make the "Russian System".

**UW:** Despite the firm belief that what happened in August 1991 was a democratic revolution, you do not see it as such. You claim that it heralded the start of new Russian autocracy and the revival of totalitarianism which, to use your words, "is denoted as murders that will never be investigated to the end." How can you justify this standpoint?

– I was among the organizers back then, responsible for security. We had to make sure everything would go peacefully, with no bloodshed, because hundreds of thousands of protesters crowded the streets of downtown Moscow. The drama of those protests was their largely emotional, not rational basis. We failed to politically structure our high-minded feelings and ideas. As a result, the crowd, no matter how noble, remained just a motley crowd, united only by a common emotional impulse. No steps were taken to incarnate these sentiments politically.

It was not just the streets. There was the 'st congress of MPs and the Interregional Group chaired by Messrs. Sakharov, Popov, Palm, Yeltsin and myself. There was a report on the Molotov-Ribbentrop Pact, and a discussion on developments in Tbilisi, Vilnius and Alma-Ata. We addressed the issue of the very existence of the USSR. The crisis was looming and it was clearly manifested in the economy, politics and military clashes. At the same time, the Novo-Ogarevo Process<sup>1</sup> was in full swing, as republican leaders kept demanding something, while Gorbachev kept begging them to not tilt the status quo. He desperately wanted to preserve the Soviet Union as a union state, not as a union of sovereign states.

I'm not sure there was any chance of reforming the USSR sufficiently enough to turn it into a union of sovereign nations. Yet, as soon as an official decision to transform the unitary USSR into a federation took shape in Novo-Ogarevo, the Committee for State Emergencies started a coup. It was followed by the collapse of the USSR as a state, an economic and political entity. The essence of these developments was nothing but collapse and destruction. Later, they would essentially be heralded as the coming to power of



## A HUMAN BEING AS AN INDIVIDUAL AND A PLAYER HAS PROVED UNNECESSARY FOR PUTIN'S REGIME

the victors, led by Yeltsin. They were the ones who groundlessly labeled the events of that time as "a democratic and liberal revolution". Verbally, they turned it all into a historical transition from totalitarianism to democracy, from a controlled to a market economy, and the USSR to a national state.

This whole transit is merely a declaration. They passed a few laws and tried to do something else, but a closer look at the processes of that period shows that there was nothing liberal or democratic about them.

### BIO

**Yurii Afanasiev** is a Soviet and Russian politician, historian, Doctor of History and Professor.

He was born in the village of Mayna, Ulianov Oblast, in 1934. 1957 – graduates from the History Department at Moscow State University

1971 – completes postgraduate studies at the Academy of Sciences of the Communist Party Central Committee

1971, 1976 –internship at Sorbonne University, Paris

1972–1981 –Associate Professor at the World History Department, Deputy President for the Education Process at the Higher Party School of the Central Committee of the All-Union Leninist Young Communist League

1983–1986 – editor of the history department and member of the editorial board of the "Communist" magazine; Senior Research Assistant and Head of the foreign culture history sector at the Institute of World History of the USSR Academy of Sciences

1986–1991 –President of the Moscow State History and Archive Institute

1991–2006 – founder and president of the Russian State Humanitarian University

1989 – is elected MP in the USSR

1990–1992 – one of the founders and co-chairs of the Democratic Russia campaign. Initiates and leads the Independent Public Initiative group

1993 – resigns as Russian MP

Research focus: the history of historical science; French historiography; Russian history; theoretical and methodological basis of the history of science; political studies; philosophy of education: innovative education systems and technologies.

No matter how hard the supporters of Yeltsin, Gaidar and Chubais now try to prove that they did everything right, they don't succeed. Their actions led to what we have in Russia today, which is a quasi-market economy and an essentially totalitarian and violent lifestyle of Russians, who turned into subjects during the Yeltsin-Putin era. We've hidden ourselves in paternalism, in the ability to survive in a social space beyond morals, morality and human dignity, on the level of animal existence, on the line between life and death.

This is within the country. Beyond it, Russian imperialism contrasts with the whole world and our closest neighbors, particularly former soviet countries.

**UW:** In your articles you claim that Russia has neither a market economy nor private ownership as such. What about its oligarchs and Mr. Putin?

– Russia "supposedly" has private ownership. But this "supposedly" even pertains to oligarchs and top officials. An oligarch has become an obscure term here. Earlier, it described someone who had grabbed huge amounts of assets, real estate, capital goods and cash flow. Now, our top officials appear to have taken over this role. They have essentially taken over capital goods, cash flow and real estate. But they only have it as long as they are in office. For them, their position is the guarantee for their private ownership.

If they happen to lose their position for whatever reason, there is every possibility that they will lose their so-called property. And they know it! Here is where you see the soviet heritage: ownership remains intact for the duration of their functioning and being in office. This rule covers everyone, officials who can rent assets and people like Deripaska and Abramovich who don't officially hold office, but provide access to renting assets for others. They are always interconnected, one as a principal and the other as an agent, acting under a well-known broker-dealer model. This simple formula makes ownership somewhat surreal.

As for a market economy, it is not possible without three key components, i.e. ownership, rights and the individual. Many still claim that Russia has a market economy. But they refer to its elements that existed before slavery or feudalism was known. To a certain extent, the

market has existed always and everywhere, in all corners of the world.

**UW: You're tireless in uncovering the dogmatism of "systemic liberals" led by Yevgeniy Yasin who, in your opinion, back Putin's regime and describe the Russian Alternative conference, also known as the "Khodorkovsky Readings", as collaborationism. Why is this?**

– These "liberals", whom I've always criticized and continue to do so, are those people who came to power with Yeltsin and declared themselves to be "democrats" and winners, the founders of the Russian "liberal" line. To this day, they argue and defend this in the mass media. Currently, Chubais, Nechayev, Aven, Kokh and Yasin are giving a series of public lectures at the Polytechnic Museum. They are public activists who continue to spread illusions.

Meanwhile, Russian society is on the verge of polarization, the loss of moral priorities and physical extinction at this point. Convincing people that taking the course that brought the self-declared winners to power back in 1991 was the only possible and promising one, sounds more like a mockery of the entire nation. The notion of liberalism needs some whitewashing in Russia today: during the course of the implementation of the Yeltsin-Putin policy, so much dirt has been poured onto it, that has literally become a swearword.

I'm against "systemic liberals" since they keep arguing in all their books, public speeches, lectures and radio programs that Russia has a liberal economy, market, etc. Obviously, there was a minor failure in the tripartite mechanism of the transition from a controlled to a market economy, from totalitarianism to freedom and from empire to a national state. They claim that they've set up the market, so there is little left to be done. They say they had few opportunities when the USSR collapsed, since their hands were full with the economy, leaving them no time to take care of the other two components. In other words, they simply don't realize that the state of the economy or finance is the result of what is going on in people's minds. To no one's surprise, they are all economists, some of them lawyers, professionally obsessed with just one sector. But since specialists from a common weal cannot exist in principle, it fol-



lows that there is nobody in Russia who can think about key issues.

The "Khodorkovsky Readings", essentially the sequel of the "Liberal Mission", are one of their activities. You can hear a lot of fair judgment there, as well as a deep analysis and criticism of what's going on in the country. But they don't focus on Putin's regime as the



## OWNERSHIP REMAINS INTACT FOR THE DURATION OF FUNCTIONING AND BEING IN OFFICE

source of all evil in their reports, of all the nasty things we see in Russia today. That's the problem with the "Khodorkovsky Readings".

**UW: People rebelled against the government in Krasnodar, Novochoerkassk, Murom, Biysk and Aleksandrov in recent Russian and even Soviet history. But now, from what you say, there is the impression that society is "dying passively." Is it possible for this situation to change suddenly, could people start an uprising?**

– They might. In his latest article, Mikhail Khodorkovsky mentions this as an option. He believes

that Russia has passed the point of no return and an upheaval is looming. I completely agree with his analysis and conclusions, and wouldn't dispute the assumption of a looming upheaval, but I do have some doubts. For something like this to happen, people must have the will to do so. This should be common will rather than that of standalone individuals in regions and villages all over the country. Is it possible in Russia today? There have been some sparks, such as the efforts to protect the Khimki Forest near Moscow from being partially cleared in order for a highway to be built through it, which triggered public protests that turned violent in 2010, or the clash in Sagra, a village in the Sverdlov Oblast, where 10 local men armed with rifles defended their village from a gang of nearly 60 well-armed men in 15 cars that arrived for a "chat" after the locals kicked a drug dealer out of the village. Several similar episodes have occurred in different parts of the country. If you imagine Russia as a stagnant marsh, they were like small marsh fires, flickering here and there. In fact, even they are one of the manifestations of the carrion, the decay I mentioned earlier.

Russia is a huge country, too diverse from any perspective. My late friend Mikhail Gefter used to call it "the world of worlds." It's a world of very different worlds in terms of the differences in civilizations and time. These worlds have come together on one territory, yet they stay in their different eras. Some live in the pre-feudal era, others continue to follow the tribal way. There are also extremely advanced "islands", which have almost burst into post-industrial society. This overlapping of worlds, that have not yet found a common platform for joint action, lacks the will to make the surge and is not likely to do so anytime soon.

### BACK IN THE USSR

**UW: What do you think of the reviving imperialistic syndrome in Russia, which is clearly manifested in its relations with countries in FSU space?**

– It's one of the most dramatic and tragic faces of today. This tragedy was most clearly reflected in the recent conflict against Georgia. First aggression, followed by the occupation of part of Georgian territory, has led to the disintegration of the country. And the whole world was

watching. I think it was done for a very specific purpose, which was to show the EU and the US the real face of the Russian imperialistic syndrome. The message seemed to be: "You can like us and our democracy or not, but we'll unfold a fully-fledged war against a sovereign nation, we'll do it publicly, and there's nothing you can do about it". Which was what actually happened. Moreover, the West, represented by France's Nicolas Sarkozy participated in the imitation of some sort of diplomatic efforts and now is even proud of this "diplomacy."

The Georgian war was the most obvious fact. Another one is the continuous pressure on Europe and Ukraine in terms of gas and other issues. For instance, Nord Stream is there to show everyone, especially Ukraine, what Russia can do along with its Western partners: the first stretch is ready and the second is under construction. Thus, Ukraine's share of gas transit will shrink significantly. The gas crisis that arises every winter is essentially all about the desire of "corporate Russia" to take over Ukraine's gas transit system. They never give up bargaining: "You want cheap gas, okay, you'll have it but there is a price. Just gives us your gas infrastructure, that's all."

The Eurasian Union with Belarus, Kazakhstan and Russia is Putin's latest statehood song. Implicitly, though, the Kremlin's moves have a clear goal: Ukraine. What kind of customs union, or any union at all, can be possible without Ukraine? And it is not viewed merely as an economic entity; it's part of geopolitics that involves the Customs Union followed by the common economic zone, a regional financial structure and ultimately – a political union. This outlines Russia's strategy for reintegration into the FSU, now entitled the "Eurasian Union". Both Nursultan Nazarbayev and Vladimir Putin have declared this. This implies that Russia wants a union of its own, since the world already has a liberal democracy called the European Union, only the Eurasian one will follow a different philosophy. Sadly, though, what they are actually designing for us is Asiope as opposed to Eurasia.

If only Belarus and Kazakhstan join Russian in the Eurasian Union, the post-soviet reality will be based on Belarusian dictatorship, Kazakh sultanate and Russian totalitarianism. This is the essence of the intended

"eurasianism". Unlike them, Ukraine seems to follow a different line however difficult it may be to overcome its own obstacles and controversies. In this sense, Ukraine is still making its civilization choice. Take Ukraine and Russia in a long-term retrospective: they always had clearly different social systems. Ukraine had praised and practiced popular assemblies during the pre-Golden Horde era, especially in the Kingdom of Galicia-Volhynia (1199-1349). A different social order, based on authoritarian priorities, also developed in the 12th century. It started under Prince Andrei Bogolyubsky and developed all the way from the Vladimir-Suzdal Princedom through the Golden Horde, Muscovy and Russia to take its final form in the 15th century under Ivan the Great.

I think the civilization choice is responsible for the biggest conflicts in domestic, regional and foreign policy with Russia and Europe for modern Ukraine. I'd like to see Ukraine make the choice based on human values.

**UW: Can the determination of the Ukrainian government to design a power hierarchy similar to Putin's turn Ukrainians from citizens into subjects, as was the case in Russia?**

I'm very hopeful about Ukraine and I do my best to learn more about it and understand what's going on here. Perhaps, some doubts about the ideals of the Orange Revolution and adherence to its priorities emerge at this point, but its most important achievement was the real opportunity to replace the government. Elections are the key institution that allows the electorate to show its choice as citizens, not subjects. It's real. Perhaps, it's in a different form and weaker than it could be, but Ukraine has a separation of the three branches of power and debate on crucial political issues. Also, there is a big difference in the mass media, especially television. In other words, the qualitative and essential differences between the situation in Russia and Ukraine remain. ■

**AWARDS**

The Legion of Honor (France)

Commander of the Order of Gediminas, the Great Duke of Lithuania (Lithuania)

Commander of the Polar Star Order, category 1 (Sweden)

Officer of the Order of Merit of the Republic of Poland (Poland)

The January 13th Commemorative Medal (Lithuania)

**MOST KNOWN WORKS**

History vs. Eclectics: the French Annales School in Modern Bourgeois Historiography, 1980

The Other War: 1939-1945 (edited

by Y. Afanasiev), Russian State Humanitarian University, 1996

Dangerous Russia, 2001

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# Cities of the future



## Culture and creativeness are the key factors in city development

**Author:**  
**Chris Murray,**  
**UK**

**C**ities, and the way we make and manage them, have arguably never been more important in human history. What is certain is that getting cities right is vital to man-kind's future prosperity and well-being. This article briefly explores the unique role of the city in our social and economic futures, and how we can make them fit our changing needs, rather than being dominated by our own creations.

Where we live has profound consequences for every aspect of our physical, emotional and economic existence. In the words of Winston Churchill, 'first we shape

our buildings, but thereafter, they shape us', and the same is true of cities. Cities are also the places that drive national and international economies. Look at the economic 'heat map' of any developed country and you will see the majority of its economic output radiating from a small land mass of urban centres. Businesses locate and stay in cities because of the critical mass of assets, skills and infrastructure they offer, as well as access to other people and their ideas. Highly skilled workers, particularly from knowledge and innovation based industries, do not want to locate in places

that are dysfunctional or low quality. Therefore a high quality urban fabric is fundamental to economic success.

50% of the world's population now live in a city for the first time in human history and in 40 years it will be approaching 80%. In the future city-to-city migration and internal city growth will mean that there will be winners and losers, some cities will grow and others shrink. New 'megacities' will develop in many parts of the world, some with populations the size of countries (Tokyo's population the same as Canada). But these giant cities will not be the

only game in town. Some smaller, i.e. not capital, cities will still be very competitive and pleasant places to live. Highly mobile knowledge-led business and the 'creatives' that drive them want to locate in places that offer a certain set of assets, but that also deliver a high quality of life and environment. These quality factors will increasingly become decisive in this struggle for city supremacy, therefore culture and creativity are likely to occupy a central position in creating and maintaining the successful cities of the future.

There are two big opportunities for small to medium sized cities. The first is to make themselves really liveable, pleasant places to be, going beyond the physical appearance and feel of a city.

The second is for national governments to pass more responsibility to city governments to enable these things to happen, to make best use of scarce resources and get solutions closer to the problem. Where this has happened, the evidence suggests places have become more competitive, but there are other reasons for making this shift. Economically, nations do of course compete, but in reality it is their cities that are on the front line of that competition, who stand to win or lose most directly. It is time for national governments to see their cities as at least equal partners who are best incentivised through freedoms, rather than as chess pieces in a national economic game.

Culture, in its broadest sense as 'way of life' activities is essential to defining and delivering these changes. Richard Florida (2003) has demonstrated a direct correlation in cities between economic success and tolerance, diversity and openness. Highly skilled creative workers are at the centre of wealth producing knowledge industries, and these people are very mobile, they can locate almost anywhere. But they choose to locate in places that suit their values, beliefs and lifestyle, and also like access to a wide range of cultural facilities and experiences, to have a quality built environment; in short, a high quality of life and of place.

The growth in knowledge-based industries in Europe and other developed countries has accelerated and outperformed other sectors. Although not the sole

foundation of future urban economic growth, it is a critical make or break factor for cities.

Culture, and putting creativity at the heart of the city's development have become key factors in a global urban marketplace competing for high value industry. The city, its identity and brand also has to be promoted and interpreted to the world and some of the best place marketing initiatives have been culturally focussed.

There is however a problem with the way in which creativity has sometimes been understood and applied in the urban context. Iconic, grand projects have been seen as the solution, rather than the evolution of more natural and longer term creativity at every level within the city. Iconic architecture and other projects certainly have their place, but are most successful when built upon a broader foundation of regeneration and creativity. The Guggenheim gallery in Bilbao was based on a decade of solid regeneration activity, and Anthony Gormley's 'Angel of the North' sculpture in Gateshead, UK, although meeting with controversy, reflected years of creatively focused activity.

Based on such early examples, culture has increasingly played a role in city development in both the UK and Europe, exemplified by the 'Cities of Culture' programmes. Therefore although still regularly questioned by the media, investment in culture and creativity has become relatively mainstream, but it is essential to distinguish between superficial creative hype and properly embedded creativity which applies creative thinking as a commitment to the long term future and prosperity of a place. Genuinely iconic projects should be the product of a city's embedded creativity, rather than the odd creative spike on an otherwise level graph of urban monotony.

This happens best when we define creativity generously, helping many voices to be heard. Too often, cities are still seen mechanistically, as broken machines, problems that need to be fixed, rather than viewed organically, as complex, adaptive, living cultural systems that can be nurtured and can themselves provide solutions.

This perspective can help in integrating urban policies and in putting people and their ways of

living at the heart of urban improvement. As well as enriching the urban experience directly with their products, culture and creativity are therefore crucially also a part of the processes of urban development.

One of the myths of creativity is that it is the preserve of mysteriously clever individuals working in splendid isolation. Clever people are important, but they do best in a creative milieu, which is why people still want to live in cities in a digital age, to interact. We should also nurture the creativity that is rooted in the daily grit and reality of our cities. Building on strong roots, the ultimate success of cities depends perhaps not just on their ability to compete with each other, but on their appetite and skills to collaborate with their immediate hinterland, with adjacent towns and cities and in specialist networks across the globe. Such complex degrees of practical and political partnership require cre-

50%

of the world's population now live in a city for the first time in human history...



## PEOPLE STILL WANT TO LIVE IN CITIES IN A DIGITAL AGE, TO INTERACT

ative pragmatism and the capacity to think beyond short-term gain. It has to be kept in mind that creativity is not the preserve of any one sector or just those acknowledged as 'creatives'. It is as present in local politics, community development, economics and business as it is anywhere else.

Cities are here to stay. Our cities reflect us, their creators and inhabitants, and perhaps our own psychological make up, for better or worse. Is it conceivable that, as well as the city that we create consciously, alongside or beneath it we somehow unintentionally create an unconscious version, which contains our hopes, but also our darkest fears? That is perhaps too poetic, but what it is possible to say with some certainty, is that the way in which cities and their neighbourhoods are designed, built, managed and then interconnected (or not) has a profound and lasting physical and psychological, social and economic impact. By working together, across cities and nations, we all increase our chances of future success. ■

...and in 40 years it will be approaching 80%

# The Portraits of Ukrainian Cities

Urban Ukraine resembles an impressionistic painting – blurry at a close look, yet unique and vibrant from a more distant perspective

**Author:**  
**Maksym Karpovets**

**U**rbanization is always more than just filling space with new buildings and roads. The way towns emerge and develop reflects the internal hidden processes of a national culture or, more precisely, a specific community. When thinking of a city, the average mind pictures an American metropolis, cozy European towns and overcrowded Japanese streets, while the image of a Ukrainian city is extremely obscure. So, what kind of a city is it?

A closer look reveals a cocktail of styles, shapes, structures and human lives. Some people are willing to spend an hour waiting in line for a bus in winter to ensure that they will be seated as opposed to standing during their 40-minute ride home. Women manage to run on ice-covered streets, wearing stilettos and talking on the phone. A Ukrainian city is all about its people who intentionally or unintentionally create their own routes, which sometimes have no rhyme or reason are paradoxical, yet always exciting.

A mix of different cultures and social layers makes it hard for foreign tourists to make sense of a Ukrainian city. Even if the biggest cities from the four corners of the country were merged into one, the resulting metropolis would present a somewhat uneven picture that could fall apart in a heartbeat. There doesn't appear to be anything complicated about them: just follow the metro line, leave tips in restaurants and avoid dark streets. After all, this is the code of conduct in all urban jungles, which is why Ukrainian cities cannot rock this globalization harmony.

Those involved in urban research often say that there is no such thing as an East European city, let alone a Ukrainian one.

This comes from the notion of a “proper” city, instilled deeply in people’s minds, that looks like a West-European or US one. This is reasonable since urban studies always concentrated on such major cities as Chicago, L.A. or New York, so the “right to be a city” ultimately belongs to our colleagues across the pond. This monopoly in urban studies could not but affect the European vision as much as the Ukrainian one, which is still in the embryonic stage. Sergei

Smirnov, a Russian philosopher and anthropologist, says any discussion of Russian cities with urban experts that are carriers of Western cultures and stereotypes inevitably leads to a misunderstanding. Russia cannot possibly have a Western city just like the West cannot have a Russian one. The same is true for Ukrainian cities that have not yet fully left the post-soviet space.

Another reason why a Ukrainian city has no unique portrait of



itself is the dominant rural culture in the nation. As soon as the city distinguishes its world from agrarian values and rids itself of everything “rural”, which in the urban consciousness is associated with something backward, second-rate and barbarian, only then will it attain its own identity. Yet, this conflict is symbolic rather than real. Cities would inevitably die out without rural resources. Therefore, realizing its dependence of villages, the urban world will never fully abandon rural culture. This is particularly important for Ukraine, since many of its cities grew up around villages and hamlets, while most people migrated to cities from the provinces. One of the facts that prove the strong presence of a rural component in urban life is the dacha, a seasonal home outside the city, owned by most city dwellers, where they relax from big city chaos and stress, and enjoy their gardening. People involved in the artstend to spend more and more

time in the country. Some even stay there permanently and create communities away from “city” pressure.

Towns play a unique role on the urban map. They are free of the stressful turmoil that fills big cities at literally every step. No-one ever hurries in towns, but at the same time, they keep up with civilization trends. The fact that some of the



## TOWNS PLAY A UNIQUE ROLE ON THE URBAN MAP. THEY ARE FREE OF THE STRESSFUL TURMOIL AND KEEP UP WITH CIVILIZATION TRENDS

benefits of big city progress sometimes reach towns a little later is a different matter. Still, towns are not cities for the simple reason that they are closely tied to the village, after all, the latter is always connected by routes and workers, the genetic and historic routes to the

socio-cultural spact of the town . In fact, towns are the bridge between the country and the big city, between nature and human civilization. Take Kamianets-Podilsky, for instance. It reflects a clear understanding of urban values yet will never go beyond its historic and physical walls.

The essential problem with constructing a Ukrainian city is its complicity in the soviet context. This leads to an inevitable clash of old and new codes of conduct that mutate into something new. People have a hard time quitting old habits, although they have not yet developed new ones. The monuments to communist leaders, old trolleybuses, plastic flowers in vases and shabby old wall carpets are but a fragment of the previous era that is still vibrant in cities, towns and villages that are supposed to nurture authentic Ukrainian culture. The soviet curtain is no longer here yet the mindset remains unchanged, amidst endless shopping malls, state-of-the-art stadiums and abstract glass constructions.

Thus, cities have never been, nor will they ever be a complex of modern buildings. A city is always a special spiritual unity of people. Ukrainian city dwellers unite around different spiritual elements. The older generation feels nostalgic for the Kyiv of the 70-s as they look at a totally different Kyiv today. On the other hand, the young people of Kharkiv feel as if they live in a modern city amidst the crowded remnants of the past. All this gives us the wildly eclectic Kyiv, the detached industrial cities of Eastern and Southern Ukraine, as well as Chernivtsi and Uzhhorod, made to look like your average old European city. Every city has its own unique spirit and background. This does not take into account the thousands of small towns which also have their own face. After all, we still have the portraits of Kyiv, Odesa or Lviv, shaped by global history and local everyday stories, artistic-aesthetic programs, political twists and turns and mythology. Therefore, it is entirely possible that the identity of a Ukrainian city is noticeable from a distance. Sometimes, though, it is necessary to distance yourself from it to fully appreciate it. ■



PHOTO: ANDRIY LOMAKIN

# Give It Away



Ukrainians  
“prepay” coffee and  
“liberate” books

**Author:**  
Anna Kalenska

**Photo:**  
Košiantyn  
Smolianinov

**A** rich man once bought 250 bikes and scattered them around Paris for people to pick up, get to their destinations, and then leave for others to use. Today, the resource sharing movement has gone global. Drinks, food, clothes, lodging, books, postcards and countless other items are all subject to free exchange.

## CHARITY CAFÉS

The “Give if you can, take if you want” movement has been spreading across Ukraine at an exciting rate. Ukrainians are encouraged to share kindness and warmth with their neighbors, and the coffee cup has become the embodiment of things nice and warm. Now we can treat others to “prepaid” coffee.

This tradition, known in Italian as *caffè sospeso* or “suspended coffee” was first described by French writer Tonino Benacquista in his novel *Malavita*: “While vacationing in Naples, I heard about an ancient custom that was still honored by some of the bistro owners: customers would often fish loose change from their pockets and buy two cups of coffee, drinking only one. The bartender would then mark the second coffee as reserved for a visiting beggar.” This idea “blew up” on social networks after being posted by a blogger. In late November, Kharkiv-based journalist Zurab Alasania shared the idea with the owners of the Shoti café in Kharkiv and became the first person to “prepay” a

cup of coffee in Ukraine. That same day, 1,300 km away in Uzhgorod, another café owner decided to join the cause.

Concurrently, designer Serhiy Mishakin created a logo – two overlapping hands with the overlapping area in the shape of a green leaf. The Italian tradition acquired a new name in Ukraine – “open hands.” Now anyone can join the project in a matter of minutes: simply download two signs, print them out, paste one on the door and the other on the counter and explain the whole thing to the staff and clients. The Tiramisu café in Uzhgorod had the sign on its door the next morning. The staff put a board on the wall to which magnets were to be attached to mark coffee, tea and cakes that were available for free. One can simply glance at the board and ask for a tea to be taken off. Waitress Diana Pitkoviak says that not many drinks were put on the board in the first days. Now they have more visitors, and it’s common to have five coffees, two teas and two cakes on the board by midday. “Students and pensioners are mostly the ones that ask to take the freebies off the board,” she says. The homeless also drop in, but the owner does not see it as a problem, because drinks and food can be served in disposable cups and dishes to be taken away.

The Medelin coffee shop in Lviv (see photo) joined the project after Kharkiv and Uzhgorod. “We announced the launch of this service

on our Facebook page. There was a person with a notebook sitting in our coffee shop who read the information and immediately came up and put up a coffee,” says the owner, Sviatoslav Stets.

This can now be done in Kyiv, Donetsk, Odesa, Yalta and Bilhorod-Dnistrovsky as well. New cafés join the movement almost every day, and each claims the campaign elicits slight euphoria among their clients. However, the owner of the Lviv café is sure that things will smooth out over time and several drinks will be “prepaid” every day.

Psychologist Hanna Boichenko believes that not all Ukrainians truly understand why they are joining the movement. “Historically, we first join something and then ask ourselves why we need it. In Soviet times, people would get in lines [in stores] in this fashion: they did not know what was on sale, but they did it anyway,” she explains. The Italian origin of this tradition flatters people, enabling them to feel European. Furthermore, we all think of ourselves as good and kind, but in ordinary life, few take the time to express their humanity through concrete deeds. “Charitable activity requires time, money and a certain degree of self-sacrifice. In contrast to this, ‘prepaying’ a coffee is simple, quick and cheap, and requires no other commitments. The fact that it’s done anonymously encourages participation. Moreover, there is also an egoistic satisfaction: I’m do-



ing a good thing, so I'm a good person," Boichenko argues. She also believes that this process is more useful and satisfying for the person sharing than it is for the one receiving a free coffee.

### COUCH SEEKERS

Is it possible to feel you are an invited guest if you're traveling to a foreign country for the first time? Yes, that is, if you're a "couch surfer." The practice of couch surfing began back in 1947. An international organization, Sevas, was set up for those who wanted to welcome travelers at their homes. Instead of booking a hotel room, couch surfers spend nights in the homes of locals – on couches, mattresses, or on the floor—whichever is made available to them. There are many websites today where one can register and find a host in any country of the world or welcome foreign guests at one's own home. Anna Bodrova, a Sevastopol resident, could earn a pretty penny putting up tourists at her flat. However, as a true couch surfer, she does so absolutely free of charge. Since the spring of 2011, she has had around 10 guests from Argentina, Armenia, Canada, the USA, Poland, Russia, Ukraine, Austria and France. She says her experience has been positive. "I gave a separate room to all guests, as well as keys. I let them use the kitchen and the Internet and do not set any curfews. I'm interested in their life experience and stories about the cities and countries they have been to or traveled through. And of course, I like exchanging culinary traditions and practicing languages. I have to say that my English has greatly improved," Anna says.

### GIVING OBJECTS A NEW LEASE ON LIFE

Not only people but also their possessions are traveling across the world. Originating in Britain, "dresscrossing" is an organized way to exchange clothing. In Ukraine, the first dresscrossing session took place in March 2011. According to the rules, items of clothing that are exchanged this way should be in good condition, clean and ironed. Participants pay a membership fee of UAH 50 and must exchange only seasonal clothes – shorts in summer and coats and warm caps in winter. There is a website for Ukrainian dresscrossing, and exchanges are ar-

ranged in clothing stores, coffee shops and via social networks.

Mariana Suchok, a Zhytomyr resident, has been doing something slightly different – giving her clothes away to strangers. The website for the DaruDar project lets users give or accept any kind of gift item – from dresses to rolls of wallpaper. "The most important thing is not the pursuit of new outfits, but rather the joy you experience in seeing your old things get a new lease on life," Mariana says.

### BOOKS SET FREE

Bookcrossing intends to make the whole world a library. Its motto is "If you love your book, set it free." After finishing a book, a bookcrossover leaves it in a public place—from bus stops to park benches. In 2001, American Ron Hornbaker left 20 books in the hallway of his hotel. Six months later, 300 activists were registered on his website for having "released" their books into the wild. Four years later, the idea was picked up in Ukraine. The best-known hotpots in Kyiv are the Ye and Smoloskyp bookstores, and the Babuin coffee shop is joining in. Ivano-Frankivsk and Uzhgorod are also coming along, as they arrange "live" bookcrossover gatherings. Bookstores in these cities encourage readers to "release" books they have read, because books only live when they "travel."

### A POSTCARD ON THE MOVE

Postcrossing, a project to exchange postcards, was inspired by

bookcrossing. Look at it as a kind of nostalgia for the days when letters were handwritten and eagerly expected. A simple click of the "Send postcard" button on postcrossing.com, and the system will pick a random addressee. You receive his or her profile and address and your postcard is assigned a unique ID. All you have to do now is write all of this on an envelope and send it to the stranger. The official postcrossing site now has 7,411 registered participants from Ukraine. Student Olha Tkach learned about the project from a friend of hers and was immediately won over by the idea of contacting people who live thousands of kilometers away. She sent out postcards to 27 countries, received them from 32 and made friends with people in China, Ireland and Japan.

Information spreads across today's world with a single click, and new projects are born almost every day. They may, however, disappear just as quickly. Trading has long been practiced by society but was driven by materialistic motivations. In contrast, contemporary exchange projects are geared toward fulfilling people's spiritual and emotional needs. Despite the superficial similarity of these concepts, the essence and motives for their existence are different. However, they have one thing in common: people have discovered a way to have everything in the world and, at the same time, nothing that they would regret losing. ■

CHECKS FOR THE THIRSTY. Anyone can ask to claim a "prepaid" drink from the board





# Men of the Crowd

How *Homo Sovieticus* was created

**Author:**  
**Serhiy**  
**Hrabovsky**

**A** bright future, happiness and welfare for all mankind – the Bolshevik party would settle for nothing less, leading nations to this programmatic goal with an iron fist. At the same time, this bright future had to come as an immediate consequence of mass terror, denunciations, looting and disdainful attitudes toward human morals and cultural riches for which “the revolutionary proletariat had no need.”

The dialectical unity of these two foundations of Bolshevism was successfully implemented in practice. “Steal what has been stolen!” Vladimir Ulianov-Lenin incited his followers. Shortly afterward, once they had finished off the “residual bourgeois and kulaks,” they eagerly began stripping their own Bolshevik colleagues of extra possessions. “Proletarian coercion in all its forms, from executions by shooting to mandatory labor, is a way of crafting

communist mankind out of the human material of the capitalist era,” wrote Nikolai Bukharin, a leading theoretician of Bolshevism. Less than two decades later, in strict accordance with this formula, he was taken to the shooting cellar along with millions of others, to the thunderous ovation of the working people. “Life has become better, comrades. Life has become merrier,” Joseph Stalin famously said, and ordered the NKVD leadership to



prepare for the Great Purge in the party and the Army. The people enthusiastically approved of “the wise measures taken by the party and government.” Writers demanded that “mad dogs be shown no mercy.” Children renounced their parents, and wives their husbands. There were, no doubt, exceptions, but they disappeared in concentration camps. “Compassion humiliates man,” Maxim Gorky, the great proletarian writer, taught in his infinite wisdom. His teaching was so successful that even 40 odd years after the Great Purge, most highbrow intellectuals were still in the habit of crossing the street when they encountered a former colleague who had been fired for being “politically unreliable” or ran into family members of political prisoners.

But beyond the obverse political face of “unity between the party and the people” lay a sinister side. The nomenklatura, from the very top to the very bottom, embezzled “the property of the people” and enjoyed the enthusiastic support of the masses in doing so. They stole during Stalin’s reign – first through famine, then out of principle, and later for the continual improvement of their welfare. Thieves who stole everything they could get their hands on from plants and collective farms were gently called *nesuny* (pilferers, literally ‘carriers’) by the state newspaper *Pravda*. Those who took more than their rank entitled them to were punished. One case in point was USSR Supreme Council Presidium Secretary Mikhail Georgadze – in November 1982, 6 billion rubles were found in his possession and confiscated. After he committed suicide, however, he was buried at the prestigious Novodevichy Cemetery in Moscow, and the case was never made public because he had taken bribes to have matters resolved by “dear Leonid Illich” Brezhnev. There is good reason that many are nostalgic for those times of universal corruption: “The communists stole, and they let us steal, too.”

However, responsibility for bringing out the worst human qualities and semi-animal instincts among the masses does not entirely rest with the Bolsheviks. In this respect Lenin, Bukharin, Stalin and company were faithful followers of the two bearded founders of the “proletarian teaching.”

### A “KINGDOM OF FREEDOM” ON A FOUNDATION OF TERROR

More than 150 years ago, a young Karl Marx elaborated a theory of a universal fair society based on spiritual freedom, material welfare and high culture. In doing so, he relied on Hegel’s idea of historical necessity. However, standing in the way of this kingdom of freedom, or communism, was, according to Marx,

## TOTALITARIAN IDEOLOGY OF COMMUNISM, EVEN AT THE POINT OF ITS ORIGIN, INCLUDED TERROR

the capitalist system that dominated Western Europe at the time. The main factor preventing the creation of this happy society was the preva-

lence of private property—particularly the means of production, while the majority of those who created material and spiritual goods were, so to speak, left out of their distribution and consumption. Thus, it was necessary to destroy private property by way of a violent, bloody revolution and “expropriate the expropriators,” thus transitioning to a kingdom of freedom where the creative human essence would be fully realized. It was during the bloody revolution that society was supposed to be reborn and cleansed. The engine of these transformations and the only “correct” social class was the industrial proletariat, the most uneducated and oppressed part of society which, following Marx’s reasoning, was the inheritor of all classic culture of humankind, its arts, philosophy and technology. Other classes had to disappear in the whirlwind of the revolution, although Marx did not specify how.

A number of interesting specifics of such changes were included in a detailed pamphlet describing the principles of communism penned by Marx’s alter ego, Friedrich Engels. This became the Communist Manifesto, which detailed a wide range of issues, from political terror to setting up concentration camps, dubbed “special guarded places.” The goal of all these actions was specified very clearly: “to concentrate increasingly in the hands of the state all capital, all agriculture, all transport, all trade.” This concentration is totalitarianism perfected. In this respect, the Russian Marxists were faithful and consistent followers of Marx and Engels.

They were also the disciples of these two men in another respect. Engels widely used the concept of counterrevolutionary nations. He wrote in the newspaper *Neue Rheinische Zeitung* published by Marx: “Among all the great and small nations of Austria, only three have the engines of progress, have actively influenced historical progress and still retained their vitality: the Germans, Poles and Hungarians. That is why they are now revolutionary. All other great and small ethnicities and peoples are to die in the near future in the whirlwind of the world revolution. Therefore, they are now counterrevolutionary.” Thus, not only the bourgeoisie was supposed to disappear in the revolution.

In other words, the totalitarian ideology of communism, even at

the point of its origin, included both terror based on social criteria (against “any classes”) and terror based on a purely national criterion (against “counterrevolutionary nations”). These components in their interrelation were perfected by the Bolsheviks and implemented in social practice in the entire territory they controlled. Is it possible to carry out mass terror, execution without trial, and investigation and confiscation of property (from pants to plants and factories) from tens of millions of people without utilizing and inciting the most brutal instincts of the masses? Is this possible unless the “expropriators” (who quite possibly began their activities in keeping with their ideals) are turned into simple robbers who put their minds, honor and conscience at the complete disposal of the central party committee? The course of historical events played into the hands of social experimenters by aiding in their primary task – changing the very essence of the human mass.

### A CENTURY OF THE CROWD

When Marx wrote about the proletariat’s actions in all countries and their eventual union, he was thinking in Hegel’s speculative categories. However, the collective social and national subject became an empirical reality in the 20th century. Information necessary for its survival began to circulate “internally” via technical means at the speed of light, thus almost instantaneously. Human masses scattered across space began to act in sync, whether pertaining to war offensives, opposition party rallies, stage shows featuring famous actors before gullible audiences, or production cycles on huge assembly lines. It was for good reason that, on the night of October 25, 1917, Lenin demanded that participants of the coup seize, above all, “the post, the telegraph and the telephone,” as well as Russia’s most powerful Tsarskoselskaya Radio Station. Without these technical means, whose value was not appreciated by the democrats or conservatives at the time, absolute power and the absolute propaganda upon which it relied were impossible. Propaganda would spread via simultaneous ideological brainwashing of the human masses, no matter their size. The government needed only to con-



**TAKEN HOSTAGE BY THE IDEA.** Peasants were forced to exalt their executioners that were taking away all their property and food

nect the necessary region to the telegraph and install radio transmitters there, which is what the USSR did a while later: radio loudspeakers in the form of large dishes were installed in streets and apartments, and there was no hiding from them. Gigantic industrial complexes and megacities where millions of people were concentrated and lived according to one rhythm helped unify not only hired workers but also managers, transforming them into a crowd.

The First World War, which broke out in 1914, marked the devaluation of individual life as means of mass destruction were created and employed. Aggravating the situation was the emergence of forces of powerful political repression and means of communication that were easily

sociocultural norm for many people, who for various reasons found themselves on the brink of national disaster. The inability to be one’s own self in conditions of overwhelming upheaval leads to an “escape from freedom” (Erich Fromm). Only that which coincides with the actions of the “great collective subject” is real, empirically presenting itself as a crowd of greater or lesser size.

Lenin, Trotsky, Stalin and, somewhat later, anti-Marxist socialists like Mussolini, Hitler and Goebbels supported their ideological concepts with practical recommendations on how to manipulate the crowd. They relied on the writings of French thinker Gustave Le Bon, whose *La psychologie des foules* (The Crowd: A Study of the Popular Mind, 1896) lay on the desks of all of the above leaders, complete with underlinings and dog-eared pages, and served as a guideline for future actions. Paradoxically, Le Bon was staunchly opposed to socialism in any form, but totalitarian socialist experiments would have hardly been successful without him.



## RADIO LOUDSPEAKERS WERE INSTALLED IN STREETS AND APARTMENTS, AND THERE WAS NO HIDING FROM THEM

utilized for mass propaganda. Cultural taboos were shattered, as were limitations placed on human actions, moral norms and concepts of the value of one’s life and those of others. Only collective, class and national actions seemed to acquire significance as they were united via means of communication and multiplied through technology. Renouncing and blocking one’s own aspirations and sublimating them into the subconscious in order to “dissolve” into the collective whole became the

### MARXISM IMPLEMENTED ACCORDING TO LE BON

As he studied the phenomenon of the crowd, Le Bon concluded that under certain circumstances a collection of individuals – regardless of their nationality, profession or sex – acquires new qualities that are significantly different from the qualities of the individual participants: “A conscious individual disappears, and the feelings and ideas of all entities that make up the

whole called the crowd acquire one direction. The collective soul has been formed which has, of course, temporary nature, but it does have certain features." This is precisely what people with transformative visions need in order to change the world to suit their interests.

"The main qualities of the crowd are anonymity (impunity), contagion (spreading of thoughts), suggestiveness (being forced to see things that do not really exist) and a desire to immediately implement ideas in practice. The psychology of the crowd is like that of savages, women and children: impulsiveness, irritability, inability to think, absence of consideration and criticism and excessive sensitivity. Its behavior is changeable, because it reacts to impulses. It does not have doubts."

Many of Le Bon's conclusions would later be underscored by Lenin and Stalin: "Once in the crowd, an individual acquires, because of its size, a realization of his invincible force, which permits him to yield to instincts which he never releases when acting on his own. In the crowd, he is less inclined to curb these instincts, because the crowd is anonymous and is not responsible for anything. The sense of responsibility that normally restrains individuals disappears completely in the crowd."

"After spending several hours in the crowd, an individual, influenced either by currents emanating from it or for some other reason – we do not know for certain – quickly enters a condition strongly reminiscent of a hypnotized subject. As a result of the paralysis of his conscious mental life, the subject becomes a slave to the subconscious activities of his spinal cord which the hypnotist directs as he sees fit. The hypnotized completely loses his conscious personality as his will, mind and all feelings and thoughts are directed by the will of the hypnotizer."

"As he becomes part of an organized crowd, man takes several steps down the ladder of civilization. In isolation he might be cultured, but in the crowd he is a barbarian, a creature of instinct. He exhibits a penchant for willfulness, rowdiness and fury, but also enthusiasm and heroism exclusive to the primordial man. This resemblance is further intensified by the fact that in the crowd he follows, with extreme ease, words and concepts that would have

had no influence on him in isolation, and does things that clearly contradict his interests and habits. An individual in the crowd is a grain of sand among countless other grains taken up and carried by the wind."

The history of the 20th century supplied vivid proof that these conclusions are true.

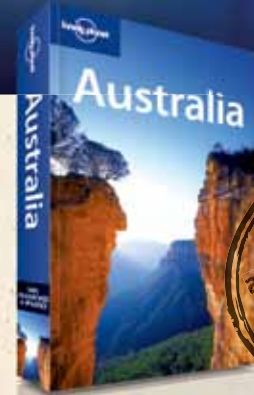
When mass communication is deftly utilized and sociocultural taboos are broken as a result of colossal cataclysms, entire nations turn into a system of crowds. Of course, the crowd is capable of both immoral, destructive actions and heroic, noble exploits. But the latter depend not so much on the internal attitude of the crowd, but rather on the skillful manipulation thereof. Le Bon wrote: "The judgments of the crowd are always imposed upon it and are never a result of comprehensive discussion." "No matter what ideas are imposed on the crowd, they can become dominant in no other way than by reduction to their most categorical and simple form," so "the crimes of the crowd are always caused by some extremely powerful suggestion, and the individuals who were involved in committing them are convinced that they simply performed their duty." Surely when promising "a great victory, a great wonder and a great hope," Lenin, Trotsky, Bukharin and Stalin were theoretically much more understandable and closer to the human masses of post-imperial 1917-21 than any languid intellectual or overeducated general.

In what followed, Stalin's system of terror and propaganda, merged into one whole, exerted every effort to prevent crowds from turning into peoples, and government-manipulated individuals from turning into independent personalities. Of course, Marx with his original goals, contradictory and chimerical as they were, was pushed far into the background. Meanwhile, the traditional slogans of the Black Hundred, which was active much earlier in the Russian Empire, were slightly veiled with red flags and finally came to the fore.

Le Bon failed to take one important thing into account: the lifelong existence of the Soviet people as part of the crowd caused new generations to inherit the in-born (and worst) traits of "men of the crowd." This became apparent when the opportunity to obtain freedom presented itself. ■

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# The Tune of Resistance

Oleh Skrypka believes we can create strong communities by building links to our people's past.

Interviewer:  
Olena Chekan

Legendary Ukrainian ethno rock band Vopli Vidopliasoiva is celebrating its 25th anniversary. VV has played gigs in Berlin, toured Russia and performed for its Ukrainian fans at Kyiv's Sport Palace stadium recently. Slightly dazed by a whirlwind of greetings, Oleh Skrypka still found the time to talk with *The Ukrainian Week* one evening.

**UW: What are you feeling? Is the poignancy of a quarter century irritating you, or is this milestone pushing you forward?**

In fact, we're 24, not 25. We gathered into a band in 1986 but played our first gig as VV in 1987, a year and a half later. When we lived in France, a concert agency was kind enough to arrange an anniversary gig for us in 1996. Somehow they started the countdown from 1986. Now, we use 1986 for all our anniversary things. And now we realize it's better. We can keep playing birthday tours and gigs for 18 months. Our 25th anniversary began in spring 2011 and will finish in autumn 2012.

And as for the poignancy you mentioned...My future colleagues spotted me in a play staged by the Kyiv Polytechnic Institute's student theater. It was a satirical piece portraying an evening with Kuzkin the poet, a character based on Kozma Prutkov whom I played. My character read his earthshaking verses snobbishly, sometimes to the tune of an accordion he played along with a background of balalaikas. This

self-irony and distance from one's own image is the basis of our band, so there's nothing fearsome about the poignancy of a quarter century.

## THE UKRAINIAN QUOTA

**UW:** You said at a press-conference in Moscow in spring this year that Ukrainian performers should first gain popularity in Russia in order to survive in Ukraine and that the Ukrainian government is consistently attacking the Ukrainian language and culture—could you comment on that?

Our whole life is a paradox, let alone Ukrainian show business. Our media works like a satellite even today. Ukrainians adore cultural imports but will rarely accept anything made in Ukraine, while Russians are the opposite. They appreciate, love and honor their own, and I'm talking about the general majority here. The only exception is that they think of Ukrainian songs – not Belarusian, Kazakh, French or English - as their own, alongside the Russian-language ones. Ukrainian music is synonymous with good quality for some Russians. Russian music is good quality for those with bad taste both in Russia and Ukraine, while others prefer Western music.

In fact, virtually all of Russian show business – nearly 80% – comes from Ukraine. This is because we're really better at music. Some Russian rockers have even started to sing in Ukrainian because it's fashionable and cool. I've met such bands in St. Petersburg and Voronezh.

The Ukrainian language situation doesn't look good in Ukraine, but I see this as a test. Ukrainians will preserve themselves and become stronger if they are capable of being a nation, otherwise they will dissolve. It's like surviving in a jungle. Take the Jews—they had no language or state but revived both. The Czechs and Finns did the same at some point. Unlike them, our nation just fell into our laps. Perhaps that's why we don't appreciate what we have.

**UW:** The mandatory quota for Ukrainian music and films on TV and radio used to be 50%, yet in

**the name only. Now the legislature is going to cut it to 25%. Does this mean the Ukrainian language will simply disappear from the media?**

Sometimes I think the government is doing its best to clear TV and radio of the Ukrainian language completely. With a 50% quota, the real share of Ukrainian-language programming was already just 3-5%, but now the situation could get even worse. It all depends on program directors. Ukrainian-speaking artists like us are politically, financially and socially less competitive compared to our Russian-speaking colleagues. Moreover, anyone who sings in Ukrainian is often portrayed as a nationalist. Can you imagine a Russian singer labeled a nationalist in Russia, or the Russian Radio called nationalistic because it plays 100% Russian music? There is no law banning the Ukrainian language in Ukraine, yet mechanisms that promote Russian speakers are plenty. After Yanukovich won the election, the entire entertainment industry switched to Russian without even a word from up top. Some rockers later followed suit. They're just trying to survive.

**UW:** Do you have a strategy for salvation?

You have to do your own thing. Some save themselves by singing in Russian, and others construct their own life space around them



## THERE IS NO LAW BANNING THE UKRAINIAN LANGUAGE IN UKRAINE, YET MECHANISMS THAT PROMOTE RUSSIAN SPEAKERS ARE PLENTY

and grow stronger within it. Russians ask me, "Why do Ukrainians make cooler music than us?" It's because we're like weeds: we break through the layer of asphalt laid over us.

We feel comfortable when we live in a world of our own. The external cultural aggression is beyond our life. I know how create this barrier: I speak with intelligent people, Ukrainian speakers mostly, while TV and radio have zero effect on me. I work with tolerant people whenever I travel abroad. This is a current trend,

not my own invention. There are a lot of futuristic books about seriously reforming society.

Let's not forget the soviet policy to cut out our roots, family ties, respect for our elders and the transfer of knowledge from one generation to another. All these things are extremely important for societies. Today, some project only those will survive who manage to revive the ties to their nations' past and families and build strong communities. We have people like that. There is an intelligent Ukrainian community that I'm a part of in Kyiv and we share information and develop together. We don't dissolve into the pessimism that dominates the nation today. Society is in such a rush these days that people can't keep up with the rapid changes in the media. Nobody can predict whether they'll withstand this avalanche of pessimism that's covering them. Perhaps one solution is to establish communities of like-minded people.

Sadly, many Ukrainians are pessimists. They get carried away with lamenting and celebrating their defeats. There's nothing good about this. We have to stop playing the game; it's really quite simple: it's always easier to look for someone to blame for your circumstances than to realize that you're responsible for your own actions.

## HARD TIMES FOR DREAMERS

**UW:** What do you think of the rock stage in Ukraine today? Why does the message of resistance only exist underground?

Ukrainian rock-n-roll has never been about massive resistance, and this isn't going to change anytime soon. Protest music a tradition in Russia. Now, rap has taken over this role. The US has the same trend: their oppositional music is rap these days. The US resistance rocked in the 1960s and 1970s. The youth in the world has more respect for rappers today. They don't understand DDT leader Yuriy Shevchuk, for instance, because he's the older generation. A nice exception in Ukraine is the band Tartak with its powerful social and political lyrics. There's also Plach Yermiyi (Jeremy's Tears) although Taras Chubai, the ▶▶

leader, does not write modern lyrics—he sings UPA songs and uses his father’s lyrics. These two bands are openly resistant.

Ukrainians are used to thinking in metaphors both in everyday life and in art. We are rarely straightforward. This is not that bad after all; it helped us to survive all the oppression of the last three centuries. Perhaps that’s subconsciously my reason for organizing Krayina Mriy (Land of Dreams, an annual folk art and music festival – ed.). I’ve realized this only now: I just wanted to build my own space and stake out my own territory. Surprisingly, it’s exceeded my expectations a thousand times over; now it has a life of its own and grows independent of me. For me, Krayina Mriy and VV are two separate things. When so many people brought their kids to our anniversary gig at Kyiv’s Palace of Sports wearing vyshyvanky, Ukrainian embroidered shirts, I was so surprised! For me, rock-n-roll is reality and Krayina Mriy is a fairy tale land, a paradise...

As for the underground, I honestly think all rock-n-roll is there. At some point it broke through to the surface and exploded there but it returned to the underground after a while. That’s its nature. I don’t think of it as resistance. This is something you can’t embrace at once; it takes time to understand it. You need to mature emotionally and then you feel like you have to speak out... That’s why it alternates between the surface and the underground.

**UW: Do you think something very important is growing in Ukrainian society through all these protests of small and medium businesses, Afghanistan veterans and Chernobyl first responders?**

An important thing about all these strikes is their absolute pragmatism. I know how the French protest: they rally against a specific provision or number. They know that the provision will be cancelled if they block air-

ports, roads and go on a national strike.

The Orange Revolution in 2004 was totally romantic. We got something, but not what we wanted. We were not pragmatic at all. People understand this today. They only have a chance to win with specific mechanisms and a purpose for their struggle.

**UW: Do you manage to be pragmatic?**

I’m forcing myself to be . I have to think everything through, meet people, communicate my idea to them and be able to build normal business relations. They have two reasons to not play Ukrainian music in big concert halls. I think there are orders from the top. I’m not sure where it comes from and how it does but I can feel it. And many Ukrainians are not talented enough in enough; business demands real communication, production and plans.

We now have fewer gigs in Eastern Ukraine but more in Western Ukraine and a lot more in Kyiv. Another change is that we play many more corporate concerts rather than public gigs where people can buy tickets. This may come as a surprise to many, but rock has really kicked pop music out of corporate parties.

## BIGGEST HIT ON THE PLANET

**UW: You dug your hugely popular Halychyna chanson from oblivion. Are there any more forgotten things worth reviving?**

I’ve had this idea for a long time to create a project called Ukrainian Urban Romance . According to statistics, “Dark Eyes” by Yevhen Hrebinka, a Poltava-born poet, was the most frequently played song in the world in the 20th century. The lyrics had been supposedly written in Ukrainian initially but later lost. Here you go, the number one art song in the world was written in Ukraine. ■



<sup>1</sup> A collective pen name used by four well-known satirical Russian poets in 1850s–1860s

<sup>2</sup> Ukrainian Insurgent Army

<sup>3</sup> Emerging as narrative ballads in Spain, romance music later transformed into sentimental art songs in Russia and Ukraine





The holidays with Cossacks at the Mamayeva Sloboda open-air museum

PHOTO: PHL

# Kyiv's Ghost of Christmas Past

**S**ilent night, holy night, all is calm... Snow shimmers in the dim light of tiny windows in the distance. The pitch-dark sky embraces the crisp air, cradling the ever-bewildered face of a cloudless moon and the occasional twinkling star. A one-horse open sleigh carrying red zhupan-clad Cossacks dashes by, tumbling through the cold silence with bursts of laughter and jingling bells before everything slips back into its solemn meditation. A white thatched hut lures the winter wanderer with a flickering golden tongue of candlelight and the mouthwatering aroma of twelve Lenten dishes cooked for the Holy Supper (**photo 2**) on 6 January, Or-

thodox Christmas eve. The Lord is being born to the tune of an ancient Christmas carol.

For some, this passage conjures up images of a ragged old man wandering the world in pursuit of wisdom sometime around the 17th century B.G. (Before Google). But one needn't travel back in time to witness such a scene—it's all on display at Mamayeva Sloboda, an open-air museum portraying Cossack Mamay's town. The park is nestled unexpectedly in one of Kyiv's typical bedroom suburbs, a mix of depressing soviet concrete apartment blocks, seedy cafes and littered highways crawling with cars and buses.

**Author:**  
**Anna Korbut**

Built from scratch in the early 1990s, Mamayeva Sloboda is an accurate copy of a typical Cossack town of Central and Northern Ukraine. Over three hundred years ago, the territory was part of St. Michael's Golden-Domed Monastery, housing an apiary and a fishpond. Pan Sashko, the local kobzar disguised as St. Nicholas these days, explains that everything from the architecture and landscape to music, food, rituals and colors of the village are exact replicas of those of the past. "Do you know what these birds mean?" pan Sashko points at the red roosters painted over the window outside. "If a village had more young girls than boys, the fa- ▶

thers of unmarried girls would paint these roosters over their window to show that the household had potential brides. While passing through the village, traveling merchants called Chumaky often saw the opposite situation at another household. They shared the news, and the men hurried to the girls' houses. That's how it worked." The roosters of the 17th century have transformed into Facebook status updates in today's world, but the goal remains unchanged. Apparently, times and mechanisms change, while priorities don't. As we talk at shynok, a old-Ukrainian pub, the waitress serves us medovukha, a drink similar to mead, along with large, tender cabbage-stuffed varenyky topped with sour cream as the main course. For dessert, we have varenyky stuffed with dried pears and sweet poppy seeds. "They make medovukha in Sokyryntsi, a village in Chernihiv Oblast," pan Sashko comments. "It's all natural. No spirits added. They boil 50 kilos of buckwheat or linden honey with 15 liters of water to remove all impurities along with the foam, pour it into oak barrels and add water and flower dust for fermenting. The whole fermentation process takes nearly a year. The honey comes from their own apiary, and they also produce sour cherry horilka." Packaged in homely bottles with what look like handwritten and glued etiquettes, the drink is a smooth, warming blend of honey and herbal flavors.

### GATEWAY TO ANOTHER TIME...

We first enter through a large wooden gate, which ancient Slavs viewed as a passageway for the sun and the souls of the dead. Beyond the gate, we see a tower of vertical logs encircling large barrels of resin. Cossacks burned these in the steppes to warn their settled battalions of oncoming attack. The wooden Church of the Intercession of the Holy Virgin, a copy of the main Cossack church in the Zaporizhzhian Sich during the time of Bohdan Khmelnytsky, is the centerpiece of the architectural ensemble. Pottery hangs to dry on the posts of a willow fence surrounding a neighboring cottage. The door opens and a woman in a long woven skirt, lavishly embroidered shirt and felt coat greets us. An earthen stove inside the house welcomes us with a wave



<sup>1</sup> Long overcoat mostly worn by nobility in the 16-18th centuries

<sup>2</sup> Pani and pan are Ukrainian forms of address akin to "lady" and "gentleman," in contrast to the soviet first and patronymic names. To address Taras Shevchenko, for instance, one would say pan Taras or pan Shevchenko

<sup>3</sup> Traditional nativity pageant.

of warmth. We roam through the display of books, herbal teas and huge buckwheat honey gingerbreads shaped like fish, rabbits and sheep. "Ukrainians always honored animals, hence these authentic shapes," the woman explains. "And the kids love them. We have workshops where children can learn how to make these. Our girls teach them old songs and games while the gingerbread is baked in a wood burning stove." Relaxed and pacified, we pass into a room that smells of dried herbs and the hay covering its clay floor. Two brown butterflies flutter about the room as if unaware that it is late December. "They woke up in

the hay when we brought it into the warm house," the hostess says. A tall Cossack enters the hut, hands something over to the woman, then mounts his horse and disappears behind the watermill by the pond. Beside the pond is a stage for ethno concerts. Across the bridge, a blacksmith hammers a piece of metal before an excited audience, one boy holding the knife-to-be and another blowing air into the fire. Inspired by our admiration for the metal chandelier that looks like something Gaudi could have designed, the blacksmith details the tricks of his trade. The next hut contains a pottery studio where guests can buy au-



PHOTO: PHL



PHOTO: PHL

thentic items or make their own. Our journey ends at a barnyard housing fluffy sheep, hens pecking for grain while supervised by a proud rooster, and a crowd of cats lazing around the restaurant.

### WHAT DOES YOUR FUTURE HOLD?

Tired of the gloomy predictions of crystal balls, Mayas, and financial pundits? If you're an unmarried girl, try your luck at vechornytsi, traditional evening parties that began after the field work was over. On special occasions such as St. Andrew's night on 13 December, girls do the fortune telling. Having made

sure no boys are in the room, they bring in a rooster, sleepy at this hour, and place a mirror, a bowl of water and a bowl of grain on the floor. Each girl must pet the rooster and wait for it to choose one of the three objects. A rooster that looks in the mirror signals a narcissist husband in her future; water means he'll be an alcoholic, while grain symbolizes a hard-working (photo 3) man. Unlike crystal balls and stock markets, the rooster is easy to control. Just make sure it is hungry enough and nudge it toward the grain bowl if you're not up for one of the two other options. To find out who will get married first, the

girls run to the well and fill their mouths with water. They have to get back past the boys crowding the doorway without spilling the water, spit it into a bowl of flour and make small buns. Baked in the stove, the buns are displayed on an embroidered rushnyk on the floor. The boys bring in a dog to eat the buns, and whoever's bun is eaten first will be the first to wed. This year, though, the dog was more interested in posing for flashing cameras than telling fortunes.

6 January, the night of the Holy Supper, is one of the most mesmerizing rituals in the orthodox calendar. When the first star rises in the sky, the father brings in the didukh, a sheaf of wheat, rye or oats. The family gathers around the table to eat kutia, a sweet grain pudding with poppy seeds, honey and nuts. Also among the twelve Lenten dishes are borsch, varenyky, cabbage rolls, fish, mushroom sauce and uzvar. In Western Ukraine, two mandatory objects on the Christmas table include struslia, wheat bread with a braided motif, and garlic under all four corners of the table cloth to protect the household from evil spirits. This year, Mamayeva Sloboda offers a lavish Holy Supper menu and a night of carol singing on 6 January. The next day, Christmas will begin with the fourth Winter Dreamland (photo 1 and 4) arranged by Oleh Skrypka, VV band leader. The celebration will start with a taste of Cossack kulish, a grain porridge cooked on the road, and a 220-pound boar roasted on an open fire. Following workshops, a vertep and the opening of a nativity scene, Christmas day will conclude with concerts by the Bozhychi folk band and Vopli Vidopliasova. Winter celebrations will continue all the way through Old New Year on 13-14 January to the day of the Epiphany on 19 January, with swimming in the freezing pond, the shooting of evil spirits with old guns and cannons, and the burning of the didukh. In fact, Mamayeva Sloboda hosts all kinds of traditional Christian and pagan celebrations throughout the year. They are listed on the calendar on their website, unfortunately only in Ukrainian.

With this wholehearted embodiment of authentic Ukraine, you don't need a time machine to travel to the past. Just take a cab or trolleybus and head to Mamayeva Sloboda for a unique experience. ■

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