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THE ASSOCIATION AGREEMENT AND FTA MAY
AFFECT THEIR LIFE IN UKRAINE

EAST EUROPEAN
IMMIGRANTS IN THE UK: A HELPING
HAND RATHER THAN A BURDEN

HOMO EUROPAEUS:
45 MILLION EUROPEANS CAUGHT
IN THE CLASH OF CIVILIZATIONS

international edition

The Ukrainian Week

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THE DAY AFTER VILNIUS

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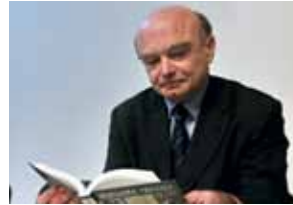
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ТИЖДЕНЬ

The President's Slow Freefall

The latest developments make the prospects of signing the Association Agreement very vague. What can Europe do with Ukraine after 28/11?



President Yanukovich acts like someone who has jumped off the airplane but hasn't pulled the parachute open yet, enjoying the bursts of adrenaline as he falls. The entire country is waiting for the parachute to open and for the head of state to finally land somewhere. As we watch the freefall, we miss one thing: it may now be too late to open the parachute. Yanukovich has outwitted himself.

All Ukrainians talk about is that the President is preparing to disrupt the Association Agreement, and blame it all on the EU or the opposition. *The Ukrainian Week* does not have facts to confirm his arrangements with Vladimir Putin. However, the trace of Russian entities and agents in Ukraine and some EU countries is very visible.

On the one hand, it is obvious that some in Yanukovich's circle are fueling his phobias about Tymoshenko and the prospects of her release. They keep telling him that

the Association Agreement can still be signed even if she remains behind bars. On the other hand, the release of Tymoshehko is an undeniable priority for some politicians in the EU. Yanukovich's stubbornness is growing pricier for Ukraine. We are just a step away from one of the 28 member-states recognizing the issue with Tymoshenko unresolved – and the Association Agreement not signed.

Meanwhile, the member-states that promote Ukraine's accession, including Poland and Lithuania first and foremost, have faced increasing trade, economic and energy pressure from Russia. This is supposed to make them less persistent in promoting a positive outcome of the Vilnius Summit. While Kyiv and Brussels struggle to come to terms, the Kremlin is benefitting from the conflict.

That said, those in power keep pretending to focus on Europe and prepare to implement the Agreement. On November 12, the Ministry of Economic Development and

Trade disclosed a programme of the Association Agreement implementation with 552 items.

The working group in charge of preparing a common bill to solve the Tymoshenko issue failed to reach an agreement on November 12. Subsequently, the November 13 vote in parliament was failed, and the bill did not get on



IT LOOKS LIKE THE GOVERNMENT IS ONLY INTERESTED IN FINANCIAL BONUSES THE AGREEMENT WOULD OPEN DOOR TO

the agenda the next week. The official excuse of those in power was that they did not find a mechanism to bring the inmate treated abroad back to prison in Ukraine in the bill, and the provision whereby the duration of treatment qualifies as part of the served sentence was not what they wanted.

The EU's reaction to the failed vote came on the same day, and it was harsh. The Foreign Affairs Committee's Jacek Saryusz-Wolski described it as a clear signal of the lack of political will of Ukrainian authorities to sign the Association Agreement with the EU. He noted that the Agreement might not be signed at all, if it is not signed on November 29 in Vilnius.

The main parties to negotiations still try to save their faces and not dump the Tymoshenko case or the two integration laws scheduled for the parliamentary vote on November 19. Ukrainian legislature plans to vote on draft laws on treatment of inmates abroad sponsored by Anzhelika Labunska, Serhiy Mishchenko (the pro-government majority was prepared to support it last month), and Volodymyr Kupchak, as well as the opposition's joint bill on amnesty.

Some in the opposition call on their allies to support any bills on treatment abroad just to remove barriers to the signing of the Association Agreement. They have asked the Cox-Kwasniewski mission to "not close the door for Ukraine" and deliver an interim report, not the final one, to "give time for Yanukovich to wake up". The Party of Regions speaking through the head of their faction in parliament, Oleksandr Yefremov, also promised to vote for the bill on Tymoshenko provided that it meets their vision. Aleksander Kwasniewski said at a joint briefing following negotiations in the parliament that they still hope to see sufficient will. However, these statements did not sound too convincing.

The point of no return is very close. On November 8, the President signed the scandalous tax amendment that could prevent Vitaliy Klitschko as the most popular opposition candidate from running in the 2015 presidential election (**see Klitschko Knocked Out? at ukrainianweek.com**). Then, a new criminal case was launched against Tymoshenko's lawyer Serhiy Vlasenko.

The rhetoric of Yanukovich and other Party of Regions members shows that they probably think of the present status quo as a signal that they are now serious players in the world. These hopes show in statements from Oleksandr Yefremov who expressed the following complaints about the EU: firstly, they did not reach an agreement on financial support Ukraine would get if the Association Agreement is signed. Secondly, there is no guarantee that the Agreement will be signed if Ukraine fulfills

all conditions. Premier Azarov keeps reminding the EU of EUR 150-160bn it has to give Ukraine to adjust its economy to European standards. Also, he complains about the EU's reluctance to compensate Ukraine for the potential loss of its Russian markets. "We have offered our European partners to help us replace our exports markets first and foremost at our meetings," he said. "Unfortunately, the EU does not operate as quickly as we wish it did." Another thing those in power complain about is burdensome and unsure prospects of obtaining loans which they would like the EU to grant Ukraine right after the Association Agreement is signed.

It looks like the government is only interested in financial bonuses the Agreement would open door to, not European integration or adjustment to European standards. Therefore, Yanukovich seems to have little concern over blackmail that the Agreement may not be signed in the end. Meanwhile, the West could use the financial aspect to push Ukraine's President to sign it and comply with its conditions afterwards. If it signed the Association Agreement but did not unblock European and IMF aid funds until Tymoshenko is released, the EU would only reinforce its position. Kyiv will definitely be interested in getting the cash as soon as possible.

The EU also has a way to effectively respond to the cynicism of Ukrainian authorities in persecution of the local opposition leaders. They put Tymoshenko in jail for tax evasion – the EU and the U.S. may launch investigations of money laundering by Ukraine's top officials and people close to them who are now involved in sabotaging the fulfillment of the EU's requirements. This will make them much more willing to seek compromise, plus Ukraine will already be associated with the EU. And this will give the EU more opportunities to influence Ukraine's policies than in case of a failed Vilnius Summit. Under the latter scenario, Ukraine will be left in Russia's shadow.

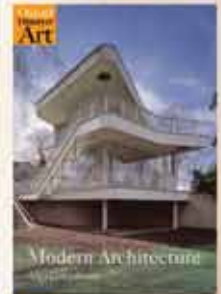
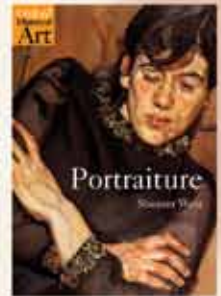
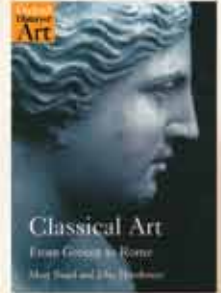
The harder Ukrainian authorities struggle to show off and prove how strong they are, the more obvious their weakness and a sense of inferiority becomes regardless of where it turns – east or west. After this entire Association Agreement circus, the current President will look weak in all eyes. His parachute may fail to get him to the ground safe. ■



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Advice at the Sickbed

Ukraine as an independent state has so far not demonstrated its most attractive side to the world. But this does not mean that there is no alternative Ukraine



SKETCH BY IHOR LUKIANCHENKO

Author:
Yuriy Makarov

Let's be honest: They're sick of us! How much longer can Europe be bothered with its "sick person"? This is an honorary title that has changed holders a dozen times, from Turkey to Great Britain, over the past two centuries. It is now finally Ukraine's turn, after the epic efforts of brave and fearless Western politicians to somehow ensure its place in Europe. The efforts have been persistent but left a feeling of embarrassment, or rather downright shame for my native country.

I am writing these lines when nothing has yet been lost formally and a miracle can still save us. But I don't believe in miracles. Otherwise, I would have to assume that the current Ukrainian leadership will suddenly learn to respect the rules, keep promises or abide by something other than violence or dirty cash. Overall, I would have to assume that the current government will behave properly, and that is nothing but fiction.

On the other hand, has the United Europe actually always viewed Ukraine as one of its priority interests? Couldn't it have stimulated positive processes in Ukraine by allowing it to join the MAP – NATO Membership Action Plan – five years ago, for instance?

We should admit that the Western political establishment does not yet automatically keep Ukraine in focus as a priority sphere of the United Europe's interests in the process of decision-making. Its present interest is more of entomological curiosity in the incomprehensible and unpredictable territory between comfort and danger zones. Not an independent subject or object, but a geographic location on the map. However, nobody has yet managed to change or cancel geography. So, Europe still has to get used to the fact that Ukraine is a part of its territory, worth fighting for and worth protecting, because it is its frontier. A historical frontier between the world of established values, self-improvement, discipline and development, and the world of complete unpredictability, paternalism, hierarchies, absolute power and absolute inert obedience, and irrational insecurities that can take decades and centuries to cure.

Any nation, just like any individual person, has several faces, which it demonstrates depending on the situation and motivations. One country can be a centre of totalitarianism and a source of problems for its neighbours, and a territory of progress, a generator of hope and a visible role model within literally

several years (although, of course, the opposite can also happen).

Yes, we should admit that Ukraine as an independent state has so far not demonstrated its most attractive side to the world. But this does not mean that there is no alternative Ukraine with traditions that go back for centuries, democracies and self-governance; an ancient and strong European culture, powerful resistance against evil - from the hopeless partisan battle against occupiers and colonizers to impressive manifestations of solidarity in peaceful resistance. Europe should learn to address this Ukraine - over the heads of politicians - and try to get this modern country onto its side.

Yes, Ukrainians need medicines against depression and disillusionment, from the heavy legacy of totalitarianism and colonization, from the poison of communist habits and stereotypes, which cannot be removed from an organism quickly and poison each of its organs. Grants are not the effective vitamins to build the immunity – they are unreliable and spoil quickly. It is better to appeal to the buds of the currently existing civil society. To independent business, which has survived in spite of all attempts to take over and bury it in the interests of the leadership and its circle. It is also important to open the door as wide as possible to those who wish to study in Europe, adopt its experience and cooperate with it in the horizontal dimension. The embassies of EU countries should transform into portals between the past and the future, rather than reserves of moss-covered Euro-robots, which mechanically decide who should go to heaven or who should go to purgatory.

Excuse my impudence, but the future of Ukraine is first and foremost the future of the entire continent. Having this problematic land with a population of nearly 50 million on its doorstep, the United Europe will never feel whole and safe. The sick person of Europe, you say? Yes, sick, but - of Europe?! ■

The Ukrainian Week analyzes some key economic aspects of the Association Agreement and their impact on Ukrainians and Europeans



IMPROVING THE BUSINESS CLIMATE

The points which outline this goal, are in the section of the AA which discusses the creation of a free trade zone, as well as the section which is dedicated to sectoral cooperation.

Key measures

- ★ Ukraine should ensure that the newly created or existing subsidiaries, affiliates and representative offices of European legal entities operate in a framework that is equally favourable with that for domestic companies. The EU must do the same for Ukrainian businesses, its subsidiaries and representative offices.
- ★ The Association Council will monitor problems within the business climate in Ukraine and work to eliminate them.
- ★ Parties to the AA must ensure transparent and standardized licensing procedures. This will prevent Europeans from being cut off from the Ukrainian market through administrative leverage, such as the introduction of domestic licences, for example. Whenever this happens, the Association Council will most likely note it.
- ★ The protection of the rights of shareholders, creditors and other stakeholders must be strengthened. Ukraine should implement two relevant EU directives.

The probability of implementation/impact

If Ukraine fails to implement these conditions, cases of anti-competitive activities towards European companies or shareholders on the Ukrainian market will be put up for an inter-government discussion through the Association Council. This will make the official Kyiv at least partially comply with these requirements. As a result, the EU investors may find it substantially easier to operate in Ukraine. This will boost investment and European business culture will expand in Ukraine, which will positively influence the performance of the local businesses. European competitors may appear on many markets, which will improve customer satisfaction and reduce the price of some product groups from Europe, such as foodstuffs, clothing and so on. Ukrainian businesses will then be forced to actively modernize their facilities, management, labour, etc., which they often avoided as they built their businesses based on links to authorities or the closed nature of the domestic market. However, the AA does not outline the mechanism for protecting the rights of European businesses and shareholders in detail, thus the question on how significantly it will increase protection of shareholders in Ukraine is open.



SMALL AND MEDIUM BUSINESSES

The AA focuses on the development of small and medium enterprises (SMEs).

Key measures

- ★ Implementation of strategies for SME development based on the principles of the European Charter for Small Enterprises, and monitoring of the implementation process.
- ★ Support mechanisms for starting technology-oriented businesses.
- ★ Facilitation of exports from Ukraine.
- ★ Support of upgrade and reconstruction of some domestic industries.

The probability of implementation/impact

Compliance with these requirements can eliminate the distortions between SMEs and oligarchs that eat up a part of state budget revenues. Oligarchic business monopolizes more and more markets, stifles competition and evades taxes (see **A Burden on the Economy at ukrainianweek.com**). The outlook for SMEs will improve only if Ukraine implements European legislation in a number of industries, as foreseen by the EU directives Ukraine will have to implement under the AA. However, the current government is unlikely to fulfill these provisions to demopolize certain industries. This will automatically destroy the oligarchic-dominated economic model, which now meets business interests of the ruling part members.



COMPETITION

Key measures

- ★ The AA relies on national legislation and the relevant authorities to ensure competition. The latter include the Anti-Monopoly Committee on the part of Ukraine and the European Commission from the EU. Ukraine will have to integrate four EU regulations into its anti-monopoly legislation.
- ★ The declared intent is for Ukraine and the EU to enforce anti-monopoly laws that prevent distortion of competition effectively.

The probability of implementation/impact

The AA provisions on competition development are too few to eliminate monopolization as a crucial problem of Ukraine's economy. So, the current government will most likely take very limited efforts in this regard. However, if Ukrainian oligarchs and other businesses close to the authorities that have grown accustomed to operating in a non-competitive environment, attempt to block access to the Ukrainian market or oust European companies through non-market methods, the latter will have a possibility to turn to the Association Council and EU leadership for protection. They will help European companies solve problems on the Ukrainian market on a case by case basis. Local businesses can also expect to get anti-monopoly protection in the EU.



According to the Global Competitiveness Report, Ukraine ranks

137th

out 148 countries for its antimonopoly policies in 2013-2014



TAXES

The EU Directives and regulations Ukraine should implement under the AA should push for substantial changes to the local tax legislation, in order to bring it closer to European standards.

Key measures

- ★ Introduction of a common VAT system focusing on VAT refund practices to prevent the growth of outstanding refunds to businesses.
- ★ Harmonization of excise duties on spirits and alcoholic beverages; change of structure and rates of excise duties on tobacco products.

The probability of implementation/impact

The AA implementation should somewhat civilize Ukrainian tax inspectors and customs agents. It may simplify the VAT refund procedure, among other things. Prices for alcohol and tobacco will grow closer to European levels at a much faster rate. However, most AA provisions on taxes are declarative, so Ukrainian government may be arbitrary in their enforcement.



CUSTOMS

Key measures

- ★ Ukraine commits to harmonizing its Customs Code with many provisions of the Modernised Community Customs Code.
- ★ The AA foresees the creation of an Association Customs Sub-Committee that will be in charge of monitoring the implementation of the relevant provisions.
- ★ A mutual abolition of duties is foreseen. The EU and Ukraine must forbid administrative charges in trade relations that are equivalent to import or export duties and fees. Additional fees and duties can only be collected for non-customs services. These should not exceed the cost of services provided or calculated on an ad valorem basis.
- ★ AA parties should avoid unnecessary or discriminatory customs burden on companies and support companies with good customs records.
- ★ Ukraine and the EU will work toward the simplification of customs documents and requirements for products.
- ★ AA parties must ensure easy and accessible procedures to appeal against customs authorities regarding goods declared at the customs. The simplified procedures should cover SMEs first and foremost. Regardless of any disputes, goods should pass through the customs seamlessly while charges should be delayed whenever necessary.

Probability of implementation/impact

The AA customs provisions are likely to be implemented. It is in the interest of European businesses whose products have to go through Ukrainian customs. Moreover, the Customs Sub-Committee will control the situation. The price of some European goods, including cars, may go down in Ukraine. However, given the present customs duties, this will not have much effect on the ultimate price. Bankruptcy concerns of some Ukrainian manufacturers as a result of the potential influx of cheaper similar products from the EU are ungrounded. Meanwhile, Ukrainian producers will gain much more from the removal of non-



According to Doing Business 2013, Ukraine ranks **145th** out of **185** countries by the ease of foreign trade

tariff barriers to trade, which Europeans have used to throw a spanner into the works of Ukrainian manufacturers. The abolition of European duties and charges on Ukrainian goods will make them more competitive on the EU markets. However, Ukrainian customs will hardly stop demanding bribes from Ukrainians and being one of the most corrupt institutions in the state. The provisions regulating clearance for Ukrainian citizens and businesses are only declarations so far.

Major changes in customs tariffs after the AA according to the Institute for Economic Research and Policy Consulting

- ★ The average rate of import duties on EU products into Ukraine will be reduced from about 6% to almost 0%
- ★ The average duty on Ukrainian farming products will go down from 23.8% to 0.3% right after the AA is enacted. In contrast, the import duty on similar goods of European origin to Ukraine will decrease gradually from 4.2% to 0.9% over 10 years.
- ★ The average duty on Ukrainian food in the EU will shrink from 5.5% to 0.5% once the AA is enacted. Similar duty for EU food imported to Ukraine will go down gradually from 10.3% to 3.6% over 10 years.
- ★ Ukrainian light industry will export goods to the EU without duty-free within one to two years as opposed to the current tariff of 11.2% for textile products and clothing and 5.9% for leather and leather products. In response, Kyiv will low rates on similar products to 0% from the current rate of 5.1% and 7.3% for the EU over three years.
- ★ Chemistry and steelworks will see a slight reduction of duties as the current rate is 3.7% and 0.5% for Ukrainian products in the EU, and 1.8% and 2.1% for European products in Ukraine.
- ★ Ukrainian engineering will lose more than it will gain from the AA. European duties for electric equipment will shrink from 3.5% to 0% and from 1.9% to 0% for motor vehicles. Ukrainian duties for European products will go down from 2.3% and 8.0% to 0% respectively.



ENERGY

The interests of both parties meet in this sector. Ukraine has problems with poor energy efficiency which the EU overcame a long time ago. At the same time, Europeans need more diversified energy suppliers. Therefore, energy cooperation under the AA includes a wide range of activities, which both Kyiv and Brussels are interested in.

Key measures

- ★ Modernization and enhancement of the existing energy infrastructure, generation capacity, distribution etc. Integration of Ukraine's electricity system into that of Europe.
- ★ Promotion of energy efficiency. AA annexes include a wide range of EU Directives and Regulations regarding energy efficiency, which Ukraine must implement. They encourage co-generation, determine energy parameters for buildings, ensure end-use efficiency and set forth parameters for energy services.
- ★ Support of regulatory reforms, including the restructuring of the coal sector. Europeans understand the issues with competitiveness and safety of Ukraine's coal mining industry, as well as its long-time unjustified burden on the budget.
- ★ A complete revival of the energy transportation infrastructure and the establishment of a trans-border accounting system on Ukraine's borders.
- ★ Creating a new energy infrastructure in the common interest of the parties in order to diversify energy suppliers and the means of transportation.
- ★ Development of competitive and transparent energy markets based on EU rules and standards in order to carry out regulatory reforms. Cooperation with the European In-



Ukraine's economy is **two to three** times less energy-efficient compared to developed countries

vestment Bank (EIB), the European Bank for Reconstruction and Development (ERBD) and other international financial organizations in order to achieve the goals in the energy sector.

Probability of implementation/impact

Europeans are aware, that energy inefficiency in Ukraine is a key source of distortions in its economy and political dependence on Russia. The EU is ready to allocate funds for the modernization of the country's pipelines, the renovation of facilities which generate the country's electricity, and provide resources for the domestic nuclear power stations. Ukraine's current government is interested in this, since oligarchs wish to reduce their energy costs, and therefore the probability of implementing this component of the AA is high.

An increase in energy efficiency will improve competitiveness of national product, which will positively affect the economy and incomes in the country. However, the liberalization of the energy market will lead to a gradual increase in energy costs for the population and the refusal of the government to subsidize former schemes. With a well-balanced approach socially vulnerable groups will not feel the effects of rising energy prices, and for the middle class it would only mean a minimal extra expense on the family budget.

Still, the AA reforms for the coal mining industry are formulated at a level of declarative statements, so, they may not generate changes because restructuring the sector, for the most part, is not beneficial for the governing party. Many of its members associated with the current coal business would not want to see any changes. In addition, a restructuring in the coal sector would negatively influence the Party of Regions' image in its core region — the Donbas, since it would lead to massive layoffs of miners and escalating protest sentiments.



AGRICULTURE

Cooperation in this area is very important for both parties. This is evidenced by the fact that the clauses on agriculture take up many pages in the AA. The AA in great detail regulates measures on phytosanitary protection of agricultural products, sets forth the standards for a wide range of products, and clearly defines the conditions which would allow Ukrainian agricultural products on the European market (such as certification and inspection of domestic products in the EU).

Key measures

- ★ An increased level of sanitary and phytosanitary control of agricultural produce. A Sanitary and Phytosanitary Sub-Committee should be established. It would be in charge of implementing the AA in this area.
- ★ Ukraine must approve a list of facilities whose products will acquire access to the EU markets.
- ★ Implementation of EU Directives and Regulations, i.e. almost 60 European laws – each of them outlining standards for a good or group of goods – as part of the Ukrainian legislation

Probability of implementation/impact

If Ukrainian government and companies clearly adhere to the EU requirements, the quality of domestic agriculture will increase and it will achieve a broader access to the EU market. The incomes of farmers and agricultural companies may grow. However, it may take at least three or four years until a wide range of the country's products will find their way to European supermarket shelves. Bringing them up to level of the strict European norms and standards will take quite some time and investment. It is possible that in adapting agricultural products to European norms, the price of Ukrainian products will rise for domestic consumers. The price rise for the Made in Ukraine products will depend on how quickly production efficiency improves as recommended by the AA, even if only declaratively. Much will depend on how skilfully Ukrainian farmers will adapt to European requirements and standards.

With domestic agricultural products getting closer to those of Europe, Ukrainian business will become more understandable and more attractive to investors from the EU, which may increase competition for the chornozem – the fertile black soil - and boost leasing price of land.

Ukraine's
crop yield is
twice
as low as that of
developed European
countries



TRANSPORTATION

Key measures

- ★ Resumed mandatory mechanical inspections for road worthiness of vehicles for operation.
- ★ Simplified procedures for border crossing.
- ★ Charging freight carriers for the use of certain infrastructure.
- ★ Division of railroad infrastructure management and transport operations. This will liberalize the market of railroad transportation and prepare it for private carriers.
- ★ Signing and implementation of the Common Aviation Area comprehensive agreement. This document has been in work in Ukraine for many years, but local operators that monopolize the Ukrainian market of air carriers have sabotaged its ratification. The agreement would allow many European low-cost airlines to enter the Ukrainian market, especially that for domestic flights. This would increase competition and make air travel more affordable.

Probability of implementation/impact

AA provisions in this segment are mostly declarative, so the government can simply sabotage them if the EU standards and rules bring direct harm to the business interests of the oligarchs in transportation. However, Ukraine will nevertheless commit itself to adopt a number of laws, some of them aimed at liberalizing certain segments of the transportation market. On one hand, this will ensure a growth in competition and benefit customers. On the other hand, this new format will open the market for investors, whose arrival could make the sector more efficient and guarantee a decrease in transportation costs. However, the realization of these obligations by Ukraine in this sector is likely to spark resistance from some oligarchs who are interested in the status quo. This could prolong the process of liberalization of the sector.

According to the
Global Competitiveness
Report for 2013-2014, the
quality of Ukraine's roads
stands in

144th
place out of
148



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Author:
Philippe de Lara, *France*

What is a Good Politician?

For the Ancient Greeks, notably Aristotle, the main issue about politics was whether the government was righteous, that is aiming at the common good, or corrupted - "twisted" - that is devoted to the private interests of the rulers. This issue outweighed the question whether the government had to be monarchical, aristocratic or democratic. Modern political thought is more concerned with the issue of sovereignty. Democracy, now the only game in town, is defined as sovereignty of the people. Democratic values also include civic and personal liberties, but the quality of politicians is overlooked. It appears as a contingent by-product of the regime. Yet, professional and moral virtues of politicians are crucial for a good government. Public offices should attract the most valuable citizens, they should have a great prestige, and statesmanship should be something almost sacred - not only practical capacity but dignity as well.

What does this "should" mean today? When I was a child, in the sixties, many people thought that the highest salary in the world was the salary of the President of the United States. True or false, this belief reflected the dignity of politics. Statesmen were expected to match this dignity; journalists addressed them with respect. In France, De Gaulle was the supreme - and probably the last - incarnation of this sacred dimension of politics, still surviving in a democratic society.

De Gaulle had high moral standards. When he gave a private dinner at the presidential residence, he insisted on taking the expenses on his personal money and not on the budget for official receptions. But even by that time and in his own party, bribery and misappropriation of public funds were rampant if not frequent. Many elected or appointed politicians act as if the state was personal property. Today, the more the sacredness of political office fades, the more it is replaced by material benefits: chauffeur-driven limousines, private tables at posh restaurants at public expense, etc. Every new minister insists on changing the colour of the walls and the furniture of his office, often "kindly borrowing" it from castles or museums.

One might wonder: it is wrong for sure, but is it that important? We expect politicians to do their job, to be wise, skilled, have political courage, etc., not to be saints. Some great kings and rulers of the past were

men of greed, sometime bribed. What drives politicians is often obscure and complex, layered so to speak. Personal competition among leaders and craving for power appear sometimes futile at first, but reveal significant stakes later. Wise policies may be achieved by people who don't fit the profile. Among friends of Ukraine, many hope today that dubious, even ridiculous or corrupt politicians might do the right thing to anchor the country to democratic Europe, meanwhile distinguished and brilliant figures failed to achieve the Orange Revolution.

The value of politicians is an unwritten and yet crucial condition of democracy. It is a negative consequence of globalization (and for some countries a tragic one), that politics no longer appeal to the best students, that the elite of a nation is more interested in business than in public service. Even in countries with a long-standing and prestigious habit of public service, United States and France for instance, Government Schools are not as attractive as before, students prefer business and law schools. That should certainly be a worry.

But any criticism of current politicians and regrets

about the past must be qualified. For two reasons. Firstly, corruption is a systemic fact, more than a matter of morality of individuals. It is a plague when it reaches high levels, but even in countries where corruption is at very high levels, anti-corruption policies may be implemented and succeed.

POLITICIANS – AS WELL AS MEDIA AND CITIZENS - HAVE TO INVENT THE WAYS OF A MORE UNDERSTANDABLE AND DIGNIFIED POLITICAL SPHERE THAT FITS IN THE CURRENT DEMOCRATIC SPIRIT

Secondly, the content of political virtue is something elusive. Morality is an imperfect proxy. Political capability is not the same thing as morality. Our politicians are not heroes, they don't match historical figures? Well, this is too a consequence of democracy. Leaders are today more akin to their constituents, and this is democracy. Would a Churchill, a De Gaulle be popular and find his place in our world? Perhaps, not. I am often angry and disappointed by political leaders in my country, by their impotence and lack of vision, and I know that Ukrainians have more than often good reasons to feel the same. But we should go beyond primary feelings. Politicians – as well as media and citizens - have to invent the ways and means of a more understandable and dignified political sphere that fits in the current democratic spirit. Overcoming systemic corruption is necessary but only half of the way. ■

When Judges Will Become Free

Christos Giakoumopoulos, Director of Human Rights in the Council of Europe, talks about the agenda for criminal justice reform in Ukraine

At the end of October, Kyiv hosted the International Conference for the first year anniversary of the new Code of Criminal Procedure. Initially, the government presented the Code as a huge success in the improvement of law enforcement in Ukraine. Andriy Portnov, Advisor to President and the key man behind the Code, insisted that the new Code would eliminate torture in the police. The conference was attended by representatives of European institutions and EU Ambassador Jan Tombinski.

However, the discussion of the Code and the results of its implementation did not go all that well. The Ukrainian government's key message, coming from Portnov, was that the opposition "blocks" European integration and hampers the adoption of the pro-government majority-sponsored bill to send Yulia Tymoshenko for medical treatment abroad. Christos Giakoumopoulos, Director of Human Rights in the Council of Europe (CoE) and a conference participant, talked to *The Ukrainian Week* about Strasbourg's opinion on reforms in Ukraine on October 30.

UW: The CoE monitors law enforcement reforms taking place in Ukraine. When will the CoE assess Ukraine's "level of progress" in ensuring the rule of law and reforming its judiciary and law enforcement authorities based on the Füle List for the Eastern Partnership Summit in Vilnius?

— The CoE does not take decisions on how far Ukraine gets with the Füle requirements you have

Interviewer:
Hanna Trehub

mentioned. We can comment on specific areas where the CoE works – on whether they are compatible with European standards. These areas include the Code of Criminal Procedure, the new draft law on Public Prosecutor's Office, the law on the bar, the future law on the State Bureau of Investigation, and the law on the police eventually, as well as general is-



WITH REGARD TO THE TREATMENT FOR TYMOSHENKO, THERE ARE CERTAINLY PRECEDENTS LIKE THAT IN THE EUROPEAN PRACTICE

such as legal framework and guarantees concerning the independence of the judiciary and rules to guarantee its impartiality. That something the CoE has the competence to comment on either through its assistance projects or through the monitoring process, the European Court of Human Rights, the Committee for the Prevention of Torture, the Committee on Human Rights and other bodies that are regularly in contact with the Ukrainian authorities.

UW: In March, the CoE launched a project to support the reform of criminal justice in Ukraine. How far has it got in terms of cooperation with the Ukrainian government, prosecutors and judges? Are they ready for the changes?

— In my opinion, this is about two things. The first one is the work that needs to be done to create a legal framework that is compatible with European standards, and the legal environment to facilitate re-

PHOTO: ANDRIY LOMAKIN



spect for human rights, the rule of law, the rights of victims and respect for democracy in general in the context of criminal justice.

I must say that the Ukrainian government has been under certain pressure lately. This was not because this came as a surprise – there have been delays in taking the necessary steps for years. Since 2010, we have seen several rapid moves towards the adoption of this legal framework. They have relied on the previous work of the CoE and opinions of the Venice Commission as far as the Prosecutor's Office is concerned. An important part of the work carried out had been done by these institutions together with the Ukrainian authorities, as well as PACE earlier. The basis was already there.

Over the past few years, all this work has intensified enormously. The attitude of Ukrainian authorities has been positive so far.

Another thing that is still to be done today is the implementation. The biggest focus should be at that. To implement the reforms, positive reaction of the top authorities will not suffice. Successful implementation takes people involved in everyday practices, including prosecutors, judges, lawyers and the police, to play by the established rules. The response of the hierarchy is important but not enough. So, the second phase of this project should focus on everyday implementation of these principles by legal professionals who deal with these matters, not only in the political sphere.

UW: How critical is the current stage in the reform of the Prosecutor General's Office? A new version of the respective bill is currently being considered by parliament. Have the Ukrainian authorities informed you that they integrated all recommendations of European experts and institutions to the bill? What does the CoE recommend in terms of reforming the Prosecutor's Office in Ukraine?

— The reform of the Prosecutor's Office is probably the most important part of the criminal justice reform because it will transform the Prosecutor's Office from a Soviet-type prokuratura into a modern European institution. We have worked with the Ukrainian authorities intensely on this.

The law is very important because it will provide a framework for the exercise of the prosecution function in the future. The initial draft law was assessed positively by the Venice Commission and the Directorate of Human Rights. It is a very important step that already brings transformation to the Prosecutor's Office. However, some issues still need to be addressed and the Venice Commission has identified these points clearly in its Joint Opinion.

These concerned the functions outside the criminal justice area which partially remained within the competence of the Prosecutor's Office. In this respect both the experts of the Directorate of Human Rights and the Venice Commission had some questions. Another series of points concerned provisions on independence of prosecutors and particular issues in relation to disciplinary proceedings. These points had to be addressed in the bill submitted to the Parliament. But the main conclusion can be summarised as follows: "First and foremost, the provisions of the draft law constitute a significant step forward; they have clearly laid a firm foundation for transformation of the public prosecution service into the institution that meets the needs of a modern criminal justice system".

The bill is now to be considered in the Verkhovna Rada. For this moment

BIO: **Christos Giakoumopoulos** has been Director of Human Rights in the Council of Europe's Directorate General Human Rights and Rule of Law since 2011. Previously, he served as Director of Monitoring in the same Directorate General since 2006. Before joining the Directorate General of Human Rights, he was General Counsel and General Director for Legal and Administrative Affairs at the Paris-based Council of Europe Development Bank. Since joining the CoE in 1987, he had served in the Registry of the European Court of Human Rights, the Venice Commission and the Office of the Commissioner for Human Rights A. Gill Robles

neither our experts, nor the Venice Commission have seen the final draft law prepared into which the CoE recommendations were incorporated. Hence, I encourage the Ukrainian authorities to duly take into consideration the recommendations outlined in the Joint Opinion, with a view to improving the Draft Law and fulfilling the commitments undertaken in the light of Ukraine's European integration. We are looking forward to the prompt adoption and implementation of the new Law on the Prosecutor's Office of Ukraine in full compliance with European standards. Let me reassure you that the Council of Europe stands ready to continue supporting Ukraine in its future endeavours aimed at effective implementation of the justice sector reforms.

UW: This question concerns the Yulia Tymoshenko case: Do European countries have laws and earlier practices of letting inmates go for medical treatment abroad and returning them to prison after the treatment is over?

— I don't think there are any specific rules to regulate or prohibit such things. They should be approached in a very pragmatic way. If there is a need for medical treatment abroad, I don't see why it should not be satisfied. There are certainly precedents of medi-

THE REFORM OF THE PROSECUTOR'S OFFICE AIMS AT TRANSFORMING IT FROM A SOVIET-TYPE PROKURATURA INTO A MODERN EUROPEAN INSTITUTION

cal treatment offered to persons in another country in the European practice. But the existence of precedents is a secondary issue in my opinion. If the person concerned needs medical treatment abroad to preserve life or health, the European Convention on Human Rights demands that such need is satisfied. Whether this treatment is provided by ad hoc rules or existing legal framework it is up to the state to decide. ■



Business Buzz

The Ukrainian Week holds a mini-survey of business associations and executives on how the Association Agreement can affect their life in Ukraine



JORGE ZUKOSKI, President of the American Chamber of Commerce in Ukraine

With the third Eastern Partnership Summit in Vilnius approaching fast, discussions about signing of the Association Agreement and establishing the Deep and Comprehensive Free Trade Area (DCFTA) between the European Union and Ukraine become even more intense. Ukraine has not demonstrated yet the full commitment to fulfill all the requests that the European Parliamentarians have set before the country's leadership. Only two weeks left

until this decisive event and the international business community represented by the American Chamber of Commerce in Ukraine remains cautiously optimistic about what future holds.

Our Members have always been strong supporters of Ukraine's European aspirations and therefore have been actively encouraging the Ukrainian leadership to continue moving towards closer integration with Europe via the advocacy platform provided by the American Chamber of Commerce. Ukraine is yet to make a final decision on whether to commit and prepare for all the opportunities and challenges which business, the Government and civil society will face at the initial period of implementing the Agreement provisions. If the Ukrainian leadership sticks to the European path, we do believe that the short-term difficulties would be just a normal stage on the way towards reaching the prosperity that European nations enjoy, and can be overcome by concerted efforts from all the stakeholders involved. International businesses believe that throughout the transition period, the most efficient means of reducing possible negative effect on the economy is, in the first place, a thorough study of the implications of the DCFTA for particular sectors and building very concrete plans while realizing the real scope of work and timeframes for implementing all necessary legislative, regulatory, and practical changes.

Our Members very much look forward to seeing the Association Agreement signed. We hope that results of the Summit will be in favor of Ukraine's integration and will continue building a broad and all-inclusive partnership of stakeholders from business, diplomatic, and expert communities to put in place an action plan from the very first day after the signing. One of our initiatives - permanently functioning DCFTA Implementation Advisory Center will become a great platform for intensive and productive discussions of domestic and foreign investors with the Ukrainian Government representatives and society at large. These efforts will result in providing practical recommendations for the Government on the most efficient ways for implementation of the DCFTA provisions, incorporating not only the letter of the EU law, but also the spirit of the EU law into the Ukrainian regulatory sphere. This initiative is driven and strongly supported by our Members and we invite everyone to get actively involved in analyzing what needs to be done in order to create conditions for enjoying all benefits of the EU-Ukraine Association Agreement, and move together along this crucial path.



CORNELIUS GRANIG, CEO of Siemens Ukraine

In our opinion, Ukraine will benefit from the signing of the Association Agreement economically. It will open new markets for Ukrainian producers and provide them with many new opportunities. Another key benefit of the Association Agreement is facilitation of modernization at Ukrainian enterprises.

I have recently met with representatives of MetInvest, the Industrial Union of Donbas and DonetskSteel at a conference Siemens Ukraine held in Donetsk and Dnipropetrovsk. My personal impression was that they realize that once Ukraine signs the Association Agreement, it will get more access to loans from Western banks, and this is the money they need to upgrade their facilities. Once upgraded, the plants will produce and sell more to European countries.

A large portion of Ukrainian products goes to the Russian market today. This is because Ukrainian producers have few alternative options. The signing of the Association Agreement will help change this and expand opportunities for them.

This is one of the things we will discuss with the EU Enlargement Commissioner Stefan Füle and representatives of European business at the upcoming Eastern Partnership business forum before the official session of the Vilnius Summit.



GRAZIANO CAMELI, CEO of UniCredit Bank

I assume that the signing of the Association Agreement at the Eastern Partnership Summit in Vilnius two weeks from now - if it is signed there - will most likely be a sort of a starting point for the Ukrainian market. However, we should all realize that the signing is not enough.

Both banks and investors need a clear agenda of reforms to be implemented, that could protect the rights of creditors, ease administrative pressure and change the judiciary system.

An important part of the Association Agreement is the norms that can encourage European businesses to enter Ukraine and import their business culture. A number of provisions focus on the protection of European business from frequent pressure it has faced in Ukraine so far. If the Association Agreement is signed, European entrepreneurs will be first to point at violations, while the EU will be able to protect its business through its Association Council, using the tools the Association Agreement provides. Thus, European entrepreneurs will have more confidence to come and work on the Ukrainian market.

On the other hand, Ukrainian businesses that face problems with authorities will also turn to the EU for support. This will make the playing field more equal for Ukrainian companies non-aligned to those in power and European ones. Ukrainian consumers will get the most benefit out of the spread of the European business culture in Ukraine. Producers who take efforts to increase efficiency and grow accustomed to normal market competition will also benefit as they will become more competitive. ■



TARAS BARSHCHOVSKIY, Founder of T.B.Fruit

Most experts agree that the signing of the Association Agreement with the EU is a positive step for Ukrainian farmers since local agricultural produce will gain access to the European market of 500-600mn consumers. Moreover, they should be able to export their produce at a 0% or 0.5% duty in the first year after the signing.

The flagships of Ukrainian agriculture, including producers of grain, chicken and dairy products, are expected to be particularly successful on the European market.

However, not much is said about lower import quotas to the EU alongside lower duties. According to the Association Agreement provisions published officially so far, the quotas for grape and apple juice is 10,000t per year in net weight with a gradual increase to 20,000t annually. The conditions of this gradual increase are not disclosed.

T.B.Fruit is a leading Ukrainian producer, and one of the biggest suppliers of apple concentrate to Europe. Our capacity allows us to export at least 50,000t annually. So, we do not expect much benefit from the Association Agreement for our business. Instead, we get a controversial bonus: tense economic relations with Russia can make exports to Russia more difficult.

Still, we view this situation as a new challenge. Moreover, we have foreseen this "European" scenario and started to expand our business geographically in advance.

Overall, European integration is an important step for Ukraine that will determine its future. Its success depends on the efforts of businesses and sentiments in society, but, first and foremost, it depends on the national policy, well-though decisions and consistent actions of the state - the will to protect the interests of the entire economy, business and society, not individual players.



OLEKSANDR TYMOFEEV, Director General of AWT Bavaria

This is the first step towards the European Union which is the most civilized union in the world today that provides jobs and proper living standards to many citizens. It will also help improve the quality of goods thanks to the implementation of high standards. BMW Group trademarks we represent in Ukraine fully meet them. So, we expect, first and foremost, that business in Ukraine will become more civilized and predictable. If this scenario is realized, we will work sustainably and fill Ukraine's budget. The association means huge prospects in the future for Ukraine.



DARIO MARCHETTI, General Manager of Danone Ukraine

Danone Ukraine is very positive about the prospects of signing the FTA agreement. It will lead to the cancellation of export duties on many products, which will increase trade between the EU and Ukraine. But milk business is a local one, we use Ukrainian ingredients and sell packed dairy on the internal market, thus we don't expect our export to grow remarkably. However, the overall quality of products in the country will increase as Ukrainian farmers will have to undergo many changes to improve their product to be able to export and sell it to European companies. The biggest problem of Ukrainian milk industry remains private households on which producers rely as milk suppliers. If we talk about strict EU norms, the producer has virtually no chance to trace the way of the milk from the final product to the cow that produced that milk, the food the cow ate and the conditions in which it lives in Ukraine.

Farmers must be motivated to change and improve; they should make a good-quality product, not add water to the bucket, trying to sell "more" milk at a lower price. The tendency in Europe is to reduce the number of cows but increase their productivity. Just recently we organized an educational and practical seminar for Ukrainian farmers with specialists from Israel, where cows give 11,000 litres of milk, as opposed to 2,500-2,000 litres in Ukraine. Ukraine has ways to go, but it will cope with this. It is one of the countries where if you manage business well, you can produce milk at a lowest prime cost. So more players will get involved and competition will become even tougher but this is only to the benefit of a consumer.

Danone never compromises quality, we operate on equally high standards in every country, so we are ready for new standards and regulation. As a sustainable business, we will help our suppliers improve their performance in compliance with the EU standards. In 2010, we started developing milk cooperatives that revive villages, give them economic stimulus and can subsequently grow into farms. They will be the future source of growing demand for milk products.

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Great Opportunities, Great Flaws

German economy is striving towards investing in Ukraine, but faces many obstacles



Berlin. Rainer Lindner is a very busy and influential man. Serving as Executive Director of the Committee on Eastern European Economic Relations (CEEER), Lindner may have to break off his conversation to take a call from a minister. His word also carries a lot of weight with the government. The CEEER represents German economic interests in Eastern Europe. So, when Lindner strongly promotes “an increase of German activity in Ukraine”, it means something.

If all goes well during the final stages of the Association Agreement and FTA negotiations, his wish will soon come true. “This step is even more important, than Ukraine joining the WTO five years ago,” says Lindner. First of all, he sees “great possibilities” for trade between Ger-

Author:
Ulrich Krökel,
Germany

German business sees good opportunities in agricultural sector, as well as in engineering and the manufacturing of industrial equipment, with an estimated growth rate of

7%
annually until 2025

many and Ukraine, when customs barriers and import bans are removed, and standards are put in place. Germany was a key investor in Ukraine last year bringing in USD 6.6bn. And “Ukraine with a population of 46 million is a big potential in the market,” Lindner adds.

However, when German politicians and business-leaders speak about Ukraine, they often stress the world “potential”. Particularly loved is the following sentence: “Ukraine hides in itself a lot of potential,” as stated in an interview by former European Commissioner Günter Verheugen who works with Lindner in the elected leadership of the German-Ukrainian Forum (DUF). “Ukraine is potentially a very rich country,” which he would be most happy to see as a member of the EU.

However, the CEEER sees “the level of German trade with Ukraine as below average compared to the neighbouring EU member-states, such as Poland and Romania.”

According to the CEEER, an FTA would cause “a significant impact” on the German-Ukrainian economic relations. However, the situation is somewhat more complicated than that. There are approximately four hundred German companies currently present in Ukraine. Leoni Wiring Systems and the Metro Group are among them. The latter of the two is one of the biggest investors in Ukraine. It has up to 30 big stores in Ukraine and employs nearly seven thousand people.

German business sees good opportunities in agricultural sector, as well as in engineering and the manufacturing of industrial equip-

ment, with an estimated growth rate of 7% annually until 2025. However, there are obstacles which keep German companies from leaping to the east. One of the greatest concerns, in Rainer Lindner's opinion, is "corruption, legal instability and the lack of effective management." This may be based on the controversial antitrust proceedings taken against the Metro Group to put it under pressure. In the worst case scenario, a business can face an immense fine. "This is not acceptable," Lindner claims. This leaves an impression that the government measures are designed to reduce the competitive pressure from Western firms on Ukrainian companies.

Dirk Stratmann heads the office of John Deere, an agricultural equipment manufacturer, which supplies German equipment to Eastern Europe. He also insists on such conditions. Made in Germany "is an important argument to buy the product", he says, but "the factors limiting work are bureaucracy and highhandedness of the government. This is a system of old education, limited number of specialists and the lack of infrastructure."

Stratmann's opinion regarding the Association Agreement does not sound like a ground-breaking moment. His conservative prediction is that, "German companies, particularly mid-sized ones, of are seriously considering the Ukrainian market," he explains. However, he is sceptical about direct investment: "The general demand for agricultural machinery is still too low to locate Western production here. Plants in Western Europe with current production capabilities can easily produce the volumes needed."

Stratmann's skepticism is substantial despite the fact that, in theory, agricultural businesses should see a lot of potential in Ukraine with its fertile black soils and the image of "Europe's breadbasket". "The agricultural potential of Ukraine is still far from exhausted, and there are still many years for very good growth," Stratmann explains. This makes Ukraine a potential target for suppliers of seeds and chemical products for protecting plants, not just producers of agricultural machinery.

"Ukraine's location is an obvious advantage," comments Gerlinde Sauer, head of CEEER's agricultural sector. However, Sauer also men-

tions "corruption and the lack of legal guarantee" as one of the main problems, which make business negotiations unpredictable in Ukraine. Thus, the outcome of the Association Agreement will depend on the implementation of things envisaged by it. Therefore, the German economy still has serious doubts about it.

If cooperation between Germany and Ukraine depended solely on bilateral relations between Kyiv and Brussels, the potential would probably be good or very good, regardless of concerns. However, there is a third player in the game, whose "chess moves" in Lindner's words unpredictable - and that is Russia.

Lindner is very familiar with the interests of Moscow. President Vladimir Putin would love to integrate Ukraine into the Customs Union with Russia, Belarus and Kazakhstan. Lindner is not sure what the Kremlin will do, when Kyiv and Brussels reach an agreement.

It is clear that the trade war, which has reared its ugly head a few times, will have a negative influence on Ukraine's development and the possibilities of German investors will suffer. The dependence of Ukraine on Russian energy supplies is vital. The country consumes three times more natural gas than its neighbour Poland, and is much less productive economically. Therefore, Lindner warns those responsible in Berlin and Brussels not to add fuel to the fire for geo-strategic reasons. "Above all, German policy must immediately soften its influence on both parties and become an intermediary in the dubious case between Moscow and Kyiv," he said.

However, at this time it seems that German European politicians are particularly more reliant on hostile policies towards Russia. Elmar Brok, Chair of the European Parliament Committee on Foreign Affairs, has recently criticized "Moscow's attempts of blackmail." Russia broke international law. "Energy prices cannot fluctuate based on politics," Brok stated. The same holds true regarding the anti-monopoly process against Metro. No matter where you look from, one thing is clear: the lack of legal guarantees in Ukraine and beyond it in the former Soviet Union is a key impediment for investment. ■

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Outrageous Fortune

Survivors of the crisis are those that move fast and think creatively



PHOTO: REUTERS

Apostolos kaisidis is thankful that in 2008, after nearly half a century dealing in cars, his family firm moved out of Thessaloniki, Greece's second-largest city, to a cheaper place 50km away, and started repairing vehicles as well as selling them. If it hadn't, "we would probably be bankrupt now," he says. In crisis-ridden Greece, companies have had to adapt to survive.

Only about 50,000 new cars are expected to be bought in Greece this year, down from 220,000 in 2009, partly because loans are scarce. But with more ageing bangers on the roads, the repairs side of his business has been busy.

Since April 2008 the number of businesses registered with IKA, Greece's biggest social-security fund, has dropped by 119,000, or 38%. In such a brutal climate, businesses have had to do much more than just tighten their belts.

Relocating is one popular survival strategy. Whereas Mr Kai-

sidis has moved his firm out to the sticks to cut costs, Anna Maria Mazaraki, the owner of nine jewellery shops in Athens, is taking advantage of weak commercial rents and moving some stores to more upmarket sites. That ensures higher footfall and gives customers the impression she must be doing well, she says.

Others are moving their headquarters—but not necessarily their operations—out of Greece, to get access to cheaper funding. Last year Fage, the country's leading purveyor of yogurt, and Coca-Cola Hellenic, the world's second-largest bottler of Coke, moved to Luxembourg and Switzerland respectively. Now Viohalco, the country's biggest metals processor, is being acquired by its Belgian subsidiary.

Considering that they come from a nation of seafarers, Greek business folk can be rather inward-looking when marketing their wares. But the dire state of the domestic economy is prompting some of them to seek new customers abroad. Dodoni, a dairy

company, is setting up ice-cream outlets in Russia and Ukraine, to add to its portfolio in Bulgaria and Cyprus. Korres, a cosmetics firm, is developing its presence in Germany, France, Russia and Scandinavia. World Excellent Products, set up in 2011 by five young Greeks, exports premium-quality olive oil to 20 countries. Although Greece produces about one-tenth of the world's olive oil, much of its output is exported in bulk to Italy, where it is bottled, branded and sold at a markup.

Despite such efforts, Greek exports as a share of GDP are still just over half of the euro-zone average. If petroleum products are excluded, goods exports are still lower than in 2008. A survey of Greek sales managers, by Athens University of Economics and Business, found that only 26% of them saw exporting as an important strategic response to the crisis. Their priorities were seeking new domestic markets and making more use of the internet.

At least they were right about the last bit. Digilex, founded in 2011 in Athens, designs websites, e-commerce systems and mobile apps to retailers looking to cut costs and expand their reach. One of its creations is Snatch.gr, an online platform selling a range of cheap of products, either sourced from companies going into liquidation, or imported from China. The biggest challenge is bureaucracy, says Digilex's co-founder, Alex Ehrmann: it took four months to set up the company.

Taxibeat, a cab-hailing mobile app started in 2010, has expanded to various European cities as well as Rio de Janeiro, São Paulo and Mexico City. Globo, whose mobile apps let employees use their own devices for work, has divested part of its Greek business to focus on international clients. It has been the best performer on London's FTSE AIM Index this year.

Perhaps Greece's most visible business trend is the proliferation of bakeries, frozen-yogurt shops, cafés, and souvlaki stalls. Many have been set up by professionals who, having lost their cushy jobs, invested their savings and redundancy pay-offs in starting a new venture. This boom in entrepreneurial spirit may be the silver lining to the big, dark economic cloud that still hangs over Greece. ■

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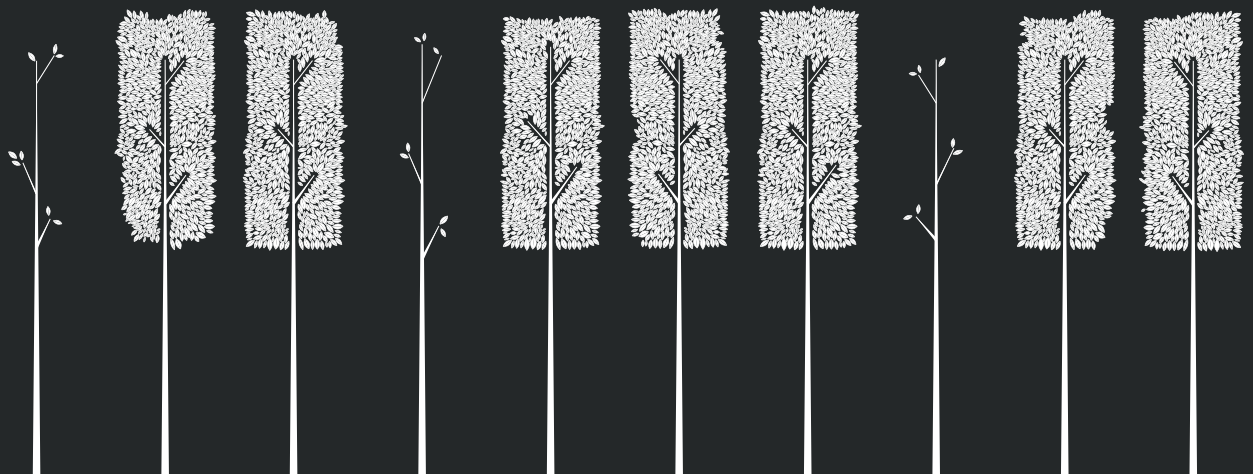
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East European Immigrants in the UK: A helping hand, not a burden

Despite the growing outcry over immigration, reports show that many immigrants work much harder than native Britons, contribute huge amounts in taxes, and add to employment opportunities



PHOTO AP

Author:
Michael Binyon, UK

A new report by Britain's Office for National Statistics says Britain's population will rise to more than 70 million people in the next 15 years, a massive rise of more than 7 million people that will result largely from a huge new wave of immigration.

The figures have caused fear, alarm and resentment and have made immigration one of the most explosive political issues in Britain today. For the past five years, the influx of immigrants, especially from

Eastern Europe, has been the main topic for right-wing politicians, who are calling almost every day on the Government to tighten curbs on immigration. The new figures project a British population of 70 million by 2027 and 73.3 million a decade later, an increase larger than the current population of London.

The figures come amid growing concern over the number of people likely to arrive from Bulgaria and Romania, when Britain opens its door in January to these two newest

members of the European Union. The Government is now desperately trying to limit access by these newcomers – estimated to number about 50,000 a year for the next five years – to Britain's free National Health Service and to social security benefits for the unemployed. But this is proving very difficult as it conflicts with Britain's obligations under the EU treaties, and Brussels is threatening to take the British Government to court if it discriminates against migrants from Eastern Europe.

So many migrants arrived after Poland, Lithuania, Latvia, Estonia, the Czech Republic, Hungary, Slovenia and Slovakia joined the EU in 2004 that the Government lost track of them. Officials now admit that nearly half a million more settled in Britain than they had reckoned – and were not discovered until the census in 2011 showed the population was even bigger than estimated.

Britain has long been a magnet for immigrants. Partly this is because of the English language, which most people in Eastern Europe and also beyond the EU learn at school. Partly it is because Britain's National Health Service has always allowed foreigners to be treated for free, like British citizens. And partly it is because the social security benefits and unemployment payments are seen as generous by people who earn far less money in their home countries.

As a result, Britain experienced a massive rise in the 1980s and 1990s in the number of people claiming political asylum – espe-

cially from Iraq, Afghanistan and other conflict zones – many of whom were in fact economic migrants rather than those suffering genuine political persecution. In response to growing popular unrest, successive Labour and Conservative governments have therefore tightened up the rules, making it far harder to claim political asylum and not allowing would-be refugees to take paid employment until their cases were resolved.

But while political asylum cases have fallen over the past decade, the number of people legally arriving to seek work has soared. This has presented the Government with a dilemma. Britain, like most West European nations, has an ageing population, and needs labour to pay for the rising pensions bill. And in an increasingly global economy Britain also needs the skills of highly educated doctors, engineers, computer specialists and other well-qualified people from developing nations such as India.

What has really embittered the debate, however, has been the sudden arrival of people from the new member states of the EU. This has coincided with a growing disillusion with EU membership among the British public, and the feeling that enlargement of the EU – which Britain long championed – has forced the country to accept millions of people who do not contribute to the economy.

Some of the figures underline the problem. A recent EU report, commissioned by Laszlo Andor, the EU commissioner in charge of employment and social inclusion, found that more than 600,000 unemployed EU migrants are living in Britain, at a cost of GBP 1.5bn to the National Health Service alone. The numbers, the study found, have risen sharply in the past five years. They show that 611,779 “non-active” migrants were living in Britain last year, a sharp rise on the total of 431,687 six years ago, and a figure equivalent to the population of Glasgow. In the three years up to 2011, the number of EU migrants coming to Britain without a job rose by 73%.

At the same time there has been a sharp rise in the number of East Europeans accused of fraud, pick-pocketing, prostitution, human trafficking, bogus fraud claims and what has become known as “benefit tourism”. A recent court case de-

tailed how a gang of Czech fraudsters attempted to make claims amounting to GBP 1m for child tax credits and child benefits. Last summer Britain deported more than 60 Roma beggars from Romania, who had camped on the grass verges of Park Lane, the smartest street in West London, and were begging outside the top tourist hotels. Many accepted free passage to go back home, but most promptly returned to resume their begging a few weeks later. And some of those arriving from Russia, Albania and other European countries outside the EU have been deeply involved in criminal activities – from people trafficking to drugs gangs, prostitution and other criminal fraud schemes. Publicity for these cases has added to the popular perception that Britain is seen as a soft target by some criminals in the East.

It is not only migrants from the East who are adding to Britain’s population. The eurozone crisis has forced many people from Greece, Portugal and the Mediterranean countries to seek work in Britain. Some, indeed, have arrived with considerable sums of money. And as a result house prices, especially in London, have risen sharply, making it almost impossible for ordinary British first-time buyers to buy a property in central and outer London.

Why do the East Europeans attract so much attention? First, they come in much larger numbers than immigrants from developing nations. Secondly, many of them compete successfully for jobs which native Britons are reluctant to take or for which local people have fewer qualifications. And thirdly, the vast bulk of them arrive perfectly legally, unlike African migrants or people smuggled into Britain from China, Vietnam, India or Africa, most of whom are caught and sent back home.

The growing outcry over immigration has had three dangerous effects. First, it has fuelled a nationalist and almost racist reaction to many foreigners, which is exploited by some right-wing politicians. Secondly it has made it very difficult nowadays to obtain a visa to Britain from outside the EU, deterring millions of Chinese visitors as well as students who would come to Britain to study if they could get a visa. And thirdly it conceals the very real benefits that immigration has brought

to the British economy over the past two decades.

Various reports have shown that, far from being a burden, many immigrants work much harder than native Britons, contribute huge amounts in taxes, and actually add to employment opportunities throughout the country. The claim that many immigrants are “scroungers”, seeking to live on benefits, is not substantiated by the figures: of the 5.7 million adults in Britain claiming government benefits, only 371,000 were born elsewhere and of those just 62,000 were from the EU. A survey of 18 European countries between 1999 and 2007 found that as a percentage of GDP, Britain spent the third lowest amount of the 18 countries on benefits for immigrants.

The issue has become politically explosive, however, because immigrants tend to exaggerate income inequality in Britain. Some new arrivals, especially the well qualified, earn very large salaries; the majority of newcomers, however, are low-paid, and are seen as competitors to the large number of Britons thrown out of work during the recession or leaving school.

Finally, a fact overlooked by those complaining that Britain is already a small and overcrowded island unable to accommodate more

The new figures project a British population of **70 million** by 2027 and **73.3 million** a decade later, an increase larger than the current population of London



THE SUDDEN ARRIVAL OF PEOPLE FROM THE NEW MEMBER STATES OF THE EU COINCIDED WITH A GROWING DISILLUSION WITH EU MEMBERSHIP AMONG THE BRITISH PUBLIC

people is that most immigrants from Eastern Europe do not intend to remain in Britain permanently. A huge number of Poles who arrived after 2004, but many returned home when the recession began and when conditions in Poland improved. And Britons themselves tend to emigrate – the country has the highest emigration rate in Europe after Spain. So it will take a while before the country is “swamped” by East Europeans. None of that, however, will calm the debate. The issue is likely to remain toxic to British politics for many years to come. ■

MPs on the Association Agreement and Tymoshenko

The Ukrainian Week polls members of the major political parties on the recent developments in parliament and chances of signing the Association Agreement



ARSENIY YATSENIUK, *Batkivshchyna*

Can you think of the Prosecutor General's Office looking at a case of five years, with no witnesses and no evidence, and deciding to withdraw the person's (Serhiy Vlasenko, Yulia Tymoshenko's lawyer, was summoned for an interrogation to the main investigation department of the Prosecutor General's Office on November 11 upon suspicion of physical abuse of his ex-wife. The next day he was released on a bail, his international passport withdrawn –

Ed.) passport and ban him to leave the country? ... And this is two weeks before the summit. This is a crystal clear answer to what is in their heads. All the things that have taken place at the Verkhovna Rada and all the things happening to Vlasenko are a crystal clear answer. Nobody (those in power – Ed.) is going anywhere. Maybe they will change their mind if the EU tells them "okay, you can put Vlasenko in jail and open five more cases against Tymoshenko, even then we'll consider your entrance to the EU". But Europe sticks to its principles, and this is about principles right now. We have requested Cox and Kwasniewski to continue the mission until the last day in Vilnius and to make an interim report. Maybe Yanukovich will then have an insight and he will finally decide to fulfill the EU's conditions and sign the Agreement. Therefore, we will fight for the opportunity to sign the Agreement with Europeans until the last day.



ANDRIY MISHCHENKO, *Svoboda*

I am deputy head of the working group that prepared draft laws on treatment of inmates abroad. Here is what happened there.

Representatives of the majority would sit and troll us, mocking the wrong commas... In turn, we essentially made concessions every hour as the majority demanded. So, they put up 19 points for vote, we voted for seven in a consensus, then put up three more, then we put two down. If there were will and a real intention to fulfill their 19 most important requirements, the draft law would have been completed by now, I think.

But we have to understand that an experienced lawyer instructed to fail a law will do so. The Party of Regions actually sent such experienced lawyers in the group – Oliynyk, Bohoslovska and others.

They were pretending to do something, posing for the cameras and could keep the group working for many more hours. But we realize that they would come up with new requirements every day that have nothing to do with that will.

This draft law is not a legal act, it's a political legal act. They wanted us to stay out of Article 365 on decriminalization. We removed that issue. They wanted to have a list of people not covered by this article and we did so. They wanted to amend the Code of Criminal Proceedings and we did. They wanted a bilateral agreement because Ukraine cannot impose its will on another country, and had it.

They demanded that inmates be released for treatment based on a court verdict – and we agreed to do so. We agreed to all basic things they could speculate on. But they just have no political will.



OLEH ZARUBINSKY, *Party of Regions*

Some MPs insist, even if seemingly, that there should be a law on Yulia. It can't be that way. We can't pass a law on one person. There is no such case in international or Ukrainian practices. This should be a law allowing all citizens, all inmates to be treated beyond the penitentiary system, other than the ones you just can't release

– the worst criminals.... The opposition wants a law to cancel punishment under the disguise of treatment abroad, and it says so openly. The Party of Regions believes that treatment abroad should not be identical to a release. That's all.

I don't think that the signing of the Association Agreement should depend on who places stakes on whom; on Moscow or Brussels wanting to have a controlled and fully dependent agent of influence. There is still the law on prosecutor's office to be passed. I think those 500 amendments were included for a purpose: people offer 10 amendments if they really want to change something... Just think how many plenary sessions they will take. I don't understand what this was done for. Perhaps, to prevent the prosecutor law from being passed. The same argument refers to the election law.

Then, there will be just one question left. Is Yulia Tymoshenko the reason why the EU is not signing the Association Agreement with Ukraine, or not... I believe that the fate of one person – even if well-known and influential in a certain circle – cannot determine the fate of the country.

If I played a political totalizator, I would bet 50% that the Agreement will be signed. In any case, Ukraine is ready to sign it. I wish the EU were ready, too.



VIKTOR CHUMAK, *UDAR*

The prospect of passing the law on treating inmates is vague because the Bankova (Presidential Administration – Ed.) has its clear position on this. It doesn't need it... The only thing that works for it is Yulia behind bars. What else can it decide? I think the main task they pursue is to show that they have fulfilled all of the EU's 11-19 provisions, except for one, so the decision is up to the EU now.

The prospect of signing is a serious political matter. How willing is Europe to turn a blind eye to Yulia Tymoshenko?

And it's not just Europe – there may be very serious consultations between Berlin and Washington, Brussels and Washington and so on. What we have today is probably the biggest geopolitical game after WWII and the collapse of the Soviet Union. This is my opinion. Just think about it: a choice could change all balances in the world.

Stanislav Kulchytsky: “If we end up in the Customs Union – we will cement our communist past”

The Ukrainian Week reflects on this in the historic context with historian Stanislav Kulchytsky

The uncertainty around the signing of the Association Agreement with the EU is generating a significant amount of nervousness in political circles. What will happen if Brussels fails to come to an agreement with Kyiv? Will the door to fruitful cooperation with Ukraine’s western neighbours be closed? Will it open to Russian ambitions, by joining the Customs Union?

UW: Quite a few researchers stand by the view that according to its social structure, as well as the logic of its economic and historic development – Ukraine is an authentic European country. Do you agree with this?

– Geographically, Ukraine is in Europe. Beginning with Arnold Toynbee and ending with Ivan Lysiak-Rudnytsky, not one historian has questioned the fact that it has an intermediary position between East and West. Over the centuries, our land has experienced political influence from both sides. Having said that, the eastern influence was caused by Ukraine becoming part of the Russian Empire, which actually emerged in the process of swallowing Ukraine.

The “reunification of Ukraine with Russia”, which was how the process was described at the celebration of the 300th anniversary of the Treaty of Pereyaslav in 1954, significantly increased the possibility of tsarism in further expansionist policy. But what did Ukraine gain from it? Not only isolation from Europe, a continent with the greatest historic progress in the 18th-19th centuries, but also the revival of serfdom. If, in the mid-17th century peasants were freed from the oppression of Polish and Ukrainian landowners and most had become Cossacks, under the Russian Empire, they became serfs once more.

Interviewer:
Alla Lazareva

UW: Did Ukrainians lose their identity, which was formed in the previous centuries, having become part of the Russian Empire?

– No, they remained true to themselves, although the Empire put pressure on them, generating a maloros - Little Russian syndrome among the proprietary and educated categories of the population. The Cossack leadership transformed into the nobility, doing military service to the state. What else could they do to protect their wealth? Intellectuals with a European education, such as Theophan Prokopovich, the man behind Peter the Great’s reform of the Russian Orthodox Church, found argu-

UW: So the famine was created to “put to rest” Ukrainians’ unification frame of mind?

– No, this was viewed as an auxiliary purpose. The famine is related to the collectivisation of farming, with Stalin’s intent to get rid of the economic exchange between the city and the village based on market principles, striving to achieve the direct allocation of material welfare between the workers and the peasantry with the aid of state institutions, not via trade-monetary relations.

The peasantry did not agree with this form for building socialism. At the time, Stalin transferred the task of liquidating these relations and the market to a different, completely utopian phase of communism - the allocation of material welfare based on need. After this, in the mid-1930s, he announced the victory of socialism. Meanwhile, 1929–1932 was a period of ruthless struggle between the state and the peasantry. The greatest resistance to the communization of farming came from the Ukrainians. They refused to become engrafted in the collective farms of the Soviet Union. But they were forced to take the main burden of pressure of Stalin’s regime upon themselves until the famine.

By the way, the Ukrainian peasantry in western oblasts also decisively resisted collective farms (even in the form of cooperatives) in the post-war years. It is true, however, that the resistance in Central Ukraine was largely passive (the steppe, lack of weapons), but it was very active in western regions for many years (thanks to forests, mountains and the existence of the Ukrainian Insurgent Army).

UW: Is it right to say that it actually proved impossible to reformat



UKRAINE’S INDEPENDENCE WAS WON BY THE REPRESENTATIVES OF PREVIOUS GENERATIONS

ments to substantiate tsarist autocracy. In truth, the Empire not only made serfs of the Ukrainian peasantry, but also allowed them to avoid serfdom by moving to new lands. By 1917 the territory populated by the Ukrainian nation doubled, compared to the mid-17th century.

The Northern Caucasus was a different issue. This area was part of the Russian SSR, but half of its regions were Ukrainianized in 1928–1932. On the territory, where most of the population was Ukrainian, state entities, mass media and educational institutions operated in its native language – Ukrainian. This gave rise to the issue of the reunification of Soviet Ukraine with this other Ukraine emerging in the Northern Caucasus. Stalin eliminated this issue from the agenda by organizing famines in both regions.

Why are we striving for EU membership? There are various answers, because people have different interests, but there is still a common denominator for these views - escape from the communist past, which is still with us, in our heads and habits

Ukraine, because its European essence turned out to be stronger than external pressure?

– It held out because the USSR collapsed. But the current generation cannot take any credit for this. Soviet people gained independence because communism self-destructed without the interference of any internal or external forces. The number of dissidents – citizens who did not agree with the government's policies was minor, only several thousand. The external threat to the Soviet Union was ruled out, because no-one wanted to go to war with a country that had nuclear weapons.

It can be put as follows: Ukraine's independence was won by the representatives of previous generations; those who created the Ukrainian People's Republic in 1917–1920, those who fought against collectivisation in the 1930s or Sovietisation in the post-war period in Western Ukraine. But I would not compare our society with current European society. Why? In a moment of frankness, Gorbachev once said: "it's terrible, that 75 years, three quarters of a century, have amounted to nothing", – meaning everything that happened after 1917. Meanwhile, West European countries developed. At the same time, Soviet people in the 1960–1980s felt that they lived in a socialist state, while everyone outside the USSR lived in capitalist countries. This was far from being the case. Communal socialism degraded in the Soviet Union, while in Western Europe, countries with a market economy (in the Soviet interpretation – capitalist) evolved in the direction of socialism. In it, a class war takes place in a civilised form and is of secondary importance, while cooperation between the classes is of the essence.

Why are we striving for EU membership? There are various answers, because people have different interests, but there is still a common denominator for these views; escape from the communist past, which is still with us, in our heads

and habits, in the orientation towards the paternal role of the state and the reluctance to exert all forces to achieve a set goal in a competition with rivals. If we end up in the Customs Union, we will cement our communist past. If we become associated members of the EU – we will most likely rid ourselves of this. Russia will only free itself of its Bolshevik mentality slowly, because it has cash and natural resources, which allow it to live without any transformations. We don't have oil and gas in such quantities that would hold back reform. The tense situation with the financing of social needs will ultimately force our government to undertake reform, regardless of its stand on its Soviet past.

UW: What do you think will happen if Ukraine does not sign the Association Agreement with the EU this month?

– I think that the current situation will continue. Europe is interested in Ukraine and Ukraine is interested in Europe. The pendulum will continue to swing between East and West but the cycle will be shortened. Those who are currently in power and consider themselves to be victorious are ultimately afraid of a social uprising, since they will have nowhere to go, other than the Russian Federation. But there, a social cataclysm can occur at any time – all it will take is a fall in world prices for fuels.

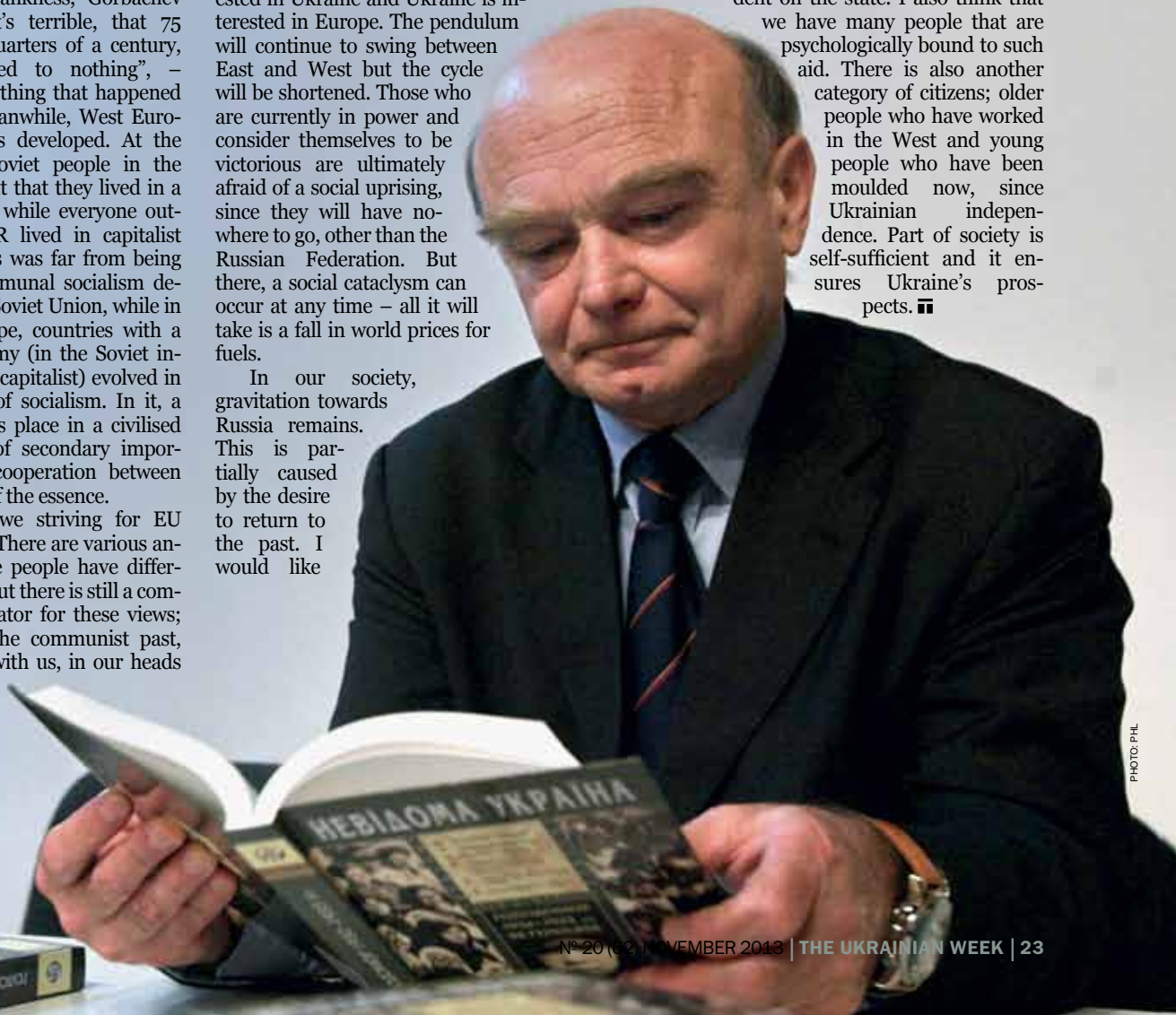
In our society, gravitation towards Russia remains. This is partially caused by the desire to return to the past. I would like

Many Ukrainians are psychologically bound to paternalism. But part of society is self-sufficient and it ensures Ukraine's prospects

to stress once more that communism is not a social order that is abhorrent to everyone – this is definitely not the case. This is not just a lack of freedom for people, it is also paternalism. When this order was formed in the USSR, the leadership of the Bolshevik Party tried to give something that would confirm the promise that: we will soon live under communism, everything will be distributed according to needs. Residential construction was financed by the budget, apartments were allocated free of charge, communal services were also supported at the expense of the state, as was health care.

One more reason why communism could have been convenient is human nature: some want to develop and achieve something, while others are happy with what they have. This is not about communism or capitalism, but human nature. In the USA, millions of people live off social benefits. It's minimal, but they are happy with it and dependent on the state. I also think that

we have many people that are psychologically bound to such aid. There is also another category of citizens; older people who have worked in the West and young people who have been moulded now, since Ukrainian independence. Part of society is self-sufficient and it ensures Ukraine's prospects. ■



HOMO EUROPÆUS

Being in the centre of a clash between civilizations of the East and the West, Ukraine is both a detonator and an object of that clash. In many aspects, its upcoming choice is crucial to itself - and Europe's future

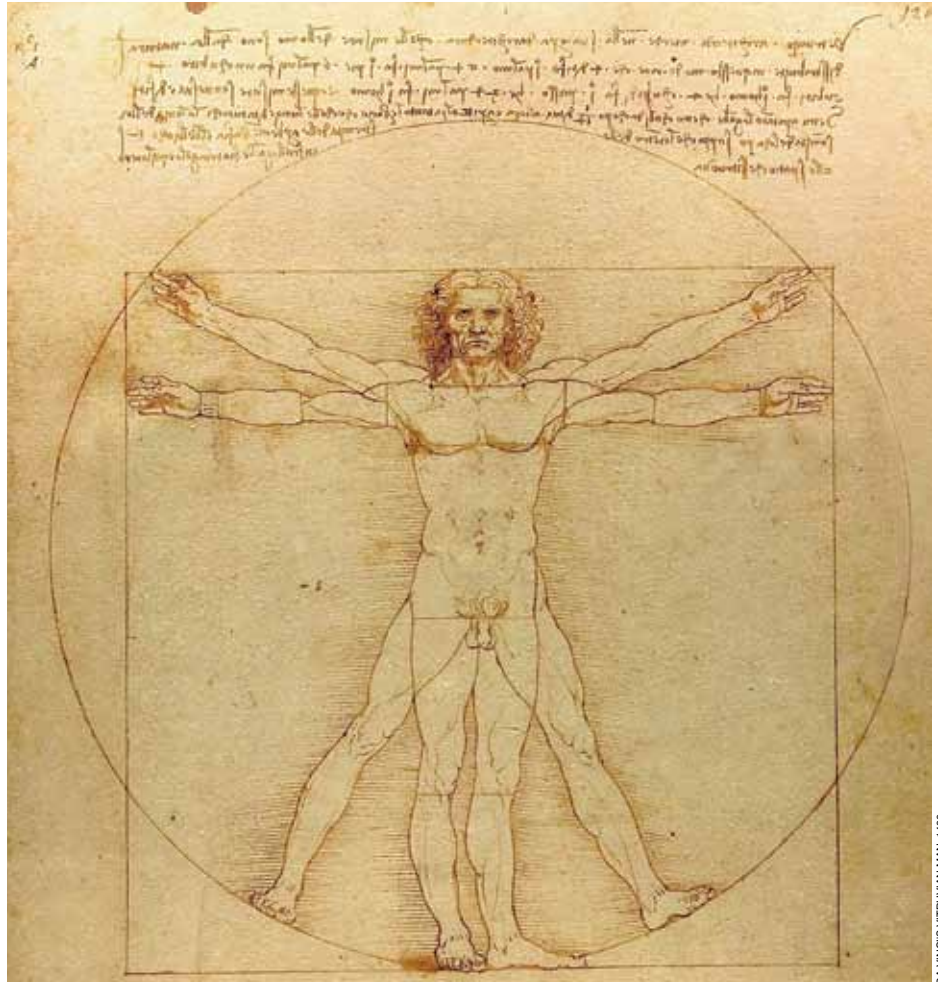
Author:
Oksana Pakhlovsk

In Aeschylus' tragedy *The Persians* the possessor of the Eastern world is Atossa, the second wife of Darius and the mother of Xerxes. Wonderingly she asks the chorus about the Greek world, after Xerxes' fleet had been lost in a crushing defeat at Salamis to a combined fleet of the Hellenic policies. "Who led those armies?" questioned Atossa. "They follow no one, my Lady. They don't think themselves as slaves, belonging to someone therefore, they were victorious in the attack of a larger army."

Unaccountable to her people Atossa – the Queen Mother, and "ruler of everything" – her cosmocratic authority had neither earthly nor cosmic boundaries. It was in 480 BC, half a millennium until the birth of Christ, when culture fixated the clash between East and West, a world of absolute authority, and a world where its citizens developed due to their will.

MAN AS A MEASURE OF BEING

Geographically Europe is a continent, however, as a cultural category it is a civilization with constantly shifting borders. From antiquarian Greece to the EU it was formed as a whole, not as a territory or a polity, but first and foremost as a culture, founded on a certain system of values. Europe vs Asia, West vs East, Civilization vs Barbarianism – this antithesis of the world of freedom and the world of slavery and unlawfulness can be traced as far back as Hellenic times. According to Herodotus, the Greeks are free – though servants of the policy. "For amongst the barbarians, all are slaves but one," Euripides writes in *Helen*. "Laws needed to be defended as though they were city walls," Heraclitus claims.



DA VINCI'S VITRUVIAN MAN, 1490

SYMMETRY OF THE BODY AND UNIVERSE. Anthropocentrism has been the heart of European culture since Renaissance

For centuries the category of Asia, the East was put in opposition to the values of Europe. The latter (in general the democratic world as the legacy of Ancient Greece) is a horizontal reality, based on the idea of the free man, for whom the nation and laws worked for. Beyond the borders of democracy lies the vertical world, where identity is fated to be the servant of uncontrollable authorities.

Of course it is not so simple. Europe also produced slavery and colonialism, destroyed nations and

self-destructed in local and world wars. Still, it is the brain of humanity, out of which both brilliant insight and monsters are born. Most importantly, though, it had a colossal potential for critical thinking right from the start. For a long time, this potential allowed it to analyze and recreate itself, without ever turning its back on its foundations.

During different periods from Ancient Greece to Romanticism – the early days of nation states - each country in Europe made its contri-

tribution to the building of a single civilization. Modern democracy is rooted in the ancient Greek philosophy of polis. The legal foundations of contemporary Europe lie in ancient Rome which added the idea of laws as a universal regulator of the relationship between the government and society on one side, and between different peoples on the other, to the concept of freedom and citizens accountable to their homeland.

Until the Middle Ages the heart of Europe was the Mediterranean. Later its cultural boundaries expanded, coinciding with the geographical boundaries of Christianity. This started a gradual synthesis of the Latin and Germanic worlds, accompanied by a growing contrast between western and eastern Christianity, and Islam. By the way, Latin Europe had long looked at the Nordic countries with respect, honouring their freedom loving spirit and social organization, in which the king was *primus inter pares* (the first among equals) similar to the princes of Kyivan Rus.

The split of the Roman Empire into Western and Eastern in 395 changed the geocultural coordinates of this part of the continent. Constantinople as the New Rome, opposes the original one, at then the Greek culture identified itself as an eastern one in relationship to Roman, the western one. This opposition continued for a few centuries, until it reformed in 1054 with the Great Schism of the Christian Church. By this point, Kyivan Rus had already become a part of this historical diatribe.

In the epoch of Humanism and the Renaissance, the next key periods for the continent, Italy made a maximal contribution to the intellectual formation of Europe. Born in Florence in the early 14th century, this new culture spread throughout the entire Old World practically by the end of the 16th century.

It was then that European culture demonstrated one of its basic properties: the ability to stratify cultural periods, to incorporate the past into the present and to modernize it. The renaissance of antiquity made the rich intellectual legacy of the Greek and Roman worlds relevant again, allowing them to live in the new time.

The first thing you see when flying into Rome is its airport, named in the honour of Leonardo



NEUMAGEN SCHOOL BAS-RELIEF, GERMANY

da Vinci, - and his drawing Vitruvian Man. This is a denotational image of the Renaissance, a symbol of anthropocentric culture: a body, with ideal proportions (placed within a square and a circle) symbolizes divine harmony, seen through human eyes.

Before Leonardo, Giotto had revealed perspective. This was not only a new artistic method – this was a change in how the world was perceived. Earlier art depicted the world from a divine perspective. With Giotto, the sacred perspective merged with the profane, making culture more worldly. The separation of religious and secular authority followed.

BELIEF AND HUMAN REASON

No less important was the birth of political Europe of institutions -- to a considerable extent thanks to Machiavelli.

A great achievement of this refined Florentine mind was political realism, a rational view of the functions and strategies of nations, called upon to serve the prosperity of its citizens. Machiavelli stood by the source of English and American political thought of the 17th-18th centuries, the French Enlightenment and modern political philosophy in general.

Humanist and Renaissance culture was a strong structuring factor in Europe. A certain type of erudition contributed to this. It solidified the intellectuals of the day, creating the idea of *res publica letterarum*, a literary republic of thinkers of various nations, united in humanistic ideals and complex natural human knowledge.

Concurrently during this period three great events took place, which changed the geocultural parameters of Europe, filling it with the new concept of moral thought. In terms of politics – it was the appearance of the “eastern factor”

**DURA LEX,
SED LEX.**
Roman law became the foundation of legal systems in continental Europe

due to the fall of Constantinople to the onslaught of the Ottoman Turks in 1453. Now the former Byzantium was seen first and foremost as a lost part of the West, and the Christian world found itself before a new eastern threat. In terms of social economics – it was the sailing to America in 1492, which began an epoch of large geographic discoveries.

After this, Europe felt itself to be part of a large world where more ancient civilizations existed with their own system of values: Indian, Chinese and Persian. Its self-perception grew more critical: “the others” were no longer “barbarians” compared to the West, and

FROM ANCIENT GREECE TO THE EU, EUROPE EVOLVED AS A CULTURAL UNITY BASED ON A CERTAIN SYSTEM OF VALUES RATHER THAN AS A TERRITORIAL OR POLITICAL ENTITY

the latter was slowly abandoning its idea of superiority and uniqueness. It is from this point that the anti-colonial tradition in the writing of European thinkers began – from Montaigne and Erasmus to the French enlighteners. They promoted the values which were still relevant in the 20th century: tolerance, respect for differences, freedom of thought, the necessity to fight against religious fanaticism and despotic rule.

Finally, there was one other event – it was to take place in the sphere of religion: the Protestant Reformation. In 1517 the split in western Christianity began along with a deep rethinking of its foundations that continues to this day. It had its impact on the economy: ▶



THE SCHOOL OF ATHENS BY RAPHAEL, 1511

subsequently, the protestant countries with their strong sense of individual citizen responsibility that boosted modernization and institutional efficiency came to dominate it.

In the 17th century, Thomas Hobbs and John Locke who were antagonists in many aspects transformed the island of England into the centre of political philosophy and theory of the state. Hobbe's *Leviathan* is a considerable memorial to European rationalism and English imperialism. A precursor of Enlightenment, Locke is also the father of classic liberalism and one of the most important representatives of so called contractualism – the theory of the social contract later outlined in the Declaration of Independence of the United States and completed by Rousseau and Kant.

German classical philosophy of the late 18th century and early 19th century was another pan-European phenomenon, which cemented the identity of Europe. It critically systematized and synthesized all of western European tradition, creating the basis for a modern Western philosophy.

The French Revolution changed the face of Europe by modernizing the concept of democracy. Its core values were free-

PILLARS OF THE OLD WORLD. In painting the state rooms of the Vatican palace, the Italian painter Raphael showed the four bases, which he, in his mind felt that human society should strive for: intelligence, kindness and love, beauty and justice

dom and equality. Montesquieu in his *The Spirit of the Laws* (1748), a prominent memorial to liberal thought, proposed the theory of the separation of three branches of government and laid the foundations of social and economic sciences. With their *Encyclopaedia or a Systematic Dictionary of the Sciences, Arts and Crafts* (1751–1780) Diderot and d'Alembert disseminated the principles of the Enlightenment throughout Europe.

The *Declaration of the rights of man and the citizen* (1789) has many similarities to the Declaration of Independence of the United States of America penned thirteen years earlier because both were highly influenced by the pe-

coexistence of nations was formulated. While Voltaire and Diderot still supported an Imperial Russia, Rousseau defended change in Poland in his essay *Considerations on the Government of Poland*, albeit only published after his death. Monarchical Europe was still reeling under the pressure of the Spring of Nations – with the people of Europe struggling against a Europe of monarchies and empires.

The great achievements of liberal thought of the Old World experienced a crisis in the 20th century. After the First World War three empires which dominated Europe and held in their shadow all the Slavic peoples collapsed: the Russian, Austro-Hungarian and Ottoman empires. However, the hopes of nations to become free did not materialize: during the period that French historian Alain Besançon labelled the “century of evil” Europe experienced a human catastrophe and a dramatic division into antagonistic blocs. At the Yalta European Summit of 1945 the old opposition of the West as a democracy and the East as tyranny was revived and activated.

The fall of the Berlin Wall in 1989 and the collapse of the USSR in 1991 once again confirmed that



OVER THE CENTURIES, ASIA AND THE EAST SHAPED AS AN OPPOSITION TO EUROPEAN VALUES

riod of Enlightenment. These two Declarations set forth fundamental rights, including the electoral ones, and finally established that people are the sole source of any authority in law. During this same period the theory of deterring imperial ambitions and the peaceful



cultural paradigms are the basic matrices of political transformation. The Slavic world itself is divided by two sets of values: Italian linguist and Slavist Riccardo Picchio describes them as *Slavia Romana* and *Slavia Orthodoxa*. The countries of western Christianity integrated into Europe easily. The countries of the east have seen the revival of a totalitarian system. Bulgaria, which broke free of that paradigm, and Serbia, which after the Balkan slaughter all the same is striving towards the West, nevertheless, are still seen as a Trojan Horse of the Kremlin. Russia is definitively in a contra-position to Europe and an antagonist towards the values of European civilization.

Ukraine has found itself in the centre of this landmark battle of civilizations, being both its detonator, and the object being fought for. The final border of Europe is dependent on its choice.

UKRAINE AS A BYZANTINE EXCEPTION

The latest geopolitical theories by Samuel Huntington and Zbigniew Brzezinski, Ralf Dahrendorf and Milan Kundera, Jerzy Giedroyc and André Glucksmann – treat Ukraine as a fatal limit of this clash between civilizations.

CELESTIAL MECHANICS. The belief in the possibility of human intelligence and continuous progress has been a part of European philosophy since the Renaissance and the Enlightenment



THE UKRAINIAN CULTURE RESENTS THE IMPERIAL MODEL, FINDING ITSELF IN THE STREAM OF EUROPEAN LIBERAL THOUGHT

Medieval Rus-Ukraine borrowed its cultural model from Byzantium and exported its political model to Moscow-Russia. Along with eastern Christianity Ukraine inherited its cultural constraints: slow secularization, traditionalism, an obscured identity and stifled initiative of its citizens.

However, Ukraine was an exception in the system of byzantine orthodoxy. This was partly caused by its evolution as a single state with Poland in the 16th-18th centuries when the fundamentals of the modern nation were established. Despite military conflicts with Poland,

a cultural dialogue with it drove the exchange of European-oriented legal and political texts. A particular democratic type of Ukrainian education spread throughout the country in Slavic Greek-Latin schools. Finally, the Greek-Catholic church arose as a grandiose cultural synthesis of Christianity. Thus, European civil consciousness took root

slowly and steadily in the depths of Ukrainian culture.

At times Ukraine was even a forerunner of events in Europe. Ukrainian Cossack hetman in exile and diplomat Pylyp Orlyk penned his Constitution in Latin in 1710. While less articulate than the American, Polish and French constitutions, it appeared almost 80 years before any of them. It defined Ukraine as a state with a strong concept of contractualism, the idea of limiting government and a vision of a state obligated to care for its citizens. The tradition of defending freedom as a natural right, even if not as well structured as in the West, was rooted in Ukraine deeply enough to survive to this day. This is the basic resource of civil consciousness.

The theories of the 19th-century Ukraine, too, reveal some super contemporary geopolitical projects. Historian and activist Mykhailo Drahomanov had then foreseen the creation of a United Europe. The generation of *Rozstilyanne Vidrozhennia*, the Executed Renaissance in 1917-1933, and the Sixtiers – Ukrainian and Soviet intellectuals active in the culture and politics in the 1950-60s – included many intellectuals who had a completely European mentality. Writer Mykola Khvylovy noted the presence of Ukraine in the “psychology of Europe” in *Faust*; poet Mykola Zerov talked about the return to *ad fontes*, to European sources, and writer Dmytro Dontsov spoke of the inevitable conflict between Europe and Russia. The Ukrainian culture resented the imperial model, finding itself in the stream of European liberal thought.

These intellectuals provided the next generation the keys to unlocking the Bastille, though that later generation failed to snatch them. The paradoxes of the Ukrainian mentality became more acute: Ukrainians have a zeal for freedom but no desire to struggle for it consistently. They have a desire to be part of Europe but lack discipline to build a civil society. They can criticize the government without being passionate and creative in designing alternative projects.

Still, Europe is the only historical fate for Ukraine. It is not a mirage on the horizon, but consistent hard work for the sake of final return to its genuine philosophical and moral roots. ■

Bread and Law

Ukraine's economic relations were originally European. So were its social lifestyle and institutions



GUESTS FROM OVERSEAS BY NICHOLAS PÖDERICH, 1901

Author:
**Oleksiy
Sokyрко**

Ukkraine's convenient geographic location on the intersection of the farming and nomadic worlds had always contributed to its development and the progress of transit trade. Ruled by the elite that was a symbiosis of Slavonic tribal leaders and Norman military commanders and merchants, Kyivan Rus evolved on the crossroads of several trade routes. One was the Salt Route better known as the trade route from the Varangians to the Greeks. The other one was the Silk Road connecting the West and East. New trade arteries emerging in the 11-16th centuries between Eastern and Central Europe, Baltic States and the Black Sea region, further reinforced Kyivan Rus' and Ukraine's status as an important economic region. However, this borderline location added another factor: the trade was accompanied by the never-ending wars.

ON THE EUROPEAN WIND ROSE

This model survived under the Polish-Lithuanian Commonwealth and the Cossack Hetmanate which inherited control over trade routes and the infrastructure, commercial ethics and law established earlier. The most powerful players in domestic and foreign trade at that point were Cossack elite and Orthodox monasteries that enjoyed protectorate from the Hetman governments. Their domination came from the vast lands they had in control and huge cash flows, reinforced by political influence and protectorate. The second most influential category included colonies of foreign merchants, from Greeks and Armenians to the Russians, Turks and Jews. Their business was also dependent on relations with those in power.

The Hetmanate's foreign trade that channeled revenues to the central budget went in two major direc-

tions. One was to Europe through Poland and Austria. The other one headed south-east where the Ottoman Empire and Crimea were the major trade partners. The westward trade corridor through which cattle, grain, horilka and other agricultural products were shipped to European countries dates back to the 16th century. It connected Ukrainian merchants from Poltava and Starodubsk with Gdansk, Breslau, Stettin, Marburg, Riga and other trade centres of Early Modern Europe. Still, the success and productivity of any market artery were linked directly to the interests and protection of the government.

The southern route was another big trade artery. By the end of the 18th century, the trade between Cossack Ukraine and Crimea was worth half a million rubles, an enormous sum at that time. However, merchants had to choose safe routes for their luxury oriental goods. The dry Black Sea steppes hardly fit into that category. The Tartars and average Cossacks attacked and robbed their caravans. Epidemic diseases travelled along with the caravans, too. Preventive measures were extremely burdensome: lengthy quarantines at border checkpoints were exhaustive and all expenses had to be covered by merchants.

So, most opted for the right-bank Ukraine under the rule of the Polish-Lithuanian Commonwealth. It was from there that wines, dried and smoked food, Turkish delights, silk, weapons and jewelry got to the Hetmanate, Sloboda Ukraine, and some South Russian provinces. The steppe routes were mostly used for cattle, salt and fish. This segment of commerce was entirely controlled by the Turks, the Cossacks and chumaky – Ukrainian merchants who traded salt extracted on the Crimean Black Sea coast.

PRO BONO PUBLICO

Just as in other European states, commercial life in Ukraine was centred around two key spheres. The main one was agriculture, followed by urban craftsmanship and trade. These served as the basis for property rights and economic self-organization expressed in craft workshops and commerce. Open and relatively unpopulated until the 18th century, Ukraine's steppe regions offered plenty of opportunities for commercial colonisation. This led to the development of a special social

type of land owner – entrepreneurial daredevils who constantly competed with nature and nomads, relying only on themselves. Other buffer zones of Europe, including the Balkans on the borderline with the Ottoman Empire and the Pyrenees stuck between the Christian and Arabic Muslim worlds, had similar agriculture-based economies.

Social institutes in Ukraine had much more in common with those in Europe, particularly with the Magdeburg Rights and craftsmen unions. Municipal self-governance was introduced in Ukraine at the same time as its cities revived from the Tatar-Mongol invasion. Subsequently, their economic role increased as well. Municipal self-governance was traditionally performed by magistrates, community governments comprised of two elected collegiums. Most municipal governments, including mayors, were elected. This transformed cities into republics within a state with their own governance, laws, taxes, police, even metric systems.

Municipal governments were directly dependent on the community citizens. “The council and the mayors must... discuss the welfare of the community... seek ways to make food and drink in town less expensive... in addition to that, they must monitor fraud in metres and weights during sales, prevent quarrels in town, protect orphans and widows from offense, and eliminate harmful and dishonest games... every year, the council must calculate all city revenues before the senior and most outstanding people from the community,” the statute of that time stated.

Craftsmen unions were another aspect making cities independent of kings or magnates alongside the Magdeburg Rights. Just like with municipal governments, these unions were chaired by elected seniors called union ministers. The unions were comprised of craftsmen, apprentices and students. The craftsmen union statute focused on the manufacturing procedures: the amounts produced, the prices and the quality had to ensure sustainable income to the craftsmen and minimize competition among them.

Even though the union leveling did more harm than good to economic development eventually, it still had an unexpectedly constructive impact on the corporate consciousness of the union craftsmen.

The union statute did not only focus on solving conflicts within communities, but protected them in courts, ran an aid fund, took care of orphans and widows, supported hospitals and schools and took care of the members’ moral health.

While West European craftsmen unions demanded that all members share one faith, the unions in Ukraine hardly followed that requirement. Most local unions just had quotas for Catholic, Orthodox or Armenian Gregorian artisans. In the 1520s, Lviv Rusyn artisans rose against oppression from the magistrate and did well enough to even get the royal government on their side. Further on, the craftsmen unions served as good tools to educate about basic virtues of civil activeness thanks to the knowledge of laws and rights, and legal protection thereof in courts, debates, even effective rallies.

MODERNISATION À LA RUSSE

Obviously, nothing lasts forever in this world. Trade changes, manufacturing evolves, and society and governments respond to these innovations. The European matrix in Ukrainian commercial life unexpectedly broke down in the early 18th century when Russia began to promote its political and economic interests on the continent. Thanks to the victory in the Great Northern War (1700-1721), it could redistribute political influence in Central-Eastern Europe and instill its rules of international business on its neighbours that were less shrewd.

As the war came to an end, St. Petersburg passed a ban on exports for some goods, most of them strategic for the military industry and part of Ukraine’s traditional exports. These included Ukrainian potassium, flax, goat fat, timber for shipbuilding and so on. It also imposed a ban on the exports of golden and silver coins, as well as imports of manufactured products. This stimulated the purchase of Russian goods. And Ukrainian merchants were ordered to transport their goods to northern ports in Riga and Arkhangelsk instead of the common routes to Krakow, Gdansk and Breslau. Russian authorities established a system of nearly 40 borderline posts and customs on the western and southern frontier of the Hetmanate. They controlled the exports and collected duties. The new rules required merchants to go to Kyiv or Briansk to

declare their goods and get a license and documents to travel to Russian or foreign ports.

This changed the motion and philosophy of entrepreneurship. Peter’s mercantilism did not really have faith in private initiative, preferring state-controlled financial and industrial groups known as kumpanstvo (these were initially voluntary communities to fulfill shipbuilding obligations – Ed.) organized by officials and merchants under the protectorate of the tsar’s circle. Foreign traders could then buy export goods, i.e. cod, salmon, caviar, flax and skins, but only from the companies which held a monopoly on the industries producing and trading these goods. These mer-



A monument to the Magdeburg Rights in Kyiv that had it from 1494 to 1834



BUFFER ZONES OF EUROPE HAD AGRICULTURE-BASED ECONOMIES SIMILAR TO THAT OF UKRAINE

chants were also granted favourable trade concessions in Ukraine.

The innovations that changed the traditional Ukrainian business model dramatically gradually stifled the economic role of cities and their self-governing union lifestyle. While the left- and right-bank Ukraine still had over 500 town-like settlements at the end of the 18th century, the cities essentially turned into big artisan and trade villages or fairs. The abolition of the Magdeburg Rights as the last outpost of municipal citizenship in Kyiv on December 23, 1834, was just a symbolic detail in the “new imperial order” carefully built by Nicholas I.

The imperial modernization Ukraine underwent in the 19th century seemed to keep a European focus but had a totally opposite vector and ideology: not only did St. Petersburg’s economic policy consider nothing but the empire’s strategic interests, but followed an Asian business ethics based on an omnipotent government, cronyism, neglect of private ownership, and lack of transparency or competition. As it sped up modernization and industrialization, Russia’s first goal was to keep its status of a great power and a Slavonic and Orthodox outpost. Hence its policy largely oriented at catching up with Europe and the world rather. This continued in the Soviet Union. ■



A stamp of the Kyiv magistrate from the 16th century



A working blacksmith. A German etching from 1568



A fair

Waste No Moment

Roger Corman talks about dealing with viewer's unconscious mind, new facilities for cinematography and resistance in human nature

Interviewer
Slavka Kutsay

Photo
by Ihor
Chekachkov

Roger Corman is known as the king of B-movies - low-budget commercial motion pictures some of which took less than a week to produce. Out of over 50 films he shot, the most popular ones are adaptations of Edgar Allan Poe, particularly *The Pit and the Pendulum*, *Tales of Terror* and *The Raven*. He won an Academy Awards for his significant contribution in cinematography as a producer of about 400 films, including works of now iconic directors. Moreover, he is a perfectionist, in his own words, suffering from impossibility to turn imagination into reality.

UW: What is the secret of your high productivity?

– There are no secrets, but the only thing in which I believe strongly is pre-production planning. You don't have time to waste on a set, so I've always tried to prepare as much as it possible. Because most of the pictures I directed and produced are shot on fairly short budgets and short shooting schedules. I can't waste any second. I always come totally prepared. So I don't spend time during the shooting trying to figure out something that I could have figured out before. I previously adjust the sequence of ac-

tions with those who are involved in the process.

When I just started I couldn't pay them, but I promised, "Each of you will get a percent from income." And everyone got it when the film became successful. You should know in advance how much money you have. Yes, be idealist, use all opportunities you have, but at the same time be frank with yourself and people you work. It reduces the risk.

UW: Are you still experimenting? Or do you prefer upgrading good old familiar techniques?

BIO

Roger William Corman is an Academy Award-winning (2009) American film producer, director and actor, mostly recognized for his talent to shoot fast and chip B-movies. The well-known examples of them are, in particular, the adaptations of eight stories by Edgar Allan Poe. Corman made not less than nine pictures a year in the beginning of his career. In 1970 he founded New World Pictures – a small independent film studio for production and distribution, which in ten years gained more Oscars for The Best Foreign Language Film than other similar film studios all together. Cooperation with Corman was the starting point for many Hollywood stars, like Jack Nicklson and Robert De Niro, he also helped many up and coming directors, therefore some of them thanked him with cameo roles in their films, such as *The Silence of the Lambs*, *The Godfather-2*, *Appolo-13*.



– I have become more reasonable. Even in my age I rely on my experience, but you can't go so far with this only, because there's always something new. When you create film you should unleash your own instincts and fantasy, taking into accounts the trends. I still believe in my old tested techniques, but I'm always trying to use the newest ones available.

To produce a film today is easier than ever before. There can be difficulties with its distribution. Huge film studios are the ones that have access to main theatres all over the country in the USA. And I think everywhere is like this. You can probably show your picture on television or make a DVD. But it becomes more obvious that the internet will be the leading source of distribution in the nearest future. By the way, I'm also there. I have my own channel on YouTube called Corman's Drive-In - the virtual coming back to old concept of open air cinema.

UW: Can you name a modern writer who deserves attention of screenwriters who work in your genres?

– I think one of them is Clive Barker. He has many stories I find interesting. And, certainly, Steven King. I've thought several times of adapting his novels. He uses artificial environment to show the real human nature very skilfully.

UW: What inspires you to make horror movies? Do you like to scare people?

– I believe that horror is something that exists in the unconscious mind. When a child is not aware of the world he thinks there may be a monster under the bed, lightning and thunder may scare him. Many things scare children. As he grows older, the conscious mind tells him, "There's no monster under the bed. You don't need to worry about lightning and thunder." But the fear still exists in the unconscious mind. The task of the filmmaker working with horror is to brake through the fences of the conscious mind and strike the fear of unconscious mind.

Man had to be violent to survive, to force against wild animals which could kill him, and his own

kind. The problem today is that we don't need that violence anymore, but this violence is still within us. Thus, we have wars, tyranny. We need resistance, so let it be viewers' emotional resistance to evil in the film.

UW: Many things have changed since you directed one film after another in the 1950-60s. Has it become more challenging to make the audience scream and shiver?

– The basic principles remain intact. Ways to achieve them have changed. Today, you have more tools that we didn't have - you can use special effects, computer graphics. But the basic principles of unconscious mind are the same, as in the time of Greek philosophers who lived hundreds of years B.C., as they were when man was created. The basic elements don't change, but the way those elements are expressed have changed according to the level of civilization. We're dealing with basic desires: the need to simply exist, to get shelter, to get food, to have sex, to procreate... All of these things were at the beginning and are today.

UW: What about colours in your movies?

– Colour is very important, it creates an atmosphere, helps to put accents. You should rely on your feelings. For instance, when I was doing films based on Edgar Allan Poe, there were a lot of red candles. I used them every single time without knowing I was doing this until somebody told me.

UW: In your last film *Frankenstein Unbound*, the main character traveled through different dimensions – this was a popular trend in the early 1990s. What kind of a trip would fascinate the audience today?

– To me it would still be a trip to the future. The past we know, the future we don't know. Differ-



ent members of society are united by the desire to know what is going to happen next. To surprise viewers I would try to show elements in the future that we can't conceive today.

UW: The list of people you have worked with features great names, such as Francis Ford Coppola, Martin Scorsese, James Cameron. They are often called representatives of the Corman Film School. Who is your favorite student then?

– I've been asked that question and I never answer. If I pick one, somebody will say, "You should have picked me!" So, therefore, I'm proud of all of them.

When I decide whether to work with someone or not, I pay attention to three things. First is intelligence. I don't know any successful screenwriter, director or producer without it. Second is being ready to work hard. And finally, the third and the most essential is creativity - this person must be a Creator.

UW: "No art passes our conscience in the way film does, and goes directly to our feelings, deep down into the dark rooms of our souls," said Ingmar Bergman. What is your definition of a film?

– For me, a film is a chance to collaborate with my unconscious mind, because part of what I'm creating comes from it and I don't know the reason.

UW: They say, art needs sacrifices. What is yours?

– My sacrifice is that my ideas are always greater than my ability to execute them. ☐

THE MOST FAMOUS MOVIES:

- ① **Little Shop of Horrors** (1960). The story of a plant feeding on human flesh was shot in three days and was released with the slogan, "The funniest picture this year!"
- ② **The Terror** (1963). The story focuses on the lost soldier who meets a mysterious lady. This film was shot straight after *The Raven*, even decorations and cast were left almost unchanged.
- ③ **The Trip** (1967) stirred mania for films with psychedelic motives: the trip begins when you have used enough of LSD.

Twenty Shades of Youth

20 Ukrainian artists – nominees for the Pinchuk Art Centre Prize 2013 – presented their works in the art centre. All of the artworks were created especially for this project, in cooperation with the Pinchuk Art Centre curator, Bjorn Geldhof. The exhibition was announced as a panorama of young Ukrainian art. Of the nearly 1,000 applications, the committee selected 20 most accomplished and promising participants. The winners include experienced artists, such as Zhanna Kadyrova, a participant of the Venice and Moscow Biennales and winner of the Kazimir Malevich Award, and the scandalous singer of songs about miners' daily lives, Roman Minin, as well as new in contemporary art, such as Oleh Hryshchenko and Andriy Khir. According to Bjorn Geldhof, this year's exhibition proves that Ukrainian art has finally not only felt intuitively, but has become aware of its potential. "We are now seeing an in-depth development of the context," Geldhof commented.

The works of many participants appear inferior, sometimes because of dif-

ficult themes and sometimes because of the hesitant use of material. When developing the Ukrainian context, artists seem to have chosen safe universal subjects as opposed to edgy, but far more penetrating intimate moments. The police theme in Mykola Ridny's installation, the city rituals of Volodymyr Vorotnov, the mentality problem of Yevheniya Belorusets, the fleeting everyday life of Anna Zviahintseva and Maria Kulykovska – these concepts have already become the worn-out records of contemporary art. At the same time, Lada Nakonechna's work with space and Oleh Hryshchenko's work with a cultural code lack decisiveness. The projects of Oleksandr Kurmaz, Andriy Khir and the Open Group balance on the edge of counterculture and are a search, rather than a realization of art potential.

However, there are also truly ingenious pieces. They include the audio installation by Ivan Svitlychniy, where the sounds of objects are recorded and played through electronic filters. Stop at a specific spot between the loudspeakers, and you will feel how the



noise becomes ordered and transforms into an acoustic sculpture. Alina Kopytsia moves visitors to a play room where, as observers of innocent games, they are invited to examine their own sexuality. For his *Plan of Escape from Donetsk Oblast*, Roman Minin involved a whole group of chil-

Events

16 – 17 November, 1 —

CYCLOP
Closer Art Centre
(31, vul. Nyzhnyourkivska, Kyiv)

The extraordinary CYCLOP International Video Poetry Festival will take place for the third time in Kyiv this year. Video poetry belongs to young genres of cinematography, yet unfamiliar to the Ukrainian audience. To promote this art, the organizers prepared an intense programme with a competition of the best video poetry, discussions and debates with involving people from cinema art, as well as the presentation of the most famous world video poetry festivals. The event will culminate in a performance by The Good Times band and awards being given to the winners.



16 – 17 November, 5 p.m. –

Kosmopolit JAZZ Fešt 2013
Kosmopolit Hotel-Restaurant
(6, vul. V. Hetmana, Kyiv)

Kosmopolit JAZZ Fešt 2013 is when the best jazzmen of Ukraine and Poland meet on one stage. The headliners include Polish band Babooshki from Warsaw and singer Ola Trzaska from Dombrowa Hurnycha. The programme will also feature the original compositions of four jazz bands from Ukraine, including ShockolaD from Lviv and three from Kyiv: the Oleh Pashkovsky Quartet, the Konstantin Ionenko Quintet and Dislocados. The organizers guarantee an unforgettable jazz evening in a pleasant atmosphere and excellent company.



17 November, 9 p.m. —

Ken Hensley (ex-Uriah Heep)
The Gas Station Show-Pub
(20, vul. Dzherelna, Lviv)

As part of his world tour, the legend of the rock scene and one of the founders of rock music will play three concerts in Ukraine, one of which will be in Lviv. Ken Hensley will present his fans with an exclusive acoustic programme, as well as well-known Uriah Heep hits, such as *July Morning*, *Lady in Black*, *Easy Living* and others. The musician left the band in the spring of 1980 to pursue a solo career. His music creativity outside the band is equally successful and has gained a vast number of fans, who will not miss their idol's concert.



dren, which made the object documentary. Dobrynia Ivanov presented work in progress, which is also a documentary. The artist will talk to the people close to him in a separate sound-proof room throughout the exhibition. The conclusion of these interviews will be an object that will embody the artist's feelings about himself. The group Synchrondogs reflects parallel dimensions in photographs, in which the form of a human body changes, losing old capabilities and gaining new ones. The video installation of Olesia Khomenko records the act of painting, associating it with biologically creative, maternal energy. The triumph of the exhibition is Zhanna Kadyrova's *Monumental Propaganda* – a mosaic that is several meters long, where heroes of the consumer society and ideal advertising images that promise a happy life (see photo) appear in socialist-realist aesthetics. Just like many other artists, Kadyrova tried to work with artistic means that are new to her, within the limits of her project for Pinchuk Art Centre. The international jury will name the breakthrough in Ukrainian art in December 2013. Meanwhile, visitors can vote for the future winner of the people's choice prize.

Migrating Avant-Garde

The National Art Museum once again exhibits a private collection. This time, it offers a collection of paintings and graphic art from the early 20th century by the Odesa-based Society of Independent Painters, avant-garde artists of that time. Several representatives of this group were lucky enough to live in Europe for a while, particularly in Paris, from which they brought the latest painting ideas to Odesa. They then implanted European ideas in other like-minded artists.

According to art critic Halyna Tuluza-kova, the collection is notable not for its artistic quality, but for the history it tells – the history of escape. The names of Ukrainian artists presented here are little-known at home: Teofil Frayerman, Amshey Nurenberg, Isaak Malik and Mykhailo Hershenfeld. This is because the collection was kept abroad for almost a century. Over the time it existed, the Society organized just six shows in Odesa. With the arrival of the Bolsheviks, painting, which reinterpreted bourgeois trends, and the very lives of artists, came under threat. Those who did not switch to Social Realism lived out their lives in concentration camps. Fate was kinder to their paintings: in 1919, Yakiv Peremen, a collector, took the paintings out of Ukraine to save them. For a long time, they remained in private collections in Israel – the owners had no idea of the artistic value of the canvasses and kept them as family relics. There they remained until collectors in Israel collected the entire mass of work based on Peremen's memoirs and put them up for auction at Sotheby's. There, the Ukrainian Avant-Garde Fund, which organized the exhibition, acquired the paintings for USD 2mn. Today, the exhibition is a kind of travelling attraction, which in addition to Kyiv, will be shown in Vienna, Moscow and Paris. As the Fund's representatives noted, although the art of the Society of Independent Painters is cosmopolitan, the canvasses were painted in Ukraine, so after the tour, they may end up at the Ukrainian museum.



BY ISAAK MALIK

Open through December 1

19 November, 8 p.m. —

YOAV

Younost Club
(37-41, vul. Artema, Kyiv)

The renowned Israeli multi-instrumentalist, musician and singer, known in the music world as YOAV will be playing in the capital. He is a favourite with the public because of his successful combination of various music styles – from country to techno and indie. Another specific feature of YOAV's music is the exclusive accompaniment of the guitar, which the author uses as a string instrument and percussion. The musician's debut album was released in 2007, from which two singles – *Adore, Adore* and *Club Thing* – were successful in the charts throughout Europe. YOAV presented his latest album, *Blood Vine*, in 2012.



22 November, 8 p.m. —

Dnipro Blues Fest 2013
Neizvestniy Petrovskiy Art-Café
(15A vul. Naberezhna Lenina,
Dnipropetrovsk)

The first international blues festival will shortly be taking place in Dnipropetrovsk, to which performers from Dnipropetrovsk, Kyiv and Kharkiv have been invited. The frontman of the event will be famous American bluesman and guitarist, Guy Davis. He is not only known as a musician, but also as a lead actor in serials and theatre productions in the 1990s. One of his inspirations was bluesman Robert Johnson. So fans have been given the unique opportunity to see and hear their idol in a live performance, rather than on their TV screens.



23 November, 6 p.m. —

Blaze Bayley and Paul Di'Anno
Docke Pub
(25, vul. Bohatyrska, Kyiv)

Two former vocalists of the British cult band Iron Maiden are continuing their joint tour with a performance in the capital's pub. The programme will include both the band's classic songs from the Iron Maiden, Killers, The X Factor and Virtual XI periods, as well as compositions from the solo projects of both performers. Blaze Bayley and Paul Di'Anno were among the founders of Iron Maiden and were memorable to all with their charisma and ability to charge the audience with a 100% positive energy. The musicians have not changed since that time, other than throwing themselves even more into infusing the public with greater portions of frantic energy.



The Iron Heart of Poltava Oblas

The Ukrainian Week looks into the hidden face of Kremenchuk

Author:
Oleh Kotsarev

Kremenchuk — is hardly a popular tourist destination. Most Ukrainians know little about the city. It is located in Poltava Oblast, North-Eastern Ukraine. It's an industrial city. And it was mentioned in popular Soviet comedies a few times - probably that is all. Is there something for an interested guest to see? And what is it, because even the internet offers nothing that really stands out. However, for those who are bored of travelling along the common routes, this city may reveal some of its unknown charms.

Driving into Kremenchuk is best done from the right or eastern bank of the Dnipro river. In this way you will be first greeted by one of its most impressive attractions, a very tall bridge over the Dnipro, along with the photogenic landscapes along the river's banks. The bridge has two levels, the lower one is for the railway, while the upper one is for vehicular and pedestrian

traffic. The most interesting sensation is to cross it on foot - you move along with the steady flow of cars and hear the rumble of an endless freight train underfoot. The vast water and wind around will turn all this into unforgettable experience.

Like all industrial giants, though, this one is transient. The Kremenchuk bridge today is not only a strategic transportation junction and a site for experience-seekers, but also a pain in the neck for the entire region. Its condition continues to get worse, the bridge is closed over and over again, and the locals say that it would be better to build an entirely new bridge. But the fact that the next nearest crossing is 40 km away only makes things worse.

The Dnipro in Kremenchuk does not look as endless and sea-like as it does in Cherkasy where the river gets the widest. But it does not allow the city to over-

bear it as in Kyiv. Thus the industrial and natural landscapes are sufficiently harmonious, with quiet islands and channels that look like a boundless lace in distance on the one hand, and the port cranes and railroad junctions — on the other.

Ukraine's most famous poet, Taras Shevchenko, once wrote down a local folklore song about the Dnipro in Kremenchuk:

A pike swims from Kremenchuk,
Swimming on stealthily,
He that has not fallen in love,
Knows not pain.

A pike swims from Kremenchuk,
It's scales brightly shining,
He that has not fallen in love
Knows not happiness.

The grateful descendants even dedicated a monument to that philosophical fish.



1



2

Kremenchuk is one of the few *monotowns* – Soviet cities whose economy and entire life was dominated by a single industrial plant – where the major plant did not collapse rapidly after the USSR fell apart, and take the city's life with it. Its industry is hardly thriving today, but the local plants are mostly still in operation. One is KRAZ, a big producer of trucks and special-purpose vehicles. Another one is the Kryukiv Railcar Plant. It has recently produced new metro cars for Kyiv, but failed to win a tender to make new high-speed trains for the Ukrainian Railway for Euro 2012. The government opted for Hyundai as a subcontractor. Subsequently, the Korean trains stopped half-way when the temperature dropped in winter.

The rails, fences, pipes and cranes (much less intrusive than in large industrial cities) are not the only symbols of the industrial Kremenchuk. Some of its streets still have a specific atmosphere, behaviour and appearance of the streets. One is Kryukiv, a small district on the right bank which at one time was not part of the city. It was here that one of the first Ukrainian-Polish peace agreements was signed in 1625 after a lengthy battle. The clothing of its residents – all riding old Soviet-type bicycles – and the view of its establishments fuse into a mutated, self-mocking replica of idealized cheerful workers from the era of advanced socialism.

All this may give you an impression that Kremenchuk has nothing to offer in terms of architecture, but cranes and railway trains. Fortunately, this is not the case, though it does take some effort to find beauty among weird sites like the Independence Square with the hammer-and-sickle crowned column in the middle of it. Hidden behind grey *krushchovkas* – Soviet apartment blocks with small flats built on a massive scale in the 1950-1960s at Nikita Khrushchev's order, hence the name – stands a synagogue in the Moorish style. It is on Kwartalna or District Street, one of the city's oldest streets laid down in 1774. Kremenchuk used to have the largest Jewish community; today, it is mostly Ukrainian. By contrast to

the rest of Poltava Oblast that speaks Ukrainian, this city's language choice resembles that of Eastern Ukraine, so Russian prevails here. On Gogol Street is a building that looks somewhat baroque. It was built in the 18th century to watch over ship traffic on the Dnipro.

Even the industrial Kryukiv district offers some surprisingly nice-looking buildings. One is the house of the merchant and philanthropist Hryhoriy Churkin, built in 1902 (**photo 2**). On the territory of the abandoned military base near the railway some Classicist buildings have been preserved, however, you will have to see them from afar as you will not be permitted on the territory. You will have plenty of opportunities to examine original early Soviet architecture – such as the Kotlov Palace of Culture (**photo 1**). Built in 1927, it incorporates details of the late Socialist Realism with elements of Ukrainian Art Nouveau and Baroque, even with hints towards Constructivism.

Kremenchuk has given the world few well-known people, but at least two of them clearly stand out. The first one was a well known educator and writer Anton Makarenko (1888-1939). His experiment in educating juvenile delinquents still sparks debates today. Some see him as a progressive and prominent educator of young criminals, while others claim that all he did was to use prison order in his schools.

The other one is the writer Andriy Holovko (1897-1972), who studied in Kremenchuk. He was an exemplary Ukrainian Socialist Realism writer – somewhat unique, somewhat standard, but never genius. He never became famous for his writing. But he was known for shooting his daughter and wife in 1923 or 1924, based on different sources. Ostensibly this was due to mental problems caused by his serving in the First World War and the Civil War (today Sovietologists seldom recall that, though experience of long and intensive violence from 1914 to 1920 had a strong impact on mental health of people). Eventually, Holovko was never sentenced for this double murder, but sent for treatment. This “inconvenient

FACTS FROM KREMENCHUK'S HISTORY

16th century — most researchers believe that the city was founded during this period, though there is uncertainty of specific dates
 1550 — mention of the need to reinforce Kremenchuk as an outpost in the fight against the Tartars
 1590 — project of building a fortress for the Cossacks, in order to evict them from Zaporizhzhia
 1634-1635 — construction of a fortress and castle in accordance to the Universal issued by King Sigismund III. Architectural plan by Guillaume Le Vasseur de Beauplan
 1645-1647 — a mini war for Kremenchuk between Stefan Potocki and Yuri Nemyrych
 From 1648 — station city for the Chyhyryn and later the Myrhorod regiments
 Late 17th century — ongoing fighting
 1764 — becomes part and centre of Novorossiysk Province
 From the late 18th century — experiences industrial and trade growth
 1748-1785 — plague
 From 1802 — becomes part of Poltava Province
 1869 — the first bridge across the Dnipro river is built
 1870 — railway station is opened
 1876 — the first theatre is opened
 1917-1920 — Civil War. Kremenchuk changes hands many times

LOST SITES

Amongst the many losses of Kremenchuk during the 20th century is the **Assumption Cathedral** (1804-1816) designed by prominent architect Giacomo Quarenghi (1744-1817). The building in the Empire style was damaged during WWII but survived it to be finally destroyed during the ten-year rule of Khrushchev.



The **Kremenchuk tramway** is also a memory now. It was launched in 1899 and ceased to exist during the decline that followed the Civil War.

event” was eventually deleted from the official biography of the writer.

Cultural life in Kremenchuk today seems to not only revolve around local museums, galleries and other permanent art locations, but to try and escape from post-Soviet inertia. The city has an informal intellectual group *Prostir idey* (A Space of Ideas). Its members not only play chess and drink tea, but organize and hold various artistic events. With the assistance of the Committee to Protect the Ukrainian Language, the Mykhailo Ostrohradskyi University offers free courses for anyone wanting to learn or improve their Ukrainian. It is the success and the scope of such initiatives, among other things, that may change Kremenchuk's present image of an average industrial city in the future. ■

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